FINANCE COMMITTEE

Wednesday, October 17, 2018 **6:30 PM** **McFarland Municipal Center**
Community Room

AGENDA

1. CALL TO ORDER, ROLL CALL.
2. PUBLIC APPEARANCES.
3. APPROVAL OF MINUTES.
   a. Discussion and action to approve the minutes of the regular meeting held September 26, 2018.
4. BUSINESS.
   a. Presentation regarding the 2019 Budget for the General Fund (100) and Capital Projects Fund (400).

   b. Review of the 2018 Municipal Levy Limit Worksheet as it relates to the proposed 2019 Budget.

   c. Presentation regarding the feasibility of future inclusion within the State Expenditure Restraint Program.

   d. Presentation regarding fund balance analysis of the projected performance of the Retiree Fund (700).

   a. Discussion and recommendation to the Village Board regarding the creation of a standard contract for use with certain Village contractual agreements including specific revisions to the Purchasing Policy (Chapter 10) to implement the use thereof.
5. SCHEDULE NEXT MEETING DATE.
   a. Wednesday, November 28, 2018 at 6:30 pm.
6. ADJOURNMENT.

This meeting notice constitutes an official meeting of the above referenced group and was posted in accordance with all applicable laws related to Open Meetings Law. It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above stated meeting to gather information. No action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to above in this notice. Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals. For additional information or to request this service, contact the McFarland Municipal Center at (608) 838-3153 or cassandra.suettinger@mcfarland.wi.us.

VILLAGE OF MCFARLAND

Finance Committee Minutes

Wednesday, September 26, 2018 - 6:30 PM

1. **CALL TO ORDER, ROLL CALL.**

   Mary Pat Lytle called the regular meeting of the Finance Committee to order at 6:30 PM in Conference Room A.

   Members present: Rod Clark, Carolyn Clow, Mary Pat Lytle, Chuck Mulcahy, Marv Schrader, and Clifford Strelow.

   Members not present: None.

   Staff Present: Financial Adviser Carol Wirth and Village Administrator Matt Schuenke.

2. **PUBLIC APPEARANCES.**

   None.

3. **APPROVAL OF MINUTES.**

   a. *Discussion and action regarding the minutes of the regular meeting held May 23, 2018.*

      Motion by Clifford Strelow, second by Rod Clark, to approve the minutes of the regular meeting held May 23, 2018. Motion carries 6 - 0 - 0 by acclamation.

4. **BUSINESS.**

   a. *Discussion and recommendation on using an irrevocable letter of credit from the Federal Home Loan Bank of Chicago as collateralization for all funds held at McFarland State Bank.*

      Representatives from the McFarland State Bank were present to discuss the use of an irrevocable letter for Credit from the Federal Home Loan Bank of Chicago. This would replace the securities from Bankers Bank currently provided as collateral. This is a new method of security recently allowed by State Statute that some municipalities are using as it makes monitoring slightly more efficient for the Village and is easier to manage for the bank. The Committee discussed the proposal, its risk, and potential fraud offering some direction to the Bank and Staff to work on in order for it to move forward. No action was taken on this item as the Committee generally found the proposal favorable but requested more feedback for a future meeti

b. *Discussion and recommendation on making application to the Board of Commissioners of Public Lands for a 20-year $930,000 G.O. State Trust Fund loan for the purchase of the Farwell Street property.*
The Village Administrator stated that a borrowing was needed to fund the land acquisition within TID #5. This is proposed to come from the State Trust Fund Loan program. Carol Wirth of Wisconsin Public Finance Professionals provided a presentation of the process and timeline for completion. Following discussion, a motion was made by Lytle, second by Mulcahy, to recommend approval to the Village Board to make application to the Board of Commissioners of Public Lands for a 20-year $930,000 G.O. State Trust Fund loan for the purchase of the Farwell Street property. Motion carries 6 - 0 - 0 by acclamation.

c. *Update regarding the 2019 Budget Submittal and discuss plan for future review.*
The Village Administrator provided an update on the status of the 2019 Budget review. He stated that the draft 2019 Budget was distributed to Village Trustees at their September 24th meeting, and the Finance Committee would conduct its review at the next meeting. No action was taken on this item.

d. *Discussion and recommendation to the Village Board to write off 2014 personal property taxes.*
Following discussion, a motion was made by Strelow, seconded by Mulcahy, to recommend approval to the Village Board to write off uncollected 2014 personal property taxes. Motion carries 6 - 0 - 0 by acclamation.

5. SCHEDULE NEXT MEETING DATE.

a. *Wednesday, October 17, 2018 at 6:30 pm.*

6. ADJOURNMENT.

Motion by Strelow, second by Mulcahy, to adjourn at 7:24 pm.

Pursuant to law, written notice of this meeting was given to the public and posted on the public bulletin boards in accordance with Open Meetings Law.

Respectfully submitted,
Matthew G. Schuenke
Village Administrator

VILLAGE BOARD SUMMARY SHEET

MEETING DATE: **Wednesday, October 17, 2018**

SECTION: **Business**

DEPARTMENT: **Administration**

CONTACT: **Matt Schuenke, Village Administrator**

AGENDA ITEM: **Presentation regarding the 2019 Budget for the General Fund (100) and Capital Projects Fund (400).**

PREVIOUS ACTION:

ISSUE SUMMARY:
The draft 2019 Budget was distributed to the Village Board for review at their meeting on September 24, 2018. They will work through the document page by page reviewing the details of what has been proposed. Final changes submitted by the Village Board will be done so by November 1st and reviewed for inclusion on November 8th. A public hearing will be held on November 26th which following an ordinance will be presented to adopt the budget as they are agreeable.

Included within your packets are the fund summaries for those funds dependent on the property tax levy as well as summaries specifically for the General Fund and Capital Projects Fund. This information will be presented and discussed in the meeting.

Also at the meeting, we will discuss this proposed budget in relation to levy limits, expenditure restraint, and the performance of our retiree fund as separate agenda items.

Please click on this link to view a full copy of the budget on the Village website.

FINANCIAL/BUDGET IMPACT:
General Fund - Overall the total expense for the General Fund is expected to decline slightly by around $78,250 or a reduction of 0.95%. The Property Tax Levy; however, will increase by 3.88% or by $228,000 to a level of $6,099,500 from the previous year. This will lead to a significant decrease in the tax rate because the Village's assessed value will increase from the previous year. The total assessed value in 2017 was $867 million and it is projected to grow over $942 million in 2018. This allows for the levy to be spread amongst more of the tax value causing the rate to drop. The Village rate in last year's budget was $7.09 per thousand and for next year is projected to drop to $6.78 per thousand which amounts to a decrease of 31 cents or a reduction of 4.38%. Property owners of a median valued home the last two years would see an

increase in their actual payment of around $25 or an increase of 1.46%.

Capital Projects Fund - The main source of revenue to fund capital projects is borrowed money. There are funds from other sources as well as tax levy but the money for the projects mainly comes from borrowing. The amount proposed to be borrowed next year is around $3.9 million and slightly less than the year before. The use of fund balance is proposed as some past borrowings have not expended funds as much as expected allowing those un-expended bond proceeds to be used for future purposes. Additionally the tax levy for this fund is increased from $300,000 the previous year to $310,000.

All of which of course is subject to change as the Village Board completes its review.

VILLAGE PLAN REFERENCE:

None.

ORDINANCE REFERENCE:

None.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

No action is needed on this item as the information is being presented for discussion.

ATTACHMENTS:

1. 2019 Budget - Fund Summaries
2. 2019 Budget - Genderal Fund (100) Summary
3. 2019 Budget - Capital Proj Fund (400) Summary
4. 2019-2023 McFarland CIP - 2019 Funding 09192018

2019 Annual Budget

Village of McFarland

Fund Summaries

100
GENERAL FUND

	2018 Budget	2019 Budget	Difference	Percentage
Revenue				
Property Tax Levy	3,507,250	3,629,250	122,000	3.48%
Other Revenue	2,170,750	2,257,250	86,500	3.98%
Total Revenue	5,678,000	5,886,500	208,500	3.67%
Expense				
Personal Services	3,960,250	4,007,250	47,000	1.19%
Contractual Services	910,750	985,750	75,000	8.23%
Supplies and Expenses	378,000	416,500	38,500	10.19%
Fixed Charges	418,500	467,000	48,500	11.59%
Debt Service	0	0	0	0.00%
Grants and Other	4,000	4,000	0	0.00%
Capital Outlay	6,500	6,000	(500)	-7.69%
Total Expense	5,678,000	5,886,500	208,500	3.67%

200
Comm/Tech

	2018 Budget	2019 Budget	Difference	Percentage
Revenue				
Property Tax Levy	37,500	24,500	(13,000)	-34.67%
Other Revenue	104,000	118,500	14,500	13.94%
Total Revenue	141,500	143,000	1,500	1.06%
Expense				
Personal Services	108,250	109,500	1,250	1.15%
Contractual Services	13,750	8,000	(5,750)	-41.82%
Supplies and Expenses	12,500	17,500	5,000	40.00%
Fixed Charges	7,000	8,000	1,000	14.29%
Debt Service	0	0	0	0.00%
Grants and Other	0	0	0	0.00%
Capital Outlay	0	0	0	0.00%
Total Expense	141,500	143,000	1,500	1.06%

2019 Annual Budget

Village of McFarland

Fund Summaries

205
LIBRARY FUND

	2018 Budget	2019 Budget	Difference	Percentage
Revenue				
Property Tax Levy	500,000	549,500	49,500	9.90%
Other Revenue	277,500	299,250	21,750	7.84%
Total Revenue	777,500	848,750	71,250	9.16%
Expense				
Personal Services	568,750	630,750	62,000	10.90%
Contractual Services	118,750	118,750	0	0.00%
Supplies and Expenses	90,000	99,250	9,250	10.28%
Fixed Charges	0	0	0	0.00%
Debt Service	0	0	0	0.00%
Grants and Other	0	0	0	0.00%
Capital Outlay	0	0	0	0.00%
Total Expense	777,500	848,750	71,250	9.16%

210
YOUTH CENTER

	2018 Budget	2019 Budget	Difference	Percentage
Revenue				
Property Tax Levy	25,750	25,750	0	0.00%
Other Revenue	55,250	56,250	1,000	1.81%
Total Revenue	81,000	82,000	1,000	0.00%
Expense				
Personal Services	0	0	0	0.00%
Contractual Services	500	500	0	0.00%
Supplies and Expenses	40,250	41,250	1,000	0.00%
Fixed Charges	0	0	0	0.00%
Debt Service	0	0	0	0.00%
Grants and Other	40,250	40,250	0	0.00%
Capital Outlay	0	0	0	0.00%
Total Expense	81,000	82,000	1,000	0.00%

2019 Annual Budget

Village of McFarland

Fund Summaries

300
DEBT SERVICE FUND

	2018 Budget	2019 Budget	Difference	Percentage
Revenue				
Property Tax Levy	1,332,500	1,414,750	82,250	6.17%
Other Revenue	30,500	196,000	165,500	542.62%
Total Revenue	1,363,000	1,610,750	247,750	18.18%
Expense				
Personal Services	0	0	0	0.00%
Contractual Services	0	0	0	0.00%
Supplies and Expenses	0	0	0	0.00%
Fixed Charges	0		0	0.00%
Debt Service	1,363,000	1,610,750	247,750	18.18%
Grants and Other	0	0	0	0.00%
Capital Outlay	0	0	0	0.00%
Total Expense	1,363,000	1,610,750	247,750	18.18%

400
CAPITAL PROJECTS FUND

	2018 Budget	2019 Budget	Difference	Percentage
Revenue				
Property Tax Levy	300,000	310,000	10,000	3.33%
Other Revenue	8,213,000	6,351,000	(1,862,000)	-22.67%
Total Revenue	8,513,000	6,661,000	(1,852,000)	-21.75%
Expense				
Personal Services	0	0	0	0.00%
Contractual Services	880,000	285,000	(595,000)	-67.61%
Supplies and Expenses	0	0	0	0.00%
Fixed Charges	110,250	201,000	90,750	82.31%
Debt Service	0	0	0	0.00%
Grants and Other	0	0	0	0.00%
Capital Outlay	7,522,750	6,175,000	(1,347,750)	-17.92%
Total Expense	8,513,000	6,661,000	(1,852,000)	-21.75%

2019 Annual Budget

Village of McFarland

Fund Summaries

610
SOLID WASTE

	2018 Budget	2019 Budget	Difference	Percentage
Revenue				
Property Tax Levy	118,500	95,750	(22,750)	-19.20%
Other Revenue	346,750	443,500	96,750	27.90%
Total Revenue	465,250	539,250	74,000	15.91%
Expense				
Personal Services	84,000	49,500	(34,500)	-41.07%
Contractual Services	361,750	467,750	106,000	29.30%
Supplies and Expenses	6,500	9,000	2,500	38.46%
Fixed Charges	0	0	0	0.00%
Debt Service	0	0	0	0.00%
Grants and Other	0	0	0	0.00%
Capital Outlay	13,000	13,000	0	0.00%
Total Expense	465,250	539,250	74,000	15.91%

700
RETIREE

	2018 Budget	2019 Budget	Difference	Percentage
Revenue				
Property Tax Levy	50,000	50,000	0	0.00%
Other Revenue	30,750	100,000	69,250	0.00%
Total Revenue	80,750	150,000	69,250	0.00%
Expense				
Personal Services	0	0	0	0.00%
Contractual Services	80,750	150,000	69,250	85.76%
Supplies and Expenses	0	0	0	0.00%
Fixed Charges	0	0	0	0.00%
Debt Service	0	0	0	0.00%
Grants and Other	0	0	0	0.00%
Capital Outlay	0	0	0	0.00%
Total Expense	80,750	150,000	69,250	85.76%

2019 Annual Budget

Village of McFarland

Fund Total

100, 200, 205, 210, 300, 400, 610, 700
ALL TAX LEVY SUPORTED FUNDS

	2018 Budget	2019 Budget	Difference	Percentage
Revenue				
Property Tax Levy	5,871,500	6,099,500	228,000	3.88%
Other Revenue	11,228,500	9,821,750	(1,406,750)	-12.53%
Total Revenue	17,100,000	15,921,250	(1,178,750)	-6.89%
Expense				
Personal Services	4,721,250	4,797,000	75,750	1.60%
Contractual Services	2,366,250	2,015,750	(350,500)	-14.81%
Supplies and Expenses	527,250	583,500	56,250	10.67%
Fixed Charges	535,750	676,000	140,250	26.18%
Debt Service	1,363,000	1,610,750	247,750	18.18%
Grants and Other	44,250	44,250	0	0.00%
Capital Outlay	7,542,250	6,194,000	(1,348,250)	-17.88%
Total Operating Exp	8,194,750	8,116,500	(78,250)	-0.95%
Total Debt Service Exp	1,363,000	1,610,750	247,750	18.18%
Total Capital Exp	7,542,250	6,194,000	(1,348,250)	-17.88%
Total Expense	17,100,000	15,921,250	(1,178,750)	-6.89%

Property Tax Rate

	2018 Budget	2019 Budget	Difference	Percentage
Total Assessed Valuation *	$ 867,401,900	$ 942,837,708	$ 75,435,808	8.70%
TID Increment Assessed Valuation	$ 38,998,441	$ 42,849,048	$ 3,850,607	9.87%
Assessed Valuation minus TID Increment	$ 828,403,459	$ 899,988,660	$ 71,585,201	8.64%
Municipal Property Tax Levy	**$ 5,871,500**	**$ 6,099,500**	**$ 228,000**	**3.88%**
Municipal Tax Rate	**$ 7.09**	**$ 6.78**	**$ (0.31)**	**-4.38%**

Estimated property taxes for a single family home based on the following assessments:

1/1/2017 Median Home Value	$ 249,000	$ 1,764.84	
1/1/2018 Median Home Value	$ 264,200	$ 1,790.56	$ 25.72
	6.10%	1.46%	

Village of McFarland

2019 General Fund Operating Budget

Index Expenditures Summary

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ALL TAX LEVY SUPORTED FUNDS

PERSONAL SERVICES

	100	2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
110, 111	Salaries	2,844,350	3,029,500	1,432,536	2,816,000	2,843,500	-6.14%
120, 121	Part-Time	269,230	293,250	124,590	413,515	556,750	89.86%
124	Seasonal	17,671	23,000	10,365	20,000	60,000	160.87%
130	Health Insurance	0	657,000	261,343	580,733	587,250	-10.62%
131	Retirement	0	264,000	130,210	251,632	271,500	2.84%
132	Social Security/Medicare	240,590	260,500	126,728	241,539	272,750	4.70%
135	Other Employee Benefits	785,694	14,000	11,838	12,431	13,750	-1.79%
140	Wage Adjustment	0	33,250	0	32,602	37,250	12.03%
141	Expense Reimbursement	2,395	2,000	925	5,250	9,500	375.00%
142	Uniform	22,238	28,500	21,655	37,000	28,250	-0.88%
190	Overtime	103,149	116,250	67,061	113,750	116,500	0.22%
Total PERSONAL SERVICES Exp		**4,285,318**	**4,721,250**	**2,187,249**	**4,524,452**	**4,797,000**	**1.60%**

CONTRACTUAL SERVICES

	200	2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
210	Support Services	312,159	1,149,000	196,614	419,696	584,000	-49.17%
211	Consultant Services	137,801	233,250	148,312	193,893	315,750	35.37%
212	Refuse Collection	241,552	232,000	105,163	240,000	245,500	5.82%
213	Recycling Collection	139,848	126,000	51,361	130,000	163,500	29.76%
214	Yard Waste Services	0	0	0	40,000	55,000	------------
220	Utilities	96,424	109,500	54,863	121,250	121,250	10.73%
221	Communication	48,720	60,000	16,625	56,650	59,250	-1.25%
230	Streets Maintenance	103,753	108,000	64,384	105,000	110,000	1.85%
240	Equipment	96,649	73,750	47,897	73,406	75,000	1.69%
241	Vehicles	77,979	73,250	21,255	65,750	79,750	8.87%
242	Facility	59,167	86,500	38,366	83,650	86,750	0.29%
291	Street Lighting	105,602	115,000	56,231	115,000	120,000	4.35%
Total CONTRACTUAL SERVICES Exp		**1,419,654**	**2,366,250**	**801,071**	**1,644,295**	**2,015,750**	**-14.81%**

Village of McFarland

2019 General Fund Operating Budget

Index Expenditures Summary

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ALL TAX LEVY SUPORTED FUNDS

SUPPLIES AND EXPENSE		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
	200						
310	Office Supplies	31,114	32,500	17,679	31,950	32,250	-0.77%
311	Postage	7,591	8,500	3,175	7,630	8,000	-5.88%
320	Dues and Subscriptions	20,439	21,250	14,287	20,665	25,500	20.00%
321	Printing/Publication	14,987	17,750	5,992	17,000	19,250	8.45%
330	Meeting Expenses	50,248	51,250	17,977	16,815	10,250	-80.00%
331	Training Expenses	3,679	16,250	4,896	49,000	62,000	281.54%
340	Operating Supplies	97,806	104,000	45,739	108,680	109,250	5.05%
341	Fuel	55,386	60,250	28,975	63,150	67,500	12.03%
342	Technology	46,938	14,500	7,139	14,500	14,500	0.00%
343	Safety	8,104	10,000	1,681	5,500	7,000	-30.00%
344	Collection - Print	49,654	53,250	27,753	53,250	53,250	0.00%
345	Collection - Audio/Visual	10,345	12,000	5,200	12,000	12,000	0.00%
370	Roadway Supplies	53,949	65,000	61,417	65,000	90,000	38.46%
390	Miscellaneous	44,327	42,500	651	41,500	49,000	15.29%
391	Programming	10,662	18,250	3,479	16,560	23,750	30.14%
Total SUPPLIES AND EXPENSE Exp		**505,229**	**527,250**	**246,039**	**523,200**	**583,500**	**10.67%**

FIXED CHARGES		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
	500						
510	Liability	28,646	31,500	29,882	30,109	31,000	-1.59%
511	Property	5,682	5,500	7,483	7,500	7,750	40.91%
512	Workers Compensation	64,889	62,750	74,322	74,500	76,750	22.31%
513	Employee Assistance Prog	2,300	2,500	2,300	2,500	2,500	0.00%
514	Flex Program Admin	1,122	1,250	965	1,750	2,000	60.00%
530	Rent	314,325	322,000	3,375	322,000	323,000	0.31%
590	Facility Reserve	0	100,000	0	100,000	150,000	50.00%
591	Vehicle Reserve	0	10,250	0	10,250	11,000	7.32%
592	Property Reserve	0	0	0	40,000	40,000	------------
595	Annexation Payments	0	0	0	0	32,000	------------
Total FIXED CHARGES Exp		**416,964**	**535,750**	**118,327**	**588,609**	**676,000**	**26.18%**

DEBT SERVICE		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
	600						
610	Principal Payments	1,180,000	1,180,000	0	1,180,000	1,325,000	12.29%
620	Interest Payments	113,569	183,000	104,279	183,000	285,750	56.15%
690	Other Debt Service	1,000	0	0	57,350	0	------------
Total DEBT SERVICE Exp		**1,294,569**	**1,363,000**	**104,279**	**1,420,350**	**1,610,750**	**18.18%**

Village of McFarland

2019 General Fund Operating Budget

Index Expenditures Summary

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ALL TAX LEVY SUPORTED FUNDS

	GRANTS & OTHER	2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
	700						
720	Community Groups	44,250	44,250	44,250	44,250	44,250	0.00%
Total GRANTS & OTHER Exp		**44,250**	**44,250**	**44,250**	**44,250**	**44,250**	**0.00%**

	CAPITAL OUTLAY	2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
	800						
810	Small Capital	46,962	19,500	13,595	31,690	69,000	253.85%
811	Equipment	141,128	168,750	23,931	114,500	122,000	-27.70%
812	Vehicle	834,903	201,250	193,329	185,990	604,000	200.12%
813	Technology	19,420	75,500	36,281	75,000	189,500	150.99%
820	Streets - Maintenance	1,026,265	885,000	342,308	760,000	450,000	-49.15%
821	Streets - Construction	975,179	2,867,250	1,685,344	2,500,000	955,000	-66.69%
822	Utilities	(1)	250,000	0	265,000	0	-100.00%
823	Stormwater Utility	0	75,000	0	75,000	0	-100.00%
824	Pedestrian Ways	185,023	85,000	0	85,000	80,000	-5.88%
825	Facility	246,173	895,000	495,278	655,000	273,250	-69.47%
826	Property	0	200,000	0	0	2,708,750	1254.38%
827	Park Development	98,434	1,820,000	425,663	1,210,129	742,500	-59.20%
Total CAPITAL OUTLAY Exp		**3,573,487**	**7,542,250**	**3,215,728**	**5,957,309**	**6,194,000**	**-17.88%**

	INDEX SUMMARIES	2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
100	Personal Services	4,285,318	4,721,250	2,187,249	4,524,452	4,797,000	1.60%
200	Contractual Services	1,419,654	2,366,250	801,071	1,644,295	2,015,750	-14.81%
300	Supplies and Expense	505,229	527,250	246,039	523,200	583,500	10.67%
500	Fixed Charges	416,964	535,750	118,327	588,609	676,000	26.18%
600	Debt Service	1,294,569	1,363,000	104,279	1,420,350	1,610,750	18.18%
700	Grants and Other	44,250	44,250	44,250	44,250	44,250	0.00%
800	Capital Outlay	3,573,487	7,542,250	3,215,728	5,957,309	6,194,000	-17.88%
Total Operating Expenses		*6,671,414*	*8,194,750*	*3,396,936*	*7,324,806*	*8,116,500*	*-0.95%*
Total Debt Service Expenses		*1,294,569*	*1,363,000*	*104,279*	*1,420,350*	*1,610,750*	*18.18%*
Total Capital Expenses		*3,573,487*	*7,542,250*	*3,215,728*	*5,957,309*	*6,194,000*	*-17.88%*
Total Expenses		**11,539,471**	**17,100,000**	**6,716,943**	**14,702,465**	**15,921,250**	**-6.89%**

Village of McFarland

2019 General Fund Operating Budget

FUND 100

SUMMARY of REVENUES

		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
41000	Taxes	3,396,704	3,507,250	0	3,507,250	3,629,250	3.48%
41000	Taxes (Non Property Taxes)	366,354	335,250	275	367,473	371,750	10.89%
43000	Intergovernmental Revenues	616,241	578,750	193,582	545,149	571,750	-1.21%
44000	Licenses and Permits	628,217	309,000	354,761	586,472	339,500	9.87%
45000	Fires, Forfeits, and Penalties	94,570	85,500	56,957	94,000	89,000	4.09%
46000	Public Charges for Services	292,249	285,500	159,219	295,802	313,750	9.89%
47000	Intergovernmental Charges for Services	328,574	336,750	137,826	329,760	321,000	-4.68%
48000	Miscellaneous Revenues	487,282	172,500	105,580	191,463	183,000	6.09%
49000	Other Financing Sources	40,250	67,500	0	67,500	67,500	0.00%
	Total Budget Revenue	**6,250,443**	**5,678,000**	**1,008,199**	**5,984,869**	**5,886,500**	**3.67%**

SUMMARY of EXPENDITURES

		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
51100	VILLAGE BOARD	43,544	61,000	21,982	49,250	61,000	0.00%
51200	MUNICIPAL COURT	55,907	58,000	27,492	58,973	60,250	3.88%
51300	LEGAL	118,628	83,500	46,264	115,000	96,000	14.97%
51410	VILLAGE ADMINISTRATOR	54,389	0	0	0	75,750	------------
51420	ADMINISTRATION	267,357	338,750	184,729	318,983	271,500	-19.85%
51440	ELECTIONS	8,750	22,000	5,334	17,596	8,000	-63.64%
51450	INFORMATION TECHNOLOGY	32,056	23,500	28,053	40,000	48,750	107.45%
51530	VILLAGE ASSESSOR	39,160	40,500	40,009	40,000	40,500	0.00%
51530	INSURANCE ADMINISTRATION	98,890	100,750	111,343	112,750	116,250	15.38%
51600	FACILITY MANAGEMENT	100,866	110,000	68,508	73,500	82,000	-25.45%
52100	POLICE DEPARTMENT	1,875,193	2,076,500	983,969	2,025,739	2,094,250	0.85%
52200	FIRE AND RESCUE DEPARTMENT	1,124,359	1,252,500	370,641	1,194,099	1,286,500	2.71%
52400	COMMUNITY DEVELOPMENT	200,583	224,000	99,867	207,028	210,750	-5.92%
52500	EMERGENCY MANAGEMENT	5,465	7,250	3,221	7,250	9,250	27.59%
53000	PUBLIC WORKS	783,812	809,250	445,354	821,958	863,750	6.73%
54600	SENIOR OUTREACH	213,312	238,750	108,507	231,884	241,750	1.26%
55200	PARKS	262,834	231,750	110,655	267,650	320,250	38.19%
59200	TRANSFERS TO OTHER FUNDS	0	0	0	0	0	------------
	Total Budget Expenditures	**5,285,106**	**5,678,000**	**2,655,926**	**5,581,660**	**5,886,500**	**3.67%**
	Difference in Revenues over Expenditures	**965,337**	**0**	**(1,647,726)**	**403,210**	**0**	

Village of McFarland

2019 General Fund Operating Budget

Index Expenditures Summary

PERSONAL SERVICES

	100	2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
110, 111	Salaries	2,359,021	2,456,500	1,184,928	2,421,000	2,478,000	0.88%
120, 121	Part-Time	261,579	283,250	120,036	267,250	339,250	19.77%
124	Seasonal	17,671	23,000	10,365	20,000	60,000	160.87%
130	Health Insurance	0	555,750	212,676	483,000	469,500	-15.52%
131	Retirement	0	238,000	118,036	227,750	241,750	1.58%
132	Social Security/Medicare	206,637	221,500	109,035	206,346	228,250	3.05%
135	Other Employee Benefits	660,089	12,000	11,005	11,500	11,000	-8.33%
140	Wage Adjustment	0	23,500	0	23,037	27,000	14.89%
141	Expense Reimbursement	2,395	2,000	925	5,250	8,500	325.00%
142	Uniform	22,238	28,500	21,655	37,000	28,250	-0.88%
190	Overtime	103,149	116,250	67,061	113,750	115,750	-0.43%
	Total PERSONAL SERVICES Exp	**3,632,781**	**3,960,250**	**1,855,721**	**3,815,883**	**4,007,250**	**1.19%**

CONTRACTUAL SERVICES

	200	2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
210	Support Services	279,677	259,500	137,369	290,670	298,500	15.03%
211	Consultant Services	62,590	80,500	66,445	89,227	90,250	12.11%
220	Utilities	71,267	80,500	42,595	92,250	92,250	14.60%
221	Communication	46,151	58,000	15,859	54,850	56,750	-2.16%
230	Streets Maintenance	103,753	108,000	64,384	105,000	110,000	1.85%
240	Equipment	89,522	64,000	41,837	64,156	66,000	3.13%
241	Vehicles	77,979	73,250	21,255	65,750	79,750	8.87%
242	Facility	46,434	72,000	30,402	65,150	72,250	0.35%
291	Street Lighting	105,602	115,000	56,231	115,000	120,000	4.35%
	Total CONTRACTUAL SERVICES Exp	**882,976**	**910,750**	**476,377**	**942,053**	**985,750**	**8.23%**

SUPPLIES AND EXPENSES

	300	2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
310	Office Supplies	23,491	23,250	12,932	22,700	23,000	-1.08%
311	Postage	7,463	8,000	3,149	7,330	7,750	-3.13%
320	Dues and Subscriptions	16,857	19,500	13,166	18,940	21,000	7.69%
321	Printing/Publication	12,537	13,750	5,992	14,000	16,250	18.18%
330	Meeting Expenses	45,595	46,000	15,745	11,565	8,500	-81.52%
331	Training Expenses	3,679	16,250	4,896	49,000	57,500	253.85%
340	Operating Supplies	93,335	98,500	42,207	98,180	97,500	-1.02%
341	Fuel	55,386	60,250	28,975	63,150	67,500	12.03%
343	Safety	8,104	10,000	1,681	5,500	7,000	-30.00%
370	Roadway Supplies	53,949	65,000	61,417	65,000	90,000	38.46%
390	Miscellaneous	4,077	2,250	651	1,250	6,250	177.78%
391	Programming	7,121	15,250	469	13,060	14,250	-6.56%
	Total SUPPLIES AND EXPENSES Exp	**331,594**	**378,000**	**191,279**	**369,675**	**416,500**	**10.19%**

Village of McFarland

2019 General Fund Operating Budget

Index Expenditures Summary (continued)

FIXED CHARGES

500		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
510	Liability	28,646	31,500	29,882	30,109	31,000	-1.59%
511	Property	5,682	5,500	7,483	7,500	7,750	40.91%
512	Workers Compensation	64,889	62,750	74,322	74,500	76,750	22.31%
513	Employee Assistance Program	2,300	2,500	2,300	2,500	2,500	0.00%
514	Flex Program Admin	1,122	1,250	965	1,750	2,000	60.00%
530	Rent	313,200	315,000	0	315,000	315,000	0.00%
595	Annexation Payments	0	0	0	0	32,000	------------
	Total FIXED CHARGES Exp	**415,839**	**418,500**	**114,952**	**431,359**	**467,000**	**11.59%**

GRANTS, CONTRIBUTIONS, INDEMNITIES, AND OTHER

700		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
720	Community Groups	4,000	4,000	4,000	4,000	4,000	0.00%
	Total GRANTS, CONTR, & OTHER Exp	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**	**0.00%**

CAPITAL OUTLAY

800		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
810	Small Capital	17,916	6,500	13,595	18,690	6,000	-7.69%
	Total CAPITAL OUTLAY Exp	**17,916**	**6,500**	**13,595**	**18,690**	**6,000**	**-7.69%**
		5,285,106	**5,678,000**	**2,655,926**	**5,581,660**	**5,886,500**	**3.67%**

Village of McFarland

2019 Capital Projects Fund Operating Budget

FUND 400

SUMMARY of REVENUES

		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
41000	Taxes	287,738	300,000	0	300,000	310,000	3.33%
43000	Intergovernmental Revenues	94,286	44,500	0	8,500	0	-100.00%
46000	Public Charges for Services	0	0	0	0	50,000	------------
47000	Intergovernmental Charges for Service	54,375	783,750	42,718	826,468	167,500	-78.63%
48000	Miscellaneous Revenues	105,579	56,750	114,561	124,213	70,000	23.35%
49000	Other Financing Sources	423,123	3,031,750	0	2,026,750	2,099,500	-30.75%
49100	Other Financing Sources - Borrowing	3,388,884	4,296,250	3,653,042	3,653,042	3,964,000	-7.73%
	Total Budget Revenue	**4,353,986**	**8,513,000**	**3,810,321**	**6,938,973**	**6,661,000**	**-21.75%**

SUMMARY of EXPENDITURES

		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
57120	ADMINISTRATION	0	50,750	25,440	47,000	48,500	-4.43%
57140	FACILITY MANAGEMENT	71,457	1,010,250	33,058	310,000	510,000	-49.52%
57150	COMMUNICATIONS AND TECHNOLOGY	0	0	0	0	15,000	------------
57210	POLICE DEPARTMENT	66,570	130,500	100,940	120,240	160,000	22.61%
57220	FIRE AND RESCUE DEPARTMENT	848,230	164,500	80,041	126,750	341,500	107.60%
57250	EMERGENCY MANAGEMENT	0	4,250	3,722	4,250	1,500	-64.71%
57310	PUBLIC WORKS	2,161,637	4,930,250	2,437,881	4,173,000	1,950,000	-60.45%
57500	SENIOR OUTREACH	0	7,500	0	2,500	10,000	33.33%
57610	LIBRARY	126,752	88,000	98,585	105,000	121,250	37.78%
57620	PARKS	280,394	2,020,000	425,663	1,210,129	3,451,250	70.85%
57700	COMMUNITY DEVELOPMENT	8,778	107,000	38,701	52,000	52,000	-51.40%
59200	TRANSFERS TO OTHER FUNDS	0	0	0	0	0	------------
	Total Budget Expenditures	**3,563,818**	**8,513,000**	**3,244,030**	**6,150,869**	**6,661,000**	**-21.75%**
	Difference in Revenues over Expenditures	**790,168**	**0**	**566,291**	**788,104**	**0**	

Village of McFarland

2019 Capital Projects Fund Operating Budget

Index Expenditures Summary

CONTRACTUAL SERVICES		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
	200						
210	Support Services	8,778	780,000	3,197	20,000	110,000	-85.90%
211	Consultant Services	28,515	100,000	38,701	55,000	175,000	75.00%
	Total CONTRACTUAL SERVICES Exp	**37,293**	**880,000**	**41,898**	**75,000**	**285,000**	**-67.61%**

SUPPLIES AND EXPENSES		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
	300						
390	Miscellaneous	0	0	0	0	0	------------
	Total SUPPLIES AND EXPENSES Exp	**0**	**0**	**0**	**0**	**0**	**------------**

FIXED CHARGES		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
	500						
590	Facility Reserve	0	100,000	0	100,000	150,000	50.00%
591	Vehicle Reserve	0	10,250	0	10,250	11,000	7.32%
592	Property Reserve	0	0	0	40,000	40,000	------------
	Total FIXED CHARGES Exp	**0**	**110,250**	**0**	**150,250**	**201,000**	**82.31%**

CAPITAL OUTLAY		2017 Actual	2018 Budget	YTD 6/30/2018	2018 Projected	2019 Budget	% Change vs. 2018
	800						
810	Small Capital	0	0	0	0	50,000	------------
811	Equipment	141,128	168,750	23,931	114,500	122,000	-27.70%
812	Vehicle	834,903	201,250	193,329	185,990	604,000	200.12%
813	Technology	19,420	75,500	36,281	75,000	189,500	150.99%
820	Streets - Maintenance	1,026,265	885,000	342,308	760,000	450,000	-49.15%
821	Streets - Reconstruction	975,179	2,867,250	1,685,344	2,500,000	955,000	-66.69%
822	Utilities	(1)	250,000	0	265,000	0	-100.00%
823	Stormwater Utility	0	75,000	0	75,000	0	-100.00%
824	Pedestrian Ways	185,023	85,000	0	85,000	80,000	-5.88%
825	Facility Improvement	246,173	895,000	495,278	655,000	273,250	-69.47%
826	Property	0	200,000	0	0	2,708,750	1254.38%
827	Park Development	98,434	1,820,000	425,663	1,210,129	742,500	-59.20%
	Total CAPITAL OUTLAY Exp	**3,526,525**	**7,522,750**	**3,202,132**	**5,925,619**	**6,175,000**	**-17.92%**
		3,563,818	**8,513,000**	**3,244,030**	**6,150,869**	**6,661,000**	**-21.75%**

Capital Improvement Program

Village of McFarland — *Prior Plan Approval/Inclusion Year:* 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 — Program Year: 2019

Funding by Project

Projects	Dept	General	Comm/Tech	Parks	Solid Waste	TID #3	TID #4	TID #5	Capital Projects - Fund 400						Utility - 600		Stormwater	Library	Total
		Fund 100	Fund 200	Fund 405	Fund 610	Fund 305	Fund 310	Fund 315	Tax Levy	Grants	Intergov	Borrow	Reserve	Total	Water	Sewer	Fund 605	Fund 205	
Accounting Updates	Admin								10,000					10,000					10,000
Comp Study	Admin											15,000		15,000					15,000
Equipment/Furniture	Admin	2,500												-					2,500
Impact Fee Study	Admin								15,000					15,000					15,000
Workstation Replace	Admin								8,500					8,500					8,500
DEVELOPMENT	Facilities													-					-
Land Acquisition	Facilities								40,000					40,000					40,000
MC Upgrades	Facilities											75,000		75,000					75,000
Network Equip	Facilities											35,000		35,000	5,000	5,000	5,000		50,000
Security Upgrades	Facilities											125,000		125,000					125,000
Sinking Fund	Facilities								100,000					100,000					100,000
														-					-
Video on Demand	CT		8,000									15,000		15,000					23,000
														-					-
Equipment	Police								10,750			4,250		15,000					15,000
Patrol Vehicle (Lease)	Police								50,000					50,000					50,000
Radios	Police											75,000		75,000					75,000
Traffic Safety	Police											20,000		20,000					20,000
Ambulance Replace	Fire/EMS											268,000		268,000					268,000
Car 1 Sinking Fund	Fire/EMS								5,000					5,000					5,000
EMS Equipment	Fire/EMS								8,250					8,250					8,250
Facility	Fire/EMS								3,250					3,250					
Fire Equipment	Fire/EMS								22,250					22,250					22,250
Mobile Comp Annual	Fire/EMS											34,750		34,750					34,750
														-					-
Aqua Dams	EM								1,500					1,500					1,500
														-					-
County MN - Phase 4	DPW											125,000		125,000					125,000
Farwell Under Plan	DPW											25,000		25,000					25,000
Leased Equipment	DPW								12,250					12,250	4,250	4,250	4,250		25,000
Mower	DPW											70,000		70,000			20,000		90,000
Patrol Truck	DPW											40,250		40,250	40,250	40,250	40,250		161,000
Pickup Truck	DPW											8,750		8,750	8,750	8,750	8,750		35,000
Refuse Containers	DPW				13,000									-					13,000
Sidewalk Replace	DPW											80,000		80,000					80,000
Sinking Fund	DPW												1,000	1,000	1,000	1,000	1,000		4,000
Small Capital	DPW													-			2,500		2,500
Street Const	DPW											295,500		295,500	659,500				955,000
Street Lighting	DPW						150,000							-					150,000
Street Maint	DPW											300,000		300,000					300,000
Street Resurfacing	DPW											150,000		150,000					150,000
Street Sweeper	DPW													-			20,000		20,000
Street Tree Planting	DPW	25,000												-					25,000
														-					-
Furniture Replace	Outreach												5,000	5,000					5,000
Workstation Replace	Outreach								5,000					5,000					5,000
														-					-
	Library													-					-
Bathroom Remodel	Library											30,000		30,000					30,000
Comp - Workstation	Library								16,250					16,250					16,250
Remodel Work	Library												15,000	15,000					15,000
	Library													-					-
Brandt Parking Lot	Parks			100,000								100,000		100,000					200,000
General Improve	Parks			50,000										-					50,000
McDaniel Park	Parks			117,500								117,500		117,500					235,000
McFarland Park	Parks											25,000		25,000					25,000
Park Equipment	Parks			10,000										-					10,000
Park Signage	Parks			5,000										-					5,000
Property Acquisition	Parks			66,250			66,250				117,500	2,500,000	25,000	2,642,500					2,775,000
Urso/Schuetz Park	Parks									50,000		450,000		500,000					500,000
Branding - Phase 1	CD											50,000		50,000					50,000
Small Capital	CD	2,000												-					2,000
Sinking Fund	CD								2,000					2,000					2,000
Total Projects		29,500	8,000	348,750	13,000	-	216,250	-	310,000	50,000	117,500	5,034,000	46,000	5,557,500	718,750	59,250	101,750	-	7,049,500

VILLAGE BOARD SUMMARY SHEET

MEETING DATE: **Wednesday, October 17, 2018**

SECTION: **Business**

DEPARTMENT: **Administration**

CONTACT: **Matt Schuenke, Village Administrator**

AGENDA ITEM: **Review of the 2018 Municipal Levy Limit Worksheet as it relates to the proposed 2019 Budget.**

PREVIOUS ACTION:

ISSUE SUMMARY:
Annually the Village must comply with tax levy limits that set how much money the Village can raise to support its budget. The formula works by picking up where the levy was approved the year prior and removing whatever debt service was applied as a an adjustment. A growth factor is applied for net new construction which the Village received 3.42% as a result of new development from the previous year. Then new adjustments for debt service and carry forward are applied to come up with the limit. There are three adjustments proposed for 2018 including the use of debt service, unused levy capacity from 2017, and for property annexed in 2018. As proposed, the budget is presented within the limitation set for our tax levy.

FINANCIAL/BUDGET IMPACT:
The levy limit for 2018 is presently set at $6,100,666 and the levy was initially proposed at $6,099,500 leaving approximately $1,166 of unspent funds.

VILLAGE PLAN REFERENCE:
None.

ORDINANCE REFERENCE:
None.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
No action needed.

ATTACHMENTS:
1. 2018 Levy Limit DRAFT 10112018

DRAFT

Form SL-202m	2018 Municipal Levy Limit Worksheet	WI Dept of Revenue

Year	Co-muni Code	County / Municipality	Account No.	Report Type
2018	13154	County: DANE Municipality: VILLAGE OF MCFARLAND	0383	

Section A: Determination of 2018 Payable 2019 Allowable Levy Limit

1	2017 payable 2018 actual levy (not including tax increment) Note: Town, village, or city taxes do not include county or state special charges for purposes of calculating levy limits.	$5,871,501
2	Exclude prior year levy for unreimbursed expenses related to an emergency	$0
3	Exclude 2017 levy for new general obligation debt authorized **after** July 1, 2005	$1,332,500
4	2017 payable 2018 adjusted actual county levy *(Line 1 minus Lines 2 and 3)*	$4,539,001
5	0.00% growth plus terminated TID% (0) plus TID subtraction % (0) applied to 2017 adjusted actual levy	$4,539,001
6	Net new construction % (3.42) plus terminated TID% (0) plus TID subtraction % (0) applied to 2017 adjusted actual levy	$4,694,235
7	Greater of Line 5 or Line 6	$4,694,235
8	2018 levy limit before adjustments **less 2019 personal property aid** ($23,760.09)	$4,670,475
9	Total adjustments *(from Sec. D, Line S)*	$1,430,191
10	2018 payable 2019 allowable levy *(sum of Lines 8 and 9)*	$6,100,666
11	Higher levy approved by special resolution at a special meeting of Town electors	

Section B: Adjustment for Previous Year's Unused Levy (sec. 66.0602(3)(f), Wis. Stats.)

1	Previous year's allowable levy	$5,885,442
2	Previous year's actual levy	$5,871,501
3	Previous year's unused levy *(Line 1 minus Line 2)*	$13,941
4	Previous year's actual levy $5,871,501 x 0.015	$88,073
5	**Allowable Increase *(lesser of Line 3 or Line 4)***	$13,941

Section C: Adjustment for Prior Years Unused Levy Carryforward (sec. 66.0602(3)(fm), Wis. Stats.)

1	2017 unused percentage	0.330%
2	2016 unused percentage	0.000%
3	2015 unused percentage	0.000%
4	2014 unused percentage	1.159%
5	PY unused percentage	0.000
6	Total unused percentage *(sum of lines 1 through 5)*	1.489%
7	Previous year actual levy due to valuation factor	$4,334,001
8	**Allowable Increase *(Line 6 multiplied by Line 7)***	$64,533

Section D: Adjustments to Allowable Levy Limit

		Additions	Subtractions
A	Increase for unused levy from previous year *(from Sec. B, Line 5)*	$13,941	
B	Decrease in 2019 debt service levy as compared to 2018 debt service levy for debt authorized **prior to** July 1, 2005		$0
C	Increase in 2019 debt service levy as compared to 2018 debt service levy for debt authorized **prior to** July 1, 2005	$0	
D	Increase for town, village, or city's share of refunded or rescinded taxes certified under sec. 74.41(5), Wis. Stats.	$0	
E	Debt service levy for general obligation debt authorized **after** July 1, 2005	$1,414,750	
F	Increase in 2018 payable 2019 levy approved by a referendum.	$0	
G	Amount levied in 2018 to pay unreimbursed expenses related to an emergency	$0	
H	Increase/decrease in costs associated with an intergovernmental cooperation agreement	$0	$0
I	Adjustment to 2018 payable 2019 levy for increase in charges assessed by a joint fire department	$0	
J	Adjustment to 2018 payable 2019 levy for transfer of services during 2018 **to** other governmental units		$0
K	Adjustment to 2018 payable 2019 for transfer of services during 2018 **from** other governmental units	$0	
L	Adjustment to 2018 payable 2019 levy for annexation of land during 2018 by a city or village *(towns only)*		
M	Adjustment to 2018 payable 2019 levy for annexation of land during 2018 from a town *(villages or cities only)*	$1,500	
N	Lease payment for lease revenue bond issued **before** July 1, 2005	$0	
O	Levy for shortfall for debt service on revenue bond issued under sec. 66.0621, Wis. Stats., or special assessment B bond issued under sec. 66.0713(4), Wis. Stats.	$0	
P	Increase in levy for shortfall in general fund due to loss of revenue from the sale of water or other commodity to a manufacturer that has discontinued operations	$0	
Q	Adjustment to 2018 payable 2019 levy for the adoption of a new fee or fee increase for covered services partly or wholly funded by levy in 2013		$0
R	Increase for unused levy carryforward from prior years *(from Sec. C, Line 8)*	$0	
S	**Total adjustments** ***(Sum of Lines A through R)***	$1,430,191	

VILLAGE BOARD SUMMARY SHEET

MEETING DATE: **Wednesday, October 17, 2018**

SECTION: **Business**

DEPARTMENT: **Administration**

CONTACT: **Cassandra Suettinger, Village Clerk/Treasurer**

AGENDA ITEM: **Presentation regarding the feasibility of future inclusion within the State Expenditure Restraint Program.**

PREVIOUS ACTION:
N/A

ISSUE SUMMARY:
The expenditure restraint program is administered through the Wisconsin Department of Revenue as a program to provide aid to qualifying municipalities that limit growth in spending. A municipality qualifies for the ERP payment if they meet two conditions:

1. The municipal property tax rate must be at least five mills.

2. Its municipal budget for the year before payment has not increased over the prior year's budget by more than an inflation factor plus a valuation factor.

This ERP notice does not generally get published until the end of October (last year's notice was emailed to the Village on October 25, 2017). So as of today's date, the Village has not received information on the final ERP limits for the 2019 budget. However, using last year's budget limit to provide an estimate, the Village appears to be in great shape to get back into the Expenditure Restraint program and receive the aid payment in 2020. Staff calculates the Village would need to reduce its current budget submittal by only approximately $10,000 to qualify.

It is important to note this calculation is based on the initial budget submittal which will still be subject to change as we receive notices regarding final estimates on 2019 state aid/revenue. Staff will provide an update on the Expenditure restraint program once the final numbers are received from the WI DOR, and submit the budget limit to the Board for consideration as they make changes to the budget.

FINANCIAL/BUDGET IMPACT:
The expenditure restraint payment is generally around $120,000.

VILLAGE PLAN REFERENCE:

N/A

ORDINANCE REFERENCE:
N/A

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
No recommendation.

ATTACHMENTS:
None

VILLAGE BOARD SUMMARY SHEET

MEETING DATE: **Wednesday, October 17, 2018**

SECTION: **Business**

DEPARTMENT: **Administration**

CONTACT: **Cassandra Suettinger, Village Clerk/Treasurer**

AGENDA ITEM: **Presentation regarding fund balance analysis of the projected performance of the Retiree Fund (700).**

PREVIOUS ACTION:

ISSUE SUMMARY:

Attached is an updated summary and projected performance of the Retiree Fund. During the 2017 audit, staff worked with the auditor to clean up and combine all previous accounts in the general fund associated with retiree sick leave fund balances. This process fully segregated all funds into the 225 fund established for this purpose. We also now have a complete and organized view of the fund balance of the retiree sick leave account. The financial forecast would indicate stability for the near future with the $50,000 per year contribution. Obviously the fund will need to be monitored from year to year to evaluate the fund contribution against projected retirements to ensure funding is adequate.

FINANCIAL/BUDGET IMPACT:

N/A

VILLAGE PLAN REFERENCE:

N/A

ORDINANCE REFERENCE:

N/A

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

No action recommended at this time.

ATTACHMENTS:

1. Retiree Sick Leave Account Forecast - 10.11.18

Forecasted Sick Leave Payout - as of 10/11/2018

FUND BALANCE SINCE 2017 AUDIT			
Fund Balance as of 12/31/17 (Audited)			
225-3420	Retiree Fund Balance		201,304
Beginning Fund Balance			201,304
Budgeted 2018 Transfer to new Fund			50,000
Available Fund Balance for 2017			251,304
2018 Expenses (Actual & Forecasted)			(146,200)
Preliminary Ending Balance at 12/31/18		$	105,104

Year	Payout by Year		# of Retirees
2018	146,200		**5**
2019	92,414		**4**
2020	70,739		**2**
2021	-		**0**
2022	53,903		**1**
2023	71,833		**2**
2024	50,509		**2**
2025	61,756		**1**
2026	103,993		**4**
2027	70,376		**2**
2028	-		**0**
	$ 721,723		

	Annual Contrib	Payout Projected	Fund Balance	# of Payouts
			$ 201,304	
2018	50,000	(146,200)	105,104	**4**
2019	50,000	(92,414)	62,690	**2**
2020	50,000	(70,739)	41,951	**2**
2021	50,000	-	91,951	**0**
2022	50,000	(53,903)	88,048	**1**
2023	50,000	(71,833)	66,215	**2**
2024	50,000	(50,509)	65,706	**2**
2025	50,000	(61,756)	53,950	**1**
2026	50,000	(103,993)	(43)	**4**
2027	50,000	(70,376)	(20,419)	**2**
2028	50,000	-	29,581	**0**

VILLAGE BOARD SUMMARY SHEET

MEETING DATE: **Wednesday, October 17, 2018**

SECTION: **Business**

DEPARTMENT: **Administration**

CONTACT: **Matt Schuenke, Village Administrator, Cassandra Suettinger, Village Clerk/Treasurer**

AGENDA ITEM: **Discussion and recommendation to the Village Board regarding the creation of a standard contract for use with certain Village contractual agreements including specific revisions to the Purchasing Policy (Chapter 10) to implement the use thereof.**

PREVIOUS ACTION:

ISSUE SUMMARY:

Included within your packet are two documents submitted for consideration. The first of which is Exhibit A that is the draft standard contract. A draft of this had been submitted previously with revisions and questions from the Village Attorney at your last discussion on this from March. These issues have been addressed and the Village Attorney has approved this document for use.

The second document is the Purchasing Policy. A draft of this with proposed revisions was also included for review in March. This policy was rewritten in its entirety in 2017 and the revisions put forth today are presented for the sole purpose to provide the guidelines in which to use the previously mentioned standard contract which is referenced as an exhibit within the policy. A summary of the material changes within this policy are provided as follows:

- **Section 10.03(i)** - This is the first reference to the inclusion of standard contract within the policy making its use one of the guidelines to follow.
- **Section 10.05(c)** - With the standard contract listed as a guideline, this sub-section was added to implement how and when it is to be used. Essentially anything reasonably expected to be over $25,000 in cost and that is not otherwise a public construction project. The Village Attorney and Board has some discretion if changes are needed based on the type of contract.
- **Section 10.05(d)** - There will be times when the Village needs to hire an architect and engineer in which there is a standard contract established already for those professions. This will be employed for use under the discretion of the Attorney and approval of the Village Board without creating our own standard for this purpose.

- **Section 10.06(c) and (e)** - Definitions are added to these sections to provide clarity regarding what they are to be used for.
- **Section 10.06(e)(2)(i)** - Changes were made to the formatting for this sub-section on RFPs and SOQs to help provide clarity in the process as well as where the new standard contract falls into place. These additional steps are outlined as issuance, evaluation, contract negotiation/drafting, and approval. Nearly all of this is included as a paragraph within the current policy and language is added for the evaluation and contract portions shown to clarify those steps.
- **Section 10.06(f)(2)** - This is the same language as before, it has just been moved out of the qualifications based section and into the sole source purchasing section.

The intent of this meeting is review the policy changes as a means to implement the use of this contract going forward. This was the direction provided by the Village Board and the documents put forth fulfill that objective.

FINANCIAL/BUDGET IMPACT:
The contract is meant to improve and make more efficient the use of contracts when needed. Contracts would be reviewed and addressed on a case by case basis in the past, and now the intent is that it is standardized so that they are consistent from use to use. The financial impact is to ensure that the public money when spent is done so under appropriate contractual requirements when necessary.

VILLAGE PLAN REFERENCE:
Village of McFarland Fiscal Policy Manual

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
The Village Board took action at its meeting on January 8, 2018 "to work towards drafting a standard template for certain Village contractual agreements and that the Finance Committee take up the initiative and bring it back to the Board."

To that end, the Finance Committee has reviewed this issue at its meeting on January 24th and March 28th. Additionally, Chair/Trustee Lytle, Trustee Clow, Village Attorney, Village Administrator, and Clerk/Treasurer met in July and August to continue to advance this issue.

What is presented in your packet fulfills the direction provided by the Village Board in order to create and implement a standard contract while also putting in place reasonable and specific guidelines for Village Staff to implement its use. So much so, this draft contract was used voluntarily following these standards as part of a contract approval at the Village Board meeting on September 24th. As such, approval is recommended to the Village Board for its consideration to complete this project as directed.

ATTACHMENTS:

1. Chapter 10 - Purchasing Policies and Procedures DRAFT
2. Exhibit A - McFarland Standard Contract Template

CHAPTER 10 Purchasing Policies and Procedures

SECTION 10.01 Policy Purpose

The purpose of this policy is to provide uniform guidelines to Village employees involved in the procurement of supplies, equipment, services, and property in order to insure that the expenditure of public funds by all Village departments is consistent with the policies set by the Village Board. Consistent with Chapter 23, Article II, Division 4 “Purchases and Contracts” of the McFarland Municipal Code, The goals of the policy are to:

(a) Create the maximum feasible free and open competition in all procurements.

(b) Prevent potential waste, fraud, abuse, and conflicts of interest in the procurement process.

(c) Prevent the issuance of exclusionary or discriminatory specifications.

(d) Insure fair and equal treatment of all vendors.

(e) Establish standard procedures to be followed in making purchases.

(f) Achieve the optimum price for the item(s) being purchased. Optimum price does not necessarily mean the lowest price.

SECTION 10.02 Ethical Standards

The Purchasing Policies and Procedures created herein including the use of this Chapter by Local Governmental Officials, Employees, and/or Candidates shall be subject to the following Ethical Standards:

(a) Chapter 2, Article VIII Ethics Code of the Village of McFarland Code of Ordinances.

(b) Chapter 27, Ethical Standards for Employees of the Personnel Policy Manual.

(c) Wis. Stats. 19.59 Codes of Ethics for Local Governmental Officials, Employees, and Candidates.

(d) Wis. Stats. 946.13 Private Interest in Public Contract Prohibited.

SECTION 10.03 Guidelines

(a) To the extent allowed by law and allowed by this policy, the Village reserves the right to accept the bid or quote it deems to be most beneficial to the Village, as well as the right to reject all bids or quotes.

(b) Internal purchasing procedures require some degree of centralized review of proposed procurements to avoid the purchase of unnecessary or duplicative items. The procedures also require that different employees execute payments than those who do the ordering to avoid potential fraud or abuse in procurements.

(c) Prudent short and long term planning for purchases will help to minimize the amount of administrative and clerical time spent documenting purchases. Each department shall purchase within the foreseeable needs of the department, to maximize available discounts, and to coordinate purchases with other departments or agencies when possible.

(d) Quality and service are just as important as price. Quality buying is the buying of goods and services at the lowest price point that will meet, but not exceed the requirements for which they are intended. In some instances the primary consideration may be durability. In other instances it may be a question of immediate availability, ease of installation, frequency of repair or efficiency of operation. It is the responsibility of each Department Head to become familiar with available equipment to determine the appropriate quality required.

(e) Appropriate procedures shall be maintained to ensure that awards are made only to contractors who possess the ability to perform successfully under the terms and conditions of a given procurement. Project-specific contract administration arrangements shall be made to see that the contractor performs in accordance with the terms, conditions, and specifications of the contract or purchase order.

(f) Adequate records shall be maintained to detail the history of significant procurements. In addition, a current inventory of all fixed assets shall be maintained to ensure proper continuing control.

(g) The Village may participate, when legally permissible and feasible, in Federal, State, and local intergovernmental contracts for the procurement or use of common goods and services if such joint purchases are cost effective.

(h) When feasible, the Village may use Federal or State excess/surplus property or used equipment instead of purchasing new equipment.

(i) All contracts ~~or agreements~~ for services shall ~~follow a~~use the standard template ~~(Exhibit A)~~ reviewed and approved from time to time by the Village Board after considering the recommendation of the Finance Committee. The current standard template is attached as Exhibit A. ~~be reviewed and, if~~ ~~If~~ ~~necessary, t~~The terms of ~~the standard template for~~ contracts ~~and agreements~~ for services may be renegotiated or resubmitted to new vendors at least every five ~~three~~ years. No contract or agreement may be extended automatically or renewed without appropriate review as determined by the Village Board.

SECTION 10.04 Organizational Responsibilities

(a) The Administrator~~/Treasurer~~ is the designated purchasing agent for the Village and he/she (or designee) shall generally oversee and coordinate purchases made by Village departments. The Administrator~~/Treasurer~~ shall review at least annually the purchasing needs and practices of the departments and determine the purchasing limit to be delegated to each Department Head.

(b) The Department Heads possess the authority and responsibility of managing purchases within their delegated purchasing limits. All purchases shall be reviewed and approved by the Department Head or his/her designee.

(c) Each Department Head may delegate to an employee(s) of that department authority to make and approve purchases not exceeding $5,000. The Department Head shall sign off on accounts payable vouchers prior to payment, however, and is ultimately responsible for all purchases made by employees of the department.

(d) As a check and balance measure, payments for goods and services shall be executed by employees who were not involved in the ordering process.

SECTION 10.05 Organizational Approvals

(a) The following purchases, contracts and agreements for services shall ~~ordinarily~~ be referred to the committee of ~~or~~ jurisdiction for review and recommendation prior to submission for approval to the Village Board.

(1) All public works construction contracts in excess of $25,000.

(2) Any other contracts and agreements for services which might be reasonably be expected to result in charges to the Village in excess of $25,000.

(b) All contracts for professional services and public works contracts (as defined by Wis. Stats. 62.15(12)~~)~~ shall be specifically reviewed by the Village Attorney as a condition of approval prior to execution. Maintenance agreements shall be reviewed by Department Heads subject to approval/renewal by the Administrator~~/Treasurer~~ to ensure costs are being reviewed and controlled in the best interests of the Village.

(c) All purchases, contracts, and service agreements subject to the provisions of Section 10.05(a)(2), ~~and excluding all purchases, contracts, and service~~other than agreements subject to the provisions of Section 10.06(d), shall utilize the standard template (Exhibit A) approved for use by the Village Board. The specific terms of the standard template may be modified as appropriate to conform to a specific product, project, or service by contracting authority if the Village Board, upon recommendation of the Village Attorney, approves such modifications.

(d) All purchases, contracts, and service agreements for architectural and engineering design services shall follow the appropriate standard contract template set by the American Institute of Architects and American Society of Civil Engineers, respectively, except as modified by the Village Attorney with approval of the Village Board.

(e) If the purchase of a vehicle or equipment item(s) is specifically approved in the operating or capital budget, the purchase does not require separate approval by the committee or the Village Board prior to ordering unless there is a significant change in the product specifications or the actual purchase price exceeds the budget appropriation.

(f) Bond payments and other debt obligations, payroll and benefits, fuel, road salt, street maintenance, annual service agreements, vehicle/equipment parts and repairs, and all other recurring expenses incurred in the usual and ordinary operation of Village government are authorized in a sum not to exceed the budgeted amount.

(g) The Village Board has the authority for the management and control of the Village's finances and thus all expenditures of Village funds in accordance with Wis. Stats. 62.11(5). The Village Board shall review and approve all expenditures on a monthly basis in accordance with the policies and procedures identified in this Chapter.

SECTION 10.06 Methods of Procurement

Depending upon the type and cost of the item or service being procured, one of the following procurement methods will be used.

(a) **Petty Cash.** Purchases of under $30 may be made from petty cash.

(b) **General Procurement.**

(1) Department Heads are authorized to spend up to $10,000 for any line item that is part of their approved budget subject to the availability of funds.

(2) Department Heads are authorized to spend up to $5,000 for any line item that is not part of their approved budget subject to the availability of funds under the general oversight of the Village Administrator~~/Treasurer~~.

(c) **Quotation Based Procurement.** This method of procurement establishes a quotation process in an attempt to establish the lowest possible cost for whatever is to be purchased under this method.

(1) Budgeted purchases in excess of $10,000 and non-budgeted purchases in excess of $5,000 shall require solicitation of a minimum of three (3) written quotations from qualified sources.

(2) The Department Head or designee requesting the expenditure shall state his/her recommendation for which quote to accept, why, and identify the line item of the budget from which funds will be drawn. If departments are unable to secure three (3) written quotations, the Department Head shall explain to the Village Board the reason why additional written quotations were not forthcoming, in the opinion of the Department Head.

(3) The Village Board in its sole discretion may direct the Finance Committee or any other relevant Village boards, commissions, or committees to provide a recommendation on the purchase if desired.

(4) A summary of the quotations received shall be retained for the longer of the purchase transaction or one year.

~~(5) The Village shall give a class 1 legal public notice of the proposed construction before the contract for the construction is executed~~.

(d) **Public Construction.** ~~It is hereby noted, in regard to~~For all public construction projects, the public bidding law shall be followed as is required in Wis. Stats. 62.15. This applies to all public construction projects where the estimated cost of which exceeds $25,000. For construction projects costing between $5,000 and $25,000, the Village shall publish a class 1 notice of the proposed contract before itttt is executed.

(e) **Qualifications Based Procurement.** This method of procurement is to be used when the value of products and/or services is significantly dependent upon the individual experience, training and other qualifications of the contracting party and the quality of such products or services is deemed more important than price alone. ~~Normal competitive procedures cannot be utilized in securing professional services from attorneys, engineers, accountants, planners, and other professional people who, in keeping with the standards of their profession, may not enter into a competitive bidding process.~~

(1) **General Purchasing.**

(i) Department Heads under the discretion and direction of the Administrator~~/Treasurer~~ are authorized to spend up to $10,000 for any line item that is part of their approved budget subject to the availability of funds in order to secure professional services.

(ii) Department Heads under the discretion and direction of the Administrator~~/Treasurer~~ are authorized to spend up to $5,000 for any line item that is not part of their approved budget subject to the availability of funds in order to secure professional services.

(2) **Request for Proposal (RFP) or Statement of Qualification (SOQ).**

(i) An RFP or SOQ shall be required in order to secure professional services in excess of $10,000:

a. **Issuance.** The RFP or SOQ will be drafted by Village Staff and presented to the Village Board for approval prior to its distribution.

b. **Evaluation.** The evaluation process shall be determined by the Village Board on a case by case basis depending on the RFP to be solicited. The Village Board may direct any other relevant Village boards, commissions, or committee to provide a recommendation on the RFP, SOQ, and their respective responses if desired.

c. **Contract Negotiation/Drafting.** Upon completion of the Evaluation process, Village Staff shall be responsible under the direction of the Village Attorney to draft and negotiate a final contract consistent with the approved proposal.

d. **Approval.** The Village Board, in its sole discretion, is responsible for the approval of a contract as the final acceptance of the proposal in order to secure professional services.

~~(ii) If the Village has an ongoing working relationship with a firm (e.g. engineering or legal services), however, it may elect to solicit and evaluate a proposal from just that firm if deemed to be in the best interests of the Village. In securing professional services it is the primary goal of the Village to obtain the services at a fair price of a professional(s) who has a proven track record of providing similar services. Efforts will be made to first negotiate a fair contract with the professional deemed to best meet the Village's needs.~~

(f) **Noncompetitive Negotiation (Sole Source Purchases).** This method of procurement may be used only in special circumstances when a purchase or award of a contract is not feasible under the procurement methods described above. A common reason for using this type of procurement would be an emergency situation as described in Sub-Section (g) below. Noncompetitive, or sole source, procurement involves the solicitation or acceptance of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. Sufficient cost analysis and justification shall be provided for noncompetitive procurements to show that the price is fair and reasonable.

(1) Sole source purchasing may include, but is not limited to, the following:

(i) The item or service is only available from a single source.

(ii) After competitive procurement solicitations, competition is determined to be inadequate.

(iii) An alternate product or manufacturer would not be compatible with current products resulting in additional costs.

(iv) Standardization of a specific product or manufacturer will result in more efficient and economical operations.

(v) The purchase is from another governmental body.

(vi) The item is being purchased through a cooperative purchasing arrangement such as the V.A.L.U.E. group, State bid list, or State of Wisconsin VendorNet.

(2) If the Village has an ongoing working relationship with a firm (e.g. engineering or legal services), however, it may elect to solicit and evaluate a proposal from just that firm if deemed to be in the best interests of the Village. In securing professional services it is the primary goal of the Village to obtain the services at a fair price of a professional(s) who has a proven track record of providing similar services. Efforts will be made to first negotiate a fair contract with the professional deemed to best meet the Village's needs. New proposals brought forth under this method of procurement shall follow the same requirements as established in Section 10.06(e)(2)(i)(b)-(d).

(3) In circumstances where there is only one qualified source and the purchase is not via a cooperative arrangement, the Department should use alternate means (such as verifying pricing with other customers) to establish that the price quoted is reasonable.

(g) **Emergency Purchases.**

(1) Emergency Purchases shall only be made to:

i. Prevent delays in construction or delivery of essential services; and/or

ii. To stay an immediate threat to the health or safety of the public and employees.

(2) For Emergency Purchases of general items or services that are not able to fulfill the requirements of this policy and meet the definition outlined, the appropriate Department Head shall make every effort to obtain three quotes for the item.

(3) The purchase shall be approved by the Administrator~~/Treasurer~~ prior to the order/purchase of the item or service. In the Administrator~~/Treasurer~~'s absence, the purchase shall be approved by the Village President prior to ordering/purchasing the item.

(4) The Village Board will review and approve the order at its next scheduled Village Board meeting.

SECTION 10.07 Purchasing Procedures

The commitment to purchase goods and services may be made using one of the following instruments: petty cash, credit card, and physical check. The following procedures shall apply to the use of each of these purchasing instruments.

(a) **Petty Cash.**

(1) Petty cash purchases are limited to a maximum of $30 and may be made by either having the authorized purchaser sign and draw money from the fund in advance or using the purchaser's own money and then being reimbursed later from the fund.

(2) All petty cash purchases shall be approved in advance by the Department Head (or designee).

(3) A proper receipt, signed by the purchaser, shall be provided for all purchases made from the petty cash. If an advance was drawn from the fund and the actual purchase amount is less, the difference shall be returned as soon as practical.

(4) One designated individual shall be responsible for making all deposits to and withdrawals from the petty cash fund. The fund shall be reconciled on a weekly basis.

(5) The detail of purchases made from the petty cash fund shall be included in the regular financial reports provided to the Village Board.

(b) **Village-Issued Credit Card.**

(1) Making purchases using a credit card issued by the Village shall be the preferred method of purchasing and payment under the following circumstances:

(i) The vendor accepts payment by credit card.

(ii) There is no additional cost associated with use of a credit card.

(iii) It is advantageous to the Village to purchase by credit card.

(2) The Village shall use just one type of credit card, with the choice of card and financial institution to be determined on the basis of the most advantageous terms to the Village. One or more credit cards may be issued in the name of a Village Employee or specific Village Department as determined by the Administrator~~/Treasurer~~.

(3) The Administrator~~/Treasurer~~ shall determine the maximum credit limit that will apply to the credit card(s).

(4) Each Department Head may determine which employee(s) will have access to the departmental credit card(s) and the credit limit to which they are authorized to charge. Access shall be restricted as much as possible.

(5) To the extent possible, purchases made by credit card should be authorized in advance by the Department Head or a designee. If this is not possible, the purchase shall be reported as soon as practicable.

(6) Payment Procedures

(i) Proper documentation or receipts shall be obtained for all purchases made by credit card. This documentation shall be submitted to the Department Head as soon as possible who will review and retain it for later use. To ensure timely payment of credit card charges, proper documentation of all charges must be submitted no later than the end of each payroll period. If documentation is not readily available the employee may instead sign and submit a form confirming that the purchase was authorized by them and payment should be made.

(ii) When the monthly credit card statement is received the Department Head shall compare the purchases itemized on the statement with the documentation of purchases submitted during the month and code the purchases to the proper budget accounts.

(iii) Once approved for payment, the statement shall be submitted to Administration for payment at the next regular Village Board meeting. Payments shall be processed in a timely manner to avoid incurring finance charges.

(c) **Physical Check.** The following information must be complete before a payment by check can be processed:

(i) Proper authorizing document (invoice, Village Board action, contract, etc.)

(ii) Vendor name, address, and ID number (as applicable).

(iii) Budget account code(s).

(iv) Detailed invoice describing the type and quantities or items delivered and the amount due.

(v) Signature of Department Head (or designee) acknowledging receipt of the item in good condition and authorizing payment.

(vi) Comparison to budget to make sure that sufficient funding is available to pay the invoice as may be necessary.

(d) **Sales Taxes.** The Village is exempt from paying all local and state sales taxes and Federal Excise taxes. The Village staff shall provide necessary exemption documents to vendors upon request.

(e) **Specifications.** Department Heads shall be responsible for the development of necessary standard specifications as they relate to pubic construction, equipment, materials, and other goods/services. Standard specifications shall only be developed for projects and items included in the most recent approved version of the 5 year Capital Improvement Plan. Review and approval as may be necessary of the Standard Specifications for projects and items shall be completed by the relevant board, commission, or committee related to the project or item in question.

(f) **Dispute Resolution.** Any party felt to be aggrieved by the outcome of a procurement shall follow the dispute resolution procedure provided for in bid notice, RFP, SOQ, or other procurement document as provided for. All other parties with a claim against the Village and/or its officers, agents, or employees will be required to follow Wis. Stats. 893.80.

Adopted: April 22, 2013

Revised: February 27, 2017

October 22, 2018

VILLAGE OF MCFARLAND CONTRACT

Expiration Date: ________________________

Maximum Cost: ________________________

Registered Agent: ______________________

Address: ______________________________

THIS CONTRACT, made and entered into, by and between the Village of McFarland (hereinafter referred to as "VILLAGE") and ____________________________________ (hereafter, "PROVIDER"),

WHEREAS VILLAGE, whose address is 5915 Milwaukee St., P.O. Box 110, McFarland, WI 53558, desires to purchase services from PROVIDER for the purpose of ______________________________ ____; and

WHEREAS PROVIDER, whose address is ____, is able and willing to provide such services;

NOW, THEREFORE, in consideration of the above premises and the mutual covenants of the parties hereinafter set forth, the receipt and sufficiency of which are acknowledged by each party, VILLAGE and PROVIDER agree as follows:

I. TERM. The term of this Contract shall commence as of the date on which all parties have executed this Contract and shall end as of the EXPIRATION DATE set forth on page 1 hereof, unless sooner agreed to in writing by the parties or as provided in Section IV. PROVIDER shall complete its obligations under this Contract not later than the EXPIRATION DATE.

II. SERVICES.

A. PROVIDER agrees to provide the services detailed in the attached Schedule A.

B. PROVIDER shall commence, carry on and complete its obligations under this Contract with all deliberate speed and in a sound, economical and efficient manner, in accordance with this Contract and all applicable laws. In providing services under this Contract, PROVIDER agrees to cooperate with the various departments, agencies, employees and officers of VILLAGE. Time is of the essence with regard to all dates for completion of any services under this Contract unless expressly provided otherwise.

C. PROVIDER agrees to secure at PROVIDER's own expense all personnel necessary to carry out PROVIDER's obligations under this Contract. Such personnel shall not be deemed to be employees of VILLAGE nor shall they or any of them have or be deemed to have any direct contractual relationship with VILLAGE.

D. All services by PROVIDER shall be performed in a good and workmanlike manner and consistent with all standards of performance customary in the State of Wisconsin as well as any standards of quality advertised by PROVIDER.

III. ASSIGNMENT/TRANSFER: PROVIDER shall neither assign nor transfer any interest or obligation in this Contract, without the prior written consent of VILLAGE unless otherwise provided herein, provided that claims for money due or to become due PROVIDER from VILLAGE under this Contract may be assigned to a bank, trust company or other financial institution without such approval if and only if the instrument of assignment contains a provision substantially to the effect that the right of the assignee in and to any moneys due or to become due to PROVIDER shall be subject to prior claims of all persons, firms and corporations for services rendered or materials supplied for the performance of the work called for in this Contract. PROVIDER shall promptly provide notice of any such assignment or transfer to VILLAGE.

IV. TERMINATION.

A. The Village may terminate this Contract for any reason upon thirty (30) day written notice to PROVIDER.

B. The following shall constitute grounds for immediate termination:

1. violation by PROVIDER of any State, Federal or local law, or failure by PROVIDER to comply with any applicable States and Federal service standards, as expressed by applicable statutes, rules and regulations.

2. failure by PROVIDER to carry applicable licenses or certifications as required by law in order to complete the services to be provided under this Contract.

3. failure of PROVIDER to comply with reporting requirements contained herein.

4. inability of PROVIDER to perform the work provided for herein.

C. Failure of the Village Board or the State or Federal Governments to appropriate sufficient funds to carry out VILLAGE's obligations hereunder, shall result in automatic termination of this Contract as of the date funds are no longer available, without notice.

D. Upon the expiration or any termination of this Contract, all finished and unfinished documents, services, papers, data, products, and the like prepared, produced or made by PROVIDER under this Contract shall at the option of VILLAGE become the property of VILLAGE, and PROVIDER shall be entitled to receive just and equitable compensation, for any satisfactory work completed on such documents, services, papers, data, products. Notwithstanding the above, PROVIDER shall not be relieved of liability to VILLAGE for damages sustained by VILLAGE by virtue of any breach of this Contract by PROVIDER, and VILLAGE may withhold any payments to PROVIDER for the purpose of offset.

V. PAYMENT. VILLAGE agrees to make such payments for services rendered under this Contract as and in the manner specified herein and in the attached Schedule B, which is fully incorporated herein by reference. Notwithstanding any language to the contrary in this Contract or its attachments, VILLAGE shall never be required to pay more than the sum set forth on page 1 of this Contract under the heading MAXIMUM COST, for all services rendered by PROVIDER under this Contract.

VI. REPORTS. PROVIDER agrees to make such reports as are required in the attached Schedule C, which is fully incorporated herein by reference. With respect to such reports it is expressly understood that time is of the essence.

VII. DELIVERY OF NOTICE. Notices, bills, invoices and reports required by this Contract shall be deemed delivered as of the date of postmark if deposited in a United States mailbox, first class postage attached, addressed to a party's address as set forth above. Either party may change the address to which notices should be sent by written notice to the other party.

VIII. INSURANCE.

A. PROVIDER shall indemnify, hold harmless and defend VILLAGE, its boards, committees, agencies, officers, employees and representatives against any and all liability, loss (including, but not limited to, property damage, bodily injury and loss of life), damages, costs or expenses which VILLAGE, its officers, employees, agencies, boards, commissions and representatives may sustain, incur or be required to pay by reason of PROVIDER's acts or omissions in the course of furnishing the services or goods required to be provided under this Contract, provided, however, that the provisions of this paragraph shall not apply to liabilities, losses, charges, costs, or expenses to the extent caused by or resulting from the acts or omissions of VILLAGE, its agencies, boards, commissions, officers, employees or representatives. The obligations of PROVIDER under this paragraph shall survive the expiration or termination of this Contract.

B. In order to protect itself and VILLAGE, its officers, boards, committees, agencies, agents, volunteers, employees and representatives under the indemnity provisions of the subparagraph above, PROVIDER shall, at PROVIDER's own expense, obtain and at all times during the term of this Contract keep in full force and effect the insurance coverages, limits, and endorsements listed below. When obtaining required insurance under this Contract and otherwise, PROVIDER agrees to preserve VILLAGE's subrogation rights in all such matters that may arise that are covered by PROVIDER's insurance. Neither these requirements nor the VILLAGE's review or acceptance of PROVIDER's certificates of insurance is intended to limit or qualify the liabilities or obligations assumed by the PROVIDER under this Contract.

Commercial General Liability.
PROVIDER agrees to maintain Commercial General Liability insurance at a limit of not less than $1,000,000 per occurrence. Coverage shall include, but not be limited to, Bodily Injury and Property Damage to Third Parties, Contractual Liability, Personal Injury and Advertising Injury Liability, Premises-Operations, Independent PROVIDERs and Subcontractors, and Fire Legal Liability. The policy shall not exclude Explosion, Collapse, and Underground Property Damage Liability Coverage unless the VILLAGE waives such requirement in writing. The policy shall list the VILLAGE as an Additional Insured.

Commercial/Business Automobile Liability.
PROVIDER agrees to maintain Commercial/Business Automobile Liability insurance at a limit of not less than $1,000,000 Each Occurrence. PROVIDER further agrees coverage shall include liability for Owned, Non-Owned & Hired automobiles. In the event PROVIDER does not own automobiles, PROVIDER agrees to maintain coverage for Hired & Non-Owned Auto Liability, which may be satisfied by way of endorsement to the Commercial General Liability policy or separate Business Auto Liability policy.

Environmental Impairment (Pollution) Liability
PROVIDER agrees to maintain Environmental Impairment (Pollution) Liability insurance at a limit of not less than $1,000,000 per occurrence for bodily injury, property damage, and environmental cleanup costs caused by pollution conditions, both sudden and non-sudden, unless the VILLAGE waives this requirement in writing. This requirement can be satisfied by either a separate environmental liability policy or through a modification to the Commercial General Liability policy. Evidence of either must be provided.

Workers' Compensation.
PROVIDER agrees to maintain Workers Compensation insurance to the extent required by law.

Umbrella or Excess Liability.
PROVIDER may satisfy the minimum liability limits required above for Commercial General Liability and Business Auto Liability through an Umbrella or Excess Liability policy provided that the Annual Aggregate limit shall not be less than the highest “Each Occurrence” limit for the Commercial General Liability and Business Auto Liability. PROVIDER agrees to list the VILLAGE as an “Additional Insured” on its Umbrella or Excess Liability policy.

C. Upon execution of this Contract, PROVIDER shall furnish VILLAGE with a Certificate of Insurance listing VILLAGE as an additional insured and, upon request, certified copies of the required insurance policies. If PROVIDER's insurance is underwritten on a Claims-Made basis, the Retroactive Date shall be prior to or coincide with the date of this Contract. The Certificate of Insurance shall state that professional malpractice or errors and omissions coverage, if the services being provided are professional services is Claims-Made and indicate the Retroactive Date, and PROVIDER shall maintain coverage for the duration of this Contract and for six (6) years following the completion of this Contract. PROVIDER shall furnish VILLAGE, annually on the policy renewal date, a Certificate of Insurance as evidence of coverage. It is further agreed that PROVIDER shall furnish the VILLAGE with a 30-day notice of aggregate erosion, in advance of the Retroactive Date, cancellation, or renewal. It is also agreed that on Claims-Made policies, either PROVIDER or VILLAGE may invoke the tail option on behalf of the other party and that the Extended Reporting Period premium shall be paid by PROVIDER. In the event any action, suit or other proceeding is brought against VILLAGE upon any matter herein indemnified against, VILLAGE shall give reasonable notice thereof to PROVIDER and shall cooperate with PROVIDER's attorneys in the defense of the action, suit or other proceeding. PROVIDER shall furnish evidence of adequate Worker's Compensation Insurance, if required. In case of any sublet of work under this Contract, PROVIDER shall furnish evidence that each and every subcontractor has in force and effect insurance policies providing coverage identical to that required of PROVIDER.

D. The VILLAGE, acting at its sole option and through its Village Board, may waive any and all requirements contained in this Contract, such waiver to be in writing only. Such waiver may include or be limited to a reduction in the amount of coverage required above. The extent of waiver shall be determined solely by Village Board taking into account the nature of the work and other factors relevant to VILLAGE's exposure, if any, under this Contract.

IX. NO WAIVER BY PAYMENT OR ACCEPTANCE. In no event shall the making of any payment or acceptance of any service or product required by this Contract constitute or be construed as a waiver by VILLAGE of any breach of the covenants of this Contract or a waiver of any default of PROVIDER and the making of any such payment or acceptance of any such service or product by VILLAGE while any such default or breach shall exist shall in no way impair or prejudice the right of VILLAGE with respect to recovery of damages or other remedy as a result of such breach or default.

X. NON-DISCRIMINATION. During the term of this Contract, PROVIDER agrees not to discriminate on the basis of age, race, ethnicity, religion, color, gender, disability, marital status, sexual orientation, national origin, cultural differences, ancestry, physical appearance, arrest record or conviction record, military participation or membership in the national guard, state defense force or any other reserve component of the military forces of the United States, or political beliefs against any person, whether a recipient of services (actual or potential) or an employee or applicant for employment, except to the extent that such factors are substantially related to the qualifications of such person to perform the work or receive the services. Such equal opportunity shall include but not be limited to the following: employment, upgrading, demotion, transfer, recruitment, advertising, layoff, termination, training, rates of pay, and any other form of compensation or level of service(s). PROVIDER agrees to post in conspicuous places, available to all employees, service recipients and applicants for employment and services, notices setting forth the provisions of this paragraph.

XI. MISCELLANEOUS.

A. Registered Agent. PROVIDER warrants that it has complied with all necessary requirements to do business in the State of Wisconsin, that the persons executing this Contract on its behalf are authorized to do so, and, if a corporation, that the name and address of PROVIDER's registered agent is as set forth opposite the heading REGISTERED AGENT on page 1 of this Contract. PROVIDER shall notify VILLAGE immediately, in writing, of any change in its registered agent, his or her address, and PROVIDER's legal status. For a partnership, the term 'registered agent' shall mean a general partner. The person(s) executing this Contract on behalf of PROVIDER individually warrants and represents that he, she or they are duly authorized to enter into this Contract and bind the PROVIDER hereto, and that no signatures other than those shown in the signature blocks below are necessary to make this Contract binding on PROVIDER.

B. Controlling Law and Venue. It is expressly agreed that in the event of any disagreement or controversy between the parties, Wisconsin law shall be controlling. Venue for any legal proceedings shall lie solely in the Dane County Circuit Court.

C. Limitation of Contract. This Contract is intended to be an agreement solely between the parties hereto and for their benefit only. No part of this Contract shall be construed to add to, supplement, amend, abridge or repeal existing duties, rights, benefits or privileges of any third party or parties, including but not limited to employees of either of the parties.

D. Entire Contract. The entire agreement of the parties is contained herein and this Contract supersedes any and all oral agreements and negotiations between the parties relating to the subject matter hereof. The parties expressly agree that this Contract shall not be amended in any fashion except in writing, executed by both parties.

E. Counterparts. The parties may evidence their agreement to this contract upon one or several counterparts of this instrument, which together shall constitute a single instrument.

F. Severability. In the event any provision, term or clause contained in this Contract shall be determined unlawful or unenforceable, such determination shall not affect the remaining provisions of this Contract which shall remain in full force and effect. In the event any such provision, term or clause shall be determined unlawful or unenforceable as to any particular person or circumstances, such determination shall not affect the applicability of such provision to any other person or under any other circumstances.

IN WITNESS WHEREOF, VILLAGE and PROVIDER, by their respective authorized agents, have caused this Contract and its Schedules to be executed, effective as of the date by which all parties hereto have affixed their respective signatures, as indicated below.

FOR PROVIDER:

Date Signed: ______________________ ____

Date Signed: ______________________ ____

*** * ***

FOR VILLAGE:

Date Signed: ______________________ ____
Brad Czebotar, Village President

Date Signed: ______________________ ____
Cassandra Suettinger, Clerk/Treasurer

* [print name and title, below signature line of any person signing this document]

GENERAL INSTRUCTIONS FOR COMPLETING SCHEDULES “A”, “B”, “C”

Schedule A

1. Describe services to be performed **in detail.**

2. Add in any time limits on when the services are to begin, when to end, and any other definite or referable time limits.

3. Put in any cancellation provision you want or reference cancellation to a proposal or bid. If you don’t do anything, there will be no cancellation provision.

4. Add in any assignment provisions, if necessary, or reference proposal or bid provision. Again, if you do nothing, there will be no assignment provisions allowable. That is the normal course of events.

5. Include any standards to be used by the Provider when doing the work; these can be referenced to a proposal or can be written out here and subject to your on-going approval.

6. Add in anything you are supposed to do to aid or facilitate the work of the Provider.

Schedule B

1. Indicate the maximum amount the Provider will be paid.

2. Include how Provider will be paid, that is, whether in one lump sum at the beginning or end, a percentage now and installments later on, how payments are referenced if installments (whether by percent and dates, by amount of work done, flat dollar amount by units of service billed to you, etc.). If you are using unit cost basis, make sure that a unit is identifiable and measurable and is described in Schedule “A”.

3. Describe how the Provider is to bill the VILLAGE. If a Provider is to bill you, indicate when they will be paid (30 days, 60 days, etc.) after receipt of the bill.

Schedule C

1. Describe the nature and dates of any reports required. Be specific.

2. If audits are to be performed or permitted at your option, indicate that here. Remember: audits after the term of the contract are useless unless you have withheld a part of the payments until the audit is complete and satisfactory to you.

Example

SCHEDULE "A"

I. Pursuant paragraph #1 of the attached CONTRACT, the PROVIDER shall provide the following services:

a. Examine in detail the operations of the Sanitary department with a view toward recommending improvements in the manner in which in-coming work is assigned to the various field personnel. It is contemplated that this work shall be accomplished by the PROVIDER assigning one of its staff full-time to this phase until accomplished. Date of completion: not later than 7-15-16.

b. Make detailed written recommendations for the improvement of the in-take functions of the Sanitary department described in a. above. The goal of this phase is to increase the efficiency of the department and to expedite requests for inspections by members of the public. Date of completion: 7-15-16.

c. Evaluate the recommendations in b. above by auditing the intake functions of the department after the recommendations have been instituted and make any necessary adjustments. This is contemplated to be an on-going process over a period of 5 months, with a completion date of January 15, 2016.

II. In accomplishing the objectives of I. above, the PROVIDER is to adhere to the concepts and provisions of its proposal dated July 1, 2015, and attached hereto and incorporated herein by reference.

III. VILLAGE personnel shall cooperate with the PROVIDER and its agents in the performance of the PROVIDER'S obligations hereunder.

Example

SCHEDULE “B”

I. PROVIDER shall be paid on the basis of work completed, when completed at the following rates:

a. For the completion of Schedule “A”, para I.a., the sum of $2,000.00 if completed timely, with a reduction of 1% of said amount for each calendar day uncompleted beyond the schedule completion date.

b. For the completion of Schedule “A”, para I.b., the sum of $5,000.00 if completed timely, a reduction of 2% for each day late.

c. For completion of Schedule “A”, para I.c., the sum of $25.00 for each hour of service actually spent evaluating and auditing the performance of the department under the recommendations of the PROVIDER, the PROVIDER to submit monthly, by the 10th of the succeeding month, a bill itemizing hours spend in performance of said duties.

II. If PROVIDER is timely with respect to all its obligations under this CONTRACT, the VILLAGE shall make payments due within 30 days of the dates of completion of PROVIDER’S obligations or of billing, as appropriate. If PROVIDER fails to meet time limits, VILLAGE’S payments will be delayed an additional 30 days.

III. In no event shall the PROVIDER be paid more than the sum of $2,000.00 for its obligations under para. I.c. above.

SCHEDULE “C”

I. In addition to other reports required herein, the PROVIDER shall provide a written summary of its audit results under Schedule “A”, para. I.c., no later than March 15, 2001. The VILLAGE shall withhold the sum of $500.00 due as payment hereunder until such written summary is received.