VILLAGE OF MOUNT HOREB
E. Main Street
Mount Horeb, WI 53572
Phone: (608) 437-6884 Fax: (608) 437-3190
Email: mhinfo@mounthorebwi.info Web: mounthorebwi.info

FINANCE AND PERSONNEL COMMITTEE AGENDA
Wednesday, March 1, 2023 at 5:30 PM

Municipal Building Board Room
138 E. Main Street
Mount Horeb, WI

1) Call to order
2) Agenda Items
   a. Consideration of February 1, 2023 Meeting Minutes
   b. Personnel Report
   c. Finance Director/Treasurer Update
   d. Update on posting full budget to website
   e. Streetery Program Discussion
   f. Discussion/Recomendation: Cafe Permit Fees
   g. Discussion: Financial Analysis of Recreation Complex
3) Future agenda items
4) Meeting adjournment.

UPON REASONABLE NOTICE, EFFORTS WILL BE MADE TO ACCOMMODATE THE NEEDS OF DISABLED INDIVIDUALS THROUGH APPROPRIATE AIDS AND SERVICES. FOR INFORMATION OR TO REQUEST THIS SERVICE, CONTACT ALYSSA GAFFNEY, CLERK, AT 138 E MAIN STREET, MOUNT HOREB, WI (608) 437-9404.

VILLAGE OF MOUNT HOREB
FINANCE/PERSONNEL COMMITTEE MINUTES
FEBRUARY 1, 2023

The Finance/Personnel Committee met in regular session in-person on the date stated above.

1. **Call to Order/Roll Call:** Chair Scott called the meeting to order at 5:30pm. Present were Committee members Czyzewski, Hoffman, Jones, and Fendrick. Also present were Administrator Owen and Finance Director/Treasurer Stuessy. Village Clerk Gaffney was absent.

2. **Agenda Items:**

   a. **Consider November 2, 2022 minutes:** Fendrick moved, Czyzewski seconded to approve the minutes. Motion carried by unanimous voice vote.

   b. **Personnel Report:** Stuessy gave an overview of the personnel report, which was included in the meeting packet. Hoffman provided an update on the recruitment efforts at the Police Department.

   c. **Finance Director/Treasurer Update:** Stuessy gave an overview of the items currently being worked on in the Treasurer's office.

   d. **Mount Horeb Municipal Court request to write off uncollectible forfeiture debt**: Judge Morey and Jean Culberson, Court Clerk discussed the reason for the resolution to write off the uncollectable forfeiture debt. The committee had several questions surrounding SCS and TRIP. Staff answered several questions regarding the circumstances and process for writing off the old debt. Other communities are doing this as well. Hoffman moved, Czyzewski seconded to recommend approval to the Village Board. Motion carried by unanimous voice vote.

   e. **Annual Vendor Review Process:** Stuessy described the process for 2023. Treasurer's office created the annual vendors that need review for 2023 and was contained in the packet.

   f. **Wheel Tax Discussion:** Stuessy described the documents contained in the packet. She explained the cover sheet summarizes all the counties and communities that have a wheel tax currently. The discussion will continue in the June 2023 timeframe and will be added to a future Finance agenda item. Fendrick asked how many vehicles in the Village of Mount Horeb this would potentially apply to. Stuessy agreed to research for future discussions.

   g. **Property Bill Insert Discussion:** Stuessy described the various examples of bill inserts that were gathered from several communities. Committee members appreciated the graph and found them educational. Several other taxing district examples included the graph of where the taxpayer dollars go. Czyzewski suggested adding contact information and generic email and reference to website. Stuessy mentioned she will work on a draft during the summer months to share at a later meeting, but before printer deadlines in November.

3. **Future agenda items:** March agenda items include: Hoffman requested an analysis of lost revenue to Village due to Potential Recreation complex which is currently under TIF, Village Streetery Program, Café Program.   June agenda item: Wheel tax discussion.

4. **Adjournment:** Hoffman moved, Czyzewski seconded to adjourn the meeting. Motion carried by unanimous voice vote. The meeting adjourned at 6:28pm.

Minutes by Joan Stuessy, Finance Director/Treasurer

HERITAGE
COMMUNITY
OPPORTUNITY

VILLAGE OF MOUNT HOREB
E. Main Street
Mount Horeb, WI 53572
Phone: (608) 437-6884 Fax: (608) 437-3190
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FINANCE AND PERSONNEL COMMITTEE

1. Personnel Update

New Hires:

HR Manager – Andrea Murleau – Start Date 3.14.2023

Crewperson I – Dylan Bongard – Start Date 3.20.2023

Resignations:

NONE

Recruitment:

Sargent Panel Interview Friday March 3rd

2. Finance Director/Treasurer Update

Lead Line Replacement

Year End Process-Audit Status

Utility Fieldwork – February 20 -25th

Village Fieldwork – March 6 – 9th

Electric Rate Case Update – PSC (first rate case since 2009)

Draft Revenue Requirements: Overall, PSC is allowing a $573,574 increase or 8.16% (more than we requested).

Website Training

VILLAGE OF
MOUNT HOREB

AGENDA ITEM REPORT

MEETING DATE	PREPARED BY
March 1, 2023	

AGENDA ITEM # 2.f

Discussion/Recomendation: Cafe Permit Fees

BACKGROUND

RECOMMENDATION

ATTACHMENTS

1. 2.f. Sidewalk Cafe Permit Fee Documentation

VILLAGE OF MOUNT HOREB
Building & Zoning Department
138 East Main Street
Mount Horeb, WI 53572
Phone (608) 437-6884 ext 2116 Fax: (608) 437-3190
Email: mhbuildinginspector@mounthorebwi.info

SIDEWALK CAFÉ PERMIT

Owner of business or property:______________________________________

Address of property:____

City/state/zip:____

Description of outdoor activity including number of tables and hours of operation:

____

____

____

____

This form must be accompanied by a site plan showing the layout and dimensions of the proposed space and the location of all light poles, trash receptacles, fire hydrants, trees, benches, grates, or any other appurtenances.

As a condition of approval of this application, a certificate of insurance must be provided to the Village indicating comprehensive liability insurance in the minimum amount of $500,000 per claim and $1,000,000 annual aggregate, and naming the Village as insured with 30 days notice of cancellation.

This application shall be reviewed by the Building Inspector and either approved or denied at that time.

All permits shall expire on April 14th of each year. This permit may be renewed annually with the submission of the appropriate fee and current certificate of insurance. If no changes to the layout are planned, no site plan will be required for renewal.

NEW $50 RENEWAL $30

DATE OF RECEIPT:______________________

APPROVAL:______________________________ Date:_____________

Signed:__________________________________ Date:_______________________

CHAPTER 12.09 SIDEWALK CAFÉ PERMITS

(1) APPLICATION PROCEDURE: Application shall include, the annual fee, a site plan showing to scale all pertinent information, and a certificate of insurance evidencing general liability insurance with the Village named as additional insured and liability limits of not less than $500,000.00 per claim and $1,000,000.00 annual aggregate. The application shall be submitted to the Plan Commission for approval.

(2) All permits shall expire on April 14. Renewal: The holder of an existing Sidewalk Café permit shall submit to the Building Inspector a completed renewal application, along with the annual fee and certificate of insurance. If no changes are proposed, the Building Inspector may renew the existing permit for another year.

CHAPTER 12.09 (4) GENERAL RESTRICTIONS

Any sidewalk café permitted hereunder shall be subject to the following restrictions and limitations:

1. Service of alcoholic beverages in all sidewalk cafes is limited to customers ordering food.

2. No portion of a sidewalk café shall be permitted within a ten-foot radius of a fire hydrant.

3. No portion of a sidewalk café shall be permitted within ten feet of a curb-out or marked crosswalk.

4. All activities at the sidewalk café shall be conducted so as to maintain a minimum width of five feet of unobstructed public pedestrian walkway between the sidewalk café and the edge of the sidewalk adjacent to the curb.

5. No portion of a sidewalk café shall be permitted adjacent to any truck, freight, or passenger-loading zone, or adjacent to any handicapped parking space or loading zone.

6. No person holding a sidewalk café permit may use any public property, such as light poles or other utility poles, flower planters, trees, or other amenities as a point of attachment for any ropes or other devices as part of the sidewalk café.

7. All sidewalk cafes shall remain within the boundaries of the sidewalk café site as set forth on the approved application.

8. All materials and equipment forming part of the sidewalk café, other than tables and chairs, shall be removed from the site from close of business until normal opening of business each day.

9. No sidewalk café shall be open for business between the hours of 10:30 p.m. and 7:00 a.m.

10. All sidewalk cafes shall be maintained in a clean and hazard-free condition at all times. Garbage cans must be emptied daily

11. All sidewalk cafes shall use only unbreakable dinnerware.

VILLAGE OF
MOUNT HOREB

AGENDA ITEM REPORT

MEETING DATE	PREPARED BY
March 1, 2023	

AGENDA ITEM # 2.g

Discussion: Financial Analysis of Recreation Complex

BACKGROUND

1. Recreation Complex Financial Impact-Lost Revenue Discussion

RECOMMENDATION

ATTACHMENTS

1. TID 3 Projected Cash Flow 11.9.22
2. Economic Impact Analysis Rec Center on NCC (002)

Village of Mount Horeb
Tax Increment District No. 3
Cash Flow Proforma Analysis

Assumptions	
Annual Inflation During Life of TID......	0.50%
2021 Gross Tax Rate (per $1000 Equalized Value)......	$18.58
Annual Adjustment to tax rate......	0.00%
Investment rate......	1.00%
Data above dashed line are actual	

	Background Data					Revenues				Expenditures			TID Status			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	
Year	TIF District Valuation *(January 1)*	Inflation Increment	Construction Increment	TIF Increment Over Base	Tax Rate	Tax Revenue	Computer Aid	Investment Proceeds	Total Revenues	Existing Debt Service	Administrative Fees	Combined Expenditures	Annual Balance	Year End Cumulative Balance *(December 31)*	Cost Recovery	Year
	Base Value $2,588,300															
2020	$39,512,900			$42,204,000	$19.55											2020
2021	$44,792,300	$0	$5,311,900	$47,515,900	$18.58									$28,461	Per 2021 TID #3 Audit	2021
2022	$50,104,200	$250,521	$4,000,000	$51,766,421	$16.98	$784,190	$14,000	$285	$798,474	$833,150	$3,750	$836,900	($38,426)	($9,965)		2022
2023	$54,354,721	$271,774	$7,000,000	$59,038,195	$17.50	$806,820	$14,000	$0	$820,820	$857,250	$3,750	$861,000	($40,180)	($50,145)		2023
2024	$61,626,495	$308,132		$59,346,327	$17.50	$905,912	$14,000	$0	$919,912	$838,913	$3,750	$842,663	$77,250	$27,105		2024
2025	$61,934,627	$309,673		$59,656,000	$17.50	$1,033,168	$14,000	$271	$1,047,439	$867,600	$3,750	$871,350	$176,089	$203,195		2025
2026	$62,244,300	$311,222		$59,967,222	$17.50	$1,038,561	$14,000	$2,032	$1,054,593	$842,600	$3,750	$846,350	$208,243	$411,437		2026
2027	$62,555,522	$312,778		$60,279,999	$17.50	$1,043,980	$14,000	$4,114	$1,062,094	$829,300	$3,750	$833,050	$229,044	$640,482	Expenditures Recovered	2027
		$1,764,099	$16,311,900			$5,612,631	$84,000	$6,702	$5,703,333	$5,068,813	$22,500	$5,091,313				

Type of TID: Industrial

2004 TID Inception (3/24/04)

2022 Final Year to Incur TIF Related Costs

2027 Maximum Legal Life of TID (23 Years)

Prepared by Robert W. Baird & Co. Incorporated S:\Public Finance\municipalities\mount horeb vg wi\tif\TID 3\2022\tif3 proforma2 mount horeb vg.xlsx /tjw 11/9/2022

February 24, 2023

To: Nic Owen, Village Administrator, and Mount Horeb Finance Committee

From: Kristen Fish-Peterson, CEcD, EDFP, Principal/CEO

Re: Economic Impact Analysis of Rec Center at North Cape Common Site

Nic/Finance Committee,

This analysis reviews the potential economic impact of a recreational complex constructed on 11 acres of commercially zoned property at North Cape Commons.

Factors considered include:

1. The health and life of Tax Increment District #3
2. The economic impact of commercial development in North Cape Commons
3. The economic impact of a recreational complex in North Cape Commons
4. The economic impact of a recreational complex in Mount Horeb
    a. Revenue
    b. Expense

Tax Increment District #3

Tax Increment District #3 was created in 2004 as an Industrial Tax Increment District (TID). It has a 23-year life and is to be retired in 2027.

The expenditure period for this district ended in 2022, which means the Village can no longer make investments in this district but can only collect increment (property tax payments) and pay down debt.

Projections calculated by the Village's financial consultant, Baird, show the district has over $4.2 million in outstanding debt and administrative costs (as of the beginning of 2023), and expected revenue of approximately $4.9 million from now until 2027. The district is expected to close with a positive balance of $640,482.

If more development were to occur prior to 2027 within this district, the ending increment would increase, providing more opportunity to utilize excess increment generated by the district. However, please note, there is the lag from development to increment collection, so if a taxable development starts tomorrow and is complete by year end the increment won't be realized for a year.

The State of Wisconsin created the Affordable Housing Extension program ("AHE") to the Tax Incremental Finance law in 2009. Under this provision, municipalities with a Tax Increment District that has retired its debt and paid for all its project costs can extend the life of the district for one year. The funds captured in the one-year extension must be used solely to benefit affordable housing and improve housing stock anywhere in the community. The law allows the Village to use at least 75% of those tax increments to benefit affordable housing anywhere in the community. Affordable housing is defined as housing costing no more than 30% of the household's gross income. Any remaining portion of the increment must be used by the municipality to improve its housing stock. Keeping the district open for an additional year with no additional development would generate additional revenue (approximately an additional $1.07 million) for this purpose.

REDEVELOPMENT RESOURCES

February 24, 2023

Economic Impact of Commercial Development in North Cape Commons

There are approximately 11 acres available to be developed in North Cape Commons. If they were to develop in a comparable manner to those properties surrounding the vacant acreage, there would be a significant tax impact to the Village. As outline in the following example, additional tax base to the Village would total over $17.5 million (conservatively) generating nearly $356,000 annually in new taxes.

Developing the property as a recreational complex would generate no property tax. Additionally, the Village is being asked to consider operating the facilities, which would entail ongoing expenses in staff time, supplies and equipment.

COMPARISON OF ADJACENT DEVELOPED PROPERTIES & NORTH CAPE PROPERTIES

1 Acre =:	43560 SF
2022 Mill Rate:	0.020832397
Note:	The actual 2022 RET bills were not available so the taxes below were calculated using the 2022 mill rate.

COMPARABLE PROPERTIES NEARBY

LOT	CURRENT SALE PRICE	LOT SIZE (SF)	$/SF	AV LAND	2022 TAX LAND	AV IMPROV.	2021 TAX IMPROV.
MILLERS	N/A	217,800		$900,000	$18,749.16	$4,995,300	$104,064
SUBWAY, etc.	N/A	47,916		$317,200	$6,608.04	$799,800	$16,662
OLD NATIONAL	N/A	34,848		$261,300	$5,443.51	$725,600	$15,116
BARLEY VINE	N/A	30,492		$227,400	$4,737.29	$308,900	$6,435
SUMMIT CU	N/A	69,696		$396,300	$8,255.88	$580,100	$12,085
FLOSS PLEASE	N/A	100,188		$491,600	$10,241.21	$1,195,400	$24,903
TOTALS:		500,940		$2,593,800	**$54,035**	$8,605,100	**$179,265**

SIZE OF 6 LOTS: 11.5 Acres

TOTAL TAX REVENUE (LAND + IMPROVEMENTS): **$233,300**

NORTH CAPE COMMONS-5 VACANT LOTS

LOT	CURRENT SALE PRICE*	LOT SIZE (SF)	$/SF	AV LAND	2022 TAX
151	$435,090	67,082	$6.49	$285,400	$5,946
152	$595,845	91,476	$6.51	$349,200	$7,275
153	$796,900	122,404	$6.51	$429,200	$8,941
154	$1,039,730	159,865	$6.50	$700,800	$14,599
157	$389,910	64,904	$6.01	$261,700	$5,452
TOTALS:	$3,257,475	505,732		$2,026,300	**$42,213**

* Current Sale Price/Lot as per Broker's Listing

SIZE OF 5 LOTS: 11.61 Acres

A CONSERVATIVE, ESTIMATED COST MULTIPLIER FOR NEW IMPROVEMENTS IN 2023: **175.00%**

PROJECTED COST IF ALL 5 LOTS WERE IMPROVED IN A SIMILAR MANNER TO THE COMPS ABOVE: **$15,058,925** (1.75 X $8,605,100)
(ASSUME- ASSESSED VALUES EQUAL ESTIMATED COSTS OF IMPROVEMENTS & COMPLETED ALL AT ONCE)

TOTAL ASSESSED VALUE OF LAND + IMPROVEMENTS: **$17,085,225**

TOTAL TAX REVENUE (LAND + IMPROVEMENTS) USING 2022 MILL RATE: **$355,926** ($17,085,225 X .020694895)

Economic Impact of Recreational Complex in North Cape Commons

Developing a recreational complex in the Village, whether in North Cape Commons or elsewhere, would generate no new property tax base. But the economic impact to businesses in community would be significant.

There would also be no commercial land in the Village for developments needing .5-1 acre or more. With the exception of a few single in-fill lots available at various locations around the community, there is no land available to develop new commercial developments within the Village.

There was a request in the last two months for a commercial lot to develop a 10,000 square foot building. Aside from available land in TID #3/North Cape Commons, there was no place to recommend this business look in Mount Horeb. The development would have been assessed at approximately $2.5 million and generated approximately $52,000 annually in property taxes. Due to the land being ties up in an accepted offer, this business had to be turned away.

The Village is working to identify and plan for new business park property. This acquisition and pre-development could take 2-3 years or longer depending on willingness of property owners to negotiate, cost to install infrastructure, and marketing of property to potential new developments.

During the planning, acquisition and development stages of new business park property, there would conceivably be no new commercial development occurring in the Village.

Economic Impact of Recreational Complex in Mount Horeb

a. Revenue

   This impact is extremely difficult to calculate based on the lack of information about events by various user groups. The general formula for calculating economic impact is given by the product of number of tourists, average spending per tourist, and appropriate multipliers. Indirect and induced impacts can be calculated using a multiplier.

   The basketball tournaments hosted by the youth basketball program report revenue of $22,000 (direct impact) annually when tournaments are hosted in Mount Horeb. If 70 athletes from out of town attend each event and 1.8 adults and other family members join them, for one event there would be at least 126 people per event coming to Mount Horeb. This is likely a conservative estimate.

   Impact from baseball, softball, football, and swimming would also positively affect businesses in the community. If each entity generated approximately $20,000 annually in revenue, there would be an overall **direct impact of approximately $100,000 annually**.

   Direct impact is also the amount spent by visitors on food, lodging, gas, and other shopping while they are in the community. This number is calculated by multiplying the number of visitors, X the number of days, X the dollars spent per day. If each sport hosted two events per year and each event brought 126 people, and dollars spent per person per event was $79 (likely not including an overnight stay), the **additional direct impact to the community over all sports/events would be $99,540 across all sports annually.**

Indirect impact is calculated when businesses order supplies and inventory because of visitor spending. Based on a model from Sports Events and Tourism Association (Sports ETA), **indirect impact in this scenario is estimated at $111,371**.
Induced impact is that impact experienced by businesses when the people who work in places of business frequented by visitors spend their paychecks. Based on the same model, **induced impact to the Village of Mount Horeb is estimated at $153,136.**

Total revenue impact based on the above projections is estimated at $464,047 annually.

b. Expense
The cost to construct the proposed recreational complex was developed at a high level by consultants working for the school district. This cost was estimated at approximately $44.9 million, which included an aquatics facility, fieldhouse/gymnasium facility (for basketball and other indoor activities), a baseball field and a football field.
Expenses to operate sports facilities include:

- Wages (including overtime)
- Benefits
- Utilities
- Insurance
- Building expense (maintenance)
- Licenses and advertising
- Vehicles and equipment
- Supplies
- Contractual services
- Professional development (training lifeguards, CPR, equipment maintenance, etc.)

Two different sports complexes studied for this report estimated operational costs between 3.0% and 3.2% of total capital/construction costs, not including the acquisition price for land buildings.
In the case of Janesville's new indoor sports facility, the construction budget is approximately $33 million. The cost to operate the facility over the first year is $1,053,339, or roughly 3.2%. In New Braunfels, TX, their sports complex cost $28 million to construct and is estimated to cost $843,750 to operate annually. Both facilities will generate revenue to offset expenses but both facilities are expected to lose money for at least the ten year proforma presented in the studies.

If Mount Horeb constructs a recreational complex for $44.9 million, it can be expected that operational costs will meet or exceed $1,347,000 per year, with no expectation that revenue will be generated to offset expenses. Broken down by sport or use, operational costs could be calculated as follows:

Use	Cost to build	Cost to operate
Pool	$23.8 million	$714,000
Fieldhouse	18.1 million	$543,000
Outdoor fields	3.0 million	$ 90,000
	$44.9 million	$1,347,000

Talking with industry experts, operational expenses can come in anywhere between 3% and 10% of construction costs annually, depending on the type of facility. New Braunfels' sports complex was comprised of outdoor fields only. Janesville is constructing their indoor sports complex inside an existing shopping mall.

February 24, 2023

Village of Mount Horeb
Tax Increment District No. 3
Cash Flow Proforma Analysis

Assumptions	
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	Background Data					Revenues				Expenditures			TID Status			
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Year	TIF District Valuation (January 1)	Inflation Increment	Construction Increment	TIF Increment Over Base	Tax Rate	Tax Revenue	Computer Aid	Investment Proceeds	Total Revenues	Existing Debt Service	Administrative Fees	Combined Expenditures	Annual Balance	Year End Cumulative Balance (December 31)	Cost Recovery	Year
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		$1,764,099	$16,311,900			$5,612,631	$84,000	$6,702	$5,703,333	$5,068,813	$22,500	$5,091,313				

Type of TID: Industrial
- 2004 TID Inception (3/24/04)
- 2022 Final Year to Incur TIF Related Costs
- 2027 Maximum Legal Life of TID (23 Years)

Analysis was compiled from a variety of sources including TIF projections from Baird, and development opportunity costs as calculated by Mount Horeb resident Brian Durtschi.

Sources:

https://thesportjournal.org/article/a-review-of-economic-impact-studies-on-sporting-events/

https://www.halff.com/news-insights/insights/youth-amateur-sports-tourism-brings-economic-benefits-local-economies/

https://www.sportstravelmagazine.com/wp-content/uploads/2022/05/Sports-ETA-SOTI.pdf

https://www.janesvillewi.gov/home/showpublisheddocument/9046/637088262482170000

https://www.nbtexas.org/DocumentCenter/View/9932/New-Braunfels-Athletic-Field-Master-Plan-and-Sports-Complex-Feasibility-Final-Report

Problems of Economic Impact Study

The economic impact study of sporting events is controversial because of its subjective aspects. There are problems with these types of studies based the use of different and conflicting concepts of the multiplier. Economic impact studies are primarily used by consultants hired by sport entrepreneurs and boosters to demonstrate the value of a proposed sport event. Economic impact attributable to a sporting event should include only new cash flow injected into an economy by visitors and other external businesses from outside the community. Because expenditures by time-switchers and casuals would have occurred without the event, impacts from their expenditures should be excluded from the economic impact study. Economic impact studies by hired consultants usually consider only positive aspects, which means benefits both economically and socially. They don't typically measure substantial economic costs and potential social problems. In the case of non-economic impact, negative social impacts such as traffic congestion, vandalism, environmental degradation, disruption of residents' lifestyle, and so on are rarely reported. Finally, economic impact studies are subjective. Even if trusted models and formulas for these studies are developed and utilized, the results and their interpretations can be changed based on the intent of the researchers and the expectations of proponents.