



Village of Shorewood Long Range Financial Plan 2024 - 2033

In preparation for the 2024 budget process





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Overview

This document has been developed with the goal of providing a “100-foot view” of the village’s comprehensive financial outlook. The primary objective of this analysis is to be able to use this perspective to help evaluate the various fiscal impacts that would occur as a result of implementing the attached prospective capital infrastructure project schedule. We undertake this process not to be able to solve all the future potential challenges, but in order to better understand the context in which the numerous project planning and annual budgetary decisions will be made in the coming months, and future years.

2024-2033 Capital Project Implementation Schedule (Appendix A)

This schedule’s main focus is on the projected future long-range needs for the village’s major capital projects that will require debt financing over the next 10 years. The current plan includes over \$116 million of capital projects. This includes:

- \$47,005,000 for Road and Alley projects
- \$23,850,000 in Facility improvements projects
- \$5,715,000 in Sanitary Sewer and Storm water infrastructure projects,
- \$39,419,000 in Water system infrastructure projects

The capital infrastructure projects included in the plan have been developed based on many supporting planning processes, including the village’s Lead Service Line Replacement Program Comprehensive Sanitary Sewer, Storm water and Drainage Plan, Pavement Management Plan, Comprehensive Parks Plan, Sustainability Action Plan, Central District Master Plan, and the village’s Strategic Vision Plan.

Key Indicators

There are several key indicators that this plan will help evaluate:

- 1) The debt service requirements to implement these projects as proposed, and their tax levy impact
- 2) The village’s debt capacity under State Statutes and municipal policy objectives
- 3) The village’s levy limit outlook under current State Statutes
- 4) The village’s operational forecasts based on current fiscal trends
- 5) The projected financial performance of the village’s TID districts.
- 6) The future outlook of the village’s water and sewer utility fees



Debt Service

This plan begins by looking at the Village’s current tax levy supported debt service schedule found below on **line 1**. Then the projected future tax levy debt service needs that would likely be required to implement the proposed capital project schedules found in appendix A are shown on **line 2**. The result is a projected total debt service need for the village which includes the anticipated costs to implement the proposed capital project schedule. This amount can then be used in the lower section of the page to calculate the projected amount of debt service stabilization support that would be required in order to limit debt service tax levy increases to 10% per year. That amount is shown on **line 8**.

Budget Year	projected 2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Tax Levy Debt Service											
1 Existing Debt Schedule	2,296,700	2,590,900	2,488,200	2,429,800	2,179,900	1,896,700	1,773,100	1,739,200	1,745,200	1,804,800	1,746,000
2 Future Debt - Per Project Plan	-	-	699,600	748,600	2,795,500	3,198,700	4,287,900	4,522,200	5,043,400	5,335,300	5,520,400
3 Total Projected Debt Service	2,296,700	2,590,900	3,187,800	3,178,400	4,975,400	5,095,400	6,061,000	6,261,400	6,788,600	7,140,100	7,266,400
4 \$ Change in Debt Service	(4,800)	294,200	596,900	(9,400)	1,797,000	120,000	3,470,100	200,400	527,200	351,500	2,171,000
5 % Chg in Debt Service	-0.21%	12.81%	23.04%	-0.29%	56.54%	2.41%	133.93%	3.31%	8.70%	5.61%	42.61%
6 Gross Debt Service cost per household (\$340,000 assessed value - 2021 base year)	\$459	\$518	\$638	\$636	\$995	\$1,019	\$1,212	\$1,252	\$1,358	\$1,428	\$1,453
Tax Levy Debt Service Stabilization											
7 10% stabilization Baseline	2,069,525	2,276,478	2,504,125	3,178,400	4,975,400	5,095,400	6,061,000	6,261,400	6,788,600	7,140,100	7,266,400
8 Stabilization support needed (line 3 - line 7)	227,175	314,423	683,675	-	-	-	-	-	-	-	-
Funds Available for Tax Levy Stabilization											
9 PY remaining funds available (100%)	1,091,485	822,820	186,195	234,586	234,586	234,586	234,586	234,586	234,586	234,586	234,586
10 Stabalization needed for next year (line 8)	(314,423)	(683,675)	-	-	-	-	-	-	-	-	-
Additional funding streams:											
11 One time revenues	45,757	47,050	48,391	-	-	-	-	-	-	-	-
12 Running balance available funds	822,820	186,195	234,586	234,586	234,586	234,586	234,586	234,586	234,586	234,586	234,586
13 Stabilized Debt Service cost per household	\$414	\$455	\$501	\$636	\$995	\$1,019	\$1,212	\$1,252	\$1,358	\$1,428	\$1,453
Savings per household (line 6 - line 13)	\$45	\$63	\$137	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

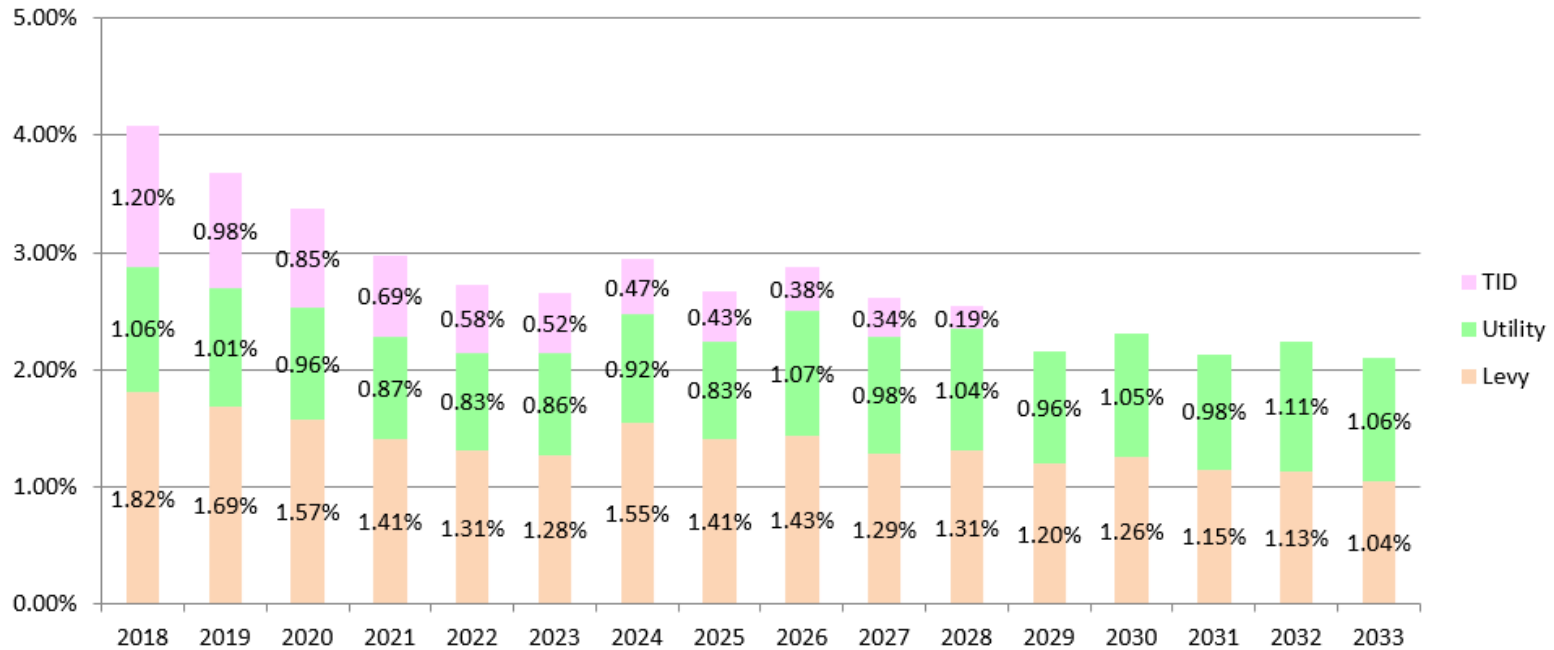


Debt Capacity

The total projected debt service amounts from the previous schedule can then also be used, in addition to other debt information, to help calculate the total amounts of the village’s outstanding General Obligation (G.O.) debt and look at the village’s trends in debt service capacity. In accordance with Wisconsin Statutes, the total general obligation indebtedness of the village may not exceed 5.0% of the total equalized value of property within the village’s jurisdiction. This is also referred to as the Village’s Direct Debt Burden. The village has also adopted additional policy criteria for the preservation of general obligation debt borrowing capacity which can be found in section 3 of the village’s financial policy guidelines located in **Appendix B**.

G.O. Debt - Percentage of Equalized Value Trend

2024-2033 Long Range Planning Projections





Levy Limits

The Village's property tax levy for operations and capital is limited by State Statute to increase no more than the growth factor equivalent to the village's net new construction percentage for each assessment year after an adjustment for debt service. The schedule on the following page evaluates the village's levy limit capacity outlook. This schedule is based on the current State of Wisconsin Levy Limit worksheets model.

While **line 2** of this schedule does reflect the projected allowable levy limit increase related to TID closures, for purposes of this financial plan we have assumed the village will not be able to increase taxes due to any anticipated net new construction factor (**line 6**) during the forecast period, and that the current law will remain in effect for all future years. Under these regulations, line 9 shows the village's maximum allowable levy limit.

As a result of the village's net new construction percentages exceeding the actual municipal tax levy increases over the past 10 years, the village has only had to claim a portion of the allowable debt service adjustments to remain in compliance under the levy limits statutes as shown on **line 4** for prior years. This has allowed the village to build up a reserve levy limit capacity, which is shown on **line 11** of the schedule.

This reserve capacity could be taken all at one time or spread out over the next several years. The option to manage the allowable increase over several years is referred to as the "moderate" tax levy amount, which is shown on **line 10** of the schedule and is the baseline used for this long range plan. This amount is calculated by limiting the growth of the tax levy for operations and capital to 2.0% per year based on the prior year's budget.

Under the assumptions of a 0% growth factor which allows for no levy limit increases under State Statutes, and an ongoing moderate 2.0% annual levy increase for operations and capital, **line 11** then shows what the trend in the village's reserve levy limit capacity would be over the next several years. While the village will certainly have some new construction in the future, this projection does not speculate on what those levels may be for the purpose of reviewing the reserve levy limit capacity trends.



Levy Limits

	Budget Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
1	Prior Year's Tax Levy Limit	\$ 11,871,355	\$ 12,351,524	\$ 14,769,232	\$ 15,366,132	\$ 15,356,732	\$ 17,415,103	\$ 17,770,454	\$ 18,736,054	\$ 18,936,454	\$ 19,463,654	\$ 19,815,154
2	TID Closure adjustment (est.)	\$ 270,594				\$ 261,371	\$ 235,351	\$ -	\$ -	\$ -	\$ -	\$ -
3	Less: Prior Year's Tax Levy											
4	Limit adj. for Debt Service	(90,000)	(197,500)	(2,590,900)	(3,187,800)	(3,178,400)	(4,975,400)	(5,095,400)	(6,061,000)	(6,261,400)	(6,788,600)	(7,140,100)
5	Sub-total	12,051,949	12,154,024	12,178,332	12,178,332	12,439,703	12,675,054	12,675,054	12,675,054	12,675,054	12,675,054	12,675,054
6	Growth Factor	0.25%	0.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7	Sub-total	12,082,079	12,178,332	12,178,332	12,178,332	12,439,703	12,675,054	12,675,054	12,675,054	12,675,054	12,675,054	12,675,054
8	Plus Tax Levy for Debt Service	2,296,700	2,590,900	3,187,800	3,178,400	4,975,400	5,095,400	6,061,000	6,261,400	6,788,600	7,140,100	7,266,400
9	Maximum Allowable Levy	\$ 14,378,779	\$ 14,769,232	\$ 15,366,132	\$ 15,356,732	\$ 17,415,103	\$ 17,770,454	\$ 18,736,054	\$ 18,936,454	\$ 19,463,654	\$ 19,815,154	\$ 19,941,454
10	Moderate Levy Used in Planning	\$ 12,351,524	\$ 12,764,116	\$ 13,201,517	\$ 14,089,740	\$ 16,104,966	\$ 16,447,558	\$ 17,640,201	\$ 18,072,185	\$ 18,835,601	\$ 19,428,041	\$ 19,800,099
11	Reserve levy limit capacity	\$ 2,027,255	\$ 2,005,116	\$ 2,164,615	\$ 1,266,992	\$ 1,310,137	\$ 1,322,896	\$ 1,095,853	\$ 864,269	\$ 628,053	\$ 387,113	\$ 141,355
12	% reserve capacity to Moderate Levy	16.4%	15.7%	16.4%	9.0%	8.1%	8.0%	6.2%	4.8%	3.3%	2.0%	0.7%

The following table on [page 7](#) shows a number of additional metrics based on this moderate levy amount. The amounts on [lines 10-12](#) are repeated from the schedule above. Over the ten year period, the moderate tax levy approach results in \$14 million less taxes being levied as a result of the village keeping taxes below the maximum allowable levy limit.

The debt service tax levy on [line 13](#) uses the “stabilized” debt service tax levy amounts from the schedule on [page 4 line 7](#). The projected changes in operating and capital tax levies are shown on [lines 14-16](#). In order to more accurately calculate the tax levy impact that these amounts would have on property owners, the estimated incremental values of the TID’s on [lines 17-23](#) are subtracted from the total assessed value of the village. This then derives the “net assessed value” which is the tax base that supports the local tax levies. The incremental values within the TID districts generate the tax incremental revenues for the TID’s.



Levy Limits

The resulting estimated tax rates are then calculated and shown on **line 25**. Then the estimated tax impact that this levy would have on a \$340,000 homeowner are shown on **lines 26-29**. This schedule also tracks the estimated amount of pending annual tax relief that has been generated in the Village's TIF districts on **lines 30-33**. This pending tax relief will be realized as each TIF district closes in the coming years.

Budget Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
10 Moderate Levy Used in Planning	\$ 12,351,524	\$ 12,764,116	\$ 13,201,517	\$ 14,089,740	\$ 16,104,966	\$ 16,447,558	\$ 17,640,201	\$ 18,072,185	\$ 18,835,601	\$ 19,428,041	\$ 19,800,099
11 Reserve levy limit capacity	\$ 2,027,255	\$ 2,005,116	\$ 2,164,615	\$ 1,266,992	\$ 1,310,137	\$ 1,322,896	\$ 1,095,853	\$ 864,269	\$ 628,053	\$ 387,113	\$ 141,355
12 % reserve capacity to Moderate Levy	16.4%	15.7%	16.4%	9.0%	8.1%	8.0%	6.2%	4.8%	3.3%	2.0%	0.7%
13 Stabilized Debt Service Tax Levy	2,069,525	2,276,478	2,504,125	3,178,400	4,975,400	5,095,400	6,061,000	6,261,400	6,788,600	7,140,100	7,266,400
14 Levy used for Operations & Capital	\$ 10,281,999	\$ 10,487,639	\$ 10,697,392	\$ 10,911,340	\$ 11,129,566	\$ 11,352,158	\$ 11,579,201	\$ 11,810,785	\$ 12,047,001	\$ 12,287,941	\$ 12,533,699
15 Change in Operating/Capital Levy	381,619	205,640	209,753	213,948	218,227	222,591	227,043	231,584	236,216	240,940	245,759
16 % Chg in Operating/Capital Levy	3.9%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
17 Assessed Values (\$1,000's) 2% annual gro	Est. 1/1/22	Est. 1/1/23									
18 Total Assessed 1/1 prior year (AV)	1,842,000	1,915,680	1,953,994	1,993,073	2,032,935	2,073,594	2,115,066	2,157,367	2,200,514	2,244,524	2,289,415
20 TID 3 increment value (EV)	(40,061)	(30,898)	(31,516)	(32,146)	(32,789)	-	-	-	-	-	-
21 TID 4 increment value (EV)	(17,437)	(19,517)	(19,907)	(20,305)	(20,712)	-	-	-	-	-	-
22 TID 5 increment value (EV)	(54,198)	(61,367)	(62,594)	(63,846)	-	-	-	-	-	-	-
23 Net Assessed Value *	1,730,305	1,803,898	1,839,976	1,876,775	1,979,434	2,073,594	2,115,066	2,157,367	2,200,514	2,244,524	2,289,415
* The net assessed value is the total assessed value less the TID incremental values. The net assessed value is the tax base that supports the Village tax levy. The TID incremental values generate the revenues to support TID activities.											
	340	354	354	368	368	383	383	398	398	414	383
24 Village Only Tax Rate											
25 Per \$1,000 net assessed value	7.138351	7.075853	7.174831	7.507419	8.136147	7.931910	8.340262	8.376964	8.559636	8.655749	8.648541
26 Estimated Village Tax Bill for a											
27 \$340,000 home (2020 base)	\$ 2,534	\$ 2,618	\$ 2,708	\$ 2,890	\$ 3,304	\$ 3,374	\$ 3,619	\$ 3,707	\$ 3,864	\$ 3,985	\$ 4,062
28 Change from prior year	99	84	90	182	414	70	245	88	157	121	77
29 % Change from prior year	4.1%	3.3%	3.4%	7.6%	14.3%	2.1%	9.4%	2.4%	4.2%	3.3%	2.3%
30 Value of pending TID tax relief											
31 Village only - Total	\$ 797,319	\$ 790,953	\$ 818,057	\$ 873,098	\$ 435,290	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32 Estimated all districts	\$ 1,594,638	\$ 1,581,906	\$ 1,636,115	\$ 1,746,195	\$ 870,581	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33 All districts / \$340,000 home	\$ 319	\$ 316	\$ 327	\$ 349	\$ 174	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



Operational Forecast

The schedule below summarizes the revenues and expenditures for the General Fund, Library, Senior Resource Center, Capital Projects, and Debt Service funds. The capital projects revenues and expenditures lines are based on the supplemental schedule in the next section. Please also note that the debt service projected revenues and expenditures includes TID debt and the non-tax levy TID transfers received to make those payments.

This schedule starts with the current budget followed by future revenue and expenditure projections. The future projections are based primarily on other revenues increasing at a rate of 1% per year while expenditures increase by 2% per year. As a result of this structural imbalance, with baseline expenditures expected to increase at a higher rate than non-tax revenues, a cumulative funding gap would develop over time. This prospective funding gap, shown on the bottom of the schedule, illustrates the potential long term impact of this imbalance. As a result, this gap must be addressed each year as part of the annual budget process, which requires a balanced budget, in order to avoid this cumulative effect.

	budget 2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Property Taxes											
Property Tax Levy - All Funds	\$ 12,351,524	\$ 12,764,116	\$ 13,201,517	\$ 14,089,740	\$ 16,104,966	\$ 16,447,558	\$ 17,640,201	\$ 18,072,185	\$ 18,835,601	\$ 19,428,041	\$ 19,800,099
Other Revenues (non-tax)											
General Fund (1%)	3,707,441	3,744,515	3,781,961	3,819,780	3,857,978	3,896,558	3,935,523	3,974,879	4,014,627	4,054,774	4,095,321
Library (1%)	110,915	112,024	113,144	114,276	115,419	116,573	117,739	118,916	120,105	121,306	122,519
Elder Services (1%)	29,600	29,896	30,195	30,497	30,802	31,110	31,421	31,735	32,053	32,373	32,697
Shorewood Today (1%)	101,000	102,010	103,030	104,060	105,101	106,152	107,214	108,286	109,369	110,462	111,567
Capital Projects (schedule)	1,695,000	4,645,000	6,810,000	28,690,000	6,630,000	8,260,000	7,770,000	2,990,000	4,270,000	3,995,000	9,560,000
TID Debt Service	1,331,429	1,031,316	1,013,263	1,057,225	1,068,738	3,168,800	974,738	997,738	1,018,163	585,213	564,738
Total Revenues	19,326,909	22,428,878	25,053,110	47,905,578	27,913,004	32,026,750	30,576,835	26,293,738	28,399,917	28,327,169	34,286,942
Expenditures											
General Fund (2%)	\$ 12,372,250	\$ 12,619,695	\$ 12,872,089	\$ 13,129,531	\$ 13,392,121	\$ 13,659,964	\$ 13,933,163	\$ 14,211,826	\$ 14,496,063	\$ 14,785,984	\$ 15,081,704
Library (2%)	1,078,370	1,099,937	1,121,936	1,144,375	1,167,262	1,190,608	1,214,420	1,238,708	1,263,482	1,288,752	1,314,527
Elder Services (2%)	148,835	151,812	154,848	157,945	161,104	164,326	167,612	170,965	174,384	177,872	181,429
Shorewood Today (2%)	101,000	103,020	105,080	107,182	109,326	111,512	113,742	116,017	118,338	120,704	123,118
Capital Projects (schedule)	2,225,500	5,186,110	7,361,932	29,252,971	7,204,230	8,845,715	8,367,429	3,599,378	4,891,565	4,628,997	10,206,877
Debt Service (projected)	3,400,954	3,307,794	3,517,388	4,235,625	6,044,138	8,264,200	7,035,738	7,259,138	7,806,763	7,725,313	7,831,138
Total Expenditures	19,326,909	22,468,368	25,133,274	48,027,628	28,078,181	32,236,324	30,832,105	26,596,032	28,750,595	28,727,622	34,738,593



Capital Projects Forecasts

The Capital Projects Fund schedule shown on the following page organizes revenues and expenditures based on the nature of their funding sources. Annual capital funding sources include property taxes, state aids, and other various revenues sources. Long Range Plan funding sources include bond proceeds, grants and any special assessment related to specific projects.

Annual Capital projects (non-infrastructure) (funded by property taxes and other annual revenues)

The village's vehicle and equipment replacement needs, major facilities maintenance, and other various non-infrastructure projects or one time initiatives are typically funded through annual revenues. Staff estimates that approximately **\$625,000** of ongoing annual funding will be necessary in order to be able to meet these needs over an extended period of time.

The Village maintains more than \$7 million in vehicles, equipment, and other capital assets used to provide services to the community which must be periodically replaced. The items whose replacement costs must be funded within the general capital budget include \$600,000 in Police vehicles, \$2,000,000 of DPW general vehicles, \$1,000,000 in refuse collections trucks, \$1,500,000 in other DPW operational equipment, and \$200,000 in IT network equipment. The remaining equipment is within the Library and Water & Sewer utilities and is accounted for elsewhere in the budget.

In order to effectively manage the replacement of these items, the condition, estimated useful life, and anticipated replacement dates for each asset are reviewed and updated by department heads each year. Based on this input, these items are then prioritized and incorporated in the annual capital budget in a way that attempts to manage the annual funding levels needed to replace these assets in a fiscally sustainable manner.

Long Range Plan projects (infrastructure projects) (funded primarily through bond proceeds)

Appendix A identifies the various infrastructure projects and implementation schedules which will be funded primarily through debt financing. This plan captures the combination of planning efforts that have been done for the Village's infrastructure assets including roads, water, sanitary sewer and storm water systems, and other municipal infrastructure needs.

Long Range Financial Plan 2024 - 2033

General Capital Projects Fund - 400



	Account Number	Account Name	budget 2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Revenues													
1	Annual Capital Funding Sources												
2	400-5700-41110	Property Taxes (2.0% growth)	\$ 530,500	\$ 541,110	\$ 551,932	\$ 562,971	\$ 574,230	\$ 585,715	\$ 597,429	\$ 609,378	\$ 621,565	\$ 633,997	\$ 646,677
3	400-5700-43530	State Transportation Aids	-	-	-	-	-	-	-	-	-	-	-
4	400-5700-43590	One-time Revenues	-	-	-	-	-	-	-	-	-	-	-
5	400-9000-49700	Property Sales	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
6	Total Annual Capital Revenues		590,500	601,110	611,932	622,971	634,230	645,715	657,429	669,378	681,565	693,997	706,677
7 Long Range Plan Funding Sources													
8	400-9000-49800	Bond Proceeds / Reserves	1,635,000	4,585,000	6,750,000	25,315,000	6,570,000	8,200,000	7,710,000	2,930,000	4,210,000	3,935,000	9,500,000
9	400-5700-43730	Other Revenues	-	-	-	3,315,000	-	-	-	-	-	-	-
10	Total LRP Capital Revenues		1,635,000	4,585,000	6,750,000	28,630,000	6,570,000	8,200,000	7,710,000	2,930,000	4,210,000	3,935,000	9,500,000
Total Revenue			2,225,500	5,186,110	7,361,932	29,252,971	7,204,230	8,845,715	8,367,429	3,599,378	4,891,565	4,628,997	10,206,677
Expenditures													
12	General Annual Capital needs		\$ 590,500	\$ 601,110	\$ 611,932	\$ 622,971	\$ 634,230	\$ 645,715	\$ 657,429	\$ 669,378	\$ 681,565	\$ 693,997	\$ 706,677
13 Long Range Plan projects													
14	Roads / Alley		1,585,000	2,150,000	1,400,000	3,315,000	1,900,000	2,900,000	3,060,000	2,850,000	4,210,000	3,875,000	9,500,000
15	Other General Projects in Plan		-	2,310,000	5,350,000	25,030,000	4,670,000	5,150,000	4,650,000	-	-	-	-
16	Debt Issuance Costs (net)		50,000	125,000	-	285,000	-	150,000	-	80,000	-	60,000	-
17	Sub-total LRP projects		1,635,000	4,585,000	6,750,000	28,630,000	6,570,000	8,200,000	7,710,000	2,930,000	4,210,000	3,935,000	9,500,000
18	Total Expenditures		2,225,500	5,186,110	7,361,932	29,252,971	7,204,230	8,845,715	8,367,429	3,599,378	4,891,565	4,628,997	10,206,677
19	Net Change in Fund Balance		-	-	-	-	-	-	-	-	-	-	-



TID Projections

The status of the village’s TID’s impacts both the village’s levy limit as well as the projected tax impact of future projects and pending tax relief as a result of the increased property values within each district. The following schedules reflect the current status and projected closing dates for each of the villages TIF districts.

Tax Incremental District #3				Moderate assumptions								Created: 2008, Mandatory Close: 2035				
Cash Flow Projections				Property appreciation factor				2.00%								
5/25/2023				Tax rate appreciation factor				1.50%								
Budget / Revenue Year	Property Valuation Estimates				Taxes	Revenue Estimates			Expenditure Estimates				Cash Position / Debt			Budget / Revenue Year
	PY equalized value	Change / Inflationary Increase	Projected Equalized Value	Increment Value	Projected Tax Rate / 1,000	Incremental Revenues	Other Revenues	Total Revenues	Debt Service	Other Expenditures	Total Expenditures	Annual Change	Cumulative Ending Cash Balances	Year-end Outstanding Debt	Difference	
2019			31,108,900		28.38								\$ 180,000	\$ 6,963,450	\$ (6,783,450)	2019
2020	31,108,900	4,326,100	35,435,000	27,686,600	27.11	\$ 800,650	\$ 30,000	\$ 830,650	\$ 530,550	\$ 65,000	\$ 595,550	\$ 235,100	\$ 460,000	\$ 6,611,500	\$ (6,151,500)	2020
2021	35,435,000	11,600,000	47,035,000	39,286,600	27.44	\$ 1,199,830	\$ 30,000	\$ 1,229,830	\$ 906,587	\$ 20,000	\$ 926,587	\$ 303,243	\$ 777,000	\$ 6,252,830	\$ (5,475,830)	2021
2022	47,035,000	(8,380,000)	38,655,000	30,906,600	24.83	\$ 767,411	\$ 30,000	\$ 797,411	\$ 678,470	\$ 60,000	\$ 738,470	\$ 58,941	\$ 1,135,000	\$ 5,880,000	\$ (4,745,000)	2022
2023	38,646,400	772,928	39,419,328	31,670,928	24.92	\$ 789,240	\$ 30,000	\$ 819,240	\$ 610,400	\$ 15,000	\$ 625,400	\$ 193,840	\$ 1,328,840	\$ 5,545,000	\$ (4,216,160)	2023
2024	39,419,328	788,387	40,207,715	32,459,315	25.29	\$ 821,019	\$ 30,000	\$ 851,019	\$ 345,500	\$ 15,000	\$ 360,500	\$ 490,519	\$ 1,819,359	\$ 5,500,000	\$ (3,680,641)	2024
2025	40,207,715	804,154	41,011,869	33,263,469	25.67	\$ 853,980	\$ 30,000	\$ 883,980	\$ 500,000	\$ 15,000	\$ 515,000	\$ 368,980	\$ 2,188,339	\$ 5,200,000	\$ (3,011,661)	2025
2026	41,011,869	820,237	41,832,106	34,083,706	26.06	\$ 888,164	\$ 30,000	\$ 918,164	\$ 525,000	\$ 15,000	\$ 540,000	\$ 378,164	\$ 2,566,502	\$ 4,875,000	\$ (2,308,498)	2026
2027	41,832,106	836,642	42,668,748	34,920,348	26.45	\$ 923,615	\$ 30,000	\$ 953,615	\$ 551,250	\$ 15,000	\$ 566,250	\$ 387,365	\$ 2,953,867	\$ 4,540,000	\$ (1,586,133)	2027
2028	42,668,748	853,375	43,522,123	35,773,723	26.85	\$ 960,378	\$ 30,000	\$ 990,378	\$ 578,813	\$ 15,000	\$ 593,813	\$ 396,566	\$ 3,350,433	\$ 3,800,000	\$ (449,567)	2028
2029	43,522,123	870,442	44,392,566	36,644,166	27.25	\$ 998,502	\$ 30,000	\$ 1,028,502	\$ 607,753	\$ 15,000	\$ 622,753	\$ 405,749	\$ 3,756,182	\$ 3,400,000	\$ 356,182	2029
2030	44,392,566	887,851	45,280,417	37,532,017	27.66	\$ 1,038,036	\$ 30,000	\$ 1,068,036	\$ 638,141	\$ 15,000	\$ 653,141	\$ 414,895	\$ 4,171,077	\$ 3,000,000	\$ 1,171,077	2030

Long Range Financial Plan 2024 - 2033



TID Projections

Tax Incremental District #4				Moderate assumptions								Created: 2011, Mandatory Close: 2038				
Cash Flow Projections				Property appreciation factor				2.00%								
5/25/2023				Tax rate appreciation factor				1.50%								
		Property Valuation Estimates			Taxes	Revenue Estimates			Expenditure Estimates				Cash Position / Debt			
Budget / Revenue Year	PY equalized value	Change / Inflationary Increase	Projected Equalized Value	Increment Value	Projected Tax Rate / 1,000	Incremental Revenues	Other Revenues	Total Revenues	Debt Service	Other Expenditures	Total Expenditures	Annual Change	Cumulative Ending Cash Balances	Year-end Outstanding Debt	Difference	Budget / Revenue Year
2019			19,603,200		28.38								\$ 900,000	\$ 6,650,000	\$ (5,750,000)	2019
2020	19,603,200	(578,700)	19,024,500	17,829,100	27.11	\$ 515,600	\$ 200,000	\$ 715,600	\$ 506,270	\$ 5,000	\$ 511,270	\$ 204,330	\$ 1,150,000	\$ 6,340,000	\$ (5,190,000)	2020
2021	19,024,500	(737,100)	18,287,400	17,092,000	27.44	\$ 469,004	\$ 200,000	\$ 669,004	\$ 514,700	\$ 5,000	\$ 519,700	\$ 149,304	\$ 1,321,250	\$ 6,015,000	\$ (4,693,750)	2021
2022	18,287,400	2,422,600	20,710,000	19,514,600	24.83	\$ 484,548	\$ 200,000	\$ 684,548	\$ 532,000	\$ 5,000	\$ 537,000	\$ 147,548	\$ 1,450,000	\$ 5,665,000	\$ (4,215,000)	2022
2023	20,712,400	414,248	21,126,648	19,931,248	24.92	\$ 496,687	\$ 200,000	\$ 696,687	\$ 543,340	\$ 5,000	\$ 548,340	\$ 148,347	\$ 1,598,347	\$ 5,295,000	\$ (3,696,653)	2023
2024	21,126,648	422,533	21,549,181	20,353,781	25.29	\$ 514,824	\$ 200,000	\$ 714,824	\$ 543,700	\$ 5,000	\$ 548,700	\$ 166,124	\$ 1,764,471	\$ 4,915,000	\$ (3,150,529)	2024
2025	21,549,181	430,984	21,980,165	20,784,765	25.67	\$ 533,612	\$ 200,000	\$ 733,612	\$ 553,840	\$ 5,000	\$ 558,840	\$ 174,772	\$ 1,939,243	\$ 4,515,000	\$ (2,575,757)	2025
2026	21,980,165	439,603	22,419,768	21,224,368	26.06	\$ 553,071	\$ 200,000	\$ 753,071	\$ 556,650	\$ 5,000	\$ 561,650	\$ 191,421	\$ 2,130,664	\$ 4,100,000	\$ (1,969,336)	2026
2027	22,419,768	448,395	22,868,163	21,672,763	26.45	\$ 573,227	\$ 200,000	\$ 773,227	\$ 554,000	\$ 5,000	\$ 559,000	\$ 214,227	\$ 2,344,891	\$ 3,675,000	\$ (1,330,109)	2027
2028	22,868,163	457,363	23,325,526	22,130,126	26.85	\$ 594,104	\$ 2,215,000	\$ 2,809,104	\$ 2,616,075	\$ 5,000	\$ 2,621,075	\$ 188,029	\$ 2,532,919	\$ 1,175,000	\$ 1,357,919	2028
2029	23,325,526	466,511	23,792,037	22,596,637	27.25	\$ 615,727	\$ 25,000	\$ 640,727	\$ 411,250	\$ 5,000	\$ 416,250	\$ 224,477	\$ 2,757,396	\$ 800,000	\$ 1,957,396	2029
2030	23,792,037	475,841	24,267,878	23,072,478	27.66	\$ 638,123	\$ 25,000	\$ 663,123	\$ 425,000	\$ 5,000	\$ 430,000	\$ 233,123	\$ 2,990,519	\$ 400,000	\$ 2,590,519	2030



TID Projections

Tax Incremental District #5				Moderate assumptions								Created: 2014, Mandatory Close: 2041				
Cash Flow Projections				Property appreciation factor				2.00%								
5/25/2023				Tax rate appreciation factor				1.50%								
Budget / Revenue Year	Property Valuation Estimates				Taxes	Revenue Estimates			Expenditure Estimates				Cash Position / Debt			Budget / Revenue Year
	PY equalized value	Change / Inflationary Increase	Projected Equalized Value	Increment Value	Projected Tax Rate / 1,000	Incremental Revenues	Other Revenues	Total Revenues	Debt Service	Other Expenditures	Total Expenditures	Annual Change	Cumulative Ending Cash Balances	Year-end Outstanding Debt	Difference	
2019			52,831,900		28.38								\$ 2,075,000	\$ 5,690,000	\$ (3,615,000)	2019
2020	52,831,900	2,241,500	55,073,400	46,987,600	27.11	\$ 1,358,800	\$ 40,000	\$ 1,398,800	\$ 415,625	\$ 25,000	\$ 440,625	\$ 958,175	\$ 3,050,000	\$ 5,465,000	\$ (2,415,000)	2020
2021	55,073,400	6,150,000	61,223,400	53,137,600	27.44	\$ 1,438,096	\$ 40,000	\$ 1,478,096	\$ 435,900	\$ 25,000	\$ 460,900	\$ 1,017,196	\$ 4,295,000	\$ 5,215,000	\$ (920,000)	2021
2022	61,223,400	8,231,500	69,454,900	61,369,100	24.83	\$ 1,523,795	\$ 40,000	\$ 1,563,795	\$ 425,150	\$ 25,000	\$ 450,150	\$ 1,113,645	\$ 5,275,000	\$ 4,970,000	\$ 305,000	2022
2023	69,452,800	1,389,056	70,841,856	62,756,056	24.92	\$ 1,563,881	\$ 50,000	\$ 1,613,881	\$ 444,150	\$ 50,000	\$ 494,150	\$ 1,119,731	\$ 6,394,731	\$ 4,700,000	\$ 1,694,731	2023
2024	70,841,856	1,416,837	72,258,693	64,172,893	25.29	\$ 1,623,176	\$ 50,000	\$ 1,673,176	\$ 442,125	\$ 100,000	\$ 542,125	\$ 1,131,051	\$ 7,525,782	\$ 4,425,000	\$ 3,100,782	2024
2025	72,258,693	1,445,174	73,703,867	65,618,067	25.67	\$ 1,684,626	\$ 50,000	\$ 1,734,626	\$ 459,425	\$ 3,315,000	\$ 3,774,425	\$ (2,039,799)	\$ 5,485,983	\$ 4,125,000	\$ 1,360,983	2025
2026	73,703,867	1,474,077	75,177,944	67,092,144	26.06	\$ 1,748,308	\$ 50,000	\$ 1,798,308	\$ 500,575	\$ 5,000	\$ 505,575	\$ 1,292,733	\$ 6,778,716	\$ 3,775,000	\$ 3,003,716	2026
2027	75,177,944	1,503,559	76,681,503	68,595,703	26.45	\$ 1,814,300	\$ 50,000	\$ 1,864,300	\$ 514,725	\$ 5,000	\$ 519,725	\$ 1,344,575	\$ 8,123,291	\$ 3,400,000	\$ 4,723,291	2027
2028	76,681,503	1,533,630	78,215,133	70,129,333	26.85	\$ 1,882,686	\$ 50,000	\$ 1,932,686	\$ 552,725	\$ 5,000	\$ 557,725	\$ 1,374,961	\$ 9,498,252	\$ 2,975,000	\$ 6,523,252	2028
2029	78,215,133	1,564,303	79,779,436	71,693,636	27.25	\$ 1,953,552	\$ 50,000	\$ 2,003,552	\$ 563,500	\$ 5,000	\$ 568,500	\$ 1,435,052	\$ 10,933,304	\$ 2,525,000	\$ 8,408,304	2029
2030	79,779,436	1,595,589	81,375,025	73,289,225	27.66	\$ 2,026,985	\$ 50,000	\$ 2,076,985	\$ 572,750	\$ 5,000	\$ 577,750	\$ 1,499,235	\$ 12,432,539	\$ 2,050,000	\$ 10,382,539	2030



Water Utility

Current Rates and Customer Information

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

General Rate Data	Quarterly	Annual
Meter service charge (3/4")	\$ 30.00	\$120.00
Public Fire Fees (3/4")	\$ 20.91	\$83.64
Plus Volumetric per 100 Cubic Feet	\$ 3.38	\$180.38
Last Full Rate Increase	1/1/23	
Quarterly Bill (1,300 Cubic Feet Usage)	\$98.40	\$393.60
	No. of	Consumption
Five Year Estimate	Customers	100 Cubic Ft
Residential Customers	3,229	175,000
Multi-Family	155	90,000
Commercial	105	24,000
Public Authority	40	11,000

Long Range Plan Notes

- Significant new lead service lateral replacement future capital projects are included in the plan for water main replacements done in conjunction with road projects and other stand along water main projects.

Recommended Future Rates

In 2022 the Public Service Commission (PSC) approved a 20% overall water rate increase to be effective on 1/1/23.

The Village’s Water Utility Rates are reviewed and designed by the Public Service Commission (PSC). Rate increase requests can only be made under certain conditions. This long range plan calls for the Water utility to bond for nearly \$39 million of system improvements over the next 10 years.

The Village also targets cash reserves for this fund to be approximately 25% of operating expenses, as customers are billed quarterly for the previous quarter’s consumption, while utility vendors are paid monthly.

Based upon projected estimates in the water utility, a rate increase of 20% is occurred Jan. 1 2023. However, as these future capital projects are completed, similar increases will also likely be needed in 2025 and 2027, primarily to support the increased debt service payments for these projects as well as other general cost increases.

Staff will continue to monitor the utility’s purchased water costs from the Milwaukee Water Works as any significant increases in these costs will also have an impact on rates.

Long Range Financial Plan 2024 - 2033



Water Utility

	budget										
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
1 Revenues											
2 User Fees	\$ 2,320,000	\$ 2,320,000	\$ 2,784,000	\$ 2,784,000	\$ 3,201,600	\$ 3,201,600	\$ 3,681,840	\$ 3,681,840	\$ 4,234,116	\$ 4,234,116	\$ 4,657,528
3 Other Revenues	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
4 Total Revenues	2,400,000	2,400,000	2,864,000	2,864,000	3,281,600	3,281,600	3,761,840	3,761,840	4,314,116	4,314,116	4,737,528
5 Expenses											
6 Purchase Water (3%)	\$ 786,763	\$ 810,366	\$ 834,677	\$ 859,718	\$ 885,509	\$ 912,074	\$ 939,437	\$ 967,620	\$ 996,648	\$ 1,026,548	\$ 1,057,344
7 PILOT expenses	195,000	220,000	260,000	300,000	320,000	340,000	360,000	380,000	400,000	420,000	440,000
8 Depreciation	235,000	275,000	305,000	370,000	395,000	420,000	445,000	470,000	495,000	520,000	545,000
9 Other Expenses (5%)	\$ 761,339	\$ 799,406	\$ 839,376	\$ 881,345	\$ 925,412	\$ 971,683	\$ 1,020,267	\$ 1,071,281	\$ 1,124,845	\$ 1,181,087	\$ 1,240,141
10 Interest Expense	125,200	167,570	252,550	240,750	490,950	473,585	573,835	550,741	683,725	654,020	573,835
11 Total Expenses	2,103,303	2,272,342	2,491,604	2,651,813	3,016,872	3,117,343	3,338,539	3,439,641	3,700,218	3,801,655	3,856,320
12 Net Change in Equity	296,697	127,658	372,396	212,187	264,728	164,257	423,301	322,199	613,898	512,461	881,207
13 Beginning Equity	3,830,000	4,126,697	4,254,355	4,626,751	4,838,939	5,103,667	5,267,924	5,691,226	6,013,424	6,627,322	7,139,784
14 Ending Equity	\$ 4,126,697	\$ 4,254,355	\$ 4,626,751	\$ 4,838,939	\$ 5,103,667	\$ 5,267,924	\$ 5,691,226	\$ 6,013,424	\$ 6,627,322	\$ 7,139,784	\$ 8,020,991
15 Rate increase included above	20.00%	0.00%	20.00%	0.00%	15.00%	0.00%	15.00%	0.00%	15.00%	0.00%	10.00%
16 Revenue coverage 125% target	112.00%	81.00%	118.00%	103.00%	98.00%	88.00%	106.00%	95.00%	109.00%	99.00%	149.00%
* - The Water Utility budgets on a full accrual method. The estimated cash position of the utility is also affected by capital purchases and principal repayment of bonds and is shown below.											
17 Self-funded capital costs	100,000	-	100,000	-	100,000	-	100,000	-	100,000	-	100,000
18 Bond principal payments	390,380	437,570	468,440	482,680	596,340	640,060	715,000	778,920	885,100	968,250	715,000
19 Self-funded bond reserves	-	-	-	-	-	-	-	-	-	-	-
20 Estimated cash position	1,021,317	986,405	1,095,361	1,194,869	1,158,257	1,102,454	1,039,706	1,052,985	1,176,783	1,240,994	1,713,662
21 Cash Target 25% Oper'g Exp	\$ 467,100	\$ 499,300	\$ 546,700	\$ 570,500	\$ 655,500	\$ 674,300	\$ 723,400	\$ 742,400	\$ 801,300	\$ 820,400	\$ 827,800



Sewer Utility

Current Rates and Customer Information

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

General Rate Data	Quarterly	Annual
Service charge	\$ 13.25	\$53.00
Plus Volumetric per 100 Cubic Feet	\$ 7.00	\$28.00
Last Rate Increase	1/1/22	
Quarterly Bill (1,300 Cubic Feet Usage)	\$104.00	\$417.00

Long Range Plan Notes

- The Village continues to have substantial capital investment planned for Sanitary Sewer infrastructure in the coming years. This plan includes the assumption that the future sewer borrowings to fund these projects will be Revenue bond borrowings.
- These borrowings require that utility rates be set at a level so that operating revenues will cover debt service by 125%. In addition, the utility will also be required to set aside separate bonding cash reserves. The fiscal schedule on the next page includes estimates of these needs and trends over time.

Recommended Future Rates

The Village’s Sewer Utility Rates are reviewed by the Village on an annual basis. The Village targets cash reserves for this fund to be approximately 25% of operating expenses, as customers are billed quarterly for the previous quarter’s consumption, while utility vendors are paid monthly.

After the 2010 flood, the Village began substantial capital re-investment to reduce the possibility of a reoccurrence of sewer backups. Since that time the Village has spent nearly \$12 million for storm water and sanitary sewer projects. The total combined south improvements are expected to require an additional \$13.5 million over the next 5 years.

In 2022 the sewer utility approved a 25% net rate increase effective 1/1/22 in order to begin preparing for the upcoming projects. Additional rate increases will also be needed in order to continue to fund capital improvements for the southeast portion of the village and other ongoing cost increases in the coming years.

Rate increases of 25% in 2024 are currently projected to be necessary in order to support these efforts.

Long Range Financial Plan 2024 - 2033



Sewer Utility

	budget 2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
1 Revenues											
2 User Fees	\$ 2,970,000	\$ 3,712,500	\$ 3,712,500	\$ 4,083,750	\$ 4,083,750	\$ 4,287,938	\$ 4,287,938	\$ 4,502,334	\$ 4,502,334	\$ 4,502,334	\$ 4,502,334
3 Other Revenues	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
4 Total Revenues	3,000,000	3,742,500	3,742,500	4,113,750	4,113,750	4,317,938	4,317,938	4,532,334	4,532,334	4,532,334	4,532,334
5 Expenses											
6 Treatment Expense (3%)	\$ 800,000	\$ 824,000	\$ 848,720	\$ 874,182	\$ 900,407	\$ 927,419	\$ 955,242	\$ 983,899	\$ 1,013,416	\$ 1,043,819	\$ 1,075,133
7 Depreciation	450,000	650,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
8 Other Expenses (3%)	912,087	939,450	967,633	996,662	1,026,562	1,057,359	1,089,080	1,121,752	1,155,405	1,190,067	1,225,769
9 Interest Expense	230,863	507,180	594,382	558,511	523,694	487,264	452,569	414,714	377,529	340,867	299,950
10 Total Expenses	2,392,950	2,920,630	3,160,735	3,179,355	3,200,663	3,222,042	3,246,890	3,270,365	3,296,350	3,324,752	3,350,852
11 Net Change in Equity	607,050	821,870	581,765	934,395	913,087	1,095,895	1,071,047	1,261,969	1,235,985	1,207,582	1,181,483
12 Beginning Equity	11,154,750	11,761,800	12,583,670	13,165,435	14,099,831	15,012,918	16,108,813	17,179,860	18,441,829	19,677,814	20,885,396
13 Ending Equity	11,761,800	12,583,670	13,165,435	14,099,831	15,012,918	16,108,813	17,179,860	18,441,829	19,677,814	20,885,396	22,066,879
14 Rate increase included above	0.00%	25.00%	0.00%	10.00%	0.00%	5.00%	0.00%	5.00%	0.00%	0.00%	0.00%
15 Revenue coverage 125% target	138.00%	131.00%	106.00%	124.00%	132.00%	153.00%	148.00%	159.00%	155.00%	145.00%	185.00%
* - The Sewer Utility budgets on a full accrual method. The estimated cash position of the utility is also affected by capital purchases and principal repayment of bonds and is shown below.											
16 Self-funded capital costs	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
17 Bond principal payments	678,524	975,986	1,202,913	1,223,998	1,111,750	1,021,750	1,067,100	1,094,775	1,130,125	1,228,850	893,150
18 Estimated cash position	\$ 838,526	\$ 1,084,410	\$ 963,262	\$ 1,173,660	\$ 1,474,997	\$ 2,049,142	\$ 1,588,357	\$ 2,255,552	\$ 2,861,412	\$ 2,734,284	\$ 2,837,475
19 Cash Target 25% Oper'g Exp	\$ 485,700	\$ 567,700	\$ 602,700	\$ 607,300	\$ 612,700	\$ 618,000	\$ 624,200	\$ 630,100	\$ 636,600	\$ 643,700	\$ 650,200



This table provides some comparative data illustrating where the Village of Shorewood currently ranks on the basis of total non-tax levy quarterly charges per household.

The challenge with this chart is that not all communities allocate all of their costs in the same manner. Some communities have separate stormwater utilities, while some integrate these costs within the sewer utility.

Other communities may not even separate these costs at all as they may be integrated into their general operations budget costs for culvert installation and maintenance in above ground stormwater systems; or they could just be part of typical road construction and maintenance costs.

Estimated Annual Cost of Service Comparison <u>2023</u> Rate Survey							
Rank	Municipality	Water	Sewer	Storm	Refuse / Recycling	Total	Quarterly
1	Mequon	\$ 693.60	\$ 618.20	\$ -	\$ 294.00	\$ 1,605.80	\$ 401.45
2	Bayside	\$ 445.68	\$ 555.50	\$ 265.65	\$ -	\$ 1,266.83	\$ 316.70
3	Saukville	\$ 463.34	\$ 502.48	\$ -	\$ 195.30	\$ 1,161.12	\$ 290.28
4	Wauwatosa	\$ 388.08	\$ 616.00	\$ 137.05	\$ -	\$ 1,141.13	\$ 285.28
5	Fox Point	\$ 556.18	\$ 300.28	\$ 144.05	\$ 81.00	\$ 1,081.51	\$ 270.38
6	Port Washington	\$ 628.16	\$ 395.40	\$ -	\$ 39.41	\$ 1,062.97	\$ 265.74
7	South Milwaukee	\$ 514.52	\$ 362.17	\$ 99.62	\$ 67.23	\$ 1,043.84	\$ 260.96
8	Cudahy	\$ 322.42	\$ 411.08	\$ 127.84	\$ 129.21	\$ 990.55	\$ 247.64
9	Franklin	\$ 394.66	\$ 431.03	\$ -	\$ 134.60	\$ 960.29	\$ 240.07
10	Cedarburg	\$ 438.67	\$ 522.00	\$ -	\$ -	\$ 960.67	\$ 240.17
11	Grafton	\$ 277.25	\$ 579.07	\$ -	\$ 37.08	\$ 893.4	\$ 223.35
12	Greenfield	\$ 298.90	\$ 246.20	\$ 77.00	\$ 216.11	\$ 838.21	\$ 209.55
13	Shorewood	\$ 393.60	\$ 417.20	\$ -	\$ -	\$ 810.80	\$ 202.70
14	Greendale	\$ 421.44	\$ 240.01	\$ 81.65	\$ 57.33	\$ 800.43	\$ 200.10
15	Brown Deer	\$ 379.92	\$ 124.20	\$ 120.88	\$ 82.44	\$ 707.44	\$ 176.86
16	Whitefish Bay	\$ 393.07	\$ 206.80	\$ 102.10	\$ -	\$ 701.97	\$ 175.49
17	Milwaukee	\$ 237.36	\$ 158.00	\$ 65.52	\$ 205.72	\$ 667.00	\$ 167.00
18	West Allis	\$ 339.55	\$ 238.00	\$ -	\$ 94.00	\$ 671.55	\$ 167.89
19	Glendale	\$ 429.65	\$ 116.12	\$ 81.00	\$ -	\$ 626.77	\$ 165.69
20	Oak Creek	\$ 398.06	\$ 138.07	\$ -	\$ -	\$ 536.13	\$ 134.03



Estimated Average Residential Property Owner Payments

When contemplating the total fiscal impact that the implementation of this capital project schedule will have on residents, it is important to consider the combined impact of both any increased property taxes, and any resulting increases in the village’s municipal utility charges that our residents will incur as a result of these various infrastructure projects.

The following schedule shows the aggregate impact of both of these factors given the parameters identified in this plan.

Payment Type	approx. 2020	approx. 2021	approx. 2022	approx. 2023	Projected 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Tax Bill (Village Portion)	\$ 2,389	\$ 2,413	\$ 2,435	\$ 2,534	\$ 2,618	\$ 2,708	\$ 2,890	\$ 3,304	\$ 3,374	\$ 3,619	\$ 3,707	\$ 3,864	\$ 3,985	\$ 4,062
Water Flat Quarterly	20.88	20.88	41.68	50.02	50.02	60.02	60.02	69.02	69.02	79.38	79.38	91.28	91.28	100.41
Water Consumption	3.00	3.00	3.00	3.60	3.60	4.32	4.32	4.97	4.97	5.71	5.71	6.57	6.57	7.23
Water Bill	240	240	323	387	387	465	465	534	534	615	615	707	707	777
Sewer Flat	13.30	13.30	13.30	13.30	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Sewer Consumption	5.52	5.52	7.00	7.00	8.05	8.05	8.86	8.86	9.30	9.30	9.76	9.76	9.76	9.76
Sewer Bill	340	340	417	417	479	479	520	520	543	543	568	568	568	568
Sub-total Utility Bill	580	580	740	804	866	943	985	1,055	1,078	1,158	1,182	1,274	1,274	1,345
Total	\$ 2,969	\$ 2,993	\$ 3,175	\$ 3,338	\$ 3,484	\$ 3,651	\$ 3,875	\$ 4,359	\$ 4,452	\$ 4,777	\$ 4,889	\$ 5,138	\$ 5,259	\$ 5,407
Change from Prior Year	\$ 274	\$ 24	\$ 182	\$ 164	\$ 145	\$ 167	\$ 224	\$ 484	\$ 93	\$ 325	\$ 112	\$ 249	\$ 121	\$ 148
% Change from Prior Year	10.17%	0.81%	6.09%	5.15%	4.36%	4.81%	6.13%	12.48%	2.13%	7.30%	2.35%	5.10%	2.35%	2.81%
Property tax amounts shown are based on a \$340,000 current* assessed property.														
* Prior years tax bills are approximated based on current values applied backwards														
Change and percentage change assume that rate increases are in place for the entire calendar year.														
Water and Sewer bills are based on 1,300 cubic feet of water consumption per quarter.														

APPENDIX A



Project Implementation Schedule

The following project implementation schedule is first and foremost a management tool. The various fiscal projections, accompanying project narratives, and prospective implementation maps that support this schedule all serve to provide context to the implementation of the proposed plan. Therefore, it is important to understand the context of the following items.

Project cost estimates

All project cost estimates are all in current dollars and are not intended to reflect allowances for unpredictable changes in materials costs, or other market conditions that may ultimately impact on the actual future project costs. This is done for simplicity in order to be able to compare the relative distribution of fiscal resources across various projects over an extended period of time.

With each annual update of this plan, cost estimates will be updated in an attempt to keep in line with current market conditions, or changes in various project implementation scopes or schedules. Most project costs are based on very broad engineering and construction estimates or assumptions. However, as projects get closer to their implementation dates, additional engineering analysis is performed too, in order to provide more refined cost estimates as the details of these projects can be better evaluated.

Implementation Schedules

The implementation schedules in this plan try to take into consideration several factors. At one level is an analysis of just how much work can be accomplished per year and what are the most critical priorities given the current conditions, competing needs, and limited resources of the Village. Then there also must be an evaluation of the impact that the scheduling of these projects will have on the neighborhoods where the construction is occurring, as well as the community as a whole. Additionally, several different project schedules may need to be coordinated in order to help reduce costs, as well as minimize the impact to the community.

All of this is done within the context of what we know when the plan is prepared each year. Therefore, as more information becomes available and the plan is updated each year, changes to the details of these implementation schedules may also need to be adjusted in order to be responsive to the changes in these various factors.

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Project Implementation Schedule



Village of Shorewood 2024-2033 Long Range Plan <u>Updated 5/12/23</u>		General Infrastructure Projects															
		2024-2025			2026-2027			2028-2029			2030-2031			2032-2033			2024-2033
		G.O	2024	2025	G.O	2026	2027	G.O	2028	2029	G.O	2030	2031	G.O	2032	2033	2024-2033
		Bonds	Projects	Projects	Bonds	Projects	Projects	Bonds	Projects	Projects	Bonds	Projects	Projects	Bonds	Projects	Projects	SUB TOTAL
General - Tax Levy funded																	
1	Local Road Program				950,000		950,000	5,010,000	2,900,000	2,110,000	3,260,000		3,260,000	3,875,000	3,875,000		13,095,000
2	Alley Reconstruction				750,000		750,000	750,000		750,000	750,000		750,000	750,000		750,000	3,000,000
3	Sidewalk Program (costs)	400,000		400,000	200,000		200,000	200,000		200,000	200,000		200,000	200,000		200,000	1,200,000
4	Oakland Avenue (North)				3,315,000	3,315,000											3,315,000
4B	TID 5 funding				(3,315,000)	(3,315,000)											(3,315,000)
5	Oakland Avenue (South)										2,850,000	2,850,000					2,850,000
6	Street Lighting Boxes	310,000	310,000	0													310,000
7	Street Lighting Improvements	4,350,000		4,350,000	9,200,000	4,530,000	4,670,000	9,450,000	4,800,000	4,650,000							23,000,000
8	Future Facilities (DPW)	3,000,000	2,000,000	1,000,000	20,000,000	20,000,000											23,000,000
9	Future Facilities (VH)				500,000	500,000											500,000
10	Village Center HVAC							350,000	350,000								350,000
Sub Totals:		8,060,000	2,310,000	5,750,000	31,600,000	25,030,000	6,570,000	15,760,000	8,050,000	7,710,000	7,060,000	2,850,000	4,210,000	4,825,000	3,875,000	950,000	67,305,000
Water Capital Projects																	
Funded By Utility																	
11	Water Relays - Local roads							2,455,000	2,455,000		0			2,550,000	2,550,000		5,005,000
12	Water Relays - off year				2,760,000		2,760,000	2,375,000		2,375,000	2,805,000		2,805,000	960,000		960,000	8,900,000
13	Oakland Ave - Water / meter pit				2,875,000	2,375,000	500,000				2,240,000	2,240,000					5,115,000
14	Private Lead Service Lines	1,275,000	350,000	925,000	1,900,000	460,000	1,440,000	2,395,000	1,420,000	975,000	1,205,000	260,000	945,000	2,250,000	850,000	1,400,000	9,025,000
	Loan Repayment offsett	-58,333		-58,333	-501,667	-212,500	-289,167	-870,000	-316,667	-553,333	-841,667	-399,167	-442,500	-543,333	-200,833	-342,500	
Sub Totals:		1,216,667	350,000	866,667	7,033,333	2,622,500	4,410,833	6,355,000	3,558,333	2,796,667	5,408,333	2,100,833	3,307,500	5,216,667	3,199,167	2,017,500	28,045,000

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Project Implementation Schedule



Village of Shorewood		SEACSI Coordinated Infrastructure Projects															
		2024-2025			2026-2027			2028-2029			2030-2031			2032-2033			2022-2031
2024-2033 Long Range Plan		Bonds	Projects	Projects	Bonds	Projects	Projects	Bonds	Projects	Projects	Bonds	Projects	Projects	Bonds	Projects	Projects	SUB TOTAL
Updated 5/12/23																	
General - Tax Levy funded																	
20	SEACSI - Phase 1 Roads																0
21	SEACSI - Phase 2 Roads	2,150,000	2,150,000														2,150,000
22	SEACSI - Phase 3 Roads (Lake Drive)	1,400,000		1,400,000													1,400,000
23	Edgewood Ave (Joint project)																0
Sub Totals:		3,550,000	2,150,000	1,400,000	0	0	0	0	0	0	0	0	0	0	0	0	3,550,000
Sewer Capital Projects - Revenue Bonds																	
Funded By Utility																	
24	SEACSI - Phase 1 Sewer																0
25	SEACSI - Phase 2 Sewer	5,000,000	5,000,000														5,000,000
26	SEACSI - Phase 3 (Lake Drive)	715,000		715,000													715,000
	self funding	(715,000)		(715,000)													
Sub Totals:		5,000,000	5,000,000	0	0	0	0	0	0	0							5,715,000
Water Capital Projects																	
Funded By Utility																	
27	SEACSI - Phase 1 Water																0
28	SEACSI - Phase 2 Water	765,000	765,000														765,000
29	SEACSI - Phase 3 (Lake Drive)	1,150,000		1,150,000													1,150,000

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Project Implementation Schedule



LEAD SERVICE LINE REPLACEMENT PROGRAM

With its ([Policy 44](#) and [Ordinance 3043](#)) the Village of Shorewood has stated its goal to remove all lead service lines - public and private - from the Village's water system within the next 20 years. This systematic replacement will contribute to improved public health and safety as well as comply with the federal Lead and Copper Rule Revision requirements.

The implementation of this program begins a commitment to a monumental infrastructure investment. The replacement of public and private lead services lines will drive the development of infrastructure projects for the next two decades.

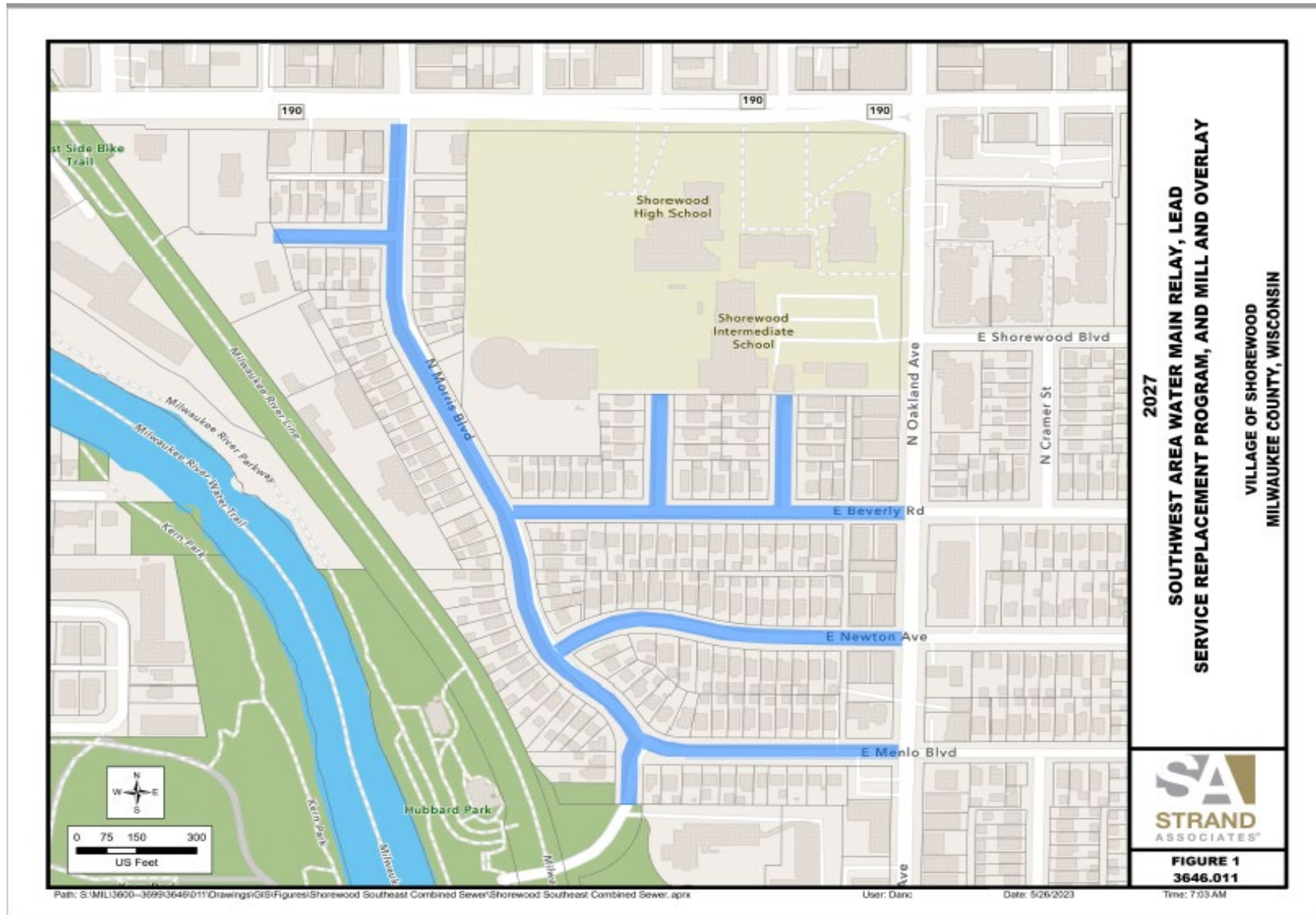
Since the year 2000, the Village of Shorewood has replaced the municipal portion of existing lead water services with copper. However, the replacement of watermain in general has not kept pace with Wisconsin Public Service Commission recommended replacement rates. In many locations, the age and condition of the existing water main will not permit the connection of dozens of new services in each block. As such, this document assumes that all watermain will require replacement to achieve the stated lead service line replacement goal. While this is not true in 100% of the locations, it is a good rule of thumb for planning purposes. Of course, the water main condition will be evaluated during the engineering of each annual project.

An intentional effort has been made to schedule at least one residential watermain/LSLR project in each of the Village's four quadrants over the next 10 years.



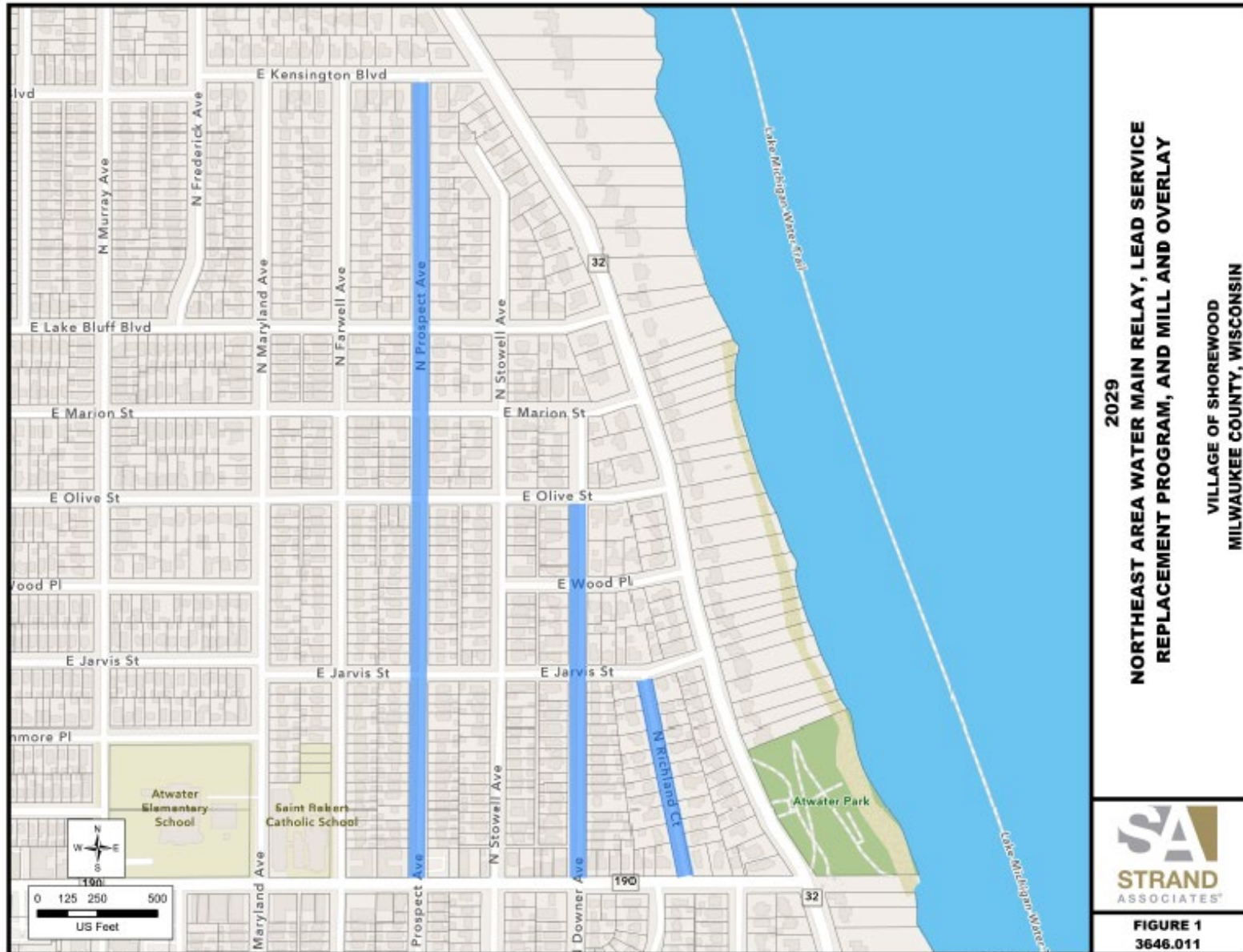
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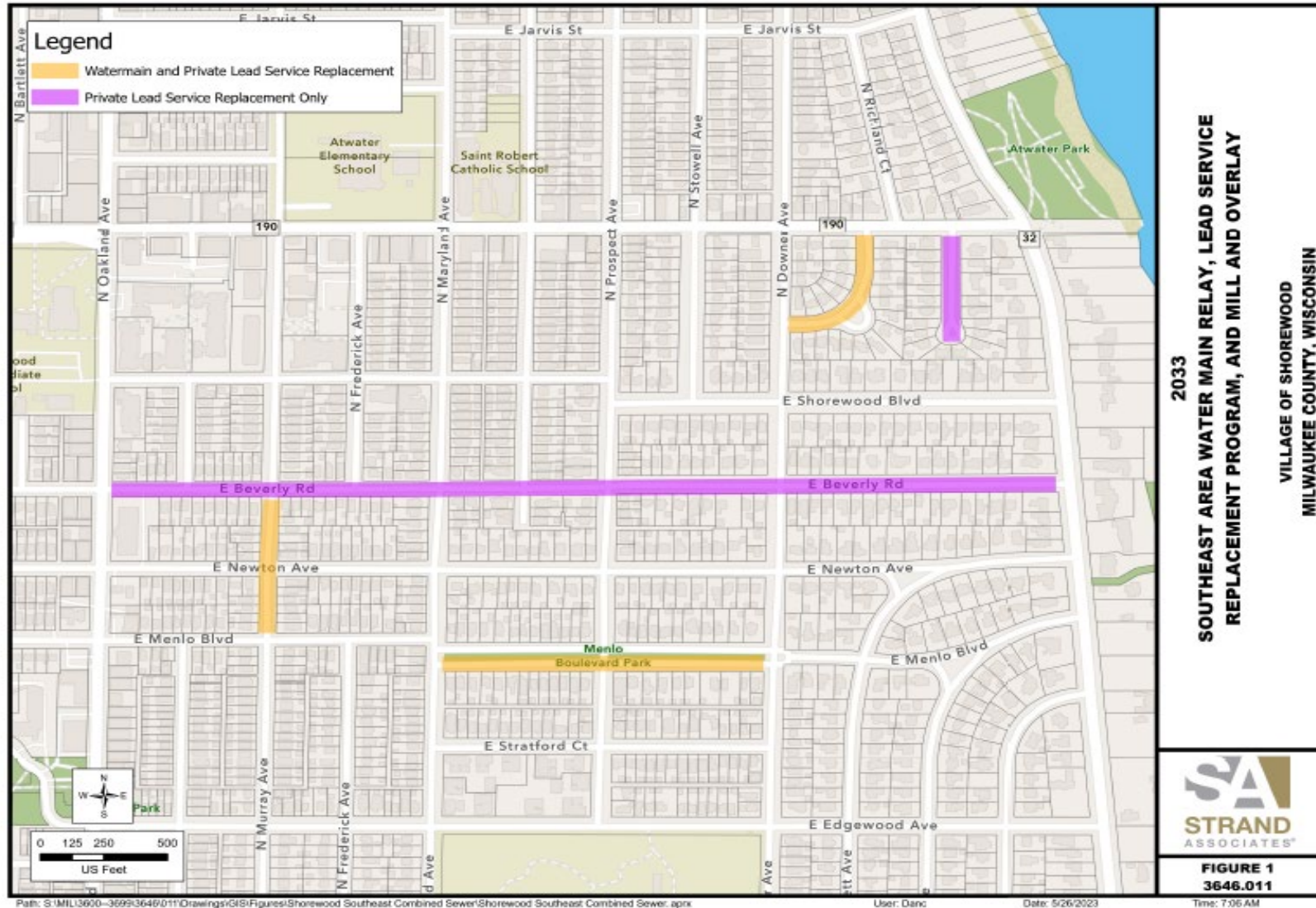
Project Implementation Schedule



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Project Implementation Schedule

The Village's [Pavement Management Plan](#) (PMP), adopted in 2009 by the Shorewood Village Board of Trustees, comprehensively addresses improvement and maintenance activities in order to maximize the useful life of existing pavements. As set forth in the plan, residential street reconstruction is scheduled in even calendar years with major maintenance programs and alley projects completed in odd calendar years.

The plan has been updated several times since its adoption, most notably in response to the 2011 [Comprehensive Sewer Facility Plan](#) developed in response to the July 2010 flooding. In 2012, 2014 and 2016 combined road and sewer improvement programs were implemented.

The proposed LRP implementation schedule maintains the approach (2025 being an exception) that even year projects are road driven. For the next 20 years, odd-year projects will be water driven.

Road-driven projects plan for complete reconstruction of roadway. These are generally developed with a “worst first” approach, utilizing the most recent pavement condition ratings. However, known condition of watermain (based on repair records) in roads which are candidates for full reconstruction will have priority consideration. It is possible that a roadway section with a 6 or 7 pavement rating (on a 10 scale) will be prioritized over a 5 rating if the underlying watermain is known to be in poorer-than-average condition.

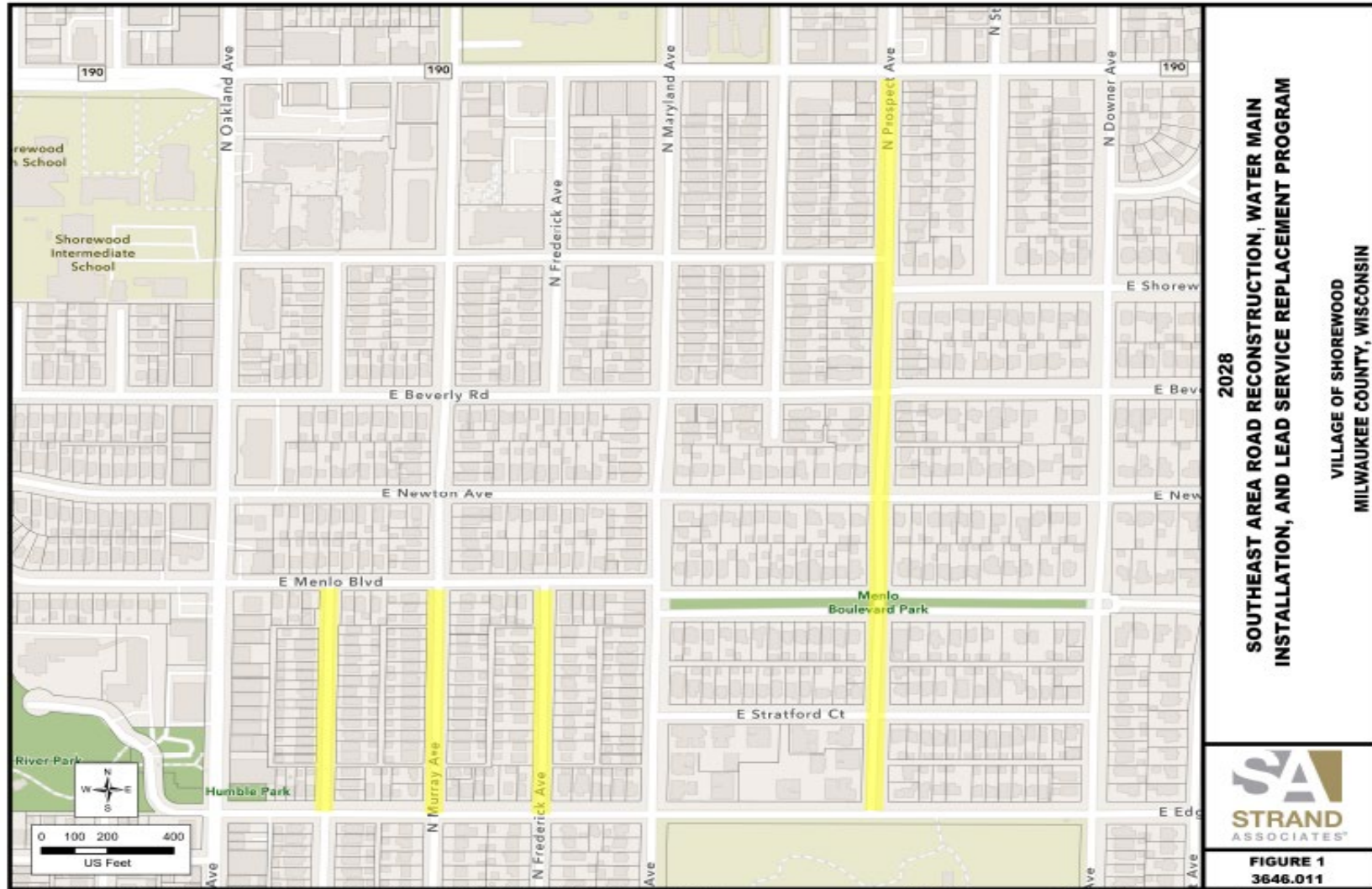
Odd year projects (water-driven) are presumed to be “trench and restore” with the restoration being an asphalt overlay of the entire roadway.

There are many roads in the southeast area which require reconstruction. During the 10 years of planning for the [Southeast Area Combined Sewer Improvements](#), road reconstruction was purposely deferred in that quadrant while the exact location of improvements was identified. As such, there is a considerable backlog of roadway segments requiring reconstruction. It is recognized that the area's tolerance for construction is minimal following the significant sewer construction from 2022-2024. The proposed implementation schedule reflects these conditions.

It is anticipated that the DPW 2024 workplan will include an update to the Pavement Management Plan document for formal Village Board consideration.

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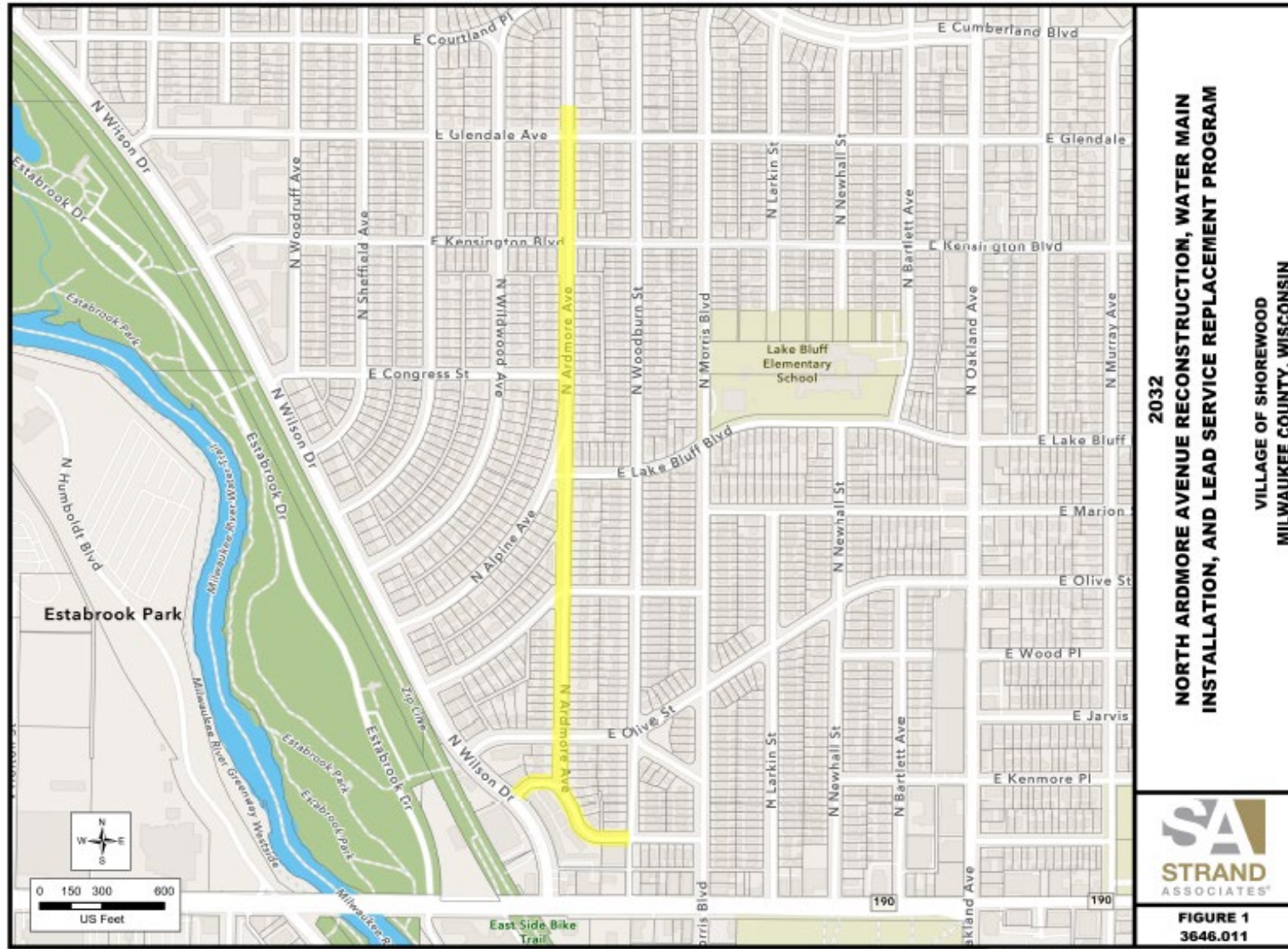
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ALLEY RECONSTRUCTION PROGRAM (2027)

The Pavement Management Plan includes an alley component which addresses the reconstruction and maintenance of alleys in odd calendar years. Reconstruction programs have been identified based upon pavement condition ratings with a goal of geographically grouping alleys to form a cohesive project area. In many cases, storm sewer improvements are also recommended to address drainage concerns. In the separated sewer area MMSD Green Solutions funds have been used to offset the costs of green infrastructure components which will provide a mechanism for the Village to move toward TMDL (stormwater pollution) compliance.

It is anticipated that the DPW 2024 workplan will include an update to the Pavement Management Plan, including the schedule and funding level of future improvements. The fiscal and staffing resources necessary to implement the Lead Service Line Replacement program will impact the previously developed alley replacement schedule. No alley reconstruction is proposed in the current schedule.

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OAKLAND AVENUE RECONSTRUCTION

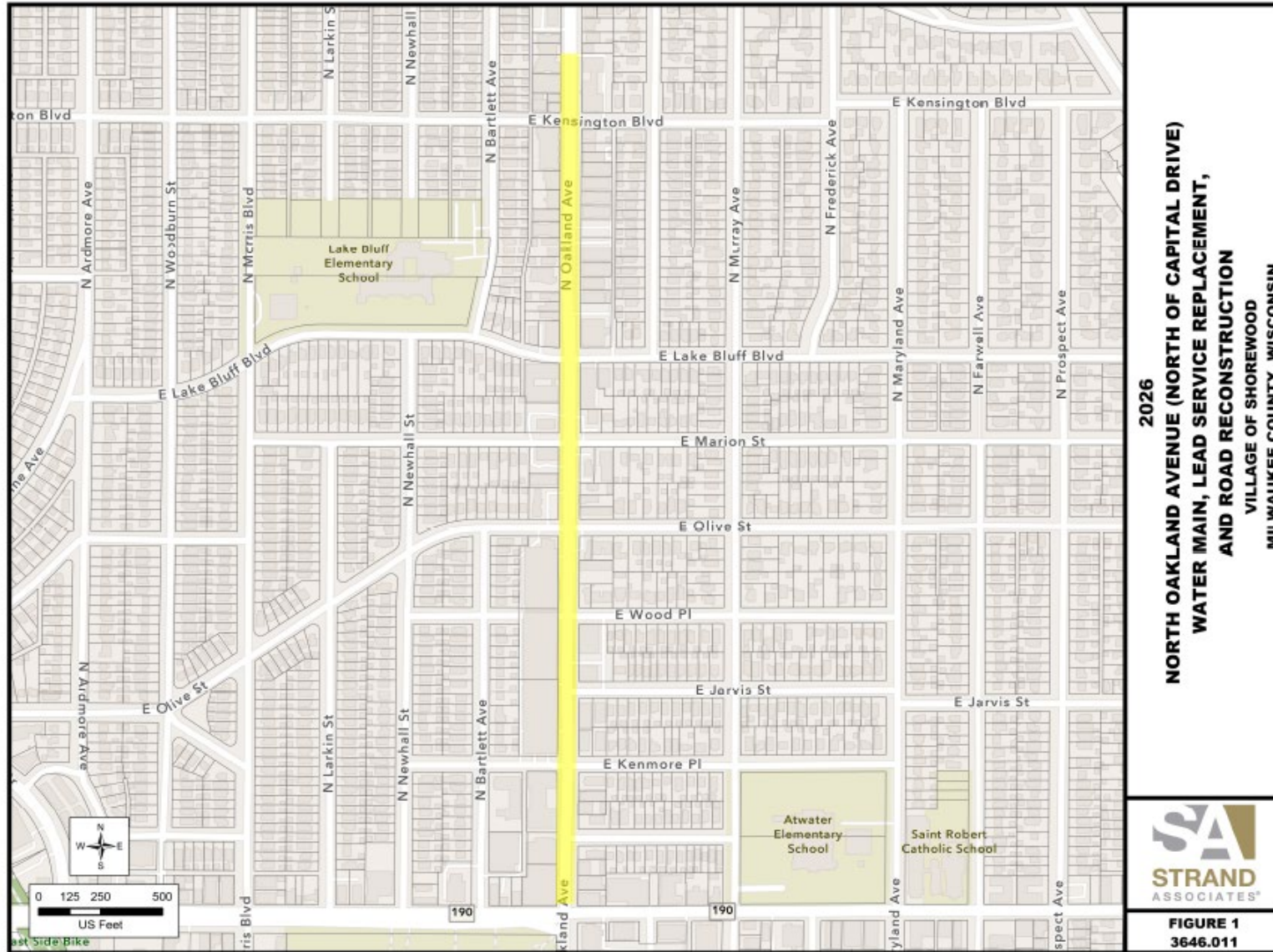
“N” OAKLAND AVENUE RECONSTRUCTION

Reconstruction of [Oakland Avenue north of Capitol Drive](#) is planned for 2026. The engineering effort, which includes pedestrian and bicycle safety improvements identified in the 2020 Transportation and Parking Analysis as well as green infrastructure enhancements, is anticipated to be completed in the fall of 2023. In addition to roadway improvements, the water main – including private lead service lines - will be replaced for the length of the project.



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Project Implementation Schedule



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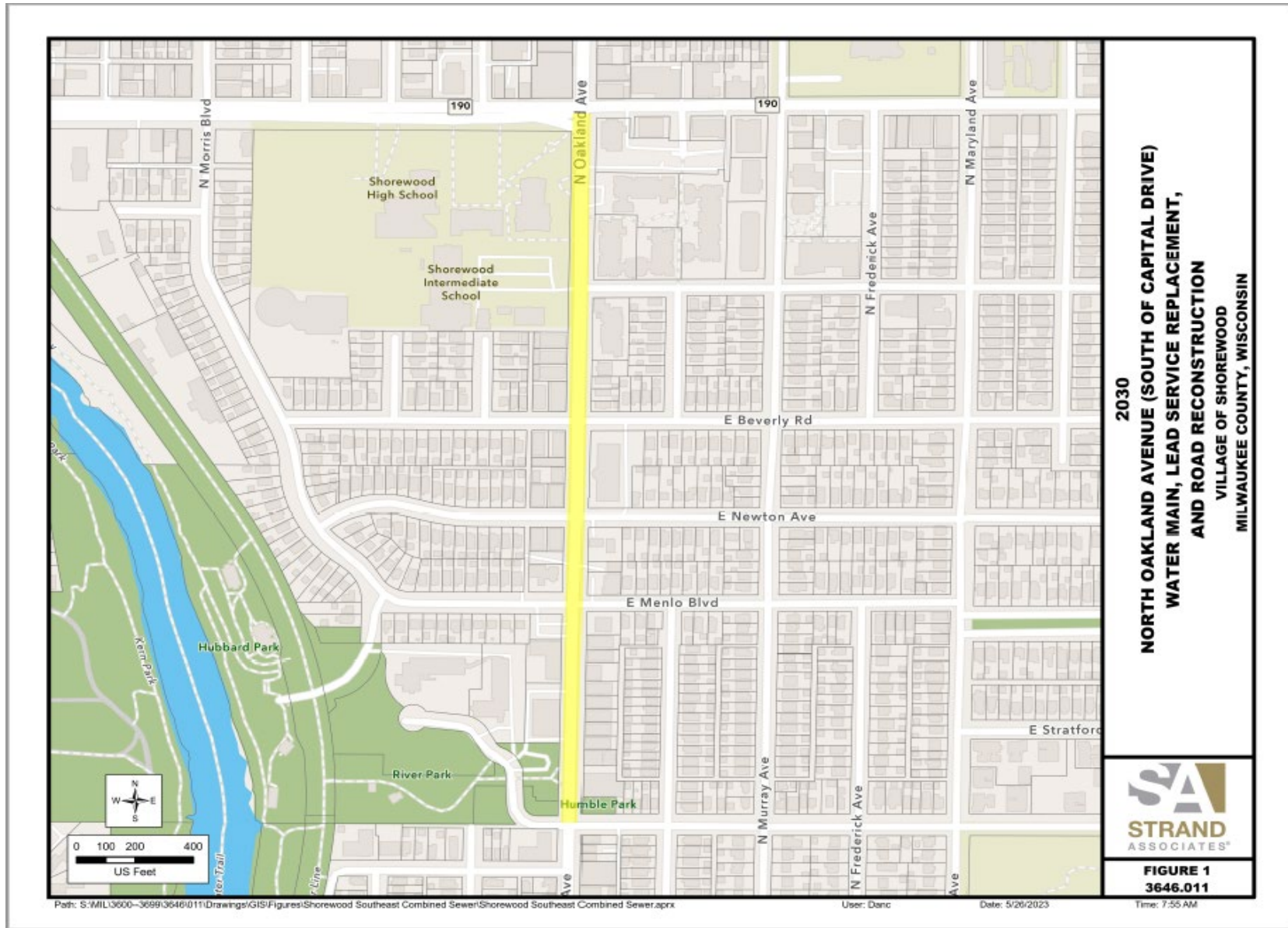
"S" OAKLAND AVENUE RECONSTRUCTION

The segment of Oakland Avenue south of Capitol Drive was resurfaced during the summer of 2021 as an interim measure. Full reconstruction is proposed to occur in 2030. It is anticipated that design engineering, to include a green infrastructure analysis, will begin in 2028.

The project will include watermain and lead service line replacement.

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Project Implementation Schedule



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Project Implementation Schedule

OAKLAND METER VAULT RELOCATION

The water purchased from Milwaukee Water Works enters the Village through meters housed in sub-surface vaults along Edgewood Avenue at the intersections of N. Downer and N. Oakland Avenues. The Downer structure was replaced in late 2020.

The Oakland structure does not meet current DNR codes or confined space entry requirements. The Village is responsible for the maintenance and operation of the vault and all equipment located within except for the master meters owned and maintained by Milwaukee Water Works. It is proposed that this structure be relocated out of the roadway to the northwest corner at River Park in the approximate area of the vacated Bublr Bike station (subsurface). The replacement structure will comply with all current safety requirements.

This project was previously planned for 2025 implementation; however, it is anticipated that the pending STH 32/Lake Drive reconstruction projects in both Shorewood (2025) and the City of Milwaukee (2024) will have significant traffic impacts on the intersection. As such, the project has been rescheduled to 2026.

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SOUTHEAST AREA COMBINED SEWER IMPROVEMENTS

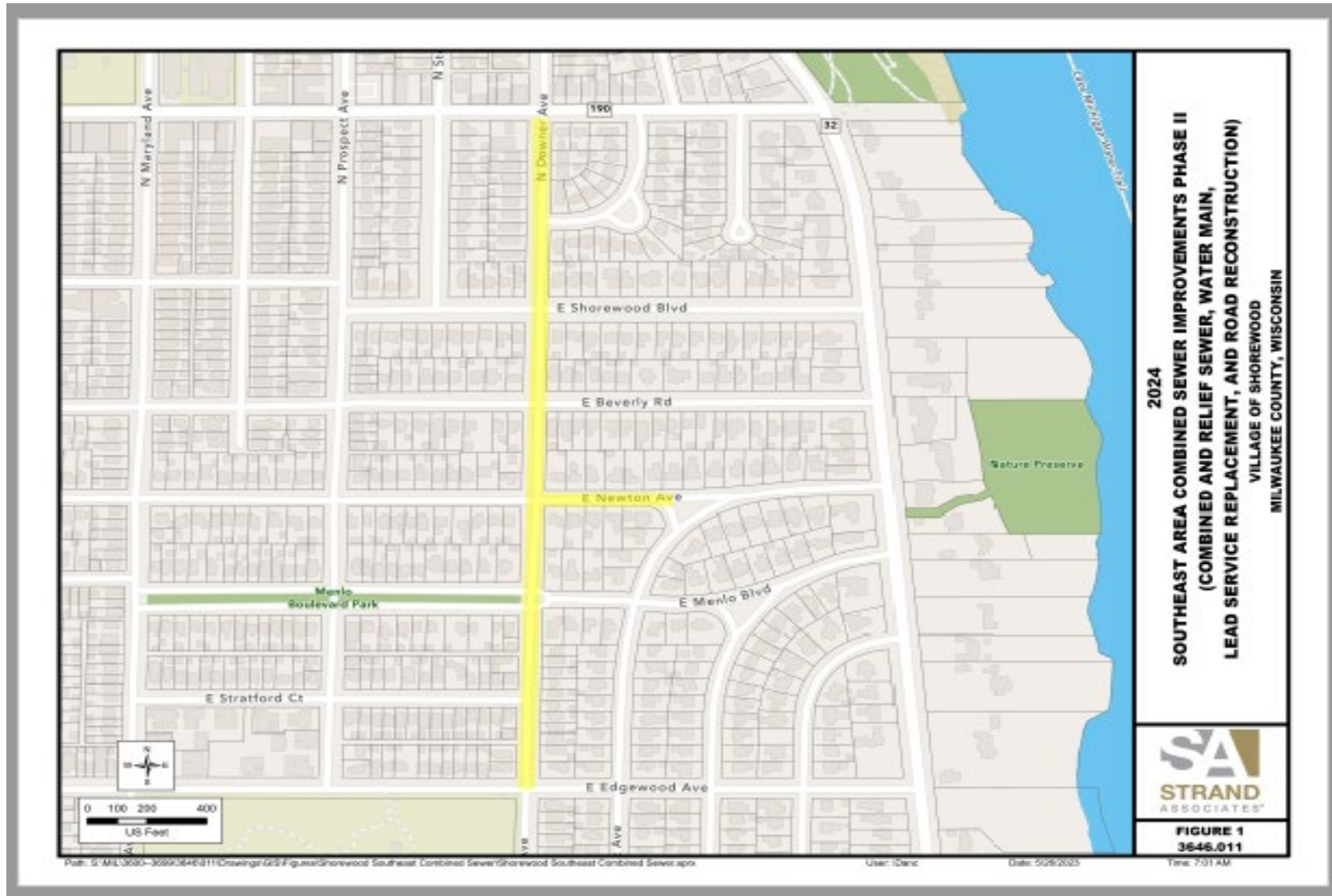
The Village’s [2011 Comprehensive Facility Plan](#) outlined recommendations for significant [improvements to the combined sewer system](#) which serves approximately the eastern half of the Village. The recommended improvements for the north combined area were constructed in 2016 under the Northeast Area Combined Sewer Improvements project. To address both the regulatory feasibility and the environmental impacts of proposed improvements to the southeast area system, the Village commissioned the [Combined Sewer Service Area Environmental Assessment](#) which was completed in early 2017.

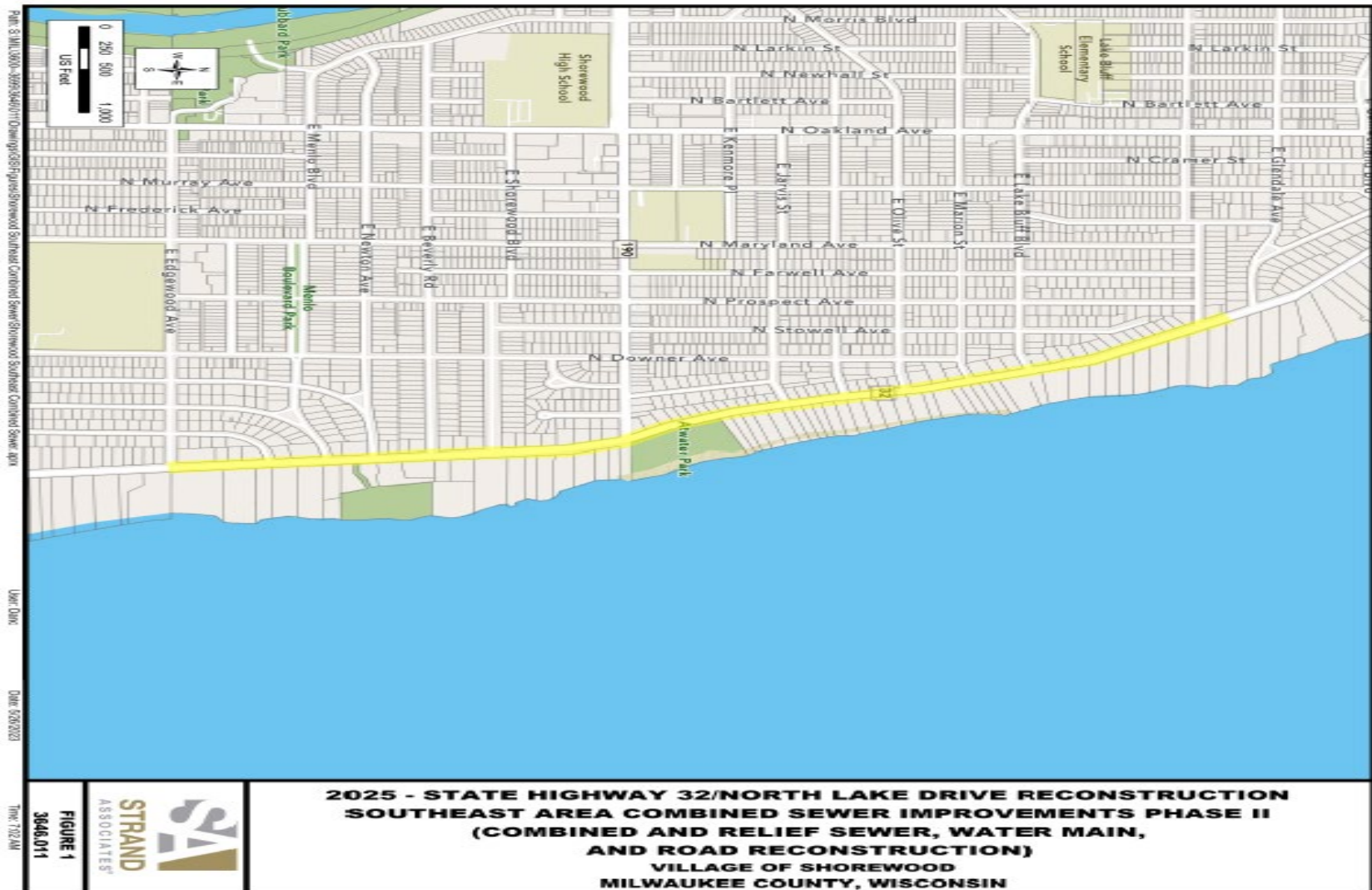
[Service improvements evaluated by MMSD](#) in the same area were later incorporated into the Assessment report; recommendations included multiple construction and funding phases. The initial phase – the Edgewood Avenue Near Surface Collector project – was completed by MMSD in early 2023. The first of Shorewood’s three construction phases began in the spring of 2023, followed by Phase II in 2024 and Phase III in conjunction with the scheduled reconstruction of STH 32/Lake Drive in 2025.



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Project Implementation Schedule

LAKE DRIVE PRIVATE LEAD SERVICE LINE REPLACEMENT

Watermain and municipal services will be replaced under the 2025 WisDOT Lake Drive reconstruction. Due to WisDOT requirements for the purchase of easements for private property work, the private portion of the lead service lines are proposed to be replaced under a Village-let project in 2026.

STREET LIGHTING SYSTEM REPLACEMENT PROGRAM

A [Street Lighting System Replacement Plan](#) was presented to the Village Board in April 2023. The plan recommends phased replacement of the Village's existing system, including wiring, control cabinets, poles, and fixtures. It is expected that an engineer will be selected in late 2023 and design of the system replacement will occur in 2024 with construction of the first phase anticipated in 2025.

SIDEWALK REPLACEMENT PROGRAM

While sidewalk replacement has historically been funded through special assessments, the LRP implementation program recommends the program to be funded through general revenues.

Special assessments are a very labor-intensive process and the demands of future watermain, and private service replacement projects will impact available staff resources. The revised sidewalk program will maintain the Village's walkability standards.

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Project Implementation Schedule



FUTURE PUBLIC WORKS FACILITY

Over the last 15 years, the Village has procured two design studies and three organizational studies related to the Village's Public Works Facility. (These studies are located in the Public Buildings and Plans, Studies & Reports pages of our website.) These studies have shown that the current DPW facilities are undersized and physically spread over various outdated buildings. This condition has resulted in a drag on operational efficiency by requiring more staff-hours to perform work, exposing vehicles to the elements, and necessitating frequent repair costs. The facilities compromise employee safety, were not designed with environmental sustainability in mind and are not compliant with ADA regulations. This was re-confirmed by the most recent 2022 Process Evaluation Report for Major Investments in Department of Public Works conducted by UW Milwaukee.

The Village of Shorewood is continuing to undertake a concerted effort to improve or replace the current DPW facilities located at 3801 N. Morris Blvd. The Village hired Barrientos Design and Consulting in November 2022 to conduct a needs assessment, site evaluation and conceptual plan for an improved facility. Included in the LRP are estimated costs for continued evaluation of current and future sites, environmental, construction and associated impacts. As more information becomes available, cost estimates will be refined annually for LRP planning purposes. The Village Manager, Planning & Development Director and Public Works Director will initiate the next immediate steps of securing real estate services, discussions with the City of Milwaukee, Milwaukee County and other jurisdictions, site investigation, environmental assessments, identification of permits and approvals for contemplated facility locations. Following this step, a design team for the future facility would be engaged to continue the design of a future facility.

Project Implementation Schedule

DEPARTMENT OF PUBLIC WORKS FACILITIES

The Department of Public Works is housed in a collection of buildings at 3801 N. Morris Boulevard. The main building, which includes the offices and work areas of all the divisions, was constructed as a Works Progress Administration project in 1936. In the years following a warehouse building and equipment garage were added in the same style as the main building. The garage was rebuilt following extensive damage suffered in a 1991 fire. Today the “yard” also includes a small storage building acquired in 1999 and originally constructed as a residence/garage.



Though the buildings were originally constructed for use as public works facilities, a facility designed for early 20th century tasks and equipment poses significant challenges today. A 2010 Service Prioritization Study called the facility “obsolete and inefficient” (p. 15) and noted its “negative impact on operating efficiency” (p.27).

A master plan for the Public Works facilities was completed in 2014. The final report included multiple recommendations for upgrading and reconfiguring both work and storage space to improve efficiency and service delivery. A facility condition assessment to be conducted in 2022 is expected to identify facility upgrade recommendations.

As the village completes a new facilities condition assessment for public works, staff has added a placeholder of \$5 million in 2024 in order to include the impact of that level of spending on the fiscal analysis.

VILLAGE CENTER - HVAC

Staff were asked to reflect a placeholder value in the schedule for potential future costs. Additional information and recommendations will be prepared here to be part of the Facilities Condition Assessment initiative which was approved in the 2021 Capital budget.

APPENDIX A



Project Implementation Schedule

FUTURE FACILITIES – VILLAGE HALL

Staff were asked to reflect a placeholder value in the schedule for potential future costs. Additional information and recommendations will be prepared as part of the 2021 Facilities Condition Assessment initiative which was approved in the 2021 Capital budget



FINANCIAL POLICY GUIDELINES

Adopted November, 2006,
Last revision: October 2017

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 unassigned 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 a two thirds vote of 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 strategic plans or studies.
- B. Capital Expenses
- C. Debt Service Expenses
- D. Expenses which, in the opinion of the Village Board would constitute "an investment in the community" such as an investment in a revolving loan program.

These uses are subject to majority approval by the Village Board



Long-Range Planning Guiding Policies

2. TAX RATE STABILITY

A. Growth Projections and Assumptions

The long range financial plan reviews the impact of property taxes on a \$300,000 home. For purposes of calculating this impact, the Village has used the assessed values from the most current year and held that value constant into the future.

For debt capacity planning purposes, the future equalized values projections, assume 0.50% annual economic value increase. Adjustments for additional value were made for new construction within the Tax Increment Districts related to estimated future investments to be made by the Village at a ratio of \$4 of improvement value for every \$1 of estimated capital investment.

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. 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.



Long-Range Planning Guiding Policies

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 50%, with a goal of 25%, of its general obligation debt capacity for tax levy supported capital needs and no more than a total of 75%, with a goal of 45%, of its general obligation debt capacity including all debt service funding sources. Utility debt, when feasible, shall be considered to be financed through utility revenue bonds. This policy would allow the Village to control its direct debt burden while still meeting its capital needs.

The Village Board acknowledges that the current long range financial plan includes significant capital infrastructure and economic development investments, the size and scope of which may cause the Village to exceed its goals for general obligation debt capacities for a period of time. It is the intention of the Village to continue to use these guidelines and to look for ways to decrease debt levels to within these targets over the long term.

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.



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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.