

**RESOLUTION 2-2024**  
**VILLAGE BOARD RESOLUTION AMENDING RESOLUTION 36-2023**  
**ADOPTING THE 2024 BUDGET FOR THE VILLAGE OF MOUNT PLEASANT FOR**  
**THE DEBT SERVICE, TID1, TID2, TID3, TID4 AND TID5 TO REALIGN DEBT**  
**SERVICE PAYMENT FROM TRANSFERS OUT/IN TO DEBT SERVICE COSTS**

January 22, 2024

**WHEREAS** the Village Board adopted the 2024 Debt Service, TID1, TID2, TID3, TID4 and TID 5 Budgets on November 13, 2023; and

**WHEREAS**, the Village Debt Service activity for the TID's was budgeted as a transfer out of the TID and a Transfer Into the Debt Service Fund; and

**WHEREAS**, all debt service payments were reflected in the Debt Service fund, and

**WHEREAS**, staff believes that reflecting a TID's debt Service activity directly in the TID rather than in the Debt Service Fund provides a more transparent method of reflecting that activity; and

**WHEREAS**, staff plans to reflect debt service activity for each TID in the TID statements rather than in the Debt Service Fund, and

**WHEREAS**, the change does not change the net activity but rather provides activity in a more transparent manor, and

**WHEREAS**, the Village Board believes it in the best interests of the Community to provide for the revised budget presentation.

**NOW THEREFORE**, the Village Board of the Village of Mount Pleasant, Racine County, Wisconsin does hereby resolve:

1. The 2024 Debt Service Fund budget be amended by:
  - a. reducing principal payments (account 300-58-58200-582100) by \$2,808,618, and
  - b. reducing interest payments (account 300-58--58200-582110) by 8,112,767) and
  - c. reducing the Transfer in TID 1 (account 300-49-49200-492420) by \$1,181,004 and
  - d. reducing Transfer In TID 2 (acct 300-49-49200-492425) by \$258,275 and
  - e. reducing Transfer In TID 3 (acct 300-49-49200-492430) by \$437,450 and
  - f. reducing Transfer In TID 4 (acct 300-49-49200-492435) by \$174,238 and

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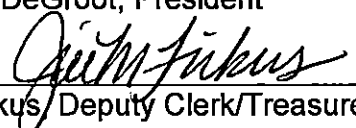
- g. reducing Transfer In TID 5 (acct 300-49-49200-492440) by \$8,870,418.
  2. The 2024 TID1 budget be amended to:
    - a. increase principal payment (acct 420-58-58200-582100) by \$1,032,539 and
    - b. Interest expense (acct 420-58-58200-582110) by \$148,465 and
    - c. decreasing Transfer out principal (acct 420-59-59200-592100) by \$1,032,539 and
    - d. decreasing Transfer out interest (acct 420-59-59200-592300) by \$148,465.
  3. The 2024 TID2 budget be amended to:
    - a. increase principal payments (acct 425-58-58200-582100) by \$205,000 and
    - b. Increase interest expense (acct 425-58-58200-582110) by \$53,275 and
    - c. decreasing Transfer out principal (acct 425-59-59200-592100) by \$205,000 and
    - d. decreasing Transfer out interest (acct 425-59-59200-592300) by \$53,275.
  4. The 2024 TID3 budget be amended to:
    - a. increase principal payment (acct 430-58-58200-582100) by \$305,000 and
    - b. Interest expense (acct 430-58-58200-582110) by \$132,450 and
    - c. decreasing Transfer out principal (acct 430-59-59200-592100) by \$305,000 and
    - d. decreasing Transfer out interest (acct 430-59-59200-592300) by \$132,450.
  5. The 2024 TID4 budget be amended to:
    - a. increase principal payment (acct 435-58-58200-582100) by \$120,000 and
    - b. Interest expense (acct 435-58-58200-582110) by \$54,238 and
    - c. decreasing Transfer out principal (acct 435-59-59200-592100) by \$120,000 and
    - d. decreasing Transfer out interest (acct 435-59-59200-592300) by \$54,238
  6. The 2024 TID5 budget be amended to:
    - a. increase principal payment (acct 445-29-58200-582100) by \$1,146,079 and
    - b. Interest expense (acct 445-29-58200-582110) by \$7,724,339 and
    - c. decreasing Transfer out principal (acct 445-29-59200-592100) by \$1,146,079 and
    - d. decreasing Transfer out interest (acct 445-29-59200-592300) by \$7,724,339
  7. Direct the Clerk to publish a class one notice of this budget amendment in compliance with Wisconsin statutes.

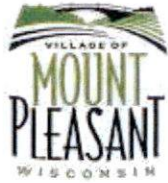
Adopted by the Village Board of the Village of Mount Pleasant, Racine County, Wisconsin, this 22 day of January, 2024.

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January 22, 2024

**VILLAGE OF MOUNT PLEASANT**

By   
David DeGroot, President

Attest   
Jill Firkus Deputy Clerk/Treasurer



## EXECUTIVE SUMMARY

Village Board Meeting of January 8, 2024

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### **TITLE** Budget Amendment to provide transparency of Debt Service Payments by Tax Incremental District

#### **BACKGROUND**

1. The 2024 Budget was drafted and adopted in a manner consistent with prior years relative to reporting debt service payments. That practice reflected Tax Increment District debt service payments as transfers out of the TID and a transfer into the Debt Service Fund. The Debt Service Fund would then have principal and interest expenditures for ALL funds. This could cause confusion as to what the Village tax payers are being asked to pay for debt service on Village projects.
2. Staff is recommending that each of the Funds that have debt service, should reflect their debt service requirements directly in those funds, rather than as a transfer to the Debt Service Fund.
3. For 2024, the Adopted Budget reflects \$12,111,023 of debt service in the Debt Service Fund when Village taxpayers are responsible for \$3,991,698
4. The recommended Budget Amendment would remove the TID debt service payments from the Debt Service Fund and provide more transparency to actual Village Debt Service supported by tax levy.
5. Note that the Debt Service will continue to have debt service costs related to the Clean Water Fund Loan partially supported by the Sanitary Sewer Fund and debt service requirement of the Tourism Commission [the Tourism Commission intends to retire the outstanding debt in 2024 – removing that debt service from future Village budgets].

**FISCAL IMPACT** – After the change, 2024 debt service requirements for each Tax Increment District (TID) will be included in each TID's budget as principal and interest expenditures rather than transfers out to the Debt Service Fund. There will be no increase or decrease in total debt service expenditures by any fund, including the Debt Service Fund.

#### **RECOMMENDATION**

Staff recommends adoption of the attached 2024 budget amendment.

#### **PREPARED BY**

Paul Rotzenberg  
Financial Consultant

Village of Mount Pleasant  
 Corrections to the 2024 Budget for Debt Service payments

	Debt Service Fund	TID 1	TID 2	TID 3	TID 4	TID 5	Total
<b>Corrections</b>							
Principal	(2,808,618)	1,032,539	205,000	305,000	120,000	1,146,079	-
Interest	(8,112,767)	148,465	53,275	132,450	54,238	7,724,339	-
Transfer Out - Principal		(1,032,539)	(205,000)	(305,000)	(120,000)	(1,146,079)	(2,808,618)
Transfer Out - Interest		(148,465)	(53,275)	(132,450)	(54,238)	(7,724,339)	(8,112,767)
Transfer In	10,921,385						10,921,385
Net Surplus (Deficit)	-	-	-	-	-	-	-

<b>Original Budget</b>							
Principal	7,050,655						7,050,655
Interest	9,978,613						9,978,613
Transfer Out - Principal		1,032,539	205,000	305,000	120,000	1,146,079	2,808,618
Transfer Out - Interest		148,465	53,275	132,450	54,238	7,724,339	8,112,767
Transfer In	(12,111,023)						(12,111,023)
Net Surplus (Deficit)	4,918,245	1,181,004	258,275	437,450	174,238	8,870,418	15,839,630

<b>Revised Budget</b>							
Principal	4,242,037	1,032,539	205,000	305,000	120,000	1,146,079	7,050,655
Interest	1,865,846	148,465	53,275	132,450	54,238	7,724,339	9,978,613
Transfer Out - Princip							
Transfer Out - Interes							
Transfer In	(1,189,638)						(1,189,638)
Net Surplus (Deficit)	4,918,245	1,181,004	258,275	437,450	174,238	8,870,418	15,839,630

\*\*\* represents transfers in from Tourism and Sewer Fund