SPECIAL VIRTUAL VILLAGE BOARD MEETING

THURSDAY, DECEMBER 12, 2024 – 5:30 PM

To access the meeting electronically, click:
https://zoom.us/j/4439901723?pwd=yAVpi40M1OIqgNufcVUE8XWCUSkKaH.1&omn=97063638580
Meeting ID: 443 990 1723 Passcode: 304078
To connect by phone: 1-301-715-8592 - Meeting ID 443 990 1723#
Deviations from the agenda order shown may occur
For additional meeting information visit: www.sisterbaywi.gov, click 'Agendas and Minutes'

AGENDA

1. Call to Order (Zoom Participants Mute Devices)
2. Roll Call
3. Approve Agenda
4. Comments, Correspondence and Concerns from the Public (Public comment limited to 3 non-transferable minutes per person)
5. Discussion/Action Items
   a) Resolution 2024-021; Amending the CIP and 2025 Budget
6. Adjourn

Public Notice

Questions regarding the nature of the Agenda items or more detail on the items listed can be directed to Julie Schmelzer, Village Administrator, at julie.schmelzer@sisterbaywi.gov. It is possible that members of and possibly a quorum of members of other governmental bodies may attend the meeting to gather information; no action will be taken by any governmental body other than the body specifically referred to above. 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 or accommodation at no cost to the individual. 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 Administration Office at 854-4118; (FAX) 854-9637; or by writing to 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 online and at the Village Administration Building during operating hours (8 a.m. to 4 p.m. Mondays – Thursdays, 8 a.m. to noon on Fridays).

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Posted Date/Signature ______________________

STAFF REPORT - MILL RATE ADJUSTMENT DISCUSSION

Date: December 12, 2024

Board/Committee: Village Board

Re: Finalized Mill Rate and its impact on the 2025 Budget

Author: Julie A. Schmelzer, Village Administrator

Much of this was shared in an earlier staff report, but I did want to update the Board on what staff has learned since Tuesday's Finance Committee meeting.

For the benefit of the public and those that did not attend Tuesday's meeting, our Financial Policies dictate our budget process. Vlad (our Finance Director) and Adam (our consultant from Baird) followed those processes. Simply, the Board adopts the budget and Mill Rate; in mid-November we get our Mill Rate Worksheets from the Department of Revenue and the tax info from other taxing jurisdictions; that information is put into the Mill Rate Worksheet (sometimes referred to as the 'TID-in' 'TID-out' worksheet because it compares the mill rate with and without the tax implications of the TID); the worksheet is sent to the county and the state by Thanksgiving. The state then determines the taxes and final mill rates, and the county sends out the tax bills.

This year, when the tax bills came out, Vlad alerted me to the increase in taxes. He immediately began working with Adam from Baird to verify the budget process and calculation were followed as in years past. This same day a Finance Committee meeting was scheduled at the request of Denise to discuss the tax rate (the meeting was held on Tuesday).

Because the TID did so well this year, the tax increase was more noticeable than it was in years past. Our 'approved' (called an 'operational') mill rate was $4.24 (per $1000 of value). Afte the TID impact was known, the 'finalized' mill rate was $5.24. So, as you can see, the mill rate was higher than what we had approved by resolution. For comparison purposes, in 2024 that finalized rate was $4.73; in 2023 it was $7.13; in 2022 it was $6.89. (For six of the past seven years the final rate was always higher than the adopted rate, but for some reason no one ever said anything about the discrepancy.)

The impacts of the new rate mean that on a $650,000 home, it is an additional $0.91/day ($331.50 a year); on a $350,000 home is it is $0.49 a day ($178.50) a year.

In some communities, after the TID impact is known, the municipality looks at their budget again to determine if there should be more cuts; some municipalities allow a variation up to a certain percent; and some communities never revisit the budget – which is what the practice is in Sister Bay. On Tuesday the Finance Committee supported revising the current financial policy to require the Board to meet again once the Mill Rate Worksheet has been submitted to the Department of Revenue; such policy revision will allow the Board to revisit the budget, should they feel the mill rate (the finalized rate which accounts for the TID) is too high.

It was stated at the Finance Committee that because the Board gave their word they would keep the mill rate flat (we did keep the operational rate flat, but as stated, the TID impact changed that), the Committee wanted to reduce the tax. The meeting was well attended with almost all guest chairs occupied. The public commented on 'how this happened', one blamed staff, while others offered suggestions. One felt we needed to stop spending so much on tourism, some felt just leave the rate as it appears on the bill, and some felt the funding for the ice rink should be cut ($330,241 has to be cut to make the TID rate the same as the Board approved mill rate of last year).

In the end, the committee decided to make a recommendation to the Board to keep the $500,000 for the ice rink in the 2025 CIP and that the following items be removed:

- DPW Dump Truck $95,000
- Chip Box $15,000
- Demo Public Works Building $75,000
- Waterfront Playground Equipment $100,000
- Woodland Trail Improvements $55,000
  Grand Total : $340,000

Also, as part of the conversation there was the discussion about amending the tax bill or offering a refund. The county can rerun the tax bills (with the lower rate), and estimated the cost to be about $10,000 or higher to rerun the checks. Ryan Schley, the County Treasurer, also offered that any refunds could be issued by the county, and the village would then need to send the money back to the county and they would process a refund through their Finance Department. The refund process would add to the cost of the refunds to be issued. (About $16,000 in taxes has already been paid, so for those that pay before they get their new tax bill, a refund would need to be issued.)

There was also the discussion that everyone pay their bill as normal, and after paid in full, the village issue a refund (taxes are due in full by July so this would be a long-term process). Vlad spoke with the auditor on Wednesday who *highly* discouraged this practice. Heidi added each of the taxpayers would also have to be manually entered into our system as a vendor before we could generate a refund. Heidi has estimated that, if Adam calculates the refunds, the cost is in excess of $20,625.

The committee also said if we refund money, each taxpayer should get a notice of why the rate was higher than expected and how we resolved the matter. This of course would go out this month, so that cost is my time, plus Heidi's time printing, stuffing envelopes and mailing, plus $1035 in postage; $165 in envelopes; printer cartridge of $132; toner cartridge at $78.

In summary, the Finance Committee has recommended the above items be removed from the CIP, which requires amending the CIP and budget. Additionally, they ask for approval of a refund process. Staff will prepare a resolution for the Board to consider, in the event they support the committee's recommendations. In the event these recommendations are not supported by the Board, no change would be made to the CIP or budget and the tax bills would remain as published/mailed.

RESOLUTION NO. 2024-021

AMENDING THE 2025-2029 CAPITAL IMPROVEMNET PLAN AND THE 2025 ANNUAL BUDGET

WHEREAS, on December 10, 2024, the Finance Committee met to discuss the Finalized Mill Rate that appeared on the tax bills and why it differed from the Operational Mill Rate approved by Resolution No. 2024-018, said Resolution setting a Mill Rate of 0.00423861 or $4.24; and,

WHEREAS, the Finance Committee received information that, in order to have the Finalized Mill Rate, currently at $4.73, be $4.24, the 2025 budget could be amended and reduced by $330,241; and,

WHEREAS, the Finace Committee unanimously voted to recommend to the Village Board the 2025-2029 Capital Improvement Plan be reduced by $340,000 by removing the 'DPW Dump Truck', 'Chip Box', 'Demo Public Works Building', 'Waterfront Playground Equipment' and 'Woodland Trail Improvements' items from the plan, and, taxpayers be refunded the difference between the $4.73 Mill Rate and $4.24 Mill Rate.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of the Village of Sister Bay, Wisconsin, does hereby amend the 2025-2029 Capital Improvement Plan and the 2025 Annual Budget by reducing it by $330,241, and, taxpayers shall be refunded the difference between the $4.73 Mill Rate which appeared on their tax bills and the $4.24 Mill Rate approved via Resolution No. 2024-018.

Introduced at the Board of Trustees meeting of the Village of Sister Bay conducted this 12th day of December, 2024.

Passed and adopted this 12th day of December, 2024.

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Nate Bell, Village President

ATTEST:

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Heidi Teich, Village Clerk

VOTE: Ayes _____ Nays _____