the Village of
Shorewood
AT THE EDGE OF THE CITY AND THE HEART OF EVERYTHING

# Village of Shorewood
# Long Range Financial Plan
# 2011 - 2020

**As Updated for the 2012 Budget**

**2011 - 2020 Financial Plan**

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**2011 - 2020 Financial Plan**

**Overview**

Shorewood

## A. Levy Limits

Our property tax levy for operations (non-debt) is currently limited to tax base growth and the decrease in our pre-2005 debt payments. Since the decrease in our pre-2005 debt is the only amount we anticipant can be added to our current tax levy, we start by showing the timing of this decrease. Next we show the maximum tax levy allowed in 2012 and 2013, along with the impact of those in future years.
The third page of this section shows a more moderate plan for how the Village could consider future tax levies, while working within the levy limits. This moderate option has been used in the other sections of the financial plan. No growth factor has been included for the calculation of levy limits.

## B. Summary of Tax Levy by Fund

Based on the moderate tax levy limit worksheet, this page shows how the levy would be applied to each fund. We allocated any operational increase to each fund individually. As an example, in 2013 the overall operational levy increased 1.0%, so the levy for each fund was increased 1.0%, excluding the Debt Service Fund as this levy is based on the repayment schedules. This page also shows the impact of the tax increases on a $300,000 home.

## C. Schedule of Revenues, Expenditures and Changes in Fund Balance

The revenues and expenditures for each fund are based on the 2012 budgeted amounts and assumptions found at the back of this document. The Net Change in Fund Balance line shows the annual gap in revenue funding which is the gap for all funds primarily financed through the property tax. Also shown is fund balance as a percentage of revenues. The fund balance policies are shown later in this document.

## D. Capital Projects Fund

The Recurring and Small Capital items are based on the 2012 budget and updates of the capital asset inventory replacement schedule. The large capital is from the comprehensive plan document on the following page.

### E. Parking, Water, Sewer and Storm Water Utilities

Discussion on estimated rate increases and changes in expenses for each utility are summarized following the schedule. It is not certain at this time if a Storm Water utility will be created to finance these projects or not. If a new utility is not created and the projects are still completed, then projects would need to be funded either through the general property tax or existing sewer user fee.

### F. Guiding Policies

This section summarizes the existing financial policies that were approved in the last long range financial plan and provides information on changes that may be needed in the future.

### G. Assumptions

This page summarizes the increases used for estimating revenues and expenditures/expenses in future years.

2011 - 2020 Financial Plan

Principal and Interest Payments - For Current and Projected Debt

| Budget Year | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| P&I on Levy Funded Debt Issued Prior to 7/1/05 | | | | | | | | | | |
| 2002 Bonds | $ 636,180 | $ 473,988 | $ 115,329 | $ 116,246 | $ 111,971 | $ 112,485 | $ 112,693 | $ 112,613 | $ - | $ - |
| 2004 State Trust Fund Loan | 16,135 | 16,135 | 16,135 | 16,135 | - | - | - | - | - | - |
| Total P&I on Debt Prior to 7/1/05 | 652,315 | 490,123 | 131,464 | 132,381 | 111,971 | 112,485 | 112,693 | 112,613 | - | - |
| **Change in Pre- 7/1/05 Debt** | | **(162,192)** | **(358,659)** | **917** | **(20,410)** | **514** | **208** | **(80)** | **(112,613)** | **-** |
| P&I on Levy Funded Debt Issued After to 7/1/05 | | | | | | | | | | |
| 2006 GO Notes | 174,760 | 173,910 | 167,970 | - | - | - | - | - | - | - |
| 2008 GO Notes | 165,623 | 187,105 | 222,555 | 236,265 | 248,855 | 270,455 | 260,615 | 255,535 | - | - |
| 2010B Taxable Bonds | 140,226 | 143,936 | 147,143 | 149,783 | 147,355 | 153,564 | 154,552 | 155,062 | 155,173 | 159,372 |
| Less BAB Rebate: | (53,960) | (53,664) | (52,818) | (51,391) | (49,182) | (46,036) | (41,530) | (36,000) | (30,004) | (23,339) |
| 2011 Bonds and future | - | 330,599 | 867,345 | 1,071,744 | 1,280,525 | 1,418,869 | 1,513,312 | 1,624,013 | 1,612,625 | 1,598,182 |
| Total P&I on Debt After 7/1/05 | 426,649 | 781,886 | 1,352,195 | 1,406,401 | 1,627,553 | 1,796,852 | 1,886,949 | 1,998,610 | 1,737,794 | 1,734,215 |
| Total Annual Debt Service - Tax Levy | $ 1,078,964 | $ 1,272,009 | $ 1,483,659 | $ 1,538,782 | $ 1,739,524 | $ 1,909,337 | $ 1,999,642 | $ 2,111,223 | $ 1,737,794 | $ 1,734,215 |
| % Chg in Debt Levy | | 17.89% | 16.64% | 3.72% | 13.05% | 9.76% | 4.73% | 5.58% | -17.69% | -0.21% |

2011 - 2020 Financial Plan

Maximum Tax Levy Allowed 2012 - 2020

| Budget Year | 2011 | Note A<br>2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| Prior Year's Levy | 10,233,297 | $ 10,165,359 | $ 8,883,545 | $ 11,090,905 | $ 11,146,028 | $ 11,367,180 | $ 11,536,993 | $ 11,627,298 | $ 11,738,959 | $ 11,478,143 |
| Less: Prior Year's P&I on post 7/1/05 Debt | (344,413) | (426,649) | (605,133) | (1,352,195) | (1,406,401) | (1,627,553) | (1,796,852) | (1,886,949) | (1,998,610) | (1,737,794) |
| Sub-total | 9,888,884 | 9,738,710 | 8,278,412 | 9,738,710 | 9,739,627 | 9,739,627 | 9,740,141 | 9,740,349 | 9,740,349 | 9,740,349 |
| Increase in pre-7/1/05 Debt | 2,825 | - | - | 917 | - | 514 | 208 | - | - | - |
| TID adjustment | - | (1,460,298) | 1,460,298 | - | - | - | - | - | - | - |
| Adjustment to actual levy | - | (176,753) | - | - | - | - | - | - | - | - |
| P&I on post- 7/1/05 Debt | 426,649 | 781,886 | 1,352,195 | 1,406,401 | 1,627,553 | 1,796,852 | 1,886,949 | 1,998,610 | 1,737,794 | 1,734,215 |
| **Maximum Allowable Levy** | $ 10,615,025 | $ 8,883,545 | $ 11,090,905 | $ 11,146,028 | $ 11,367,180 | $ 11,536,993 | $ 11,627,298 | $ 11,738,959 | $ 11,478,143 | $ 11,474,564 |
| Change in Total Levy (excludes TID adj) | | $ 178,484 | $ 747,062 | $ 55,123 | $ 221,152 | $ 169,813 | $ 90,305 | $ 111,661 | $ (260,816) | $ (3,579) |
| % Chg in Total Levy | | 1.8% | 7.2% | 0.5% | 2.0% | 1.5% | 0.8% | 1.0% | -2.2% | 0.0% |
| Non-debt levy (excludes TID adj) | $ 9,027,365 | $ 9,071,834 | $ 9,607,246 | $ 9,607,246 | $ 9,627,656 | $ 9,627,656 | $ 9,627,656 | $ 9,627,736 | $ 9,740,349 | $ 9,740,349 |
| **% Chg in Non-Debt Levy** | | **0.5%** | **5.9%** | **0.0%** | **0.2%** | **0.0%** | **0.0%** | **0.0%** | **1.2%** | **0.0%** |

Note A - For purposes of this schedule the 2012 amount has been updated to reflect the actual tax levy authorized even though that was not the maximum allowed in 2012.

2011 - 2020 Financial Plan

Moderate Tax Levy Limits

| Budget Year | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| Prior Year's Levy | 10,233,297 | $ 10,165,359 | $ 8,829,585 | $ 10,659,633 | $ 10,806,516 | $ 11,099,935 | $ 11,363,352 | $ 11,548,197 | $ 11,684,999 | $ 11,407,308 |
| Less: Prior Year's P&I on post 7/1/05 Debt | (344,413) | (480,609) | (605,133) | (974,883) | (1,120,849) | (1,414,268) | (1,677,171) | (1,861,808) | (1,998,610) | (1,720,919) |
| Sub-total | 9,888,884 | 9,684,750 | 8,224,452 | 9,684,750 | 9,685,667 | 9,685,667 | 9,686,181 | 9,686,389 | 9,686,389 | 9,686,389 |
| Increase in pre-7/1/05 Debt | 2,825 | - | - | 917 | - | 514 | 208 | - | - | - |
| TID adjustment | - | (1,460,298) | 1,460,298 | - | - | - | - | - | - | - |
| Adjustment to post-7/1/05 Debt | - | (176,753) | (377,312) | (285,552) | (213,285) | (119,681) | (25,141) | - | (16,875) | - |
| P&I on post- 7/1/05 Debt | 480,609 | 781,886 | 1,352,195 | 1,406,401 | 1,627,553 | 1,796,852 | 1,886,949 | 1,998,610 | 1,737,794 | 1,734,215 |
| **Maximum Allowable Levy** | 10,668,985 | 8,829,585 | 10,659,633 | 10,806,516 | 11,099,935 | 11,363,352 | 11,548,197 | 11,684,999 | 11,407,308 | 11,420,604 |
| **Actual Levy Used in 2020 Planning** | $ 10,165,359 | $ 8,829,585 | $ 10,659,633 | $ 10,806,516 | $ 11,099,935 | $ 11,363,352 | $ 11,548,197 | $ 11,684,999 | $ 11,407,308 | $ 11,420,604 |
| Change in Total Levy (excludes TID adj) | | $ 124,524 | $ 369,750 | $ 146,883 | $ 293,419 | $ 263,417 | $ 184,845 | $ 136,802 | $ (277,691) | $ 13,296 |
| % Chg in Total Levy | | 1.3% | 3.6% | 1.4% | 2.7% | 2.4% | 1.6% | 1.2% | -2.4% | 0.1% |
| Non-debt levy | $ 9,027,365 | $ 9,085,123 | $ 9,175,974 | $ 9,267,734 | $ 9,360,411 | $ 9,454,015 | $ 9,548,555 | $ 9,573,776 | $ 9,669,514 | $ 9,686,389 |
| **% Chg in Non-Debt Levy** | | **0.6%** | **1.0%** | **1.0%** | **1.0%** | **1.0%** | **1.0%** | **0.3%** | **1.0%** | **0.2%** |

2011 - 2020 Financial Plan

Property Taxes by Fund

| Tax Levy | 2011 Budget | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| General Fund | $ 7,715,996 | $ 7,874,719 | $ 7,953,466 | $ 8,033,001 | $ 8,113,331 | $ 8,194,463 | $ 8,276,408 | $ 8,298,270 | $ 8,381,253 | $ 8,395,880 |
| TID adjustment | - | (1,460,298) | - | - | - | - | - | - | - | - |
| Debt Service Fund | 1,137,994 | 1,258,424 | 1,483,659 | 1,538,782 | 1,739,524 | 1,909,337 | 1,999,642 | 2,111,223 | 1,737,794 | 1,734,215 |
| Capital Projects Fund | 406,418 | 301,303 | 304,316 | 307,359 | 310,433 | 313,537 | 316,672 | 317,508 | 320,683 | 321,243 |
| Library Fund | 784,205 | 784,205 | 792,047 | 799,967 | 807,967 | 816,047 | 824,207 | 826,384 | 834,648 | 836,104 |
| Elder Services Fund | 81,246 | 85,396 | 86,250 | 87,113 | 87,984 | 88,864 | 89,753 | 89,990 | 90,890 | 91,049 |
| Shorewood Today Fund | 4,500 | 4,500 | 4,545 | 4,590 | 4,636 | 4,682 | 4,729 | 4,741 | 4,788 | 4,796 |
| Marketing Fund | 35,000 | 35,000 | 35,350 | 35,704 | 36,061 | 36,422 | 36,786 | 36,883 | 37,252 | 37,317 |
| Total Village Tax Levy | $ 10,165,359 | $ 8,883,249 | $ 10,659,633 | $ 10,806,516 | $ 11,099,936 | $ 11,363,352 | $ 11,548,197 | $ 11,684,999 | $ 11,407,308 | $ 11,420,604 |
| % Chg for Debt Levy | | 17.9% | 16.6% | 3.7% | 13.0% | 9.8% | 4.7% | 5.6% | -17.7% | -0.2% |
| % Chg in Non-Debt Levy | | 0.6% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 0.3% | 1.0% | 0.2% |
| % Chg in Total Levy | | -12.6% | 20.0% | 1.4% | 2.7% | 2.4% | 1.6% | 1.2% | -2.4% | 0.1% |
| Estimated Village Tax Bill for a $300,000 home | $ 2,048 | $ 1,790 | $ 2,211 | $ 2,236 | $ 2,373 | $ 2,423 | $ 2,456 | $ 2,479 | $ 2,414 | $ 2,411 |
| Change | | $ (258) | $ 421 | $ 25 | $ 137 | $ 50 | $ 33 | $ 23 | $ (65) | $ (3) |

2011 - 2020 Financial Plan

Revenues, Expenditures and Changes in Fund Balances
Governmental Funds - General Fund, Library, Elder Services, Marketing, Shorewood Today, Debt Service and Capital Projects

| | Budget 2011 | Budget 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | | |
| Property Taxes - All Funds | $ 10,165,359 | $ 8,883,249 | $ 10,659,633 | $ 10,806,516 | $ 11,099,936 | $ 11,363,352 | $ 11,548,197 | $ 11,684,999 | $ 11,407,308 | $ 11,420,604 |
| Other Revenues | | | | | | | | | | |
| General Fund | 2,678,621 | 3,952,922 | 2,498,375 | 2,525,882 | 2,554,468 | 2,573,927 | 2,605,224 | 2,633,862 | 2,656,983 | 2,687,486 |
| Library | 134,405 | 140,476 | 140,588 | 142,295 | 142,411 | 142,469 | 144,288 | 144,348 | 144,471 | 146,284 |
| Elder Services | 76,204 | 76,699 | 78,048 | 78,736 | 80,126 | 80,835 | 82,267 | 82,997 | 84,472 | 85,224 |
| Marketing | 35,000 | 25,000 | 25,450 | 25,450 | 25,450 | 25,914 | 25,914 | 25,914 | 26,391 | 26,391 |
| Shorewood Today | 25,700 | 46,890 | 48,162 | 48,162 | 48,162 | 49,472 | 49,472 | 49,472 | 50,821 | 50,821 |
| Capital Projects | 4,201,679 | 2,196,220 | 2,392,720 | 3,127,720 | 2,097,720 | 1,262,720 | 2,097,720 | 1,267,720 | 1,842,720 | 592,720 |
| Debt Service | 878,419 | 1,120,600 | 1,858,391 | 2,511,119 | 2,968,630 | 3,291,999 | 3,917,332 | 4,236,289 | 4,807,135 | 5,248,797 |
| Total Revenues | 18,195,387 | 16,442,056 | 17,701,367 | 19,265,880 | 19,016,903 | 18,790,687 | 20,470,413 | 20,125,600 | 21,020,301 | 20,258,327 |
| **Expenditures by Fund** | | | | | | | | | | |
| General Fund | $ 10,486,867 | $ 10,463,651 | $ 10,678,134 | $ 10,904,369 | $ 11,127,583 | $ 11,387,097 | $ 11,626,012 | $ 11,861,153 | $ 12,134,188 | $ 12,386,543 |
| Library | 1,040,311 | 924,681 | 942,118 | 958,922 | 976,062 | 994,534 | 1,012,366 | 1,030,556 | 1,050,128 | 1,069,055 |
| Elder Services | 158,779 | 162,095 | 164,868 | 167,219 | 169,613 | 172,526 | 175,006 | 177,531 | 180,592 | 183,209 |
| Marketing | 70,000 | 60,000 | 60,963 | 61,318 | 61,676 | 62,668 | 63,033 | 63,402 | 64,424 | 64,800 |
| Shorewood Today | 30,200 | 48,277 | 48,760 | 49,247 | 49,740 | 50,237 | 50,740 | 51,247 | 51,759 | 52,277 |
| Capital Projects | 5,033,347 | 4,497,701 | 3,852,645 | 3,834,997 | 3,127,451 | 1,781,257 | 3,164,026 | 1,860,866 | 2,782,880 | 1,115,001 |
| Debt Service | 2,010,842 | 2,389,024 | 3,341,049 | 4,048,902 | 4,707,154 | 5,200,336 | 5,915,973 | 6,346,511 | 6,543,933 | 6,982,012 |
| Total Expenditures | 18,830,346 | 18,545,429 | 19,088,537 | 20,024,976 | 20,219,278 | 19,648,655 | 22,007,156 | 21,391,266 | 22,807,905 | 21,852,896 |
| Net Change in Capital Fund Balance | (425,250) | (2,000,178) | (1,155,609) | (399,918) | (719,298) | (205,000) | (749,634) | (275,638) | (619,477) | (201,038) |
| Net Change in Operating Fund Balances | (209,709) | (103,195) | (231,562) | (359,178) | (483,078) | (652,968) | (787,109) | (990,028) | (1,168,127) | (1,393,532) |
| Total Net Change in Fund Balances | (634,959) | (2,103,373) | (1,387,170) | (759,096) | (1,202,375) | (857,967) | (1,536,744) | (1,265,665) | (1,787,604) | (1,594,569) |
| Beginning Fund Balances | 6,027,824 | 7,403,386 | 5,300,013 | 4,139,135 | 3,725,526 | 2,982,934 | 2,743,674 | 1,332,602 | 995,956 | 304,308 |
| **Ending Fund Balances** | $ 5,392,865 | $ 5,300,013 | $ 3,912,842 | $ 3,380,039 | $ 2,523,151 | $ 2,124,967 | $ 1,206,930 | $ 66,936 | $ (791,648) | $ (1,290,261) |
| Fund Balances % of Revenues | 29.6% | 32.2% | 22.1% | 17.5% | 13.3% | 11.3% | 5.9% | 0.3% | -3.8% | -6.4% |

2011 - 2020 Financial Plan

Capital Projects Fund

| Account Name | 2011 Budget | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | | |
| General property tax | $ 406,418 | $ 301,303 | $ 304,316 | $ 307,359 | $ 310,433 | $ 313,537 | $ 316,672 | $ 317,508 | $ 320,683 | $ 321,243 |
| State Highway Aids | 331,000 | 280,165 | 280,165 | 280,165 | 280,165 | 280,165 | 280,165 | 280,165 | 280,165 | 280,165 |
| Sidewalk/Alley assessment | 65,000 | - | 65,000 | - | 65,000 | - | 65,000 | - | 65,000 | - |
| Bond proceeds | 3,631,679 | 1,740,000 | 1,930,000 | 2,770,000 | 1,635,000 | 905,000 | 1,635,000 | 910,000 | 1,380,000 | 235,000 |
| Reserves (CPF) | - | - | - | - | - | - | - | - | - | - |
| Grants/Donations | 8,000 | - | - | - | - | - | - | - | - | - |
| Local Road Improv Grant | 40,000 | - | 40,000 | - | 40,000 | - | 40,000 | - | 40,000 | - |
| Trans from GF | 87,250 | 77,555 | 77,555 | 77,555 | 77,555 | 77,555 | 77,555 | 77,555 | 77,555 | 77,555 |
| Transfers TIF & Utilities | 38,750 | 98,500 | - | - | - | - | - | - | - | - |
| Total Revenue | 4,608,097 | 2,497,523 | 2,697,036 | 3,435,079 | 2,408,153 | 1,576,257 | 2,414,392 | 1,585,228 | 2,163,403 | 913,963 |
| **Expenditures** | | | | | | | | | | |
| Recurring and Small Capital | | | | | | | | | | |
| Various Equipment - per inventory list | 184,557 | 184,751 | 468,329 | 154,456 | 63,555 | 161,479 | 193,738 | 258,247 | 66,150 | 215,758 |
| Police Vehicles | 41,300 | 42,475 | 93,875 | 110,700 | 42,500 | - | - | 42,475 | 132,775 | 68,200 |
| PW Vehicles | 97,000 | 229,000 | 230,995 | 269,951 | 247,613 | 175,481 | 186,195 | 99,718 | 44,800 | 36,635 |
| Reserved for future roads/sewer | 140,000 | - | - | - | - | - | - | - | - | - |
| Building Maintenance | - | 128,325 | 130,892 | 133,509 | 136,180 | 138,903 | 141,681 | 144,515 | 147,405 | 150,353 |
| Road Maintenance | 200,000 | 310,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| Sidewalk Replacement Program | 75,000 | - | 75,000 | - | 75,000 | - | 75,000 | - | 75,000 | - |
| Small non-inventory items | 196,950 | 213,405 | 100,000 | 102,000 | 104,040 | 106,121 | 108,243 | 110,408 | 112,616 | 114,869 |
| North Shore Fire-Debt serv | 95,861 | 94,669 | 94,353 | 94,381 | 94,362 | 94,273 | 94,968 | 95,503 | 94,933 | 94,186 |
| Sub-total Recurring/Small Capital | 1,030,668 | 1,202,625 | 1,393,444 | 1,064,997 | 963,250 | 876,257 | 999,825 | 950,866 | 873,679 | 880,001 |
| Large Capital & Per Long Range Plan | | | | | | | | | | |
| Fire and Dispatch | 209,779 | 138,999 | - | - | - | - | - | - | - | - |
| Bi-annual Roads | 2,000,000 | 2,691,077 | 1,000,000 | - | 1,000,000 | - | 1,000,000 | - | 1,000,000 | - |
| Alley Maintenance | 147,500 | - | - | - | - | - | - | - | - | - |
| Wilson Drive Reconstruction | - | - | 500,000 | - | - | - | - | - | - | - |
| Police Station | 400,000 | - | - | 2,500,000 | - | - | - | - | - | - |
| Park Improvements | 1,185,400 | - | 250,000 | - | 250,000 | - | 250,000 | - | - | - |
| Basin 1, Wood Pl & South drainage Way | - | 240,000 | 456,000 | - | - | - | - | - | - | - |
| South - Storm Construction (1/2 storm) | - | - | - | - | 665,000 | 665,000 | 665,000 | 665,000 | 665,000 | - |
| Lateral Rehab Program | - | 225,000 | 225,000 | 225,000 | 225,000 | 225,000 | 225,000 | 225,000 | 225,000 | 225,000 |
| Debt Issuance Costs | 60,000 | - | 28,201 | 45,000 | 24,201 | 15,000 | 24,201 | 20,000 | 19,201 | 10,000 |
| Sub-total Large Capital | 4,002,679 | 3,295,076 | 2,459,201 | 2,770,000 | 2,164,201 | 905,000 | 2,164,201 | 910,000 | 1,909,201 | 235,000 |
| Total Expenditures | 5,033,347 | 4,497,701 | 3,852,645 | 3,834,997 | 3,127,451 | 1,781,257 | 3,164,026 | 1,860,866 | 2,782,880 | 1,115,001 |
| Net Change in Fund Balance | (425,250) | (2,000,178) | (1,155,609) | (399,918) | (719,298) | (205,000) | (749,634) | (275,638) | (619,477) | (201,038) |
| Beginning Fund Balance | 781,345 | 2,139,085 | 138,907 | (1,016,701) | (1,416,620) | (2,135,917) | (2,340,917) | (3,090,551) | (3,366,189) | (3,985,667) |
| **Ending Fund Balance** | $ 356,095 | $ 138,907 | $ (1,016,701) | $ (1,416,620) | $ (2,135,917) | $ (2,340,917) | $ (3,090,551) | $ (3,366,189) | $ (3,985,667) | $ (4,186,704) |

Shorewood

EHLERS

# Capital Projects Financing Plan

| | FINAL SALE 2011 Bonds 2011&2012 Projects | 2011 Bonds TID #4 | 2012 Bonds TID #4 | 2012 Bonds | 2013 Bonds 2013 & 2014 Projects | 2013 Stormwater Rev 2013 Projects | 2014 Bonds | 2014 Stormwater Rev 2014 Projects | 2015 Bonds 2015 & 2016 Projects | 2015 Stormwater Rev 2015 Projects | 2015 Sewer Rev 2015 Projects | 2016 Bonds | 2016 Stormwater Rev 2016 Projects | 2016 Sewer Rev 2016 Projects | 2017 Bonds 2017 & 2018 Projects |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Funds Needed to refinance 2002 G.O. Refunding Bonds** | 2,521,049 | | | | | | | | | | | | | | |
| ***Capital Projects*** | | | | | | | | | | | | | | | |
| Road Projects | 2,043,210 | | | 1,000,000 | 1,000,000 | | | | 1,000,000 | | | | | | 1,000,000 |
| Wilson Drive Reconstruction | | | | | 500,000 | | | | | | | | | | |
| Parks Improvements (Net of Grant) | 947,900 | | | | 250,000 | | | | 250,000 | | | | | | 250,000 |
| Reimb for 2010 DPW roof | 118,000 | | | | | | | | | | | | | | |
| NS Dispatcher (facility construction) | 325,000 | | | 350,000 | | | | | | | | | | | |
| Ladder/Fire apparatus | 164,800 | | | | | | | | | | | | | | |
| Police Facility | | | | | | | 2,500,000 | | | | | | | | |
| Sewer Projects (Reimb $252,000 for 2010 & 2011) | 286,050 | | | | | | | | | | | | | | |
| Take out of Revenue BANS | | | | | | | | | | | | | | | |
| Sewer Comprehensive Plan | 185,405 | | | | | | | | | | | | | | |
| Annual lining projects | 75,000 | | | 157,500 | 157,500 | | 122,500 | | 122,500 | | | 122,500 | | | 122,500 |
| Basin 1 Sanitary Sewer construction | 151,550 | | | 1,500,000 | | | | | | | | | | | |
| Combined North & South | 489,300 | | | 1,500,000 | | | | | | | 1,220,000 | | | 1,470,000 | |
| Other Sewer Projects | 222,000 | | | | | | | | | | | | | | |
| Basin 6 Sanitary Sewer construction | 178,700 | | | 2,020,000 | | | 1,100,000 | | | | | | | | |
| Foundation Drain Disconnect | | | | | | | | | | | | | | | |
| Lateral Rebab Program | | | | 300,000 | 300,000 | | 300,000 | | 300,000 | | | 300,000 | | | 300,000 |
| Stormwater Expenses | | | | | | | | | | | | | | | |
| Combined Sewer Upgrades | | | | 400,000 | 456,000 | 4,000,000 | | 4,000,000 | 665,000 | 665,000 | | 665,000 | 665,000 | | 665,000 |
| Basin 1 Storm Sewer Construction | | | | 240,000 | | | | | | | | | | | |
| Basin 6 Storm Sewer construction | | | | | | | | 2,380,000 | | | | | | | |
| Richfield Circle- Storm Sewer | 225,000 | | | | | | | | | | | | | | |
| Laterals & Sewer Collection System | | | | | | | | | | | | | | | |
| Storm portion of Road Projects | 548,050 | | | | | | | | | | | | | | |
| Sewer lining | | | | 67,500 | 67,500 | | 52,500 | | 52,500 | | | 52,500 | | | 52,500 |
| Water Projects (Reimb $350,000) | | | | | | | | | | | | | | | |
| Water Relay Projects | | | | 100,000 | 100,000 | | 100,000 | | 100,000 | | | 100,000 | | | 100,000 |
| Captial Drive | 284,000 | | | | | | | | | | | | | | |
| Water meter reading system replacement | | | | 125,000 | 125,000 | | 125,000 | | 125,000 | | | | | | |
| Water Portion of Road Projects | 267,975 | | | | | | | | | | | | | | |
| NSWC Connection and Buy in | | | | 1,500,000 | | | | | | | | | | | |
| TID EXPENSES | | | | | | | | | | | | | | | |
| Capital Drive TID #1 & #3 (Cash Financed) | 0 | | | | | | | | | | | | | | |
| TID #4 Grant | | 4,175,000 | | | | | | | | | | | | | |
| TID #4 Loan | | | 3,560,000 | | | | | | | | | | | | |
| TID #1 annual estimates | 0 | | | 0 | 3,500,000 | | 1,000,000 | | 2,500,000 | | | 1,000,000 | | | |
| TID # 3 | | | | 2,000,000 | 2,000,000 | | | | | | | | | | 3,025,000 |
| Capitalized Interest on TID #3 (18 Months) | | | | 165,000 | | | | | 0 | | | | | | 305,100 |
| TID #5 Wilson Drive | | | | | | | 1,500,000 | | 1,500,000 | | | 250,000 | | | 250,000 |
| Capitalized Interest on TId #5 (18 Months) | | | | | | | 151,200 | | 151,200 | | | | | | |
| Total Projects | 6,511,940 | 4,175,000 | 3,560,000 | 11,425,000 | 8,456,000 | 4,000,000 | 6,951,200 | 6,380,000 | 6,766,200 | 665,000 | 1,220,000 | 2,490,000 | 665,000 | 1,470,000 | 6,070,100 |
| Less 1/2 of State Transportation Aids/Other sources | (250,000) | | | | (529,201) | | | | (529,201) | | | | | | (529,201) |
| Special Assessments for Alley Reconstruciton | | | | | | | | | | | | | | | |
| Less Funds on hand from GF reserves (for parks) | (160,000) | | | | - | | | | - | | | | | | - |
| Less Funds on hand from Capital project fund reserves (DPW roof) | (118,000) | | | | - | | | | - | | | | | | - |
| Less MMSD Grant | | | | (75,000) | (75,000) | | (75,000) | | (75,000) | | | (75,000) | | | (75,000) |
| Funds Available for Additional Projects | 47,590 | | | | | | | | | | | | | | |
| **Project Costs to be financed** | **8,552,579** | **4,175,000** | **3,560,000** | **11,350,000** | **7,851,799** | **4,000,000** | **6,876,200** | **6,380,000** | **6,161,999** | **665,000** | **1,220,000** | **2,415,000** | **665,000** | **1,470,000** | **5,465,899** |
| ***Costs of Issuance*** | 15,053 | 103,477 | - | 206,900 | 150,025 | 126,588 | 134,310 | 176,370 | 122,075 | 54,758 | 62,945 | 60,638 | 53,258 | 64,625 | 110,150 |
| Reserve Fund | | | | | | 457,500 | | 727,000 | | 79,500 | 142,000 | | 79,500 | 170,000 | |
| Capitalized Interest | | 390,405 | | | | | | | | | | | | | |
| ***Total Funds Required*** *(includes issuance expenses)* | 8,567,631 | 4,668,882 | 3,560,000 | 11,556,900 | 8,001,824 | 4,584,088 | 7,010,510 | 7,283,370 | 6,284,074 | 799,258 | 1,424,945 | 2,475,638 | 797,758 | 1,704,625 | 5,576,049 |
| Less Interest Earnings/rounding | (2,631) | (3,882) | - | (26,900) | (21,824) | (9,088) | (20,510) | (13,370) | (24,074) | (4,258) | (4,945) | (10,638) | (2,758) | (4,625) | (26,049) |
| ***Bond Issue Size*** | **$8,565,000** | **$4,665,000** | **$3,560,000** | **$11,530,000** | **$7,980,000** | **$4,575,000** | **$6,990,000** | **$7,270,000** | **$6,260,000** | **$795,000** | **$1,420,000** | **$2,465,000** | **$795,000** | **$1,700,000** | **$5,550,000** |

**Note: Does Not include Financing for DPW site (Between $4 and $7 Million)**

$2 million in Streets every odd year 2022-2036

Shorewood

EHLERS

**Update 8-23-11**

| | 2017 Stormwater Rev 2017 Projects | 2018 Bonds | 2018 Stormwater Rev 2018 Projects | 2019 Bonds 2019 & 2020 Projects | 2019 Stormwater Rev 2019 Projects | 2020 Bonds | 2021 Bonds 2021 & 2022 Projects | | 2011-2021 Totals | 2022-2036 Streets/Sewer 2.9 Bi-Annual | 2022-2035 Total | 2011-2030 Totals |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Funds Needed to refinance 2002 G.O. Refunding Bonds** | | | | | | | | | 2,521,049 | | | 2,521,049 |
| ***Capital Projects*** | | | | | | | | | | | | |
| Road Projects | | | | 1,000,000 | | | 1,000,000 | | 8,043,210 | 2000000 | 14,000,000 | 22,043,210 |
| Wilson Drive Reconstruction | | | | | | | | | 500,000 | | | 500,000 |
| Parks Improvements (Net of Grant) | | | | | | | | | 1,697,900 | | | 1,697,900 |
| Reimb for 2010 DPW roof | | | | | | | | | 118,000 | | | 118,000 |
| NS Dispatcher (facility construction) | | | | | | | | | 675,000 | | | 675,000 |
| Ladder/Fire apparatus | | | | | | | | | 164,800 | | | 164,800 |
| Police Facility | | | | | | | | | 2,500,000 | | | 2,500,000 |
| Sewer Projects (Reimb $252,000 for 2010 & 2011) | | | | | | | | | 286,050 | | | 286,050 |
| Take out of Revenue BANS | | | | | | | | | 0 | | | 0 |
| Sewer Comprehensive Plan | | | | | | | | | 185,405 | | | 185,405 |
| Annual lining projects | | 122,500 | | 122,500 | | 122,500 | | | 1,247,500 | | | 1,247,500 |
| Basin 1 Sanitary Sewer construction | | | | | | | | | 1,651,550 | | | 1,651,550 |
| Combined North & South | | | | | | | | | 4,679,300 | | | 4,679,300 |
| Other Sewer Projects | | | | | | | | | 222,000 | | | 222,000 |
| Basin 6 Sanitary Sewer construction | | | | | | | | | 3,298,700 | | | 3,298,700 |
| Foundation Drain Disconnect | | | | | | | | | 0 | | 0 | 0 |
| Lateral Rebab Program | | 300,000 | | 300,000 | | 300,000 | 300,000 | | 3,000,000 | 600,000 | 4,200,000 | 7,200,000 |
| Stormwater Expenses | | | | | | | | | | | | |
| Combined Sewer Upgrades | 665,000 | 665,000 | 665,000 | 665,000 | 665,000 | | | | 15,506,000 | | | 15,506,000 |
| Basin 1 Storm Sewer Construction | | | | | | | | | 240,000 | | | 240,000 |
| Basin 6 Storm Sewer construction | | | | | | | | | 2,380,000 | | | 2,380,000 |
| Richfield Circle- Storm Sewer | | | | | | | | | 225,000 | | | 225,000 |
| Laterals & Sewer Collection System | | | | | | | | | 0 | | | 0 |
| Storm portion of Road Projects | | | | | | | | | 548,050 | | | 548,050 |
| Sewer lining | | 52,500 | | 52,500 | | 52,500 | | | 502,500 | | | 502,500 |
| Water Projects (Reimb $350,000) | | | | | | | | | | | | |
| Water Relay Projects | | 100,000 | | 100,000 | | 100,000 | 100,000 | | 1,000,000 | | | 1,000,000 |
| Captial Drive | | | | | | | | | 284,000 | | | 284,000 |
| Water meter reading system replacement | | | | | | | | | 500,000 | | | 500,000 |
| Water Portion of Road Projects | | | | | | | | | 267,975 | | | 267,975 |
| NSWC Connection and Buy in | | | | | | | | | 1,500,000 | | | 1,500,000 |
| TID EXPENSES | | | | | | | | | | | | |
| Capital Drive TID #1 & #3 (Cash Financed) | | | | | | | | | 0 | | | 0 |
| TID #4 Grant | | | | | | | | | 4,175,000 | | | 4,175,000 |
| TID #4 Loan | | | | | | | | | 3,560,000 | | | 3,560,000 |
| TID #1 annual estimates | | | | | | | | | 8,000,000 | | | 8,000,000 |
| TID # 3 | | | | 2,525,000 | | | 3,775,000 | | 13,325,000 | | | 13,325,000 |
| Capitalized Interest on TID #3 (18 Months) | | | | | | | | | 470,100 | | | 470,100 |
| TID #5 Wilson Drive | | 250,000 | | 250,000 | | 250,000 | | | 4,250,000 | | | 4,250,000 |
| Capitalized Interest on TId #5 (18 Months) | | | | | | | | | 302,400 | | | 302,400 |
| Total Projects | 665,000 | 1,490,000 | 665,000 | 5,015,000 | 665,000 | 825,000 | 5,175,000 | | 85,305,440 | 2,600,000 | 18,200,000 | 103,505,440 |
| Less 1/2 of State Transportation Aids/Other sources | | | | (529,201) | | | (529,201) | | (2,896,005) | (529,201) | (3,704,407) | (6,600,412) |
| Special Assessments for Alley Reconstruciton | | | | | | | | | - | | | - |
| Less Funds on hand from GF reserves (for parks) | | | | - | | | | | (160,000) | | | (160,000) |
| Less Funds on hand from Capital project fund reserves (DPW roof) | | | | - | | | - | | (118,000) | | | (118,000) |
| Less MMSD Grant | | (75,000) | | (75,000) | | (75,000) | (75,000) | | (750,000) | (150,000) | (1,050,000) | (1,800,000) |
| Funds Available for Additional Projects | | | | | | | | | | | | |
| **Project Costs to be financed** | **665,000** | **1,415,000** | **665,000** | **4,410,799** | **665,000** | **750,000** | **4,570,799** | | **83,902,484** | **1,920,799** | **13,445,593** | **97,348,077** |
| ***Costs of Issuance*** | 53,258 | 43,500 | 53,258 | 91,050 | 53,258 | 35,588 | 95,100 | # | 2,000,623 | 57,975 | 405,825 | 2,406,448 |
| Reserve Fund | 79,500 | | 79,500 | | 79,500 | | | | 1,894,000 | | | 1,894,000 |
| Capitalized Interest | | | | | | | | | 390,405 | | | 390,405 |
| ***Total Funds Required*** *(includes issuance expenses)* | 797,758 | 1,458,500 | 797,758 | 4,501,849 | 797,758 | 785,588 | 4,665,899 | | 88,187,511 | 1,978,774 | 13,851,418 | 102,038,929 |
| Less Interest Earnings/rounding | (2,758) | (8,500) | (2,758) | (31,849) | (2,758) | (588) | (35,899) | | (347,511) | (18,774) | (131,418) | (478,929) |
| ***Bond Issue Size*** | **$795,000** | **$1,450,000** | **$795,000** | **$4,470,000** | **$795,000** | **$785,000** | **$4,630,000** | | **$87,840,000** | **$1,960,000** | **$13,720,000** | **$101,560,000** |

**Note: Does Not include Financing for DPW site (Between $4 and**
$2 million in Streets every odd year 2022-2036

# Village of Shorewood

Current and Projected Debt Limit Calculations (Total Debt update 8-23-11)

Limits set with Plan 2.25% Total Debt Service, 1.25% for non-TID and 1.00% for TID

| | | | Total Debt Service | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | 2.25% | | | 2.25% | |
| YEAR | PROJECTED EQ VALUE | DEBT LIMIT | EXIST DEBT PRIN OUTS[1] | Direct Debt Burden | New Issues | COMBINED EXIST & NEW PRIN | Direct Debt Burden | RESIDUAL CAPACITY |
| 2010 | 1,437,686,900 | 71,884,345 | 23,154,177 | 1.61% | 0 | 23,154,177 | 1.61% | 48,730,168 |
| 2011 | 1,419,303,600 | 70,965,180 | 21,698,322 | 1.53% | 13,230,000 | 34,928,322 | 2.46% | 36,036,858 |
| 2012 | 1,441,997,850 | 72,099,893 | 19,949,498 | 1.38% | 28,165,000 | 48,114,498 | 3.34% | 23,985,395 |
| 2013 | 1,471,654,810 | 73,582,741 | 18,062,579 | 1.23% | 35,385,000 | 53,447,579 | 3.63% | 20,135,162 |
| 2014 | 1,508,529,358 | 75,426,468 | 16,192,486 | 1.07% | 41,090,000 | 57,282,486 | 3.80% | 18,143,982 |
| 2015 | 1,541,325,299 | 77,066,265 | 14,070,255 | 0.91% | 45,775,000 | 59,845,255 | 3.88% | 17,221,010 |
| 2016 | 1,581,429,029 | 79,071,451 | 11,765,260 | 0.74% | 46,395,000 | 58,160,260 | 3.68% | 20,911,192 |
| 2017 | 1,610,532,759 | 80,526,638 | 9,432,405 | 0.59% | 49,580,000 | 59,012,405 | 3.66% | 21,514,233 |
| 2018 | 1,647,568,489 | 82,378,424 | 6,991,612 | 0.42% | 48,280,000 | 55,271,612 | 3.35% | 27,106,813 |
| 2019 | 1,672,504,219 | 83,625,211 | 5,470,000 | 0.33% | 49,445,000 | 54,915,000 | 3.28% | 28,710,211 |
| 2020 | 1,707,539,949 | 85,376,997 | 3,860,000 | 0.23% | 46,455,000 | 50,315,000 | 2.95% | 35,061,997 |
| 2021 | 1,732,475,679 | 86,623,784 | 2,125,000 | 0.12% | 46,735,000 | 48,860,000 | 2.82% | 37,763,784 |
| 2022 | 1,771,511,409 | 88,575,570 | 505,000 | 0.03% | 41,640,000 | 42,145,000 | 2.38% | 46,430,570 |
| 2023 | 1,795,447,139 | 89,772,357 | 345,000 | 0.02% | 40,420,000 | 40,765,000 | 2.27% | 49,007,357 |
| 2024 | 1,819,382,869 | 90,969,143 | 175,000 | 0.01% | 36,950,000 | 37,125,000 | 2.04% | 53,844,143 |
| 2025 | 1,843,318,599 | 92,165,930 | 0 | 0.00% | 35,225,000 | 35,225,000 | 1.91% | 56,940,930 |
| 2026 | 1,867,254,329 | 93,362,716 | 0 | 0.00% | 31,210,000 | 31,210,000 | 1.67% | 62,152,716 |
| 2027 | 1,891,190,059 | 94,559,503 | 0 | 0.00% | 29,610,000 | 29,610,000 | 1.57% | 64,949,503 |
| 2028 | 1,915,125,789 | 95,756,289 | 0 | 0.00% | 24,225,000 | 24,225,000 | 1.26% | 71,531,289 |
| 2029 | 1,939,061,519 | 96,953,076 | | 0.00% | 22,850,000 | 22,850,000 | 1.18% | 74,103,076 |
| 2030 | 1,962,997,249 | 98,149,862 | | 0.00% | 19,305,000 | 19,305,000 | 0.98% | 78,844,862 |
| 2031 | 1,986,932,979 | 99,346,649 | | 0.00% | 17,650,000 | 17,650,000 | 0.89% | 81,696,649 |
| 2032 | 2,010,868,709 | 100,543,435 | | 0.00% | 14,315,000 | 14,315,000 | 0.71% | 86,228,435 |
| 2033 | 2,034,804,439 | 101,740,222 | | 0.00% | 13,505,000 | 13,505,000 | 0.66% | 88,235,222 |
| 2034 | 2,058,740,169 | 102,937,008 | | 0.00% | 10,780,000 | 10,780,000 | 0.52% | 92,157,008 |
| 2035 | 2,082,675,899 | 104,133,795 | | 0.00% | 10,430,000 | 10,430,000 | 0.50% | 93,703,795 |
| 2036 | 2,106,611,629 | 105,330,581 | | 0.00% | 8,220,000 | 8,220,000 | 0.39% | 97,110,581 |
| 2037 | 2,130,547,359 | 106,527,368 | | 0.00% | 7,185,000 | 7,185,000 | 0.34% | 99,342,368 |
| 2038 | 2,154,483,089 | 107,724,154 | | 0.00% | 6,120,000 | 6,120,000 | 0.28% | 101,604,154 |
| 2039 | 2,178,418,819 | 108,920,941 | | 0.00% | 5,285,000 | 5,285,000 | 0.24% | 103,635,941 |
| 2040 | 2,202,354,549 | 110,117,727 | | 0.00% | 4,445,000 | 4,445,000 | 0.20% | 105,672,727 |
| 2041 | 2,226,290,279 | 111,314,514 | | 0.00% | 3,735,000 | 3,735,000 | 0.17% | 107,579,514 |
| 2042 | 2,250,226,009 | 112,511,300 | | 0.00% | 3,020,000 | 3,020,000 | 0.13% | 109,491,300 |
| 2043 | 2,274,161,739 | 113,708,087 | | 0.00% | 2,435,000 | 2,435,000 | 0.11% | 111,273,087 |
| 2044 | 2,298,097,469 | 114,904,873 | | 0.00% | 1,845,000 | 1,845,000 | 0.08% | 113,059,873 |
| 2045 | 2,322,033,199 | 116,101,660 | | 0.00% | 1,395,000 | 1,395,000 | 0.06% | 114,706,660 |
| 2046 | 2,345,968,929 | 117,298,446 | | 0.00% | 940,000 | 940,000 | 0.04% | 116,358,446 |
| 2047 | 2,369,904,659 | 118,495,233 | | 0.00% | 630,000 | 630,000 | 0.03% | 117,865,233 |
| 2048 | 2,393,840,389 | 119,692,019 | | 0.00% | 320,000 | 320,000 | 0.01% | 119,372,019 |
| 2049 | 2,417,776,119 | 120,888,806 | | 0.00% | 160,000 | 160,000 | 0.01% | 120,728,806 |
| 2050 | 2,441,711,849 | 122,085,592 | | 0.00% | 0 | 0 | 0.00% | 122,085,592 |
| 2051 | 2,465,647,579 | 123,282,379 | | 0.00% | 0 | 0 | 0.00% | 123,282,379 |
| 2052 | 2,489,583,309 | 124,479,165 | | 0.00% | 0 | 0 | 0.00% | 124,479,165 |
| 2053 | 2,513,519,039 | 125,675,952 | | 0.00% | 0 | 0 | 0.00% | 125,675,952 |

| | Non-TID Debt Service | | | | |
|---|---|---|---|---|---|
| | | 1.25% | | | 1.25% |
| | EXIST DEBT Non TID PRIN OUTS[1] | Non TID Direct Debt Burden | New Issues | COMBINED EXIST & NEW PRIN | Direct Debt Burden |
| 2010 | 10,119,177 | 0.70% | 0 | 10,119,177 | 0.70% |
| 2011 | 9,038,322 | 0.64% | 8,565,000 | 17,603,322 | 1.24% |
| 2012 | 7,924,498 | 0.55% | 17,740,000 | 25,664,498 | 1.78% |
| 2013 | 6,737,579 | 0.46% | 19,440,000 | 26,177,579 | 1.78% |
| 2014 | 5,657,486 | 0.38% | 22,880,000 | 28,537,486 | 1.89% |
| 2015 | 4,515,255 | 0.29% | 23,885,000 | 28,400,255 | 1.84% |
| 2016 | 3,290,260 | 0.21% | 23,885,000 | 27,175,260 | 1.72% |
| 2017 | 2,197,405 | 0.14% | 24,490,000 | 26,687,405 | 1.66% |
| 2018 | 1,056,612 | 0.06% | 24,240,000 | 25,296,612 | 1.54% |
| 2019 | 925,000 | 0.06% | 24,425,000 | 25,350,000 | 1.52% |
| 2020 | 795,000 | 0.05% | 23,440,000 | 24,235,000 | 1.42% |
| 2021 | 655,000 | 0.04% | 22,610,000 | 23,265,000 | 1.34% |
| 2022 | 505,000 | 0.03% | 20,805,000 | 21,310,000 | 1.20% |
| 2023 | 345,000 | 0.02% | 20,805,000 | 21,150,000 | 1.18% |
| 2024 | 175,000 | 0.01% | 18,620,000 | 18,795,000 | 1.03% |
| 2025 | 0 | 0.00% | 18,235,000 | 18,235,000 | 0.99% |
| 2026 | 0 | 0.00% | 15,660,000 | 15,660,000 | 0.84% |
| 2027 | 0 | 0.00% | 15,585,000 | 15,585,000 | 0.82% |
| 2028 | 0 | 0.00% | 13,790,000 | 13,790,000 | 0.72% |
| 2029 | 0 | 0.00% | 13,995,000 | 13,995,000 | 0.72% |
| 2030 | 0 | 0.00% | 12,095,000 | 12,095,000 | 0.62% |
| 2031 | 0 | 0.00% | 12,145,000 | 12,145,000 | 0.61% |
| 2032 | 0 | 0.00% | 10,115,000 | 10,115,000 | 0.50% |
| 2033 | 0 | 0.00% | 10,530,000 | 10,530,000 | 0.52% |
| 2034 | 0 | 0.00% | 8,915,000 | 8,915,000 | 0.43% |
| 2035 | 0 | 0.00% | 9,540,000 | 9,540,000 | 0.46% |
| 2036 | 0 | 0.00% | 8,190,000 | 8,190,000 | 0.39% |
| 2037 | 0 | 0.00% | 7,170,000 | 7,170,000 | 0.34% |
| 2038 | 0 | 0.00% | 6,120,000 | 6,120,000 | 0.28% |
| 2039 | 0 | 0.00% | 5,285,000 | 5,285,000 | 0.24% |
| 2040 | 0 | 0.00% | 4,445,000 | 4,445,000 | 0.20% |
| 2041 | 0 | 0.00% | 3,735,000 | 3,735,000 | 0.17% |
| 2042 | 0 | 0.00% | 3,020,000 | 3,020,000 | 0.13% |
| 2043 | 0 | 0.00% | 2,435,000 | 2,435,000 | 0.11% |
| 2044 | 0 | 0.00% | 1,845,000 | 1,845,000 | 0.08% |
| 2045 | 0 | 0.00% | 1,395,000 | 1,395,000 | 0.06% |
| 2046 | 0 | 0.00% | 940,000 | 940,000 | 0.04% |
| 2047 | 0 | 0.00% | 630,000 | 630,000 | 0.03% |
| 2048 | 0 | 0.00% | 320,000 | 320,000 | 0.01% |
| 2049 | 0 | 0.00% | 160,000 | 160,000 | 0.01% |
| 2050 | 0 | 0.00% | 0 | 0 | 0.00% |
| 2051 | 0 | 0.00% | 0 | 0 | 0.00% |
| 2052 | 0 | 0.00% | | | 0.00% |
| 2053 | 0 | | | | |

| | TID Debt Service | | | | | |
|---|---|---|---|---|---|---|
| | | 1.00% | | | 1.00% | |
| | EXIST DEBT TID PRIN OUTS[1] | TID Direct Debt Burden | New Issues | COMBINED EXIST & NEW PRIN | Direct Debt Burden | YEAR |
| 2010 | 13,035,000 | 0.91% | 0 | 13,035,000 | 0.91% | 2010 |
| 2011 | 12,560,000 | 0.88% | 4,665,000 | 17,225,000 | 1.21% | 2011 |
| 2012 | 11,925,000 | 0.83% | 10,425,000 | 22,350,000 | 1.55% | 2012 |
| 2013 | 11,225,000 | 0.76% | 15,945,000 | 27,170,000 | 1.85% | 2013 |
| 2014 | 10,335,000 | 0.69% | 18,210,000 | 28,545,000 | 1.89% | 2014 |
| 2015 | 9,305,000 | 0.60% | 21,890,000 | 31,195,000 | 2.02% | 2015 |
| 2016 | 8,200,000 | 0.52% | 22,510,000 | 30,710,000 | 1.94% | 2016 |
| 2017 | 6,935,000 | 0.43% | 25,090,000 | 32,025,000 | 1.99% | 2017 |
| 2018 | 5,585,000 | 0.34% | 23,780,000 | 29,365,000 | 1.80% | 2018 |
| 2019 | 4,145,000 | 0.25% | 21,955,000 | 26,100,000 | 1.74% | 2019 |
| 2020 | 2,665,000 | 0.16% | 19,790,000 | 22,455,000 | 1.50% | 2020 |
| 2021 | 1,045,000 | 0.06% | 17,215,000 | 18,260,000 | 1.45% | 2021 |
| 2022 | 0 | 0.00% | 14,190,000 | 14,190,000 | 1.18% | 2022 |
| 2023 | 0 | 0.00% | 13,260,000 | 13,260,000 | 1.09% | 2023 |
| 2024 | 0 | 0.00% | 12,290,000 | 12,290,000 | 1.01% | 2024 |
| 2025 | 0 | 0.00% | 11,295,000 | 11,295,000 | 0.92% | 2025 |
| 2026 | 0 | 0.00% | 10,250,000 | 10,250,000 | 0.83% | 2026 |
| 2027 | 0 | 0.00% | 9,150,000 | 9,150,000 | 0.74% | 2027 |
| 2028 | 0 | 0.00% | 6,010,000 | 6,010,000 | 0.54% | 2028 |
| 2029 | 0 | 0.00% | 4,905,000 | 4,905,000 | 0.46% | 2029 |
| 2030 | 0 | 0.00% | 3,760,000 | 3,760,000 | 0.37% | 2030 |
| 2031 | 0 | 0.00% | 2,565,000 | 2,565,000 | 0.28% | 2031 |
| 2032 | 0 | 0.00% | 1,810,000 | 1,810,000 | 0.21% | 2032 |
| 2033 | | 0.00% | 1,185,000 | 1,185,000 | 0.15% | 2033 |
| 2034 | | 0.00% | 675,000 | 675,000 | 0.09% | 2034 |
| 2035 | | 0.00% | 280,000 | 280,000 | 0.04% | 2035 |
| 2036 | | 0.00% | 0 | 0 | 0.00% | 2036 |
| 2037 | | 0.00% | 0 | 0 | 0.00% | 2037 |
| 2038 | | 0.00% | 0 | 0 | 0.00% | 2038 |
| 2039 | | 0.00% | 0 | 0 | 0.00% | 2039 |
| 2040 | | 0.00% | 0 | 0 | 0.00% | 2040 |
| 2041 | | 0.00% | 0 | 0 | 0.00% | 2041 |
| 2042 | | 0.00% | 0 | 0 | 0.00% | 2042 |
| 2043 | | 0.00% | 0 | 0 | 0.00% | 2043 |
| 2044 | | 0.00% | 0 | 0 | 0.00% | 2044 |
| 2045 | | 0.00% | 0 | 0 | 0.00% | 2045 |
| 2046 | | 0.00% | 0 | 0 | 0.00% | 2046 |
| 2047 | | 0.00% | 0 | 0 | 0.00% | 2047 |
| 2048 | | 0.00% | 0 | 0 | 0.00% | 2048 |
| 2049 | | 0.00% | 0 | 0 | 0.00% | 2049 |
| 2050 | | 0.00% | 0 | 0 | 0.00% | 2050 |
| 2051 | | 0.00% | 0 | 0 | 0.00% | 2051 |
| 2052 | | 0.00% | 0 | 0 | 0.00% | 2052 |
| 2053 | | | | | | |

NOTES:

## Current Rates and Customer Information

General rate and permit data for the utility is shown below:

| General Rate and Permit Data | Monthly | Annually |
|---|---|---|
| Currrent Overnight Parking Permit Fee | $45 | $540 |
| Amount paid to private lot owners | $17 | $204 |
| Year of last fee increase | 2007 | |
| | | |
| 2010 permits sold - Village lot/streets | | 3,598 |
| 2010 permits sold - private lots | | 1,375 |
| Total 2010 permits sold | | 4,973 |
| | | |

## Recommended Future Rates

Based on estimated permit sales and expense changes, the Village should increase permit fees in 2013 in order to remain current with cost increases. The impact of the recommended fee increases on individual parkers is shown below. An attempt was made to ensure the fee amount remains at whole dollar amounts for administrative efficiency.

| | Total Fee | | Amount of |
|---|---|---|---|
| Rate increase | Monthly | Annually | Annual Chg |
| 11.11% Increase in 2013 | $ 50 | $ 600 | $ 60 |
| | | | |

## Long Range Plan Notes

- 2012 includes an estimate of $250,000 for a parking garage.
- Expenses in 2017 decrease as the parking utility's existing advance will be repaid in 2016.
- No significant future capital expenses have been included in this plan. Potential costs include repaving of parking lots, or purchases of meters.

2011 - 2020 Financial Plan

Parking Utility

| | 2011 Budget | 2012 Adopted Budget | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | | |
| Parking Permit Fees | $ 227,188 | $ 208,254 | $ 214,502 | $ 214,502 | $ 214,502 | $ 220,937 | $ 220,937 | $ 220,937 | $ 227,565 | $ 227,565 |
| Other Revenues | 11,450 | 13,373 | 13,682 | 13,776 | 13,966 | 14,191 | 14,387 | 14,487 | 14,821 | 14,923 |
| Total Revenues | 238,638 | 221,627 | 228,184 | 228,278 | 228,468 | 235,128 | 235,324 | 235,423 | 242,385 | 242,488 |
| **Expenses** | | | | | | | | | | |
| Permit Fee Expense | $ 19,956 | $ 18,380 | $ 18,583 | $ 18,769 | $ 18,976 | $ 19,166 | $ 19,378 | $ 19,571 | $ 19,788 | $ 19,986 |
| Other Expenses | 294,755 | 203,403 | 206,105 | 208,019 | 209,947 | 212,162 | 214,113 | 216,948 | 220,121 | 223,066 |
| Total Expenses | 314,711 | 221,783 | 224,688 | 226,788 | 228,923 | 231,328 | 233,491 | 236,519 | 239,909 | 243,051 |
| Net Change in Equity | (76,073) | (156) | 3,496 | 1,490 | (455) | 3,800 | 1,833 | (1,095) | 2,477 | (563) |
| Beginning Equity | 840,312 | 849,978 | 849,822 | 853,318 | 854,808 | 854,353 | 858,153 | 859,985 | 858,890 | 861,367 |
| **Ending Equity** | $ 764,239 | $ 849,822 | $ 853,318 | $ 854,808 | $ 854,353 | $ 858,153 | $ 859,985 | $ 858,890 | $ 861,367 | $ 860,803 |
| Rate increase included above | 0.00% | 0.00% | 11.11% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

* - Beginning with the 2012 Budget the Water Utility budgets on a full accrual method, rather than a cash basis. The estimated cash position which is affected by capital purchases, principal repayment or receipt of bond proceeds is shown below. Interest expense is still included as an expense.

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Estimated cash position | $ 403,867 | $ 177,172 | $ 203,935 | $ 228,476 | $ 250,831 | $ 277,178 | $ 317,885 | $ 356,219 | $ 398,695 | $ 438,717 |

## Current Rates and Customer Information

General rate and permit data for the utility is shown below:

| General Rate Data | Quarterly | Annual |
|---|---|---|
| Meter service charge (5/8") | $ 15.45 | $62 |
| Plus Volumetric per 100 Cubic Feet | $ 1.36 | $5 |
| Last Full Rate Increase | Nov-08 | |
| Last 3% Increase | Feb-11 | |
| | | |
| Quarterly Bill (2,300 Cubic Feet Usage) | $47 | $187 |
| | | |
| Five Year Average | No. of Customers | No. of Cubic Feet |
| Residental Customers | 3,228 | 30,313,556 |
| Commerical Custmers | 251 | 17,710,000 |
| Public | 29 | 1,648,182 |
| 5 Year Ave | 3,508 | 49,671,738 |

## Long Range Plan Notes

- The 2011 budget included a 25% increase in revenues and in purchased water costs. 2012 amounts were decreased to be closer to expected values.
- The debt payments include an estimated borrowing to become a member of the North Shore Water Commission. As such, the purchased water expenses were decreased beginning in 2013.
- Significant future capital projects included in the 2020 plan are $1,500,000 buy-in for NSWC, $500,000 for meter replacements and upgrade of the meter reading system, and $100,000 annually for water main relays.

## Future Rates

The Village's Water Utility Rates are reviewed and designed by the Public Service Commission (PSC). The Village is allowed to request increases and provides forward looking data to the PSC for their consideration. The Village plans to request an increase this fall and based on estimated 2012 amounts, it is anticipated that a 32% increase may be needed. However, the actual increase is determined by the PSC.

The table below summarizes the estimated impact of that increase on the average homeowner using 2,300 cubic feet of water each quarter.

| Estimated New Rates | Quarterly | Annual |
|---|---|---|
| Meter service charge (5/8") | $ 20.39 | $82 |
| Plus Volumetric per 100 Cubic Feet | $ 1.80 | $7 |
| | | |
| Current Bill (2,300 Cubic Feet Usage) | $47 | $187 |
| | | |
| Bill with estimaed revised rates | $62 | $247 |
| Amount of Increase | $15 | $60 |
| Percentage Increase | 32.00% | 32.00% |

2011 - 2020 Financial Plan

Water Utility

| | 2011 Budget | 2012 Adopted Budget | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | | |
| User Fees | $ 1,348,540 | $ 1,418,179 | $ 1,418,179 | $ 1,460,724 | $ 1,460,724 | $ 1,504,546 | $ 1,504,546 | $ 1,549,682 | $ 1,549,682 | $ 1,596,173 |
| Other Revenues | 27,545 | 27,045 | 27,640 | 27,660 | 27,702 | 28,294 | 28,337 | 28,358 | 28,991 | 29,013 |
| Bond Proceeds * | 308,000 | - | - | - | - | - | - | - | - | - |
| Total Revenues | 1,684,085 | 1,445,224 | 1,445,819 | 1,488,385 | 1,488,426 | 1,532,840 | 1,532,883 | 1,578,041 | 1,578,673 | 1,625,186 |
| **Expenses** | | | | | | | | | | |
| Purchase Water | $ 733,700 | $ 668,242 | $ 450,000 | $ 459,000 | $ 468,180 | $ 477,544 | $ 487,094 | $ 496,836 | $ 506,773 | $ 516,909 |
| Depreciation | 77,176 | 85,100 | 93,004 | 100,070 | 108,606 | 115,417 | 118,600 | 121,600 | 124,696 | 131,302 |
| Other Expenses | 578,886 | 589,922 | 600,698 | 610,454 | 620,397 | 632,411 | 642,736 | 653,258 | 665,919 | 676,847 |
| Capital * | 328,125 | - | - | - | - | - | - | - | - | - |
| Debt Service * | 208,055 | 48,535 | 139,070 | 145,186 | 150,301 | 149,721 | 145,512 | 141,265 | 135,225 | 130,111 |
| Total Expenditures | 1,925,942 | 1,391,799 | 1,282,772 | 1,314,710 | 1,347,483 | 1,375,093 | 1,393,942 | 1,412,960 | 1,432,613 | 1,455,168 |
| Net Change in Equity | (241,857) | 53,425 | 163,047 | 173,675 | 140,943 | 157,748 | 138,940 | 165,081 | 146,061 | 170,018 |
| Beginning Equity | 1,207,165 | 1,131,682 | 1,185,107 | 1,348,154 | 1,521,829 | 1,662,772 | 1,820,519 | 1,959,460 | 2,124,541 | 2,270,602 |
| **Ending Equity** | $ 965,308 | $ 1,185,107 | $ 1,348,154 | $ 1,521,829 | $ 1,662,772 | $ 1,820,519 | $ 1,959,460 | $ 2,124,541 | $ 2,270,602 | $ 2,440,619 |
| Rate increase included above | 0.00% | 32.00% | 0.00% | 3.00% | 0.00% | 3.00% | 0.00% | 3.00% | 0.00% | 3.00% |

* - Beginning with the 2012 Budget the Water Utility budgets on a full accrual method, rather than a cash basis. The estimated cash position which is affected by capital purchases, principal repayment or receipt of bond proceeds is shown below. Interest expense is still included as an expense.

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Estimated cash position | $ (2,657) | $ (1,294) | $ 79,481 | $ 110,796 | $ 119,957 | $ 117,840 | $ 170,520 | $ 213,443 | $ 257,721 | $ 290,185 |

## Current Rates and Customer Information

General rate and permit data for the utility is shown below:

| General Rate Data | Quarterly | Annual |
|---|---|---|
| Service charge | $ 22.13 | $89 |
| Plus Volumetric per 100 Cubic Feet | $ 2.77 | $11 |
| Last Full Rate Increase | May-11 | |
| | | |
| Quarterly Bill (2,300 Cubic Feet Usage) | $86 | $343 |
| | | |
| Five Year Average | No. of Customers | No. of Cubic Feet |
| Residental Customers | 3,228 | 30,313,556 |
| Commerical Custmers | 251 | 17,710,000 |
| Public | 29 | 1,648,182 |
| 5 Year Ave | 3,508 | 49,671,738 |
| | | |

## Long Range Plan Notes

- Rate increases listed are shown for the full year. The actual timing of rate increases may not occur on the first quarter billing.
- The debt payments include repayments for sewer projects as included in the current comprehensive sewer plan.

## Recommended Future Rates

The Village's Sewer Utility Rates are reviewed and designed by the Village. As future debt issuances may include revenue bonds, rates were shown at a level that would allow the Utility to comply with expected revenue bond covenants. 2011 sewer projections will be completed in the coming months which will allow the Village to better refine the estimated 2012 rate increase.

The table below summarizes the estimated impact of that increase on the average homeowner using 2,300 cubic feet of water each quarter.

| Estimated New Rates | Quarterly | Annual |
|---|---|---|
| Service charge | $ 29.21 | $117 |
| Plus Volumetric per 100 Cubic Feet | $ 3.66 | $15 |
| | | |
| Current Bill (2,300 Cubic Feet Usage) | $86 | $343 |
| | | |
| Bill with estimaed revised rates | $113 | $453 |
| Amount of Increase | $27 | $110 |
| Percentage Increase | 32.00% | 32.00% |

2011 - 2020 Financial Plan

Sewer Utility

| | 2011 Budget | 2012 Adopted Budget | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | | |
| User Fees | $ 1,490,180 | $ 2,030,200 | $ 2,294,126 | $ 2,362,950 | $ 2,457,468 | $ 2,531,192 | $ 2,632,439 | $ 2,711,413 | $ 2,819,869 | $ 2,932,664 |
| Other Revenues | 124,608 | 91,671 | 92,164 | 92,171 | 92,185 | 92,687 | 92,701 | 92,708 | 93,232 | 93,239 |
| Bond Proceeds * | 295,000 | - | - | - | - | - | - | - | - | - |
| Total Revenues | 1,909,788 | 2,121,871 | 2,386,290 | 2,455,121 | 2,549,653 | 2,623,878 | 2,725,140 | 2,804,121 | 2,913,101 | 3,025,903 |
| **Expenses** | | | | | | | | | | |
| Treatment Expense | $ 674,282 | $ 686,900 | $ 693,769 | $ 707,644 | $ 721,797 | $ 736,233 | $ 750,958 | $ 765,977 | $ 781,297 | $ 796,923 |
| Depreciation | 108,000 | 125,000 | 130,100 | 149,400 | 170,300 | 194,533 | 199,166 | 203,799 | 208,432 | 213,065 |
| Other Expenses | 553,793 | 534,531 | 544,535 | 552,586 | 560,784 | 571,342 | 579,845 | 588,505 | 599,598 | 608,580 |
| Capital and I&I * | 456,125 | 625,000 | 225,000 | 225,000 | 225,000 | 225,000 | 225,000 | 225,000 | 225,000 | 225,000 |
| Debt Service * | 290,027 | 377,261 | 368,518 | 398,382 | 468,961 | 556,445 | 598,561 | 584,811 | 565,847 | 544,428 |
| Total Expenditures | 2,082,227 | 2,348,692 | 1,961,922 | 2,033,012 | 2,146,842 | 2,283,553 | 2,353,530 | 2,368,092 | 2,380,173 | 2,387,995 |
| Net Change in Equity | (172,439) | (226,821) | 424,368 | 422,109 | 402,811 | 340,325 | 371,610 | 436,029 | 532,928 | 637,908 |
| Beginning Equity | 2,774,290 | 2,384,830 | 2,158,009 | 2,582,377 | 3,004,486 | 3,407,297 | 3,747,622 | 4,119,232 | 4,555,261 | 5,088,189 |
| **Ending Equity** | $ 2,601,851 | $ 2,158,009 | $ 2,582,377 | $ 3,004,486 | $ 3,407,297 | $ 3,747,622 | $ 4,119,232 | $ 4,555,261 | $ 5,088,189 | $ 5,726,097 |
| Rate increase included above | 0.00% | 32.00% | 13.00% | 3.00% | 4.00% | 3.00% | 4.00% | 3.00% | 4.00% | 4.00% |

* - Beginning with the 2012 Budget the Sewer Utility budgets on a full accrual method, rather than a cash basis. The estimated cash position which is affected by capital purchases, principal repayment or receipt of bond proceeds is shown below. Interest expense is still included as an expense.

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Estimated cash position | $ 360,837 | $ 9,371 | $ 238,409 | $ 396,194 | $ 492,152 | $ 471,641 | $ 544,262 | $ 548,070 | $ 495,861 | $ 588,622 |

2011 - 2020 Financial Plan

Storm Utility

| | 2011 Budget | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | | |
| User Fees | $ - | $ 50,000 | $ 395,000 | $ 1,160,000 | $ 1,260,000 | $ 1,350,000 | $ 1,570,000 | $ 1,800,000 | $ 1,970,000 | $ 2,120,000 |
| Bond Proceeds | - | 70,000 | 4,645,000 | 7,325,000 | 845,000 | 850,000 | 845,000 | 850,000 | 845,000 | 55,000 |
| Total Revenues | - | 120,000 | 5,040,000 | 8,485,000 | 2,105,000 | 2,200,000 | 2,415,000 | 2,650,000 | 2,815,000 | 2,175,000 |
| **Expenses** | | | | | | | | | | |
| Maintenance Expenses | $ - | $ 25,000 | $ 25,500 | $ 26,010 | $ 26,530 | $ 27,061 | $ 27,602 | $ 28,154 | $ 28,717 | $ 29,291 |
| Depreciation | - | - | 40,675 | 105,000 | 112,175 | 119,350 | 126,525 | 133,700 | 140,875 | 141,400 |
| Capital | - | 67,500 | 4,067,500 | 6,432,500 | 717,500 | 717,500 | 717,500 | 717,500 | 717,500 | 52,500 |
| Debt Service Reserve Fund | - | - | 457,500 | 727,000 | 79,500 | 79,500 | 79,500 | 79,500 | 79,500 | - |
| Debt Service Issue Costs | - | 2,500 | 120,000 | 165,500 | 48,000 | 53,000 | 48,000 | 53,000 | 48,000 | 2,500 |
| Debt Service | - | 1,750 | 10,388 | 293,156 | 904,994 | 982,719 | 1,058,281 | 1,231,681 | 1,401,681 | 1,557,969 |
| Total Expenditures | - | 96,750 | 4,721,563 | 7,749,166 | 1,888,699 | 1,979,130 | 2,057,408 | 2,243,535 | 2,416,273 | 1,783,660 |
| Net Change in Equity | - | 23,250 | 318,437 | 735,834 | 216,301 | 220,870 | 357,592 | 406,465 | 398,727 | 391,340 |
| Beginning Equity | - | - | 23,250 | 341,687 | 1,077,521 | 1,293,822 | 1,514,692 | 1,872,284 | 2,278,749 | 2,677,476 |
| **Ending Equity** | $ - | $ 23,250 | $ 341,687 | $ 1,077,521 | $ 1,293,822 | $ 1,514,692 | $ 1,872,284 | $ 2,278,749 | $ 2,677,476 | $ 3,068,815 |
| Using 5,000 REU's fee per household | | $ 10.00 | $ 79.00 | $ 232.00 | $ 252.00 | $ 270.00 | $ 314.00 | $ 360.00 | $ 394.00 | $ 424.00 |
| Revenue coverage 125% required | | 241% | 126% | 125% | 126% | 125% | 125% | 126% | 125% | 125% |

## Summary of Estimated Property Owner Payments

| Payment Type | 2011 Budget | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| Property Tax bill (Village Portion) | $ 2,048 | $ 1,790 | $ 2,211 | $ 2,236 | $ 2,373 | $ 2,423 | $ 2,456 | $ 2,479 | $ 2,414 | $ 2,411 |
| Water bill | 187 | 247 | 247 | 254 | 254 | 262 | 262 | 270 | 270 | 278 |
| Sewer bill | 343 | 453 | 512 | 528 | 549 | 565 | 588 | 605 | 630 | 655 |
| Storm Water bill | - | 10 | 79 | 232 | 252 | 270 | 314 | 360 | 394 | 424 |
| Sub-total Utility Bill | 530 | 710 | 838 | 1,014 | 1,055 | 1,097 | 1,163 | 1,235 | 1,293 | 1,356 |
| Total | $ 2,578 | $ 2,500 | $ 3,049 | $ 3,250 | $ 3,428 | $ 3,520 | $ 3,619 | $ 3,714 | $ 3,707 | $ 3,767 |
| % Change | | -3.04% | 21.96% | 6.58% | 5.48% | 2.69% | 2.83% | 2.61% | -0.18% | 1.63% |

Property tax amounts shown are based on a $300,000 assessed property.
Water and Sewer bills are based on 2,300 cubic feet of water consumption per quarter.
Storm Water bill is for 1 REU

# FINANCIAL POLICY GUIDELINES

Adopted in November, 2006,
Updated January, 2010 and August, 2011

In adopting the original financial management plan, the Board established policies related to debt management and tax rate impact. The Board will review these policy guidelines each time the financial management plan is reviewed.

## 1. GENERAL FUND UNDESIGNATED AND UNRESERVED FUND BALANCE

The Village shall seek to maintain its undesignated and unreserved fund balance at a minimum of 30% of total general fund annual revenues. The purpose of the first 25% of this balance is to provide adequate cash flow during the year. Any use of these funds would require a two thirds vote of the Village Board. The additional 5% is to provide the ability of the Village to respond to unforeseeable contingencies and opportunities that may not have been known at the time of budget preparation. Any use of the 5% fund balance referred to above must be replenished during the next budget process. *(It is noted, that as long as "levy limits" remain in place, the ability to replenish these funds will be possible only through cuts in other expenses or the raising of new non-levy revenues.) These uses are subject to approval by the Village Board.

In addition, the use of any amounts in excess of 30%, shall not be made, unless one of the following applies:

A. Non–annually recurring expenses such as reassessments or studies
B. Capital Expenses
C. Expenses which, in the opinion of the Village Board would constitute "an investment in the community" such as:
    1. Investment in a revolving loan program
    2. Investment in technology
    3. Investment in community marketing

EXAMPLES OF OPPORTUNITIES FOR USE OF FUND BALANCE

- $75,000 Annual contribution to Equipment & Roads
- $100,000 Set aside for reserve for Pilot Home Buyers Incentive Program/Home Owners Maintenance Program
- $25,000 Annual Contribution to Marketing Program
- $150,000 Set aside for Technology Upgrades

## 2. TAX RATE STABILITY

### A. Growth Projections and Assumptions

The Village board reviewed alternate tax base growth projections scenarios for purposes of projecting impacts on future tax rates. While it is still the Village's policy to encourage growth consistent with its master plan, for purposes of financial planning the Village will use a growth model that assumes no growth from the January, 2011 value of $1,307,167,400 in 2012, followed by growth increases of 0.50%, 1.00%, 1.50% and 1.50% for 2013 – 2016. Beyond 2016, a discounted straight-line method of 50% of the actual average annual historical growth amount between 1996 and 2011 will be applied. That fixed growth amount is $20,197,857.

### B. Capital Improvement Financing

The Village shall seek to maintain an equalized tax rate for debt at a level which does not exceed $1.35 / $1,000 of equalized valuation for purposes of financing its defined capital improvement plan for the period 2011 - 2020. Any debt or new projects subsequently authorized by referendum would be in addition to this rate.

### C. Operating Expenses & Staffing

The Village will project operating expenses and staffing needs and will integrate the projected impact of these needs with capital financing plans so that the tax rate required to finance both operations and capital can be coordinated and maintained at affordable levels but to avoid a "rollercoaster" effect upon taxpayers going forward. This will require annually reviewing projections and amending the operating and/or capital plan to address changing environmental conditions as part of the annual budget process. It is the Village's intent to stay within the current state law on levy limitations. In the event that the levy limits are eliminated, the increase in the levy would be evaluated annually within the context of the needs of the Village and this multi-year management plan.

## 3. PRESERVATION OF GENERAL OBLIGATION BORROWING CAPACITY

It is the Village's philosophy that its general obligation borrowing authority must be protected and conserved. Wisconsin allows municipalities to borrow up to 5% of its Equalized Valuation on a general obligation basis.

The Village of Shorewood has the intention to limit itself to the use of no more than 1.25% of its general obligation debt capacity for capital needs and an additional 1% for financing Tax Incremental projects for a total of 2.25%.

This policy would allow the Village to control its direct debt burden while still meeting its capital needs. Based upon the 2011 equalized value of $1,419,303,600 this number would equal $31.93 million, $17.74 million for capital needs and an additional $14.19 million for Tax Incremental projects.

**4. DEBT PAYMENT STRUCTURE/DURATION**

A. The Village of Shorewood shall generally amortize its ongoing road maintenance plan with the issuance of general obligation debt with not more than 15 years duration. Exceptions may be considered for unusually costly projects.

B. The financing of Tax Increment District expenses where the debt will be structured to match the projected cash flow of the district. It is also generally the policy of the Village to require development agreements in advance of the issuance of TID debt. The Community Development Authority will make recommendations in this regard.

C. Larger building projects with projected useful lives of 20 or more years may be financed with 20-year General Obligation Bonds.

D. It is also generally the philosophy of the Village to avoid balloon payment structures or significant back loading of the issue where more than 50% of the principal is matured in the last 2 to 3 years of the issue. An exception may be made to accommodate cash flow constraints of tax increment financing.

**5. INTERFUND ADVANCES**

Interfund advances may be made from time to time to support projects within the Enterprise funds, these advances will be repaid in full based upon an approved arrangement. It is the intent of the Village that the Enterprise funds be self-supported by way of their own operating revenues.

**6. MAINTENANCE AND ENHANCEMENT OF CREDIT RATING**

Shorewood recognizes that a high quality credit rating is important to achieving the lowest possible cost of debt when debt is used to finance capital needs. In addition, a high quality rating is reflective of sound financial management and prudent operating practices. It is therefore the Village's policy that its current Aa2 credit rating be maintained and that efforts be made where possible to seek to upgrade this rating. To this end the Village is committed to maintaining positive working relationships with the Credit rating agencies and will cooperate with the representatives of such agencies through the provision of information and, when appropriate, through personal presentations to the analysts responsible for review of the Shorewood account.

### 7. FEES FOR SERVICE

The Village currently utilizes user fees for certain services it provides. Examples are water usage fees and sewerage fees. Due to the State imposed levy limits, the Village may consider expanding this practice of user of fees in lieu of property tax levy to provide revenue to defray the costs of certain services. Other examples of these types of fees would be Storm Water management fees, transportation fees and special assessments. The Village Board would review these fees annually to ensure that they are adequately covering the costs of providing such services.

### 8. SUMMARY

The Village has developed these policy objectives with the intent of setting forth its philosophy related to fiscal management. The Village Board and staff recognize that circumstances change and that these objectives must be reviewed annually, however it is the intent of the Village of Shorewood to follow these general principals in subsequent years in order to assure the continued improvement of the Village's fiscal integrity. This multi-year financial plan has thus been developed in a manner to be fully consistent with the policy guidelines set forth above.

## Recommendations:

1. Fund Balances - Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* was issued in 2009 and will be effective beginning in 2011. This new accounting regulation will change the terminology used for reporting fund balances and will require the Village to add other provisions to its fund balance policy. It is anticipated that staff will bring the new policy to the Board for consideration later this year in order to comply with the new standard.

2. G.O. Debt Capacity - The self imposed G.O. debt capacity limits were established when the Village had only completed long range borrowing plans for road reconstruction. The Village has undergone many changes over the last several years which have changed the context of the long range plan, in both the creation of two new TIF districts and in the comprehensive sewer and storm water planning. The Village's policy on the self-imposed G.O. debt capacity limits must be reviewed in light of this new world.

2011 - 2020 Financial Plan

Assumptions

| Revenue Category | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|
| Charges | 3% | 0% | 0% | 3% | 0% | 0% | 3% | 0% |
| Charges - parking | 11% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Charges - sewer | 13% | 3% | 4% | 3% | 4% | 3% | 4% | 4% |
| Charges - water | 0% | 3% | 0% | 3% | 0% | 3% | 0% | 3% |
| Fines | 0% | 3% | 0% | 0% | 3% | 0% | 0% | 3% |
| Intergov't | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Licenses | 2% | 2% | 5% | 2% | 2% | 5% | 2% | 2% |
| OFS | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Other Rev | 2% | 1% | 2% | 1% | 2% | 1% | 2% | 1% |
| Taxes | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |

| Expenditure | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|
| Contractual | 3% | 0% | 0% | 3% | 0% | 0% | 3% | 0% |
| Fringe | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% |
| Insurance | 2% | 0% | 0% | 2% | 0% | 0% | 2% | 0% |
| OFU | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Other Gov't | 1% | 2% | 2% | 2% | 2% | 2% | 2% | 2% |
| Professional | 3% | 0% | 0% | 3% | 0% | 0% | 3% | 0% |
| Programming | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% |
| Salaries | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% |
| Supplies | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% |
| Utilities | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% |

| | |
|---|---|
| Debt | Based on repayment schedules and long range plan estimated future borrowings |
| Capital | Based on recurring projects plus long range plan estimated future projects |
| Depreciation | Based on estimated capital additions. |