



FINANCE COMMITTEE MEETING AGENDA

Monday, August 11, 2014 at 3:00 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. Review Water Utility PILOT; Consider a motion to recommend to the Board for approval.
2. Review 2015 Marina Budget and current financial situation; Consider a motion to recommend to the Marina Committee and/or Board for approval.
3. Review of Financial Statements @ June 30, 2014; consider Budget Amendments.
4. 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:		
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1 **6. Review and discuss CIP for 2015 budget.**

2 Capital requests proposed by staff were discussed in conjunction with the Capital Reserves spreadsheet,
3 as follows:

4 --The Fire Truck Reserve account is sufficiently funded, with about \$114,000 remaining after this year's
5 fire truck payment.

6 --Street resurfacing (especially of detour routes) could wait until after the DOT project has been
7 completed in 2016.

8 --The Various Parks Projects line should be maintained at \$15-16,000.

9 --The Vehicle replacement line already has \$29,711 and should not need more at this time.

10 --The Parks Equipment balance is currently negative because a budget amendment will be required to
11 apply the sale of an old lawnmower to the purchase of a bagger/blower. After that, the balance will be a
12 negative 495.81. The committee recommended merging this line with Various Parks projects.

13 --Jackson reported that we are now being told by Wulf Brothers that Village Hall A/C will cost far more
14 than the \$44,000 currently allocated because an air mixing system will be required. Solomon
15 recommended contacting another company, Synergy, to get a second opinion.

16 --\$5500 has been saved toward the purchase of a new election machine, but a machine that meets
17 federal standards has not yet been produced.

18 --The Bay Shore Drive Reconstruction line item has been divided into several parts at the request of our
19 auditors. The other three are for Stormwater, Overhead Line Burial and Lighting. Both the Stormwater
20 and the Lighting lines show negative amounts; when merged with BSD Reconstruction the overall
21 project balance is \$141,098.96. Jackson has proposed another \$50,000 in 2015 for overhead utility
22 burial for a new total of \$100,000. The committee members agreed.

23 --The Helms Debt Reserves remainder will be \$167,382 at the end of 2014.

24 --The Skatepark Polished Slab fund contains \$20,000 which will probably not be used for that purpose,
25 since there is no longer a working Skatepark committee.

26 --The Coastal Byways amount (\$17,714) is reserved for installation of the kiosk.

27 --The remaining amount in the paperless meeting account should be merged with the Information
28 Technology upgrade account, for a total of \$24,830.

29 --The remainder from Baseball Field Improvements should be merged with Various Parks Projects.

30 --This year's purchase of a Polaris Brutus came out of reserves being accumulated for replacement of
31 the Trackless snow machine. Discussion followed on the need for a replacement vs. periodic repairs.
32 The consensus was not to add to this account in 2015.

33 --The cash receipting software module has been purchased. For 2015, Neuman is requesting up to
34 \$20,000 for an upgrade of our accounting software, since the current version is being phased out. In
35 addition, our auditors have advised that the Village's chart of accounts be revised to conform to
36 Wisconsin State standards. This conversion should be done at the time of the software upgrade and
37 would require assistance from Schenck at a cost of perhaps \$5000. In addition, Jackson would like to
38 add the Dashboard module so that he can keep abreast of financial trends.

39 --Most of the \$115,000 previously re-allocated from the Fire Truck Reserves is available for the
40 proposed Canterbury-Maple bypass. The consensus was to leave this allocation as is for now.

41 --The \$25,000 transfer to the Marina for capital projects has been made.

42 --Stewardship grant interest to date amounts to almost \$20,000. The consensus was that this revenue be
43 applied to the beach project (Waterfront Development) along with repayments from the Marina on the
44 \$850,000 loan amount. The total thus available for the beach is \$90,661.75.

45 --Finally, revenue from TIF computer aids could be applied to the shortfall in the Streets Resurfacing
46 account, along with a portion of the Election Machine Replacement reserves.

47

48 **7. Review of Financial Statements @ June 30, 2014; consider Budget Amendments.**

49 Neuman presented statements for the General Fund, Debt Service, the CIP Fund and the TIF, with line
50 items requiring budget amendments highlighted in yellow. These reports will be provided to the Board
51 at its August meeting. The proposed amendments are as follows:

- 1 1. Administration Personnel costs have been reduced by a greater percentage due to an
 2 increase in the allocation of staff time to the TIF and to Utilities to cover major project
 3 oversight. Neuman added that the higher charge to the TIF had been recommended by
 4 Auditor Konecny. The results of this re-allocation are also shown on the TIF statement.
 5 2. Street Maintenance costs in the Parks section currently exceed the budgeted amount by
 6 \$2166, with the possibility of further County charges later in the year. [This amendment
 7 could wait until year-end.]
 8 3. All of the changes listed in Item 6 (above) will be written up as Budget Amendments for the
 9 August meeting, as approved by consensus.

10
 11 **8. Matters to be placed on a future agenda or referred to a Committee, official or employee.**

- 12 -- Neuman to obtain health insurance rates from the Marketplace and from ETF.
 13 -- Jackson to take action on Closed Session items as discussed.
 14 -- Jackson to contact Synergy about a second opinion on Village Hall HVAC.
 15 -- Neuman to obtain a software quote for Dashboard.
 16 -- Neuman to prepare financial statements and budget amendments for the August Board meeting.
 17 -- Projected Marina shortfall, based on seasonal slip revenue.
 18 -- PILOTs to be discussed at the next meeting, scheduled for August 11, 2014 at 3:00 PM.

19
 20 **Adjournment**

21 *At 5:03 PM Solomon moved and Lienau seconded that the meeting be adjourned. Motion carried.*

22
 23 Respectfully submitted,



24
 25 Juliana Neuman
 26 Village Finance Director
 27

28 Name: h:\files\active\agendas\finance\2014\2014_07\07242014 finance minutes - unapproved version.docx Created:
 29 5/21/2013 9:14 AM Printed: 8/7/2014 9:31 AM Author: Juliana Neuman Last Saved By: Juliana Neuman

PROPERTY TAX EQUIVALENT (WATER)

1. No property tax equivalent shall be determined for sewer utilities or town sanitary district water utilities.
2. Tax rates are those issued in November (usually) of the year being reported and are available from the municipal treasurer. Report the tax rates in mills to six (6) decimal places.
3. The assessment ratio is available from the municipal treasurer. Report the ratio as a decimal to six (6) places.
4. The utility plant balance first of year should include the gross book values of plant in service (total of utility financed and contributed plant), property held for future use and construction work in progress.
5. An "other tax rate" is included in the "Net Local and School Tax Rate Calculation" to the extent that it is local. An example is a local library tax. Fully explain the rate in the Property Tax Equivalent schedule footnotes.
6. The Property Tax Equivalent to be reported for the year is determined pursuant to Wis. Stat § 66.0811(2). Report the higher of the current year calculation or the tax equivalent reported in the 1994 PSC annual report, unless, the municipality has authorized a lower amount, then that amount is reported as the property tax equivalent.
7. If the municipality has authorized a lower amount, the authorization description and date of the authorization must be reported in the Property Tax Equivalent schedule footnotes.

Particulars (a)	Units (b)	Total (c)	County A (d)	County B (e)	County C (f)	County D (g)	
County name			Door				1
SUMMARY OF TAX RATES							
State tax rate	mills		0.160725				2
County tax rate	mills		3.466396				3
Local tax rate	mills		4.693573				4
School tax rate	mills		2.543109				5
Voc. school tax rate	mills		1.571086				6
Other tax rate - Local	mills		0.000000				7
Other tax rate - Non-Local	mills		0.000000				8
Total tax rate	mills		12.434889				9
Less: state credit	mills		0.443781				10
Net tax rate	mills		11.991108				11
PROPERTY TAX EQUIVALENT CALCULATION							
Local Tax Rate	mills		4.693573				12
Combined School Tax Rate	mills		4.114195				13
Other Tax Rate - Local	mills		0.000000				14
Total Local & School Tax	mills		8.807768				15
Total Tax Rate	mills		12.434889				16
Ratio of Local and School Tax to Total	dec.		0.708311				17
Total tax net of state credit	mills		11.991108				18
Net Local and School Tax Rate	mills		8.493433				19
Utility Plant, Jan. 1	\$	4,568,901	4,568,901				20
Materials & Supplies	\$	30,702	30,702				21
Subtotal	\$	4,599,603	4,599,603				22
Less: Plant Outside Limits	\$	0	0				23
Taxable Assets	\$	4,599,603	4,599,603				24
Assessment Ratio	dec.		1.055871				25
Assessed Value	\$	4,856,587	4,856,587				26
Net Local & School Rate	mills		8.493433				27
Tax Equiv. Computed for Current Year	\$	41,249	41,249				28
Tax Equivalent per 1994 PSC Report	\$	23,137					29
Any lower tax equivalent as authorized by municipality (see note 6)	\$	23,137					30
Tax equiv. for current year (see note 6)	\$	23,137					31
Footnotes							32
							33
							34
							35

PUBLIC SERVICE COMMISSION OF WISCONSIN

INVESTIGATION INTO MUNICIPAL UTILITY PAYMENT IN LIEU OF TAXES (PILOT)

Staff Report

Docket 5-GF-215

January 30, 2013

Denise Schmidt, Program and Policy Analyst

Jeffrey Ripp, Assistant Administrator

Division of Water, Compliance, and Consumer Affairs

Introduction

Municipally owned water and electric utilities in Wisconsin are subject to a payment in lieu of local general property taxes, or PILOT. In contrast, investor-owned utilities pay a gross receipts tax. For rate-making purposes, the Commission makes an allowance for PILOT as a component of a utility's total revenue requirements. Over time, the PILOT payments have become a substantial portion of the revenue requirements for municipal water utilities.

Commission staff and others have raised concerns about the PILOT payment's impact on utility costs and rates, primarily with respect to municipal water utilities. On January 25, 2012, the Commission opened an investigation on the PILOT calculation for municipal utilities and directed staff to investigate the following issues:

1. The statutory authority for municipalities to collect a PILOT from municipal utilities;
2. The Commission's procedures for calculating the PILOT amount;
3. Whether municipalities distribute PILOT revenues to other local taxing jurisdictions, including school districts;
4. The amount that municipal water and electric utilities paid in lieu of taxes in calendar years 2010 and 2011;
5. The percentage of municipal utility revenue requirements attributable to PILOT in 2010 and 2011;
6. An estimate of the amount that would have been paid as a gross receipts tax, had such a tax been in place, for municipal water and electric utilities in 2010 and 2011;
7. The number of utilities that paid less in PILOT to their municipality than the maximum authorized amount for 2010 and 2011;

8. The statutory exemption from PILOT for sewer utilities and town sanitary districts, and;
9. The capital intensity of municipal water and electric utilities in Wisconsin.

Commission staff conducted an analysis of these nine issues and prepared a draft report of findings dated September 28, 2012. On October 11, 2012, staff presented the draft report and received feedback from interveners and other interested parties in a meeting held at Commission offices. In addition, the Commission has received written comments on the report and its findings. A list of attendees from the October 11 meeting are provided in Appendix 1, and the public comments appear in Appendix 2.

Issue 1: Statutory Authority for PILOT

In estimating a municipally owned water utility's operating expenses for rate-making purposes, the Commission has made an allowance for local taxes since 1918. See *Re Edgerton*, 1918B PUR 724 (December 31, 1917). See also *Re City of Milwaukee*, 1927B PUR 229 (December 9, 1926). In 1937, the Legislature codified the Commission's practice by amending Wis. Stat. § 66.06(11)(c), to include local and school tax equivalents among the valid expenses of a municipally owned utility that is tax exempt:

'The income of a public utility owned by a municipality shall first be used to meet operation, maintenance, depreciation, interest, and sinking-fund requirements, local and school tax equivalents, additions and improvements, and other necessary disbursements or indebtedness ...' (Emphasis added.)

Issue 2: Commission Procedures for Calculating PILOT

In 1955, the Commission established a rule for determining the tax equivalent for municipal utilities. *Re Tax Equivalent for Municipal Utilities*, Docket No. 2-U-4447 (July 11, 1955). In *Re Tax Equivalent*, the Commission adopted Wis. Admin.

Code ch. PSC 125, providing in part:

ch. PSC 125.01. Electric and/or water utilities; computing tax equivalent. An acceptable 'tax equivalent' for all municipal electric and/or water utilities may be determined by either of the following methods:

- (1) Apply the local and school tax rate to the gross book value of plant plus materials and supplies multiplied by the ratio of assessed value to full value as found by the Wisconsin Department of Taxation for the community involved; or
- (2) Apply the local and school tax rate to the net book value of plant plus materials and supplies.

The Commission adopted ch. PSC 125, and later ch. PSC 109, which superseded ch. PSC 125, to govern calculation of the tax equivalent. By 1985, however, property taxes for privately owned utilities were replaced with a gross receipts tax.

PSC regulations establish a formula for the maximum allowable PILOT charge in Wis. Admin. Code § PSC 109.02 which provides:

§ PSC 109.02. Municipal utilities; computing tax equivalent. The maximum "tax equivalent" for any municipal utility (except a sewer utility) shall be determined by applying the local and school tax rates for the calendar year to the gross book value for the calendar year of plant plus materials and supplies multiplied by the assessment ratio for the municipality involved.

These regulations also give authority to the Commission to establish a charge in excess of the maximum allowable:

§ PSC 109.03. Municipal utilities; higher tax equivalent. If a tax equivalent greater than that obtained by the method in s. PSC 109.02 is desired, the written approval of the commission must be obtained.

In 1994, the Commission opened a docket to consider changes to Wis. Admin. Code ch. PSC 109 “[i]n order to return the tax equivalent to its original purpose of achieving rough equivalence with privately-owned utilities.” *Revisions of Chapter PSC 109, Tax Equivalent for Municipal Utilities*, Docket 1-AC-145, 1995 WL 867887 (Sept. 15, 1995). Because ch. PSC 109 remained unchanged since 1985 when property taxes for privately-owned utilities were replaced with the gross receipts tax, the tax equivalent under ch. PSC 109 substantially exceeded what would be calculated under the gross receipts tax. *Id.* “For some municipal utilities, the tax equivalent now comprises a substantial portion of the revenue requirement.” *Id.*

In 1995, the Legislature established a minimum PILOT payment because utilities’ tax equivalents were expected to decrease as a result of property tax relief provisions in 1995 Wis. Act 27. See COMPARATIVE SUMMARY OF BUDGET PROVISIONS ENACTED AS 1995 ACTS 27 AND 113, at 945 (WI Legislative Fiscal Bureau, 1995). Act 27 amended Wis. Stat. § 66.069(1)(c) (previously § 66.06(11)(c)), adding that “[b]eginning with taxes levied in 1995, payable in 1996, payments for local and school tax equivalents shall at least be equal to the payment made on the property for taxes levied in 1994, payable in 1995, unless a lower payment is authorized by the governing body of the municipality.” 1995 Wis. Act 27, § 3316m. Later, 1999 Wis. Act 150 renumbered Wis. Stat. § 66.069(1)(c) as § 66.0811(2).

All calculations of PILOT are based on the gross book value of total utility plant, which includes plant that is contributed by outside sources. The gross book value is calculated using the original cost of a utility’s investment in plant.

Issue 3: Municipalities' Distribution of PILOT Revenues to Other Local Taxing

Jurisdictions

The formula used to compute the maximum PILOT for municipal utilities is found in Wis. Admin. Code § PSC 109.02. This formula includes both a local and school tax component. The Commission expressed an interest in determining whether municipalities receiving PILOT revenues shared these revenues with the local school districts. Staff was unable to discover any instances of PILOT revenue sharing through conversations with interveners and other stakeholders. In general, staff found that revenues collected through PILOT remain within the municipalities and are not distributed to school districts or to the other taxing jurisdictions included in the PILOT calculation. However, a more detailed analysis could reveal one or two exceptions to this general practice.

Issue 4: Amount of PILOT Paid

Municipal water utilities made PILOT payments totaling \$87.4 million in 2010 and \$92.9 million in 2011. During the same time period, municipal electric utilities made PILOT payments totaling \$18.4 million and \$19.3 million, respectively. Table 1 provides detailed PILOT amounts by utility class.

TABLE 1
Total PILOT Amount Paid

Utility Type	2010		2011	
	<u>Amount</u>	<u>No. of Utilities</u>	<u>Amount</u>	<u>No. of Utilities</u>
Water				
Class AB	\$62,916,059	96	\$67,137,268	97
Class C	16,898,934	139	17,765,683	138
Class D	<u>7,549,271</u>	<u>274</u>	<u>7,954,143</u>	<u>276</u>
Total	\$87,364,264	509	\$92,857,094	511
Electric				
Class AB	\$13,831,927	32	\$14,549,677	32
Class C	4,531,082	49	4,700,368	49
Class D	<u>11,025</u>	<u>1</u>	<u>11,025</u>	<u>1</u>
Total	\$18,374,034	82	\$19,261,070	82

Issue 5: Percentage of Total Revenue Requirements the PILOT Payment Represents

Table 2 displays the authorized PILOT as a percentage of the revenue requirement for municipal utilities, by class. Water utilities' PILOT payments amounted to, on average, 14.9 percent of the total revenue requirement in 2010 and 14.8 percent in 2011. Ironton Water Utility in Sauk County paid the largest PILOT, by percentage, at approximately 66 percent of its total revenue requirement in both 2010 and 2011. At the other end of the range were those water utilities authorized by their municipalities to pay no PILOT, with 57 water utilities so authorized in 2010 and 62 in 2011, as shown in Table 3.

In contrast, municipal electric utilities' PILOT payments averaged 2.6 percent of their total revenue requirement in both 2010 and 2011. The maximum percentage paid was 7.0 percent in 2010 and 6.3 percent in 2011, with one municipal electric utility authorized to pay no PILOT in both years.

Detailed summaries of PILOT payments for each municipal water and electric utility in 2010 and 2011 are included as Appendices 3 and 4 (water) and 5 and 6 (electric).

TABLE 2

PILOT as Percentage of Total Revenue Requirement
(All Numbers in %)

Utility Type	2010				2011			
	<u>Avg.</u>	<u>Min.</u>	<u>Max.</u>	<u>Median</u>	<u>Avg.</u>	<u>Min.</u>	<u>Max.</u>	<u>Median</u>
Water								
Class AB	14.5	0.0	27.9	15.2	14.3	0.0	27.9	15.0
Class C	16.2	0.0	33.1	16.9	16.7	0.0	43.5	17.2
Class D	15.2	0.0	65.6	16.4	16.0	0.0	66.2	16.5
All Utilities	14.9	0.0	65.6	16.2	14.8	0.0	66.2	16.3
Electric								
Class AB	2.5	1.2	5.2	2.5	2.6	1.3	4.9	2.7
Class C	2.7	0.0	7.0	2.5	2.7	0.0	6.3	2.6
Class D	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
All Utilities	2.6	0.0	7.0	2.5	2.6	0.0	6.3	2.6

TABLE 3
Number of Utilities Authorized to Pay \$0 in PILOT

Utility Type	2010	2011
Water		
Class AB	1	1
Class C	3	3
Class D	<u>54</u>	<u>59</u>
All Utilities	57	62
Electric		
Class AB	0	0
Class C	1	1
Class D	<u>0</u>	<u>0</u>
All Utilities	1	1

Issue 6: Gross Receipts Tax Calculation

If municipally owned water and electric utilities were assessed taxes in the same manner as privately-owned utilities, they would pay a 3.19 percent gross receipts tax, as outlined in Wis. Stat. § 76.28(2)(c)2. The gross receipts tax is collected by the State, while PILOT is collected and retained locally. Table 4 examines what the gross receipts tax would have been in 2010 and 2011 for municipal utilities. To be consistent with the tax calculation method applied to privately-owned utilities, the revenues used to calculate the gross receipts tax exclude interdepartmental sales, interdepartmental rents, and deductions from sales and use taxes.

TABLE 4
Equivalent Gross Receipts Tax
(3.19% of Revenues)

<u>Utility Type</u>	<u>2010</u>	<u>2011</u>
<u>Water</u>		
Class AB	\$13,048,574	\$14,150,361
Class C	3,301,426	3,383,024
Class D	<u>1,573,737</u>	<u>1,585,895</u>
Total	\$17,923,738	\$19,119,280
<u>Electric</u>		
Class AB	\$17,334,681	\$17,952,251
Class C	5,291,255	5,593,502
Class D	<u>11,881</u>	<u>11,841</u>
Total	\$22,637,817	\$23,557,594

Had the gross receipts tax been in place, water utilities would have paid \$17.9 million in 2010 and \$19.1 million in 2011. In other words, municipal water ratepayers would have paid between \$69.4 million and \$73.7 million less had the municipal water utilities paid taxes in the same manner as privately-owned utilities. In contrast, municipal electric customers would have

paid approximately \$4.3 million more in both 2010 and 2011 had a gross receipts tax been in place.

Issue 7: Number of Municipal Utilities with PILOT Payments Lower Than the Maximum Authorized Amount

Wisconsin Stat. § 66.0811(2) provides a statutory formula for determining the minimum allowable amount of the PILOT. This statute does not explicitly identify who has the authority to set the minimum PILOT and does not contain any reference to the Commission's authority to review or adjust this amount. It does, however give explicit authority to the governing body of the municipality to set an amount lower than the statutory minimum. In *Revisions of Chapter PSC 109*, the Commission observed:

- The statutory change essentially provides the governing body of a municipality which owns a public utility the discretion as to the appropriate level of tax equivalent.
- This statutory language allows the municipality to 'freeze' the tax equivalent payment at the 1994 level. In application, future tax equivalents could be at the prior year's level, the level of the 1994 base amount or an amount equal to the current calculation under ch. PSC 109, Wis. Adm. Code. The choice is up to the municipality.
- Pursuant to s. 66.069(1)(c), Wis. Stats., the determination of the level of the municipal tax equivalent is the responsibility of the local municipal officials. Utility personnel will need to work with their municipal officials in establishing an appropriate level of tax equivalent for their situation. The utility will be responsible to report this dollar amount in the filing of all its financial statements, rate case applications and other miscellaneous reporting requirements before the Commission.

Table 5 displays the number of municipal utilities that received authorization to pay less than the maximum authorized amount of PILOT in 2010 and 2011. In both years, approximately 23 percent of the municipal water utilities had a lower PILOT authorized, resulting in a reduction in total payments of \$5.8 million in 2010 and \$5.9

million in 2011. In 2010, four municipal electric utilities paid \$78,262 less than the calculated PILOT amount. In 2011, seven utilities paid \$123,987 less than the calculated PILOT amount. Table 5 includes those utilities that paid no PILOT in 2010 and 2011.

TABLE 5
Utilities With Lower Tax Equivalent Authorized

Utility Type	2010			2011		
	<u>Number</u>	<u>%</u>	<u>Difference</u>	<u>Number</u>	<u>%</u>	<u>Difference</u>
Water						
Class A/B	12	12.5	\$2,130,997	15	15.5	\$2,345,364
Class C	18	12.9	1,562,784	14	10.1	1,171,205
Class D	<u>86</u>	31.4	<u>2,113,161</u>	<u>89</u>	32.2	<u>2,359,788</u>
All Utilities	116	22.8	\$5,806,942	118	23.1	\$5,876,357
Electric						
Class A/B	1	3.1	\$24,337	3	9.4	\$65,909
Class C	3	6.1	53,925	4	8.2	58,078
Class D	<u>0</u>	0.0	<u>0</u>	<u>0</u>	0.0	<u>0</u>
All Utilities	4	4.9	\$78,262	7	8.5	\$123,987

Issue #8: Exemption from PILOT for Sewer Utilities and Sanitary Sewer Districts

Municipal sewer utilities are exempt from PILOT under Wis. Admin. Code § PSC 109.05, and town sanitary districts that own and operate water utilities are exempt under Wis. Admin. Code § PSC 109.06. Municipal sewer utilities are not subject to Commission jurisdiction, as the definition of a 'public utility' under Wis. Stat. § 196.01(5)(a)1. does not include a governmental unit, "who furnishes services by means of a sewerage system either directly or indirectly to or for the public." A combined water-sewer sanitary district may by ordinance be considered a single public utility subject to PSC jurisdiction under Wis. Stat. § 66.0819(2). However, the PSC is required to treat the water and sewer systems separately in terms of rates, accounting, extension rules, service standards or other regulations, unless the Commission finds that the public interest requires otherwise.

Issue #9: Capital Intensity of Municipal Water and Electric Utilities

In general, the municipal water industry is far more capital-intensive than the municipal electric industry. As a measure of capital intensity, Table 6 examines the dollars invested in gross utility plant for every dollar of gross utility revenue. For the 2010 and 2011 reporting years, water utilities had between \$2.76 and \$152.25 invested in plant for every dollar in revenue, with a median of \$10.66 invested per dollar of revenue. In contrast, the electric utility amounts ranged between \$0.62 and \$4.02, with a median of \$1.58 invested for every dollar in revenue.

TABLE 6
\$ Gross Plant per \$ Gross Revenues

Utility Type	2010				2011			
	<u>Avg.</u>	<u>Min.</u>	<u>Max.</u>	<u>Median</u>	<u>Avg.</u>	<u>Min.</u>	<u>Max.</u>	<u>Median</u>
Water								
Class A/B	\$9.16	\$3.69	\$17.00	\$9.22	\$8.80	\$3.52	\$16.63	\$9.22
Class C	10.82	2.76	21.11	10.23	10.66	2.98	21.13	10.22
Class D	11.79	3.35	152.25	11.76	12.40	0.00	147.85	11.86
All Utilities	\$9.67	\$2.76	\$152.25	\$10.62	\$9.40	\$0.00	\$147.85	\$10.71
Electric								
Class A/B	\$1.67	\$0.63	\$3.25	\$1.52	\$1.67	\$0.62	\$2.87	\$1.61
Class C	1.63	0.64	3.81	1.52	1.60	0.64	4.02	1.47
Class D	1.86	1.86	1.86	1.86	1.87	1.87	1.87	1.87
All Utilities	\$1.66	\$0.63	\$3.81	\$1.54	\$1.65	\$0.62	\$4.02	\$1.61

Conclusion

The cost of PILOT payments is passed on to ratepayers in the form of higher rates. PILOT payments can be a significant component of a municipal water utility's revenue requirement, meaning a large portion of a customer's water bill is actually being paid to support local government operations rather than water production and distribution. In contrast, PILOT is a much smaller component of the revenue requirement for municipal electric utilities. Because water utilities are capital-intensive, the current method for calculating PILOT may be a disincentive to replacing aging infrastructure and making improvements necessary to ensure adequate service and protect public health. In addition, while the original purpose of providing for a tax equivalent was to ensure that municipal utilities were treated on par with privately owned utilities that paid a property tax, property taxes for privately owned utilities were replaced with a gross receipts tax in

1985. As shown by this analysis, PILOT payments for most municipal water systems exceed the amount that they would otherwise pay as a gross receipts tax.

VILLAGE OF SISTER BAY
REVENUES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JULY 31, 2014

MARINA FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>PUBLIC CHARGES</u>					
201-46741-00-0000	.00	.00	8,500.00	(8,500.00)	.00
201-46751-00-0000	5,654.39	301,023.42	339,472.00	(38,448.58)	88.67
201-46752-00-0000	34,771.95	67,478.25	119,295.00	(51,816.75)	56.56
201-46753-00-0000	3,400.31	9,325.36	12,000.00	(2,674.64)	77.71
201-46755-00-0000	94.80	94.80	400.00	(305.20)	23.70
201-46761-00-0000	29,987.23	29,987.23	76,730.00	(46,742.77)	39.08
201-46764-00-0000	675.59	961.47	2,500.00	(1,538.53)	38.46
201-46767-00-0000	252.32	252.32	750.00	(497.68)	33.64
201-46768-00-0000	42.57	42.57	250.00	(207.43)	17.03
201-46900-00-0000	.00	.00	100.00	(100.00)	.00
TOTAL PUBLIC CHARGES	74,879.16	409,165.42	559,997.00	(150,831.58)	73.07
<u>MISCELLANEOUS REVENUES</u>					
201-48110-00-0000	.00	554.97	1,200.00	(645.03)	46.25
201-48260-00-0000	1,680.00	1,680.00	12,500.00	(10,820.00)	13.44
201-48500-00-0000	.00	82.50	.00	82.50	.00
201-48990-00-0000	10.00	111.13	300.00	(188.87)	37.04
TOTAL MISCELLANEOUS REVENUES	1,690.00	2,428.60	14,000.00	(11,571.40)	17.35
<u>PUBLIC CHARGES</u>					
201-49240-00-0000	.00	25,000.00	25,000.00	.00	100.00
TOTAL PUBLIC CHARGES	.00	25,000.00	25,000.00	.00	100.00
TOTAL FUND REVENUE	76,569.16	436,594.02	598,997.00	(162,402.98)	72.89

VILLAGE OF SISTER BAY
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JULY 31, 2014

MARINA FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>MARINA EXP</u>					
201-55101-00-0000	3,484.12	12,413.82	26,131.00	13,717.38	47.51
201-55101-32-0000	.00	43.55	.00	(43.55)	.00
201-55105-00-0000	728.08	5,096.56	8,736.00	3,639.44	58.34
201-55105-04-0000	559.61	3,559.81	20,835.00	17,275.19	17.09
201-55105-08-0000	9,042.17	18,229.82	39,818.00	23,588.18	40.76
201-55110-00-0000	.00	.00	653.00	653.00	.00
201-55110-08-0000	.00	.00	529.00	529.00	.00
201-55111-00-0000	.00	.00	1,615.00	1,615.00	.00
201-55115-00-0000	67.81	553.79	3,535.00	2,981.21	15.67
201-55120-00-0000	1,054.61	2,821.02	7,521.00	4,699.98	37.51
201-55125-00-0000	119.35	910.02	3,950.00	3,039.98	23.04
201-55130-00-0000	13.15	119.75	298.00	178.25	40.18
201-55135-00-0000	6.91	60.40	152.00	91.60	39.74
201-55140-00-0000	2.11	18.89	65.00	46.11	29.06
201-55145-00-0000	901.39	2,269.42	4,518.00	2,248.58	50.23
201-55150-00-0000	.00	.00	1,200.00	1,200.00	.00
PERSONNEL	15,979.31	44,096.65	119,556.00	75,459.35	36.88
201-55201-00-0000	81.57	358.22	1,200.00	841.78	29.85
201-55205-00-0000	.00	10.00	.00	(10.00)	.00
201-55210-00-0000	.00	79.95	200.00	120.05	39.98
201-55215-00-0000	.00	191.75	600.00	408.25	31.96
INDIRECT EMPLOYEE	81.57	639.92	2,000.00	1,360.08	32.00
201-55340-00-0000	73.36	12,449.68	21,150.00	8,700.32	58.86
201-55341-00-0000	.00	554.90	2,800.00	2,245.10	19.82
201-55360-00-0000	63.48	428.36	840.00	411.64	51.00
201-55365-00-0000	44.56	353.23	800.00	446.77	44.15
201-55370-00-0000	65.00	230.00	700.00	470.00	32.86
201-55375-00-0000	69.17	1,033.25	7,000.00	5,966.75	14.76
UTILITY COSTS	315.57	15,049.42	33,290.00	18,240.58	45.21

VILLAGE OF SISTER BAY
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JULY 31, 2014

MARINA FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
201-55401-00-0000 OFFICE SUPPLIES	12.97	44.53	500.00	455.47	8.91
201-55405-00-0000 COMPUTER HARDWARE/SOFTWARE	.00	638.81	350.00	(288.81)	182.52
201-55410-00-0000 PRINTING AND COPYING	.00	206.77	500.00	293.23	41.35
201-55415-00-0000 POSTAGE	22.68	95.82	300.00	204.18	31.94
201-55420-00-0000 DUES & PUBLICATIONS	.00	125.00	800.00	675.00	15.62
201-55430-00-0000 CUSTODIAL SUPPLIES	222.30	1,432.36	2,000.00	567.64	71.62
201-55434-00-0000 SUPPLIES FOR RESALE	196.60	570.63	1,500.00	929.37	38.04
201-55435-00-0000 VENDING SUPPLIES (SODA)	95.78	287.52	750.00	462.48	38.34
201-55440-00-0000 MEDICAL & SAFETY	.00	.00	100.00	100.00	.00
201-55460-00-0000 MINOR EQUIPMENT	.00	73.44	250.00	176.56	29.38
201-55465-00-0000 SERVICE EQUIPMENT	.00	.00	500.00	500.00	.00
201-55470-00-0000 RECREATION EQUIP/SUPPLIES	.00	56.93	100.00	43.07	56.93
201-55475-00-0000 BICYCLES	.00	.00	800.00	800.00	.00
201-55490-00-0000 AMENITIES	220.50	501.15	450.00	(51.15)	111.37
201-55495-00-0000 MISCELLANEOUS SUPPLIES	.00	119.00	400.00	281.00	29.75
SUPPLIES	770.81	4,151.96	9,300.00	5,148.04	44.64
201-55501-00-0000 AUDIT	.00	1,920.00	3,000.00	1,080.00	64.00
201-55502-00-0000 ACCOUNTING SUPPORT	88.80	177.60	300.00	122.40	59.20
201-55503-00-0000 CREDIT CARD FEES	476.56	3,825.51	7,500.00	3,674.49	51.01
201-55504-00-0000 INFORMATION TECHNOLOGY	.00	253.22	200.00	(53.22)	126.61
201-55510-00-0000 CONSULTING	.00	105.00	.00	(105.00)	.00
201-55515-00-0000 LEGAL SERVICES	.00	.00	500.00	500.00	.00
201-55525-00-0000 PROPERTY/LIABILITY INSURANCE	371.72	5,396.94	7,500.00	2,103.06	71.96
201-55530-00-0000 LEGAL NOTICES	.00	14.48	.00	(14.48)	.00
201-55532-00-0000 MARKETING/PUBLICITY	.00	2,111.00	4,000.00	1,889.00	52.78
201-55535-00-0000 WEBSITE SUPPORT	.00	184.25	500.00	315.75	36.85
201-55551-00-0000 GARBAGE PICKUP	362.64	1,007.37	1,800.00	792.63	55.97
201-55552-00-0000 RECYCLING	61.99	206.93	500.00	293.07	41.39
201-55565-00-0000 MARINA COMMITTEE	.00	200.00	800.00	600.00	25.00
201-55567-00-0000 FESTIVAL/EVENT COSTS	.00	500.00	18,500.00	18,000.00	2.70
201-55570-00-0000 PERMITS & FEES	135.00	145.00	200.00	55.00	72.50
201-55595-00-0000 MISC SERVICES	.00	.00	100.00	100.00	.00
SERVICES	1,496.71	16,047.30	45,400.00	29,352.70	35.35
201-55601-00-0000 OFFICE EQUIPMENT	.00	225.07	100.00	(125.07)	225.07
201-55615-00-0000 GROUNDS MAINTENANCE	.00	177.49	500.00	322.51	35.50
201-55635-00-0000 WEED CONTROL SERVICES	.00	.00	3,100.00	3,100.00	.00
201-55640-00-0000 BUILDING MAINTENANCE	361.94	1,497.94	4,500.00	3,002.06	33.29
201-55641-00-0000 BOATHOUSE MAINTENANCE	.00	41.72	2,000.00	1,958.28	2.09
201-55647-00-0000 DOCK MAINTENANCE	417.88	4,979.43	25,000.00	20,020.57	19.92
201-55675-00-0000 EQUIPMENT RENTAL	.00	.00	250.00	250.00	.00
MAINTENANCE	779.82	6,921.65	35,450.00	28,528.35	19.53

VILLAGE OF SISTER BAY
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JULY 31, 2014

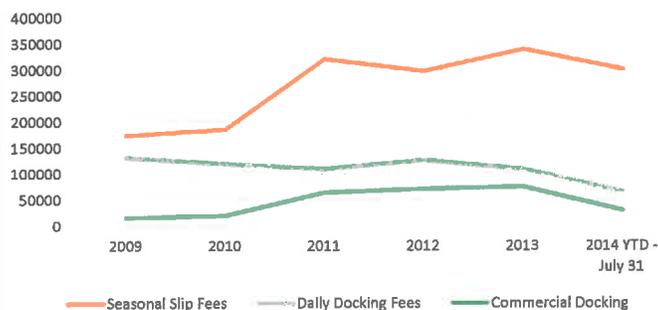
MARINA FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
201-55701-00-0000 VEHICLE MAINTENANCE	.00	.00	250.00	250.00	.00
201-55705-00-0000 EQUIPMENT MAINTENANCE	.00	409.61	500.00	90.39	81.92
201-55710-00-0000 GAS/OIL/FLUIDS	.00	116.58	250.00	133.42	46.63
VEHICLES AND EQUIPMENT	.00	526.19	1,000.00	473.81	52.62
201-55930-00-0000 BANK FEES & FINANCE CHARGES	.00	30.00	50.00	20.00	60.00
201-55950-00-0000 MISC OTHER EXP	.00	.00	100.00	100.00	.00
201-55971-00-0000 DEPRECIATION EXPENSE	17,000.00	119,000.00	225,000.00	106,000.00	52.89
201-55986-00-0000 INTEREST ON LONG-TERM DEBT	.00	39,457.03	94,189.00	54,731.97	41.89
201-55992-00-0000 MARINA PILOT TRANSFER	13,492.08	94,444.56	161,905.00	67,460.44	58.33
MISCELLANEOUS	30,492.08	252,931.59	481,244.00	228,312.41	52.56
TOTAL MARINA EXP	49,915.87	340,364.68	727,240.00	386,875.32	46.80
TOTAL FUND EXPENDITURES	49,915.87	340,364.68	727,240.00	386,875.32	46.80
NET REVENUES OVER EXPENDITURES	26,653.29	96,229.34	(128,243.00)	(549,278.30)	75.04

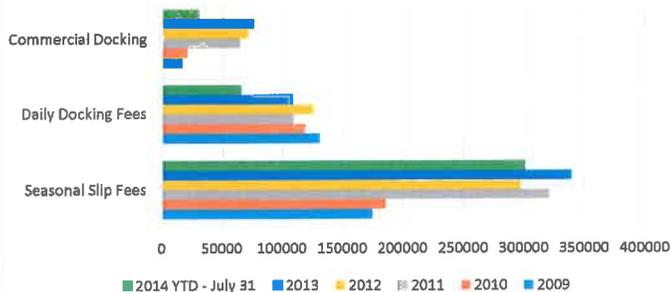
5 Year Trend with 2014 Year to Date Totals

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014 YTD - July 31</u>
Marina Fest	3326	2280.95	8293.38	8209.14	8909.5	0
Seasonal Slip Fees	174571.56	185984	321095.57	297759.01	339481.5	301023.42
Daily Docking Fees	130713.75	118847.07	109159.39	125918.16	108225.58	65539.84
Launch Fees	13002.95	14589.14	15485.97	15244.68	11305.38	9124.31
Marina Services	259.78	322.32	372.39	464.52	388.68	94.8
Commercial Docking	16500	21000	64153.58	71278.5	75596.5	29987.23
Product Services	4815.44	4224.17	8358.99	6796.26	2158.15	931.12
Vending Services	1026.6	1541.28	1570.05	1005.17	765.32	252.32
Washer/Dryer	0	0	0	197.72	265.62	42.57
Misc. Charges	0	20	76.46	240.8	0	0
Totals	344216.08	348808.93	528565.78	527113.96	547096.23	406995.61

Primary Revenue



Primary Revenue



	2013 Actual	2014 Budget	(3% Cut)	2015 Proposed Budget
Revenues				
Public Charges for Service				
46741 Festivals (Marina Fest)	8910	8500		8500
46751 Seasonal Fees	339482	339472		339472
46752 Transient Fees	108226	119295		119295
46353 Launch Fees	11305	12000		12000
46754 Bike Rental	0	0		0
46755 Marina Services	389	400		400
Subtotal	468312	479667		479667
Comercial Revenues				
46761 Commercial Docking	75597	76730		76730
46764 Product Sales (including ice)	2158	2500		2500
46767 Vending Sales (soda)	765	750		750
46768 Washer/Dryer	266	250		250
46900 Misc. Charges	0	100		100
Subtotal	78786	80330		80330
Miscellaneous Revenues				
48110 Interest on Investments	1353	1200		1200
48260 Boat House Rental	10243	12500		12500
48500 Donations	0	0		0
48910 Refunds	0	0		0
48990 Misc. Other Charges	157	300		300
Subtotal	11753	14000		14000
Transfers				
49240 Transfer from CIP Fund	0	25000	0	25000
Subtotal	0	25000	0	25000
Total Revenues	558851	598997	0	598997
Expenditures				
Direct Employee Costs				
55101 Wages, Manager	22020	26131	783.93	25347.07
55101 Manager Parks	0	0	0	0
55105 Wages, Admin	7935	8736	262.08	8473.92
55105 Maintenance, Parks	11827	20835	625.05	20209.95
55105 Wages, Seasonal	34760	39818	1194.54	38623.46
55110 Wages, Overtime	1357	1182	35.46	1146.54
55111 Bonuses	392	1615	48.45	1566.55
55115 Retirement	1379	3535	106.05	3428.95
55120 Social Security	6135	7521	225.63	7295.37
55125 Insurance, Medical	4020	3950	118.5	3831.5
55130 Insurance, Dental	296	298	8.94	289.06
55135 Insurance, Disability	166	152	4.56	147.44
55140 Insurance, Group Life	76	65	1.95	63.05
55145 Insurance, Work Comp	4240	4518	135.54	4382.46
55150 Unemployment Costs	693	1200	36	1164
Subtotal	95296	119556	3586.68	115969.32
Indirect Employee				
55201 Travel/Training	1719	1200	36	1164
55205 Recruitment/Testing/Physicals	0	0	0	40
55210 Expense Allowance	222	200	6	194
55215 Uniforms and Clothing	716	600	0	600
55225 Recognition (Jack Bunda in 2012)	0	0	0	0
Subtotal	2657	2000	42	1998

Utility Costs

55340 Marina Utility Costs	19811	21150		21150
55341 Boat House Utilities	1953	2800		2800
55360 Telephone	691	840		840
55365 Cellphones	160	800		800
55370 Internet	618	700		700
55375 Charter TV	6810	7000		7000
Subtotal	30043	33290		33290

Supplies

55401 Office Supplies	311	500	15	485
55405 Computer Hardware/Software	160	350	10.5	339.5
55410 Printing and Copying	440	500	15	485
55415 Postage	262	300	9	291
55420 Dues and Publications	250	800	0	800
55430 Custodial Supplies	1719	2000	0	2000
55434 Supplies for Resale	1305	1500	45	1455
55435 Vending Supplies (soda)	530	750	22.5	727.5
55440 Medical and Safety	0	100	3	97
55460 Minor Equipment	37	250	7.5	242.5
55465 Service Equipment	0	500	15	485
55470 Recreation Equip/Supplies	499	100	3	97
55475 Bicycles	0	800	24	776
55490 Amenities (coffee and shower supplies)	458	450	13.5	436.5
55495 Misc. Other Supplies	395	400	12	388
Subtotal	6366	9300	195	9105

Other Services

55501 Audit	2970	3000		3000
55502 Accounting Support	175	300		300
55503 Credit Card Fees	7503	7500		7500
55504 Information Technology (10%)	0	200		200
55510 Consulting Services	980	0		0
55512 Uniform Cleaing	0	0		0
55515 Legal Services	628	500		500
55525 Property/Liability Insurance	7483	7500		7500
55530 Legal Notices (formerly ads)	0	0		0
55532 Marketing/Publicity	2679	4000		5000
55535 Website Support	428	500		500
55551 Rubbish Disposal	1739	1800		1800
55552 Recycling	233	500		500
55565 Marina Committee	1040	800		800
55567 Festival/Event Costs	18820	18500		18500
55570 Permits and Fees	690	200		200
55595 Misc. Other Services	0	100		100
Subtotal	45368	45400		46400

Maintenance

55601 Office Equip Maint/Postage Meter	59	100	3	97
55605 Computer Maintenance	0	0	0	0
55615 Grounds Maintenance	184	500	15	485
55635 Weed Control Services	3031	3100	0	3100
55640 Building Maintenance	1907	4500	135	4365
55641 Boat House Maintenance	1884	2000	60	1940
55647 Dock Maintenance	81575	25000	750	24250
55675 Equipment Rental	0	250	7.5	242.5
Subtotal	88640	35450	970.5	34479.5

Vehicles and Other

55701 Vehicle Maintenance (Club Car)	0	250	7.5	242.5
55705 Equipment Maintenance	586	500	15	485
55710 Gas/Oil/Fluids	292	250	7.5	242.5
Subtotal	878	1000	30	970

Non-Operating Expenses

55910 Bad Debt Expense	107	0		
55920 Penalties and Fines	26	0		
55930 Bank Fees and Finance Charges	17	50		
55950 Miscellaneous Other Expense	0	100		
55971 Depreciation Expense	214205	225000		
55975 Other Non-Operating Expense	0	0		
Subtotal	214355	225150		

Debt

55986 Interest on Long-Term Debt	81833	78602		
55986 Interest Payable to TID Fund for Loan	16300	15587		
Subtotal	98133	94189		

Transfers

55991 Operating Transfer to General Fund	0	0		
55992 PILOT Payment	161905	161905		
Subtotal	161905	161905		

Total Expenses	743641	727240	4824.18	722415.82
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Notes on 2015 Projection with 3% CutExpenditures

Direct Employee Costs - \$3586.68

Indirect Employee - \$42.00

Supplies - \$195.00

Maintenance - \$970.50

Vehicles and Other - \$30.00

Comments:

- 1) Direct Employee Costs-
 - a. Reduce full time hours of one Dock Master Position to part-time hours. Potential loss of quality customer service and efficiency.
- 2) Utility Costs-
 - a. Set lighting schedule to a later time after dusk
 - b. Install additional climate control boxes and limit staff access.
- 3) Supplies-
 - a. Stop coffee service earlier in morning.
 - b. Continue to find cheaper cleaning products and paper products for restrooms
- 4) Other Services (3% reductions are not applied to these items above) –
 - a. Festivals: Stop hosting a Slip Holders Cookout to save expenses.
 - b. Marketing: Reduce marketing costs with less advertising.
 - c. Credit Card: Inquire if Bay Lakes Systems works with other credit card processing companies and potentially switch to receive lower rates
- 5) Maintenance-
 - a. Ignore or temporarily fix repairs that require extensive work if possible. Potential of injury to guests or the creation larger failures to Marina amenities may occur.

Non-Operating Expenses**Comments:**

- 1) Non-operating expenses are difficult to control. I have not provided calculations that reflect a 3% cut do to the outside factors that set those costs.

5 Year Capital Expense Projection

Year	Project	Description	Projected Expense
2015	Vehicle - Guest Transport		20,000.00
		Car or Unique Vehicle *Providing transportation to Marina guests will allow Sister Bay to become another gateway to the County's venues	
2016	Roof Replacement		30,000.00
		2 Estimates Obtained \$9,000.00 - \$29,000.00 *Price range is lowest (asphalt shingles) to highest (cedar shake shingles) *Marina Committee's decision will determine cost between shingle types	
2017	A Dock Repair/Reface		20,000.00
		Estimate made for rewelding of necessary components on figure piers and replacement of dock face boards	
2018	B Dock Upgrade		500,000.00
		B Dock is the oldest dock in the Marina. *Considation for a fuel station has not been added to this estimate. More cost estimates to follow. *Walking down the finger piers is a safety concern. At minimum the dock needs all new face boards and welding work. <i>Grant funding available</i>	
2019	Parking/Cleaning Station		0.00
		Repave Short Term Trailer Parking Lot Install Fish Cleaning Station <i>Grant funding available for parking lot</i> Research for project to be started September 2014	



Village of Sister Bay BOARD REPORT

For additional information: www.sisterbaywi.gov

Meeting Date: 8/19/14

Item No.: ____

Recommendation: That the Board accepts the recommendation of the Finance Committee to reallocate several capital reserve funds and approves Resolution No. 295-081914, Amending the 2014 Capital Projects Budget.

Background: At its July 24, 2014 meeting, the Finance Committee reviewed available capital reserve fund balances and made a series of recommendations regarding reallocation of some of those funds:

- 1) The Parks Department sold a lawnmower earlier this year and has requested that the proceeds of that sale be used to help cover the cost of a blower/bagger that was purchased in April, 2014. The Finance Committee affirmed this request and further recommended that the remaining negative balance (-\$495.81) in the Parks Equipment line be merged with the Various Parks Project reserves, along with the \$3,442.70 remainder in Baseball Field Improvements.
- 2) The remaining \$2283.30 in the Paperless Meeting fund should be merged with the Information Technology fund, for a new total there of \$24,829.89.
- 3) Interest earned on the Stewardship grant (including on the loan to the Marina) should be used for the Beach Project. This adds a total of \$90,661.75 to the amount available for the beach, for a new total of \$420,286.33.
- 4) The \$7,722.12 shortfall in Streets Resurfacing could be reduced by applying revenue from TIF computer aids (\$4,153 plus another \$655 to be received in 2014, for a total of \$4,808). The additional \$2,914.12 needed in Streets Resurfacing could come from the Election Machine replacement line. *(Note: we have received information from the County Clerk that the Village's share of the voting machine replacement could be \$4000 and might be needed by the end of 2015.)*

Fiscal Impact: Other than removing the lawnmower sale proceeds (\$2,121) from the General Fund revenue stream, all of the above changes help to cover existing capital project needs by using money that is no longer needed for its original purpose.

Respectfully submitted,

Juliana Neuman
Village Finance Director

Village of Sister Bay Capital Reserve Balances

Cumulative Major Project Reserves as of 6/30/14		YTD balance	budget funding for 2014	opening balance 2014	re-allocated 4/14/14	re-allocation proposed 7/24/14	added in 2014	expended in 2014	YTD balance 2014
03 13	Fire Truck Available	331,066.50	25,000	356,066.50	-115,000.00		901.93		241,968.43
03 15	Waterfront Property Acquisition	0.00		0.00					0.00
04 08	Streets Resurfacing	70,605.89	18,000	88,605.89		4,808.00	15,000.00	111,328.01	-2,914.12
04 17	Old School Remodel/Razing	0.00		0.00					0.00
04 18	Old Fire Station Demolition/Upgrades	50,000.00		50,000.00				25,375.05	24,624.95
04 24	Parks Bldg/Beach Restrooms/Visitor Cntr.	347,698.00		347,698.00					347,698.00
07 46	Waterfront Development'	552,324.18	150,000	702,324.18	-365,000.00	90,661.75		7,699.60	420,286.33
09 56	Various Parks Projects	16,069.40	10,000	26,069.40		2,946.89			29,016.29
09 57	Vehicle Replacement	19,711.00	10,000	29,711.00					29,711.00
10 58	Village Hall acoustics & A/C	43,909.32		43,909.32					43,909.32
10 59	Parks Equipment	262.98		262.98		495.81	2,121.21	2,880.00	0.00
11 65	OS Election Machine replacement	5,500.00		5,500.00					5,500.00
11 68	Helms Debt Reserves	252,618.00		252,618.00				17,617.98	235,000.02
12 69	Skatepark Polished Slab	20,000.00		20,000.00					20,000.00
12 70	Coastal Byways Kiosk/Grant	17,714.00		17,714.00					17,714.00
12 71	Paperless Meeting Computers	2,283.30		2,283.30		-2,283.30			0.00
12 72	Redevelopment Planning (TIF)	-34,839.21		-34,839.21					-34,839.21
13 75	Baseball field improvements	3,442.70		3,442.70		-3,442.70			0.00
13 76	Trackless snow machine replacement	25,000.00	25,000	50,000.00				26,815.00	23,185.00
14 77	Information/Technology upgrades	0.00	30,000	30,000.00		2,283.30		7,453.41	24,829.89
14 78	Cash receipting software	0.00	3,700	3,700.00					3,700.00
14 80	Canterbury/Maple bypass	-3,697.03		-3,697.03	115,000.00				111,302.97
11 67	Bay Shore Drive reconstruction	64,822.80		64,822.80	365,000.00			121,512.75	308,310.05
14 79	BSD Stormwater							162,451.09	-162,451.09
14 81	BSD Overhead Line Burial		50,000	50,000.00				4,760.00	50,000.00
14 82	BSD Lighting								-4,760.00
14 83	Marina Capital Projects	0.00	25,000	25,000.00				25,000.00	0.00
	Unallocated	17,926.58		17,926.58					17,926.58
	CIP Interest Income (Stewardship grant)	18,708.83		18,708.83		-19,995.67	1,286.84		0.00
	CIP Transfers In & Out	0.00		0.00					0.00
	TIF Computer Aids	4,153.00		4,153.00		-4,808.00	655.00		0.00
	TIF Stewardship Grant & loan to Marina	70,666.08		70,666.08		-70,666.08			0.00
13 74 (TIF)	Pavilion/Donations	8,032.50		8,032.50			435,000.00	351,851.87	91,180.63
	TIF TIF Fees	-2,450.00		-2,450.00				150.00	-2,600.00
	TIF Consulting: CIP & TIF	-5,793.00		-5,793.00				1,597.75	-7,390.75
	TIF Other TIF exp.	-17,514.06		-17,514.06				5,055.03	-22,569.09
	TIF Interest on Debt	-24,743.66		-24,743.66					-24,743.66
	TIF Transfers Out	-140,320.57		-140,320.57				32,416.50	-172,737.07
	Totals	1,713,157.53	346,700	2,059,857.53		-	454,964.98	903,964.04	1,610,858.47



Village of Sister Bay BOARD REPORT

For additional information: www.sisterbaywi.gov

Meeting Date: 8/19/14
Item No.: ____

Recommendation: That the Board accepts the recommendation of the Finance Committee to reallocate administrative personnel costs and approves Resolution No. 296-081914, Amending the Administrative Transfers in the 2014 Budget.

Background: When the 2014 Budget was prepared, the position of Village Administrator remained vacant, so allocations of administrative personnel costs were left at 2013 rates. In February of 2014, Auditor Konecny noted that the Village's allocation of these costs to certain funds appeared low, given time spent on the Bay Shore Drive utility project and increased activity in the TIF district. Neuman and Jackson subsequently met to revise the administrative allocations and presented new figures to the Finance Committee at its July 24, 2014 meeting. The Committee recommended amending the budget accordingly.

Fiscal Impact: The Administrative transfers to the TIF are increased by a factor of 4.055 and to Utilities by a factor of 1.573. The General Fund is positively affected by a total factor of minus 5.623.

Respectfully submitted,

A handwritten signature in cursive script that reads "Juliana Neuman".

Juliana Neuman
Village Finance Director