



Village of Shorewood Long Range Financial Plan 2023 - 2032

In preparation for the 2023 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 of 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.

2023-2032 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 \$51 million of capital projects. This includes:

- \$15,000,000 for Road and Alley projects,
- \$ 6,000,000 in Facility improvement projects
- \$13,500,000 in Sanitary Sewer and Storm water infrastructure projects,
- \$17,000,000 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 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

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Debt Service

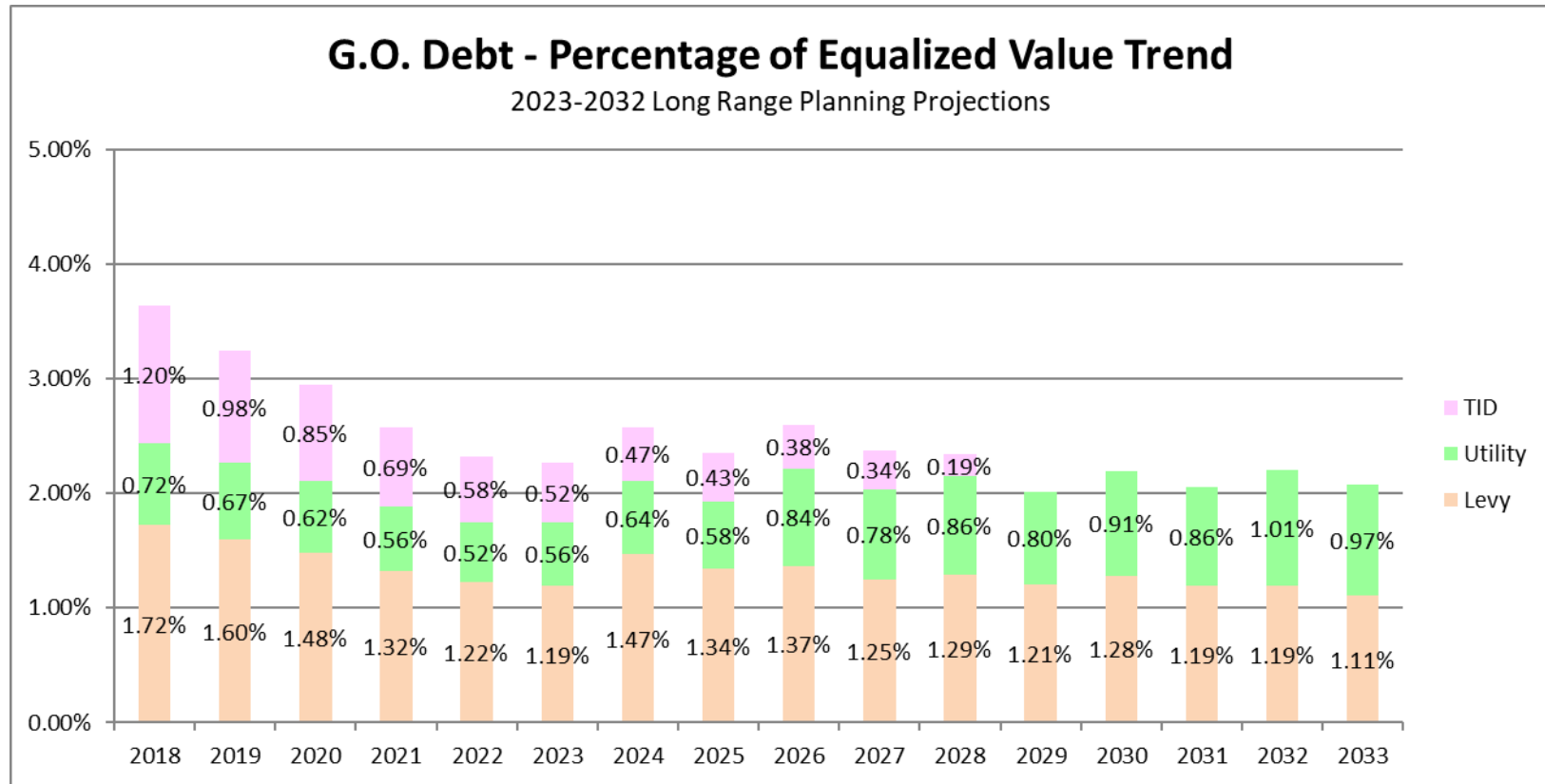
This plan begins by looking at the Village’s current tax levy supported debt service schedule found below on **line 1**. Then the projected future tax levy debt service needs that would likely be required to implement the proposed capital project schedules found in appendix A are shown on **line 2**. 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 5% per year. That amount is shown on **line 8**.

	Budget Year	projected 2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Tax Levy Debt Service												
1	Existing Debt Schedule	2,301,500	2,321,700	2,428,600	2,378,100	2,336,900	2,068,700	1,681,300	1,567,500	1,538,800	1,550,000	1,614,900
2	Future Debt - Per Project Plan	-	-	80,500	374,700	376,300	714,800	789,500	969,900	1,003,000	1,265,200	1,325,400
3	Total Projected Debt Service	2,301,500	2,321,700	2,509,100	2,752,800	2,713,200	2,783,500	2,470,800	2,537,400	2,541,800	2,815,200	2,940,300
4	\$ Change in Debt Service	100,300	20,200	187,400	243,700	(39,600)	70,300	(312,700)	66,600	4,400	273,400	125,100
5	% Chg in Debt Service	4.56%	0.88%	8.07%	9.71%	-1.44%	2.59%	-11.23%	2.70%	0.17%	10.77%	4.92%
6	Gross Debt Service cost per household (\$340,000 assessed value - 2021 base year)	\$460	\$464	\$502	\$551	\$543	\$557	\$494	\$507	\$508	\$563	\$588
Tax Levy Debt Service Stabilization												
7	5% stabilization Baseline	1,970,975	2,069,524	2,173,000	2,281,650	2,395,732	2,515,519	2,470,800	2,537,400	2,541,800	2,815,200	2,940,300
8	Stabilization support needed (line 3 - line 7)	330,525	252,176	336,100	471,150	317,468	267,981	-	-	-	-	-
Funds Available for Tax Levy Stabilization												
9	PY remaining funds available (100%)	1,185,000	1,092,284	801,941	377,841	108,764	(159,217)	(159,217)	(159,217)	(159,217)	(159,217)	(159,217)
10	Stabalization needed for next year (line 8)	(252,176)	(336,100)	(471,150)	(317,468)	(267,981)	-	-	-	-	-	-
Additional funding streams:												
11	One time revenues	159,460	45,757	47,050	48,391	-	-	-	-	-	-	-
12	Running balance available funds	1,092,284	801,941	377,841	108,764	(159,217)	(159,217)	(159,217)	(159,217)	(159,217)	(159,217)	(159,217)
13	Stabilized Debt Service cost per household	\$394	\$414	\$435	\$456	\$479	\$503	\$494	\$507	\$508	\$563	\$588
	Savings per household (line 6 - line 13)	\$66	\$50	\$67	\$94	\$63	\$54	\$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**.





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.

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Levy Limits

Budget Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
1 Prior Year's Tax Levy Limit	\$ 11,762,320	\$ 11,871,355	\$ 14,403,779	\$ 14,591,179	\$ 14,834,879	\$ 14,795,279	\$ 15,093,518	\$ 15,024,444	\$ 15,091,044	\$ 15,095,444	\$ 15,368,844
2 TID Closure adjustment (est.)		\$ 270,594				\$ 227,939	\$ 243,626	\$ -			
3 Less: Prior Year's Tax Levy											
4 Limit adj. for Debt Service	(125,000)	(90,000)	(2,321,700)	(2,509,100)	(2,752,800)	(2,713,200)	(2,783,500)	(2,470,800)	(2,537,400)	(2,541,800)	(2,815,200)
5 Sub-total	11,637,320	12,051,949	12,082,079	12,082,079	12,082,079	12,310,018	12,553,644	12,553,644	12,553,644	12,553,644	12,553,644
6 Growth Factor	0.25%	0.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7 Sub-total	11,666,413	12,082,079	12,082,079	12,082,079	12,082,079	12,310,018	12,553,644	12,553,644	12,553,644	12,553,644	12,553,644
8 Plus Tax Levy for Debt Service	2,301,500	2,321,700	2,509,100	2,752,800	2,713,200	2,783,500	2,470,800	2,537,400	2,541,800	2,815,200	2,940,300
9 Maximum Allowable Levy	\$ 13,967,913	\$ 14,403,779	\$ 14,591,179	\$ 14,834,879	\$ 14,795,279	\$ 15,093,518	\$ 15,024,444	\$ 15,091,044	\$ 15,095,444	\$ 15,368,844	\$ 15,493,944
10 Moderate Levy Used in Planning	\$ 11,871,355	\$ 12,167,911	\$ 12,473,355	\$ 12,788,012	\$ 13,112,222	\$ 13,446,339	\$ 13,620,236	\$ 13,909,825	\$ 14,141,673	\$ 14,647,071	\$ 15,008,808
11 Reserve levy limit capacity	\$ 2,096,558	\$ 2,235,868	\$ 2,117,824	\$ 2,046,867	\$ 1,683,057	\$ 1,647,179	\$ 1,404,208	\$ 1,181,219	\$ 953,771	\$ 721,773	\$ 485,136
12 % reserve capacity to Moderate Levy	17.7%	18.4%	17.0%	16.0%	12.8%	12.3%	10.3%	8.5%	6.7%	4.9%	3.2%

The following table on page 8 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.

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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	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
10 Moderate Levy Used in Planning	\$ 11,871,355	\$ 12,167,911	\$ 12,473,355	\$ 12,788,012	\$ 13,112,222	\$ 13,446,339	\$ 13,620,236	\$ 13,909,825	\$ 14,141,673	\$ 14,647,071	\$ 15,008,808
11 Reserve levy limit capacity	\$ 2,096,558	\$ 2,235,868	\$ 2,117,824	\$ 2,046,867	\$ 1,683,057	\$ 1,647,179	\$ 1,404,208	\$ 1,181,219	\$ 953,771	\$ 721,773	\$ 485,136
12 % reserve capacity to Moderate Levy	17.7%	18.4%	17.0%	16.0%	12.8%	12.3%	10.3%	8.5%	6.7%	4.9%	3.2%
13 Stabilized Debt Service Tax Levy	1,970,975	2,069,524	2,173,000	2,281,650	2,395,732	2,515,519	2,470,800	2,537,400	2,541,800	2,815,200	2,940,300
14 Levy used for Operations & Capital	\$ 9,900,380	\$ 10,098,388	\$ 10,300,355	\$ 10,506,362	\$ 10,716,490	\$ 10,930,820	\$ 11,149,436	\$ 11,372,425	\$ 11,599,873	\$ 11,831,871	\$ 12,068,508
15 Change in Operating/Capital Levy	62,799	198,008	201,968	206,007	210,127	214,330	218,616	222,989	227,448	231,997	236,637
16 % Chg in Operating/Capital Levy	0.6%	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	1/1/2021	Est. 1/1/22									
18 Total Assessed 1/1 prior year (AV)	1,839,430	1,840,000	1,913,600	1,913,600	1,990,144	1,990,144	2,069,750	2,069,750	2,152,540	2,152,540	2,238,641
19 TID 1 increment value (EV)	(75,425)	-	-	-	-	-	-	-	-	-	-
20 TID 3 increment value (EV)	(39,275)	(40,061)	(40,862)	(41,679)	(42,513)	(43,363)	-	-	-	-	-
21 TID 4 increment value (EV)	(17,095)	(17,437)	(17,786)	(18,141)	(18,504)	(18,874)	-	-	-	-	-
22 TID 5 increment value (EV)	(53,135)	(54,198)	(55,282)	(56,387)	(57,515)	-	-	-	-	-	-
23 Net Assessed Value *	1,654,500	1,728,305	1,799,671	1,797,392	1,871,612	1,927,907	2,069,750	2,069,750	2,152,540	2,152,540	2,238,641
* 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.											
24 Village Only Tax Rate											
25 Per \$1,000 net assessed value	7.175192	7.040373	6.930909	7.114758	7.005843	6.974579	6.580620	6.720534	6.569762	6.804553	6.704427
26 Estimated Village Tax Bill for a											
27 \$340,000 home (2021 base)	\$ 2,435	\$ 2,394	\$ 2,451	\$ 2,519	\$ 2,579	\$ 2,567	\$ 2,519	\$ 2,574	\$ 2,617	\$ 2,708	\$ 2,775
28 Change from prior year	22	(41)	57	68	61	(13)	(48)	55	43	91	67
29 % Change from prior year	0.9%	-1.7%	2.4%	2.8%	2.5%	-0.5%	-1.9%	2.2%	1.7%	3.5%	2.6%
30 Value of pending TID tax relief											
31 Village only - Total	\$ 1,326,908	\$ 786,375	\$ 789,632	\$ 826,789	\$ 830,415	\$ 434,077	\$ -	\$ -	\$ -	\$ -	\$ -
32 Estimated all districts	\$ 2,653,816	\$ 1,572,750	\$ 1,579,263	\$ 1,653,578	\$ 1,660,829	\$ 868,154	\$ -	\$ -	\$ -	\$ -	\$ -
33 All districts / \$340,000 home	\$ 531	\$ 315	\$ 316	\$ 331	\$ 332	\$ 174	\$ -	\$ -	\$ -	\$ -	\$ -

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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 at 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										
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Property Taxes											
Property Tax Levy - All Funds	\$ 11,871,355	\$ 12,167,911	\$ 12,473,355	\$ 12,788,012	\$ 13,112,222	\$ 13,446,339	\$ 13,620,236	\$ 13,909,825	\$ 14,141,673	\$ 14,647,071	\$ 15,008,808
Other Revenues (non-tax)											
General Fund (1%)	3,579,945	3,615,744	3,651,902	3,688,421	3,725,305	3,762,558	3,800,184	3,838,186	3,876,567	3,915,333	3,954,486
Library (1%)	129,125	130,416	131,720	133,038	134,368	135,712	137,069	138,439	139,824	141,222	142,634
Elder Services (1%)	77,200	77,972	78,752	79,539	80,335	81,138	81,949	82,769	83,597	84,433	85,277
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)	2,692,156	1,675,000	7,205,000	3,240,000	2,090,000	1,040,000	1,940,000	990,000	2,600,000	990,000	1,040,000
Debt Service (projected)	2,438,475	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
Total Revenues	20,889,256	19,100,483	24,675,075	21,046,334	20,304,556	19,640,636	22,855,451	20,042,242	21,948,767	20,906,684	20,927,985
Expenditures											
General Fund (2%)	\$ 11,917,130	\$ 12,155,473	\$ 12,398,582	\$ 12,646,554	\$ 12,899,485	\$ 13,157,474	\$ 13,420,624	\$ 13,689,036	\$ 13,962,817	\$ 14,242,074	\$ 14,526,915
Library (2%)	1,074,040	1,095,521	1,117,431	1,139,780	1,162,575	1,185,827	1,209,543	1,233,734	1,258,409	1,283,577	1,309,249
Elder Services (2%)	190,480	194,290	198,175	202,139	206,182	210,305	214,511	218,802	223,178	227,641	232,194
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)	3,197,156	2,190,100	7,730,402	3,775,910	2,636,628	1,597,561	2,508,712	1,567,243	3,185,901	1,584,690	1,643,610
Debt Service (projected)	4,409,450	3,400,953	3,204,316	3,294,913	3,452,957	3,584,257	5,639,600	3,512,138	3,539,538	3,833,363	3,525,513
Total Expenditures	20,889,256	19,139,356	24,753,987	21,166,477	20,467,153	19,846,937	23,106,733	20,336,970	22,288,181	21,292,049	21,360,599
Prospective Funding Gap	-	(38,873)	(78,912)	(120,144)	(162,597)	(206,300)	(251,282)	(294,728)	(339,413)	(385,366)	(432,614)



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 is 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 2023 - 2032

General Capital Projects Fund - 400



		budget										
Account Number	Account Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Revenues												
1	Annual Capital Funding Sources											
2	400-5700-41110 Property Taxes (2.0% growth)	\$ 505,000	\$ 515,100	\$ 525,402	\$ 535,910	\$ 546,628	\$ 557,561	\$ 568,712	\$ 577,243	\$ 585,901	\$ 594,690	\$ 603,610
3	400-5700-43530 State Transportation Aids	-	-	-	-	-	-	-	-	-	-	-
4	400-5700-43590 One-time Revenues	810,156	-	-	-	-	-	-	-	-	-	-
5	400-9000-49700 Property Sales	105,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
6	Total Annual Capital Revenues	1,420,156	555,100	565,402	575,910	586,628	597,561	608,712	617,243	625,901	634,690	643,610
Long Range Plan Funding Sources												
8	400-9000-49800 Bond Proceeds / Reserves	1,652,000	1,635,000	7,165,000	500,000	2,050,000	900,000	1,900,000	850,000	2,560,000	850,000	1,000,000
9	400-5700-42000 Special Assmts (sidewalks)	-	-	-	200,000	-	100,000	-	100,000	-	100,000	-
10	400-5700-43730 MMSD / Other Grants	125,000	-	-	2,500,000	-	-	-	-	-	-	-
11	Total LRP Capital Revenues	1,777,000	1,635,000	7,165,000	3,200,000	2,050,000	1,000,000	1,900,000	950,000	2,560,000	950,000	1,000,000
	Total Revenue	3,197,156	2,190,100	7,730,402	3,775,910	2,636,628	1,597,561	2,508,712	1,567,243	3,185,901	1,584,690	1,643,610
Expenditures												
12	General Annual Capital needs	\$ 1,420,156	\$ 555,100	\$ 565,402	\$ 575,910	\$ 586,628	\$ 597,561	\$ 608,712	\$ 617,243	\$ 625,901	\$ 634,690	\$ 643,610
Long Range Plan projects												
14	Roads / Alley	1,300,000	1,585,000	2,045,000	2,500,000	1,500,000	750,000	1,500,000	750,000	2,500,000	750,000	1,000,000
15	Other General Projects in Plan	352,000	-	5,000,000	700,000	500,000	250,000	350,000	200,000	-	200,000	-
16	Debt Issuance Costs (net)	-	50,000	120,000	-	50,000	-	50,000	-	60,000	-	-
17	Sub-total LRP projects	1,777,000	1,635,000	7,165,000	3,200,000	2,050,000	1,000,000	1,900,000	950,000	2,560,000	950,000	1,000,000
18	Total Expenditures	3,197,156	2,190,100	7,730,402	3,775,910	2,636,628	1,597,561	2,508,712	1,567,243	3,185,901	1,584,690	1,643,610
19	Net Change in Fund Balance	-	-	-	-	-	-	-	-	-	-	-

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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%												
6/3/2022		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	940,700	47,975,700	40,227,300	24.83	\$ 998,844	\$ 30,000	\$ 1,028,844	\$ 669,638	\$ 50,000	\$ 719,638	\$ 309,206	\$ 1,086,206	\$ 5,880,000	\$ (4,793,794)	2022
2023	47,975,700	959,514	48,935,214	41,186,814	24.32	\$ 1,001,678	\$ 30,000	\$ 1,031,678	\$ 617,554	\$ 15,000	\$ 632,554	\$ 399,124	\$ 1,485,331	\$ 5,545,000	\$ (4,059,669)	2023
2024	48,935,214	978,704	49,913,918	42,165,518	24.69	\$ 1,040,863	\$ 30,000	\$ 1,070,863	\$ 332,784	\$ 15,000	\$ 347,784	\$ 723,079	\$ 2,208,409	\$ 5,500,000	\$ (3,291,591)	2024
2025	49,913,918	998,278	50,912,197	43,163,797	25.06	\$ 1,081,488	\$ 30,000	\$ 1,111,488	\$ 301,649	\$ 15,000	\$ 316,649	\$ 794,840	\$ 3,003,249	\$ 5,500,000	\$ (2,496,751)	2025
2026	50,912,197	1,018,244	51,930,441	44,182,041	25.43	\$ 1,123,606	\$ 30,000	\$ 1,153,606	\$ 316,731	\$ 15,000	\$ 331,731	\$ 821,875	\$ 3,825,124	\$ 5,500,000	\$ (1,674,876)	2026
2027	51,930,441	1,038,609	52,969,049	45,220,649	25.81	\$ 1,167,269	\$ 30,000	\$ 1,197,269	\$ 332,567	\$ 15,000	\$ 347,567	\$ 849,702	\$ 4,674,826	\$ 5,500,000	\$ (825,174)	2027
2028	52,969,049	1,059,381	54,028,430	46,280,030	26.20	\$ 1,212,534	\$ 30,000	\$ 1,242,534	\$ 349,196	\$ 15,000	\$ 364,196	\$ 878,338	\$ 5,553,164	\$ 5,400,000	\$ 153,164	2028
2029	54,028,430	1,080,569	55,108,999	47,360,599	26.59	\$ 1,259,457	\$ 30,000	\$ 1,289,457	\$ 366,656	\$ 15,000	\$ 381,656	\$ 907,802	\$ 6,460,966	\$ 5,300,000	\$ 1,160,966	2029
2030	55,108,999	1,102,180	56,211,179	48,462,779	26.99	\$ 1,308,099	\$ 30,000	\$ 1,338,099	\$ 384,988	\$ 15,000	\$ 399,988	\$ 938,111	\$ 7,399,076	\$ 5,200,000	\$ 2,199,076	2030

Long Range Financial Plan 2023 - 2032



TID Projections

Tax Incremental District #4					Moderate assumptions					Created: 2011, Mandatory Close: 2038							
Cash Flow Projections					Property appreciation factor 2.00%												
6/3/2022					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	Base 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	1,195,400	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	1,195,400	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	365,748	18,653,148	1,195,400	17,457,748	24.83	\$ 433,476	\$ 200,000	\$ 633,476	\$ 532,000	\$ 5,000	\$ 537,000	\$ 96,476	\$ 1,417,726	\$ 5,665,000	\$ (4,247,274)	2022
2023	18,653,148	373,063	19,026,211	1,195,400	17,830,811	24.32	\$ 433,652	\$ 200,000	\$ 633,652	\$ 543,340	\$ 5,000	\$ 548,340	\$ 85,312	\$ 1,503,038	\$ 5,295,000	\$ (3,791,962)	2023
2024	19,026,211	380,524	19,406,735	1,195,400	18,211,335	24.69	\$ 449,550	\$ 200,000	\$ 649,550	\$ 543,700	\$ 5,000	\$ 548,700	\$ 100,850	\$ 1,603,888	\$ 4,915,000	\$ (3,311,112)	2024
2025	19,406,735	388,135	19,794,870	1,195,400	18,599,470	25.06	\$ 466,018	\$ 200,000	\$ 666,018	\$ 553,840	\$ 5,000	\$ 558,840	\$ 107,178	\$ 1,711,066	\$ 4,515,000	\$ (2,803,934)	2025
2026	19,794,870	395,897	20,190,767	1,195,400	18,995,367	25.43	\$ 483,076	\$ 200,000	\$ 683,076	\$ 556,650	\$ 5,000	\$ 561,650	\$ 121,426	\$ 1,832,492	\$ 4,100,000	\$ (2,267,508)	2026
2027	20,190,767	403,815	20,594,583	1,195,400	19,399,183	25.81	\$ 500,746	\$ 200,000	\$ 700,746	\$ 554,000	\$ 5,000	\$ 559,000	\$ 141,746	\$ 1,974,238	\$ 3,675,000	\$ (1,700,762)	2027
2028	20,594,583	411,892	21,006,474	1,195,400	19,811,074	26.20	\$ 519,049	\$ 2,215,000	\$ 2,734,049	\$ 2,616,075	\$ 5,000	\$ 2,621,075	\$ 112,974	\$ 2,087,212	\$ 1,175,000	\$ 912,212	2028
2029	21,006,474	420,129	21,426,604	1,195,400	20,231,204	26.59	\$ 538,007	\$ 25,000	\$ 563,007	\$ 411,250	\$ 5,000	\$ 416,250	\$ 146,757	\$ 2,233,969	\$ 800,000	\$ 1,433,969	2029
2030	21,426,604	428,532	21,855,136	1,195,400	20,659,736	26.99	\$ 557,644	\$ 25,000	\$ 582,644	\$ 425,000	\$ 5,000	\$ 430,000	\$ 152,644	\$ 2,386,614	\$ 400,000	\$ 1,986,614	2030

Long Range Financial Plan 2023 - 2032



TID Projections

Tax Incremental District #5					Moderate assumptions					Created: 2014, Mandatory Close: 2041							
Cash Flow Projections					Property appreciation factor 2.00%												
6/3/2022					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	Base 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			52,831,900	8,085,800	46,987,600	28.38								\$ 2,075,000	\$ 5,690,000	\$ (3,615,000)	2019
2020	52,831,900	2,241,500	55,073,400	8,085,800	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	8,085,800	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	1,224,468	62,447,868	8,085,800	54,362,068	24.83	\$ 1,349,810	\$ 40,000	\$ 1,389,810	\$ 425,150	\$ 25,000	\$ 450,150	\$ 939,660	\$ 5,234,660	\$ 4,970,000	\$ 264,660	2022
2023	62,447,868	1,248,957	63,696,825	8,085,800	55,611,025	24.32	\$ 1,352,480	\$ 40,000	\$ 1,392,480	\$ 444,150	\$ 50,000	\$ 494,150	\$ 898,330	\$ 6,132,991	\$ 4,700,000	\$ 1,432,991	2023
2024	63,696,825	1,273,937	64,970,762	8,085,800	56,884,962	24.69	\$ 1,404,215	\$ 40,000	\$ 1,444,215	\$ 442,125	\$ 50,000	\$ 492,125	\$ 952,090	\$ 7,085,080	\$ 4,425,000	\$ 2,660,080	2024
2025	64,970,762	1,299,415	66,270,177	8,085,800	58,184,377	25.06	\$ 1,457,836	\$ 40,000	\$ 1,497,836	\$ 459,425	\$ 2,500,000	\$ 2,959,425	\$ (1,461,589)	\$ 5,623,491	\$ 4,125,000	\$ 1,498,491	2025
2026	66,270,177	1,325,404	67,595,581	8,085,800	59,509,781	25.43	\$ 1,513,410	\$ 40,000	\$ 1,553,410	\$ 500,575	\$ 5,000	\$ 505,575	\$ 1,047,835	\$ 6,671,326	\$ 3,775,000	\$ 2,896,326	2026
2027	67,595,581	1,351,912	68,947,492	8,085,800	60,861,692	25.81	\$ 1,571,008	\$ 40,000	\$ 1,611,008	\$ 514,725	\$ 5,000	\$ 519,725	\$ 1,091,283	\$ 7,762,608	\$ 3,400,000	\$ 4,362,608	2027
2028	68,947,492	1,378,950	70,326,442	8,085,800	62,240,642	26.20	\$ 1,630,701	\$ 40,000	\$ 1,670,701	\$ 552,725	\$ 5,000	\$ 557,725	\$ 1,112,976	\$ 8,875,584	\$ 2,975,000	\$ 5,900,584	2028
2029	70,326,442	1,406,529	71,732,971	8,085,800	63,647,171	26.59	\$ 1,692,565	\$ 40,000	\$ 1,732,565	\$ 563,500	\$ 5,000	\$ 568,500	\$ 1,164,065	\$ 10,039,650	\$ 2,525,000	\$ 7,514,650	2029
2030	71,732,971	1,434,659	73,167,630	8,085,800	65,081,830	26.99	\$ 1,756,678	\$ 40,000	\$ 1,796,678	\$ 572,750	\$ 5,000	\$ 577,750	\$ 1,218,928	\$ 11,258,578	\$ 2,050,000	\$ 9,208,578	2030



Parking Utility

Current Rates and Customer Information

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

General Rate and Permit Data	Monthly	Annually
Current Overnight Parking Lot Fee	\$30	\$360
Amount paid to private lot owners	\$12	\$144
Last Rate "decrease"	1/1/21	
	<u>2020</u>	<u>2021 budget</u>
Permits sold - Village lots	2,000	1,620
Permits sold - private lots	<u>1,080</u>	<u>1,400</u>
Total	3,080	3,020

Long Range Plan Notes

- Past years' budgets for the parking utility have included costs for software and other technology to automate the parking permit process. The village's new permit solution now offers online permitting and payments for most of the village's permitted parking activities.
- In addition, this system automates the exchange of vehicle information for parking enforcement which has eliminated the need for our customers to come in monthly and pick-up physical permits or decals to display in their vehicles.

Recommended Future Rates

The parking utility includes the cost for managing the village's overnight parking lot permit program as well as the maintenance costs associated with keeping the lots clear of snow and ice in the winter.

Historically, the costs associated with writing and collecting parking tickets have been reported in the General Fund, along with parking ticket revenue. The utility then gets charged the cost of ¼ of a police civilian staff's salary and benefits for enforcement in the permitted lots.

The parking utility was also accumulating reserve funds to be used for lot resurfacing or the acquisition of additional public parking lots as may be needed in future years.

Long Range Financial Plan 2023 - 2032



Parking Utility

	projected 2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Revenues											
Monthly Permit Fees	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Daily permit fees	-	-	-	-	-	-	-	-	-	-	-
Other Revenues	7,500	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Total Revenues	82,500	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Expenses											
Staff Costs (2%)	10,000	10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951	12,190
PILOT expenses (2.5%)	19,988	20,487	20,999	21,524	22,062	22,614	23,179	23,759	24,353	24,962	25,586
Other Expenses (2%)	51,110	52,132	53,175	54,238	55,323	56,430	57,558	58,709	59,884	61,081	62,303
Total Expenses	81,098	82,819	84,578	86,375	88,210	90,084	91,999	93,955	95,953	97,994	100,078
Net Change in Equity	1,403	(2,819)	(4,578)	(6,375)	(8,210)	(10,084)	(11,999)	(13,955)	(15,953)	(17,994)	(20,078)
Beginning Equity	683,000	684,403	681,583	677,005	670,630	662,420	652,336	640,337	626,382	610,429	592,435
Ending Equity	\$ 684,403	\$ 681,583	\$ 677,005	\$ 670,630	\$ 662,420	\$ 652,336	\$ 640,337	\$ 626,382	\$ 610,429	\$ 592,435	\$ 572,357
Rate increase included above	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
* - The Parking 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.											
Estimated YE cash position	\$ 445,633	\$ 450,663	\$ 454,585	\$ 457,410	\$ 434,200	\$ 404,116	\$ 397,117	\$ 388,162	\$ 377,209	\$ 364,215	\$ 349,137



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")	\$ 22.80	\$91.20
Public Fire Fees (3/4")	\$ 20.80	\$83.20
Plus Volumetric per 100 Cubic Feet	\$ 3.00	\$180.00
Last Full Rate Increase	1/1/17	
Quarterly Bill (1,300 Cubic Feet Usage)	\$82.60	\$330.40
	No. of	Consumption
Five Year Estimate	Customers	100 Cubic Ft
Residential Customers	3,225	240,000
Multi-Family	155	120,000
Commercial	101	30,000
Public Authority	39	10,000

Long Range Plan Notes

- Significant 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 2016 the Public Service Commission (PSC) approved a 14% overall water rate increase to be effective on 1/1/17.

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 \$17 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 anticipated in 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 2023 - 2032



Water Utility

		budget										
		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
1	Revenues											
2	User Fees	\$ 2,020,000	\$ 2,424,000	\$ 2,424,000	\$ 2,908,800	\$ 2,908,800	\$ 3,345,120	\$ 3,345,120	\$ 3,846,888	\$ 3,846,888	\$ 4,423,921	\$ 4,423,921
3	Other Revenues	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
4	Total Revenues	<u>2,070,000</u>	<u>2,474,000</u>	<u>2,474,000</u>	<u>2,958,800</u>	<u>2,958,800</u>	<u>3,395,120</u>	<u>3,395,120</u>	<u>3,896,888</u>	<u>3,896,888</u>	<u>4,473,921</u>	<u>4,473,921</u>
5	Expenses											
6	Purchase Water (3%)	\$ 763,848	\$ 786,763	\$ 810,366	\$ 834,677	\$ 859,718	\$ 885,509	\$ 912,074	\$ 939,437	\$ 967,620	\$ 996,648	\$ 1,026,548
7	PILOT expenses	190,000	200,000	240,000	260,000	300,000	400,000	450,000	475,000	525,000	570,000	625,000
8	Depreciation	235,000	265,000	275,000	305,000	370,000	400,000	415,000	440,000	465,000	495,000	540,000
9	Other Expenses (5%)	\$ 725,085	\$ 761,339	\$ 799,406	\$ 839,376	\$ 881,345	\$ 925,412	\$ 971,683	\$ 1,020,267	\$ 1,071,281	\$ 1,124,845	\$ 1,181,087
10	Interest Expense	117,125	125,200	167,570	252,550	240,750	490,950	473,585	573,835	550,741	683,725	654,020
11	Total Expenses	<u>2,031,058</u>	<u>2,138,303</u>	<u>2,292,342</u>	<u>2,491,604</u>	<u>2,651,813</u>	<u>3,101,872</u>	<u>3,222,343</u>	<u>3,448,539</u>	<u>3,579,641</u>	<u>3,870,218</u>	<u>4,026,655</u>
12	Net Change in Equity	38,942	335,697	181,658	467,196	306,987	293,248	172,777	448,349	317,247	603,703	447,267
13	Beginning Equity	<u>3,522,775</u>	<u>3,561,717</u>	<u>3,897,415</u>	<u>4,079,072</u>	<u>4,546,269</u>	<u>4,853,256</u>	<u>5,146,504</u>	<u>5,319,282</u>	<u>5,767,631</u>	<u>6,084,877</u>	<u>6,688,581</u>
14	Ending Equity	<u>\$ 3,561,717</u>	<u>\$ 3,897,415</u>	<u>\$ 4,079,072</u>	<u>\$ 4,546,269</u>	<u>\$ 4,853,256</u>	<u>\$ 5,146,504</u>	<u>\$ 5,319,282</u>	<u>\$ 5,767,631</u>	<u>\$ 6,084,877</u>	<u>\$ 6,688,581</u>	<u>\$ 7,135,847</u>
15	Rate increase included above	0.00%	20.00%	0.00%	20.00%	0.00%	15.00%	0.00%	15.00%	0.00%	15.00%	0.00%
16	Revenue coverage 125% target	71.00%	131.00%	95.00%	135.00%	120.00%	104.00%	91.00%	110.00%	96.00%	110.00%	98.00%
* - 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	-
18	Bond principal payments	363,340	390,380	437,570	468,440	482,680	596,340	640,060	715,000	778,920	885,100	968,250
19	Self-funded bond reserves	-	-	-	-	-	-	-	-	-	-	-
20	Estimated cash position	<u>420,602</u>	<u>530,920</u>	<u>550,007</u>	<u>753,764</u>	<u>948,071</u>	<u>944,979</u>	<u>892,697</u>	<u>966,046</u>	<u>969,372</u>	<u>1,082,976</u>	<u>1,101,992</u>
21	Cash Target 25% Oper'g Exp	<u>\$ 449,000</u>	<u>\$ 468,300</u>	<u>\$ 504,300</u>	<u>\$ 546,700</u>	<u>\$ 570,500</u>	<u>\$ 675,500</u>	<u>\$ 701,800</u>	<u>\$ 752,100</u>	<u>\$ 778,700</u>	<u>\$ 843,800</u>	<u>\$ 871,700</u>



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	\$ 13.30	\$53.20
Plus Volumetric per 100 Cubic Feet	\$ 7.00	\$41.00
Last Rate Increase	1/1/22	
Quarterly Bill (1,300 Cubic Feet Usage)	\$104.30	\$417.20

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 has included 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 2021 the sewer utility approved an 25% net rate increase effective 1/1/22 in order to begin preparing for the upcoming projects. Additional rate increases will also 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 2023 - 2032

Sewer Utility



	budget	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	2022										
1 Revenues											
2 User Fees	\$ 2,975,000	\$ 2,975,000	\$ 3,272,500	\$ 3,272,500	\$ 3,599,750	\$ 3,599,750	\$ 3,779,738	\$ 3,779,738	\$ 3,968,724	\$ 3,968,724	\$ 3,968,724
3 Other Revenues	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
4 Total Revenues	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,297,500</u>	<u>3,297,500</u>	<u>3,624,750</u>	<u>3,624,750</u>	<u>3,804,738</u>	<u>3,804,738</u>	<u>3,993,724</u>	<u>3,993,724</u>	<u>3,993,724</u>
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	425,000	460,000	538,000	542,000	572,000	576,000	580,000	580,000	580,000	580,000	580,000
8 Other Expenses (3%)	600,413	618,425	636,978	656,087	675,770	696,043	716,924	738,432	760,585	783,402	806,905
9 Interest Expense	249,357	230,863	410,009	570,168	543,075	518,165	487,800	455,400	420,500	386,685	353,300
10 Total Expenses	<u>2,074,770</u>	<u>2,133,288</u>	<u>2,433,707</u>	<u>2,642,437</u>	<u>2,691,252</u>	<u>2,717,627</u>	<u>2,739,966</u>	<u>2,757,731</u>	<u>2,774,501</u>	<u>2,793,906</u>	<u>2,815,338</u>
11 Net Change in Equity	925,230	866,712	863,793	655,063	933,498	907,123	1,064,771	1,047,006	1,219,223	1,199,818	1,178,387
12 Beginning Equity	<u>10,910,206</u>	<u>11,835,436</u>	<u>12,702,148</u>	<u>13,565,941</u>	<u>14,221,004</u>	<u>15,154,503</u>	<u>16,061,625</u>	<u>17,126,397</u>	<u>18,173,403</u>	<u>19,392,627</u>	<u>20,592,445</u>
13 Ending Equity	<u>11,835,436</u>	<u>12,702,148</u>	<u>13,565,941</u>	<u>14,221,004</u>	<u>15,154,503</u>	<u>16,061,625</u>	<u>17,126,397</u>	<u>18,173,403</u>	<u>19,392,627</u>	<u>20,592,445</u>	<u>21,770,832</u>
14 Rate increase included above	25.00%	0.00%	10.00%	0.00%	10.00%	0.00%	5.00%	0.00%	5.00%	0.00%	0.00%
15 Revenue coverage 125% target	174.00%	169.00%	144.00%	113.00%	135.00%	131.00%	136.00%	133.00%	142.00%	137.00%	133.00%
* - 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	2,000,000	250,000	250,000	250,000	250,000	250,000	250,000
17 Bond principal payments	657,525	678,525	827,989	965,515	959,850	985,800	1,060,250	1,093,450	1,121,650	1,171,100	1,212,425
18 Self-funded bond reserves	-	-	-	-	-	-	-	-	-	-	-
19 Estimated cash position	<u>\$ 732,705</u>	<u>\$ 1,130,892</u>	<u>\$ 1,454,696</u>	<u>\$ 1,436,244</u>	<u>\$ (18,107)</u>	<u>\$ 229,215</u>	<u>\$ 563,737</u>	<u>\$ 847,293</u>	<u>\$ 1,274,867</u>	<u>\$ 1,633,585</u>	<u>\$ 1,570,828</u>
20 Cash Target 25% Oper'g Exp	<u>\$ 412,400</u>	<u>\$ 418,300</u>	<u>\$ 473,900</u>	<u>\$ 525,100</u>	<u>\$ 529,800</u>	<u>\$ 535,400</u>	<u>\$ 540,000</u>	<u>\$ 544,400</u>	<u>\$ 548,600</u>	<u>\$ 553,500</u>	<u>\$ 558,800</u>



Comparative Utility Rates

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							
2022 Rate Survey							
Rank	Municipality	Water	Sewer	Storm	Refuse / Recycling	Total	Quarterly
1	Mequon	\$ 553.28	\$ 562.00	\$ -	\$ 280.00	\$ 1,395.28	\$ 348.82
2	Bayside	\$ 371.40	\$ 505.00	\$ 253.00	\$ -	\$ 1,129.40	\$ 282.35
3	Saukville	\$ 386.12	\$ 456.80	\$ -	\$ 186.00	\$ 1,028.92	\$ 257.23
4	Wauwatosa	\$ 323.40	\$ 560.00	\$ 130.52	\$ -	\$ 1,013.92	\$ 253.48
5	Fox Point	\$ 463.48	\$ 300.28	\$ 142.80	\$ 78.00	\$ 984.56	\$ 246.14
6	Port Washington	\$ 523.47	\$ 395.40	\$ -	\$ 38.23	\$ 957.10	\$ 239.28
7	South Milwaukee	\$ 428.77	\$ 362.17	\$ 97.32	\$ 64.48	\$ 952.74	\$ 238.19
8	Cudahy	\$ 268.68	\$ 410.28	\$ 125.28	\$ 125.00	\$ 929.24	\$ 232.31
9	Franklin	\$ 328.88	\$ 429.52	\$ -	\$ 134.60	\$ 893.00	\$ 223.25
10	Cedarburg	\$ 365.56	\$ 522.00	\$ -	\$ -	\$ 887.56	\$ 221.89
11	Grafton	\$ 231.04	\$ 578.80	\$ -	\$ 34.60	\$ 844.44	\$ 211.11
12	Greenfield	\$ 249.08	\$ 245.00	\$ 74.00	\$ 211.80	\$ 779.88	\$ 194.97
13	Shorewood	\$ 330.40	\$ 417.00	\$ -	\$ -	\$ 747.40	\$ 186.85
14	Greendale	\$ 351.20	\$ 238.92	\$ 79.60	\$ 53.56	\$ 723.28	\$ 180.82
15	Brown Deer	\$ 316.60	\$ 125.40	\$ 119.08	\$ 80.00	\$ 641.08	\$ 160.27
16	Whitefish Bay	\$ 327.56	\$ 205.40	\$ 100.00	\$ -	\$ 632.96	\$ 158.24
17	Milwaukee	\$ 197.80	\$ 157.92	\$ 64.52	\$ 202.84	\$ 623.08	\$ 155.77
18	West Allis	\$ 282.96	\$ 236.36	\$ -	\$ 90.00	\$ 609.32	\$ 152.33
19	Glendale	\$ 358.04	\$ 114.40	\$ 80.00	\$ -	\$ 552.44	\$ 138.11
20	Oak Creek	\$ 331.72	\$ 141.80	\$ -	\$ -	\$ 473.52	\$ 118.38

Long Range Financial Plan 2023 - 2032



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. 2019	approx. 2020	approx. 2021	approx. 2022	Projected 2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Tax Bill (Village Portion)	\$ 2,171	\$ 2,389	\$ 2,413	\$ 2,435	\$ 2,394	\$ 2,451	\$ 2,519	\$ 2,579	\$ 2,567	\$ 2,519	\$ 2,574	\$ 2,617	\$ 2,708	\$ 2,775
Water Flat Quarterly	20.88	20.88	20.88	41.68	50.02	50.02	60.02	60.02	69.02	69.02	79.38	79.38	91.28	104.97
Water Consumption	3.00	3.00	3.00	3.00	3.60	3.60	4.32	4.32	4.97	4.97	5.71	5.71	6.57	7.56
Water Bill	240	240	240	323	387	387	465	465	534	534	615	615	707	813
Sewer Flat	11.25	13.30	13.30	13.30	13.30	15.00	15.00	15.00	15.00	16.50	16.50	16.50	16.50	16.50
Sewer Consumption	4.60	5.52	5.52	7.00	7.00	7.70	7.70	8.47	8.47	8.89	8.89	9.34	9.34	9.34
Sewer Bill	284	340	340	417	417	460	460	500	500	528	528	552	552	552
Sub-total Utility Bill	524	580	580	740	804	848	925	965	1,035	1,063	1,143	1,166	1,258	1,364
Total	\$ 2,695	\$ 2,969	\$ 2,993	\$ 3,175	\$ 3,198	\$ 3,298	\$ 3,444	\$ 3,544	\$ 3,602	\$ 3,581	\$ 3,717	\$ 3,783	\$ 3,967	\$ 4,139
Change from Prior Year	\$ 13	\$ 274	\$ 24	\$ 182	\$ 23	\$ 100	\$ 145	\$ 101	\$ 57	\$ (20)	\$ 136	\$ 66	\$ 184	\$ 173
% Change from Prior Year	0.48%	10.17%	0.81%	6.09%	0.73%	3.13%	4.41%	2.92%	1.61%	-0.56%	3.79%	1.78%	4.85%	4.36%
Change and percentage change assume that rate increases are in place for the entire calendar year.														
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														
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 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 to 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 has to 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.

APPENDIX A



Project Implementation Schedule

Village of Shorewood		General Infrastructure Projects														
2023-2032 Long Range Plan Updated 4/15/22		2023		2024-2025			2026-2027			2028-2029			2030-2031			2022-2031
		G.O	Projects	G.O	2024	2025	G.O	2026	2027	G.O	2028	2029	G.O	2030	2031	SUB TOTAL
		Bonds	Projects	Bonds	Projects	Projects	Bonds	Projects	Projects	Bonds	Projects	Projects	Bonds	Projects	Projects	
General - Tax Levy funded																
1	Local Road Program									1,500,000	1,500,000					1,500,000
2	Alley Reconstruction						750,000		750,000	750,000		750,000	750,000		750,000	2,250,000
3	Sidewalk Program (costs)			400,000		400,000	200,000		200,000	200,000		200,000	200,000		200,000	1,000,000
4	Oakland Avenue (North)			2,500,000		2,500,000										2,500,000
4B	TID 5 funding			(2,500,000)		(2,500,000)										(2,500,000)
5	Oakland Avenue (South)												2,500,000	2,500,000		2,500,000
6	Street Lighting Boxes			300,000		300,000										300,000
7	Street Lighting Engineering Study						50,000		50,000							50,000
8	Future Facilities (DPW)			5,000,000	5,000,000											5,000,000
9	Future Facilities (VH)						500,000	500,000								500,000
10	Village Center HVAC									350,000	350,000					350,000
Sub Totals:		0	0	5,700,000	5,000,000	700,000	1,500,000	500,000	1,000,000	2,800,000	1,850,000	950,000	3,450,000	2,500,000	950,000	13,450,000
Water Capital Projects																
Funded By Utility																
11	Water Relays - Local roads									640,000	640,000					640,000
12	Water Relays - off year						2,000,000		2,000,000	2,000,000		2,000,000	2,000,000		2,000,000	6,000,000
13	Oakland Ave - Water			2,000,000		2,000,000							1,500,000	1,500,000		3,500,000
14	Oakland Meter Pit			400,000	400,000											400,000
Sub Totals:		0	0	2,400,000	400,000	2,000,000	2,000,000	0	2,000,000	2,640,000	640,000	2,000,000	3,500,000	1,500,000	2,000,000	10,540,000

APPENDIX A

Project Implementation Schedule



Village of Shorewood		SEACSI Coordinated Infrastructure Projects																										
2023-2032 Long Range Plan <i>Updated 5/6/22</i>		2023		2024-2025		2024		2025		2026-2027		2026		2027		2028-2029		2028		2029		2030-2031		2030		2031		2022-2031
		Bonds	Projects	Bonds	Projects	Projects	Bonds	Projects	Projects	Bonds	Projects	Projects	Bonds	Projects	Projects	Bonds	Projects	Projects	Bonds	Projects	Projects	Bonds	Projects	Projects	SUB TOTAL			
General - Tax Levy funded																												
20	SEACSI - Phase 1 Roads	1,335,000	1,335,000																									
21	SEACSI - Phase 2 Roads			2,045,000	2,045,000																							
22	SEACSI - Phase 3 Roads (Lake Drive)									1,500,000	1,500,000																	
23	Edgewood Ave (Joint project)	250,000	250,000																									
Sub Totals:		1,585,000	1,585,000	2,045,000	2,045,000	0	1,500,000	1,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,130,000	
Sewer Capital Projects - Revenue Bonds																												
Funded By Utility																												
24	SEACSI - Phase 1 Sewer	6,500,000	6,500,000																									
25	SEACSI - Phase 2 Sewer			5,000,000	5,000,000																							
26	SEACSI - Phase 3 (Lake Drive) <i>self funding</i>									2,000,000	2,000,000																	
Sub Totals:		6,500,000	6,500,000	5,000,000	5,000,000	0	0	0	0	(2,000,000)	(2,000,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13,500,000	
Water Capital Projects																												
Funded By Utility																												
27	SEACSI - Phase 1 Water	1,700,000	1,700,000																									
28	SEACSI - Phase 2 Water			320,000	320,000																							
29	SEACSI - Phase 3 (Lake Drive)									4,500,000	4,500,000																	
Sub Totals:		1,700,000	1,700,000	320,000	320,000	0	4,500,000	4,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,520,000	

APPENDIX A



Project Implementation Schedule

LOCAL ROAD PROGRAM

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 developed in response to the July 2010 flooding. In 2012 and 2016 combined road and sewer improvement programs were implemented.

Reconstruction programs are identified based upon pavement condition ratings with a goal of geographically grouping street segments to form a cohesive project area. The residential road reconstruction schedule drives many of the Village's other infrastructure improvement programs, including the replacement of water main, street lighting systems, signage and ash trees.

The 2023 through 2027 proposed programs were designed in conjunction with anticipated sewer improvements in the Village's southeast area. The schedules associated with the sewer program illustrate those efforts, with a combined road program funding at a \$5.1 million. While it is general practice that costs related to road restoration are assigned to the utility when its improvements initiate the project, in the case of the SE Area Combined Sewer Improvements project, the current pavement conditions justify the charge for road reconstruction to the Capital Fund.

In 2028, staff has used a placeholder amount of \$1.5 million for ongoing road reconstruction efforts. This cost will be reevaluated as this project scope will become better defined in 2027.

APPENDIX A



Project Implementation Schedule

ALLEY RECONSTRUCTION PROGRAM (2027)

In addition to street reconstruction and maintenance, the Pavement Management Plan includes an alley component which addresses the reconstruction and maintenance of alleys in odd calendar years. The first alley program under the PMP was funded in 2017 and reconstructed approximately 2,880 lineal feet of asphalt pavement in the northwest area of the Village.

Reconstruction programs are identified based upon pavement condition rating 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. The PMP calls for alley reconstruction programs to be funded at an approximate \$350,000 level every other year. The attached schedules illustrate replacement at the \$750,000 funding level as the village has increased planned funding for this item.

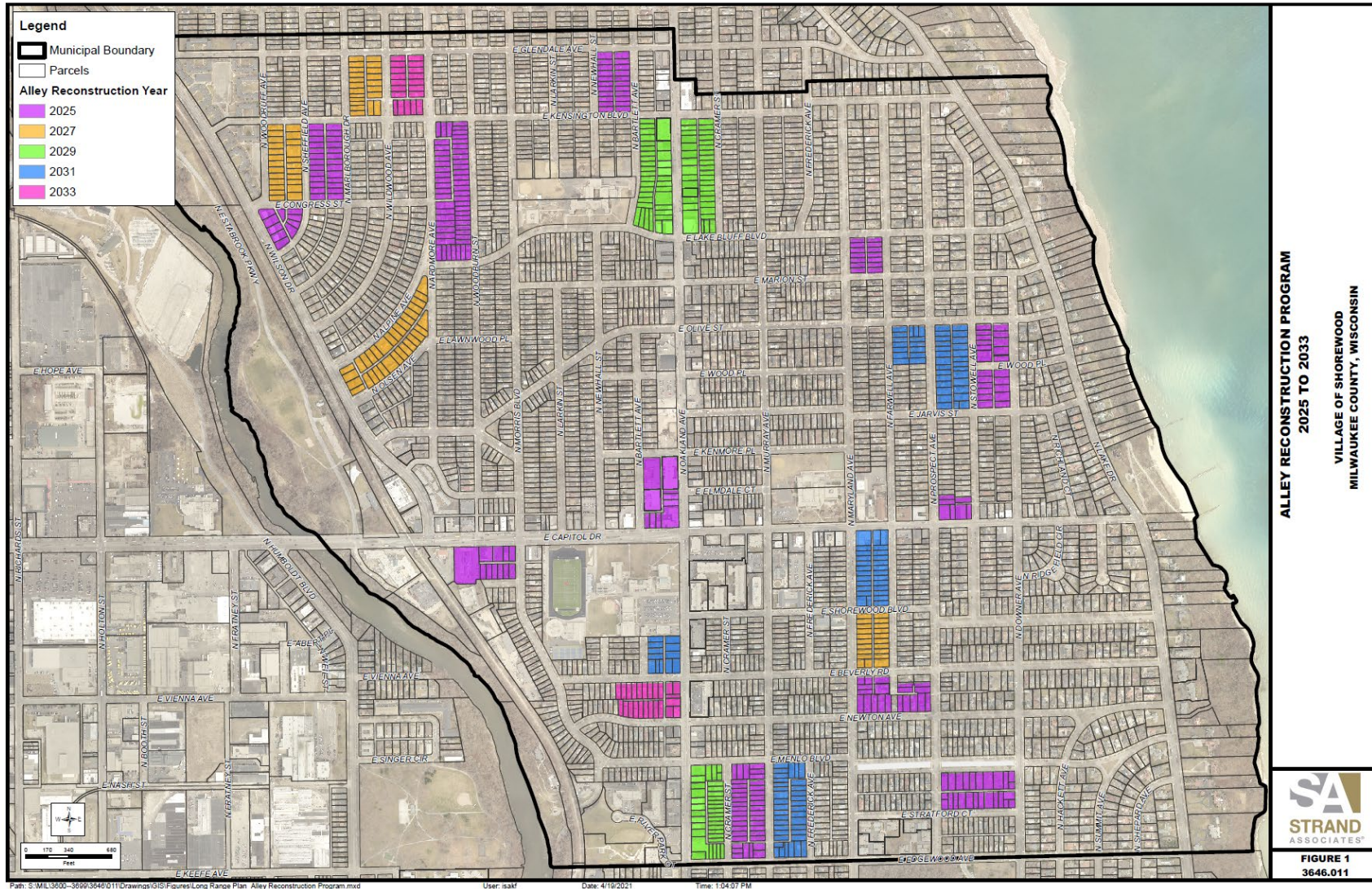
MMSD Green Solutions funds were used to offset the costs of green infrastructure components in alleys within the separate sewer system which will provide mechanisms for the Village to move toward TMDL compliance.

It should be noted that a desire to implement –at the earliest opportunity – the proposed Southeast Area Combined Sewer Improvements has necessitated an adjustment to the Village’s policy of implementing major capital infrastructure projects in even calendar years and minor projects in odd calendar years. As such, there is no proposed alley program in 2023; however, the project area for 2025 was proposed as a “double” program keeping the overall implementation on schedule.

With the deferral of the Oakland Avenue (North of Capitol Dr.) pavement replacement project until 2025, the previously anticipated 2025 alleys segments is being constructed in 2022. As a result, most of these alleys will be completed from 1-3 years sooner than previously anticipated.



Alley Plan - \$750,000 funding level program schedule



APPENDIX A

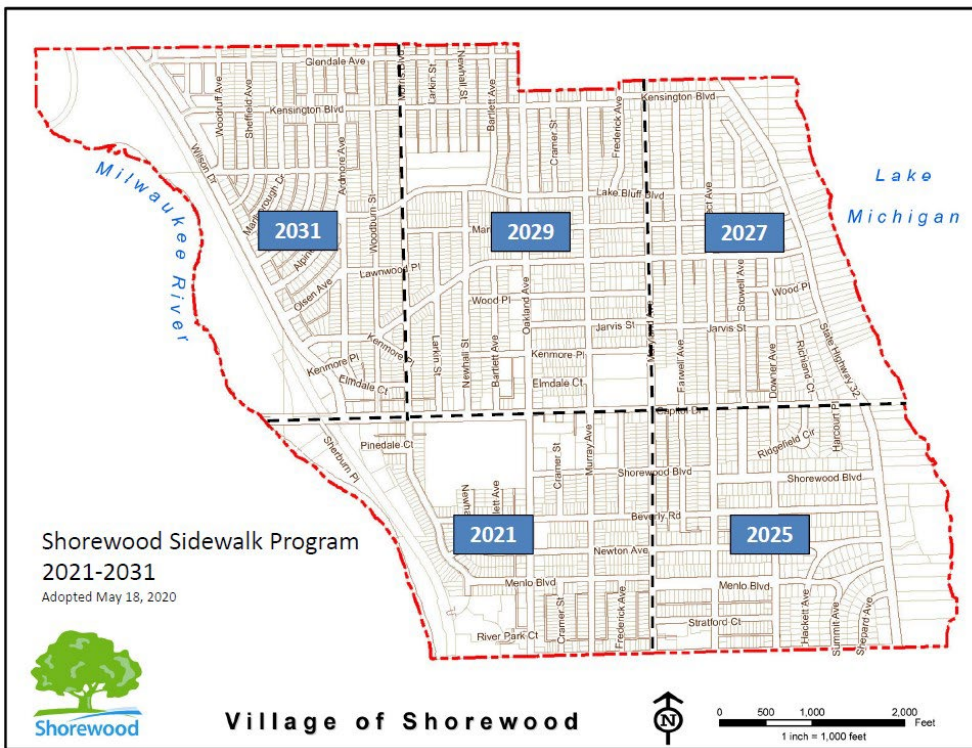


Project Implementation Schedule

SIDEWALK PROGRAM

There are approximately 60 miles of public sidewalk pavement within the Village of Shorewood. To ensure these walks remain in good condition, the Department of Public Works administers a biennial sidewalk replacement program in each of five defined areas of the Village on a rotating cycle. The Village's sidewalk replacement program is contracted every other year in odd calendar years. All public sidewalks and carriage walks in the target area are reviewed, and defective areas are identified for removal and replacement.

Per Village policy, public walk replacement has traditionally been special assessed to the adjacent private property owner at 100% of the cost (on a corner lot the secondary frontage is assessed at 50%). Please see the map illustrating the 2021 - 2031 sidewalk program areas. Please note that no 2023 program is scheduled due to the Southeast Area Combined Sewer Improvements project in the area that year.



APPENDIX A



Project Implementation Schedule

OAKLAND AVENUE RECONSTRUCTION

Oakland Avenue south of Capitol Drive was constructed in 1979. The segment north of Capitol Drive was reconstructed in 1996. Streetscape improvements were installed in 2007-2008. Both areas have shown significant signs of pavement deterioration which must be addressed.

The segment south of Capitol Drive was resurfaced during the summer of 2021. A pavement replacement north of Capitol Drive is planned for 2025. Engineering design is underway and includes a review of recommended pedestrian safety improvements from the 2020 Transportation and Parking Analysis and an analysis of green infrastructure installation feasibility.

STREET LIGHTING BOX (*STREETLIGHT CONTROL CABINETS*)

The Village's streetlight system includes a total of nine control cabinets; currently four of these are operating in excess of their design life. A proactive replacement program was proposed to address this infrastructure before significant problems pose troublesome and perhaps lengthy street light outages. Five of the existing cabinets have been modernized: two each were completed in conjunction with roadway improvements on N. Oakland Avenue (2008) and E. Capitol Drive (2010), the fifth was relocated from an easement in the rear of a residence to the ROW in the 3600 block of N. Lake Drive in 2016.

The cabinet located near the Lake Bluff Elementary School was scheduled for replacement in 2021, however this work has not yet been completed due to component supply chain issues. The remaining cabinets (four structure, three in operation) are located on the east side of the Fire Department building and are scheduled for upgrades in 2025.

Implementation of an LED street light system will impact the design and function of these cabinets.

Project Implementation Schedule

STREET LIGHTING ENGINEERING STUDY

In order to consider the conversion of the village’s street lighting system to LED fixtures, it is also recommended that the existing subsurface wiring system be upgraded at that time. The cost for this has not yet been determined, but it would add significant costs and time to implement this project. Further engineering would be necessary in order to obtain an estimate of those additional costs.

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 damaged 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 efficiencies 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.

APPENDIX A



Project Implementation Schedule

VILLAGE CENTER - HVAC

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

FUTURE FACILITIES – VILLAGE HALL

Staff was 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.

WATER RELAY PROJECTS

Water relay projects can be identified as road and non-road projects. Road projects are completed during even calendar years while non-road projects are completed during odd calendar years. The Village identifies main segments identified for replacement based on condition and repair or break history.

Road projects occur near planned street reconstruction projects in order for the Village to efficiently complete all projects in that area at one time to minimize costs and traffic interference. The lists for upcoming projects between road and non-road projects are separate lists. The illustration to the right shows some of the key non-roads water main segments that have been identified for replacement.

The Village and the Public Service Commission establish a goal for the Village of Shorewood to replace approximately 1.5% to 2% of all Village water mains annually. Since 2012, the Village has replaced a total of 3.9% of its distribution system.

Given the general age of Shorewood’s distribution system, it is most practical and economical to replace lead service lines (both municipal and private) in conjunction with main replacement. A 2020 Village Board review of the Lead Service Line Replacement Program did not result in recommended program changes; however recent changes to the federal Lead and Copper Rule (2024 implementation) is anticipated to have significant impact on utility operations.

Replacement of watermain and services (public and private) is included in the project scope throughout the SEASCI project area.

APPENDIX A

Project Implementation Schedule



OAKLAND AVENUE METER VAULT RELOCATION/RECONSTRUCTION

The water purchased from Milwaukee Water Works enters the Village through two meters housed in sub-surface vaults located along Edgewood Avenue at the intersections of N. Downer and N. Oakland Avenues. The Downer structure is designed to supply the majority of the water for the Village with the Oakland meter active only during periods of peak use and emergency fire situations. The Downer structure was replaced in late 2020.

The Oakland structure does not meet current DNR codes or confined space entry safety requirements. The Village is responsible for the maintenance and operation of the pit and all equipment located within with the exception of the master meters owned and maintained by Milwaukee Water Works. It is proposed that this structure be relocated out of the Oakland Avenue roadway to the Humble Park area (subsurface) and replaced with a modern structure which complies with all current safety requirements.



APPENDIX A



Project Implementation Schedule

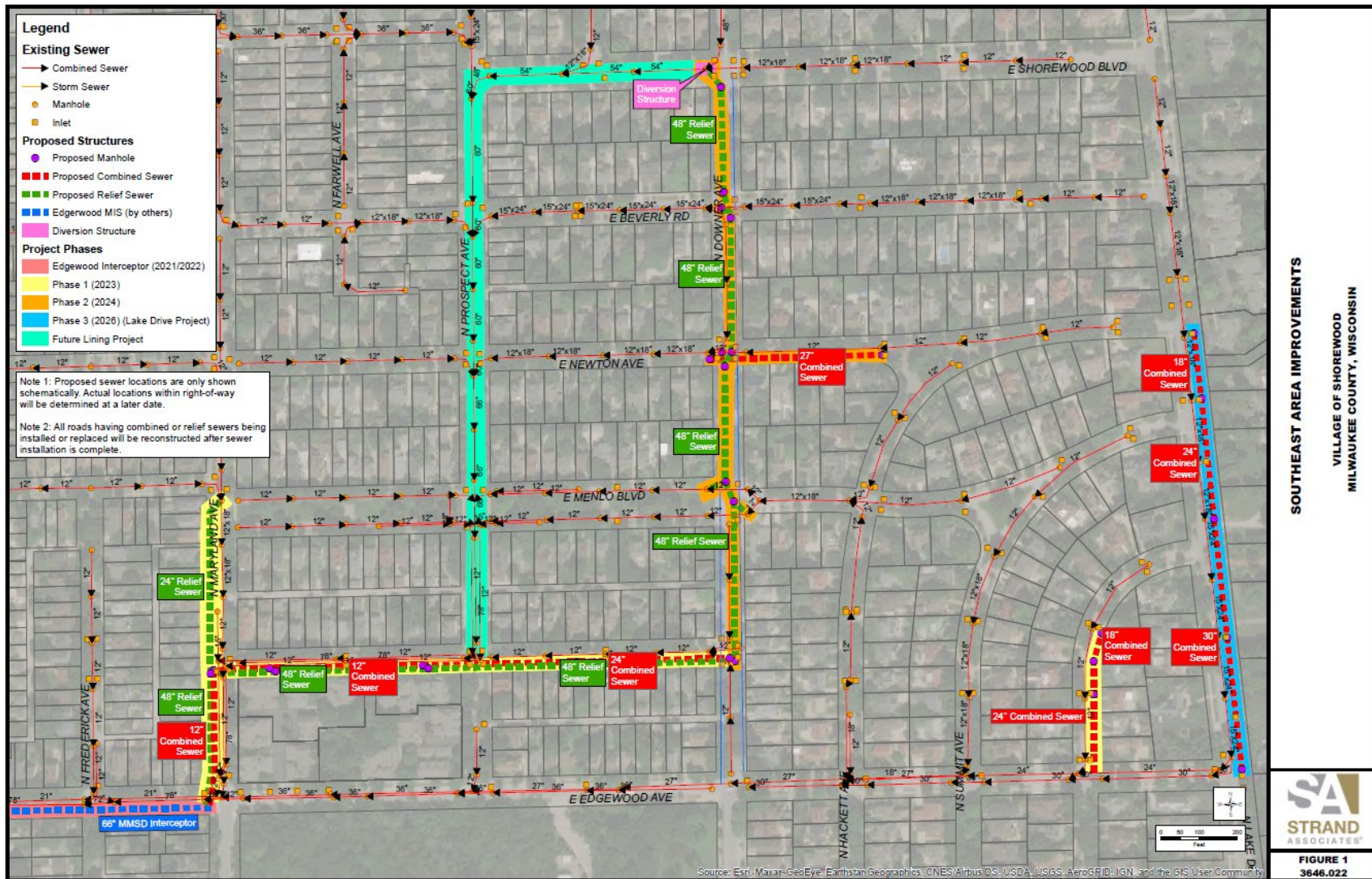
SOUTHEAST AREA COMBINED SEWER IMPROVEMENTS

The Village's 2011 Comprehensive Facility Plan outlined recommendations for significant improvements/additions 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 with 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 a Combined Sewer Environmental Assessment which was completed in early 2017.

Service improvements evaluated by MMSD in the same area were later incorporated into the CSSA Report's recommendations which include multiple construction and funding phases. The initial phase will be completed by MMSD; construction is scheduled to begin in late 2021 and continue through early 2023. The first of Shorewood's three construction phases is anticipated to be constructed in 2023, followed by Phase II in 2024 and Phase III in 2026 in conjunction with the scheduled reconstruction of STH 32/Lake Drive. To address a desire to implement sewer improvements as soon as practical, staff has altered the previously proposed implementation schedule, "front loading" the sewer improvements within the first two program years.

The following map reflects the updated design following Village Board action on the preliminary design report recommended solution in 2021.

Project Implementation Schedule



APPENDIX A



Project Implementation Schedule

LAKE DRIVE RECONSTRUCTION (Arterial Road)

The Lake Drive, State Highway 32, is currently scheduled by the Wisconsin Department of Transportation for construction in 2026. The construction will be subject to a cost share agreement. Very preliminary estimates put the Village's share at \$1.5 million, which includes estimated local costs not included under the cost sharing agreement with the Wisconsin Department of Transportation.

N. LAKE DRIVE WATER MAIN

The current condition of the watermain in N. Lake Drive from E. Edgewood Avenue to approximately E. Kensington Boulevard warrants full length replacement. Utility work is scheduled to occur during the same year as the roadway construction. The project is expected to include approximately 7,000 lineal feet of main and approximately 125 services.

SOUTHEAST AREA COMBINED SEWER – WATER MAINS

The Village's past practice when removing road surfaces has been to evaluate the replacement of water mains in those areas. With the new EPA regulations, as well as the significant subsurface sewer work that will be occurring during this project, staff will be recommending that all water mains in this area be replaced during this project. These costs have been estimated and are reflected in the applicable phases for the project.



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.



Long-Range Planning Guiding Policies

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.