VILLAGE OF MCFARLAND

Committee of the Whole

NOTICE OF PUBLIC MEETING

Tuesday, May 10, 2022 **5:30 PM** **McFarland Municipal Center**
Community Room

AGENDA

You are invited to this meeting through a Zoom webinar. The public is strongly encouraged to watch and participate in these meetings remotely through either the webinar or telephone options listed below.

PLEASE CLICK THE LINK BELOW TO JOIN THE ZOOM WEBINAR:
https://us02web.zoom.us/j/89953849835

Or by Telephone: +1 (312) 626-6799
Webinar ID: 899 5384 9835
Press *9 to raise/lower hand. Press *6 to mute/unmute.

1. CALL TO ORDER.
2. ROLL CALL.
3. PUBLIC APPEARANCES.
   a. This is an opportunity for members of the public to address the Committee of the Whole. Please remember this is a virtual meeting conducted through the Zoom online meeting platform. Zoom meeting attendees wishing to address the Committee may do so using the Question and Answer feature within the Zoom online meeting platform. You may state your name, address, and provide your comments to the Committee for their consideration. Members of the public who are present in person and wish to address the Committee should fill out a public comment form and turn into the meeting chairperson. Members of the public may speak during public appearances or during their selected agenda item as they designate on the public comment form. Please adhere to the 3-minute time limit. Additionally, you may send your public comments to village.clerk@mcfarland.wi.us to be included as part of the meeting.
4. APPROVAL OF MINUTES.
   a. Motion to approve the minutes of the March 14, 2022 meeting.
5. BUSINESS.
   a. Discussion regarding American Rescue Plan Act (ARPA) project evaluation review process.
6. SCHEDULE NEXT MEETING DATE.
   a. Tuesday, May 24, 2022 at 5:30 p.m.
7. ADJOURNMENT.

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

Committee of the Whole Minutes

Monday, March 14, 2022 - 5:30 PM

1. **CALL TO ORDER.**

   President Clow called the Commitee of the Whole meeting to order at 5:30 PM in Conference Room A.

2. **ATTENDANCE/ROLL CALL.**

   Village Board members present: Village Trustee Stephanie Brassington, Village President Carolyn Clow, Village Trustee Michael Flaherty, Village Trustee Justin Rupert, Village Trustee Edward Wreh, Village Trustee Carrie Nelson, Village Trustee Chris St. Clair

   Village Board members not present: None.

   Staff Present: Administrator Matt Schuenke and Clerk/Treasurer Cassandra Suettinger.

3. **PUBLIC APPEARANCES.**

   a. *This is an opportunity for members of the public to address the Committee of the Whole. Please remember this is a virtual meeting conducted through the Zoom online meeting platform. Zoom meeting attendees wishing to address the board may do so using the Question and Answer feature within the Zoom online meeting platform. You may state your name, address, and provide your comments to the board for their consideration. Members of the public who are present in person and wish to address the board should fill out a public comment form and turn into the meeting chairperson. Members of the public may speak during public appearances or during their selected agenda item as they designate on the public comment form. Please adhere to the 3-minute time limit. Additionally, you may send your public comments to cassandra.suettinger@mcfarland.wi.us to be included as part of the meeting.*

      None.

4. **APPROVAL OF MINUTES.**

   a. *Discussion and action regarding the minutes of the meeting held on February 28, 2022.*

      Motion by Village President Carolyn Clow, second by Village Trustee Edward Wreh, to approve the minutes of the meeting held on February 28, 2022. Motion carries 7 - 0 - 0 by acclamation.

5. **BUSINESS.**

   a. *Discussion regarding the plan development for the Village's use of funds provided through the American Rescue Plan Act (ARPA).*

      The Board reviewed the plan for the Village's use of funds provided through the American Rescue Plan Act (ARPA) and provided feedback to staff. Village Administrator Schuenke reported following the meeting all Village Trustees and Departments would be provided the ARPA worksheet to submit ideas for ARPA funding. The Village Adminstrator and Village Clerk/Treasurer would then compile all submissions and bring them forward at the May 10th Committee of the Whole meeting for discussion.

b. *Discussion regarding the draft handbook for Village Board members.*
The Board reviewed the final draft of the Village Trustee handbook and suggested final revisions. Staff noted the final handbook would be brought forward at the next regular Village Board meeting for discussion and possible approval.

6. SCHEDULE NEXT MEETING DATE.

a. *To be determined.*
May 10, 2022.

7. ADJOURNMENT.
Motion by Trustee Mike Flaherty, second by Trustee Brassington, to adjourn at 5:17 p.m.

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,
Cassandra Suettinger
Village Clerk/Treasurer

VILLAGE OF
McFarland

SUMMARY SHEET

MEETING DATE:	**Tuesday, May 10, 2022**
SECTION:	**Business**
DEPARTMENT:	**Administration**
CONTACT:	**Matt Schuenke, Village Administrator, Cassandra Suettinger, Village Clerk/Treasurer**
AGENDA ITEM:	**Discussion regarding American Rescue Plan Act (ARPA) project evaluation review process.**

PREVIOUS ACTION:
The Committee of the Whole received a presented from Baker Tilly at its meeting on February 28, 2022 as background on the utilization of ARPA.

The Committee of the Whole finalized the first phase of the process at its March 14, 2022 meeting and began implementation to solicit ideas from Village Board members and Department Heads.

ISSUE SUMMARY:
ARPA Plan Development for the Village

Phase #1 - Introduction - Baker Tilly provided a presentation at a previous Committee of the Whole meeting. The purpose of this was to provide background on the funds and acceptable uses based on the Treasurery's final rule. Additionally, we put in process the worksheet to solicit ideas from Village Board members and Department Heads to submit back for further consideration. This portion of the process was completed last month as we transition to planning and review of the requests submitted.

Phase #2 -Planning/Review Process - Village Board members and Department Heads have provided their ideas on the use of ARPA monies through the worksheet previously solicited at our last meeting back in March. The second phase of the project is to bring forward the process by which the submitted ideas would be reviewed. Staff has drafted an initial review tool referred to as the Matrix to discuss with the board on how to create criteria to be used as part of the review of the requests submitted. The board previously desired to want to provide input on how that specific tool was developed and what has been drafted thus far is submitted for discussion as we seek feedback from the board on how this is applied. Please note the following as part of our discussion for the next meeting:

- **Matrix Review** – Included within your packet is the review matrix for the board to evaluate the requests provided. Again, this is a draft presented for the board to discuss and provide input before we begin the actual review. This is very similar in nature to what we do to review Requests for Proposals on projects in which we establish certain criteria aligned with the project objectives. Staff has proposed some criteria to apply in the review and the board is free to revise, add to, or subtract from what has been established to evaluate the requests. Our focus of this meeting will be to confirm the review process prior to the specific review being conducted on the ideas put forth.

- **Ideas** – Staff continues to consolidate the ideas submitted and they are not included for your review or consideration as part of this meeting. All requests will be transmitted to the board along with the approved matrix review including instructions on how to complete the review after the meeting. This helps to keep the ideas from impacting the review process and which in theory should make it more equitable for all ideas to be considered.
- **Public Input** – This is another area we will likely need to discuss with the board how they want to approach it. There is a suggestion below as to when this can apply in the process but another area that is open to suggestion.

Assuming the Matrix Review process is accepted in some fashion, Staff likely is able to release the requests plus with the review no later than May 13th. ***We would ask that all reviews be completed and transmitted back to Staff by no later than June 6th in order to consolidate the responses for the next phase of the project.*** If we are not ready to move forward after next week's meeting, we will adjust the schedule and these deadlines accordingly. These are suggested as a look forward and thinking ahead in the process.

<u>Phase #3</u> - Prioritization - It is suggested that the Village Board review the results of the review and discuss priorities with ARPA funding during its annual retreat process in June during the two dates already schedule. This of course is subject to the board's acceptance of that idea, and your comfort in doing so. If we are agreeable to include as part of the retreat, we will present the initial scoring based on the reviews submitted as part of the first meeting on June 15th. Likely through this first meeting the board discussing which items should move forward in order to establish their priorities for the funding. The second meeting on June 22nd can work these priorities into the annual goals and objectives document along with other initiatives the board discuss during the retreat. Additional follow up as needed can be applied between this second meeting and when the board holds its final retreat meeting with Department Heads in August. This is likely a point where we could gather some public input on what is recommended for ARPA as well as potentially what the goals and objectives look like for the year. The third retreat meeting is scheduled for August 3rd which would be the point at which action is taken to move desired items forward through the acceptance of the next year's strategic implementation plan. Those items with budgetary implications for the coming year, which likely is applicable to ARPA, would then be reflected within the 2023 Budget process transmitted in September.

Our focus for Tuesday is finalizing the review process and discussing the topics referenced above as Phase 2. Once those issues are finalized, we will transmit the requests to the board for review with your responses due back by June 6th and to be further prioritized during the Retreat beginning on June 15th.

VILLAGE OF
McFarland

FINANCIAL/BUDGET IMPACT:
None.

VILLAGE PLAN REFERENCE:
None.

ORDINANCE REFERENCE:
None.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
Recommended for discussion and for consensus to move forward with the review process outlined within Phase #2 of this project.

ATTACHMENTS:
1. ARPA Funding Request Review Matrix 05052022 mgs
2. V McFarland - ARPA 2.23.2022

ARPA Funding Requests

Review Matrix

Board Member: ______________________________

Index	Request	Requestor	Review Criteria					Total Score
			Annual Goals-Objectives	5 Year Capital Impr Plan	Plan-Design Ready	ARPA Standards	Community Priority	
1								0
2								0
3								0
4								0
5								0
6								0
7								0
8								0
9								0
10								0
11								0
12								0
13								0
14								0
15								0

ARPA Funding Requests

Review Matrix

Board Member: ____________________

Index	Request	Requestor	Review Criteria: Annual Goals-Objectives	5 Year Capital Impr Plan	Plan-Design Ready	ARPA Standards	Community Priority	Total Score
16								0
17								0
18								0
19								0
20								0
21								0
22								0
23								0
24								0
25								0
26								0
27								0
28								0
29								0
30								0

ARPA Funding Requests
Review Criteria Instructions

Annual Goals-Objectives

The Village annually establishes Goals and Objectives through its Strategic Implementation Plan. This is discussed and accepted through the annual retreat process held in June and finalized in August. Evaluate whether or not the ARPA requests fits within the existing goals and objectives as an item we've previously desired to implement or is a new concept.

Click this link to view the 2021-2022 Strategic Implementation Plan.

10 points	ARPA request is listed specifically as an objective within the Action Plan to meet a stated goal.
5 points	ARPA request would meet a listed goal but is not listed as part of any action plan.
0 points	ARPA request is not aligned with any of the goals nor does it fit within the action plan.

5 Year Capital Improvement Plan

The Village annually adopts a 5 year Capital Improvement Plan outlining our capital needs and projecting future fiscal impacts. This is discussed and accepted by the Village Board following review of proposed projects over the upcoming term. ARPA requests that are included within the current 5 year CIP will be awarded points based on their inclusion within the current 5 year CIP.

Click this link to view the 2021-2025 Capital Improvement Plan.

10 points	ARPA request is listed specifically within the current 5 year Capital Improvement Plan.
0 points	ARPA request is not listed within the current 5 years Capital Improvement Plan.

Master Plan-Design Ready

Several projects are previously planned out through master plans, studies, or other analyses that help provide background on bringing them to fruition in the future. Those projects that have been planned, studied, or analyzed previously make them design ready helping to shorten the time needed for implementation. ARPA requests that have been previously, planned, studied, or analyzed would receive points on their ability to be design ready.

Staff will fill in applicable plans per request and provide a link within the line as available.

10 points	ARPA request has been planned and design ready for implementation beginning in 2023.
5 points	ARPA request has been planned and design ready for implementation in 2024 and/or beyond.
0 points	ARPA request has not been planned nor is design ready for implementation.

ARPA Standards

In February of this year the Village Board received a presentation from our Auditor regarding the standards created to be able to apply ARPA funding. Four main categories are established for eligible ARPA expenditures: 1) COVID-19 or a negative economic impact; 2) Premium pay for eligible workers; 3) For Government services to the extent of the loss of revenue; and 4) Investments in water, sewer, and broadband infrastructure. ARPA requests that fall within these categories will earn points based on how well they meet these standards.

Please click on this link which provides the background on the ARPA Standards.

10 points	ARPA request falls within either Category 1, 2, or 4.
5 points	ARPA request falls exclusively within Category 3.
0 points	ARPA request is not related to any category.

ARPA Funding Requests
Review Criteria Instructions

Community Priority

Board members are provided discretion to consider each ARPA request based on what they feel is or is not a priority for the Community. This item is meant to be subjective to provide flexibility for the reviewer to consider factors about Community need against an ARPA request in order to provide their own individual feedback. Points can be awarded within the range listed at the discretion of the reviewer.

0-10 points	Points will be awarded to the ARPA request within this range based on the discretion of the reviewer. 0 points would indicate that this item is not presently a Community Priority and 10 points would indicate that this item is presently a Community Priority.

The American Rescue Plan Act McFarland, Wisconsin

February 2022

bakertilly
now, for tomorrow

WELCOME

With you today

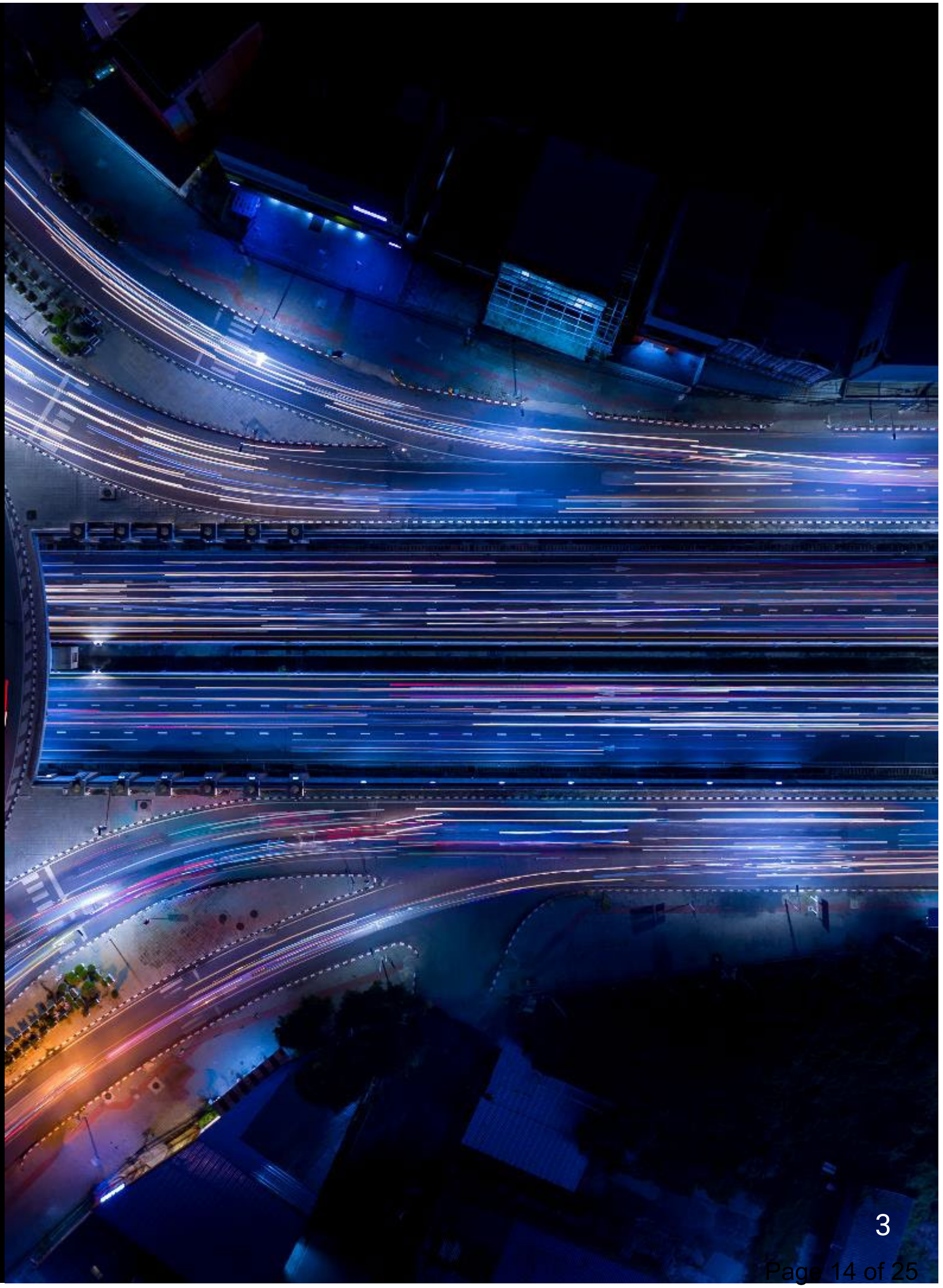
Carla A. Gogin, CPA

Partner

Baker Tilly US, LLP

Agenda

- The Final Rule: American Rescue Plan (ARP) and the Fiscal Recovery Funds (FRF) Update
- Pitfalls / Best Practices
- Impactful Uses of Funding



American Rescue Plan (ARP) for the public sector

bakertilly
now, for tomorrow

The Village of McFarland was awarded an allocation of just over $945,000

Fiscal Recovery Funds

$350 billion
of non-competitive funding for states, counties, cities, Tribes and territories. Of this funding:

$195.3 billion
to states and Washington, D.C.

$130.2 billion
to local governments

$20 billion
to Tribal governments

Other provisions of the bill include:

Recovery $10 billion Coronavirus Capital Projects Fund	**Schools** nearly $170 billion	**Housing** $25 billion in emergency rental assistance
Small business $22 billion in EIDL and PPP	**Transportation and infrastructure** $58.2 billion	**Energy and water** $4.5 billion in household assistance
Restaurants and bars $25 billion	**Emergency Connectivity Fund** $7.6 billion for internet access for distance learning	**Public health** $72 billion for COVID-19 testing, contact tracing and vaccine distribution

The Final Rule

- U.S. Treasury Department (Treasury) released the American Rescue Plan Act of 2021 (ARP) Final Rule on January 6, 2022 (effective date of April 1, 2022 but can be implemented early)
- The Final Rule fills nearly 500 pages and makes numerous changes to the Interim Final Rule

Eligible Expenditures: Four Main Categories

- COVID-19 or a negative economic impact
- Premium pay for eligible workers
- For government services to the extent of the loss of revenue
- Investments in water, sewer and broadband infrastructure

Schedule of Expenditures of Federal Awards (SEFA)

- SEFA reporting is required when the expenditures occur (compliance audit required if expenditures >$750K in one year)

Revenue Loss

The most significant change in the Final Rule is a dramatic simplification to the lost revenue provision. To identify the general revenue amount lost due to the pandemic, recipients may now choose to do one of the following:

- Perform the revenue loss calculation provided in the Final Rule
- Assume a standard allowance of up to their entire award or $10 million, whichever is less – the Village of McFarland received an allocation of just over $945,000

Revenue Loss

Revenue loss dollars can be used for "government services," a broad category that generally includes *any service* traditionally provided by government:

- Road building and maintenance, and other infrastructure
- Public health services
- General government administration, staff, and administrative facilities
- Environmental remediation
- Provision of police, fire, and other public safety services – including vehicles
- Utility projects

Generally, funds available under the "revenue loss" eligible use category can be used to meet the non-federal cost-share of matching requirements of other federal programs.

Revenue Loss Exclusions

Revenue loss dollars cannot be used for:

- Reduction in tax revenue: If an entity cuts taxes during this period, it must demonstrate how it paid for the tax cuts from sources other than SLFRF, such as by enacting policies to raise other sources of revenue, by cutting spending, or through higher revenue due to economic growth.
- Deposits into pension funds
- Debt service (interest or principal)
- Replenishing financial reserves or rainy day funds
- Satisfaction of settlements or judgements

Pitfall: Duplicated Efforts

The potential exists for duplicated efforts with funding going to cities, towns, villages, counties and states with the same eligible uses

– For some communities, overlapping programs attempting to serve the same need were created and led to confusion, underuse of funding, increased administrative burden, and lost opportunity.

Best practice: Embrace collaboration

– Reach out to surrounding communities to discuss how they intend to use FRF funding
– Connect with your regional economic development organization
– Communicate your community’s ARPA objectives
– Coordinate with your county’s officials
– Where there are shared goals, consider collaborative efforts

Pitfall: Rush to judgement

When there is a new grant opportunity or funding resource for municipalities that is widely publicized, there are numerous stakeholders with ideas about how the funding should be used.

- **May lead to added pressure to use money quickly**
- **Some communities have made hasty decisions that are suboptimal or that they later regret**

Best Practice: Consider the extended timeline; take the time to be inclusive and strategic

- Municipalities with populations greater than 50,000 receive funding directly from the federal government. They received 50% of their funding in May and will receive the second 50%in approximately 1 year
- Municipalities with populations less than 50,000 receive funding through the state of Wisconsin Department of Revenue. They received 50% of their funding in June of 2021 and will receive the second 50% approximately 1 year later
- Eligible costs must be incurred after March 3, 2021
- Funds must be expended or committed by December 31, 2024
- Recipients have until December 31, 2026, to complete projects using FRF funds

Identify community goals

TIME TO UPDATE?

THINK BIG

Consider other grants / legislation

- Infrastructure Investment and Jobs Act (IIJA)
- Build Back Better (BBB) – Consider if something passes down the road
- Other federal and state $’s

Pitfall: Missing the big financial picture

Municipalities have options when determining how to pay for new programs, operational expenses, or capital improvements. In the absence of a financial plan, communities risk expending the money in a way that is less than optimal.

Best Practice: Develop a comprehensive, long-range financial plan

- Municipalities should considering developing a financial plan that incorporates multi-year capital plans and financing options along with projected operational changes.
- If new programs are created, thought should be given to ongoing operational costs associated with maintaining and continuing the programs.
- Balancing community priorities and evaluating the alternative financing is an important process for communities and utilities to engage in as they evaluate the use of FRF funds.
- For municipalities there are a variety of complex financing options to consider, including revenue bonds/notes, general obligation bonds/notes, state trust fund loans, and state and federal monies.
- The evaluation of financing options should take into account, among other factors: legal authority, eligible uses, total cost of capital (fees and interest rate), level of complexity relative to capacity of the organization (suitability), timing, and flexibility of terms.

<u>Ten impactful </u>uses of American Rescue Plan Funding

- Solicit stakeholder and resident input to prepare for your ARP funding plans
- Prepare a long-term “post-pandemic” financial plan
- Strengthen your local economy by preparing strategic economic develop plans and housing strategies
- Improve your recruitment and compensation systems to address impacts of the “Great Resignation”
- Reduce operational costs by investing in technology
- Evaluate ARPA funding proposals by analyzing project funding sources and fiscal / economic impacts
- Address deferred maintenance through an infrastructure assessment and asset management plan
- Conduct a cybersecurity and / or IT risk assessment to safeguard your organization’s information
- Prepare for your federal compliance audit and / or requirements
- Seek support to identify and apply for additional state and federal funding to satisfy your strategic objectives

THANK YOU

QUESTIONS?

Carla A. Gogin, CPA
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Resources

Treasury

https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds

GFOA

https://www.gfoa.org/coronavirus

Baker Tilly

https://www.bakertilly.com/insights/ten-impactful-uses-american-rescue-plan-funding

https://www.bakertilly.com/search?trending=AMERICAN%20RESCUE%20PLAN

https://www.bakertilly.com/page/baker-tilly-compass

https://www.bakertilly.com/insights/baker-tilly-compass-helps-communities-navigate