VILLAGE OF MCFARLAND *NOTICE OF PUBLIC MEETING*

FINANCE COMMITTEE

Wednesday, February 26, 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 minutes of the meeting held on January 22, 2020.

4. BUSINESS.
   a. Discussion and action to make a recommendation to the Village Board regarding revisions to Chapter 7 the Policy on Expenditure of Parks Capital Projects Fund Revenues.

   b. Discussion and action to make a recommendation to the Village Board regarding an amendment(s) to the adopted 2020 Budget.

   c. Discussion regarding schedule for future meetings.

5. SCHEDULE NEXT MEETING DATE.
   a. Wednesday, April 22, 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, January 22, 2020 - 6:30 PM

1. **CALL TO ORDER, ROLL CALL.**
   Trustee Mary Pat Lytle called the regular meeting of the Finance Committee to order at 6:30 PM in Conference Room A.

   Members present: Mary Pat Lytle, Chuck Mulcahy, Clifford Strelow, Curtis Calnin, Eric Kryzenske, Jon Michels

   Members not present: Rod Clark

   Staff Present: Village Administrator Matt Schuenke; Village Clerk/Treasurer Cassandra Suettinger; Accountant/Deputy Treasurer Jennifer Haried

2. **PUBLIC APPEARANCES.**
   None.

3. **APPROVAL OF MINUTES.**

   a. *Discussion and action regarding the minutes from the meeting held on October 16, 2019.*
   Motion by Clifford Strelow, second by Curtis Calnin, to accept Discussion and action regarding the minutes from the meeting held on October 16, 2019. Motion carries 6 - 0 - 0 by acclamation.

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.*
   Motion by Clifford Strelow, second by Chuck Mulcahy, to recommend approval to the Village Board on amendment of section 5.04 of Village's investment policy regarding custodial credit risk. Motion carries 6 - 0 - 0 by acclamation.

   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.*
   Motion by Clifford Strelow, second by Curtis Calnin, to recommend approval to the Village Board on using an irrevocable letter of credit from the Federal Home Loan Bank of Chicago as collateralizati for all funds help at McFarland State Bank. Motion carries 6 - 0 - 0 by acclamation.

   c. *Discussion and action to make a recommendation to the Village Board regarding an agreement for the State Debt Collection System.*
   Motion by Village Trustee Mary Pat Lytle, second by Clifford Strelow, to recommend approval to the Village Board regarding an agreement for the State Debt Collection System. Motion carries 6 - 0 - 0 by acclamation.

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.*
Motion by Clifford Strelow, second by Chuck Mulcahy, to recommend approval to the Village Board regarding revisions to Chapter 12 Vehicle Replacement Policy of the Fiscal Policy Manual. Motion carries 6 - 0 - 0 by acclamation.

e. *Discussion and action to make a recommendation to the Village Board regarding the Capital Improvement Plan for 2020-2024.*
Motion by Village Trustee Mary Pat Lytle, second by Clifford Strelow, to recommend approval to the Village Board regarding the Capital Improvement Plan for 2020-2024. Motion carries 5 - 1 - 0 by acclamation, with Trustee Kryzenske voting nay.

5. SCHEDULE NEXT MEETING DATE.

a. *Wednesday, February 26, 2020 at 6:30 pm.*

6. ADJOURNMENT.
Motion by Clifford Strelow, second by Curtis Calnin, to adjourn at 7:54pm.

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, February 26, 2020**

SECTION: **Business**

DEPARTMENT: **Public Works**

CONTACT:

AGENDA ITEM: **Discussion and action to make a recommendation to the Village Board regarding revisions to Chapter 7 the Policy on Expenditure of Parks Capital Projects Fund Revenues.**

PREVIOUS ACTION:

ISSUE SUMMARY:
Within our Finance Policy Manual we have Chapter 7 that serves as a guide on the use of "Parks Capital Projects Fund Revenues" or otherwise known as park impact fees. These fees are collected through growth and development according to the type and levels listed in the policy. Some changes to this policy are suggested for two reasons:

1. The Parks Impact Fee Study was accepted in January and provides guidance on the fee levels. As a result of that study and separate from this policy, the Village Board is considering changes to the ordinance in line with what was approved in the study. The policy is updated to align with those newly recommended and accepted levels.
2. The policy has not been reviewed in a few years, and the remaining revisions are provided as an update in order to be consistent with State law. There is less flexibility in these standards and the changes put forth are allowable following review and recommendation by the Village Attorney.

A redline version of the existing policy is included in your packet as prepared by the Village Attorney. A short summary of the background behind his changes is also provided. The last attachment is the clean version of what would be the updated format for this policy. The Parks, Recreation, and Natural Resources Committee considered this document at their last meeting and recommended it for approval. The Village Board will consider last and take into account both recommendations at their meeting on March 9th.

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

VILLAGE OF
McFarland

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

ATTACHMENTS:

1. Chapter 7 - Police on Expenditure of Parks Capital Projects Fund Revenues 02132020 dje
2. Summary from Attorney on Policy Revisions 02132020 dje
3. Chapter 7 - Policy on Expenditure of Parks Capital Projects Fund Revenues 02142020 mgs

~~POLICY ON EXPENDITURE OF~~ PARK~~S CAPITAL PROJECTS FUND REVENUES~~IMPACT FEE EXPENDITURE POLICY

POLICY PURPOSE

The purpose of this policy is to provide ~~flexible~~ budgetary guidelines to the Parks, Recreation & ~~Recreation Committee and/or the~~ Natural Resources Committee and the Village Board for the expenditure of segregated revenues collected ~~in the Parks Capital Projects Fund~~as Park Impact Fees. The intent of the policy is to ensure that these funds, which are collected from two types of fees and can be used only on eligible park expenditures as summarized below, are expended in a legal, cost-effective manner that will further the development of park and recreation opportunities.

In general, all impact fees are based upon estimated capital costs for new, expanded or improved public facilities necessitated by land development. Impact fees cannot be used to increase a service standard or capacity greater than the standard already provided by the Village; instead, they are used to offset the costs incurred to satisfy the additional demand created by new development. In the context of parks, impact fees are collected to both acquire new park areas and complete new park improvements. These fees enable the Village to maintain quality recreation opportunities for its residents while the Village continues to grow.

POLICY IMPLEMENTATION OBJECTIVES

A. TYPES OF FEES

1. Park-land Impact Fee in Lieu of Parkland Dedication

    Section 56-173 of the McFarland Municipal Code requires developers to dedicate 2,106 square feet per single family dwelling unit, 1,463 square feet per multi-family dwelling unit, and 804 square feet per group quarters dwelling unit, ~~1,977 square feet of land for park purposes for every new residential dwelling units they create~~, or pay a park-land impact fee in lieu of dedicating parkland. ~~The general intent is that t~~These fees ~~would~~ must be used to create ~~or improve~~ or expand parks. ~~that are in geographic proximity to the new development and will benefit those residents, or that they will be used to improve a community park in a manner that would benefit all Village residents.~~ The decision to accept land dedication or fees in lieu of land dedication, or some combination thereof, is made by the Village. The amount of the fee ~~in lieu~~ is $3,915.46 per single family dwelling unit, $2,719.90 per multi-family dwelling unit, and $1,494.45 per group quarters dwelling unit, according to the Village's most recent needs assessment, but that amount is subject to modification annually. Fees paid in lieu of land dedication may be used to acquire ~~or develop~~ park lands~~, to construct or install park improvements,~~ or to service debt incurred for this~~ose~~ purpose~~s~~.

2. Park Improvement Impact Fee

   Section 8-464 of the McFarland Municipal Code requires payment of a Park Improvement Impact Fee at the time a building permit is issued for construction of a new residential dwelling. The amount of the fee is $1,099.65 per single family dwelling unit, $712.53~~3~~ per multi-family dwelling unit, and $551.51 per group quarters dwelling unit, according to the Village's most recent needs assessment, but that amount is subject to modification annually. These amounts are based on the cost of park improvements and the cost of creating trails. These fees may not be used toward land acquisition costs, but may be used to develop parklands and trails, to construct or install park improvements, and to service debt incurred for those purposes.

B. ~~RECOMMENDED~~ PERMITTED USES

1. Fees paid in lieu of land dedication may ~~only~~ be used for the ~~A~~acquisition of park land. It is recommended that these acquisitions be consistent with the Village's Outdoor Recreation & Open Space Plan and the Village's Comprehensive Plan.

2. Fees paid for park improvements may be used for ~~B~~basic site development, construction of playing fields, installation of trails, landscaping, purchase and installation of equipment, and construction of new facilities in new or existing parks in accordance with an approved park master plan.

~~2.~~3. Up to 10% of Park Impact Fees spent on any project may be used for legal, engineering and design costs incurred as part of the ~~capital costs for~~project, including park improvements and land purchases. This percentage can be increased for any project if it can be demonstrated that these costs will exceed 10%~~ on a project~~. Impact fees do not have to be used for these services.

C. ~~USES THAT ARE~~ PROHIBITED USES~~OR NOT RECOMMENDED~~

1. ~~Routine o~~Operating and maintenance expenses.

~~Major maintenance expenses.~~

~~3.~~2. Replacement of existing facilities or equipment unless the new facility provides a significant upgrade in recreational opportunities or amenities compared to the facility it replaces.

~~4.~~3. Reconstruction of existing playing fields, unless the reconstruction would permit a significantly different or more varied type of use.

D. COMBINATION PROJECTS

It may be appropriate in certain circumstances to fund the project expenses described above from a combination of sources, including partial funding ~~from the Parks Capital Projects Fund~~with Park Impact F~~f~~ees. It is also permissible to phase improvement projects over a multi-year period to spread out the ~~short term~~short-term impact on ~~the Parks Capital Projects Fund~~these funds.

Adopted:__________

Matt Schuenke

From: Daniel J. Evans <devans@rwelaw.net>
Sent: Thursday, February 13, 2020 6:53 PM
To: Matt Schuenke
Cc: Andrew Bremer
Subject: Chapter 7 policy
Attachments: Chapter 7 - Policy redline accepted.docx; Chapter 7 - Policy Redline.docx

Matt,

The redline is a little hard to read with the number of changes. The existing policy suggest more discretion than there is with respect to fees in lieu, which was permitted under the old law, but now must match the impact fee standards and our needs assessment. So the use of these fees is more restrictive now. We can elaborate more if you think this needs more explanation. I added a paragraph in the opening which echoes the impact fee statute; this may seem redundant but I think it helps put the concept behind impact fees for the Parks Committee. I also added that some of these fees can be used for design and related costs, but I don't know if this is something the Parks Committee needs to concern itself with.

I am in the office all day tomorrow if you want to discuss this further. I did catch that there is no longer a separate natural resources committee and removed this.

Daniel J. Evans
Reuter, Whitish & Evans, S.C.
44 E. Mifflin St., Suite 306
Madison, WI 53703
Office: (608)250-9053
www.rwelaw.net

CHAPTER 7 Park Impact Fee Expenditure Policy

SECTION 7.01 Policy Purpose

(a) The purpose of this policy is to provide budgetary guidelines to the Parks, Recreation & Natural Resources Committee and the Village Board for the expenditure of segregated revenues collected as Park Impact Fees. The intent of the policy is to ensure that these funds, which are collected from two types of fees and can be used only on eligible park expenditures as summarized below, are expended in a legal, cost-effective manner that will further the development of park and recreation opportunities.

(b) In general, all impact fees are based upon estimated capital costs for new, expanded or improved public facilities necessitated by land development. Impact fees cannot be used to increase a service standard or capacity greater than the standard already provided by the Village; instead, they are used to offset the costs incurred to satisfy the additional demand created by new development. In the context of parks, impact fees are collected to both acquire new park areas and complete new park improvements. These fees enable the Village to maintain quality recreation opportunities for its residents while the Village continues to grow.

SECTION 7.02 Policy Implementation Objectives

(a) **Types of Fees.**

(1) **Park Land Impact Fee in Lieu of Parkland Dedication.** Section 56-173 of the McFarland Municipal Code requires developers to dedicate 2,106 square feet per single family dwelling unit, 1,463 square feet per multi-family dwelling unit, and 804 square feet per group quarters dwelling unit, or pay a park-land impact fee in lieu of dedicating parkland. These fees must be used to create or expand parks. The decision to accept land dedication or fees in lieu of land dedication, or some combination thereof, is made by the Village. The amount of the fee is $3,915.46 per single family dwelling unit, $2,719.90 per multi-family dwelling unit, and $1,494.45 per group quarters dwelling unit, according to the Village's most recent needs assessment, but that amount is subject to modification annually. Fees paid in lieu of land dedication may be used to acquire park lands or to service debt incurred for this purpose.

(2) **Park Improvement Impact Fee.** Section 8-464 of the McFarland Municipal Code requires payment of a Park Improvement Impact Fee at the time a building permit is issued for construction of a new residential dwelling. The amount of the fee is $1,099.65 per single family dwelling unit, $712.53 per multi-family dwelling unit, and $551.51 per group quarters

dwelling unit, according to the Village's most recent needs assessment, but that amount is subject to modification annually. These amounts are based on the cost of park improvements and the cost of creating trails. These fees may not be used toward land acquisition costs, but may be used to develop parklands and trails, to construct or install park improvements, and to service debt incurred for those purposes.

(b) **Permitted Uses.**

(1) Fees paid in lieu of land dedication may be used for the acquisition of park land. It is recommended that these acquisitions be consistent with the Village's Outdoor Recreation & Open Space Plan and the Village's Comprehensive Plan.

(2) Fees paid for park improvements may be used for basic site development, construction of playing fields, installation of trails, landscaping, purchase and installation of equipment, and construction of new facilities in new or existing parks in accordance with an approved park master plan.

(3) Up to 10% of Park Impact Fees spent on any project may be used for legal, engineering and design costs incurred as part of the project, including park improvements and land purchases. This percentage can be increased for any project if it can be demonstrated that these costs will exceed 10%. Impact fees do not have to be used for these services.

(c) **Prohibited Uses.**

(1) Operating and maintenance expenses.

(2) Replacement of existing facilities or equipment unless the new facility provides a significant upgrade in recreational opportunities or amenities compared to the facility it replaces.

(3) Reconstruction of existing playing fields, unless the reconstruction would permit a significantly different or more varied type of use.

(d) **Combination Projects.** It may be appropriate in certain circumstances to fund the project expenses described above from a combination of sources, including partial funding with Park Impact Fees. It is also permissible to phase improvement projects over a multi-year period to spread out the short-term impact on these funds.

Adopted: June 10, 2013 Amended: September 14, 2015
March 9, 2020

VILLAGE OF
McFarland

VILLAGE BOARD SUMMARY SHEET

MEETING DATE: **Wednesday, February 26, 2020**

SECTION: **Business**

DEPARTMENT: **Administration**

CONTACT:

AGENDA ITEM: **Discussion and action to make a recommendation to the Village Board regarding an amendment(s) to the adopted 2020 Budget.**

PREVIOUS ACTION:

ISSUE SUMMARY:
At the January 27, 2020 meeting of the Village Board, Trustee Utter "referred amendment of the budget due to the increased costs purchases to the Finance Committee". This is based on actions taken by the Village Board as part of that meeting and the perception as he saw it how the actions taken compared against the approved budget for these various matters. The direction as Staff understands it is to evaluate these actions against the budget and decide what if anything should be recommended to the Village Board as far as an amendment to the 2020 Budget. The following actions were taken as part of that meeting which had budgetary implications:

- **Aquatics Development Proposal** - This item is a planning proposal recommended by the Parks Committee and approved by the Village Board. The amount authorized was $24,000. The 2020 Budget allocated $40,000 for this purpose. As approved, the project is under budget and a budget amendment is not needed nor recommended.
- **Pickleball Development Proposal** - This item is a planning/design proposal recommended by the Parks Committee and approved by the Village Board. The amount authorized was $14,880. The 2020 Budget allocated $150,000 for this purpose which included the construction of the improvement. As approved, the project is under budget pending completion of design and bids. A budget amendment at this time is not needed nor recommended.
- **Larson Park Hardscape Project** - This item is a planning proposal recommended by the Parks Committee and approved by the Village Board. The amount authorized was $12,200. The 2020 Budget allocated $100,000 for this purpose which included the construction of the improvement. As approved, the project is under budget pending completion of design and bids. A budget amendment at this time is not needed nor recommended.
- **"No Fault Sewer" Insurance Coverage** - This item is insurance coverage within the Utilities Fund (supported by rate payers) to protect against private damage from the

sanitary sewer system. The amount of this coverage is $14,992. The 2020 Budget allocated $42,000 for its share of insurance at existing allocations. This new amount will be split between Water and Sewer, and can be absorbed under existing operations. If a budget amendment were considered here, the additional expense would be offset by fund balance which is the same thing that would happen if there was not an amendment. Furthermore, both the Sanitary Sewer and Water Service are going through rate studies which will increase revenue to the funds helping to provide future coverage with the next budget cycle. A budget amendment at this time is not needed nor recommended.

- **Yard Waste Contracted Service** - This item approved a 3 year contract for yard waste services with our current provider. The amount authorized in 2020 is a base contract of $78,000 although there are some hourly rates applied in the Spring and Fall for curbside collection. The 2020 Budget allocated $83,500 for this work. While the base number authorized is less than the budget expense, due to the unknown amount of hours in the Spring and Fall to applied it may or may not go over the total. The base is higher than in past years but the 2020 Budget did provide a higher amount. A budget amendment at this time is not needed nor recommended.
- **County Highway MN Design Contract** - This item is a design proposal recommended by the Public Works Committee and approved by the Village Board. The amount authorized was $125,000. The 2020 Budget allocated $125,000 for this purpose. As approved, the project is under budget and a budget amendment is not needed nor recommended.
- **Purchase of 4313 Triangle Street** - This item is the approval to complete the purchase of this property as was originally recommended by the CDA at the previous meeting. "Property" is a line item within all three TID budgets every year. It is presented at $0 since most opportunities are not known in advance of the budget. The line item is included to give the CDA and Village Board flexibility to acquire property throughout the year using monies available within each of the funds as applicable. The cost for the acquisition will be paid through tax increment collected in the district and possible fund balance is other expenses exceed revenues collected for the year. This would happen regardless of a budget amendment or not. A budget amendment at this time is not needed nor recommended.
- **Building Inspection Contract** - This item approved a new 3 year contract for building inspection in lieu of hiring an employee for this purpose. We are charged an hourly rate for this service and the 2020 Budget is already approved at $75,000. There is no way of knowing in February of the current year how much we are going to spend by December in the same year for this service. The budget was approved based on our experience in 2019 and will be adjusted in the future accordingly based on demand for inspections. A budget amendment at this time is not needed nor recommended.

Again, Staff does not recommend budget amendments for these items. Yes, there are some variances from budget to actual. There always are. A lot of these its very premature to tell if we'll go over or stay under, but that's why we do an audit to evaluate where we missed the mark. Then use that data to make adjustments to the next year's budget. We can certainly discuss further when we meet.

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

ATTACHMENTS:
None

VILLAGE OF
McFarland

VILLAGE BOARD SUMMARY SHEET

MEETING DATE: **Wednesday, February 26, 2020**

SECTION: **Business**

DEPARTMENT: **Administration**

CONTACT:

AGENDA ITEM: **Discussion regarding schedule for future meetings.**

PREVIOUS ACTION:

ISSUE SUMMARY:
Looking ahead to our next several meetings we wanted to plan out and discuss our schedule in the future:

- March 25 - Likely to be cancelled unless something comes up.
- April 22 - First meeting after the election and seating of the new board. Likely we'll have this meeting and begin to plan out the 2020 Borrowing.
- May 27 - Likely we'll have this meeting and review the 2019 Audit.
- June 24 - Likely to be cancelled unless the two proceeding items linger or something else comes up.

We'll discuss more in the meeting but is meant to look out at our meeting schedule for the remainder of the first half of this year.

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

ATTACHMENTS:
None