VILLAGE OF MCFARLAND *NOTICE OF PUBLIC MEETING*

FINANCE COMMITTEE

Wednesday, January 22, 2020 **6:30 PM** **McFarland Municipal Center**
Conference Room A

AGENDA

1. CALL TO ORDER, ROLL CALL.

2. PUBLIC APPEARANCES.

3. APPROVAL OF MINUTES.
   a. Discussion and action regarding the minutes from the meeting held on October 16, 2019.

4. BUSINESS.
   a. Discussion and action to make a recommendation to the Village Board on amendment of section 5.04 of Village's investment policy regarding custodial credit risk.

   b. Discussion and action to make a recommendation to the Village Board on using an irrevocable letter of credit from the Federal Home Loan Bank of Chicago as collaterlization for all funds help at McFarland State Bank.

   c. Discussion and action to make a recommendation to the Village Board regarding an agreement for the State Debt Collection System.

   d. Discussion and action to make a recommendation to the Village Board regarding revisions to Chapter 12 Vehicle Replacement Policy of the Fiscal Policy Manual.

   e. Discussion and action to make a recommendation to the Village Board regarding the Capital Improvement Plan for 2020-2024.

5. SCHEDULE NEXT MEETING DATE.
   a. Wednesday, February 26, 2020 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, October 16, 2019 - 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, Mary Pat Lytle, Chuck Mulcahy, Clifford Strelow, Curtis Calnin, Eric Kryzenske

   Members not present: Jon Michels

   Staff Present: Village Administrator Matt Schuenke, Accountant/Deputy Treasurer Jennifer Haried

2. **PUBLIC APPEARANCES.**
   None.

3. **APPROVAL OF MINUTES.**

   a. *Discussion and action regarding the minutes of the meeting held on September 25, 2019.*
   Motion by Clifford Strelow, second by Curtis Calnin, to accept the minutes of the meeting held on September 25, 2019. Motion carries 6 - 0 - 0 by acclamation.

4. **BUSINESS.**

   a. *Presentation regarding the 2020 Budget for the General Fund (100) and Capital Projects Fund (400).*
   Administrator Schuenke reviewed the budget with the Committee. The Village Board will be reviewing this information at their next meeting on Monday October 28th.

   b. *Review of the 2019 Municipal Levy Limit Worksheet as it relates to the proposed 2020 Budget.*
   Administrator Schuenke reviewed the Municipal Levy Limit Worksheet with the Committee.

   c. *Presentation regarding the feasibility of future inclusion within the State Expenditure Restraint Program.*
   Administrator Schuenke presented the possibility of the Village being able to participate in the State Expenditure Restraint Program again in 2021, but that it was likely not feasible to participate in 2020.

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

Administrator Schuenke presented the analysis of the Retiree Fund to the Committee. The Committee discussed whether additional funds should be added. The Committee asked to see how it looks at 55,000 annual contribution and to verify the formulas in the spreadsheet and bring it back to the next meeting.

e. *Discussion regarding updates and revisions to Chapter 12 Vehicle Replacement Policy of the Fiscal Policy Manual.*

Committee discussed this policy and what it's original intentions were. Administrator Schuenke scored the current vehicles for 2020 based on the policy. The Committee discussed the changes to the scoring rubric and verbiage of the policy. Staff was directed to updated based on the changes noted and bring it back to the next meeting for review.

f. *Discussion and recommendation to the Village Board to write off 2015 personal property taxes.*

Motion by Village Trustee Mary Pat Lytle, second by Clifford Strelow, to recommend approval to the Village Board to write off 2015 personal property taxes. Motion carries 6 - 0 - 0 by acclamation.

5. SCHEDULE NEXT MEETING DATE.

a. *Thursday, December 5, 2019 at 6:30 pm.*

6. ADJOURNMENT.

Motion by Clifford Strelow, second by Chuck Mulcahy, to adjourn at 7:42pm.

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,
Jennifer Haried
Accountant/Deputy Treasurer

VILLAGE OF
McFarland

VILLAGE BOARD SUMMARY SHEET

MEETING DATE: **Wednesday, January 22, 2020**

SECTION: **Business**

DEPARTMENT: **Administration**

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

AGENDA ITEM: **Discussion and action to make a recommendation to the Village Board on amendment of section 5.04 of Village's investment policy regarding custodial credit risk.**

PREVIOUS ACTION:

ISSUE SUMMARY:
See attached memo.

FINANCIAL/BUDGET IMPACT:
N/A

VILLAGE PLAN REFERENCE:
N/A

ORDINANCE REFERENCE:
N/A

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
Staff recommends approval of amendment to the Village investment policy regarding custodial credit risk.

ATTACHMENTS:
1. 01.17.2020 LOC
2. Chapter 5 - Investment Policy 01.15.2020
3. LOC Memo- 1-14-20

MEMORANDUM
To: Finance Committee
From: Cassandra Suettinger, Village Clerk/Treasurer
Date: January 17, 2020
RE: Collateralization through an Irrevocable Letter of Credit

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Background:
At the September 2018 Finance Committee meeting, the Committee reviewed a request from McFarland State Bank to change the Village's method of collateralization from its current method of pledged securities to an irrevocable letter of credit with the Federal Home Loan Bank of Chicago. The Committee reviewed the letter from the Village Attorney at that time identifying risks associated with the LOC. The Finance Committee was generally in favor of the LOC, but wanted to see staff do more work through policies and procedures to put adequate controls in place and ensuring the responsibility of ensuring the letter of credit is renewed annually is assigned.

Issue: McFarland State Bank asked for an update from the Village on collateralizing with an irrevocable letter of credit. Based on the comments from the previous meeting, staff has done additional research and proposed revisions to the investment policy the alleviate the concerns of the committee, and mitigate the risk identified by the Village Attorney. Additionally, staff asked the Village Attorney to compare the two collateralization methods side by side to evaluate risk overall and not just the risks associated with the LOC.

It is important to note the risks identified by the Village Attorney with the LOC were extremely remote and improbable. The risks identified by the Village Attorney were:

1. The LOC language states in the event of an incorrect draw the FHLB will attempt to contact the Village, whereas, the International Standards Protocol, requires them to notify us.
2. Risk of the Village incorrectly submitting a draw request, and the letter of credit expiring before the Village has an opportunity correct the draw request.
3. Risk of someone fraudulently requesting a draw on the letter.

Response:
In response to the issues raised by the Committee and Attorney, staff has proposed the following.

1. **Revisions to section 5.04 of the Investment Policy regarding Custodial Credit Risk:**
    a. Assigning the responsibility to the Clerk/Treasurer of ensuring that all Village funds are secured at all times. Regardless of if the Village chooses

to secure funds through the LOC, this language is likely necessary and helpful to assign the task.

b. While the above revision likely covers the issue of ensuring the LOC is renewed annually, staff additionally recommends the policy explicitly assign the responsibility to the Clerk/Treasurer to ensure the LOC is renewed annually. This ensures if staff turns over, it is memorialized to call out the letter of credit needs to be renewed annually, and the Clerk/Treasurer carries the responsibility.

c. Within the policy it is also important to note, annually the Clerk/Treasurer is required to verify any financial institutions that holds more than $1 million of the Village's funds, meet the Village's criteria identified in the investment policy. Staff would structure this review to be a couple months in advance of the LOC expiration date, to minimize the risk of the bank failing and LOC letter expiring.

2. **Additional information from the Federal Home Loan Bank of Chicago**
    a. FHLB recommends the Village enter into a Fluctuating Balance PUD LOC. This would allow the Village to hard code the bank account information of any draws that are made on the LOC. This puts the control in the place that even if there were a fraudulent draw on the LOC, the only option would be to transfer it to another one of the Village's bank accounts. This type of LOC also ensures that the language follows the LOC annually when renewed, so there is no opportunity for this provision to be lost over time.
    b. Additionally, it is important to the note the LOC comes with the draw form as appendix a. It is a standard form that the Village puts on its own letterhead, fills in and sends to FHLB in the event MSB fails. This minimizes the chances that there will be an incorrect draw.
    c. In the event MSB fails and staff requests a draw from FHLB, staff will most certainly be in direct contact with FHLB to make sure the appropriate protocols are followed and the draw request meets all of the required criteria prior to submittal.

3. **Additional Information from other references**
    a. Since the original discussion, several public entities have switched to collateralizing through the letter of credit. Notably of McFarland State Bank's clients, both the McFarland School District and Stoughton School District have switched. Staff contacted both who spoke positively of the LOC, and noted their auditors were supportive of the decisions. Staff has requested additional input from the Village's Auditors on their stand on the LOC. That information will be available at the meeting.

CHAPTER 5 Investment

SECTION 5.01 Policy Purpose

The purpose of these investment guidelines is to formalize the framework for the Village's daily banking and investment activities. The guidelines are intended to be broad enough to allow Village Staff the ability to function properly within the parameters of responsibility and authority granted by the Village Board, yet specific enough to adequately safeguard the Village's accounts. The primary objectives of this policy, in order of priority, are safety, liquidity and yield. This policy shall apply to all cash and investments of the Village, including all funds, excluding the investment of employees' retirement funds that are contained within the Wisconsin Retirement System managed by the State of Wisconsin or other third party administrators elected by the employee. Unless prohibited by law or contract, the Village may pool cash from several different funds to maximize returns. Funds subject to additional federal, state and/or contractual laws and regulations will be invested according to those laws and regulations. Investment income will be allocated to the various funds based on the percentage of their respective participation. For the purposes of financial statements, all cash and investments with an original maturity of three months or less will be considered cash and cash equivalents. Investments will be reported at fair values, based on quoted market values.

SECTION 5.02 Application

(a) The investment program shall be operated in conformance with federal, state, local, and other legal requirements as applicable. The Clerk/Treasurer shall be the investment officer and is responsible for the day to day management of investment activities under the supervision of the Administrator and as is authorized according to this policy. The Clerk/Treasurer will establish internal control procedures over cash and investment accounts in conformance with this policy and all other Financial Policies as may be appropriate. All purchases and sales of investments will be authorized by the Village Administrator and/or Village Board as this policy dictates. The Village Auditor will maintain its review authority that shall be inclusionary of all investment activities.

(b) The standard of prudence to be used by Village Investment Officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment Officials acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

(c) The "prudent person" standard states that, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

(d) Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. In accordance with Article VIII of the Village Code of Ordinance defining Village Ethics Code, Employees and investment officials shall disclose to the Village President any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial or investment positions that could be related to the performance of the Village, or particularly with regard to the time of purchases and sales.

SECTION 5.03 Safety, Credit Risk, and Authorized Investments

(a) Safety and preservation of principal in the overall portfolio is the foremost investment objective. To ensure the safety of the Village's deposits and investments, the Village's policy includes sections on what investments are suitable, on how balances are protected and provides guidelines for institutions to be used.

(b) Credit risk is the risk that the Village would lose money due to the default of a bond or securities issuer. The Village reduces its exposure to this risk by restricting its allowed investments. The Village's investments are restricted in accordance with Wisconsin Statutes 66.0603 (Appendix A). The Village chooses to further manage its risk by establishing levels of authorization for its cash and investments as follows:

(1) The Clerk/Treasurer is authorized to manage the following cash and investments:

(i) Checking and saving accounts.

(ii) Local government investment pools either state-administered or developed through joint powers statutes and other intergovernmental agreement legislation, such as the Local Government Investment Pool.

(2) The Clerk/Treasurer is authorized to manage the following cash and investments subject to approval of the Village Administrator:

(i) Conventional certificates of deposits (fully FDIC insured for principal and/or fully collateralized as described below) and certificates of deposit purchased through the Certificate of Deposit Account Registry Service (CDARS) as available through Authorized Financial Institutions contained within Section 5.05 of this policy.

(ii) Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist of only of dollar-denominated securities.

(3) The Clerk/Treasurer is authorized to manage the following cash and investments subject to approval of the Village Board upon recommendation of the Finance Committee under consultation of legal counsel and a Certified Public Funds Investment Manager (CPFIM) as applicable:

(i) Bonds and securities issued by the federal government or a commission, board or other instrumentality of the federal government.

(ii) Bonds of any county, city, drainage district, technical college, village, town or school district of this state.

(iii) Commercial paper if rated in the highest tier (e.g. A-1, P-1, AAA) by a nationally recognized rating agency.

(iv) Overnight repurchase agreements with a public depository as defined in statute 34.01 (5), provided that the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government and held by a third party custodian. The Village shall be informed of the specific collateral and investments in the repurchase agreements and the agreement shall be collateralized at 102% of the value of the Village's investment.

(4) **Prohibited Investments.** Village funds will not be invested in derivative type investments such as collateralized mortgage obligations, strips, floaters, etc. Certain types of such investments may qualify under state statute but are not deemed appropriate for use by the Village.

(c) The Village will engage in diversification of investments (type, length of maturity and institution) to the extent practicable considering yield, collateralization, investment costs and available bidders. The Village will get quotes from Authorized Financial Institutions whenever seeking investment opportunities for funds as deemed necessary by the Investment Officials. Concentration of credit risk is the risk that losses become substantial due to the magnitude of the Village's investment in a single issuer. The Village shall make an effort to minimize credit risk as appropriate through the strict application of this policy. Credit risk is further defined as the loss of all or part of the investment due to the failure of the security issuer or backer.

SECTION 5.04 Custodial Credit Risk

(a) ~~(a)~~ Custodial credit risk is the risk of default by the holding institution, i.e. the bank holding cash or securities. The Village shall reduce this risk by ensuring substantially all funds are either insured, collateralized or registered to the Village. The terms "substantially all funds" recognizes that there are times when minimal amounts may not be protected in this manner, such as with cash on hand or in cases where the market value exceeds the face value of an investment. This risk is also reduced through the Village's selection of authorized financial institutions.

(b) It shall be the responsibility of the Clerk/Treasurer to verify substantially all funds are insured, collateralized or registered at all times.

(1) Village deposits will be protected through insurance:

(i) The Federal Deposit Insurance Corporation (FDIC) currently protects deposits up to $250,000 for checking and $250,000 for savings accounts.

(ii) The Wisconsin State Deposit Guarantee Fund protects public deposits under Statutes 20.144(1)(a) and 34.08(2) up to $400,000, after FDIC coverage, for any one public depositor in any individual public depository.

(iii) Due to the generally safe investment instruments utilized in the Pool, the Local Government Investment Pool shall be exempt from this section.

(2) Village deposits in excess of insurance will be protected through collateral:

(i) With a market valued of at least 102% of the uninsured balances;

(ii) Consisting of bonds or securities issued by the federal government, its agencies or instrumentalities or by any county, city, drainage district, technical college, village, town, school district, or an irrevocable letter of credit issued by a federal home loan bank, state bank, national bank, federal or state savings bank, federal or state credit union, or federal or state savings and loan association; and

(iii) Held by an independent third party custodian with whom the Village has a current custodial agreement.

(3) Collateral agreements are to prohibit the release of pledged assets without the Village's authorization, however substitution of like collateral (value and type) is allowed. The market value increases on FDIC insured certificates of deposit are exempt from this requirement.

(4) Proof of Village ownership of securities will be protected by:

(i) Securities will be registered through the Direct Registration System in the Village's name.

(ii) Securities Investor Protection Corporation (SIPC) protects investors by obtaining the securities registered in the Village's name in the event of a failed brokerage firm. After securities have been obtained by the SIPC, other balances are covered through SIPC protection up to $500,000 maximum per customer, including $250,000 in cash balances.

(iii) Trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

(5) Due to the generally safe investment instruments utilized by the pool, the Local Government Investment Pool shall be allowed in excess of the State guaranteed $400,000 insurable limit.

(6) Collateralization of Village funds through an irrevocable letter of credit shall be allowed. The Clerk/Treasurer is responsible for ensuring the letter of credit is renewed annually.

SECTION 5.05 Authorized Financial Institutions

(a) The Clerk/Treasurer shall recommend to the Village Board for approval financial institutions to be utilized by the Village. As required under State Statute 34.05, the Village will approve institutions as public depositories separately through a Village

Board resolution. For a financial institution to be considered for use by the Village, they must have:

(1) Provided proof of state registration.

(2) Completed a signed certificate of having read, understood and agreeing to comply with the Village's investment policy (Appendix B).

(3) Provide evidence of participation in FIDC and/or SIPC programs, such as FDIC certificate number and specific name of registration.

(4) A Safe and Sound rating of 3 (performing) or better according to the site www.bankrate.com. Another industry used rating system may be substituted, by Investment Officials or by Village Board approval.

(5) Meet the FDIC's threshold to be considered a well-capitalized bank:

   (i) Total risk-based capital ratio of 10% or higher;

   (ii) Has a Tier 1 risk-based capital ratio of 6% of greater; and

   (iii) Has a leverage ratio of 5% or greater.

(6) Broker/dealers will provide their most recent Broker check report from the Financial Industry Regulatory Authority, Inc (FINRA) along with all Central Registration Depository (CRD) numbers.

(7) Safekeeping institutions will also provide a copy of their report on internal controls as applicable to custody procedures.

(b) The Village investment policy requires items 3-7 be reviewed by the Clerk/Treasurer or designee annually for financial institutions doing more than $1.0 million in investment purchases, deposits, or safekeeping balances. Items 3-7 will be reviewed by the Clerk/Treasurer or designee at a minimum of every three years for all other authorized intuitions.

(c) The Village may enter into a contract with one or more Certified Public Funds Investment Managers (CPFIM) only upon approval of the Village Board. If used, the selection of an CPFIM will be based on the utilization of request for proposal, interviews, and/or reference reviews.

SECTION 5.06 Liquidity

(a) Village Investment Officials shall ensure that we have adequate funds in usable form to be able to meet ongoing business needs that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity).

(b) Interest rate risk is the risk that changes in the market interest rates will negatively affect the fair value of an investment. Generally, the fair value of longer maturity investments is more sensitive to changes in the market interest rate. The Village shall mitigate this risk by:

(1) Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

(2) Limiting the maturities of all investments when purchased to less than five (5) years.

(3) Laddering investments to meet cash flow needs.

SECTION 5.07 Yield

(a) The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of the Village's investment strategy is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

(1) A security with declining credit may be sold early to minimize loss of principal.

(2) A security sale would improve the quality, yield, or target duration in the portfolio.

(3) Liquidity needs of the portfolio require that the security be sold.

(b) Given the passive nature of the Village's investment strategy, appropriate benchmarks for comparison include: the average Federal Funds rate, local government investment pool rate, and average return on the U.S. Treasury Bills.

SECTION 5.08 Policy Considerations

The Clerk/Treasurer or designee shall provide a cash and investment report to the Village Board at least bi-annually. The report shall summarize investments held and transactions made. It shall also discuss the current portfolio in terms of maturity, rates of return, market values and other features. All bank and investment accounts will be reconciled monthly. All investments will be marked to market monthly and unrealized gains and/or losses will be included with the investment income and return calculations. Any investments currently held that do not meet the guidelines of this policy when it is adopted shall be exempted from the requirements of this policy. At maturity or liquidation such monies shall be reinvested only as provided in this policy.

Dated this 25th day of June, 2018.

Village of McFarland:	Attest:
By:____________________	By:____________________
Brad Czebotar Village President	Cassandra Suettinger Clerk/Treasurer

Appendix B

Investment Policy Compliance Certificate

All financial institutions, broker/dealers, and/or investment advisors the Village conducts banking and investment activities with are required to have completed this certificate, prior to receiving Village funds or within 90 days of approval of this policy.

Please read the following statements and initial each individual item and sign below to indicate receipt, acknowledgment, understanding and agreement to comply with the statements and overall investment policy.

______ I have received a copy of the cash and investment policy for the Village of McFarland.

_____ I have actually read the entire cash and investment policy for the Village of McFarland.

_____ I understand the rules, regulations and procedures set forth in the investment policy.

______ I agree to abide by the rules, regulations and procedures set forth in the cash and investment policy.

_____ I agree to notify all investment officials of the Village if I believe the Village is not in compliance with the rules, regulations and procedures established in the cash and investment policy.

______ I understand that my signature below indicates that I have read, understood and I agree to comply with the Village's written policy.

____________ ____________________________________
Date Bank Name

____________________________________ ____________________________________
Bank Representative Name (Printed) Bank Representative Title

____
Bank Representative Signature

Appendix C

Definitions

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate.

CERTIFIED PUBLIC FUNDS INVESTMENT MANAGER (CPFIM): A certification issued through a nationally recognized accreditation program offered to financial officers and public entities in the arena of fixed income investing.

COLLATERAL: Securities, evidence of deposit or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public monies.

COMMERCIAL PAPER: An unsecured promissory note issued primarily by corporations for a specific amount and maturing on a specific day. The maximum maturity for commercial paper is 270 days.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to $250,000 per deposit.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks) which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit institutions and insurance companies. The mission of FHLB is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FUNDS: A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residuals or equities, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Examples of some of the funds used by the Village include the General Fund (main operating fund), Capital Fund, TID Fund, Water Utility, or Sewer Funds

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase – reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

PRUDENT PERSON RULE: An investment standard that states the trustee may invest in a security if it is one that would be bought by a prudent person of discretion and intelligence who is seeking preservation of capital and a reasonable income.

PUBLIC DEPOSITORY: Wisconsin State Statute 34.01(5) states the governing board of each public depositor shall, by resolution, designate one or more public depositories, organized and doing business under the laws of this state or federal law and located in this state, in which the treasurer of the governing board shall deposit all public moneys received by him or her and specify whether the moneys shall be maintained in time deposits subject to the limitations of s. 66.0603(1m), demand deposits, or savings deposits and whether a surety bond or other security shall be required to be furnished under s. 34.07 by the public depository to secure the repayment of such deposits. "Public depository" means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, federal or state savings bank, or national bank in this state which receives or holds any public deposits or the local government pooled- investment fund.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, that is, increasing bank reserves.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

U.S. INSTRUMENTALITIES: An organization that serves a public purpose and is closely tied to federal government, but is not a government agency. Many instrumentalities are private companies, and some are charted directly by the federal government. Fannie Mae, Freddie Mac and Sallie Mae are all examples of federal instrumentalities and carry an implicit guarantee from the U.S. Treasury, not an explicit guarantee.

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TELEPHONE
(608) 250-9053

FACSIMILE
(608) 250-9054

MEMORANDUM

To: Cassandra Suettinger, Clerk/Treasurer
From: Allen D. Reuter, Village Attorney
Date: January 14, 2020
Re: Securing Village Depository Accounts

You asked for my opinion as to the benefits and detriments of securing Village depository accounts through a letter of credit (LOC) issued by the Federal Home Loan Bank (FHLB) as opposed to a security interest in securities owned by McFarland State Bank (MSB). Absent additional security, the Village's deposits would be guaranteed by the FDIC for up to $250,000 and by the Public Deposits Guarantee Fund under §34.08, Wis. Stats. for an additional $400,000 (subject to available funds). Any amounts above those governmental guarantees depend on the solvency of the depository bank.

In my opinion, the relevant factors in analyzing the two security options fall into two categories – (1) the risk that the security interest will be insufficient to cover your loss and (2) the difficulty in collecting on the claim. First, if MSB were to go into receivership, what is the likelihood that the assets pledged as security will be worth the amount of your claim? Secondly, if a claim is necessary, how difficult will it be to recover the funds?

On the second issue, I agree with your financial consultant that an LOC would be easier (and cheaper) to collect on, since it requires only a draw (issuance and delivery of a demand for payment meeting the terms of the LOC) rather than foreclosure on securities. That process is clearly much easier, quicker and cheaper than having to liquidate stocks.

However, the securities approach has more tolerance for mistakes than the LOC proposed by FHLB. You may recall that one of my concerns with the FHLB letter of credit was it provides that if you made a mistake in attempting to draw on the LOC, they are not obligated to tell you what they consider to be wrong with the draft. [That is inconsistent with the International Standard Practice (ISP) which would require them to give you that information so you can correct it]. This could potentially be a problem if you were making a draw near the expiration date of the LOC. While your draft might be timely, it could be delayed past the expiration date leaving you without a remedy.

I am not suggesting the FHLB will employ those kinds of tactics, or that a mistake is likely, just that either is possible. Lessening the concern is that the draw process even under the FHLB LOC is not very complicated, so you probably will not run into this situation.

On the first issue, you are correct that a security interest in stocks is not foolproof. Stock values can fluctuate dramatically, so the value of your security changes daily. Of course, it would likely only be a major market drop that would threaten your ability to collect, but that is not unheard of. The letter of credit, on the other hand, depends on the solvency of one entity (FHLB), which currently has a pretty solid base (about $60 billion in deposits). While significant bank failures have happened on occasion, they are very rare, and federal regulators have shown a willingness to step in to prevent that from happening. On balance, I would expect the likelihood of an FHLB failure to be no higher (and probably much less) than the likelihood that the banks securities would plummet to the point that you would lose your security.

The primary objection I had to the letter of credit proposed by FHLB is that it seems to say that if someone forges a draft against the LOC, the amount they fraudulently obtain reduces the amount available to you. That is inconsistent with the Uniform Commercial Code and probably (it is implicit but not stated directly) with the ISP. But, since the parties to the LOC are not bound by the UCC or ISP, that provision would be binding.

Again, although there is a lot of money at stake, I see the risk as fairly minimal for a number of reasons. First, it is unlikely that someone would submit a bogus LOC draft, given the criminal penalties for bank fraud, theft, etc. It is also not easy for an individual to pose as a municipality. Secondly, it is unlikely that FHLB would pay a draft without first confirming with MSB that they have defaulted. Thirdly, it is likely that FHLB would contact you directly to confirm you made the draw and the account into which you wanted the funds deposited. In our discussion with the FHLB representatives, they did propose that they could include in the LOC a specific account number to which the funds would have to be deposited if you made a draw. That would go further to protect the Village since a fraudulent draft paid into a Village account doesn't really hurt anything. Overall, I think the risk of a fraudulent draw are minimal, and the proposal to restrict the disposition of the funds in advance reduces even that risk.

Finally, I would note that you would also have the ability to withdraw your money from MSB if the LOC balance was reduced by fraud (or the amount of your security was threatened for any other reason) and get a new form of security from another bank. So I see the forgery becoming a problem if (1) someone forges a Village draft, (2) the LOC allows the money to be paid to an account not owned by the Village, (3) FHLB pays it without even minimal investigation, (4) MSB becomes insolvent and goes into receivership and (5) the Village's deposits exceed the sum of (a) the amount of MSB's assets allocated to the Village in receivership proceedings plus (b) the remaining balance on the FHLB LOC, plus (c) the FDIC insurance amount ($250,000) plus (d) the $400,000 coverage from the Public Deposit Guarantee Fund. And all of that happens during the term of the LOC, and before the Village is able to obtain replacement security either from MSB or a new bank.

I would note that in January of last year I indicated to you that the statutes did not define what type of security was appropriate for public depositors. In April of last year, the legislature amended the statutes to include a statement that security includes (among other things) "an irrevocable letter of credit issued by a federal home loan bank." That suggests to me that the legislature considers that type of security to be reasonable.

There is no form of security available that will be without risk. While I do not like the FHLB's variation from the ISP and UCC standards, I don't think it is likely at all that circumstances will arise where they will cause you a problem. Overall, I am not able to say that an FHLB LOC is any worse than the security interest in stocks you now hold, and it is probably better. I see the main risk being a major nationwide bank failure, which I do not consider likely at all. While there are no guarantees, I would probably recommend the LOC if you can get them to restrict the payment to a Village designated account (as they agreed they would last year) over the current security agreement.

Let me know if you need more information or want to discuss any of this.

VILLAGE OF
McFarland

VILLAGE BOARD SUMMARY SHEET

MEETING DATE: **Wednesday, January 22, 2020**

SECTION: **Business**

DEPARTMENT: **Administration**

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

AGENDA ITEM: **Discussion and action to make a recommendation to the Village Board on using an irrevocable letter of credit from the Federal Home Loan Bank of Chicago as collaterlization for all funds help at McFarland State Bank.**

PREVIOUS ACTION:

ISSUE SUMMARY:
See attached memo.

FINANCIAL/BUDGET IMPACT:
None.

VILLAGE PLAN REFERENCE:
Village Fiscal Policy 5.04 (2)(ii) provides that Village deposits in excess of insurance will be protected through collateral:

Consisting of bonds or securities issued by the federal government, its agencies or instrumentalities or by any county, city, drainage district, technical college, village, town, school district, or an **irrevocable letter of credit issued by a federal home loan bank**, state bank, national bank, federal or state savings bank, federal or state credit union, or federal or state savings and loan association; and

ORDINANCE REFERENCE:
N/A

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
Staff recommends approval of collateralizing funds help with McFarland State Bank with an irrevocable letter of credit from the Federal Home Loan Bank of Chicago.

ATTACHMENTS:
1. LOC - Standard Template

FHLB Chicago

Federal Home Loan Bank of Chicago
200 East Randolph Drive • Chicago, Illinois 60601
(312) 565-5700 • www.fhlbc.com

FEDERAL HOME LOAN BANK OF CHICAGO
IRREVOCABLE LETTER OF CREDIT
NUMBER:_____

Date: ____________, _____

[Name of Beneficiary]
[Address of Beneficiary]
[Address of Beneficiary]
Attention: ______________________

Ladies and Gentlemen:

At the request and for the account of [Member Name] ("Member"), the Federal Home Loan Bank of Chicago (the "Bank") hereby establishes in your favor as beneficiary (the "Beneficiary") this Irrevocable Letter of Credit No.______ ("Letter of Credit"), pursuant to which, subject to the terms and conditions contained herein, the Bank authorizes you to draw upon the Bank an amount not exceeding $________________ (the "Credit Amount"). The Credit Amount shall be automatically reduced without reinstatement as of the date and by the amount of any demand for payment honored by the Bank under this Letter of Credit.

The Credit Amount may be increased and or decreased from time to time at the request of the Member to the Bank and, in the case of a decrease in the Credit Amount, with the prior consent of the Beneficiary. A request for an increase in the Credit Amount shall be evidenced by an amendment to the Letter of Credit in the form of Exhibit B and a decrease in the Credit Amount shall be evidenced by an amendment to the Letter of Credit in the form of Exhibit C that has been signed by the Beneficiary acknowledging its consent to the decrease.

This Letter of Credit is for the benefit of the Beneficiary and it is intended to collateralize deposit accounts that Beneficiary has established at the Member, which accounts are Public Unit Deposit accounts.

Partial drawings and multiple drawings are permitted.

[Choose one of the following two paragraphs:]

This Letter of Credit will expire at 4:30 p.m. (Central Time) on the date (the "Expiration Date") that is the earliest of: (i) ___________, 201_ (the "Termination Date"); (ii) the date the Credit Amount is reduced to $0; or (iii) the date you surrender this Letter of Credit to the Bank for cancellation.

--OR—

This Letter of Credit will expire at 4:30 p.m. (Central Time) on the date (the "Expiration Date") that is the earliest of: (i) ___________, 201_ (the "Initial Termination Date") or any then-applicable Termination Date (defined in the next sentence); (ii) the date the Credit Amount is reduced to $0; or

(iii) the date you surrender this Letter of Credit to the Bank for cancellation. The Initial Termination Date shall be deemed automatically extended, without amendment, for one year from the Initial Termination Date, and thereafter for one year from each anniversary of the then-applicable Termination Date, (each extension of the Initial Termination Date, a "Termination Date"), unless at least 60 days prior to the then applicable Termination Date we notify you in writing at the above address, by registered mail or courier service with confirmed delivery, that we, in our sole discretion, do not wish to extend the then-applicable Termination Date for any such additional period; provided, however, that in no event shall the Termination Date be extended beyond ___________, 201_.

Subject to the other provisions of this Letter of Credit, you may demand payment under this Letter of Credit prior to the Expiration Date by presenting your certificate in the form of Exhibit A, prepared in the form of a letter on your letterhead, signed by your authorized officer, with the blanks appropriately completed (the "Certification") in an amount no greater than the Credit Amount, and either (i) delivered to the Bank at 200 E. Randolph Dr., Chicago, Illinois 60601, Attention: Member Transactions Desk (or such other address in Illinois as the Bank may provide) or (ii) sent to the Bank by facsimile transmission to Facsimile No. (312) 552-1220 (or to any number(s) designated by us by written notice delivered to you).

If the Certification is presented in full compliance with the terms of the Letter of Credit (a "Drawing"), and received at or before 4:30 p.m. (Central Time) on a Business Day, the Bank will honor the Drawing by wire transfer of the Draft Amount specified in the Certification to the account designated in the Certification by 12:00 noon (Central Time) on the third Business Day after presentment. Documents received after 4:30 p.m. (Central Time) will be deemed to have been received before 4:30 p.m. (Central Time) on the following Business Day. As used in this Letter of Credit, a "Business Day" is any day on which the Bank is open for business. All payments under this Letter of Credit will be made with funds of the Bank and not from funds of the Member.

If a demand for payment made by you hereunder does not conform to the terms and conditions of this Letter of Credit, we will attempt to notify you that the purported demand was not effected in accordance with the Letter of Credit and we will hold the documents for disposal at your instruction or return the same to you, as you may elect. Any correction or resubmission of your demand will be deemed a new demand.

By honoring a Drawing under this Letter of Credit, we make no representation as to the correctness of the amount of the Drawing, the authority of any person signing on your behalf or your representations on your certification.

To the extent not inconsistent with the express terms hereof, this Letter of Credit shall be governed by, and construed in accordance with, the terms of the International Standby Practices, International Chamber of Commerce Publication No.590 (the "ISP"). As to matters not governed by the ISP, this Letter of Credit shall be governed by and construed in accordance with the internal laws of the State of Illinois, including without limitation the Uniform Commercial Code as in effect in the State of Illinois.

This Letter of Credit is not transferable or assignable, either in whole or in part, except with the express written consent of the Bank and the Beneficiary.

[Signature page follows]

This Letter of Credit sets forth in full the undertaking of the Bank, and this undertaking may not be modified, amended or amplified in any way without the written consent of the Bank and the Beneficiary.

Very truly yours,

FEDERAL HOME LOAN BANK
OF CHICAGO

By:_________________________________

Name:

Title:

By:_________________________________

Name:

Title:

[Beneficiary Letterhead]

EXHIBIT A

TO FEDERAL HOME LOAN BANK OF CHICAGO

IRREVOCABLE LETTER OF CREDIT NUMBER: _____

DRAWING CERTIFICATE

Date: _________________

Federal Home Loan Bank
of Chicago
200 E. Randolph Dr.
Chicago, IL 60601
Attention: Member Transactions Desk

Ladies and Gentlemen:

The undersigned is the Beneficiary of the above-referenced Letter of Credit, issued for the account of [Member Name] (the "Member"). The undersigned hereby certifies to you that:

(1) The Member held certain deposits of [Name of Beneficiary], (the "Depositor") which, as of _________________________, 20___, consist of principal and interest to maturity in the total amount of $_______________________ (the "Contract Amount"), and

(a) The Member has failed or refused to permit the withdrawal of any deposit of the Depositor held by the Member as requested by the Depositor; or

(b) The Member has failed to pay the full amount of any certificate of deposit or other time deposit at the maturity thereof; or

(c) The Member:

(i) is insolvent or has otherwise failed; or
(ii) has been closed or seized by a state or federal regulator; or
(iii) is the subject of an application for the appointment of a receiver, conservator, or other such official; or
(iv) has had a receiver, conservator, or other such official appointed to conduct the business and affairs of the Member; or

(d) The Letter of Credit is not being renewed.

(2) The amount of $ ______________ (the "Draft Amount") is required to satisfy the obligation of the Member in respect of the Contract Amount by reason of an event described in Paragraph 1(a), (b), (c) or (d) above.

(3) The Draft Amount does not exceed the Credit Amount (now in effect) of the Letter of Credit.

(4) To the extent the Draft Amount is paid by the Federal Home Loan Bank of Chicago, the undersigned will not attempt to collect the Draft Amount from the Member or insurer of the Member's deposits in respect of the Contract Amount.

(5) Please wire funds as follows: ________________________
ABA No. ________________
Reference: _______________
Acct.: ___________________

By signing this Drawing Certificate, the undersigned officers certify that they are authorized to make this certification on behalf of the Depositor.

Sincerely,

[NAME OF BENEFICIARY]

By:____

Title:____
Authorized Signature

By:____

Title:____
Authorized Signature

[Bank Letterhead]

EXHIBIT B

to Federal Home Loan Bank of Chicago
Irrevocable Letter of Credit No. _______

[Date of Amendment]

BENEFICIARY:

[Name of Beneficiary]
[Address of Beneficiary]
[Address of Beneficiary]
[Attention: ________]

RE: Amendment to Irrevocable Letter of Credit No. ______
(Increase of Credit Amount)

Ladies and Gentlemen:

At the request and for the account of [Member Name] (the "Member"), the Federal Home Loan Bank of Chicago (the "Bank") has previously issued its **Irrevocable Letter of Credit No. _____** dated ______________ (the "Letter of Credit") to you as Beneficiary. The initial Credit Amount (as that term was defined in the Letter of Credit) of the Letter of Credit was US $____________. Effective as of ______________________, the Bank hereby amends the Letter of Credit to increase the Credit Amount to US $___________________.

[If applicable: Further, effective as of _________________, the Bank hereby amends the Letter of Credit to extend the current Expiration Date to ________________.]

Except as amended by this Amendment, the Letter of Credit remains in full force and effect as originally issued.

FEDERAL HOME LOAN BANK OF CHICAGO

By: ________________________________
Name: ______________________________
Title: _______________________________

By: ________________________________
Name: ______________________________
Title: _______________________________

[Bank Letterhead]

EXHIBIT C

to Federal Home Loan Bank of Chicago
Irrevocable Letter of Credit No. _____

[Date of Amendment]

BENEFICIARY:

[Name of Beneficiary]
[Address of Beneficiary]
[Address of Beneficiary]
[Attention: _________]

RE: Amendment to Irrevocable Letter of Credit No. _____
(Decrease of Credit Amount)

Ladies and Gentlemen:

At the request and for the account of [Member Name](the "Member"), the Federal Home Loan Bank of Chicago (the "Bank") has previously issued its **Irrevocable Letter of Credit No.** _______ dated ______________ (the "Letter of Credit") to you as Beneficiary. The initial Credit Amount (as that term was defined in the Letter of Credit) of the Letter of Credit was US $____________. Effective as of the date indicated below, the Bank hereby amends the Letter of Credit to decrease the Credit Amount to US $____________________, provided, however, that such decrease in the Credit Amount shall not become effective until this Amendment has been countersigned by the Beneficiary indicating its consent to such decrease.

[If applicable: Further, effective as of _________________, the Bank hereby amends the Letter of Credit to extend the current Expiration Date to ________________.]

Amendment to Irrevocable Letter of Credit No. ______
(Decrease of Credit Amount)

Except as amended by this Amendment, the Letter of Credit remains in full force and effect as originally issued.

FEDERAL HOME LOAN BANK OF CHICAGO

By: ________________________________
Name: ______________________________
Title: _______________________________

By: ________________________________
Name: ______________________________
Title: _______________________________

Accepted and agreed to as of [insert effective date of decrease]:

[NAME OF BENEFICIARY]

By: ____________________________
Authorized Signature

By: ____________________________
Authorized Signature

VILLAGE OF
McFarland

VILLAGE BOARD SUMMARY SHEET

MEETING DATE: **Wednesday, January 22, 2020**

SECTION: **Business**

DEPARTMENT: **Administration**

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

AGENDA ITEM: **Discussion and action to make a recommendation to the Village Board regarding an agreement for the State Debt Collection System.**

PREVIOUS ACTION:

ISSUE SUMMARY:
The Wisconsin Department of Revenue (DOR) has been granted the authority by the legislature to act as the collection agency for debts owed to state, county, or local government agencies. Sec. 71.93 (8), Wis. Stats., authorizes DOR to enter into written agreements with each agency detailing the collection processes. The program can be used for debts that meet the following criteria:
1. Debt balance greater than $50.00
2. Debt is more than 90 days old with no active negotations or payment plans in place.
3. A referral notice to the debtor is required at least 30 days prior to referral, and the debtor must be given an opportunity to be heard in regards to the obligation due.

The WI DOR then is able to collect on the debt by anything up to and including payment plans, refund intercepts, wage attachment orders, and bank levies. All referred debts are subject to a fee of 15% of the unpaid balance, or $35.00, whichever is greater. The fee would be passed on to the debtor and not the Village.

Currently staff is fairly limited in the methods by which it can collect on delinquent and outstanding debts. In some extremley limited cases citations and outstanding balances owed on things like property maintenance can be put on the tax bill; however, outside of this, the Village has limited including costly small claims court filings. The program has no cost to the Village, but would provide an extremely effective tool in collecting debt. The McFarland Municipal Court already uses the program, and has reported the program is successful and they would recommend its use for the Village.

Additional information on the program can be found at: https://www.revenue.wi.gov/Pages/HTML/debtcoll.aspx

VILLAGE OF
McFarland

FINANCIAL/BUDGET IMPACT:
N/A

VILLAGE PLAN REFERENCE:
N/A

ORDINANCE REFERENCE:
N/A

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
Staff recommends entering into an agreement for the State Debt Collection System.

ATTACHMENTS:
1. SDC Agreement

State of Wisconsin
Department of Revenue

State Debt Collection Agreement

Table of Contents

Introduction

This agreement between the ____, (hereafter referred to as "agency") and the Wisconsin Department of Revenue (hereafter referred to as "department") will set forth the requirements and expectations relating to debt collection services.

Statutory Authority

The department is authorized pursuant to sec. 71.93(8), Wis. Stats., to enter into a written agreement to collect any amount owed to the agency.

Duties of the Agency

1. Debt sent to the department for collection must be:
    - Greater than $50.00
    - At least 90 days past due, unless the agency is negotiating a payment plan, has an active payment plan in good standing, the debtor has filed for bankruptcy, the debtor is deceased, or the debtor has objected to the basis of the debt and the agency is responding to the objection
    - Reduced to a judgment or the debtor was provided with reasonable notice and an opportunity to be heard with regard to the validity of the debt
2. At least 30 days prior to referral of the debt to the department, the agency shall send notice to the debtor of the agency's intention to refer the debt to the department for collection. The notice must state the nature and amount of the debt, identify the agency to whom the debt is owed, and advise the debtor that collection costs will be assessed once the debt is referred to the department. Any appeal periods must have expired and all disputes resolved prior to referral of debt to the department.
3. The agency shall send the following file updates in an electronic format using the department's online application or by file exchange using the department's prescribed file layout:
    - New debts submitted to the department must contain the following information:
        - Legal name
        - Social Security Number (SSN), Federal Employer Identification Number (FEIN) or Driver's License Number (DLN)
        - Unique personal identification number that is not the SSN.
        - Unique debt identification number.
        - Original date the debt was incurred.
        - A short debt description and a more detailed debt description used to aid in the collection process.
    - A debt may only be updated or recalled by the agency for the following reasons:

- Recalling a debt that was submitted in error. The agency agrees to contact the department prior to recalling a debt to discuss the action. The department will cease collection actions in progress.
- Changing an estimated assessment to the actual amount due
- Correcting a debt balance due to error on initial submission
- Changing the debt balance for other administrative adjustment

4. The agency agrees to adjust all debts certified to the department's Tax Refund Intercept Program (TRIP) that they intend to send to the department for debt collection to a zero balance. Through this agreement, the department will offset refunds to the agency's debts according to the debt setoff hierarchy as authorized in sec. 71.93(3)(a), Wis. Stats.
5. Once debt is referred to the department for collection, the agency shall discontinue billing statements, demand letters, and active collection efforts. The agency will direct all debtor calls or requests regarding collection of the debt to the department.
6. Once a debt is referred to the department for collection, the agency shall forward any payments received to the department for processing. Department collection fee must be paid even if the debtor sends full payment of the debt to the agency.
7. If the debt is compromised or settled by the agency, the agency shall contact the department to determine the amount owed to the department for the collection fee. The agency is responsible for the full collection fee, based on the original amount certified, when entering a compromise or settlement agreement.
8. Correspondence and telephone inquiries received that relate to the validity of the debt shall be forwarded to the agency for a timely response. The agency must have resources available to assist debtors and department collectors with debt-related issues.
9. Once a debt is collected in full by the department, the debt is returned to the agency as satisfied. The agency shall not submit any changes to the department after the debt is satisfied. If the agency determines the debtor owed a lesser amount or the debt should have been adjusted, the agency shall refund the debtor the amount of overpayment received plus the department collection fee calculated at 15% of the amount overpaid, if appropriate. The department will not refund any paid collection when a debt is satisfied.
10. A debt certified by the agency using the wrong SSN or DLN will be reversed by the department and returned to the agency. Any payments and refund setoffs that occur because of erroneous identification information will be reversed by the department. The agency shall be responsible for reimbursement of collection fees or unrecoverable amounts due to submitting a debt with incorrect identification information.
11. The agency shall be responsible and liable for any claims or lawsuits made against the department arising from collection of a debt that is alleged to be incorrect or not owed by the debtor.
12. The agency agrees to maintain the confidentiality of all accounts, correspondence, documents and any other related information, which may be obtained from or furnished by the

department in accordance with all applicable state and federal laws. If a third party is used by the agency to manage the debts referred to the department, the third party must sign a Vendor Confidentiality and Non-Disclosure Agreement with the department and will be bound by the same confidentiality requirements. Any unauthorized use or disclosure of such information, or inadequate procedures for safeguarding the confidentiality of such information, constitutes grounds for immediate termination of this agreement. All agency and vendor users who have access to the department's online system or access to files exchanged between the agency and the department must sign the attached user Certification of Understanding.

13. The agency shall review reports transmitted, reconcile accounts and notify the department within 60 days of any discrepancies.
14. The agency shall have technical staff available to maintain electronic file layouts, electronic reports, and other requirements as needed. Agency and department contact information will be periodically updated.

Duties of the Department

1. The department shall take all reasonable and cost-effective actions to collect referred debts. Collection efforts may include, but are not limited to:
    - Identify assets available for satisfaction of debts
    - Send demand letters
    - Subpoena records
    - Setoff refunds
    - Negotiate and monitor payment plans
    - Levy assets
    - Certify wages
2. The Secretary of the department may waive the referral of certain types of debts.
3. The department shall collect debts and assess interest in the same manner that it collects taxes and assesses interest under secs. 71.82(2), 71.91, 71.92, and 73.03 (20), Wis. Stats.
4. The department shall add a collection fee to each debt referred for collection. The collection fee is reviewed periodically and may be adjusted up or down. The department will provide 30 days' notice to the agency prior to any fee adjustment.
5. The department shall apply payments made on delinquencies first to fees, then penalties and interest, with the balance applied to principal. The department shall notify the agency and disburse payments on a monthly basis.
6. The department shall collect against debtors who owe multiple debts to various government entities. Proceeds collected shall be applied according to Sec. 71.93(3), Wis. Stats.
7. The department shall send periodic Statements of Account to the debtor. If the agency requests interest on the debt, interest shall be posted monthly. Debtors may view account balances and make online payments at any time using the department's My Tax Account online service.

8. The department may suspend collection action on an agency account temporarily if the debtor raises concerns regarding validity of the debt that need to be addressed by the agency. The debtor shall be advised that they must contact the agency within 30 days and the department may resume collection action after 30 days unless the agency contacts the department to request additional time or recalls the debt.
9. If a payment, refund, or refundable credit is determined to be in error or is otherwise adjusted after posting to an agency debt, the department may reverse the credit and reduce the monthly distribution by the adjusted amount.
10. The department may close out any debt with a balance that falls below $20.00 and return the debt to the agency.
11. The department shall pursue debt collection until the debt is collected in full or the department has determined the debt to be uncollectible.
12. The department may pursue collection against the spouse of the debtor in accordance with Wisconsin marital property laws. When considering collection actions against a spouse, the department may take the following actions:
    a. Contact the agency. When the department identifies that a debtor is married and the debt was incurred during the marriage, the department may contact the agency for additional information regarding the nature of the debt.
    b. Contact the spouse. Prior to taking any collection action against a spouse, the department shall send a spousal notice providing an opportunity for the spouse to be heard in regards to the ability to collect from the spouse.
13. The department shall suspend collection action on debts if the debtor files bankruptcy. It is the agency's responsibility to handle all bankruptcy matters. The agency must contact the department if they wish to recall a debt when bankruptcy has been filed.
    a. If the bankruptcy is discharged, the department will contact the agency to review the debt for potential write off. If the debt survives bankruptcy, the agency must notify the department in 60 days to resume collection activity.
    b. If the bankruptcy is dismissed, the department will resume collection activity.
14. The department shall send the following files:
    a. Debt Response File – The department shall respond to all new debt submissions with a response to notify the agency whether the debt was accepted or rejected.
    b. Transaction File - The department shall notify the agency monthly of credits posted to interest and principal and disburse payments through an ACH credit or state accounting system general ledger transfer
    c. Return Debt File - The department shall return debts to the agency on a monthly basis for the following reasons:
        - The debt is satisfied
        - The debt is uncollectible

- The debtor is deceased
- The debt balance is less than $20
- The debtor name and ID do not match DOR records
- The agency recalled the debt

d. Performance Analysis Report – The department shall report on its collection performance upon agency request.

15. The department shall have collectors available to assist debtors and the agency with debt-related issues.
16. The department shall resolve any debtor disputes pertaining to improper collection by the department.
17. The department shall have technical staff available to create and maintain electronic file layouts, electronic reports, and other requirements as needed. Agency and department contact information will be periodically updated.
18. The Secretary of the department shall be the final authority in the resolution of any interagency disputes in regard to referral of debts.

Legal Requirements

This agreement is effective upon the signing below of the agency's and department's representatives. Amendments mutually agreed to by authorized representatives of the agency and the department shall become effective when signed and dated as an ADDENDUM to this agreement. If allowed by state law, the agreement may be terminated upon 60 days notice by either party.

Wisconsin Department of Revenue	Agency
______________________________	______________________________
Print Name	Print Name
______________________________	______________________________
Signature	Signature
______________________________	______________________________
Date	Date

VILLAGE OF
McFarland

VILLAGE BOARD SUMMARY SHEET

MEETING DATE: **Wednesday, January 22, 2020**

SECTION: **Business**

DEPARTMENT: **Administration**

CONTACT:

AGENDA ITEM: **Discussion and action to make a recommendation to the Village Board regarding revisions to Chapter 12 Vehicle Replacement Policy of the Fiscal Policy Manual.**

PREVIOUS ACTION:

ISSUE SUMMARY:
In October of last year we reviewed the current form of the Vehicle Replacement Policy. This policy was approved in 2015 and as reported never previously implemented. The policy has been updated to include some revisions that align better with current practice. Staff has reviewed these revised standards and recommends their approval.

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

ATTACHMENTS:
1. Chapter 12 - Vehicle Replacement Policy 11182019 mgs

CHAPTER 12 Vehicle Replacement Policy

SECTION 12.01 Policy Purpose

(a) This policy outlines the procedures to be used by Department Heads, in coordination with the Administrator, to recommend vehicles for replacement during the budget creation process. The intent is to minimize capital and maintenance costs while maximizing the length of use for each vehicle. The matrix is designed to equitably grade the eligibility for replacement of any type of vehicle across all departments, and to establish a prioritized list to be incorporated in the capital budget.

SECTION 12.02 Eligibility for Replacement and Prioritization

(a) Vehicles will be evaluated annually on four criteria for replacement eligibility: (1) Expected Years of Usage, (2) Expected Mileage/Hours, (3) Condition, and (4) Maintenance Cost. Each vehicle will be scored individually to determine eligibility for replacement consideration as follows:

(1) **Expected Years of Usage.** Points are assigned on a scale from one (1) to five (5) based on percentage of the expected years of usage the vehicle will be in service as per the chart in Section 12.03(a) below. One (1) point is assigned for each 20% of initial expected usage based on the date the vehicle was placed in service with the Village.

(2) **Expected Mileage/Hours.** Points are assigned on a scale from one (1) to five (5) based on a percentage of the expected mileage or hours, depending on the type of vehicle or equipment, of usage the vehicle will be in service as per the chart in Section 12.03(a) below. One (1) point is assigned for each 20% of initial expected usage based on the date the vehicle was placed in service with the Village.

(3) **Condition.** Consideration is given for the condition of the body, rust, interior, accident status, anticipated repairs, and etc. Points are given on a scale from one (1) to five (5) with five (5) being extremely poor condition. Any ranking over three (3) requires written justification including repair estimates, pictures, noted failures, functional deficiencies, and/or other descriptions to demonstrate poor condition.

(4) **Maintenance Cost.** Points are assigned on a scale from one (1) to five (5) based on a ratio of total accumulated maintenance costs to the cost of the original vehicle. A five (5) would be equal to total maintenance costs,

internal and external, equaling 100% of the original purchase price while one (1) would equal total maintenance costs equaling 20% of original purchase price.

(b) Points for each of the four criteria should be added for a total score:

Score	Condition
0 – 5 Points	Excellent; not eligible for replacement.
6 – 10 Points	Good; not eligible for replacement.
11 – 15 Points	Fair; eligible for replacement.
16 – 20 Points	Poor; eligible for immediate replacement.

The score for each vehicle will determine eligibility for replacement. Eligible vehicles will be then ranked based upon the score. Final replacement determination will be contingent on inclusion of funding as approved within the annual Capital Projects Fund budget.

SECTION 12.03 Vehicle Lifespan

(a) Each vehicle is to be scored according to its own criteria. However, in order to provide a predictable capital expenditure plan for annual budgeting purposes, each type of vehicles is expected to have the following lifespan for Village use:

Score	Condition
Lawn Mowers	5 years/ 3,750 hours
Skid-Steer	5 years/ 1,000 hours
Police Squad	5 years/ 225,000 miles *
Street Sweeper	10 years/ 6,000 hours
Backhoe, Front End Loader	10 years/ 2,000 hours
Patrol/Dump Trucks	10 years/ 2,000 hours
Car, Light Duty Pickup, SUV	10 years/ 75,000 miles
Ambulance	10 years (5 reserve)/ 200,000 miles *
Tractors and other Small Engine Equipment	15 years/ 2,250 hours
Medium- and Heavy-duty	15 years/ 150,000 miles

Pickups, Utility Truck, and Bucket Truck	
Fire Engine	15 years/ 4,500 hours
Fire Other Apparatus	15 years/ 2,250 hours
Fire Ladder Truck	20 years/ 3,000 hours
Used Vehicles and Equipment	To be determined prior to purchase

* Add 25 miles for each hour of idle time for certain vehicles require a high amount of idling under normal usage.

SECTION 12.04 Other Considerations

(a) All Village vehicles eligible for replacement will be prioritized by the Department Heads and the Administrator, with the highest priority given to vehicles eligible for immediate replacement. The Village Board will make the final replacement determination based upon the inclusion of funding as approved within the annual Capital Projects Fund budget.

(b) The annual 5 year Capital Improvement Plan as approved by the Village Board will take into account the scoring of each vehicle in accordance with this criteria in order to include vehicle replacements throughout the duration of the plan.

(c) Judgements on vehicle replacements need will be based upon maximizing the use of each vehicle at a reasonable maintenance cost, and not upon maximizing, trade-in or resale value. However, strategies that lower net replacement costs may be considered by the Village Board.

(d) No vehicle will be listed for sale, sold, or auctioned until its replacement is placed in service with the Village, unless the vehicle is traded in at the time of the new purchase of its replacement.

(e) The Finance Committee will review as needed with Department Heads and the Administrator the scoring matrix and predicted lifespan of vehicles in order to make any appropriate adjustments.

Adopted: September 14, 2015 Amended: XXXX XX, 2019

VILLAGE OF
McFarland

VILLAGE BOARD SUMMARY SHEET

MEETING DATE: **Wednesday, January 22, 2020**

SECTION: **Business**

DEPARTMENT: **Administration**

CONTACT:

AGENDA ITEM: **Discussion and action to make a recommendation to the Village Board regarding the Capital Improvement Plan for 2020-2024.**

PREVIOUS ACTION:

ISSUE SUMMARY:
Enclosed is the draft 2020-2024 Capital Improvement Plan. This is substantially higher than past years due to the need to borrow via large bonds rather than notes like we are accustomed to. The bonds are needed to borrow over a 20 year period in order to fund some of the larger facility projects that are included within this plan. Most notably is the Public Safety Center which is set for construction in 2021. In later years this plan calls for facility improvements to the Library, development of a Community Park, creation of a Community Center, and even construction of an outdoor aquatics facility. However, a lot of these remains in early stages of planning and whether or not they materialize obviously will depend on Village Board action over this time period. This list though is meant to be all inclusive of the long term capital needs of the Village in order to better plan for these needs over time. This list is also in concert with the Village Board's goals and objectives as well as the draft Strategic Plan that will be completed within the same schedule as this program.

FINANCIAL/BUDGET IMPACT:
On average over the 5 year life of this plan, the average tax rate increase is $0.46 per thousand dollars of value. The median home value as of January 1, 2019 is $275,000 and an individual with that level of value would expect to pay approximately $125.37 more per year on average under this plan.

The analysis by the Financial Adviser shows the year by year impact of the debt added according to notes for 10 years and bonds for 20 years. The bonds are for the larger capital improvements in each year and a second table is provided in this packet to show the tax impact if just the notes were pursued. The notes alone add $0.19 per thousand on average over the life of this plan which is pretty consistent with past plans. This equates to approximately $52.74 per year on average a homeowner might expect to pay if the bonds were not included.

The net difference then is that the average tax rate increase is around $0.27 per thousand or $74.25 per year on average. It should be noted that this plan takes into account NO GROWTH in value or fluctuations in the tax rate. This is done to be conservative in our analysis of the impact of the plan on Village finances. It is very conceivable this amount is less in the future as it has been the last several years due to changing market conditions and budget adjustments that are made annually to keep the impact as minimal as possible.

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
Presented for discussion and review. Upon completion of review, a recommendation to the Village Board is required.

ATTACHMENTS:
1. 2020-2024 McFarland CIP - DRAFT - 01172020 mgs
2. 2020-24 CIP Village Purposes - Notes

VILLAGE OF McFarland

5 Year
Capital Improvement Program

2020-2024

January 22, 2020
Finance Committee Review and Recommendation

January 27, 2020
Village Board Review and Approval

DRAFT

2020-2024 McFarland Capital Improvement Plan

Funding Summary

By Department…	*2020*	*2021*	*2022*	*2023*	*2024*	*Total*
Administration	37,000	58,000	64,000	40,500	42,500	242,000
Facilities	1,925,000	11,101,000	3,651,000	275,000	151,000	17,103,000
Communications/Technology	30,000	15,000	15,000	5,000	5,000	70,000
Police	87,000	75,000	85,000	85,000	85,000	417,000
Fire and Rescue	749,250	1,486,750	179,250	160,500	132,000	2,707,750
Emergency Management	0	0	5,000	0	0	5,000
Public Works	2,493,000	3,878,000	6,548,500	1,600,500	2,501,250	17,021,250
Senior Outreach	0	2,500	0	0	0	2,500
Library	67,500	58,000	58,000	2,708,000	58,000	2,949,500
Parks	1,665,000	265,000	1,415,000	1,315,000	5,565,000	10,225,000
Community Development	204,000	129,000	29,000	4,000	34,000	400,000
Total	7,257,750	17,068,250	12,049,750	6,193,500	8,573,750	51,143,000

By Fund…	*2020*	*2021*	*2022*	*2023*	*2024*	*Total*
General - Fund 100	29,500	729,500	37,500	34,500	29,500	860,500
Comm/Tech - Fund 200	15,000	15,000	15,000	5,000	5,000	55,000
TID #3 - Fund 305	-	50,000	-	-	-	50,000
TID #4 - Fund 310	-	-	-	-	350,000	350,000
TID #5 - Fund 315	-	-	350,000	-	-	350,000
Capital Projects - Fund 400	5,320,750	13,968,250	7,252,750	5,615,500	7,445,000	39,602,250
Parks - Fund 405	690,000	115,000	565,000	65,000	65,000	1,500,000
Utility - Fund 600	1,056,500	1,800,500	3,276,250	434,750	518,000	7,086,000
Stormwater - Fund 605	146,000	390,000	553,250	38,750	161,250	1,289,250
Total	7,257,750	17,068,250	12,049,750	6,193,500	8,573,750	51,143,000

Within Fund 400…	*2020*	*2021*	*2022*	*2023*	*2024*	*Total*
Tax Levy	320,000	330,000	340,000	350,000	360,000	1,700,000
Grants	88,000	50,000	1,310,750	50,000	50,000	1,548,750
Intergovernmental	-	837,750	50,000	-	-	887,750
Borrowing	4,165,000	12,030,000	5,442,000	5,214,500	7,035,000	33,886,500
Reserves	747,750	720,500	110,000	1,000	-	1,579,250
Total	5,320,750	13,968,250	7,252,750	5,615,500	7,445,000	39,602,250

Within Fund 600…	*2020*	*2021*	*2022*	*2023*	*2024*	*Total*
Water	988,000	735,750	1,193,500	417,250	381,000	3,715,500
Sewer	68,500	1,064,750	2,082,750	17,500	137,000	3,370,500
Total	1,056,500	1,800,500	3,276,250	434,750	518,000	7,086,000

Capital Improvement Program

Village of McFarland

Prior Plan Approval/Inclusion Year: **2018** **2019** **2020** **2021** **2022** **2023** **2024**

Program Year: 2020

Funding by Project

Projects	Dept	General Fund 100	Comm/Tech Fund 200	TID #3 Fund 305	TID #4 Fund 310	TID #5 Fund 315	Capital Projects - Fund 400: Tax Levy	Grants	Intergov	Borrow	Reserve	Total	Parks Fund 405	Utility - 600: Water	Sewer	Stormwater Fund 605	Total
Digital Storage Project	Admin									25,000		25,000					25,000
Equipment/Furniture	Admin	2,500										-					2,500
Workstation Replace	Admin						9,500					9,500					9,500
Community Room	Facilities									40,000		40,000					40,000
Facility Plan/Design - CS	Facilities										50,000	50,000					50,000
Facility Plan/Design - PS	Facilities									550,000		550,000					550,000
Land Acquisition	Facilities						40,000					40,000					40,000
Mechanicals	Facilities										85,000	85,000					85,000
Network Equip	Facilities						4,000					4,000		2,000	2,000	2,000	10,000
Public Works Facility	Facilities									750,000	250,000	1,000,000					1,000,000
Security	Facilities										50,000	50,000					50,000
Sinking Fund	Facilities						100,000					100,000					100,000
Equipment Upgrade	C/T		15,000							3,000	12,000	15,000					30,000
Equipment	Police						22,000					22,000					22,000
Patrol Vehicle (Lease)	Police						35,000					35,000					35,000
Technology	Police									10,000		10,000					10,000
Traffic Safety	Police						13,500			6,000	500	20,000					20,000
Car 1 Sinking Fund	Fire/EMS						5,750					5,750					5,750
EMS Equipment	Fire/EMS						5,500					5,500					5,500
Fire Equipment	Fire/EMS						29,000					29,000					29,000
Foam Trailer	Fire/EMS						2,000	38,000				40,000					40,000
Technology	Fire/EMS						8,500					8,500					8,500
Radios	Fire/EMS									260,250	250	260,500					260,500
Utility (Squad)	Fire/EMS									400,000		400,000					400,000
	EM											-					-
Bucket Truck	DPW									155,000		155,000					155,000
County MN - Phase 4	DPW									125,000		125,000					125,000
Exchange Bridge	DPW									25,000		25,000					25,000
Farwell Under Phase 2	DPW										50,000	50,000					50,000
Leased Equipment	DPW						12,250					12,250		4,250	4,250	4,250	25,000
Mower - Small	DPW									3,750		3,750		3,750	3,750	3,750	15,000
Mower - Big	DPW									100,000		100,000					100,000
Pedestrian Ways	DPW									100,000		100,000				100,000	200,000
Pickup Truck	DPW									10,000		10,000		10,000	10,000	10,000	40,000
Pipe Cutter	DPW											-		20,000			20,000
Sinking Fund	DPW						1,000					1,000		1,000	1,000	1,000	4,000
Small Capital	DPW											-				2,500	2,500
Street Constr	DPW									212,000		212,000		634,500			846,500
Street Maintenance	DPW									300,000		300,000					300,000
Street Resurface	DPW									150,000		150,000					150,000
Street Sweeper	DPW											-				20,000	20,000
Street Tree Planting	DPW	25,000										-					25,000
Technology	DPW						2,500					2,500		2,500	2,500	2,500	10,000
Utility Van	DPW											-		45,000	45,000		90,000
Wayfinding Design	DPW									25,000		25,000					25,000
Well Maintenance	DPW											-		265,000			265,000
	Outreach											-					-
Comp - Workstation	Library						13,500					13,500					13,500
Sinking Fund	Library							50,000				50,000					50,000
Site Improvements	Library						4,000					4,000					4,000
Aquatics Plan/Design	Parks									40,000		40,000					40,000
Community Park	Parks									50,000		50,000					50,000
General Improve	Parks											-	50,000				50,000
Larson Park	Parks											-	100,000				100,000
McDaniel Park	Parks									100,000		100,000	100,000				200,000
McFarland Park	Parks									25,000		25,000					25,000
Park Design	Parks						10,000					10,000					10,000
Park Equipment	Parks											-	15,000				15,000
Property Acquisition	Parks									-		-					-
Ridgeview Tot Lot	Parks											-	25,000				25,000
Siggelkow Road Park	Parks											-	150,000				150,000
Urso/Schuetz Park	Parks									500,000	250,000	750,000	250,000				1,000,000
Affordable Housing Study	CD									25,000		25,000					25,000
Brand Development	CD									150,000		150,000					150,000
Small Capital	CD	2,000										-					2,000
Sinking Fund	CD						2,000					2,000					2,000
Sustainability Plan	CD									25,000		25,000					25,000
Total Projects		29,500	15,000	-	-	-	320,000	88,000	-	4,165,000	747,750	5,320,750	690,000	988,000	68,500	146,000	7,257,750

Capital Improvement Program

Village of McFarland | *Prior Plan Approval/Inclusion Year:* **2018** **2019** **2020** **2021** **2022** **2023** **2024** | Program Year: 2021

Funding by Project

Projects	Dept	General	Comm/Tech	TID #3	TID #4	TID #5	Capital Projects - Fund 400						Parks	Utility - 600		Stormwater	Total
		Fund 100	Fund 200	Fund 305	Fund 310	Fund 315	Tax Levy	Grants	Intergov	Borrow	Reserve	Total	Fund 405	Water	Sewer	Fund 605	
Comp/Class Study	Admin						20,000					20,000					20,000
Digital Storage Project	Admin						25,000					25,000					25,000
Equipment/Furniture	Admin	2,500										-					2,500
Workstation Replace	Admin						10,500					10,500					10,500
Facility Plan/Design	Facilities									250,000		250,000					250,000
Land Acquisition	Facilities						40,000					40,000					40,000
Muni Center Roof	Facilities										700,000	700,000					700,000
Network Equip	Facilities						5,000					5,000		2,000	2,000	2,000	11,000
Public Safety Building	Facilities									10,000,000		10,000,000					10,000,000
Sinking Fund	Facilities						100,000					100,000					100,000
	C/T											-					-
Equipment Upgrade	C/T		15,000									-					15,000
	C/T											-					-
Equipment	Police						15,000					15,000					15,000
Patrol Vehicle (Lease)	Police						40,000					40,000					40,000
Traffic Safety	Police									20,000		20,000					20,000
Car 1 Sinking Fund	Fire/EMS						5,750					5,750					5,750
EMS Equipment	Fire/EMS						7,000					7,000					7,000
Extrication Equip	Fire/EMS						5,750			32,500		38,250					38,250
Fire Equipment	Fire/EMS						23,750					23,750					23,750
Ladder Truck	Fire/EMS	700,000								705,000		705,000					1,405,000
Technology	Fire/EMS						7,000					7,000					7,000
	EM											-					-
	EM											-					-
	EM											-					-
County MN - Phase 4	DPW								837,750	430,000		1,267,750		571,000		303,750	2,142,500
Eastside Interceptor	DPW											-			1,000,000		1,000,000
Leased Equipment	DPW						12,250					12,250		4,250	4,250	4,250	25,000
Patrol Truck	DPW									47,500	20,000	67,500		47,500	47,500	47,500	210,000
Pedestrian Ways	DPW									10,000		10,000					10,000
Pickup Truck	DPW									10,000		10,000		10,000	10,000	10,000	40,000
Sinking Fund	DPW						1,000					1,000		1,000	1,000		3,000
Small Capital	DPW											-				2,500	2,500
Street Constr	DPW											-					-
Street Maintenance	DPW									300,000		300,000					300,000
Street Sweeper	DPW											-				20,000	20,000
Street Tree Planting	DPW	25,000										-					25,000
Water Valve Turner	DPW											-		100,000			100,000
	Outreach											-					-
Tables	Outreach						2,000				500	2,500					2,500
	Outreach											-					-
	Library											-					-
Comp - Workstation	Library						8,000					8,000					8,000
Sinking Fund	Library							50,000				50,000					50,000
	Library											-					-
Brandt Park	Parks			50,000						100,000		100,000	50,000				200,000
General Improve	Parks											-	50,000				50,000
Park Equipment	Parks											-	15,000				15,000
Property Acquisition	Parks											-					-
Urso/Schuetz	Parks											-					-
Brand Development	CD									50,000		50,000					50,000
Downtown Plan	CD									75,000		75,000					75,000
Small Capital	CD	2,000										-					2,000
Sinking Fund	CD						2,000					2,000					2,000
Total Projects		729,500	15,000	50,000	-	-	330,000	50,000	837,750	12,030,000	720,500	13,968,250	115,000	735,750	1,064,750	390,000	17,068,250

Capital Improvement Program

Village of McFarland | *Prior Plan Approval/Inclusion Year:* **2018** **2019** **2020** **2021** **2022** **2023** **2024** | Program Year: 2022

Funding by Project

Projects	Dept	General Fund 100	Comm/Tech Fund 200	TID #3 Fund 305	TID #4 Fund 310	TID #5 Fund 315	Capital Projects - Fund 400 Tax Levy	Grants	Intergov	Borrow	Reserve	Total	Parks Fund 405	Utility - 600 Water	Sewer	Stormwater Fund 605	Total
Digital Storage Project	Admin						25,000					25,000					25,000
Equipment/Furniture	Admin	2,500										-					2,500
Split Polling Place	Admin						25,000					25,000					25,000
Workstation Replace	Admin						11,500					11,500					11,500
Comm Center	Facilities									3,500,000		3,500,000					3,500,000
Land Acquisition	Facilities						40,000					40,000					40,000
Network Equip	Facilities						5,000					5,000		2,000	2,000	2,000	11,000
Sinking Fund	Facilities						100,000					100,000					100,000
												-					-
Equipment Upgrade	C/T		15,000									-					15,000
												-					-
Equipment	Police	8,000					7,000					7,000					15,000
Patrol Vehicle (Lease)	Police						50,000					50,000					50,000
Traffic Safety	Police									20,000		20,000					20,000
ATV Replace	Fire/EMS									30,000		30,000					30,000
Car 1 Replacement	Fire/EMS										60,000	60,000					60,000
Car 1 Sinking Fund	Fire/EMS						6,000					6,000					6,000
EMS Equipment	Fire/EMS						7,500					7,500					7,500
Fire Equipment	Fire/EMS						24,250					24,250					24,250
Patient Cots	Fire/EMS									42,000		42,000					42,000
Technology	Fire/EMS						9,500					9,500					9,500
	EM											-					-
Drone Replace	EM						5,000					5,000					5,000
	EM											-					-
Dredging	DPW					150,000			50,000		50,000	100,000				250,000	500,000
Exchange Street	DPW							1,260,750		156,000		1,416,750		1,176,250	1,265,500	264,500	4,123,000
Farwell Under Phase 2	DPW					200,000				500,000		500,000					700,000
Leased Equipment	DPW						12,250					12,250		4,250	4,250	4,250	25,000
Lift Station #2	DPW											-			800,000		800,000
Pedestrian Ways	DPW						1,000			9,000		10,000					10,000
Pickup Truck	DPW									10,000		10,000		10,000	10,000	10,000	40,000
Sinking Fund	DPW						1,000					1,000		1,000	1,000		3,000
Small Capital	DPW											-				2,500	2,500
Street Constr	DPW											-					-
Street Maintenance	DPW									300,000		300,000					300,000
Street Sweeper	DPW											-				20,000	20,000
Street Tree Planting	DPW	25,000										-					25,000
	Outreach											-					-
	Outreach											-					-
	Outreach											-					-
	Library											-					-
Comp - Workstation	Library						8,000					8,000					8,000
Sinking Fund	Library							50,000				50,000					50,000
	Library											-					-
Community Park	Parks									500,000		500,000	500,000				1,000,000
General Improve	Parks											-	50,000				50,000
Park Equipment	Parks											-	15,000				15,000
Property Acquisition	Parks									-		-					-
Urso/Schuetz	Parks									350,000		350,000					350,000
Brand Development	CD									25,000		25,000					25,000
Small Capital	CD	2,000										-					2,000
Sinking Fund	CD						2,000					2,000					2,000
Total Projects		37,500	15,000	-	-	350,000	340,000	1,310,750	50,000	5,442,000	110,000	7,252,750	565,000	1,193,500	2,082,750	553,250	12,049,750

Capital Improvement Program

Village of McFarland | *Prior Plan Approval/Inclusion Year:* **2018** **2019** **2020** **2021** **2022** **2023** **2024** | Program Year: 2023

Funding by Project

Projects	Dept	General Fund 100	Comm/Tech Fund 200	TID #3 Fund 305	TID #4 Fund 310	TID #5 Fund 315	Capital Projects - Fund 400 Tax Levy	Grants	Intergov	Borrow	Reserve	Total	Parks Fund 405	Utility - 600 Water	Sewer	Stormwater Fund 605	Total
Digital Storage Project	Admin						25,000					25,000					25,000
Equipment/Furniture	Admin	2,500										-					2,500
Workstation Replace	Admin						13,000					13,000					13,000
Land Acquisition	Facilities						40,000					40,000					40,000
Muni Center ParkLot	Facilities									125,000		125,000					125,000
Network Equip	Facilities						4,000					4,000		2,000	2,000	2,000	10,000
Sinking Fund	Facilities						100,000					100,000					100,000
	C/T											-					-
Equipment Upgrade	C/T		5,000									-					5,000
	C/T											-					-
Equipment	Police	5,000					10,000					10,000					15,000
Patrol Vehicle (Lease)	Police						50,000					50,000					50,000
Traffic Safety	Police									20,000		20,000					20,000
Car 1 Sinking Fund	Fire/EMS						6,250					6,250					6,250
EKG Monitors	Fire/EMS									84,500		84,500					84,500
EMS Equipment	Fire/EMS						12,000					12,000					12,000
Fire Equipment	Fire/EMS						48,250					48,250					48,250
Technology	Fire/EMS						9,500					9,500					9,500
	EM											-					-
	EM											-					-
	EM											-					-
Farwell Under Phase 3	DPW									25,000		25,000					25,000
Leased Equipment	DPW						12,000					12,000		4,250	4,500	4,250	25,000
Pedestrian Ways	DPW						9,000				1,000	10,000					10,000
Pickup Truck	DPW									10,000		10,000		10,000	10,000	10,000	40,000
Sinking Fund	DPW						1,000					1,000		1,000	1,000		3,000
Small Capital	DPW											-				2,500	2,500
Street Constr	DPW											-					-
Street Maintenance	DPW									300,000		300,000					300,000
Street Sweeper	DPW											-				20,000	20,000
Street Tree Planting	DPW	25,000										-					25,000
Mke St Town Square	DPW									750,000		750,000					750,000
Tower Clean/Paint	DPW											-		400,000			400,000
	Outreach											-					-
	Outreach											-					-
	Outreach											-					-
Boiler Replacement	Library									100,000		100,000					100,000
Comp - Workstation	Library						8,000					8,000					8,000
Facility Addition	Library									2,500,000		2,500,000					2,500,000
Parking Lot Repave	Library									50,000		50,000					50,000
Sinking Fund	Library							50,000				50,000					50,000
General Improve	Parks											-	50,000				50,000
Park Equipment	Parks											-	15,000				15,000
Property Acquisition	Parks									-		-					-
Urso/Schuetz	Parks									1,250,000		1,250,000					1,250,000
Small Capital	CD	2,000										-					2,000
Sinking Fund	CD						2,000					2,000					2,000
Total Projects		34,500	5,000	-	-	-	350,000	50,000	-	5,214,500	1,000	5,615,500	65,000	417,250	17,500	38,750	6,193,500

Capital Improvement Program

Village of McFarland | *Prior Plan Approval/Inclusion Year:* **2018** **2019** **2020** **2021** **2022** **2023** **2024** | Program Year: 2024

Funding by Project

Projects	Dept	General Fund 100	Comm/Tech Fund 200	TID #3 Fund 305	TID #4 Fund 310	TID #5 Fund 315	Capital Projects - Fund 400 Tax Levy	Grants	Intergov	Borrow	Reserve	Total	Parks Fund 405	Utility - 600 Water	Sewer	Stormwater Fund 605	Total
Digital Storage Project	Admin						25,000					25,000					25,000
Equipment/Furniture	Admin	2,500										-					2,500
Workstation Replace	Admin						15,000					15,000					15,000
Land Acquisition	Facilities						40,000					40,000					40,000
Network Equip	Facilities						5,000					5,000		2,000	2,000	2,000	11,000
Sinking Fund	Facilities						100,000					100,000					100,000
	C/T											-					-
Equipment Upgrade	C/T		5,000									-					5,000
	C/T											-					-
Equipment	Police						15,000					15,000					15,000
Patrol Vehicle (Lease)	Police						50,000					50,000					50,000
Traffic Safety	Police									20,000		20,000					20,000
Breathing Air Comp	Fire/EMS									75,000		75,000					75,000
Car 1 Sinking Fund	Fire/EMS						6,500					6,500					6,500
EMS Equipment	Fire/EMS						12,000					12,000					12,000
Fire Equipment	Fire/EMS						28,000					28,000					28,000
Technology	Fire/EMS						10,500					10,500					10,500
	EM											-					-
	EM											-					-
	EM											-					-
Farwell Under Phase 3	DPW				350,000					350,000		350,000					700,000
Leased Equipment	DPW						12,000					12,000		4,250	4,500	4,250	25,000
Paulson Road	DPW									770,000		770,000		363,750	119,500	122,500	1,375,750
Pickup Truck	DPW									10,000		10,000		10,000	10,000	10,000	40,000
Sidewalk Replace	DPW									10,000		10,000					10,000
Sinking Fund	DPW						1,000					1,000		1,000	1,000		3,000
Small Capital	DPW											-				2,500	2,500
Street Constr	DPW											-					-
Street Maintenance	DPW									300,000		300,000					300,000
Street Sweeper	DPW											-				20,000	20,000
Street Tree Planting	DPW	25,000										-					25,000
	Outreach											-					-
	Outreach											-					-
	Outreach											-					-
	Library											-					-
Comp - Workstation	Library						8,000					8,000					8,000
Sinking Fund	Library							50,000				50,000					50,000
	Library											-					-
Aquatics Devel	Parks									4,500,000		4,500,000					4,500,000
Community Park	Parks									1,000,000		1,000,000					1,000,000
General Improve	Parks											-	50,000				50,000
Park Equipment	Parks											-	15,000				15,000
Property Acquisition	Parks									-		-					-
Outdoor Rec Plan	CD						30,000					30,000					30,000
Small Capital	CD	2,000										-					2,000
Sinking Fund	CD						2,000					2,000					2,000
Total Projects		29,500	5,000	-	350,000	-	360,000	50,000	-	7,035,000	-	7,445,000	65,000	381,000	137,000	161,250	8,573,750

Village of McFarland
2020 - 2024 Capital Improvement Program
Estimated Debt Service - Village Purposes w/Notes & Bonds

Year Due	Existing Debt Service	2020 $4,165,000 Notes Debt Service	2021 $2,030,000 Notes Debt Service	2021 $10,000,000 Bonds Debt Service	2022 $1,940,000 Notes Debt Service	2022 $3,500,000 Bonds Debt Service	2023 $1,465,000 Notes Debt Service	2023 $3,750,000 Bonds Debt Service	2024 $1,535,000 Notes Debt Service	2024 $5,500,000 Bonds Debt Service	Combined Debt Service	Est. Tax Rate Increase*	Est. Tax Impact **
2020	1,707,581										1,707,581		
2021	1,441,259	464,950									1,906,209	0.19	53.37
2022	1,432,748	461,063	209,433	466,667							2,569,911	0.65	178.34
2023	1,444,047	462,625	212,113	550,000	177,600	175,000					3,021,385	0.44	121.31
2024	1,449,948	453,963	212,713	618,000	215,200	231,250	158,600	187,500			3,527,173	0.49	135.91
2025	1,457,600	490,300	213,175	608,375	215,400	227,500	150,950	240,625	161,400	275,000	4,040,325	0.50	137.89
2026	1,452,950	485,625	213,500	698,750	215,450	223,750	152,650	236,875	163,050	421,250	4,263,850	0.22	60.06
2027	876,200	605,838	293,688	765,625	255,350	270,000	194,200	288,125	199,450	418,188	4,166,663	(0.09)	(26.12)
2028	200,850	613,125	291,538	764,700	258,900	274,375	194,400	292,313	199,650	419,938	3,509,788	(0.64)	(176.51)
2029		679,963	319,250	768,250	257,150	273,375	189,450	291,125	199,700	421,313	3,399,575	(0.11)	(29.61)
2030			411,000	781,100	345,250	272,188	194,500	289,750	199,600	422,313	2,915,700	(0.47)	(130.02)
2031				847,900	360,500	270,813	214,250	288,188	204,350	417,938	2,603,938	(0.30)	(83.77)
2032				841,725		274,250	283,250	291,438	213,800	418,375	2,322,838	(0.27)	(75.53)
2033				840,025		272,313		289,313	267,800	418,438	2,087,888	(0.23)	(63.13)
2034				837,625		280,188		292,000		418,125	1,827,938	(0.25)	(69.85)
2035				834,525		287,500		289,313		422,438	1,833,775	0.01	1.57
2036				830,725		284,250		291,438		421,188	1,827,600	(0.01)	(1.66)
2037				831,225		285,813		288,188		419,563	1,824,788	(0.00)	(0.76)
2038				825,850		287,000		289,750		422,563	1,825,163	0.00	0.10
2039				824,775		282,813		290,938		420,000	1,818,525	(0.01)	(1.78)
2040				822,825		283,438		291,750		422,063	1,820,075	0.00	0.42
2041						378,688		382,188		418,563	1,179,438	(0.63)	(172.14)
2042								383,875		419,688	803,563	(0.37)	(101.00)
2043										560,250	560,250	(0.61)	(166.38)
2044											0	(0.79)	(215.92)
	$11,463,183	$4,717,450	$2,376,408	$14,358,667	$2,300,800	$5,134,500	$1,732,250	$5,494,688	$1,808,800	$7,977,188	$57,363,933	0.46	125.37
Est. Int. Rate		2.25%	2.75%	3.50%	3.00%	3.75%	3.00%	3.75%	3.00%	3.75%		Average for 2020-2024 CIP	

*Based on Villages 2019 Assessed Valuation $1,023,417,995

** Median Home Value as of 1/1/2019 $275,000

1/17/2020

Village of McFarland
2020 - 2024 Capital Improvement Program
Estimated Debt Service - Sewer Utility Purposes

Year Due	Existing Debt Service	2020 Debt Service	2021 $1,065,000 Debt Service	2022 $2,080,000 Debt Service	2023 Debt Service	2024 Debt Service	Combined Debt Service
2019	187,750						187,750
2020	194,450						194,450
2021	195,863						195,863
2022	192,175		144,050				336,225
2023	193,663		126,400	148,200			468,263
2024	199,932		138,650	130,450			469,032
2025	40,800		135,488	288,350			464,638
2026			137,325	296,450			433,775
2027			134,025	299,100			433,125
2028			135,725	296,450			432,175
2029			137,288	293,650			430,938
2030			138,713	295,700			434,413
2031				427,450			427,450
2032							0
2033							0
2034							0
2035							0
2036							0
2037							0
2038							0
2039							0
2040							0
2041							0
2042							
	$1,204,633	$0	$1,227,663	$2,475,800	$0	$0	$4,908,096
Est. Int. Rate		2.25%	2.75%	3.00%	3.00%	3.00%	

1/14/20

Village of McFarland
2020 - 2024 Capital Improvement Program
Estimated Debt Service - Water Utility Purposes

Year Due	Existing Debt Service	2020 $990,000 Debt Service	2021 $735,000 Debt Service	2022 $1,195,000 Debt Service	2023 Debt Service	2024 Debt Service	Combined Debt Service
2019	267,027						267,027
2020	292,795						292,795
2021	361,452	124,700					486,152
2022	364,878	125,138	91,950				581,966
2023	368,277	122,775	93,425	82,800			667,277
2024	376,477	125,413	91,363	74,800			668,052
2025	193,200	122,938	94,300	163,600			574,038
2026	103,700	120,463	97,100	159,700			480,963
2027	100,850	122,988	94,763	160,800			479,400
2028	103,000	125,400	92,425	161,750			482,575
2029		122,700	95,088	207,550			425,338
2030			97,613	206,850			304,463
2031				206,000			206,000
2032							0
2033							0
2034							0
2035							0
2036							0
2037							0
2038							0
2039							0
2040							0
2041							0
2042							
	$2,531,656	$1,112,513	$848,025	$1,423,850	$0	$0	$5,916,044
Est. Int. Rate		2.25%	2.75%	3.00%	3.00%	3.00%	

1/14/20

Village of McFarland
2020 - 2024 Capital Improvement Program
Estimated Debt Service - Stormwater Utility Purposes

Year Due	Existing Debt Service	2020 Debt Service	2021 $390,000 Debt Service	2022 $555,000 Debt Service	2023 Debt Service	2024 Debt Service	Combined Debt Service
2019	164,190						164,190
2020	166,100						166,100
2021	167,715						167,715
2022	69,040		99,300				168,340
2023	67,805		48,388	52,200			168,393
2024	71,505		47,288	50,750			169,543
2025			51,188	79,700			130,888
2026			49,950	77,750			127,700
2027			48,713	80,800			129,513
2028			47,475	78,700			126,175
2029			46,238	76,600			122,838
2030				79,500			79,500
2031				77,250			77,250
2032							0
2033							0
2034							0
2035							0
2036							0
2037							0
2038							0
2039							0
2040							0
2041							0
2042							
	$706,355	$0	$438,538	$653,250	$0	$0	$1,798,143
Est. Int. Rate		2.25%	2.75%	3.00%	3.00%	3.00%	

McFarland Capital Improvement Program (CIP)

2020 – 2024

Administration

Planned Projects:

Compensation and Classification Study

- *Description* – The Village's compensation platform is based upon a Compensation and Classification Study that was completed on January 5, 2015 by Springsted Incorporated. Section 3.05(2) of the Village's Compensation and Benefits Manual details the "Maintenance of the Pay Plan Integrity Over Time" in order to maintain internal equity and market competitiveness. Subsection B states that the Village should complete a comprehensive update every three to four years.
- *Year(s)* – 2021.
- *Funding* – Tax Levy within Capital Projects Fund (400).

Equipment/Furniture

- *Description* – Small capital contribution from the General Fund to purchase various small office, furniture, and other related needs.
- *Years* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Tax Levy within General Fund (100).

File Storage

- *Description* – In an effort to continue paperless initiatives and be more efficient the intent of this project would be to convert the current paper method of storing documents to digital record keeping.
- *Years* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Tax levy and borrowed money within Capital Projects Fund (400).

Workstation Replacement

- *Description* – The Village sets aside funds in order to replace computer workstations as they either fail or become obsolete. These funds are provided for through tax levy support within the Capital Fund and available for use within the organization.
- *Years* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Tax Levy within Capital Projects Fund (400).

McFarland Capital Improvement Program (CIP)
2020 – 2024

Facilities

Planned Projects:

<u>Community Center</u>

- *Description* – The Village is in the midst of a planning process to plan out future priorities with respect to facility development. The most recent option allowing for the construction of a Community Center requires first the completion of a new Public Safety Building. The space vacated by Police, Municipal Court, and Fire/Rescue will be remodeled and repurposed for the remaining Departments in the Municipal Center and add in new elements of a Community Center.
- *Year(s)* – 2022.
- *Funding* – Borrowed money within the Capital Projects Fund (400).

<u>Community Room</u>

- *Description* – Funds were set aside in the 2020 Budget to upgrade the technology for our meeting rooms.
- *Year(s)* – 2020.
- *Funding* – Borrowed money within the Capital Projects Fund (400).

<u>Facility Plan/Design</u>

- *Description* – To prepare for the construction of a Public Safety Building in 2021, funds are set aside to finalize the planning process and initiate the design process in 2020. Likewise for the Community Center implementation in 2022, funds are set aside for planning work in 2020 and design work likely in 2021.
- *Year(s)* – 2020 and 2021.
- *Funding* – Borrowed money within the Capital Projects Fund (400).

<u>Land Acquisition</u>

- *Description* – This reserve account sets aside funds to be used by the Organization to fund land acquisitions as might be necessary for the Village. The reserve was created as an assignment for land acquisition and not earmarked for any specific use other than that general purpose.
- *Years* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Tax levy within the Capital Projects Fund (400).

Facilities (continued)

Mechanicals

- *Description* – All but one air conditioning unit is remaining from when this facility was constructed. The one exception is a unit that was replaced in 2019 that provides air conditioning to the Police Department. Our HVAC consultant has noted deficiencies in our remaining units that should be addressed in order to maintain the system functioning.
- *Year(s)* – 2020.
- *Funding* – Reserves within the Capital Projects Fund (400).

Municipal Center Parking Lot

- *Description* – The parking lot for the Municipal Center was constructed in 2000 when the facility was completed. It will require repaving after the Community Center project is complete as annual maintenance is no longer sufficient.
- *Year(s)* – 2022.
- *Funding* – Borrowed money within the Capital Projects Fund (400).

Municipal Center Roof

- *Description* – The roof for the Municipal Center Facility is in need of replacement in 2021 according to an assessment that was completed in 2015. This is moved up a year due to numerous leaks that continue to cause damage to various working spaces in Communications and Technology, Senior Outreach, Municipal Court, Police, and Fire/Rescue Departments. Could be combined with Community Center project in 2022.
- *Year(s)* – 2021.
- *Funding* – Reserves within the Capital Projects Fund (400).

Network Equipment

- *Description* – Funds are set aside annually for the replacement and upgrading of network equipment to help maintain the Village's technology network.
- *Years* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Tax Levy within the Capital Projects Fund (400) with equal shares from the Utility Fund (600) and Stormwater Utility Fund (605).

Public Safety Building

- *Description* – A new Public Safety Building to house Police, Municipal Court, and Fire/Rescue has been recommended following analysis that was completed in 2019. The cost included is based upon the recommendation from the Analysis, Facilities Master Plan, and comparable projects. The Village is working with the School District on a land swap that would allow for the facility to be constructed near the southeast corner of Broadhead and Holscher roads. The construction of this facility will free up the necessary space to construct a Community Center at the Municipal Center without having to add a second floor.
- *Year(s)* – 2021.
- *Funding* – Borrowed money within the Capital Projects Fund (400).

Facilities (continued)

Public Works Facility

- *Description* – The Public Works Facility is planned for a combination maintenance and remodeling project. The maintenance includes roof replacement, lot repaving, and exterior building repair. The remodeling portion of the project will covert some spaces to new office space, make the work flow more efficient, and provide a better general work environment within the offices.
- *Year(s)* – 2020.
- *Funding* – Combination of Borrowed Money and Reserves from the sinking fund setup for facility maintenance within the Capital Projects Fund (400).

Security

- *Description* – The first phase of this work was completed in 2018 at the Library and Public Works facility with some work at the Municipal Center. The second phase from the study will be incorporated into future facility improvements. These funds are provided as an outlot for parks, wells, and other structures that require additional attention.
- *Year(s)* – 2020.
- *Funding* – Reserves within the Capital Projects Fund (400).

Sinking Fund

- *Description* – Savings set aside for the development, expansion, and/or maintenance of Village owned facilities.
- *Years* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Tax Levy within the Capital Projects Fund (400).

McFarland Capital Improvement Program (CIP)

2020 – 2024

Communications and Technology

Planned Projects:

<u>Equipment/Technology Upgrade</u>

- *Description* – Funding for equipment purchases, replacements, and general upgrades to support operations and service delivery.
- *Year(s)* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Most years, Reserves within Communications and Technology Fund (200) are utilized. 2020 includes the use of borrowed money from the Capital Projects Fund (400) as well.

McFarland Capital Improvement Program (CIP)
2020 – 2024

Police Department

Planned Projects:

Equipment

- *Description* – Several small equipment items are included within this item on a year to year basis including but not limited to Taser replacements, annual MDC replacements, evidence camera, helmets, vests, shields, radios, and other items of need as prioritized within the Department.
- *Year(s)* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Tax Levy and Reserves within the Capital Projects Fund (400).

Patrol Vehicle (Leases)

- *Description* – This includes the annual lease payments for the Department's vehicles through the conversion of the vehicle from cars to SUV's.
- *Year(s)* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Tax Levy within the Capital Projects Fund (400).

Technology

- *Description* – Funding for technology advancements within the Department including mobile identification unit, GPS tracking equipment, replacement monitors for security cameras, and traffic collection systems.
- *Year(s)* – 2020.
- *Funding* – Borrowed money within the Capital Projects Fund (400).

Traffic Safety

- *Description* – Annual allocation for the Department to implement various traffic safety measures including speed boards, RRFB's, flashing signs, and other related improvements.
- *Year(s)* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Combination of Tax Levy and Borrowed Money as detailed within the Capital Projects Fund (400).

McFarland Capital Improvement Program (CIP)
2020 – 2024

Fire and Rescue

Planned Projects:

ATV Replacement

- *Description* – This vehicle was first acquired in 2004 by the Firefighter's Association and assists the Department in responding to grass/marsh fire, ice rescues, remote rescues, and personnel transports to larger scenes.
- *Year(s)* – 2022.
- *Funding* – Tax levy within the Capital Projects Fund (400).

Car 1 Replacement

- *Description* – The replacement of Car 1 which is the suburban style emergency response vehicle used as the main incident command response vehicle. There is a sinking fund setup as a vehicle replacement assignment that will be used to pay for the cost of this item.
- *Year(s)* – 2022.
- *Funding* – Reserves within the Capital Projects Fund (400).

Car 1 Sinking Fund

- *Description* – Annual savings set aside for the replacement of Car 1 which is the suburban style used as the main incident command response vehicle.
- *Year(s)* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Tax Levy within the Capital Projects Fund (400).

EMS Equipment

- *Description* – Provides annual funding for small equipment needs, turnout gear as is needed from year to year, and other general items needed to support this service.
- *Year(s)* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Tax Levy within the Capital Projects Fund (400).

EKG Monitors

- *Description* – The monitors used on the ambulance to obtain vital signs, 12-Lead defibrillation and capnography. Current units were purchased in 2013.
- *Year(s)* – 2023.
- *Funding* – Borrowed Money within the Capital Projects Fund (400).

Fire and Rescue (continued)

Extrication Equipment Replacement

- *Description* – This equipment is used to extract individuals who are trapped typically within vehicles as a result of car accidents.
- *Year(s)* – 2021.
- *Funding* – Combination of tax levy and borrowed money within the Capital Projects Fund (400).

Fire Equipment Replacement

- *Description* – Provides annual funding for small equipment needs, turnout gear as is needed from year to year, and other general items needed to support this service.
- *Year(s)* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Tax Levy within the Capital Projects Fund (400).

Foam Trailer

- *Description* – The trailer would provide additional foam for protection of flammable gas fires. The Department is working on an agreement with Deforest-Windsor Fire Department to have each Department provided a trailer to meet foam needs for the hazards each entity might encounter from flammable liquid facilities.
- *Year(s)* – 2020
- *Funding* – Grant funds and tax levy within the Capital Projects Fund (400).

Ladder Truck

- *Description* – The largest truck in the fleet and is used as part of elevated fire and rescue operations within the coverage area. Additionally, the truck may act as an engine and provides the required pump capacity that is required for the Village. Acquired in 2007 as a used truck and was originally manufactured in 1997.
- *Year(s)* – 2021.
- *Funding* – Reserves from the General Fund (100) and borrowed money within the Capital Projects Fund (400).

Patient Cots

- *Description* – There are currently two of these cots in use within each ambulance. They were purchased separately in 2013 and 2015. They are specialized pieces of equipment that assist in the lifting and transportation of patients into and out of the ambulance helping to save on worker's compensation claims.
- *Year(s)* – 2022.
- *Funding* – Borrowed Money within the Capital Projects Fund (400).

Fire and Rescue (continued)

<u>Radios</u>

- *Description* – Replacement of the equipment & system used for our radio network within vehicles and handheld units utilized by members. Equipment acquired in 2011 and 2012.
- *Year(s)* – 2020.
- *Funding* – Borrowed Money within the Capital Projects Fund (400).

<u>Technology</u>

- *Description* – Annual replacement for mobile computers located within fleet vehicles. The computers provide information from dispatch and department pre-plan data for facilities. The funding provides for one replacement per year. This line also assists with other Department specific technology needs as they arise.
- *Year(s)* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Tax Levy within the Capital Projects Fund (400).

<u>Utility (Squad) Replacement</u>

- *Description* – This vehicle is the primary vehicle for carrying extrication equipment and general support. Also carries necessary equipment for vehicular accidents, water/ice rescues, rehab supplies for structure fires. Acquired in 2000. The replacement vehicle is intended to be a reduction in size and equipment carried.
- *Year(s)* – 2020.
- *Funding* – Borrowed Money within the Capital Projects Fund (400).

McFarland Capital Improvement Program (CIP)
2020 – 2024

Emergency Management

Planned Projects:

Nothing planned at the present.

McFarland Capital Improvement Program (CIP)

2020 – 2024

Department of Public Works

Planned Projects:

Bucket Truck

- *Description* – Replacement of the main vehicle used for tree trimming, street light maintenance as appropriate, and other high-level access.
- *Years* – 2020.
- *Funding* –Borrowed Money within the Capital Projects Fund (400).

County MN – Phase 4

- *Description* – Phase 1, 2, and 3 of the County MN project have been completed in 2016, 2017, and 2018, respectively. A fourth phase is contemplated for design in 2020 and construction in 2021 on Broadhead Street from Holscher Road to County Highway AB.
- *Years* – 2020 and 2021.
- *Funding* – Road construction costs split with Dane County and Village share paid for through Borrowed Money within the Capital Projects Fund (400). Adjoining property owners on the two developed sites will also contribute to the project. Construction costs also spread to various utility funds as applicable.

Dredging

- *Description* – Includes the possibility of dredging two different areas to clean out sedimentation. The first being the Country Walk Detention Basin located at the corner of Holscher and Elvehjem. The second is the lagoon located at USH 51 and Severson.
- *Year(s)* – 2022.
- *Funding* – Charges for Public Services collected within the Stormwater Utility Fund (605). Cleaning out the lagoon area will be the larger of the two projects and likely require funding from TID #5 Fund (315), Dane County, and Special Assessments.

East Side Interceptor

- *Description* – The Village's growth pattern to the East requires a new sanitary sewer interceptor to collect wastewater from new developments and convey into the existing system in order to reach MMSD for treatment. The pipe will be constructed on existing public right of way and permissible private off of Devil's Lake Way to north of the railroad tracks near County Highway AB. The cost will initially be born by the Village and then converted as a deferred assessment to be paid for by future development.
- *Year(s)* – 2021.
- *Funding* – Borrowed money within the Utilities Fund (600).

Department of Public Works (continued)

Exchange Street

- *Description* – This project will be a complete reconstruction (street, curb/gutter, sidewalk, utilities, etc.) from Farwell to the Yahara River. The Village is in the process of apply for Federal funding through the Madison Area Transportation Planning Board within their 5 year Transportation Improvement Program. This would allow the Village to access Federal money set aside for smaller communities within this regional transportation area.
- *Years* – 2022.
- *Funding* – Combination of Grants and Borrowed Money within the Capital Projects Fund (400) as well as from the Utilities Fund (600) and Stormwater Utility Fund (605).

Exchange Street Bridge

- *Description* – Staff has met with the Town of Dunn to review a bridge inspection report for the shared responsibility for the bridge on Exchange Street over the Yahara River. Most of it is attributed to maintenance; however, and will be shared with the town.
- *Years* – 2020
- *Funding* – Borrowed money within the Capital Projects Fund (400).

Facility Improvements

- *Description* – This same year the roof has already been approved within this plan for replacement and additional funds are recommended to address further facility advancement. The two main themes are to convert a cold storage building to climate controlled, and renovating/constructing new office space to accommodate expanding positions within the leadership of the Department.
- *Years* – 2020
- *Funding* – Borrowed money within the Capital Projects Fund (400).

Farwell Utility Undergrounding

- *Description* – The first phase to underground certain utilities on Farwell Street was approximately 1,000 lineal feet and ran from USH 51 to 4725 Farwell Street. This was completed in 2018. There remains approximately 3,000 more lineal feet to underground through Exchange Street within the core of the Village. Two additional phases are anticipated with study preceding construction.
- *Year(s)* – 2020, 2022, 2023, and 2024.
- *Funding* – Borrowed money within the Capital Projects Fund (400) as well as TID #4 Fund (310) and TID #5 Fund (315).

Leased Equipment

- *Description* – Includes annual charges for the use of the skid steer and front end loader.
- *Year(s)* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Tax Levy within the Capital Projects Fund (400) plus equal shares from Utility Fund (600) and Stormwater Utility (605).

Department of Public Works (continued)

Lift Station #2

- *Description* –Full replacement is recommended closer to the end of the current 5 year plan but may be delayed further and is contingent upon new development requiring it to be sized larger.
- *Year(s)* – 2023.
- *Funding* – Funding provided through Utility Fund (600).

Milwaukee Street Town Square

- *Description* – The Facilities Master Plan envisioned the vacation of Milwaukee Street between Long and Anthony in order to construct a "town square" that created an outdoor hardscape that connected the civic centers of the Community. Through that plan the vision was the connected Municipal Center that had been expanded to create a Community Center and an expanded Library. With the Public Safety uses relocated this becomes much more viable to complete with fewer conflicts.
- *Year(s)* – 2023.
- *Funding* – Funding provided through Utility Fund (600).

Mower Replacement

- *Description* – A smaller and larger format mower are scheduled for acquisition in 2020.
- *Year(s)* – 2020.
- *Funding* – Cost split between the Capital Projects Fund (400), Utilities Fund (600), and Stormwater Utility Fund (605).

Patrol Truck Replacement

- *Description* – Includes the full replacement with trade in of a Patrol Truck (Snow Plow) with associated equipment for both listed years.
- *Year(s)* – 2021.
- *Funding* – Trade-in value deducted from gross cost of the vehicle. Remaining expense split equally between Capital Projects Fund (400), Utility Fund (600), and Stormwater Utility Fund (605).

Paulson Road Reconstruction

- *Description* – This would be the full reconstruction of the current Paulson Road from Siggelkow Road to the dead end. The current road remains an rural cross section and this would convert it to an urban cross section with replacement to the road, sewer, water, stormwater, etc.
- *Year(s)* – 2024.
- *Funding* – Borrowed money within the Capital Projects Fund (400) as well as associated support from utilities for their respective work in the project.

Department of Public Works (continued)

Pedestrian Ways

- *Description* – Annual funds to repair and replace sidewalks, bike paths, and other pedestrian ways. The 2020 project is a combined project with the Stormwater Utility to reconstruct the path and improve drainage along the Lower Yahara River Trail on Elvehjem Road.
- *Year(s)* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Borrowed Money and/or Tax Levy as applicable within the Capital Projects Fund (400). Some fund in 2020 from Stormwater Utility Fund (605).

Pickup Truck Replacement

- *Description* – Replacement of a pickup truck for general service responsibilities.
- *Year(s)* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Cost split equally between the Capital Projects Fund (400), Utilities Fund (600), and Stormwater Utility Fund (605).

Pipe Cutter

- *Description* – Equipment within the Water Utility to assit in maintenance work to respond to main breaks and improve the system.
- *Year(s)* – 2020
- *Funding* – Borrowed money within the Utilities Fund (600).

Sinking Fund

- *Description* – Annual savings set aside for the replacement of the Director's vehicle.
- *Year(s)* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Tax Levy within the Capital Projects Fund (400) plus Utility Fund (600).

Small Capital

- *Description* – The Stormwater Utility is provided funds for small capital items for its administration including equipment, materials, and other supplies as needed.
- *Year(s)* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Charges for Public Services collected within the Stormwater Utility Fund (605).

Street Construction

- *Description* – Water main replacement combined with repaving work will take place on North Autumn Lane and Burma Road in 2020.
- *Year(s)* – 2020.
- *Funding* – Borrowed Money within the Capital Projects Fund (400) with corresponding contribution from the Utility Fund (600).

Department of Public Works (continued)

Street Maintenance

- *Description* – Includes street repairs needed on an annual basis that have a longer than one year useful life including chip sealing, crack filling, and various areas for patch work.
- *Year(s)* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Borrowed Money within the Capital Projects Fund (400).

Street Resurfacing

- *Description* – Creamery Court is planned for a basic resurfacing next year.
- *Year(s)* – 2020.
- *Funding* – Borrowed Money within the Capital Projects Fund (400).

Street Sweeper

- *Description* – Annual savings set aside for the future replacement of the street sweeper.
- *Year(s)* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Charges for Public Services collected within the Stormwater Utility Fund (605).

Street Tree Planting

- *Description* – Implementation of a program to address the Ash Tree population as a response to the Emerald Ash Borer.
- *Year(s)* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Fund Balance within the General Fund (100).

Technology

- *Description* – Radio replacement in combination as a joint project with the Fire and Rescue Department.
- *Year(s)* – 2020.
- *Funding* – Tax levy within the Capital Projects Fund (400) along with contributions from both the Utilities Fund (600) and Stormwater Utilities Fund (605).

Tower Clean/Pain

- *Description* – Consideration for cleaning and repainting the water towers to keep up with their exterior maintenance requirements.
- *Year(s)* – 2023.
- *Funding* – Cost is paid for by water funding within the Utilities Fund (600).

Utility Van

- *Description* – This vehicle is used within the utilities specifically to address maintenance and service needs of the sewer and water system.
- *Year(s)* – 2020.
- *Funding* – Cost is split between sewer and water funding within the Utilities Fund (600).

Department of Public Works (continued)

Water Valve Turner

- *Description* – This piece of equipment within the water utility will improve the efficiency of exercising water valves for general maintenance and during main breaks as needed. It takes what is currently an invasive manual function into a controlled mechanical operation which is good for the worker and the infrastructure.
- *Year(s)* – 2021.
- *Funding* – Cost is paid for by water funding within the Utilities Fund (600).

Wayfinding Design

- *Description* – This project would use the Village's new brand to develop a Community wide wayfinding signage system that helps alter drivers to certain public locations.
- *Year(s)* – 2020.
- *Funding* – Borrowed money within the Capital Projects Fund (400).

Well Maintenance

- *Description* – Every so often the water wells need to be removed from service for general maintenance, cleaning, and repair in order to prolong their useful life. The facilities that house the wells also need some improvement through basic maintenance as part of this project.
- *Year(s)* – 2020.
- *Funding* – Cost is paid for by water funding within the Utilities Fund (600).

McFarland Capital Improvement Program (CIP)

2020 – 2024

Senior Outreach

Planned Projects:

Tables

- *Description* – Replacement of tables and related furnishings that support the meal program.
- *Year(s)* – 2021.
- *Funding* – Tax Levy within the Capital Projects Fund (400).

McFarland Capital Improvement Program (CIP)
2020 – 2024

Library

Planned Projects:

<u>Boiler Replacement</u>

- *Description* – The boiler will have exceeded its useful life by this point and could be evaluated for replacement based upon projected maintenance needs.
- *Year(s)* – 2023.
- *Funding* – Borrowed money within the Capital Projects Fund (400).

<u>Computer – Workstation(s)</u>

- *Description* – Includes funds to replace both computers used by the public for either adults, teens, or children and those used by Staff on an annual basis.
- *Year(s)* –2020, 2021, 2022, 2023, and 2024.
- *Funding* – Tax Levy within the Capital Projects Fund (400).

<u>Facility Addition</u>

- *Description* – An addition is proposed to the Library to increase its usable space for books, programs, and other uses to be defined.
- *Year(s)* – 2023.
- *Funding* – Tax Levy within the Capital Projects Fund (400).

<u>Facility Reserve</u>

- *Description* – Annually the Village collects an Impact Fee for the development of the Library. This had previously been applied to Debt Service to help pay for the cost of the current facility that was constructed about 15 years ago. The money is now collected to fund reserves to support future improvements to the facility.
- *Year(s)* –2020, 2021, 2022, 2023, and 2024.
- *Funding* – Impact Fees collected within the Capital Projects Fund (400).

<u>Parking Lot Replacement</u>

- *Description* – This parking lot was completed shortly after the building was complete in the early 2000's and is proposed for replacement in line with the Municipal Center.
- *Year(s)* – 2023.
- *Funding* – Borrowed money within the Capital Projects Fund (400).

<u>Site Improvements</u>

- *Description* – Externally it is proposed to add bike racks and replace existing benches.
- *Year(s)* – 2020.
- *Funding* – Tax levy within the Capital Projects Fund (400).

McFarland Capital Improvement Program (CIP)
2020 – 2024

Parks

Planned Projects:

Aquatics Plan/Design
- *Description* – The Village completed an Aquatics Feasibility Study in 2019 and these funds are proposed to continue to advance alternatives from that study. This would require additional planning and design to further detail the desired outcome for aquatics which will require continued discussion as to what we are attempting to accomplish.
- *Year(s)* – 2020.
- *Funding* – Borrowed Money within the Capital Projects Fund (400).

Aquatics Development
- *Description* – At the very end of this 5-year plan there is funding included for the construction of a swimming pool. **It cannot be overstated**, that has not been decided but would be the high end of capital costs for the Village if ultimately selected. The Village through this plan is scheduled to conduct further study and design of the issue that would yield a clearer picture on cost and timeline in the future. Including it in the plan, at the very end simply keeps it as a placeholder until those details can be further determined. Those details to be determined include location, type of amenities, fundraising support, operation consideration, etc.
- *Year(s)* – 2024.
- *Funding* – Borrowed Money within the Capital Projects Fund (400).

Brandt Parking Lot
- *Description* – Provide funding to construct a parking lot in an area to be determined within Brandt Park. Originally considered in 2019 but deferred to 2021 to allow more time to assess need.
- *Year(s)* – 2021.
- *Funding* – Borrowed Money within the Capital Projects Fund (400) as well as a contribution from the Parks Fund (405) and TID #3 Fund (305).

Community Park
- *Description* – Funding is proposed to conduct a master planning effort surrounding property purchased in 2019. Construction of the first amenities then within this park will be scheduled for 2022 with a possible second phase in 2024. The costs and actual construction will be established upon completion of the Master Plan for its use.
- *Year(s)* – 2020, 2022, and 2024.
- *Funding* – Borrowed Money within the Capital Projects Fund (400).

Parks (continued)

General Improvements

- *Description* – Money set aside annually to be used for general park improvements through the use of fees collected within new developments.
- *Year(s)* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Impact Fees collected within Parks Fund (405).

Larson Park

- *Description* – Due to the increased utilization of Larson Park, it is recommended a hard pervious surface be created at the far west end of the park to better accommodate events held there. Increased demand for the park for food carts, concerns, social gatherings, and other events are requiring additional maintenance and other ongoing concerns.
- *Year(s)* – 2020.
- *Funding* – Impact Fees collected within Parks Fund (405).

McDaniel Park

- *Description* – Projects to add another small shelter, gateway signage, and facility expansion.
- *Year(s)* – 2020.
- *Funding* – Impact Fees collected within Parks Fund (405) plus borrowed money contribution from Capital Projects Fund (400).

McFarland Park

- *Description* – It is proposed a new master plan be developed for this park to help guide the Village in making future decision on land use as the variety of needs continue to grow.
- *Year(s)* – 2020.
- *Funding* – Borrowed Money within the Capital Projects Fund (400).

Park Design

- *Description* – One of the objectives for the Village Board in 2020 is to design a park for individuals with special needs. This funding would be used to engage a consultant for that purpose to create an area designed specifically for their use as well as determine the best location for this amenity.
- *Year(s)* – 2020.
- *Funding* – Tax levy within the Capital Projects Fund (400).

Park Equipment

- *Description* – Annually the Village looks to replace and/or repair certain park amenities and play structures as well as park signage as needed.
- *Year(s)* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Impact Fees collected within Parks Fund (405).

Parks (continued)

Property Acquisition

- *Description* – Annually this is held as a placeholder depending on needs and opportunities that may arise. No acquisitions are presently targeted within this 5 year plan.
- *Year(s)* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Borrowed Money within the Capital Projects Fund (400).

Ridgeview Tot Lot

- *Description* – Funding is included to replace and reconstruct this playground which has amenities designed for very young kids but has outlived its useful life.
- *Year(s)* – 2020.
- *Funding* – Impact Fees collected within Parks Fund (405).

Siggelkow Road Park

- *Description* – This park presently has no amenities on it other than greenspace not programmed for any defined use. The Parks and Open Space Plan identified this as an area that could developed into a collection of pickle ball courts with associated off-street parking and other amenities.
- *Year(s)* – 2020.
- *Funding* – Impact Fees collected within Parks Fund (405).

Urso/Schuetz Park

- *Description* – In 2019 we approved a contract to construct a Frisbee golf course in accordance with the Master Plan for the property. This will be completed in the Spring of 2020. Additional woodland restoration and clearing is planned in 2019 going into 2020. Also, next year it is proposed to construct a parking lot at the entrance for the dog park and a shelter to provide for bathrooms, dog walking station, and small outdoor area fur refuge. This facility will also be accessible via a path to the Lower Yahara River Trail that is located on Elvehjem Road next to the project. We will continue to further evaluate expansion options of the dog park as well as future improvements to the park as recommended in the Master Plan.
- *Year(s)* – 2020, 2022, and 2023.
- *Funding* – Borrowed Money within the Capital Projects Fund (400) plus various contributions from the Parks Fund (405) as detailed within the plan.

McFarland Capital Improvement Program (CIP)

2020 – 2024

Community Development

Planned Projects:

Affordable Housing Study

- *Description* – As an action step within their Goals and Objectives, the Village desires to move forward several initiatives related to affordable housing. This study is meant to better understand the gap and what alternatives could be offered to help close it in the future.
- *Year(s)* – 2020.
- *Funding* – Borrowed money within Capital Projects Fund (400).

Branding Development

- *Description* – The rebranding study was completed in 2018 and funding in future years is put into phases to support this effort through new signage, vehicle identification, personal items, and other organization materials containing the brand.
- *Year(s)* – 2020, 2021, and 2022.
- *Funding* – Borrowed money within Capital Projects Fund (400).

Small Capital

- *Description* – The Department is provided funds for small capital items within the office including furniture, equipment, and other supplies as needed.
- *Years* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Tax Levy within the General Fund (100).

Sinking Fund

- *Description* – Annual contribution towards savings for the future replacement of the Building Inspector’s vehicle.
- *Years* – 2020, 2021, 2022, 2023, and 2024.
- *Funding* – Tax Levy within the Capital Projects Fund (400).

Sustainability Assessment

- *Description* – Assess facilities for sustainability projects to improve energy efficiency.
- *Year(s)* – 2020.
- *Funding* – Borrowed money within the Capital Projects Fund (400).

Village of McFarland
2020 - 2024 Capital Improvement Program
Estimated Debt Service - Village Purposes (CIP Notes Only)

Year Due	Existing Debt Service	2020 $4,165,000 Debt Service	2021 $2,030,000 Debt Service	2022 $1,940,000 Debt Service	2023 $1,465,000 Debt Service	2024 $1,535,000 Debt Service	Combined Debt Service	Est. Tax Rate Increase*
2020	1,707,581						1,707,581	
2021	1,441,259	464,950					1,906,209	0.19
2022	1,432,748	461,063	209,433				2,103,244	0.19
2023	1,444,047	462,625	212,113	177,600			2,296,385	0.19
2024	1,449,948	453,963	212,713	215,200	158,600		2,490,423	0.19
2025	1,457,600	490,300	213,175	215,400	150,950	161,400	2,688,825	0.19
2026	1,452,950	485,625	213,500	215,450	152,650	163,050	2,683,225	(0.01)
2027	876,200	605,838	293,688	255,350	194,200	199,450	2,424,725	(0.25)
2028	200,850	613,125	291,538	258,900	194,400	199,650	1,758,463	(0.65)
2029		679,963	319,250	257,150	189,450	199,700	1,645,513	(0.11)
2030			411,000	345,250	194,500	199,600	1,150,350	(0.48)
2031				360,500	214,250	204,350	779,100	(0.36)
2032					283,250	213,800	497,050	(0.28)
2033						267,800	267,800	(0.22)
2034							0	(0.26)
2035							0	0.00
2036							0	0.00
2037							0	0.00
2038							0	0.00
2039							0	0.00
2040							0	0.00
2041							0	0.00
2042							0	0.00
2043								
	$11,463,183	$4,717,450	$2,376,408	$2,300,800	$1,732,250	$1,808,800	$24,398,891	
Est. Int. Rate		2.25%	2.75%	3.00%	3.00%	3.00%		

*Based on Villages 2019 Assessed Valuation - $1,023,417,995

1/9/2020

**updated 1/14/20

Village of McFarland, WI

2020 General Obligation Promissory Notes

Village Purposes

Preliminary - January 2020

Debt Service Schedule

Calendar Year	Principal	Coupon	Interest	Total P+I
2020	-	-	-	-
2021	340,000.00	2.250%	124,950.00	464,950.00
2022	375,000.00	2.250%	86,062.50	461,062.50
2023	385,000.00	2.250%	77,625.00	462,625.00
2024	385,000.00	2.250%	68,962.50	453,962.50
2025	430,000.00	2.250%	60,300.00	490,300.00
2026	435,000.00	2.250%	50,625.00	485,625.00
2027	565,000.00	2.250%	40,837.50	605,837.50
2028	585,000.00	2.250%	28,125.00	613,125.00
2029	665,000.00	2.250%	14,962.50	679,962.50
-	**$4,165,000.00**	-	**$552,450.00**	**$4,717,450.00**

Yield Statistics

Bond Year Dollars	$24,553.33
Average Life	5.895 Years
Average Coupon	2.2500000%
Net Interest Cost (NIC)	2.2500000%
True Interest Cost (TIC)	2.2487305%
Bond Yield for Arbitrage Purposes	2.2487045%
All Inclusive Cost (AIC)	2.2487305%

IRS Form 8038

Net Interest Cost	2.2500000%
Weighted Average Maturity	5.895 Years

Village of McFarland, WI

2021 CIP Notes

Village Purposes

Preliminary - January 2020

Debt Service Schedule

Calendar Year	Principal	Coupon	Interest	Total P+I
2021	-	-	-	-
2022	135,000.00	2.750%	74,433.33	209,433.33
2023	160,000.00	2.750%	52,112.50	212,112.50
2024	165,000.00	2.750%	47,712.50	212,712.50
2025	170,000.00	2.750%	43,175.00	213,175.00
2026	175,000.00	2.750%	38,500.00	213,500.00
2027	260,000.00	2.750%	33,687.50	293,687.50
2028	265,000.00	2.750%	26,537.50	291,537.50
2029	300,000.00	2.750%	19,250.00	319,250.00
2030	400,000.00	2.750%	11,000.00	411,000.00
-	**$2,030,000.00**	**-**	**$346,408.33**	**$2,376,408.33**

Yield Statistics

Bond Year Dollars	$12,596.67
Average Life	6.205 Years
Average Coupon	2.7500000%
Net Interest Cost (NIC)	2.7500000%
True Interest Cost (TIC)	2.7481684%
Bond Yield for Arbitrage Purposes	2.7480849%
All Inclusive Cost (AIC)	2.7481684%

IRS Form 8038

Net Interest Cost	2.7500000%
Weighted Average Maturity	6.205 Years

Village of McFarland, WI

2022 CIP Notes

Village Purposes

Preliminary - January 2020

Debt Service Schedule

Calendar Year	Principal	Coupon	Interest	Total P+I
2022	-	-	-	-
2023	100,000.00	3.000%	77,600.00	177,600.00
2024	160,000.00	3.000%	55,200.00	215,200.00
2025	165,000.00	3.000%	50,400.00	215,400.00
2026	170,000.00	3.000%	45,450.00	215,450.00
2027	215,000.00	3.000%	40,350.00	255,350.00
2028	225,000.00	3.000%	33,900.00	258,900.00
2029	230,000.00	3.000%	27,150.00	257,150.00
2030	325,000.00	3.000%	20,250.00	345,250.00
2031	350,000.00	3.000%	10,500.00	360,500.00
-	**$1,940,000.00**	**-**	**$360,800.00**	**$2,300,800.00**

Yield Statistics

Bond Year Dollars	$12,026.67
Average Life	6.199 Years
Average Coupon	3.0000000%
Net Interest Cost (NIC)	3.0000000%
True Interest Cost (TIC)	2.9978049%
Bond Yield for Arbitrage Purposes	2.9977378%
All Inclusive Cost (AIC)	2.9978049%

IRS Form 8038

Net Interest Cost	3.0000000%
Weighted Average Maturity	6.199 Years

Village of McFarland, WI

2023 CIP Notes

Village Purposes

Preliminary - January 2020

Debt Service Schedule

Calendar Year	Principal	Coupon	Interest	Total P+I
2023	-	-	-	-
2024	100,000.00	3.000%	58,600.00	158,600.00
2025	110,000.00	3.000%	40,950.00	150,950.00
2026	115,000.00	3.000%	37,650.00	152,650.00
2027	160,000.00	3.000%	34,200.00	194,200.00
2028	165,000.00	3.000%	29,400.00	194,400.00
2029	165,000.00	3.000%	24,450.00	189,450.00
2030	175,000.00	3.000%	19,500.00	194,500.00
2031	200,000.00	3.000%	14,250.00	214,250.00
2032	275,000.00	3.000%	8,250.00	283,250.00
-	**$1,465,000.00**	**-**	**$267,250.00**	**$1,732,250.00**

Yield Statistics

Bond Year Dollars	$8,908.33
Average Life	6.081 Years
Average Coupon	3.0000000%
Net Interest Cost (NIC)	3.0000000%
True Interest Cost (TIC)	2.9977642%
Bond Yield for Arbitrage Purposes	2.9977635%
All Inclusive Cost (AIC)	2.9977642%

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Net Interest Cost	3.0000000%
Weighted Average Maturity	6.081 Years

Village of McFarland, WI

2024 CIP Notes

Village Purposes

Preliminary - January 2020

Debt Service Schedule

Calendar Year	Principal	Coupon	Interest	Total P+I
2024	-	-	-	-
2025	100,000.00	3.000%	61,400.00	161,400.00
2026	120,000.00	3.000%	43,050.00	163,050.00
2027	160,000.00	3.000%	39,450.00	199,450.00
2028	165,000.00	3.000%	34,650.00	199,650.00
2029	170,000.00	3.000%	29,700.00	199,700.00
2030	175,000.00	3.000%	24,600.00	199,600.00
2031	185,000.00	3.000%	19,350.00	204,350.00
2032	200,000.00	3.000%	13,800.00	213,800.00
2033	260,000.00	3.000%	7,800.00	267,800.00
-	**$1,535,000.00**	**-**	**$273,800.00**	**$1,808,800.00**

Yield Statistics

Bond Year Dollars	$9,126.67
Average Life	5.946 Years
Average Coupon	3.0000000%
Net Interest Cost (NIC)	3.0000000%
True Interest Cost (TIC)	2.9977176%
Bond Yield for Arbitrage Purposes	2.9976260%
All Inclusive Cost (AIC)	2.9977176%

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Net Interest Cost	3.0000000%
Weighted Average Maturity	5.946 Years