



VILLAGE OF MOUNT HOREB

E. Main Street

Mount Horeb, WI 53572

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FINANCE AND PERSONNEL COMMITTEE AGENDA

Wednesday, July 3, 2024 at 5:30 PM

Municipal Building Board Room

138 E. Main Street

Mount Horeb, WI

- 1) Call to order
 - a. Roll Call
- 2) Agenda Items
 - a. Consideration of June 4, 2024 Meeting Minutes
 - b. Finance Director Report
 - c. Human Resources Manager Report
 1. Review Draft Tuition Assistance Application for Employee Handbook
 2. Approve Policy Updates for Employee Handbook
 - d. Review of Currently Active Lease Agreements & Norsk Golf Bowl 2024 Rent
 - e. Consider PILOT Program Template Documentation for Future Use
- 3) Future agenda items
- 4) Meeting adjournment.

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**VILLAGE OF MOUNT HOREB
FINANCE/PERSONNEL COMMITTEE MINUTES
WEDNESDAY, JUNE 5, 2024**

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

Call to Order/Roll Call: Chair Scott called the meeting to order at 5:30pm. Present were Committee members Fendrick, Halverson, Hook, and Jones. Also present were Administrator Nic Owen, Treasurer/Finance Director Schwenn and Village Clerk Gaffney. Scott welcomed new member Jeff Hook.

Consideration of May 1, 2024 Meeting Minutes: Fendrick moved, Jones seconded to approve the May 1, 2024 meeting minutes. Motion carried by unanimous voice vote.

Finance Director Report: Schwenn presented her Finance Director/Treasurer report.

Human Resources Manager Report- Murleau presented her personnel report.

Discuss Building Permit/Impact Fees Report Request: Scott explained this item. The committee discussed how often they would like to receive a report, and decided on quarterly.

Discussion on Library Impact Fees: Scott explained this item. Schwenn presented the findings on her research.

Review Code of Ethics Policy: No changes were made to the policy.

Future agenda items: Overtime regulations, PILOT, Lease agreements, Norsk financials.

Set date for July 2024 Finance & Personnel Committee meeting: The committee decided to keep the regularly scheduled date of July 3rd.

Meeting Adjournment: There being no further business before the Committee, Jones moved, Halverson seconded to adjourn the meeting at 6:34pm. Motion carried by unanimous voice vote.

Minutes by Alyssa Gaffney, Village Clerk

Finance & Personnel Committee Meeting

07-03-2024

FINANCE DIRECTOR REPORT

1. Financial Reporting Update
 - a. Annual Audit Status Update
 - i. Final 2023 Financials have been prepared and Nic and Department Heads have received their individual reports.
 - ii. Baker Tilly will be presenting 2023 Utility Audit Findings to the Utility Commission on July 9, 2024.
 - b. 2024 Monthly Financial details
 - i. 2024 GL periods and financial reporting is complete thru April 2024; and I plan to finalize May and June by the end of July.
 - ii. DRAFT Financial statements will continue to be made available to managers upon request for various needs. Final financials will be provided at each stage of completion by month.
 - c. OpenPoint (utility software) implementation is well under way. This web-based software is used for work orders, accounting, inventory, and purchasing related to MHU Electric department. Generated financial data will be uploaded directly to the VMH accounting software—enhancing our ability to track and manage costs, pricing, labor, billing, etc. This extensive project involved entering/recording our data to the new software, aligning old with new processes and accounts, and creating individualized procedures for Jordan Schmitz, Alyssa Gaffney, and for myself. The end goal is to provide accuracy in all phases of our work, simplify the reconciliation of inventory control, and generate reliable reporting for all users. Software training, the coordination of this software parameters with the VMH GL, and working thru the accounting requirements has taken a large portion of my time in the first half of 2024.
 - d. Department Heads have been provided with the 2025 Budget Calendar, the 2024 Capital Projects report, and reminded to be prepared to present their 2025-2029 Capital Purchase Requests to their respective committees in July.
2. Building Permit/Impact fee reporting summary:
 - a. I will begin providing the Building Impact Fee reporting as agreed, using the same reporting format as the sample provided in June.
 - b. Reporting will be provided quarterly, based on normal 4-quarter timing as follows:
 - i. Q1 (Jan-Mar) will be provided in May
 - ii. Q2 (Apr-Jun) will be provided in August
 - iii. Q3 (Jul-Sep) will be provided in November
 - iv. Q4 (Oct-Dec) will be provided in February
 - c. August 2024 meeting will include Q1 and Q2 2024.
3. July F&P Agenda includes requested follow up information and findings regarding PILOT Program. See agenda and meeting packet for full report.
4. July F&P Agenda includes requested follow up information regarding Leases & Rents. See agenda and meeting packet for full report.
5. Future Items:
 - a. July 15-19—DS attending UW Green Bay Clerk & Treasurer Training
 - b. August 2024—Preliminary 2025 Operating Budget file will be provided to Nic Owen. Individual Department Head planning meetings will follow throughout the month.
6. Other Comments:

Denise J. Schwenn
Finance Director / Treasurer



Finance and Personnel Committee Report for 07.03.2024

Hires:

Utilities –Youth Apprentice – Spencer Stadele- 06.24.2024

Recruitments:

Police Department – Administrative Assistant - We currently have 6 candidates in the pipeline and have started conducting phone screens and onsite interviews though we have not made any offers.

In Progress with Various Department Heads

Administration – Continuing to fill in here and there to cover absences within the office.

PD- Do not have any new updates regarding wellness initiatives.

Working with PD on recruitment process for Admin Assistant.

Worked with PD on a return-to-work plan for the officers that are currently on administrative leave. Chief Vierck and I have communicated separately with all three officers that their tentative return date will be July 8. They will start on part time light duty for two weeks and then transition to full time light duty tentatively on July 22, 2024.

Ongoing for HR

Benefits – I attended a group insurance board meeting on May 24th. Health Insurance rates have been approved for 2025. Increases will be at a rate of 11% for Local Government.

Policies – Completed suggested corrections from 06/05/2024 meeting for Bereavement Leave, Remote Work Policy, Phone Allowance, and Tuition Assistance which I am hoping to have reviewed and approved during July meeting. Have done some work on Dress Code and Grooming that I plan to bring to the August meeting for F&P to review.



Fair Labor Standards Act (FLSA) Update Summary

Effective Date: On July 1, 2024, the Department of Labor's final rule under FLSA will come into effect.

Salary Threshold Adjustment:

The new salary threshold for overtime eligibility will increase to \$43,888 annually (\$844 per week).

Highly Compensated Employees (HCE) Requirement:

The annual compensation requirement for Highly Compensated Employees will rise from \$107,432 to \$132,964 annually.

Impact at the Village:

- I conducted a review where I identified that all current salaried employees at the village exceed the new salary threshold.
- Two employees who were previously qualified as Highly Compensated employees will no longer meet this definition as of July 1, 2024.
- These employees will continue to be classified as salaried under the Executive, Administrative, or Professional (EAP) exemption, which exempts them from the minimum wage and overtime pay requirements.
- No adjustments to salaries are needed as a result of the rule.



AGENDA ITEM REPORT

MEETING DATE	PREPARED BY
July 3, 2024	

AGENDA ITEM # 2.c.1

Review Draft Tuition Assistance Application for Employee Handbook

BACKGROUND

RECOMMENDATION

ATTACHMENTS

1. 600-15 Tuition-Assistance-Application



Tuition Assistance Application

Instructions:

- Complete the Tuition Assistance application and include descriptive information regarding the course(s) or degree program you wish to pursue.
- Submit application 10 business days prior to the first day of class.
- Forward completed application and applicable attachments to both your department head and Human Resources department via email.
- Human Resources and department head will review application.
- Employee will be notified of the application status prior to the 1st day of class.
- Within 30 days of course completion, submit a copy of your reported grade, along with original billing documentation to the HR department.
- If the course was successfully completed, a reimbursement will be provided on the next applicable paycheck.
- If course is not successfully completed, request for reimbursement will be denied.

Tuition Assistance Application

Date: _____

Employee name: _____

Department: _____ Job title: _____

Course title: _____

Course dates: _____ to _____

Degree sought (if applicable): _____

Name of institution: _____

Address of institution: _____

Course Expenses:

Tuition total cost for class instruction: \$_____



Tuition Assistance Application

Development objective (what long-term goal is this program/course intended to help you reach):

If seeking a degree program, please attach a brief outline of the courses included in the program from the college catalog or program brochure (necessary for initial request only).

I understand that if this request is approved, reimbursement will be contingent upon successful completion (a grade of **B** or better for graduate courses; a grade of **C** or better for undergraduate courses) of each course and submission of all receipts and paid bills within 30 days thereafter. I further understand that there is a repayment obligation in the policy which will be followed, if I should decide to leave the Village within the first 18 months of receipt of reimbursement.

Employee Signature

Date

HUMAN RESOURCE DEPARTMENT APPROVAL

This request is: ☐ Approved ☐ Not approved

Does this application meet the established guidelines of the Tuition assistance program policy?

☐ Yes ☐ No

Was this expense included in the department budget?

☐ Yes ☐ No

Reason (if not approved): _____

Signature

Date



REIMBURSEMENT

(to be made after successful completion of course(s))

B for graduate, C for undergraduate)

Date: _____

Reimbursement in the amount of \$ _____ is approved.

Expenses should be charged to: _____

Documentation of successful completion attached: ☐ Yes ☐ No

Signature

Date



AGENDA ITEM REPORT

MEETING DATE

July 3, 2024

PREPARED BY

AGENDA ITEM # 2.c.2

Approve Policy Updates for Employee Handbook

BACKGROUND

RECOMMENDATION

ATTACHMENTS

1. Policies for F&P Review with Suggested Corrections

Village of Mount Horeb



Policy: Bereavement Leave Policy

Number: 500-2b

Dept: All

Released:

Approved By:

I. PURPOSE:

The Bereavement Leave Policy establishes uniform guidelines for providing paid time off to employees for absences related to the death of immediate family members, extended family members and fellow employees.

II. ELIGIBILITY:

All full-time and part-time benefit eligible employees are eligible for benefits under this policy.

III. PROCEDURE:

A. Definition of Family Member

For the purposes of this policy, family members include:

Spouse or partner	Child	Parent	Parent-In-Law
Legal Guardian	Grandparent	Grandchild	Brother
Sister	Foster Child	Step Parent	Step Child
Step brother or sister	Any other person living in the employee's household whom the employee has responsibility for.		

B. Paid Bereavement Leave Entitlement:

- Employees will be allowed time off with pay for up to 3 working days to attend the funeral, make funeral arrangements, handle wills and estates, or to undergo counseling and grieving.
- Individuals working a flexible schedule will get paid for the hours that they were scheduled to be at work on the day they were absent. If absent on Friday and employee typically works 4 hours the employee will get paid for 4 hours of time which would constitute 1 working day.
- Part-time employees may take paid leave if they are scheduled to work and need to be absent. Employees not scheduled to work would not be eligible for paid leave.

Village of Mount Horeb



Policy: Bereavement Leave Policy

Number: 500-2b

Dept: All

Released:

Approved By:

- If employee experiences a loss that is not included in under the definition of family member, they may be granted time off with pay for a maximum of (1) day to attend a funeral for other distant relatives, former or retired co-workers, or close personal friends, with supervisor approval.
- Leave does not have to be used on consecutive days however, leave should be utilized if needed within 90 days of the event.

C. Request for Leave

- An employee who wishes to take time off for bereavement leave, the employee should notify his or her supervisor as soon as possible.
- The employees request for leave should include the name of the deceased family member and indicate the expected duration of leave.
- Department Head will notify human resources of employee status.
- Employee or supervisor will list time off as bereavement in MiPay.
- Human Resources will notify payroll that bereavement leave is approved and that the employee is eligible.

D. Employee Responsibilities

- If requested, the employee may be required to provide reasonable documentation such as a death certificate or obituary, to support the request for bereavement leave.
- Employees are expected to communicate with their supervisor regarding their anticipated return date. Reasonable accommodations will be made to facilitate a smooth transition back to work following bereavement period.
- Employees needing additional time will need to utilize other forms of paid leave including comp time, holiday, vacation or sick time. If no other forms of leave are available, the employee may take additional time unpaid with supervisor approval.

Village of Mount Horeb



Policy: Remote Work Policy

Number: 600-13

Dept: All Released:

Approved By:

- I. **PURPOSE:** The Village of Mount Horeb recognizes the value of working remotely for both the employee and employer. While the Village believes that it is important in most cases to be onsite, the policy outlines the guidelines and procedures for occasional remote work for Village employee. This policy is intended to provide flexibility while maintaining productivity and accountability.
- II. **Eligibility:**
 - Occasional remote work is available to employees whose job responsibilities and tasks can be effectively performed remotely.
 - Employees must have demonstrated reliability, accountability, and proficiency in their role.
- III. **PROCEDURE:**
 - A. **Request Process**
 - Employees requesting remote work must submit their request via email to their supervisor giving supervisor as much notice as reasonably practicable.
 - The request should include the date(s) of remote work, and if feasible and outline of planned tasks.
 - B. **Approval Process**
 - Approval of request to work from home is at the discretion of the department head.
 - Requests will be evaluated based on operational needs, employee performance, and workload considerations.
 - Supervisors will promptly communicate their decision to approve or deny remote work requests.
 - C. **Remote Work Expectations**
 - Approved remote work days are considered regular workdays, and employees are expected to adhere to their regular work schedule.

Village of Mount Horeb



Policy: Remote Work Policy

Number: 600-13

Dept: All Released:

Approved By:

- Employees are responsible for ensuring they have necessary resources, tools, and connectivity to perform their duties effectively and securely from their remote location.
- Communication channels (e.g., email, phone, instant messaging) should be maintained as if the employees were working on-site.
- Employees working remotely are required to post their work-from-home hours on the Outlook Calendar or any designated time-tracking system used by the Village.
- Remote work hours should accurately reflect the employee's work schedule and any breaks or periods of absence.
- Remote working is not a replacement for appropriate full-time childcare or an opportunity to do activities other than Village work during regular working hours.
- If an employee experiences technical difficulties which impact the performance of their work, and the problem can not be immediately resolved, the employee must report in person to work or seek approval to use paid time off.

D. Compliance

- Employees are expected to comply with all organizational policies and procedures, including those related to remote work.
- Failure to adhere to the terms outlined in the policy may result in revocation of remote work privileges.
- Employees who are working remotely must abide by the employment policies set forth by the Village Employee Handbook.
- Employees working remotely are responsible for ensuring that they are working in a safe, secure environment and that the work they are performing is ergonomically correct.

Village of Mount Horeb



Policy: Cell Phone Allowance

Number: 600-14

Dept: All Released:

Approved By:

I. **PURPOSE:**

The Phone Allowance Policy provides terms for compensating employees who require cell phone accessibility to fulfill their job responsibilities outside of the Village offices. This policy ensures equitable reimbursement for the use of personal cell phones in the course of conducting Village of Mount Horeb business.

II. **POLICY STATEMENT:**

The Village of Mount Horeb does not furnish Village owned cell phones to its employees. Employees whose job functions necessitate regular use or availability via personal cell phones may request a cell phone allowance to offset the costs associated with business-related usage of their personal devices.

III. **ELIGIBILITY:**

- Employees who have been approved and have a business need to access Village resources offsite may be eligible for a phone allowance in the amount of \$40.00 per month or \$20.00 reimbursed on the 1st and 2nd paycheck of each month.
- Higher allowances may be approved by administrator.
- Individuals using a Village credit card to pay phone bill will not receive a reimbursement through payroll.

IV. **PROCEDURE:**

A. **Request and Approval**

- If a supervisor determines that a Village employee's job duties include frequent need to use a cell phone, the employee may be eligible for an allowance to cover associated expenses.
- The supervisor must email human resources to request a cell phone allowance.
- Employees will be approved if it is determined that having access to the phone for business purposes is critical or necessary in emergency decision making, as a matter of safety and security, or if employee needs to be accessible outside of normal working hours on a routine basis.

Village of Mount Horeb



Policy: Cell Phone Allowance

Number: 600-14

Dept: All Released:

Approved By:

- Once approved the allowance will be paid on a bi-weekly basis on the 1st and second paycheck of every month.

B. Employee Responsibilities

In order to receive a cell phone allowance, an employee must agree to the following:

- To obtain and maintain a personal cell phone and sufficient service to enable accomplishment of necessary job duties.
- The employee is responsible for any loss, damage, insurance, and or replacement of their personal cell phone.
- To promptly report to their department head or supervisor any change to employee cell phone number.
- Employee agrees to carry the cell phone with them, keep it charged and in operational condition as necessary to perform their job duties.
- Employee must be willing to share their cell phone number and be aware that their cell phone number will be shared as necessary for business purposes.
- Employees are responsible for any costs or maintenance of a personal cell phone, other than the allowance approved pursuant to this policy.

C. Use of Phone

Use of the phone in any manner contrary to local, state or federal laws will constitute misuse and will result in immediate termination of the cell phone allowance.

D. Annual Audit

The Finance Director and Human Resources will conduct an annual review of the list of employees receiving cell phone allowances to determine if people receiving allowances are still in compliance with the rules of the policy.

Village of Mount Horeb



Policy: Cell Phone Allowance

Number: 600-14

Dept: All Released:

Approved By:

E. Compliance

- All communications, including calls, messages and data related to Village Business conducted on personal cell phones, are subject to the records retention policies of the village and employees are responsible for ensuring compliance.
- The allowance does not constitute an increase to base pay and will not be included in the percentage increases to base pay due to annual increases, raises, or promotions.
- The cost of the allowance will be charged to the operating budget of the employee's department.
- If an employee no longer needs to use their cell phone as part of their regular job duties, the employee is not eligible for a cell phone allowance. Please noted that *De minimus* use of a personal cell phone for a business purpose or for personal convenience will not be reimbursed.

Village of Mount Horeb



Policy: Tuition Assistance

Dept: All Released:

Approved By:

- I. **PURPOSE:** The purpose of the Tuition Assistance policy is to increase employee effectiveness, operational efficiency, and to assist employees in preparing themselves for positions of increasing complexity and responsibility. Employee participation in additional education or college coursework is voluntary.
- II. **Eligibility:** All employees who are employed on a permanent basis more than 30 hours a week are eligible for Tuition Assistance if the studies are relevant to work in any of the departments that the Village supports.
 - Full-time employees are eligible for a maximum annual reimbursement of \$1,200.
 - Part-time employees working 30 or more hours per week are eligible for a maximum annual reimbursement of \$600.
 - Employees must be in good standing with no outstanding performance issues.
 - Employees must commit to remaining employed by the Village of Mount Horeb for a period of up to two years after completion of coursework.
- III. **PROCEDURE:**
 - A. **Application and Process**
 - Employees must submit an application for tuition assistance to the department head and human resources at least 10 business days before the class begins.
 - Employee will be notified in writing prior to the start of class whether the request is approved or denied.
 - Within 30 days of class completion, the employee needs to provide all documentation including receipt, grades, etc.) to Human Resources.
 - Grade requirement for Reimbursement is as follows:

Grading System	Standard Required for Reimbursement
A, B, C, D, E, F	C or better for undergraduates B or better for graduates
P(Pass), S(Satisfactory), F(Fail), U (Unsatisfactory)	P or S
Credit by Examination	CE

Village of Mount Horeb



Policy: Tuition Assistance

Dept: All Released:

Approved By:

B. Reimbursement Approval

- Reimbursement is subject to the availability of funds.
- The Village reserves the right to deny reimbursement.

C. Repayment Obligation

- Employees who leave employment by their own initiative will be required to reimburse the village according to the following schedule:

Within 6 Months of Completion 100%
Within 12 Months of Completion 50%
Within 18 Months of Completion 25%

D. Tax Implications

- Reimbursements up to \$5,250 per calendar year per employee are considered non-taxable income.

E. Termination

- The Village of Mount Horeb reserves the right to modify or terminate the Tuition Assistance program at any time with or without notice.

F. Compliance

- The Tuition Assistance program covers only the costs for approved tuition.
- Expenses not covered include: supplies, fees, finance charges, transcript fees, subscriptions, parking or equipment.
- Participation in this program is voluntary and employees will not be compensated for time or travel related to taking classes.
- Any injury that may result from participation in an extra-curricular program is not considered to be in the course of employment and is excluded from coverage under the Workers Compensation Act.

Village of Mount Horeb



Policy: Tuition Assistance

Dept: All Released:

Approved By:

- Employees are required to submit a Tuition Assistance Application request before enrolling in any class. Reimbursement is processed on a per-class basis.

G. Exclusions

- The Tuition Assistance Program does not apply to village sponsored training programs including training, seminars, conferences, apprenticeships, or police academy.
- Funding for required certifications or licenses should come from the Village of Mount Horeb training budget.

H. Program Administration:

- Human Resources is responsible for Tuition Assistance Program administration, including processing reimbursement requests, maintaining records of approved courses and providing guidance to employees and supervisors regarding eligibility and procedures.



AGENDA ITEM REPORT

MEETING DATE

July 3, 2024

PREPARED BY

AGENDA ITEM # 2.d

Review of Currently Active Lease Agreements & Norsk Golf Bowl 2024 Rent

BACKGROUND

As asked by Cathy Scott: Review of Lease Agreements

1. Center Ground Studio - what is its current rent? How long does the lease run? Do they pay their own utilities? History of its rent amount?
2. Nick Zander lot - what is his rent? Has it ever varied? Length and term of lease?
3. Veteran's Memorial - although they don't rent, curious if any update of when transfer back to MH ownership has been decided?
4. Norsk - amount of new monthly rent for 2024
5. Are there any other properties we rent? If so, what?
6. What is the process for renewing leases? What standard is used to calculate rents?

RECOMMENDATION

ATTACHMENTS

1. RE July 3 F&P Notes Cathy Scott Rents Query

From: Nic Owen <Nic.Owen@mounthorebwi.info>
Sent: Thursday, June 27, 2024 7:49 AM
To: Denise Schwenn <Denise.Schwenn@mounthorebwi.info>
Subject: Re: July 3 F&P notes

Hi Denise,

My responses are below, would be happy to discuss more to prep for next week.

Nicholas Owen

Review of Lease Agreements:

1. Center Ground Studio - what is its current rent? How long does the lease run? Do they pay their own utilities? History of its rent amount? [I would need to research this one. Prior years they have done some upgrades to the building in lieu of rent increases. We can approach them about an increase this year.](#)
2. Nick Zander lot - what is his rent? Has it ever varied? Length and term of lease? [I sent Nick the new lease this spring but haven't seen it returned yet. We have rent consistent because he has worked with us to plant the types of crops that benefit us for our phosphorus treatment program. This is the last year of our agreement with Zander, I believe next year we will convert the land to prairie grass.](#)
3. Veteran's Memorial - although they don't rent, curious if any update of when transfer back to MH ownership has been decided? [I can glance at the agreement for a refresher but I don't see a need to update. We never actually transferred ownership, we have owned it the whole time.](#)
4. Norsk - amount of new monthly rent for 2024: [Each year Norsk has two potential checks for rent: their prior year capital improvements and CPI. For 2024 rent we review 2023 Capital Improvements and if they are more than 2% of gross receipts the base rent of \\$7,200 stays the same. The base rate is then increased by CPI from the previous year. For 2024 the amount is \\$686.01, we can attach the rent calculation we send to Norsk to the packet.](#)
5. Are there any other properties we rent? If so, what? [Just the cell tower lease.](#)
6. What is the process for renewing leases? What standard is used to calculate rents? [We really don't have one. With the farm land lease going away we will only have the Norsk which is governed by an agreement and the Center Ground Studio Lease.](#)

These are the only two items I show as needing addressing.

What was the decision between Nic and Jessica on pursuing the Library Impact Fee? If opt to move forward, is it in the Library's hands to do the discovery, etc.? [Library Board meets this morning, I'm sure we'll get an update shortly after....](#)

Happy F&P meeting. Thanks to you both for handling.

Cheers,
Cathy

Cathy Scott
Village Trustee
608.417.0961 m608.437.1499 h



AGENDA ITEM REPORT

MEETING DATE

July 3, 2024

PREPARED BY

AGENDA ITEM # 2.e

Consider PILOT Program Template Documentation for Future Use

BACKGROUND

At the Finance & Personnel Committee meeting on April 3rd—Nic Owen and Denise Schwenn were asked to develop a written process for initiation of new PILOT agreements, draft a letter of introduction to potential PILOT entities, and create PILOT Agreement templates for consistency and clarity. Follow-up was anticipated for Summer 2024. The notes below are from Denise's files.

1. Develop a written script or process for initiation of new PILOT agreements (Nic)
 - a. New Permit Applications will likely make us aware of new potential PILOT situations
 - b. (?) who will determine applicable type of PILOT agreement, prepare draft of calculations, etc.?
 - c. (?) does a new PILOT require a Resolution or any other committee/board action?
2. Draft a letter of introduction regarding the Village's PILOT process to be sent to potential parties (Nic)
3. Create PILOT templates to be used for new agreements (Denise)
4. Report back to F&P Committee with first drafts of these three items in either June or July 2024.

RECOMMENDATION

ATTACHMENTS

1. 1. PILOT Request Letter - draft
2. 2. PILOT Request Letter
3. 3.a PILOT AGREEMENT TEMPLATE - SKILLED NURSING RESIDENTIAL CARE FACILITY
4. 3.b PILOT AGREEMENT TEMPLATE - OTHER EXEMPT REAL PROPERTY



HERITAGE
COMMUNITY
OPPORTUNITY

VILLAGE OF MOUNT HOREB

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Email: mhinfo@mounthorebwi.info Web: mounthorebwi.info

Name
Company
Address
City state zip

Month day, year

RE: Request for Payment In Lieu of Taxes Agreement

Dear Name,

I hope this letter finds you well. I am writing on behalf of the Village of Mount Horeb to request the establishment of a Payment in Lieu of Taxes (PILOT) agreement with ORGANIZATION NAME.

We believe that entering in a PILOT agreement would be mutually beneficial for both parties. By formalizing this agreement, we can ensure a fair and predictable financial contribution from your organization to support the vital services provided by the community. Moreover, a PILOT agreement would provide clarity and transparency regarding your tax obligations, fostering a positive relationship between your organization and the Village.

To initiate discussions regarding the terms and conditions of the PILOT agreement we would appreciate the opportunity to meet with you at your earliest convenience. We have a model payment structure that has worked well with organizations similar to yours and feel it could work well for you as well.

Please let us know a convenient time for a meeting and if you have any additional questions don't hesitate to reach out to me at 608-437-9409 or nic.owen@mounthorebwi.info.

Sincerely,

Nicholas Owen

Nicholas W. Owen
Village Administrator
Village of Mount Horeb



HERITAGE
COMMUNITY
OPPORTUNITY

VILLAGE OF MOUNT HOREB

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Name
Company
Address
City state zip

Month day, year

RE: Request for Payment In Lieu of Taxes Agreement

Dear Name,

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To initiate discussions regarding the terms and conditions of the PILOT agreement we would appreciate the opportunity to meet with you at your earliest convenience. We have a model payment structure that has worked well with organizations similar to yours and feel it could work well for you as well.

Please let us know a convenient time for a meeting and if you have any additional questions don't hesitate to reach out to me at 608-437-9409 or nic.owen@mounthorebwi.info.

Sincerely,

Nicholas Owen

Nicholas W. Owen
Village Administrator
Village of Mount Horeb

AGREEMENT FOR PAYMENT IN LIEU OF TAXES
FOR SUPPORT OF MUNICIPAL SERVICES

between
(NAME OF ENTITY)
and
THE VILLAGE OF MOUNT HOREB, WISCONSIN

dated (DATE)

This agreement is made and entered into as of (DATE) by and between (NAME OF ENTITY), a (NAME OF STATE) non-stock, not for profit corporation, and the VILLAGE OF MOUNT HOREB (the "Village"), a Wisconsin municipal corporation ("Agreement").

RECITALS

- A. (NAME OF ENTITY) is the owner of property located at (ADDRESS), Mount Horeb, Wisconsin, and more particularly described in Exhibit A attached hereto (the "Property").
- B. (NAME OF ENTITY) operates the Property as a (NATURE OF BUSINESS) pursuant to Wisconsin Statutes Chapter 50.
- C. Commencing on (DATE), the Property (including the personal property thereat) will qualify for exemption from property tax under Wisconsin Statutes § 70.11(4)(a).
- D. (NAME OF ENTITY) recognizes that, notwithstanding the property tax exempt status of the Property, the Village will provide valuable governmental services and benefits to the Property and the residents of the Property and (NAME OF ENTITY) agrees to make voluntary payments to the Village in support of those services and benefits.

AGREEMENTS

In consideration of the mutual agreements set forth herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Incorporation of Recitals:

The parties acknowledge that the above Recitals are incorporated as part of this Agreement.

2. Definitions:

Whenever used in this Agreement:

- a. The term "Essential Municipal Services" shall mean Village services provided to Village residents and property, the expenditures for which are identified in the General Fund Budget of the Village as General Government services, Public Safety, and Public Works (except for Refuse and Garbage Collection).
- b. The term "Facility" shall mean the licensed skilled nursing and registered residential care apartment complex and related facilities located at the Property.

3. Village Services:

The Village agrees to furnish municipal services to (NAME OF ENTITY)

and the Facility of the same type and to the same extent as are furnished from time to time, without cost or charge (except by means of property tax), to other properties and residents in the Village. (NAME OF ENTITY) understands that it may be subject to special assessments or special charges charged by the Village in the same manner that such special assessments and special charges are charged to other properties in the Village in accordance with Wisconsin Statutes Chapter 66. However, nothing herein shall be interpreted to preclude (NAME OF ENTITY) from exercising its rights to appeal the imposition of any special assessment or special charge as and in the manner provided by Wisconsin law.

4. Payments in Support of Municipal Services.

- a. (NAME OF ENTITY) to Make Payments in Support of Municipal Services. In recognition of the services and benefits provided by the Village, (NAME OF ENTITY) agrees to pay the Village a payment in support of municipal services ("PSMS") for that portion of the Property that is exempt, for each calendar year during which (NAME OF ENTITY) owns the Property until termination of this Agreement.
- b. Voluntary Payment. (NAME OF ENTITY) is voluntarily entering into this Agreement and its obligation to make PSMS payments is strictly limited to the terms of this Agreement.
- c. Calculation of the PSMS Amount.
 - i. For the year (YEAR) and thereafter, the PSMS for each year, or portion thereof, of this Agreement shall be determined as of January 1 of each year and shall be calculated as an amount that is equal to the product of:
 1. The Village's portion of the net property tax mill rate for the calendar year for which the PSMS is calculated (the "Applicable Year"); times
 2. Eighty percent (80%) (which the parties acknowledge is typically the approximate percentage of the Village's General Fund Expenditures attributable to the cost of Essential Municipal Services provided by the Village); times
 3. The value of the Property as of January 1 of the Applicable Year as determined in accordance with this Agreement ("Value").
 - ii. In the event that (NAME OF ENTITY) transfers or conveys the Property to an unrelated third party, the PSMS for the calendar year in which the Property is conveyed shall be prorated based on the number of full months for which (NAME OF ENTITY) owned the Property.
- d. Value of the Property for Determination of the PSMS Amount.
 - i. For the year (YEAR), the Village Assessor determined that the Value of the Property was \$(AMOUNT).
 - ii. For the year (YEAR) and for each subsequent year through the year immediately prior to the year in which the Village Assessor performs a revaluation of the property in the Village (in whole or in part by class of property), the Value of the Property shall be deemed to be \$(AMOUNT)

for purposes of this Agreement. In the event that (NAME OF ENTITY) constructs any new building or constructs an addition to an existing building on the Property, the Value of the Property shall be revised to take account of such new building or addition and shall be determined by the Village Assessor in the same manner as if the Property had been subject to property tax. Such determination shall be subject to the appeal rights in Paragraph 4G of this Agreement.

iii. In any year in which the Village Assessor performs a revaluation of the property in the Village (in whole or in part by class of property), the Value of the Property shall be determined in the same manner and shall be consistent with the valuation of other similar properties in the Village for tax assessment purposes as provided by law. The Value as determined by the Village Assessor for any revaluation year shall continue to be the Value of the Property for purposes of this Agreement until the next revaluation year when the Value of the Property may then be revised in accordance with the terms of this Agreement.

- e. Notification of Determination of Value. For any year in which the Village Assessor performs a revaluation of the property in the Village (in whole or in part by class of property), and in the event that the Village Assessor determines that the Value of the Property is to be revised, the Village shall notify (NAME OF ENTITY) of the Village Assessor's determination of the Value of the Property for such year, no later than the date on which the Village notifies property owners of assessed values under Wisconsin Statutes § 70.365.
 - f. PSMS Due Dates. The Village shall send an invoice to (NAME OF ENTITY) for the annual PSMS no later than January 15 of the year following the calendar year for which the PSMS is calculated. Upon receipt of the invoice from the Village, the annual PSMS shall be due and payable by (NAME OF ENTITY) as follows: (i) in full on or before January 31 of the year following the calendar year for which the PSMS was calculated; or (ii) if (NAME OF ENTITY) elects to pay in installments, according to the following schedule: one-half of the PSMS by January 31, and the remaining one-half by July 31, where January and July are in the year following the year for which the PSMS was calculated. (NAME OF ENTITY) shall be deemed to have elected to pay the PSMS in installments by making payments according to the schedule herein.
 - g. Appeal of Value. (NAME OF ENTITY) shall have the same rights to challenge any determination of Value made with respect to the Property as an owner of taxable property would have in accordance with the procedures set forth in Wisconsin law. The Village specifically acknowledges (NAME OF ENTITY)'s right to contest the Value of the Property under the procedures provided in Wisconsin Statutes §§ 70.47 and 74.37 and any related or successor statutes thereto, and the Village expressly agrees not to dispute or challenge (NAME OF ENTITY)'s right to contest the Value of the Property under said Statutes.
5. Exempt Status of the Property.

- a. Property Is Exempt. The Village has determined that commencing on January 1, (YEAR), the Property will qualify for property tax exemption for the real property (improvements and up to ten acres of land) and the personal property thereat under Wisconsin law, subject to the filing of a completed Property Tax Exemption Request (Form PR 230) with the Village as required under Wisconsin Statutes § 70.11 (Intro.). The Village further agrees to continue to recognize the property tax exempt status of the Property in subsequent years unless there is a change in ownership or use of the Property or a change in the Wisconsin Statutes that would specifically change the status of the Property from exempt to taxable.
 - b. Village Determination of Change in Exempt Status. If for any reason the Village determines that the Property, or any part of the Property, no longer qualifies for exemption from property tax, for the year for which the determination is made:
 - i. The Village shall give written notice of such determination to (NAME OF ENTITY) no later than May 15 of that year.
 - ii. This Agreement shall terminate with respect to that full year and any subsequent years.
 - iii. If a PSMS payment has been made during that year for the immediately prior year, the Village agrees to promptly refund such PSMS payment to (NAME OF ENTITY).
 - iv. If (NAME OF ENTITY) disagrees with the Village's determination, (NAME OF ENTITY) may challenge such determination of nonexempt status by any procedure provided under Wisconsin law.
6. Term.
- a. Term of the Agreement. Unless terminated sooner in paragraph 6.B., this Agreement shall terminate on (DATE).
 - b. Termination of the Agreement. Upon the occurrence of any of the following events and notwithstanding Paragraph 6.A., this Agreement shall terminate on the earliest of any of the following:
 - i. In the event that the Village determines that as a result of a statutory change by the State of Wisconsin, the Property no longer qualifies for property tax exemption, in whole or in part, this Agreement shall terminate on January 1 of the year for which the Property is determined by the Village or its Assessor to be taxable, in whole or in part, regardless of whether (NAME OF ENTITY) challenges such determination.
 - ii. In the event that the State of Wisconsin enacts a mandatory payment for municipal services, mandatory license fee or similar type of charge by owners of property exempt from general property tax which would be imposed on (NAME OF ENTITY) or the Property, this Agreement shall terminate on January 1 of the year such payment for municipal services is enacted.
 - iii. In the event that the applicable government authorities no longer recognize voluntary payments for services to municipal governments by organizations exempt from property tax as an allowable expense for

Medicaid or other similar or successor governmental program ("Allowable Expense"), this Agreement shall terminate on December 31 of the year such payments are no longer recognized as an Allowable Expense. At its sole discretion, (NAME OF ENTITY) may terminate this Agreement immediately upon written notice by (NAME OF ENTITY) to the Village of the occurrence of this event and (NAME OF ENTITY) shall not be obligated to make any PSMS payment for that year or any subsequent year.

- iv. In the event that (NAME OF ENTITY) conveys the Property to an unrelated third party, this Agreement shall terminate on the date of the conveyance unless (NAME OF ENTITY) exercises the option in Paragraph 8 of this Agreement, in which case this Agreement shall not terminate upon conveyance of the Property. Within a reasonable time after the conveyance of the Property, (NAME OF ENTITY) shall give notice to the Village of said conveyance of the Property and termination of this Agreement.
- v. Upon mutual agreement in writing executed by the parties to terminate the Agreement.

7. Amendment.

The Village and (NAME OF ENTITY) reserve the right to amend this Agreement from time to time as they shall mutually agree in writing executed by the parties.

8. Successors and Assigns.

At the option and in the sole discretion of (NAME OF ENTITY), this Agreement may be assigned to any successor of (NAME OF ENTITY) or to any other person or entity whose use of the Property also qualifies the Property for real and personal property tax exemption under Wisconsin law whereupon this Agreement shall not terminate and shall inure to and be binding on such successors and/or assigns.

9. Governing Law.

The laws of the State of Wisconsin shall be the governing law with respect to this Agreement.

10. Authority.

(NAME OF ENTITY) represents and warrants to the Village that its officers executing this Agreement are duly authorized to execute and to cause (NAME OF ENTITY) to enter into this Agreement. The Village represents and warrants to (NAME OF ENTITY) that the undersigned Village officials are duly authorized to execute and to cause the Village to enter into this Agreement.

11. Entire Agreement.

This Agreement shall constitute the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, and all other communications between the parties relating to such subject matter.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed effective as of the date and year first written above.

VILLAGE OF MOUNT HOREB, WISCONSIN

By: _____ Date: _____

Ryan Czyzewski, Village President

_____ Date: _____

Alyssa Gaffney, Village Clerk

(NAME OF ENTITY)

By: _____ Date: _____

(SIGNING PARTY, TITLE)

EXHIBIT A
LEGAL DESCRIPTION

AGREEMENT FOR PAYMENT IN LIEU OF TAXES FOR REAL PROPERTY

between
(NAME OF ENTITY)
and
THE VILLAGE OF MOUNT HOREB, WISCONSIN

dated (DATE)

This agreement is made and entered into as of (DATE) by and between the (NAME OF ENTITY) and the Village of Mount Horeb, a municipal corporation duly established by law and located in Dane County, State of Wisconsin (Village). (NAME OF ENTITY) and the Village are collectively referred to in this Agreement as the "Parties" and are individually referred to as a "Party".

RECITALS

- A. (NAME OF ENTITY) plans to purchase, own and operate (PROJECT DESCRIPTION/PROPERTY DESCRIPTION) (the "Project") located at (STREET ADDRESS) in the Village of Mount Horeb, Dane County, Wisconsin;
- B. (NAME OF ENTITY) is a public body corporate and politic organized pursuant to section 59.53(22) of the Wisconsin Statutes;
- C. Section 66.1201(22) of the Wisconsin Statutes states:

TAX EXEMPTION AND PAYMENTS IN LIEU OF TAXES. The property of an authority is public property used for essential public and governmental purposes and the property and an authority are exempt from all taxes of the state or any state public body, except that the city in which a project or projects are located may fix a sum to be paid annually in lieu of taxes by the authority for the services, improvements or facilities furnished to the property of the authority by the city. The amount paid in lieu of taxes may not exceed the amount that would be levied as the annual tax of the city upon the project.

- D. The Parties have reached this Agreement after good faith negotiations.

AGREEMENTS

In consideration of the foregoing recitals, the mutual promises set forth below, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

- 1. PILOT Formula:** (NAME OF ENTITY) hereby agrees to pay the Village a PILOT related to the property pursuant to the following formula:

(NAME OF ENTITY) shall pay the Village an amount of money on an annual basis equal to ten percent (10%) of the rents collected in the previous year less all amounts paid by the (NAME OF ENTITY) for utilities to service the Project in the previous year.

The Formula shall be recalculated on a year-to-year basis and (NAME OF ENTITY) will make the payment to the Village in the first quarter of the following year based on the previous year's calculation.

2. Waiver of Objections: (NAME OF ENTITY), for itself and its successors and assigns hereby waives any objection that it may have to the payment of the PILOT on the basis that similar charitable organizations and uses may not be required to make such payments, or may be assessed such payments in a dissimilar manner to (NAME OF ENTITY) or its successors and assigns.

3. Notices: All notices, consents, requests, or other communications provided for or permitted to be given hereunder by a Party must be in writing and will be deemed to have been properly given or served upon the personal delivery thereof, via courier delivery service or otherwise. Such notices shall be addressed or delivered to the Parties at their respective addresses shown below.

To: (NAME OF ENTITY)

(NAME OF ENTITY)
(STREET ADDRESS)
(CITY, STATE ZIP)
Attention: (ATTENTION)

To: Village

Village of Mount Horeb
138 E Main Street
Mount Horeb, WI 53572
Attention: Nicholas Owen, Village Administrator

Any such addresses for the giving of notices may be changed by either Party by giving written notice as provided above to the other Party. Notice given by counsel to a Party shall be effective as notice from such Party.

4. Applicable Law: This Agreement will be made and interpreted in accordance with the laws of the State of Wisconsin. The Parties agree that sole and exclusive jurisdiction and venue for any action or litigation arising from or relating to this Agreement shall be an appropriate federal court located in the State of Wisconsin, provided that such court has jurisdiction. Absent such federal jurisdiction, the Parties agree that sole and exclusive jurisdiction and venue for any action or litigation arising from or relating to this Agreement shall be an appropriate state court located in the State of Wisconsin.

5. Good Faith: The Parties shall act in good faith to carry out and implement this Agreement.

6. Force Majeure: The Parties recognize that there is the possibility during the term of this Agreement that all or a portion of the Property or Project may be damaged or destroyed or otherwise rendered unusable due to events beyond the control of either Party. These events are referred to as "Force Majeure." As used herein, Force Majeure includes, without limitation, the following events:

- a. Acts of God including floods, winds, storms, earthquake, fire or any other natural calamity;

- b. Acts of War or other civil insurrection or terrorism; or
- c. Taking by eminent domain by any governmental entity of all or a portion of the Property or the Project.

In the event Force Majeure occurs during the ownership of the Project by (NAME OF ENTITY) that renders the Project unusable for the provision of decent, safe and sanitary housing for a period of more than sixty (60) days, then (NAME OF ENTITY) may, at its election, notify the Village of the existence of this condition as well as its decision whether or not to rebuild that portion of the Project so damaged or destroyed or taken. If (NAME OF ENTITY) elects not to rebuild, then it may notify the Village of its termination of this Agreement and the Project will thereafter be assessed and taxed as though this agreement does not exist.

7. Covenants of (NAME OF ENTITY): During the term of the Agreement, (NAME OF ENTITY) will not voluntarily do any of the following:

- a. Seek to invalidate this Agreement, or otherwise take a position adverse to the purpose or validity of this Agreement, except as expressly provided herein;
- b. Fail to pay the Village all amounts due hereunder when due in accordance with the terms of this Agreement.

8. Covenants of the Village of Mount Horeb: So long as (NAME OF ENTITY) is not in breach of this Agreement, the Village will not do any of the following:

- a. Seek to invalidate this Agreement or otherwise take a position adverse to the purpose or validity of this Agreement;
- b. Seek to collect from (NAME OF ENTITY) any property tax upon the Property or the improvements thereon in addition to the amounts herein.

Entire Agreement: This Agreement is the entire Agreement between the parties regarding the subject matter hereof.

Amendment: This Agreement shall only be amended in a writing executed by both parties hereto.

Recording: The parties agree to execute a Memorandum of this Agreement which may be recorded in the office of the Dane County Register of Deeds by either party.

Enforcement: This Agreement may only be enforced by the parties hereto or their successors or assigns and no third party shall have standing to enforce the terms of this Agreement.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed effective as of the date and year first written above.

VILLAGE OF MOUNT HOREB, WISCONSIN

By: _____ Date: _____
Ryan Czyzewski, Village President

_____ Date: _____
Alyssa Gaffney, Village Clerk

(NAME OF ENTITY)

By: _____ Date: _____
(SIGNING PARTY, TITLE)

EXHIBIT A
LEGAL DESCRIPTION