



**FINANCE COMMITTEE
MEETING AGENDA**

Thursday, July 24, 2014 at 2:30 PM
Fire Station – Small Meeting Room
2258 Mill Road

For additional information check: <http://www.sisterbaywi.gov>

In order for everyone to hear the discussion please, turn off your cell phone. Thank you.

Call Meeting to Order

Roll Call

1	Chair – Shane Solomon		2	Dave Lienau	
3	Pat Duffy				
	Administrator – Zeke Jackson			Finance Director – Juliana Neuman	

Approval of the Agenda

Approval of minutes as attached

Comments and Correspondence

Discussion Items

1. Consider a sum for donation to Door County Soil and Water District for Phragmites Eradication Program
2. Consider motion to convene into Closed Session pursuant to Wisconsin State Statutes (1)(e): Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session.
3. Consider a motion to reconvene into Open Session.
4. Consider a motion to take action, if required:
 - Consider an offer from Al Gokey of Packerland Builders for the Old School Property; Consider a motion to refer to other committees and/or the Board for further action.
 - Consider Terms of a Development agreement for Stony Ridge Development; Consider a motion to refer to other committees and/or the Board for further action.
5. Review of simple static tax rate projections for 2015 budget
6. Review and discuss CIP for 2015 budget.
7. Review of Financial Statements @ June 30, 2014; consider Budget Amendments.
8. Matters to be placed on a future agenda or referred to a Committee, official or employee.

Adjournment

Public Notice

Questions regarding the nature of the agenda items or more detail on the agenda items listed above scheduled to be considered by the governmental body listed above can be directed to Zeke Jackson, Village Administrator at 920-854-4118 or zeke.jackson@sisterbaywi.gov.

It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above-stated meeting to gather information; no action will be taken by any governmental body at the above-stated meeting other than the governmental body specifically referred to above in this notice. Upon reasonable notice, a good faith effort will be made to accommodate the needs of disabled individuals through sign language interpreters or other auxiliary aid at no cost to the individual to participate in public meetings. Due to the difficulty in finding interpreters, requests should be made as far in advance as possible preferably a minimum of 48 hours. For additional information or to request this service, contact the Sister Bay Village Administrator at 854-4118, (FAX) 854-9637, or by writing to the Village Administrator at the Village Administration Building, 2383 Maple Drive, PO Box 769, Sister Bay, WI 54234. Copies of reports and other supporting documentation are available for review at the Village Administrator's Office, Administration Building, 2383 Maple Drive during operating hours. (8 a.m. – 4 p.m. weekdays).

I hereby certify that I have posted a copy of this agenda at the following locations:		
<input type="checkbox"/> Administration Building	<input type="checkbox"/> Library	<input type="checkbox"/> Post Office
_____ / _____		

FINANCE COMMITTEE MEETING MINUTES
THURSDAY, MAY 22, 2014
(APPROVAL PENDING)

The Village of Sister Bay Finance Committee meeting of May 22, 2014, was called to order by Chairman Shane Solomon at 2:05 PM.

Present: Chairman Shane Solomon and Committee Members Pat Duffy and Dave Lienau, Village Administrator Zeke Jackson and Finance Director Juliana Neuman

Approval of the Agenda

Duffy moved and Lienau seconded. Motion carried—all Ayes.

Approval of minutes as attached

Lienau moved and Duffy seconded approval of the minutes of the March 31, 2014 Finance Committee meeting as presented. Motion carried—all Ayes.

Comments, correspondence and concerns from the public

None

Discussion Items

1. Consider a motion to convene into Closed Session pursuant to Wisconsin State Statute §19.85(1)(e) to deliberate or negotiate the purchase of public properties, the investing of public funds, or conduct other specified public business, whenever competitive or bargaining reasons require a Closed Session.

Lienau moved and Duffy seconded. Roll call: Lienau—Yes Duffy—Yes Solomon--Yes

2. Consider a motion to reconvene into Open Session.

Solomon moved and Lienau seconded. Roll call: Solomon—Yes Duffy—Yes Lienau--Yes

3. Consider a motion to take action, if required.

Solomon made a motion to put the Old School property back on the market at Fair Market Value. Duffy seconded the motion and all voted Aye.

4. Discussion on Major Projects List.

Jackson began by reviewing to the Department of Transportation's preliminary credit list for the Bay Shore Drive project. A new slip liner for the Casperson-Johnson outfall pipe was included on that list, which led to discussion on whether it is the Village's responsibility to replace a private outfall pipe. Community members recalled a plan to re-route the water, in keeping with the plan to eliminate any outfalls into the Marina. Lienau related the history of the outfall: it was put in when Clyde Casperson's owned the property in front of the Johnson Marina to provide overflow for the pond on the Casperson and Johnson properties on the east side of Bay Shore Drive. The DNR was not consulted and disapproved of the outfall upon learning about it later.

Pavilion: Jackson reported that a new electric service to serve both the pavilion and the park will have to be installed at an expense of about \$8000. Lienau recalled that this cost was deliberately not included in the Pavilion contract but should be added to the total project cost, which showed an under-run of \$4745 before the electrical costs.

Economic Development: A community development block grant to be used for downtown redevelopment has apparently been awarded by WEDC and transferred to the Department of Administration, but the award letter is missing and the exact amount (up to \$25,000) is unknown.

Road Repairs: Funds have been allocated by the Village Board.

Bay Shore Drive Sewer and Water Relay: Utilities might need a bank loan after cash reserves have been spent. The maximum anticipated shortfall is \$300,000.

1 Beach: Maximum amount of grant award(s) = \$800,000, but we won't know until September.

2 Overhead Line Burial: Baylake Bank has agreed to provide a loan of up to \$950,000 for 10 years, with
3 an annual rate of 1.852% for the first 5 years.

4 Visitor Center: There's been a Post Office personnel change at higher levels; no answer on relocating.

5 Village Hall/Waterfront: Jackson has asked Dan Roriarty, the Pavilion architect, to look at the Village
6 Hall with additional bathrooms in mind for the beach.

7 8 **5. Discussion on Stony Ridge Development.**

9 Jackson reported on negotiations to date regarding a development agreement with Keith Garot. A loan
10 from the Village for the installation of infrastructure (including sewer and water service, storm sewer
11 and detention pond, street construction, electrical connections and engineering) would provide
12 financing for Garot without impacting his ability to borrow from his bank for other projects. An
13 amortization schedule prepared by Neuman based on a \$600,000 loan with Baylake Bank for 5 years at
14 2.112% shows a monthly payment of \$10,546. The Village would protect its interests with assessments
15 on the properties when they sell and with monthly payments from Garot during interim periods.
16 Monitoring repayment on a monthly basis would provide the Village with better control over the
17 project, with foreclosure on the property as the consequence of non-payment.

18
19 Duffy asked about the plan for a lift station when the Village would prefer gravity. Jackson replied that
20 the engineer has assured us that the system can be built for gravity but could use a lift station until (or if)
21 the necessary easement becomes available. Duffy objected to loaning \$600,000 when Garot had
22 previously told the Utility Committee that he was prepared to go ahead with the lift station option.
23 Solomon also expressed reservations about making this loan. Jackson pointed out that we don't have
24 any other interested developers. Jackson also drew a diagram of the current plan, showing a cluster of 4
25 single-family units, 3 apartment buildings, 2 condos and some garage/storage buildings, all with access
26 off of Northwood Drive.

27
28 Jackson would like to offer interest-only payments for the first six months before the amortization
29 schedule takes effect. The project has been scaled down because the Village isn't willing to loan the \$1
30 million Garot had previously requested.

31
32 Jackson is convinced that Garot can have the infrastructure work done at less cost than the Village
33 because of prevailing wage laws. Neuman asked about the possibility of loaning the \$600,00 in smaller
34 increments that would be tied to completion of specific phases of the project. Jackson said he had
35 discussed this possibility with Steve Jacobson, who felt that this would impede progress on the project.

36
37 Jackson has not yet developed a repayment schedule, but Garot has offered a minimum payment of
38 \$128,335 per year and wants to pay interest-only for the first six months. Neuman expressed concern
39 about Garot's track record on payment of bills from the Village. Jackson replied that the Village will be
40 able to institute foreclosure on the property. He would also like to build some sort of a penalty into the
41 agreement.

42
43 Neuman asked how the special assessments on the property will fit into the repayment schedule. When
44 houses are sold, Jackson would like Garot to remit the assessment amounts to the Village in addition to
45 his regular monthly payment. This would ultimately result in a faster repayment of the loan. However,
46 Neuman expressed doubt that Garot will see it that way; he is more likely to take the position that an
47 assessment payment relieves him of the need to make monthly payments for a time. Solomon suggested
48 that any assessment payment should count toward the monthly loan payment. Lienau noted that
49 assessment payments should come directly to the Village in full at the time of sale; i.e., that Garot
50 would not be allowed to receive the assessments and pay only his monthly loan amount. Instead, as
51 Solomon had proposed, the full amount of the assessment would come to the Village from the buyer
52 and would serve as a prepayment on the monthly loan schedule.

1
2 Discussion followed about penalties for lapses in payment. Solomon proposed keeping it simple but
3 making the penalties stiff, since we are not a bank. Jackson proposed a 60-day window prior to
4 foreclosure proceedings. Lienau noted that the apartment buildings will provide a strong anchor for the
5 project, since those are in high demand.

6
7 Potential impact on taxpayers would be positive because of TIF revenue, so long as the Village's
8 agreement with Garot is strong enough to provide for loan repayment. This borrow should not affect
9 taxes.

10
11 Garot also has a loan from the Bank of Luxemburg in the amount of \$1.5 million for construction of 3
12 apartment buildings and 50 storage units. Since that bank could also foreclose, the Village's agreement
13 with Garot should provide protection against losing out to the bank. The agreement could require that
14 Garot authorize the Bank of Luxemburg to provide the Village with credit information on demand.

15
16 Lienau pointed out that limiting increases to the CIP fund for the next few years would provide funding
17 for new debt without a large levy increase. Neuman will provide projections. Lienau also reminded the
18 group that the Village's heavy debt load originated with the decision to purchase the waterfront
19 property and that it is now necessary to follow through on those plans.

20
21 The final consensus was that Jackson be charged with drafting a development agreement with Garot, as
22 per the preceding discussion. Jackson noted that Paul Thompson (of Hutchinson, Shockey, Erley) is
23 advising on this. Duffy suggested that we should first obtain assurance that the Village will have first
24 position as to foreclosure proceedings, meaning access to credit information from the Bank of
25 Luxemburg.

26
27 **6. Discussion on Marina Capital Projects List; consider a motion to recommend for approval.**
28 Lienau moved to recommend approval of the Marina capital projects list as presented. Duffy seconded
29 the motion and all voted Aye. Discussion to clarify followed: this motion approves the transfer of
30 \$25,000 from the Village to the Marina for the projects as described.

31
32 **7. Discussion regarding matters to be placed on a future agenda or referred to a committee, official
33 or employee.**
34 -- Jackson will try to track down the amount of the WEDC grant for the re-development contract.
35 -- Jackson will investigate abandonment of the private outfall at the Marina.
36 -- Neuman to determine whether Utilities will need to borrow for the Sewer & Water relay.
37 -- Jackson to draft the development agreement with Garot, tp be reviewed at a future meeting.
38 -- Neuman to complete a spreadsheet showing the impact of new debt on taxes.

39
40 **Adjournment**
41 It was agreed that the meeting scheduled for May 29th would be cancelled.
42 *At 4:30 PM Solomon moved and Duffy seconded that the meeting be adjourned. Motion carried.*

43
44 Respectfully submitted,



45
46 Juliana Neuman
47 Village Finance Director
48 Name: h:\files\active\agendas\finance\2014\2014_05\05222014 finance minutes - unapproved version.docx Created:
49 5/21/2013 9:14 AM Printed: 6/2/2014 3:35 PM Author: Juliana Neuman Last Saved By: Juliana Neuman

**VILLAGE OF SISTER BAY
Budget Projections - 2015 v. 1
With General Fund balance restored**

	<u>Actual 2014</u>	<u>Projected Increases</u>	<u>Estimated 2015</u>	<u>% increase</u>
General Fund				
Beginning Fund Balance	408,763		260,049	
Revenues				
Taxes	1,183,483	263,095 <i>to return fund balance to policy level</i>	1,446,578	22%
Other Taxes	230		230	
Intergovernmental Revenues	79,680	1,500 <i>recycling rebate increase</i>	81,180	
Licenses and Permits	19,072		19,072	
Fines and Penalties	750		750	
Public Charges	6,620		6,620	
Intergovernmental Charges	10,500		10,500	
Other Revenues	26,950		26,950	
Payment in Lieu of Taxes	161,905		161,905	
Total	1,489,190		1,753,785	
Expenditures				
General Government	490,121		490,121	
Administration				
Personnel	214,124	*1.66	233,478	
Other	46,825	19,354 <i>+health & dental insurance</i>	46,825	
Parks and Streets				
Personnel	228,228	*1.66	274,012	
Other	306,906	45,784 <i>+ ins. + one employee@1800 hrs.w/benefits</i>	306,906	
Ice Rink	5,000		5,000	
Capital	346,700		220,000	
Total	1,637,904		1,576,342	
Ending Fund Balance	260,049		437,492	

**VILLAGE OF SISTER BAY
 Budget Projections - 2015 v. 1
 With General Fund balance restored**

	<u>Actual 2014</u>	<u>Projected Increases</u>	<u>Estimated 2015</u>	<u>% increase</u>
Debt Service Fund				
Beginning Fund Balance	(12,661)		4,637	
Revenues				
Taxes	808,859	197,098	1,005,957	24%
Room Tax	127,600		128,000	
Helms Reserve	35,326			
Total	<u>971,785</u>		<u>1,133,957</u>	
Expenditures				
Bonds				
2005 Refunding	407,005		429,549	
#50 - Helms borrow	352,756		375,350	
#51 - Johnson borrow	194,726		209,422	
Bank Loans				
Beach Expansion	-		72,020	
Overhead Utility Burial	-		52,253	
Garot project (thru Utilities)	-		-	
Total	<u>954,487</u>		<u>1,138,594</u>	
Ending Fund Balance	4,637		-	
Total Levy	1,992,342	460,193	2,452,535	23%

**VILLAGE OF SISTER BAY
Budget Projections - 2015 v. 2
With Maximum Allowable Levy**

	<u>Actual 2014</u>	<u>Projected Increases</u>	<u>Estimated 2015</u>	<u>% increase</u>
General Fund				
Beginning Fund Balance	408,763		260,049	
Revenues				
Taxes	1,183,483	118,762 using the entire est. allowable levy	1,302,245	10%
Other Taxes	230		230	
Intergovernmental Revenues	79,680	1,500 recycling rebate	81,180	
Licenses and Permits	19,072		19,072	
Fines and Penalties	750		750	
Public Charges	6,620		6,620	
Intergovernmental Charges	10,500		10,500	
Other Revenues	26,950		26,950	
Payment in Lieu of Taxes	161,905	41,000 Marina \$161,905 + Utilities \$41,000	202,905	
Total	1,489,190		1,650,452	
Expenditures				
General Government	490,121		490,121	
Administration				
Personnel	214,124 *1.66	19,354 +health & dental insurance	233,478	
Other	46,825		46,825	
Parks and Streets				
Personnel	228,228 *1.66	45,784 + ins. + one employee@1800 hrs.w/benefits	274,012	
Other	306,906		306,906	
Ice Rink	5,000		5,000	
Capital	346,700		220,000	
Total	1,637,904		1,576,342	
Ending Fund Balance	260,049		334,159	

**VILLAGE OF SISTER BAY
 Budget Projections - 2015 v. 2
 With Maximum Allowable Levy**

	<u>Actual 2014</u>	<u>Projected Increases</u>	<u>Estimated 2015</u>	<u>% increase</u>
Debt Service Fund				
Beginning Fund Balance	(12,661)		4,637	
Revenues			1,005,957	24%
Taxes	808,859	197,098	128,000	
Room Tax	127,600			
Helms Reserve	35,326			
Total	<u>971,785</u>		<u>1,133,957</u>	
Expenditures				
Bonds				
2005 Refunding	407,005		429,549	
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#51 - Johnson borrow	194,726		209,422	
Bank Loans				
Beach Expansion	-		72,020	
Overhead Utility Burial	-		52,253	
Garot project (thru Utilities)	-		-	
Total	<u>954,487</u>		<u>1,138,594</u>	
Ending Fund Balance	4,637		-	
Total Levy	1,992,342	315,860	2,308,202	16%

\$167,382 remains

Capital Improvement Funding Detail

Project Year	Project Description	2013 Funding	2014 Funding	2015 Funding
2013	Capital Requests			
	Fire Truck reserve	100,000		
	Streets resurfacing	35,000		
	Various Parks Projects	5,000		
	Vehicle replacement	10,000		
	Village Hall acoustics & A/C	0		
	Parks Equipment (Toro lawnmower)	3,900		
	OS Election Machine replacement	1,000		
	Skatepark polished slab	10,000		
	Baseball field improvements	8,800		
	Trackless replacement (over 4 yrs.)	25,000		
	General Fund subtotal	\$198,700		
2014	Capital Requests			
	Fire Truck reserve		25,000	
	Capital project transfer to Marina		25,000	
	Burial of overhead utilities		50,000	
	Streets resurfacing		18,000	
	Beach Project (balance needed)		150,000	
	Various Parks Projects (including trees)		10,000	
	Vehicle replacement		10,000	
	Village Hall acoustics & A/C		-	
	Parks Equipment		-	
	OS Election Machine replacement		-	
	Skatepark polished slab		-	
	Information/Technology upgrades		30,000	
	Trackless replacement (over 4 yrs.)		25,000	
	Cash Receipting module -- Accounting software		3,700	
	General Fund subtotal		\$ 346,700	
2015	Proposed Capital Requests			
	Fire Truck reserve			-
	Burial of overhead utilities			50,000
	Streets resurfacing			125,000
	Various Parks Projects			10,000
	Vehicle replacement			-
	Village Hall acoustics & A/C			-
	Parks Equipment			-
	OS Election Machine replacement			-
	Information/Technology upgrades			-
	Trackless replacement (over 4 yrs.)			10,000
	Accounting software upgrade			25,000
	General Fund subtotal			\$220,000