Joint Meeting of the Finance Committee and Village Board
Monday, July 13, 2026, 10:00 A.M.
Approved

1. Call to Order
President Nate Bell called Meeting of the Village Board and Finance Committee of the Village of Sister Bay to order at 10:00 AM on Monday, July 13, 2026.

2. Roll Call
Present: Nate Bell, Skip Heidler, Lousie Howson, Brigid White, Mike Laszkiewicz, Terry Kelly **Absent:** Andy Woerful, Patrice Champeau. Steve Bacsi excused.

Also attending: Administrator Benjamin Andrews, Finance Specialist/Treasurer Vlad Gannik, Administrative Assistant Sarah Bertges. Zoom: Mark Lee, Kristin Fine and Kay Schmidt, Baird.

3. Approve Agenda
Motion to approve the agenda was made by Heidler and seconded by Howson. Motion carried — all ayes.

4. Approve Meeting Minutes
No minutes were presented for approval. It was noted that Finance Committee minutes requiring approval would be addressed during the subsequent Finance Committee meeting immediately following this joint session.

5. Comments, Correspondence, and Concerns from the Public
No public comments were received.

6. Presentations
a. Tax Incremental Financing (TIF) 101 Presentation; Baird
Representatives from Baird provided an overview of Tax Incremental Financing (TIF) and Tax Incremental Districts (TIDs) as authorized under Wisconsin state law. The presentation covered foundational concepts including district types, the distinction between a TID (the geographic boundary) and TIF (the financing tool), the requirement for contiguous boundaries, and the "but for" test used to evaluate whether development would occur absent the incentive.

Baird representatives explained that the Village of Sister Bay holds two mixed-use TIDs, the most common district type in Wisconsin among approximately 1,420 active statewide. The combined incremental value of the two districts was noted to be approximately $135 million, placing the Village over the 12 percent equalized value threshold, which currently prevents the creation of new districts or expansion of existing ones.

Discussion covered the mechanics of how tax increment is captured — the base value of parcels within the TID is frozen at creation, and only the growth above that base flows into the TID fund, while the base continues to be distributed to all overlapping taxing jurisdictions. Laszkiewicz raised the broader policy concern that rising property valuations benefiting the TID also contribute to housing affordability pressures within the Village. Heidler inquired about the effect on school district funding during the life of a TID, and it was clarified that school districts, counties, and technical colleges forego only the incremental value above the frozen base, and receive the base amount in full throughout the life of the district.

Baird outlined the two primary financing approaches — upfront borrowing and pay-as-you-go (PAYGO) notes — noting that PAYGO is generally preferred as it ties developer incentive payments to demonstrated development performance, limiting municipal risk. The Village's use of TID funds primarily for infrastructure rather than direct developer incentives was acknowledged.

Baird noted that the Village's bond credit rating was upgraded to Aa3 by Moody's, reflecting improved financial standing relative to the TID obligations.

Action Item: Andrews to ensure the TID overview report is publicly posted under the Finance section of the Village website, accompanied by a public notice.

b. Tax Incremental District (TID) Overview Presentation; Baird
Baird presented detailed financial overviews of both TID No. 1 and TID No. 2.

TID No. 1 was created in approximately 2008 with a base value of approximately $42–$44 million. Original projections anticipated an incremental value of approximately $52.6 million by 2017; actual increment at that time was approximately $8.9 million. Growth accelerated significantly around 2020–2021, and a project plan amendment in 2021 projected approximately $81 million in new increment. Current actual increment stands at approximately $126 million — roughly $44 million above the amended projection. A temporary decline in equalized value from 2024 to 2025 was attributed to a likely DOR correction following a period of unusually high assessed values.

TID No. 1 carries outstanding debt service through 2031, with the expenditure period having closed in 2022. The district is set to expire in 2028, with a potential three-year extension available to 2031. Projected revenues, assuming the current combined tax rate of $9.42 per $1,000 of equalized value, are estimated at approximately $1.1–$1.3 million annually. Outstanding repayment obligations to the general fund ($306,000), debt service fund ($2.5 million), capital project fund ($117,000), and utility fund ($672,000) were identified. With a three-year extension, Baird projected that all obligations could be retired by approximately 2030.

TID No. 2 was created in 2018 with a base value of approximately $9.6 million, and currently carries a value of approximately $19 million — slightly above original projections. To date, only approximately $168,000 of an anticipated $1.7 million in project costs has been expended. The expenditure period runs through 2033, with the district set to expire in 2038–2039. Baird noted that given the relatively low expenditure to date and limited remaining time, the Board should carefully evaluate what development or infrastructure investments, if any, it intends to pursue within TID No. 2.

Heidler suggested that TID No. 2 may warrant early closure and recreation to reset the 20-year term, should conditions support it. Baird confirmed this is a recognized practice in Wisconsin and outlined the relevant considerations.

Baird also briefed the Board on recent legislative changes, including **2023 Wisconsin Act 12**, which reduced the new construction value credit for levy limit calculations from 100 percent to 90 percent and requires Joint Review Boards to specify a termination year at creation. **2025 Wisconsin Act 235**, effective October 1, 2025, creates a new residential TID type specifically for owner-occupied workforce housing, exempt from the 12 percent equalized value test and subject to a separate 3 percent cap. This new district type was identified as potentially applicable to the Village's housing goals. **2025 Wisconsin Act 173** extends the affordable housing extension from one to two years, effective after October 1, 2028.

Trustees requested that TID performance be reviewed on an annual basis, integrated into the budget process. Andrews confirmed that an annual report is submitted to the DOR each year and that Baird produces a pro forma update, which would be appropriate to bring forward during budget discussions.

Action Item: Andrews to incorporate TID financial performance review and pro forma update into the annual budget process for regular Board and Finance Committee consideration

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Action Item: Andrews to explore feasibility of the new residential TID under Act 235 as it may apply to potential workforce housing development, and to monitor guidance from the Department of Administration upon its October 2025 release.

Action Item: Andrews to investigate whether infrastructure associated with the sewer and water extension corridor along STH 57 — which partially falls within TID No. 1 — can be appropriately allocated as a TID No. 2 eligible expenditure, and whether a project plan amendment may be warranted.

7. Discussion/Action Items

a. Tax Incremental District (TID) Overview 1:36:23

Motion to file the TID overview report as presented by Baird was made by Bell and seconded by Heidler. Motion carried — all ayes.

b. Strategic Planning Proposals 1:40:00

Andrews presented two proposals received for strategic planning services: one from Innovative Public Advisors (IPA) at $23,500, and one from Public Administration Associates (PAA) at approximately $14,750 plus estimated travel costs of $750, for a total of approximately $15,500. Andrews noted that both firms are qualified and experienced with municipal strategic planning engagements.

Board members discussed the value and necessity of a formal strategic planning process, with consensus that the Village lacks a unified direction that all committees can reference when evaluating proposals and allocating resources. Multiple members noted that without a strategic plan, committee efforts risk misalignment and that continuity across Board membership changes is difficult to maintain. It was agreed that the plan must be actionable, measurable, and reviewed on a regular basis — typically annually with a more comprehensive refresh every three to five years.

PAA was identified as the preferred firm based on cost, the quality of their proposal, their familiarity with municipal contexts, and the structure of their engagement model, which includes a steering committee comprising Board members, Village staff, and community stakeholders. The engagement was estimated to take 14 to 16 weeks. Andrews expressed a preference for beginning the process in September 2026 to avoid conflicts with the budget cycle and the holiday period.

The matter of funding was discussed. The strategic planning engagement was not included in the 2026 budget. Andrews indicated that it may be possible to defer a portion of the costs into 2027, and that PAA's standard billing structure allows for phased payments. Andrews was directed to contact PAA to negotiate a deferred payment arrangement if possible, and to confirm their availability to begin in September.

Motion to approve the proposal from Public Administration Associates (PAA) for strategic planning services and to authorize Andrews to negotiate contract terms including payment timing was made by Heidler and seconded by Howson. Motion carried — all ayes.

Action Item: Andrews to contact PAA to negotiate contract terms, including a deferred or phased payment arrangement to align costs with the 2027 budget cycle where possible, and to confirm a September 2026 start date.
Action Item: Andrews to bring a proposed steering committee composition back to the Village Board for approval prior to engagement commencement.

8. Adjourn
Motion to adjourn the Special Joint Meeting of the Finance Committee and Village Board was made by Heidler and seconded by Kelly at 12:18 P.M.. Motion carried — all ayes.

Minutes Respectfully Submitted by Julie Thyssen, Village Clerk