Village of Shorewood Hills , Wi
Calendar for FY 2026 Budget and CIP Preparation

June	Village Administrator notifies Department Heads to begin preparing five-year 2026 -2030 CIP requests/revisions
June/July	Administrator works on budgets as time permits
July 7-11	Village Administrator meets with Department Heads on operations budgets
July 31	Departments CIP requests and departmental operational budgets due
August 27	Admin Department inputs personnel costs for all departments.
September 10	Draft Budgets completed. Village Administrator reviews budgets with Department Heads
September 22	All funds preliminary budgets presented to Finance Committee
October	Meeting updates to Finance and Board as needed
October 27	Newspaper Ad on Public Hearing on the FY26 Budget is published.
November 11	Public Information and Public Hearing on the Proposed Budget
November 18	Budget Addoption by Board
December	Final FY26 Budget and CIP Book to be printed.

Village of Shorewood Hills, WI

2025 Financial Management Plan

Workshop 1

July 9, 2025

What is a Financial Management Plan?

- A multi-year fiscal plan for all funds by activity or fund
- Integrates & analyzes:
  - ✓ Previous actions of the governing body
  - ✓ Existing & future operating costs
  - ✓ Planning for capital improvement & equipment plans
  - ✓ Existing & future debt
  - ✓ Tax base changes
- Analyze if capital & operating costs are sustainable over time under certain assumptions

FMP Goals & Objectives

Estimate of future tax levy requirements, and associated tax rate, based on a set of assumptions

Supports decision-making process regarding service levels, capital spending and financial management

Identify potential financial pressure points in advance of their occurrence

Change budgeting process into a proactive and collaborative financial planning process

Discuss framework for 2026 budget process and beyond.

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Overview of Current Initiatives

CIP	Village staff reviewing specific capital project list. Can lead to prioritization and incorporating specific projects into financing plan and FMP.
Debt Issuance	Current 2025 debt issuance in progress. For now, debt model includes future placeholder amounts to keep debt levy stable. Can be modified based on CIP list.
Utilities	Conventional water rate case study in progress. Overall utility CIP list (water, sewer, storm) will also aid cash flow planning efforts.
FMP Development	Taking a phased approach to allow time for CIP development and prioritization.

Financial Positives & Challenges

Positives

- Fund Balance & Liquidity
- AAA rating

Challenges

- Levy Limits
- Net New Construction (NNC) provides minimal LL Capacity:
    - ✓ 0.65% (4-year average)
- Dane County NNC: 2.42% (4-year average)

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General Fund Unassigned Fund Balance

- Village Policy:
  - ✓ Unassigned Fund Balance 15%-25% of General Fund's Expenditure Budget

	2020	2021	2022	2023	2024
Unassigned	928,378	902,703	886,738	1,209,794	1,458,398
Budget - General Fund	2,982,240	3,132,015	3,081,744	3,093,441	3,390,016
Budget - Debt	1,023,379	1,003,271	1,017,004	1,081,017	1,071,981
Budget - Small Capital	-	-	-	30,000	32,000
Total Budget	4,005,619	4,135,286	4,098,748	4,204,458	4,493,997
Unassigned Fund Balance as % of General Fund Budget	31.13%	28.82%	28.77%	39.11%	43.02%
Unassigned Fund Balance as % of Total Budget	23.18%	21.83%	21.63%	28.77%	32.45%

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Equalized Value (TID Out) Projections

Assumptions:

Economic Change
- Appreciating at 4.42% (55% of the 5-year historical average change in EV)

Net New Construction
- 0.58% annual increase ($13K-14K)

TID
- TID 4 closure in 2030, assumes 2024 Increment Value

II. Five-Year Historical TID OUT Growth by Category (Data Per Wis. Dept. of Revenue - Breakdown Assumes Same Ratios as TID IN)

Vaulation Year	Budget Year	Historical TID OUT Equalized Value		Economic Change		New Construction		Other & Personal Property	
2020	2021	577,689,200							
2021	2022	598,545,600	3.61%	17,002,418	2.94%	3,846,543	0.67%	7,439	0.00%
2022	2023	666,145,500	11.29%	64,958,484	10.85%	4,128,752	0.69%	-1,487,336	-0.25%
2023	2024	768,260,800	15.33%	100,677,943	15.11%	2,450,210	0.37%	-1,012,853	-0.15%
2024	2025	845,689,200	10.08%	79,503,067	10.35%	6,766,510	0.88%	-8,841,177	-1.15%
AVERAGE CHANGE				65,535,478	9.81%	4,298,004	0.65%	-2,833,482	-0.39%

IV. Projection of TID OUT Equalized Value

Vaulation Year	Budget Year	Projected TID OUT Equalized Value		Economic Change		New Construction		TID Closure or Other Adjustment	
2025	2026	887,939,394	5.00%	37,349,935	4.42%	4,900,259	0.58%		0.00%
2026	2027	932,300,385	5.00%	39,215,918	4.42%	5,145,073	0.58%		0.00%
2027	2028	978,877,628	5.00%	41,175,125	4.42%	5,402,118	0.58%		0.00%
2028	2029	1,027,781,846	5.00%	43,232,213	4.42%	5,672,006	0.58%		0.00%
2029	2030	1,079,129,294	5.00%	45,392,072	4.42%	5,955,376	0.58%		0.00%
2030	2031	1,154,675,233	7.00%	47,659,836	4.42%	6,252,903	0.58%	21,633,200	2.00%

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General & Operating Funds Revenue & Expenditures Methodology

Revenues

- Non-Levy Revenue Sources held flat
- State Shared Revenues, State Aid Highways, & Madison Fire increasing by 2%

Expenditures

- Wages increasing by 4%
- Commodities & Services increasing by 3%
- Insurance increasing by 5%

Expenditure Forecast Assumptions

EXPENDITURE CODES					
CODE	DEFINITION	INCREASE	5-Year Historical Avg.	3-Year Historical Avg.	EXPLANATION
C	Commodities	3.00%	1.26%	3.30%	Fuel & Mileage, Office Supplies, Operating Supplies, Utilities, Uniforms, Office Furniture & Equipment
E	Employee Insurance	5.00%	3.16%	4.80%	Health, Dental & Life Insurance, Post Employment Health Plan, Long Term Disability
I	Insurance	5.00%	-4.86%	20.43%	Property & Liability
S	Services	3.00%	0.92%	6.71%	Advertising & Printing, Communications, Contractual Services, Dues & Memberships, Janitorial Services, Maintenance Agreements, Meetings & Training, Professional Services, Publications & Subscriptions, Repairs & Maintenance
W	Wages	4.00%	7.57%	17.88%	Regular & Seasonal Wages, Overtime, Holiday & Misc. Compensation, Longevity, Premium Pay, Social Security, Retirement, Unemployment Compensation

General Fund Summary

	Actual				Budget	Projected				
Levy Year	2020	2021	2022	2023	2024					
Calendar/Budget Year	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
GENERAL FUND										
REVENUES										
Taxes										
Property Taxes General	2,917,776	2,957,959	3,269,924	2,294,877	2,298,359	2,451,907	2,571,966	2,696,647	2,826,131	2,960,602
Other Taxes	60,255	56,230	51,986	48,361	62,000	62,000	62,000	62,000	62,000	62,000
Intergovernmental Revenue	384,195	352,936	373,733	452,175	498,901	507,395	516,059	524,897	533,911	543,106
Intergovernmental Service Charges	53,733	54,986	56,087	57,114	58,316	58,316	58,316	58,316	58,316	58,316
Licenses & Permits	91,425	74,537	96,273	37,910	35,600	35,600	35,600	35,600	35,600	35,600
Public Services	44,957	43,745	59,355	56,348	48,400	48,100	48,100	48,100	48,100	48,100
Public Charges for Services	208,114	206,013	91,205	154,931	100,335	101,653	102,997	104,368	105,766	107,192
Miscellaneous Revenue	178,245	304,224	672,335	559,456	319,279	319,279	319,279	319,279	319,279	319,279
Other Financing Sources	100,000	132,762	-	-	37,641	-	-	-	-	-
TOTAL REVENUES	**4,038,700**	**4,183,392**	**4,670,898**	**3,661,173**	**3,458,831**	**3,584,250**	**3,714,317**	**3,849,207**	**3,989,103**	**4,134,195**
EXPENDITURES										
General Government	1,674,385	1,770,755	1,820,476	669,424	568,403	589,564	611,534	634,344	658,028	682,620
Public Safety	1,548,760	1,551,475	1,759,134	1,911,993	1,971,640	2,042,896	2,116,779	2,193,386	2,272,819	2,355,184
Public Works	478,263	511,097	495,980	576,506	630,274	652,890	676,337	700,648	725,854	751,990
Parks & Forestry	191,769	152,337	185,051	236,939	222,018	230,070	238,420	247,079	256,058	265,369
Culture & Recreation	104,781	135,931	31,403	50,547	30,968	31,954	32,972	34,024	35,109	36,230
Planning & Development	39,838	29,232	57,863	47,133	35,528	36,875	38,274	39,726	41,235	42,801
Capital Outlay	3,233	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES[1]	**4,041,029**	**4,150,827**	**4,349,907**	**3,492,543**	**3,458,831**	**3,584,250**	**3,714,317**	**3,849,207**	**3,989,103**	**4,134,195**
Change in General Fund levy from prior year		1.38%	10.55%	-29.82%	0.15%	6.68%	4.90%	4.85%	4.80%	4.76%

Notes:

1) Prior to Budget Year 2024, the General Fund tax levy included Debt Service and Small Capital Funds (transfered out of the General Fund thereafter). In Budget Year 2024, this changed so the tax levy for each fund is allocated separately by fund.

Background – Current Debt Structure

Year Ending	Existing Debt											Year Ending
	Total G.O. Debt Payments	Less: Water	Less: Sewer	Less: Storm	Less: Pool	Less: TID #3	Less: TID #4	Net Tax Levy	Equalized Value (TID OUT)	Tax Rate Per $1,000	Annual Taxes $900,000 Home	
2025	2,624,089	(97,181)	(40,866)	(39,880)	(6,425)	(1,153,041)	(157,064)	1,129,632	845,689,200	$1.34	$1,202.18	2025
2026	1,908,828	(96,251)	(17,325)	(38,895)	(6,275)	(1,109,650)	(192,348)	448,084	887,939,394	$0.50	$454.17	2026
2027	1,913,183	(100,140)	(16,875)	(37,900)	(11,050)	(1,111,245)	(192,063)	443,910	932,300,385	$0.48	$428.53	2027
2028	1,638,505	(93,920)	(21,350)	(27,025)	(10,750)	(1,071,579)	(157,026)	256,855	978,877,628	$0.26	$236.16	2028
2029	1,457,428	(141,867)	(35,525)	(55,825)	(20,300)	(878,488)	(68,590)	256,833	1,027,781,846	$0.25	$224.90	2029
2030	1,027,169	(50,253)	0	0	0	(707,901)	(71,243)	197,772	1,079,129,294	$0.18	$164.94	2030
2031	707,200	(48,494)				(462,200)	0	196,506	1,154,675,233	$0.17	$153.16	2031
2032	712,300	(48,172)				(465,575)		198,553	1,212,362,209	$0.16	$147.40	2032
2033	667,375	(46,354)				(463,575)		157,446	1,347,628,495	$0.12	$105.15	2033
2034	510,700	0				(466,200)		44,500	1,414,955,316	$0.03	$28.30	2034
2035	506,750					(463,450)		43,300	1,485,645,749	$0.03	$26.23	2035
2036	512,350					(465,325)		47,025	1,559,867,839	$0.03	$27.13	2036
2037	507,500					(461,825)		45,675	1,637,798,027	$0.03	$25.10	2037
2038	0					0		0	1,719,621,566	$0.00	$0.00	2038
Total	14,693,376	(722,633)	(131,941)	(199,525)	(54,800)	(9,280,054)	(838,333)	3,466,091				Total

Notes:

Legend:

Represents +/- 25% Change over previous year

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Capital Planning & Future Financings

- Analyze current CIP and tax impact of undertaking future projects
- 2025 Financing (in progress):
  - ✓ Levy, Water, Pool purposes
- 2026 & 2028 Future Financings:
  - ✓ Portray amount the Village can borrow while maintaining level debt service levy given current debt structure
  - ✓ 2026: $2.9M and 2028: $5.7M
  - ✓ This does not tie out to current CIP (under revision)

Debt Financial Benchmarks in Policy

- General obligation debt shall not exceed Wisconsin State statute limitations of 5 percent of equalized valuation.
  - ✓ Village stated goal is not to exceed 3.75%.
- Annual debt service payments on tax-supported debt, excluding tax increment finance debt, of the Village will normally not exceed 25 percent (25%) of total general government operating revenue.

Financing Plan Tax Impact

Year Ending	Existing Debt: Net Debt Service Levy	Existing Debt: Equalized Value (TID OUT)	Proposed Debt: 2025 G.O. Notes 1,133,000 Dated: 7/1/2025 Total P&I	2026 G.O. Notes 2,980,000 Dated: 7/1/2026 Total P&I	2028 G.O. Notes 5,795,000 Dated: 7/1/2028 Total P&I	Abatements: Less: Water	Abatements: Less: Pool	Debt Service Levy: Total Net Debt Service Levy	Debt Service Levy: Levy Change from Prior Year	Taxes: Total Tax Rate for Debt Service	Taxes: Annual Taxes $900,000 Home	Taxes: Annual Taxes New Debt Only	Year Ending
			5.00%	5.00%	5.00%								
2025	1,129,632	845,689,200	0	0	0	0	0	1,129,632		$1.34	$1,202	$0	2025
2026	448,084	887,939,394	716,108	0	0	(23,700)	(10,008)	1,130,484	852	$1.27	$1,146	$692	2026
2027	443,910	932,300,385	61,825	656,917	0	(23,025)	(9,450)	1,130,177	(307)	$1.21	$1,091	$662	2027
2028	256,855	978,877,628	62,800	842,125	0	(23,250)	(10,125)	1,128,405	(1,772)	$1.15	$1,037	$801	2028
2029	256,833	1,027,781,846	61,675	400,750	439,958	(23,425)	(9,775)	1,126,016	(2,389)	$1.10	$986	$761	2029
2030	197,772	1,079,129,294	62,450	248,250	652,625	(23,550)	(10,400)	1,127,147	1,131	$1.04	$940	$775	2030
2031	196,506	1,154,675,233	62,100	185,625	716,750	(23,625)	(10,000)	1,127,356	209	$0.98	$879	$726	2031
2032	198,553	1,212,362,209	61,650	247,625	654,750	(22,675)	(9,600)	1,130,303	2,947	$0.93	$839	$692	2032
2033	157,446	1,347,628,495	62,075	276,875	667,875	(22,700)	(10,175)	1,131,396	1,093	$0.84	$756	$650	2033
2034	44,500	1,414,955,316	61,375	270,000	786,500	(22,675)	(9,725)	1,129,975	(1,421)	$0.80	$719	$690	2034
2035	43,300	1,485,645,749	102,500	258,000	761,375	(23,575)	(10,250)	1,131,350	1,375	$0.76	$685	$659	2035
2036	47,025	1,559,867,839	0	246,000	838,375	0	0	1,131,400	50	$0.73	$653	$626	2036
2037	45,675	1,637,798,027	0	0	1,085,375	0	0	1,131,050	(350)	$0.69	$622	$596	2037
2038	0	1,719,621,566	0	0	1,132,625	0	0	1,132,625	1,575	$0.66	$593	$593	2038
2039	0	1,805,532,967	0	0	0	0	0	0	(1,132,625)	$0.00	$0	$0	2039
Total	3,466,091		1,314,558	3,632,167	7,736,208	(232,200)	(99,508)			**Total Cost to Sample Taxpayer**		**$8,923.81**	Total

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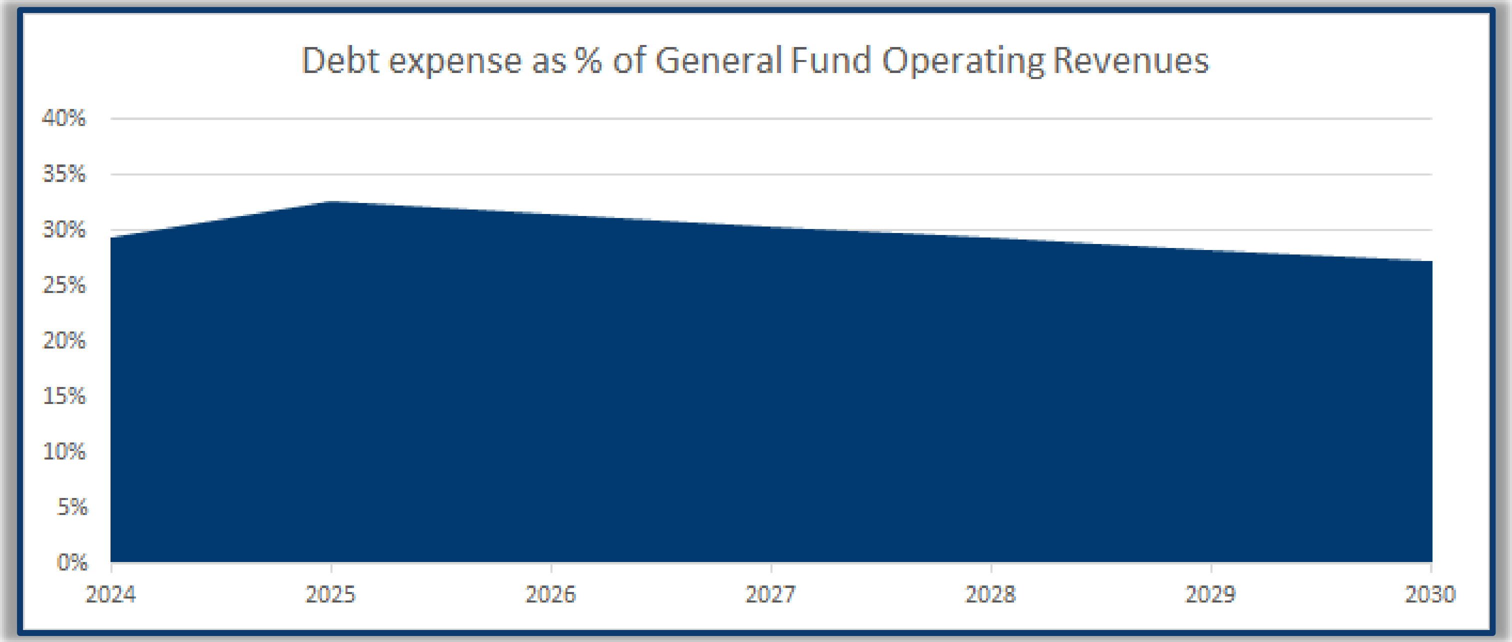
Levy Supported Debt as % of GF Revenue



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G.O. Debt Capacity w/ Future Financings

Existing Debt					Proposed Debt								
									Statutory Limit (5% EV)		3.75% EV		
Year Ending	Projected Equalized Value (TID IN)[1]	Statutory Debt Limit	Existing Principal Outstanding	% of Limit	2025 G.O. Notes	2026 G.O. Notes	2028 G.O. Notes	Combined Prin. Existing & Proposed	% of Limit	Residual Capacity	% of Limit	Residual Capacity	Year Ending
2024	955,502,000	47,775,100	12,770,000	**26.73%**				$12,770,000	**26.73%**	$35,005,100	**35.64%**	$23,061,325	2024
2025	997,735,188	49,886,759	10,550,000	**21.15%**	1,133,000			$11,683,000	**23.42%**	$38,203,759	**31.23%**	$25,732,070	2025
2026	1,041,835,084	52,091,754	8,975,000	**17.23%**	476,000	2,980,000		$12,431,000	**23.86%**	$39,660,754	**31.82%**	$26,637,816	2026
2027	1,087,884,194	54,394,210	7,340,000	**13.49%**	437,000	2,510,000		$10,287,000	**18.91%**	$44,107,210	**25.22%**	$30,508,657	2027
2028	1,135,968,676	56,798,434	5,925,000	**10.43%**	395,000	1,775,000	5,795,000	$13,890,000	**24.45%**	$42,908,434	**32.61%**	$28,708,825	2028
2029	1,186,178,491	59,308,925	4,640,000	**7.82%**	352,000	1,455,000	5,740,000	$12,187,000	**20.55%**	$47,121,925	**27.40%**	$32,294,693	2029
2030	1,238,607,581	61,930,379	3,745,000	**6.05%**	306,000	1,275,000	5,365,000	$10,691,000	**17.26%**	$51,239,379	**23.02%**	$35,756,784	2030
2031	1,293,354,036	64,667,702	3,145,000	**4.86%**	258,000	1,150,000	4,905,000	$9,458,000	**14.63%**	$55,209,702	**19.50%**	$39,042,776	2031
2032	1,350,520,284	67,526,014	2,520,000	**3.73%**	208,000	955,000	4,485,000	$8,168,000	**12.10%**	$59,358,014	**16.13%**	$42,476,511	2032
2033	1,410,213,281	70,510,664	1,920,000	**2.72%**	155,000	720,000	4,030,000	$6,825,000	**9.68%**	$63,685,664	**12.91%**	$46,057,998	2033
2034	1,472,544,708	73,627,235	1,460,000	**1.98%**	100,000	480,000	3,430,000	$5,470,000	**7.43%**	$68,157,235	**9.91%**	$49,750,427	2034
2035	1,537,631,184	76,881,559	990,000	**1.29%**	0	240,000	2,825,000	$4,055,000	**5.27%**	$72,826,559	**7.03%**	$53,606,169	2035
2036	1,605,594,482	80,279,724	500,000	**0.62%**		0	2,110,000	$2,610,000	**3.25%**	$77,669,724	**4.33%**	$57,599,793	2036
2037	1,676,561,758	83,828,088	0	**0.00%**		0	1,105,000	$1,105,000	**1.32%**	$82,723,088	**1.76%**	$61,766,066	2037
2038	1,750,665,788	87,533,289		**0.00%**			0	$0	**0.00%**	$87,533,289	**0.00%**	$65,649,967	2038

Notes:
1) Projected TID IN EV based on 4.42% growth.

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Background – Historical Tax Levy & Tax Rate

			Budget		
Levy Year	2020	2021	2022	2023	2024
Calendar/Budget Year	**2021**	**2022**	**2023**	**2024**	**2025**
General Fund	3,017,776	2,955,256	2,157,406	2,294,877	2,298,359
Small Capital Fund	-	-	30,000	32,000	42,000
Existing Debt Service	-	-	1,081,107	1,071,981	1,129,632
Proposed Debt Service					
TOTAL PROPERTY TAX LEVY	**3,017,776**	**2,955,256**	**3,268,513**	**3,398,858**	**3,469,991**
Change in Levy		**-2%**	**11%**	**4%**	**2%**
TID OUT EQUALIZED VALUE	577,689,200	598,545,600	666,145,500	768,260,800	845,689,200
EQUALIZED TAX RATE	**$5.22**	**$4.94**	**$4.91**	**$4.42**	**$4.10**
TAX RATE DELTA ($)		**($0.29)**	**($0.03)**	**($0.48)**	**($0.32)**
Taxes on $900,000. home	**$4,701**	**$4,444**	**$4,416**	**$3,982**	**$3,693**
Taxes Delta ($)		**($258)**	**($28)**	**($434)**	**($289)**

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Future – Tax Levy & Tax Rate Projection

	Budget	Projected				
Levy Year	2024	2025	2026	2027	2028	2029
Calendar/Budget Year	2025	2026	2027	2028	2029	2030
General Fund	2,298,359	2,451,907	2,571,966	2,696,647	2,826,131	2,960,602
Small Capital Fund	42,000	42,000	42,000	42,000	42,000	42,000
Existing Debt Service	1,129,632	448,084	443,910	256,855	256,833	197,772
Proposed Debt Service		682,400	686,267	871,550	869,183	929,375
TOTAL PROPERTY TAX LEVY	**3,469,991**	**3,624,391**	**3,744,142**	**3,867,052**	**3,994,147**	**4,129,748**
Change in Levy	**2%**	**4%**	**3%**	**3%**	**3%**	**3%**
TID OUT EQUALIZED VALUE	845,689,200	887,939,394	932,300,385	978,877,628	1,027,781,846	1,079,129,294
EQUALIZED TAX RATE	**$4.10**	**$4.08**	**$4.02**	**$3.95**	**$3.89**	**$3.83**
TAX RATE DELTA ($)	**($0.32)**	**($0.02)**	**($0.07)**	**($0.07)**	**($0.06)**	**($0.06)**
Taxes on $900,000. home	**$3,693**	**$3,674**	**$3,614**	**$3,555**	**$3,498**	**$3,444**
Taxes Delta ($)	**($289)**	**($19)**	**($59)**	**($59)**	**($58)**	**($53)**
Levy Limit Gap		(139,665)	(245,934)	(356,747)	(472,281)	(592,721)

Levy Limits "At-a-Glance"

- Current limit (Sec. 66.0602, Wis. Stats.):

The prior year's actual levy may be increased by a percentage equal to net new construction in the preceding year (or zero, if none)

✓ Subject to numerous adjustments that may reduce or increase allowable levy

✓ Village operational and capital levy subject to levy limits.

Levy Year		2024	2025	2026	2027	2028	2029
Calendar/Budget Year		2025	2026	2027	2028	2029	2030
Line		Actual	Projected	Projected	Projected	Projected	Projected
1	Prior Year's Actual Levy Plus Prior Year Personal Property Aid	3,402,233	3,493,223	3,647,623	3,767,375	3,890,285	4,017,379
2	Exclude Prior Year Levy for Unreimbursed Emergency Expenses	0	0	0	0	0	0
3	Exclude Prior Year Levy for G.O. Debt Authorized After July 1, 2005	1,059,019	1,129,459	1,270,149	1,376,111	1,485,152	1,598,297
4	**Adjusted Actual Levy**	**2,343,214**	**2,363,764**	**2,377,474**	**2,391,264**	**2,405,133**	**2,419,082**
	TID Closure Calculations						
	Enter TID Increment Value						
	Enter Total TID OUT EV in Closure Year						
Line 5-6	Terminated TID %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Applied to Prior Year Adjusted Actual Levy	0	0	0	0	0	0
	Net New Construction	20,550	13,710	13,789	13,869	13,950	14,031
	Enter Assumed Net New Construction Percentage	0.877%	0.58%	0.58%	0.58%	0.58%	0.58%
7	Applied to Prior Year Adjusted Actual Levy	2,363,764	2,377,474	2,391,263	2,405,133	2,419,082	2,433,113
8	Less Personal Property Aid Payment	(23,232)	(23,232)	(23,232)	(23,232)	(23,232)	(23,232)
	Levy Limit Before Adjustments	**2,340,532**	**2,354,242**	**2,368,031**	**2,381,901**	**2,395,850**	**2,409,881**
	E Debt Service for G.O. Debt Authorized After July 1, 2005	1,129,459	1,270,149	1,376,111	1,485,152	1,598,297	1,719,868
	U Total Adjustments	1,129,459	1,270,149	1,376,111	1,485,152	1,598,297	1,719,868
9	**Total Adjustments**	**1,129,459**	**1,270,149**	**1,376,111**	**1,485,152**	**1,598,297**	**1,719,868**
10	**Allowable Levy**	**3,469,991**	**3,624,391**	**3,744,142**	**3,867,053**	**3,994,147**	**4,129,749**
	Actual or Projected Levy	**3,469,991**	**3,624,391**	**3,744,142**	**3,867,052**	**3,994,147**	**4,129,748**
	Levy Surplus/(Shortfall)		**(139,665)**	**(245,934)**	**(356,747)**	**(472,281)**	**(592,721)**
	Recommended Net Debt Service Levy Adjustment		**1,130,484**	**1,130,177**	**1,128,405**	**1,126,016**	**1,127,147**

TID levy limit adjustment illustration (year following closure)

- Incremental value of TID in year of closure divided by total TID OUT equalized value in year of closure.
- 50% of this percentage is applied to adjusted actual levy.
- Illustration if TID #4 closure impacted 2025 Budget (did not happen, illustration only).

Line		
	Levy Year	**2024**
	Calendar/Budget Year	**2025**
1	Prior Year's Actual Levy Plus Prior Year Personal Property Aid	3,402,233
2	Exclude Prior Year Levy for Unreimbursed Emergency Expenses	0
3	Exclude Prior Year Levy for G.O. Debt Authorized After July 1, 2005	1,059,019
4	**Adjusted Actual Levy**	**2,343,214**
Line 5-6	TID Closure Calculations	
	Enter TID Increment Value	19,901,800
	Enter Total TID OUT EV in Closure Year	768,260,800
	Terminated TID %	1.30%
	Applied to Prior Year Adjusted Actual Levy	30,350
	Net New Construction	20,550
	Enter Assumed Net New Construction Percentage	0.877%

Budget Guidance – FMP development

Tax levy & rate objectives (impact on taxpayers)

Capital project prioritization

Acceptable debt financing levels

Use of fund balances for one-time projects

Levy Limit Strategies

- Levy Limit Referendum
- Wheel Tax
- Short Term Financing

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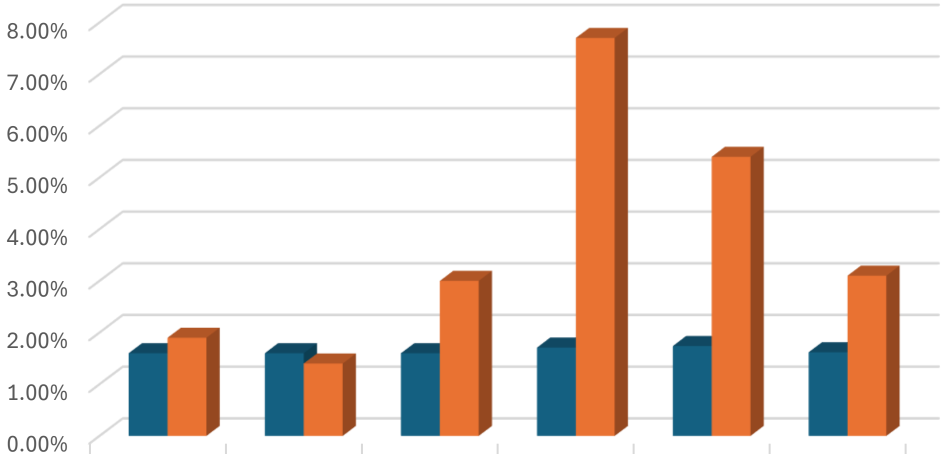
How Did We Get Here?

- Net new construction has not kept pace with inflation
  - ✓ 6-year average statewide NNC: 1.65%
  - ✓ 6-year average of CPI: 3.75%

Annual NNC v. CPI



	2019	2020	2021	2022	2023	2024
NNC	1.60%	1.60%	1.60%	1.71%	1.74%	1.62%
CPI	1.90%	1.40%	3.00%	7.70%	5.40%	3.10%

Source: WI Department of Revenue

Policy Decisions

Going to referendum is a policy decision & should be thoughtfully planned

- What services/departments need increased funding?
- What positions will be maintained or added with funding?
- What programs or services will be funded?
- What is the temperature of the community regarding these programs, services and positions?
- What is the right dollar amount?
- What is the impact?
- How long will we need increased funding?

Levy Limit Referendum

- Wis. Stats 66.0602(4) allows municipality to exceed its allowable levy limit by referendum
  - ✓ Governing body must adopt a resolution. Resolution must include
    - ➢ Amount of the levy increase
    - ➢ % increase over allowable levy
    - ➢ Whether the increase is for the **next fiscal year only, for a set number of years, or ongoing**
- The language of the ballot question is dictated by statute and must be contained in the resolution

Levy Limit Referendum: Timeline

- A municipal referendum can be held
  - ✓ In odd-numbered-years as a special election on the same dates used by a school board
  - ✓ Otherwise, must be held during the spring primary, spring election, partisan primary or general election

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Levy Limit Referendum: Timeline

- Deadlines to make a 2025 ballot have already passed
  - ✓ Question must be submitted to the local filing officer at least 70 days prior to the election
  - ✓ Referendum election notices must be published

Levy Limit Milestones	Spring Primary	Spring Election	Partisan Primary	General Election*
Deadline to file question w/ Local Clerk	Dec. 9, 2025	Jan. 27, 2026	June 2, 2026	Aug. 24, 2026
Deadline to file question w/ County Clerk	Dec. 10, 2025	Jan. 28, 2026	June 3, 2026	Aug 25, 2026
Election Day	Feb. 17, 2026	April 7, 2026	Aug. 11, 2026	Nov. 2, 2026

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Wheel Tax (Vehicle Registration Fee)

- Annual municipal or county vehicle registration fee in addition to State registration fee
- Applies to:
  - ✓ Autocycle registration
  - ✓ Automobile registration
  - ✓ Truck registration (<8,000 lbs. except dual purpose farm)
- Exemptions for antique, collector, historic, military, hobbyist, farm truck, dual purpose farm truck or motor home
- All revenue must be used for transportation related purposes
- WisDOT collects the fee and sends proceeds (less 17¢ per vehicle administrative fee)

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Wheel Tax

Pro's

- Authorized by statute
- Easy to set up & administer
- Stable annual revenue
- Established by Common Council

Con's

- Limited revenue potential
- Disproportionate impact on residential properties
- Generates sense of fixing the problem – but often inadequate.

Short Term Financing

- Allows funding of capital projects on a near cash basis by converting the capital levy to short-term debt
- Debt issued must be G.O.
- Advisable to pay off within 90 days
- Must be issued prior to setting subsequent year's levy, for example:
  - ✓ Loan approved November 1
  - ✓ Loan P&I amount claimed as a Line E. adjustment
  - ✓ Levy approved November 15
  - ✓ Loan repaid February 1

Short Term Financing – Example

Capital Equipment Budget	
PD Squad #1	50,000
PD Squad #2	50,000
PD Squad #3	50,000
Plow Truck	200,000
Staff Vehicle	35,000
TOTAL	385,000

Short Term Financing			
Principal	Rate	Interest (90 Days)	Total Payment
50,000	2.500%	313	50,313
50,000	2.500%	313	50,313
50,000	2.500%	313	50,313
200,000	2.500%	1,250	201,250
35,000	2.500%	219	35,219
385,000		2,406	387,406

- Additional cost to taxpayers as compared to true cash financing is $2,406 in this example (90 days of interest expense)

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Looking Ahead

- Next Workshop :
  - ✓ Updates to Financing Projections, Tax Impact, Levy Projections (pending input to CIP and future financings)
  - ✓ Water, Sewer, Stormwater Utilities Long-Range Cash Flow Analysis
  - ✓ Pool Fund Projections

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