VILLAGE OF MCFARLAND

Public Works & Utilities Committee

NOTICE OF PUBLIC MEETING

Monday, May 22, 2023 **6:00 PM** **McFarland Municipal Center**
Community Room

AGENDA

You are invited to this meeting through a Zoom webinar. The public may attend in-person or remotely through the webinar or telephone options listed below.

PLEASE CLICK THE LINK BELOW TO JOIN THE ZOOM WEBINAR:
https://us02web.zoom.us/j/87321231583

Or by Telephone: +1 (312) 626-6799
Webinar ID: 873 2123 1583
Press *9 to raise/lower hand. Press *6 to mute/unmute.

1. CALL TO ORDER, ROLL CALL.

2. PUBLIC APPEARANCES.

   a. This is an opportunity for members of the public to address the Public Works and Utilities Committee for items that are not on the agenda. Please remember this is a hybrid meeting conducted in person and through the Zoom online meeting platform. Meeting attendees wishing to address the Committee about items not on the agenda may do so at this time. Zoom attendees should type their name and address in the Question and Answer feature within the Zoom online meeting platform at this time. 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. When you are called upon to speak, state your name, address, and provide your comments to the Committee for their consideration. Please adhere to the 3-minute time limit. Additionally, you may send your public comments to public.works@mcfarland.wi.us to be included as part of the meeting.

      Members of the public may also speak during their selected agenda item as they designate on the public comment form or in the Question and Answer feature on Zoom.

3. APPROVAL OF MINUTES.

   a. Motion to approve the minutes of the April 24, 2023 meeting.

4. BUSINESS.

   a. Presentation and discussion regarding the 2022 Audit and Financial Statements to review rate and budgetary impacts for McFarland Utilities

   b. Presentation and discussion regarding the draft 2024-2028 Capital Improvement Plan (CIP)

   c. Discussion and action to make a recommendation to the Village Board regarding the annual CMAR submittal for 2022

   d. Discussion and action to make a recommendation to the Village Board regarding a proposal for sidewalk maintenance.

   e. Discussion and possible action for Final Engineering Proposal on Lift Station #2.

5. SCHEDULE NEXT MEETING DATE.
    a. Monday, June 26, 2023 at 6:00 p.m.

6. ADJOURNMENT.

Any person who has a qualifying disability as defined by the Americans with Disabilities Act that requires the meeting or materials at the meeting to be in an accessible location or format should contact the McFarland Municipal Center at (608)838-3153, 5915 Milwaukee Street, McFarland, Wisconsin, or village.clerk@mcfarland.wi.us by 2:00 p.m. at least 5 business days prior to the meeting so that any necessary arrangements can be made to accommodate each request. If the meeting or request is less than 5 business days from the meeting, requests for accommodations may still be made and reasonable efforts will be made to accommodate each request.

VILLAGE OF MCFARLAND

Public Works & Utilities Committee Minutes

Monday, April 24, 2023 - 6:00 PM

1. **CALL TO ORDER, ROLL CALL.**
   Trustee Wreh called the regular meeting of the Public Works & Utilities Committee to order at 6:00 PM in the Community Room of the Municipal Center. This meeting was also held via Zoom webinar.

   Members present: Edward Wreh, Hilary Brandt, Pauline Boness, Marc Nielsen, Chris Fredrick

   Members not present: Eric Kindschi

   Staff Present: Public Works Director Lee Igl, Streets & Utilities Superintendent Bob Jacobs, Assistant to the Public Works Director Aimee Irwin, Twon & Country staff Brian Berquist

2. **PUBLIC APPEARANCES.**

   a. *This is an opportunity for members of the public to address the Public Works and Utilities Committee for items that are not on the agenda. Please remember this is a hybrid meeting conducted in person and through the Zoom online meeting platform. Meeting attendees wishing to address the Committee about items not on the agenda may do so at this time. Zoom attendees should type their name and address in the Question and Answer feature within the Zoom online meeting platform at this time. 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. When you are called upon to speak, state your name, address, and provide your comments to the Committee for their consideration. Please adhere to the 3-minute time limit. Additionally, you may send your public comments to public.works@mcfarland.wi.us to be included as part of the meeting.*

      Members of the public may also speak during their selected agenda item as they designate on the public comment form or in the Question and Answer feature on Zoom.

      None.

3. **APPROVAL OF MINUTES.**

   a. *Motion to approve the minutes of the February 27, 2023 Public Works & Utilities Committee meeting.*
      Motion by Trustee Brandt, seconded by Fredrick, to approve the minutes of the February 27, 2023 Public Works & Utilities Committee meeting. Motion carries 4 - 0 - 1, with Trustee Wreh abstaining.

4. **BUSINESS.**

   a. *Discussion and action to make a recommendation to the Village Board regarding a proposal from Town & Country to conduct a stormwater rate study.*
      Berquist provided an overview of their proposal to conduct a stormwater rate study. The last rate adjustment for the stormwater utility occurred in 2016.

- Trustee Wreh asked what the typical frequency is for completing a stormwater rate study. Berquist stated this varies and there isn't a set frequency.
- Nielsen asked if only the rate per Equivalent Residential Unit (ERU) was being reviewed. Berquist responded that the rate is the focus for the study, not how the ERU is calculated.

Motion by Trustee Wreh, seconded by Boness, to recommend approval to the Village Board regarding a proposal from Town & Country to conduct a stormwater rate study not to exceed $4,500. Motion carries 5 - 0 - 0.

b. *Discussion and action to make a recommendation to the Village Board regarding a proposal from Town & Country Engineering to create a stormwater management area maintenance plan.*

Berquist provided an overview of their proposal to create a stormwater management area maintenance plan.

- Boness asked what the three other areas are to be transferred to the Village. Berquist stated all of these areas are from the Juniper Ridge subdivision.
- Trustee Wreh asked if the area across from the new Public Safety Building was included within the three other areas. Berquist responded that this is one of the three areas.
- Nielsen asked if the grass replacement areas for native planting would be identified. Berquist stated that the areas will be identified.
- Trustee Wreh asked if costs, both time and expenses, would be provided for the short and long term goals. Berquist explained costs would be identified for short-term goals.
- Igl explained that the study would become a tool to help explain the work being done and available for residents to review.
- Fredrick asked if the efforts would be incorporated into the GIS. Berquist stated these efforts would be added to the GIS.
- Fredrick asked if dredging work would be identified. Berquist responded that the areas that require this will be identified. Igl added that some dredging work is planned for within the CIP in 2024.

Motion by Trustee Wreh, seconded by Trustee Brandt, to recommend approval to the Village Board regarding a proposal from Town & Country Engineering to create a stormwater management area maintenance plan not to exceed $2,200 without specific approval from the village. Motion carries 5 - 0 - 0.

c. *Discussion and action to make a recommendation to the Village Board regarding the award of contract for the 2023 Burma Tower repainting project.*

Berquist provided an overview of the bids received for the painting and repairs to address the Burma water tower. Berquist provided an explanation regarding the four alternates that were included in the bid package.

- Trustee Wreh asked what the allocated funds were in the 2023 budget for this item. Irwin responded that it was $830,000.

Motion by Fredrick, seconded by Trustee Wreh, to recommend to the Village Board the award of contract to L.C. United Painting Co, Inc. of Sterling Heights, Michigan in an amount of $181,000 for the repainting of Burma water tower, including base bid and alternate three but rejecting alternates one, two, and four with additional expenses for construction administration, inspection, and contingency for a total project cost in an amount of $244,000. Motion carries 5 - 0 - 0.

5. SCHEDULE NEXT MEETING DATE.

a. *Monday, May 22, 2023 at 6:00 p.m.*

b. *Monday, September 25, 2023 will be rescheduled to Wednesday, September 27, 2023 at 6:00 p.m.*

c. *Monday, December 25, 2023 will be rescheduled to Wednesday, December 20, 2023 at 6:00 p.m.*

6. ADJOURNMENT.
Motion by Fredrick, seconded by Boness, to adjourn at 6:26 p.m.

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

Respectfully submitted,
Aimee Irwin
Assistant to the Public Works Director

VILLAGE OF
McFarland

SUMMARY SHEET

MEETING DATE: **Monday, May 22, 2023**

SECTION: **Business**

DEPARTMENT: **Administration**

CONTACT: **Matt Schuenke, Village Administrator, Lee Igl, Public Works Director**

AGENDA ITEM: **Presentation and discussion regarding the 2022 Audit and Financial Statements to review rate and budgetary impacts for McFarland Utilities**

PREVIOUS ACTION:
None.

ISSUE SUMMARY:
Enclosed is the annual audit and financial statements for fiscal year 2022. The Auditor will be present to provide a brief overview of the year's performance and its background to understand the finances related to the Committee's responsibilities within the code (related to revenues, expenditures, rates, CIP items, etc.) This will be a general overview of the audit. Committee members are welcome to ask questions of staff and the auditor. No action is required on this item.

FINANCIAL/BUDGET IMPACT:
Financial information is included within the enclosed draft 2022 Audit and Financial Statements.

VILLAGE PLAN REFERENCE:
None.

ORDINANCE REFERENCE:
None.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
No action is required on this item.

ATTACHMENTS:
1. 2022 Utility Meeting Handout
2. Village of McFarland AUD DRAFT 05112023

VILLAGE OF McFARLAND

WATER, SEWER AND STORM UTILITY AUDIT REPORT

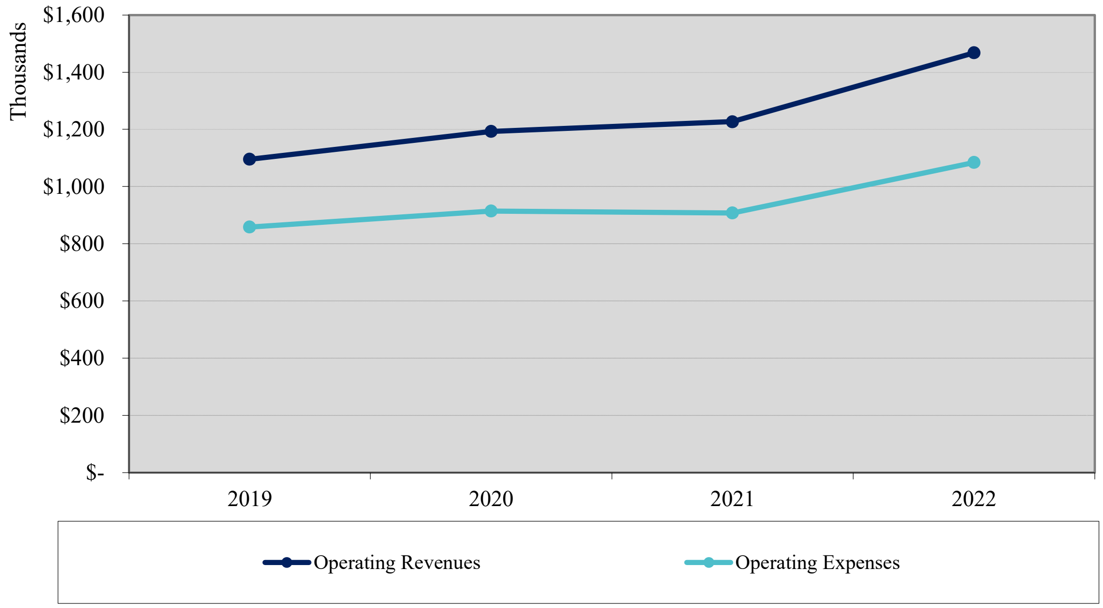
Presented on: May 22, 2023

Presented by: Baker Tilly
Jodi Dobson, CPA, Partner

- >> Financial statements will receive unmodified opinion
- >> Overall audit went well
- >> Internal control items noted relate to incomplete segregation due to size
- >> Financial highlights

VILLAGE OF McFARLAND
WATER UTILITY FINANCIAL STATEMENT HIGHLIGHTS

		2019		2020		2021		2022
Operating Revenues	$	1,095,992	$	1,192,684	$	1,227,009	$	1,467,683
Operating Expenses		859,161		914,413		907,816		1,085,027

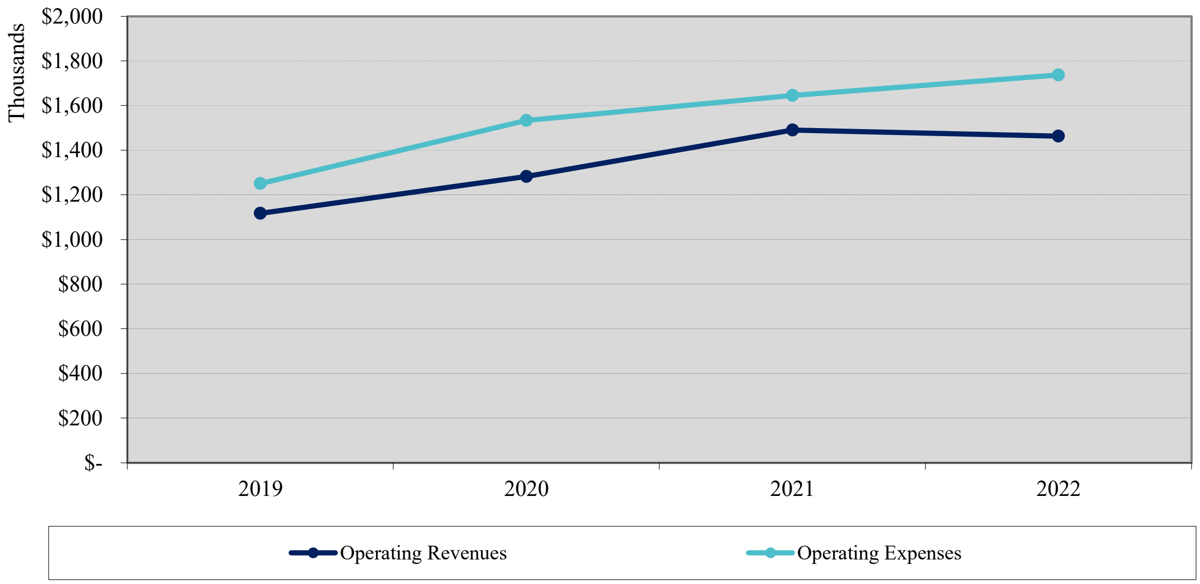


Rate of Return	2019	2020	2021	2022
Actual rate	1.58%	1.80%	2.94%	3.45%
Authorized rate	7.25%	7.25%	4.90%	4.90%

VILLAGE OF McFARLAND

SEWER UTILITY FINANCIAL STATEMENT HIGHLIGHTS

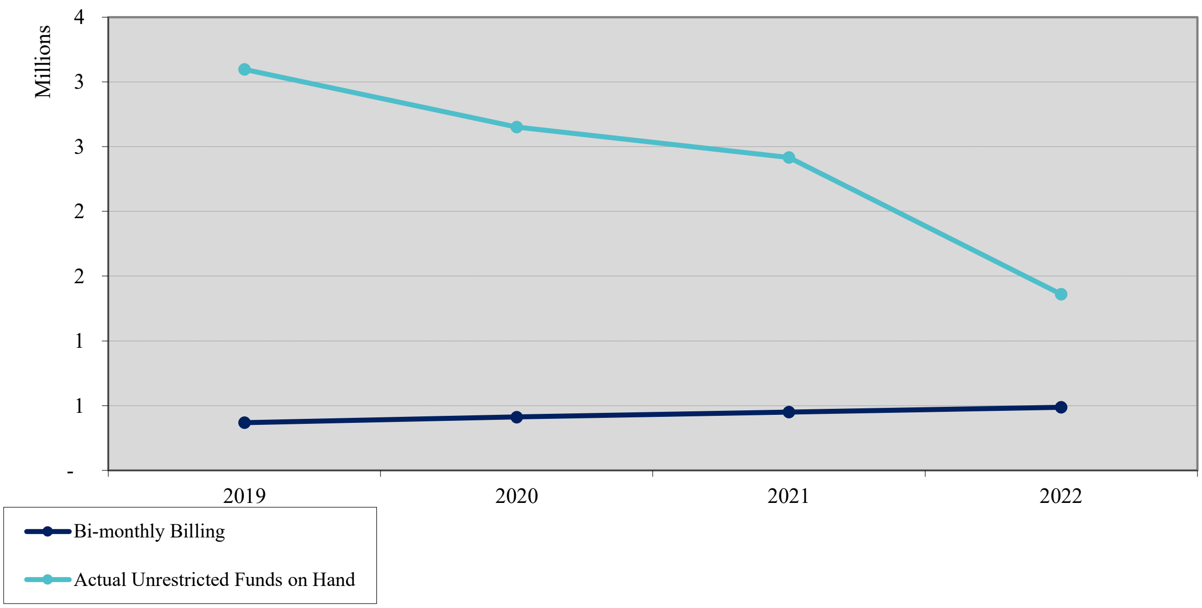
	2019	2020	2021	2022
Operating Revenues	$ 1,118,009	$ 1,282,517	$ 1,490,378	$ 1,462,816
Operating Expenses	1,250,720	1,533,595	1,645,340	1,736,571



VILLAGE OF McFARLAND

WATER & SEWER UTILITY FINANCIAL STATEMENT HIGHLIGHTS

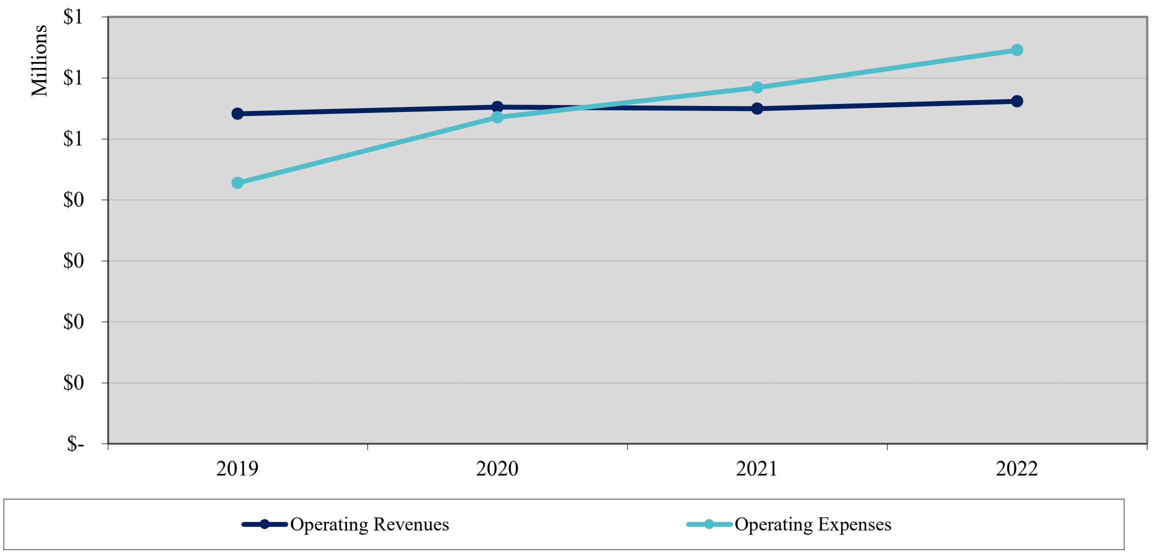
Unrestricted Cash	**2019**	**2020**	**2021**	**2022**
Minimum Funding Benchmark				
Bi-monthly Billing	369,000	412,500	450,000	488,333
Actual Unrestricted Funds on Hand	$ 3,095,892	$ 2,650,474	$ 2,416,424	$ 1,360,207
Bi-monthly Billings on Hand	8.39	6.43	5.37	2.79



VILLAGE OF McFARLAND

STORM WATER UTILITY FINANCIAL STATEMENT HIGHLIGHTS

		2019		2020		2021		2022
Operating Revenues	$	541,241	$	552,182	$	549,586	$	561,817
Operating Expenses		428,053		535,493		584,374		645,654



Unrestricted Cash		2019		2020		2021		2022
Minimum Funding Benchmark								
Bi-monthly Billing	$	90,200	$	92,000	$	91,667	$	93,667
Actual Unrestricted Funds on Hand	$	1,005,408	$	892,824	$	588,676	$	70,825
Bi-monthly Billings on Hand		11.15		9.70		6.42		0.76

McFarland Utilities

Enterprise Funds of the Village of McFarland, Wisconsin

Financial Statements and
Supplementary Information

December 31, 2022 and 2021

McFarland Utilities

Table of Contents
December 31, 2022 and 2021

Independent Auditors' Report

To the Village Board of
Village of McFarland

Opinions

We have audited the financial statements of the McFarland Water and Sewer Utility and the McFarland Storm Water Utility (enterprise funds) of the Village of McFarland (the Village), as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the enterprise funds of the Village as of December 31, 2022 and 2021, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the enterprise funds and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As discussed in Note 1, the financial statements present only the enterprise funds and do not purport to, and do not, present fairly the financial position of the Village as of December 31, 2022, and 2021, and the changes in financial position, or cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

As discussed in Note 1, the enterprise funds adopted the provisions of GASB Statement No. 87, *Leases*, effective January 1, 2022. Accordingly, the accounting changes have been retroactively applied to prior periods presented. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the enterprise funds' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the financial statements as a whole.

Madison, Wisconsin
May 19, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

WATER AND SEWER UTILITY

The management of the McFarland Water and Sewer Utility (Utility) offers this narrative discussion and analysis of the financial performance of the Utility for the year ended December 31, 2022. The easy to read narrative overview information presented here should be considered in conjunction with the more detailed information available in the financial statements of the Utility. These financial statements report information about the Utility using accounting methods similar to those used by private sector companies and offer short-term and long-term information about Utility activities.

Financial Highlight

- The net position of the Utility decreased $152,000 from $18,438,000 in 2021 to $18,286,000 in 2022.
- The operating revenues of the Utility increased $213,000 from $2,717,000 in 2021 to $2,930,000 in 2022.
- The operating expenses of the Utility, excluding depreciation, increased $236,000 from $2,008,000 in 2021 to $2,244,000 in 2022.
- The net operating income of the Water Utility increased to $383,000 in 2022 from $319,000 in 2021.
- The Sewer Utility recognized an operating loss of $274,000 in 2022 compared to an operating loss $155,000 in 2021.
- The authorized rate of return for the Public Service Commission of Wisconsin (PSCW) regulated water utility operations is 4.90%. The actual rate of return for 2022 was 3.45%, up from 2.94% in 2021.

Overview of the Financial Statements

The Water and Sewer Utility is a self-supporting entity and separate enterprise fund of the Village of McFarland. The Utility accounts for the cost of water utility and sewer utility operations on a continuing basis. The statements of net position of water utility operations and sewer utility operations is combined for accounting purposes although the capital assets and operating revenues/expenses are maintained separately for each type of utility.

Water and sewer service is provided to properties within the Village of McFarland and to several properties outside McFarland. The Utility is managed by the Village Board and the Public Utilities Committee (PSCW), which is advisory to the Village Board.

The Water Utility operations are subject to service rules and rates established by the PSCW. The accounting records of the Utility are maintained in accordance with the Uniform System of Accounts prescribed by the PSCW and in accordance with the Governmental Accounting Standards Board.

In 1994, the PSCW authorized deregulation of the Sewer Utility operations. Sewer rates and rules are now determined by the Village Board, based upon the recommendations of the Public Utilities Committee. Wastewater is treated under an agreement with the Madison Metropolitan Sewerage District.

The annual report consists of Management's Discussion and Analysis, the basic financial statements, the report of the independent auditor, and supplemental information.

An analysis of the financial position of the Water and Sewer Utility begins with a review of the Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position. These two statements report the Utility's net position and changes therein. The net position – the difference between assets and deferred outflows and liabilities and deferred inflows – is key to measuring the financial health of the Utility. Over time, increases or decreases in net position are an indicator of whether the financial position of the Utility is improving or deteriorating. It should be noted, however, that the financial position may also be affected by other nonfinancial factors, including economic conditions, customer growth, climate conditions and new regulations.

Utility Financial Analysis

Net Position

The Statements of Net Position includes all of the assets, deferred outflows, liabilities, and deferred inflows of the Utility and provides information about the nature and amount of investments in resources (assets) and the obligations to utility creditors (liabilities). This statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the Utility. A summary of the Statements of Net Position is presented below in Table 1.

TABLE 1
CONDENSED STATEMENTS OF NET POSITION

	2022	Restated 2021	2020	2021-2022 Change
Current and other assets	$ 8,031,971	$ 6,039,107	$ 4,429,349	$ 1,992,864
Capital assets	19,238,288	18,440,555	17,032,743	$ 797,733
Total assets	27,270,259	24,479,662	21,462,092	$ 2,790,597
Deferred outflows of resources	316,564	194,502	137,064	122,062
Long-term debt outstanding	6,400,000	3,400,000	3,240,000	3,000,000
Other liabilities	893,640	911,433	668,305	(17,793)
Total liabilities	7,293,640	4,311,433	3,908,305	2,982,207
Deferred inflows of resources	2,007,276	1,924,936	155,171	82,340
Investment in capital assets	15,359,009	14,907,129	13,672,456	451,880
Restricted	875,709	668,392	574,381	207,317
Unrestricted	2,051,189	2,862,274	3,288,843	(811,085)
Total net position	$ 18,285,907	$ 18,437,795	$ 17,535,680	$ (151,888)

As shown the table above, the net position of the Water and Sewer Utility declined by $152,000 or, 0.82%, in 2022. Current and other assets increased by $1,993,000 or 33.0%, mostly due to the implementation of GASB 87 and the set up for accounts related to the 2022 revenue bond issuance. Capital assets, which increased $797,000, or 43.2%, now comprise 70.5% of total assets, down from 80.9% in 2021.

Restricted net position includes $83,333 for debt service related to the 2022 revenue bonds that were issued, $564,847 for a replacement fund used for sewer lift station replacements and $61,452 for funds related to impact fees collected, and $166,077 for a net pension asset.

The Utility reported deferred outflows related to pension of $317,000 in 2022, an increase of $122,000 from 2021. The Utility reported deferred inflows related to pension of $350,000 in 2022, an increase of $121,000 from 2021. The Utility reported deferred inflows related to leases of $1,657,000, a decrease of $39,000 from 2021. See accompanying notes to the financial statements for more information on deferred outflows and inflows of resources.

The specific nature or source of these changes becomes more evident in the Statements of Revenues, Expenses and Changes in Net Position that follows.

Revenues, Expenses, and Change in Net Position

All of the Utility's revenues and expenses are accounted for in Table 2, the Statements of Revenues, Expenses, and Change in Net Position. This statement measures the success of the Utility's operations over the year and can be used to determine whether the Utility has successfully recovered all its costs through user fees and other charges, profitability, and credit worthiness.

TABLE 2
CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION

	2022	Restated 2021	2020	2021-2022 Change
Operating revenues	$ 2,930,499	$ 2,717,387	$ 2,475,201	$ 213,112
Nonoperating revenues	175,344	78,192	36,282	97,152
Total revenues	3,105,843	2,795,579	2,511,483	310,264
Depreciation expense	578,362	545,611	496,469	32,751
Other operating expense	2,243,236	2,007,545	1,951,539	235,691
Nonoperating expense	243,881	69,229	67,497	174,652
Total expenses	3,065,479	2,622,385	2,515,505	443,094
Income before capital contributions and trans	40,364	173,194	(4,022)	(132,830)
Transfers	(258,404)	(341,057)	(270,345)	82,653
Capital contributions	66,152	1,069,978	443,819	(1,003,826)
Change in net position	(151,888)	902,115	169,452	(1,054,003)
Net Position, Beginning	18,437,795	17,535,680	17,366,228	902,115
Net Position, Ending	$ 18,285,907	$ 18,437,795	$ 17,535,680	$ (151,888)

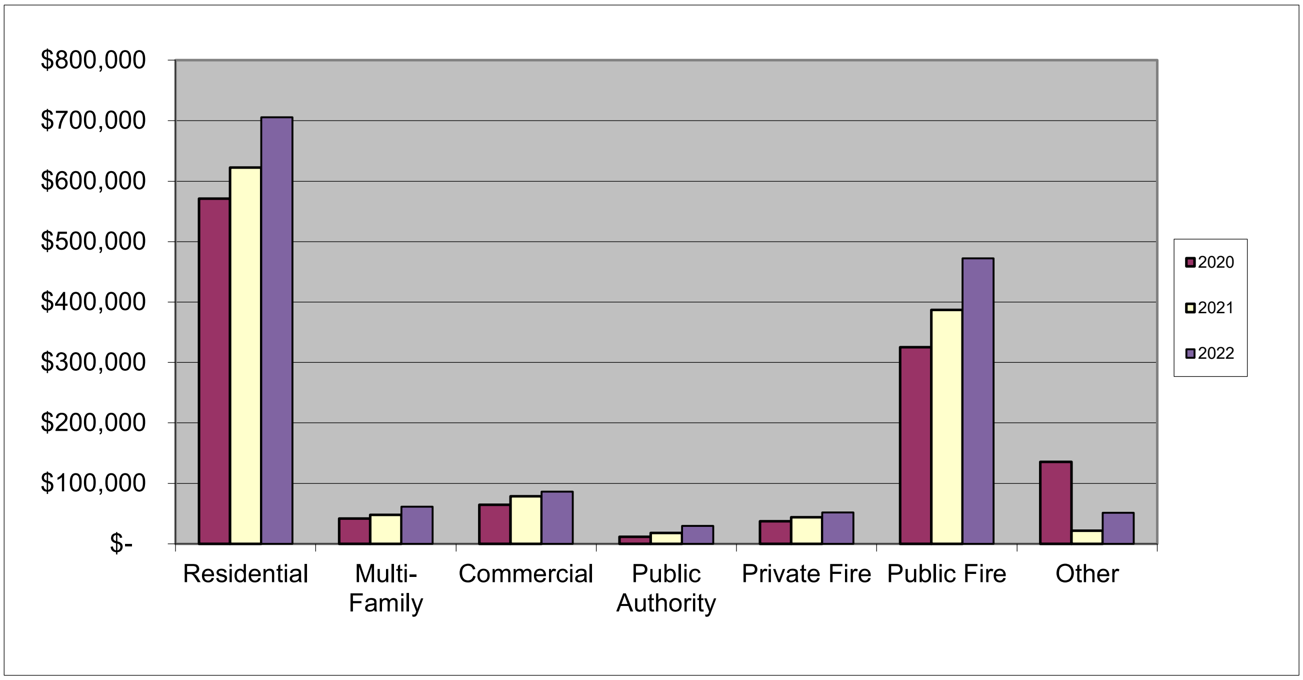
Operating revenues for the Utility in 2022 increased $213,000, or 7.8%, from $2,717,000 to $2,930,000. This is primarily attributable to the first full year of increased water rates that went into effect in August 2021.

Total expenses for 2022 increased $443,000, or 16.9%, from the previous year. Depreciation increased by $33,000, while other operating expenses increased by $236,000. Water Utility operation and maintenance expenses increased $150,000 from 2021. The Sewer Utility operation and maintenance expenses increased $86,000 from 2021. Nonoperating revenues increased by $97,000 due to a increase in investment income. Non-operating expenses increased $175,000 from the previous year.

Comparison of Operating Revenues

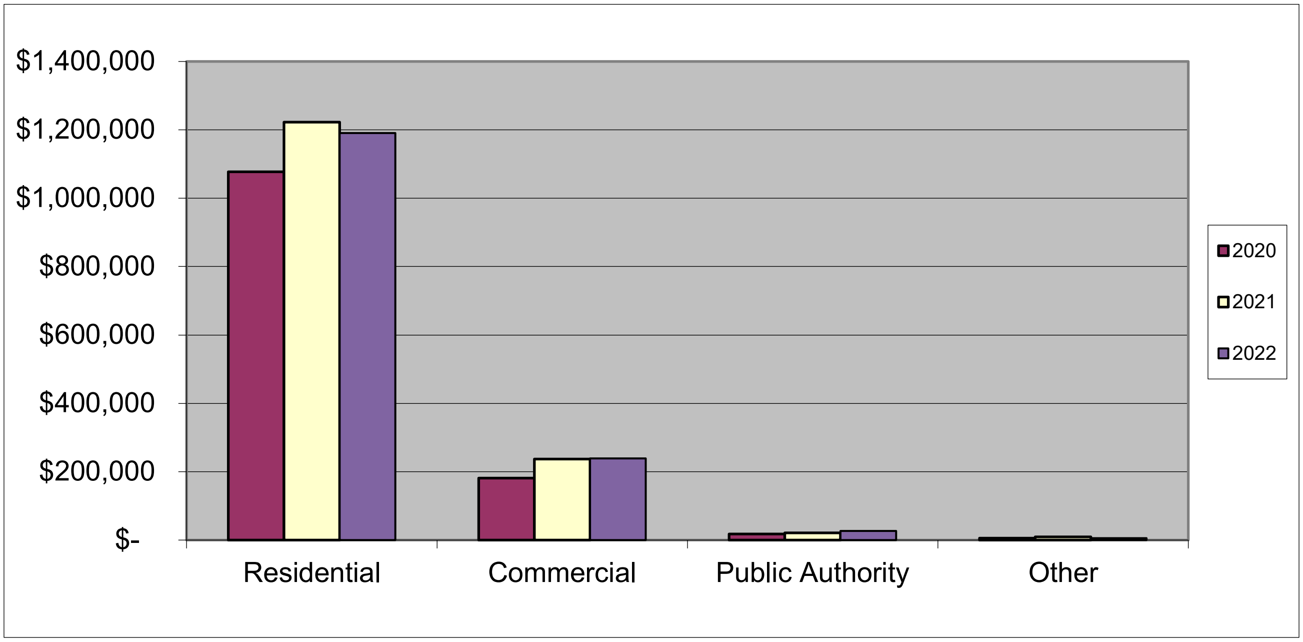
Tables 3 and 4 compare revenues received in 2022 from Water Utility and Sewer Utility operations with those revenues generated in 2021 and 2020. Revenues can be affected by a variety of factors including rate increases, customer growth, climate conditions, and local economic conditions.

TABLE 3
COMPARISON OF WATER OPERATING REVENUES



Operating revenues from sales of water and other sources increased in 2022 by $240,000, or 13.0%. Water rates were increased effective August 13, 2021, which was in effect for the full 2022 fiscal year. The volume sold decreased by 2.4% for 2022.

TABLE 4
COMPARISON OF SEWER OPERATING REVENUES



Sewer Utility revenues from user charges decreased by $28,000 or 1.8%, in 2022. The volume sold increased by 4.2% for 2022.

Statements of Cash Flows

The Statements of Cash Flows in Table 5 below reports cash receipts, cash payments, and net changes in cash resulting from operations, investment income, and financing activities such as repayment of debt and capital additions. This information provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

TABLE 5
CONDENSED STATEMENTS OF CASH FLOWS

	2022	Restated 2021	2020	2021-2022 Change
Cash Flows From:				
Operating activities	$ 473,973	$ 896,327	$ 502,403	$ (422,354)
Noncapital financing activities	(279,069)	(332,333)	(262,660)	53,264
Capital and related financing activities	1,589,685	(798,177)	(628,325)	2,387,862
Investing activities	174,385	75,992	21,590	98,393
Net change in cash and cash equivalents	1,958,974	(158,191)	(366,992)	2,117,165
Cash and Cash Equivalents, Beginning	3,615,440	3,773,631	4,140,623	(158,191)
Cash and Cash Equivalents, Ending	$ 5,574,414	$ 3,615,440	$ 3,773,631	$ 1,958,974

Cash flows from operating activities of $474,000 decreased by $422,000 or 47.1%, from 2021. This is primarily due to an increase in cash paid to suppliers for goods and services. Cash used for noncapital financing activities in 2022 was for the tax equivalent paid to the municipality. Cash flows used in capital and related financing activities increased by $2,388,000, or 299.2%, from 2021. The increase is the result of capital investments in excess of new debt issued as well as ongoing debt service. The overall net change in cash and cash equivalents was an increase of $1,9589,000 compared to a decrease of $158,200 in 2021. At year-end, total cash and cash equivalents balance is $5,574,000, compared to $3,615,000 in 2021. Of the $5,574,000 ending cash balance, $83,000 is restricted for debt service, $565,000 is restricted for equipment replacement and $61,000 is restricted for impact fees collected.

Capital Assets

Tables 6 and 7 below summarize the capital assets currently held for water utility and sewer utility purposes, respectively. Please refer to the notes to the financial statements for further detail about these capital assets.

TABLE 6
CAPITAL ASSETS – WATER UTILITY OPERATIONS

	2022	2021	2020	2021-2022 Change
Capital assets:				
Source of supply	$ 243,539	$ 243,539	$ 243,539	$ -
Pumping	357,710	357,710	357,710	-
Water treatment	4,498	4,498	4,498	-
Transmission and distribution	18,087,560	16,923,230	16,150,396	1,164,330
General	653,106	655,675	523,757	(2,569)
Total capital assets	19,346,413	18,184,652	17,279,900	1,161,761
Less accumulated depreciation	(5,753,904)	(5,432,429)	(5,096,461)	(321,475)
Net capital assets	$ 13,592,509	$ 12,752,223	$ 12,183,439	$ 840,286

During 2022, the capital assets for water utility operations increased $1,161,000, or 6.4%. After depreciation was factored in, however, the net capital assets for the water utility were $13,593,000, increasing by $841,000, or 6.6%, from the previous year. This compares to an increase of 4.7% in net capital assets in 2021.

TABLE 7
CAPITAL ASSETS – SEWER UTILITY OPERATIONS

	2022	2021	2020	2021-2022 Change
Capital assets:				
Collection system	$ 6,948,642	$ 6,887,528	$ 5,958,025	$ 61,114
Collection system pumping	1,043,088	1,043,088	1,043,088	-
General	431,944	487,704	428,542	(55,760)
Total capital assets	8,423,674	8,418,320	7,429,655	5,354
Less accumulated depreciation	(2,842,797)	(2,752,724)	(2,580,351)	(90,073)
Net capital assets	$ 5,580,877	$ 5,665,596	$ 4,849,304	$ (84,719)

During 2022, the capital assets for sewer utility operations increased by $5,000, or 0.1%. After depreciation was factored in, the net capital assets for the sewer utility were $5,581,000, a decrease of $85,000 or 1.5%, from 2021. This compares to an increase of 16.8% in net capital assets in 2021.

Please refer to the notes to the financial statements for further detail about the capital assets of the Water and Sewer Utility.

Debt Administration

As of December 31, 2022, the Water and Sewer Utility have $6,400,000 in outstanding general obligation debt. This debt was issued in 2015, 2017, 2019, 2020, and 2021 for the purpose of funding 2015, 2016, 2017, 2019, 2020, 2021, and 2022 capital improvement projects and equipment purchases. New Revenue debt in 2022 was issued for $3,650,000. Please refer to the notes to the financial statements for further detail about the debt obligations of the Water and Sewer Utility.

Currently Known Facts / Economic Conditions

The Village of McFarland is located adjacent to the southeast edge of the City of Madison. This proximity to a major regional commercial center, which is the capital of state government and home to the flagship campus of the University of Wisconsin has produced a favorable economic climate. With the exception of the economic downturn and stagnation in housing construction that began in 2008, these economic drivers have resulted in steady growth in the service area of the Utility over the last two decades. The market for existing homes strengthened significantly in 2013, and there are promising signs of increased growth in new residential construction. The Village has seen positive growth since 2013, given the performance of the market and the expansion surrounding the Madison area.

The customer base of the Utility consists primarily of residential and small commercial users that, for the most part, do not utilize large quantities of water. This characteristic of the customer base results in a very stable revenue base since the loss of any single user would not have a significant impact on the Utility's operating revenues. The creation of TID #3 in 2004 and TID #4 in 2008, both of which will promote more commercial / industrial development, combined with the availability of land that exists for residential development, should yield long-term growth in the customer base and greater economies of scale in future Utility operations once the pace of development returns to more normal levels.

The Utility has created long-range project and financial plans to keep pace with projected Village growth. Rate structures are reviewed annually to maintain a strong cash flow sufficient to cover operating and debt service needs and to fund smaller capital projects.

Contacting Utility Management

This discussion and analysis is intended to provide information for our customers, investors, and creditors concerning the financial performance of the Water and Sewer Utility and to demonstrate the Utility's accountability for the money it receives. If you have questions about this report, or would like additional financial information, contact the Village of McFarland at PO Box 110, McFarland, WI 53558-0110 or at (608)838-3153.

General information relating to the McFarland Water and Sewer Utility can also be found at the Village website **www.mcfarland.wi.us**.

MANAGEMENT'S DISCUSSION AND ANALYSIS

STORM WATER UTILITY

The management of the McFarland Storm Water Utility (STW Utility) offers this narrative discussion and analysis of the financial performance of the STW Utility for the year ended December 31, 2022. The easy to read narrative overview information presented here should be considered in conjunction with the more detailed information available in the financial statements of the STW Utility. These financial statements report information about the STW Utility using accounting methods similar to those used by private sector companies and offer short-term and long-term information about STW Utility activities.

Financial Highlights

- The net position of the STW Utility was $4,668,000 at the end of 2022, a $78,000 decline over 2021.
- The operating revenues of the STW Utility for 2022 were $562,000, up $12,000 compared to 2021.
- The operating expenses of the STW Utility for 2022, excluding depreciation, were $486,000, an increase of $54,000 from 2021.
- The STW Utility had $135,000 in outstanding general obligation debt at the end of 2022.

Overview of the Financial Statements

The STW Utility is a self-supporting entity and separate enterprise fund of the Village of McFarland. The STW Utility accounts for the cost of storm water management operations on a continuing basis. The STW Utility was legally established and began charging fees on July 1, 2008. Storm water management expenses and revenues have, however, been segregated into a separate fund since 2007.

Storm water management services are provided to properties within the Village of McFarland. The STW Utility is managed by the Village Board and the Public Utilities Committee, which is advisory to the Village Board, in compliance with standards established by the Federal Environmental Protection Agency and the Wisconsin Department of Natural Resources. The Village of McFarland is also a joint holder with other Madison-area communities of a Storm Water Discharge Permit issued under Chapter NR216 of the Wisconsin Administration Code.

The accounting records of the STW Utility are maintained in accordance with the requirements set forth by the Governmental Accounting Standards Board.

The STW Utility is not regulated by the Public Service Commission of Wisconsin (PSCW). Its rates, credits and rules are determined by the Village Board. The user charge structure is based on Equivalent Runoff Units (ERUs) as measured by the impervious surface area of the property, with one ERU equal to 3,456 square feet of impervious area.

The annual report consists of Management's Discussion and Analysis, the basic financial statements, the report of the independent auditor, and supplemental information.

An analysis of the financial position of the STW Utility begins with a review of the Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position. These two statements report the STW Utility's net position and changes therein. The net position – the difference between assets and deferred outflows and liabilities and deferred inflows – is key to measuring the financial health of the STW Utility. Over time, increases or decreases in the net position value are an indicator of whether the financial position of the STW Utility is improving or deteriorating. It should be noted, however, that the financial position may also be affected by other nonfinancial factors, including economic conditions, customer growth, climate conditions and new regulations.

Utility Financial Analysis

Net Position

The Statements of Net Position includes all of the assets, deferred outflows, liabilities, and deferred inflows of the STW Utility and provides information about the nature and amount of investments in resources (assets) and the obligations to utility creditors (liabilities). This statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the STW Utility. A summary of the Statements of Net Position is presented below in Table 1.

TABLE 1
CONDENSED STATEMENTS OF NET POSITION

	2022	2021	2020	2021-2022 Change
Current and other assets	$ 228,522	$ 705,868	$ 988,899	$ (477,346)
Capital assets	4,637,295	4,322,922	3,840,460	314,373
Total assets	4,865,817	5,028,790	4,829,359	(162,973)
Deferred outflows of resources	124,037	76,627	53,919	47,410
Long-term debt outstanding	135,000	200,000	360,000	(65,000)
Other liabilities	46,680	67,429	80,198	(20,749)
Total liabilities	181,680	267,429	440,198	(85,749)
Deferred inflows of resources	140,325	91,806	62,860	48,519
Investment in capital assets	4,482,038	4,099,858	3,454,357	382,180
Restricted	66,385	39,658	22,190	26,727
Unrestricted	119,426	606,666	903,673	(487,240)
Total net position	$ 4,667,849	$ 4,746,182	$ 4,380,220	$ (78,333)

As can be seen from the table above, the net position of the STW Utility declined in 2022 to $4,668,000 a decrease of $78,000, or 1.6% over 2021. The decline in net position is attributable primarily to an decrease in cash and investment assets. Current assets decreased $477,000, or 67.6%. Capital and other noncurrent assets comprise 95.3% of total assets at this time, which increased from 86.0% in 2021.

The STW Utility reported deferred outflows related to pension of $124,000 in 2022, an increase of $47,000 from 2021. The Utility reported deferred inflows related to pension of $140,000 in 2022, an increase of $48,000 from 2021. See accompanying notes to the financial statements for more information on deferred outflows and inflows of resources.

The specific nature or source of these changes becomes more evident in the Statements of Revenues, Expenses and Changes in Net Position that follows.

Revenues, Expenses, and Changes in Net Position

All STW Utility revenues and expenses are accounted for in Table 2, the Statements of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the STW Utility operations over the year and can be used to determine whether the STW Utility has successfully recovered all its costs through user fees and other charges, profitability, and credit worthiness.

TABLE 2
CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

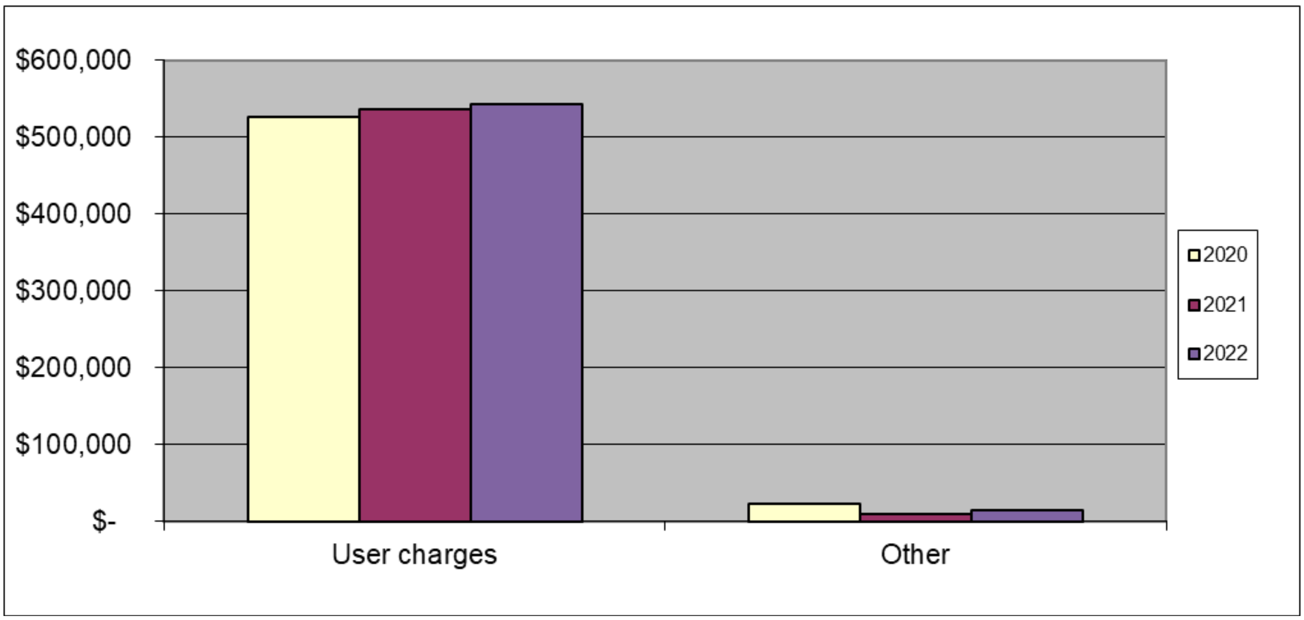
	2022	2021	2020	2021-2022 Change
Operating revenues	$ 561,817	$ 549,586	$ 552,182	$ 12,231
Nonoperating revenues	9,510	499	22,236	9,011
Total revenues	571,327	550,085	574,418	21,242
Depreciation expense	160,151	153,106	141,874	7,045
Other operating expense	485,503	431,268	393,619	54,235
Nonoperating expense	4,006	5,936	10,029	(1,930)
Total expenses	649,660	590,310	545,522	59,350
Income (loss) before capital contributions and transfers	(78,333)	(40,225)	28,896	(38,108)
Capital contributions	-	406,187	39,510	(406,187)
Change in net position	(78,333)	365,962	68,406	(444,295)
Net Position, Beginning	4,746,182	4,380,220	4,311,814	365,962
Net Position, Ending	$ 4,667,849	$ 4,746,182	$ 4,380,220	$ (78,333)

Operating revenues for the STW Utility in 2022 increased $12,000, or 2.2%, from 2021. The customer base increased 1.3% from the prior year. Table 3 below summarizes the operating revenues of the STW Utility.

Total expenses for 2022 of $650,000 were $59,000, or 10.1%, higher than the previous year primarily due to an increase in the operation supplies expense. Depreciation expense for the year was up 4.6%.

Net position was decreased by $78,000 in 2022 primarily as a result of the large increase in expenses.

TABLE 3
COMPARISON OF STORM WATER OPERATING REVENUES



Statements of Cash Flows

The statements of cash flows in Table 4 below reports cash receipts, cash payments, and net changes in cash resulting from operations, investment income, and financing activities such as repayment of debt and capital additions. This information provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

TABLE 4
CONDENSED STATEMENTS OF CASH FLOWS

	2021	2021	2020	2021-2022 Change
Cash Flows From:				
Operating activities	$ 19,428	$ 95,288	$ 203,816	$ (75,860)
Capital and related financing activities	(546,337)	(400,135)	(321,765)	(146,202)
Investing activities	9,058	699	5,365	8,359
Net change in cash and cash equivalents	(517,851)	(304,148)	(112,584)	(213,703)
Cash and Cash Equivalents, Beginning	588,676	892,824	1,005,408	(304,148)
Cash and Cash Equivalents, Ending	$ 70,825	$ 588,676	$ 892,824	$ (517,851)

The STW Utility experienced a net cash flow of $19,000 from operating activities in 2022, a decrease of $76,000, or 80.0%, from 2021. Cash used in capital and related financing activities increased $146,000 in 2022. Cash and cash equivalents at year-end decreased $518,000, or 87.9%, from 2021 to 2022.

Capital Assets

Table 5 below summarizes the capital assets currently held for STW Utility purposes.

TABLE 5
CAPITAL ASSETS – STORM WATER UTILITY OPERATIONS

	2022	2021	2020	2021-2022 Change
Capital assets:				
Land and improvements	$ 313,596	$ 313,596	$ 313,596	$ -
Pipes	3,998,698	3,784,771	3,364,146	213,927
Manholes	580,052	462,858	393,231	117,194
Inlets	848,870	746,692	663,430	102,178
Basins	719,431	719,431	719,431	-
Miscellaneous and general	401,128	520,084	460,922	(118,956)
Total capital assets	6,861,775	6,547,432	5,914,756	314,343
Less accumulated depreciation	(2,236,372)	(2,227,402)	(2,074,296)	(8,970)
Net capital assets	$ 4,625,403	$ 4,320,030	$ 3,840,460	$ 305,373

During 2021, the capital assets of the STW Utility increased by $315,000, or 4.8%, from 2021. The increase came primarily from additions to pipes, manholes, and inlets. After depreciation was factored in, the net capital assets for the STW Utility were $4,625,000, an increase of $305,000, or 7.1%, from 2021.

Please refer to the notes to the financial statements for further detail about the capital assets of the Storm Water Utility.

Debt Administration

As of December 31, 2022 the STW Utility had $135,000 in general obligation debt outstanding compared to $200,000 in 2021. The STW Utility issued $500,000 in new general obligation debt in 2015 for the purpose of funding 2015 and 2016 capital improvement projects and equipment purchases. Please refer to the notes to the financial statements for further detail about the debt obligations of the Storm Water Utility.

Currently Known Facts / Economic Conditions

The Village of McFarland is located adjacent to the southeast edge of the City of Madison. This proximity to a major regional commercial center, which is the capital of state government and home to the flagship campus of the University of Wisconsin has produced a favorable economic climate. With the exception of the economic downturn and stagnation in housing construction that began in 2008, these economic drivers have resulted in steady growth in the service area of the STW Utility over the last two decades. The market for existing homes strengthened significantly in 2013, and there are promising signs of increased growth in new residential construction. The Village has seen positive growth since 2013, given the performance of the market and the expansion surrounding the Madison area.

The customer base of the STW Utility consists of all residential commercial, industrial and institutional properties in McFarland. Local streets, cemeteries, and the railroad land areas are not assessed user charges. The creation of TID #3 in 2004 and TID #4 in 2008, both of which will promote more commercial / industrial development, combined with the availability of land that exists for residential development, should yield long-term growth in the customer base and greater economies of scale in future STW Utility operations once the pace of development returns to more normal levels.

Although just established in 2008, the STW Utility has created long-range project and financial plans to keep pace with projected Village growth. Rate structures are reviewed annually to maintain a strong cash flow sufficient to cover operating and debt service needs and to fund smaller capital projects.

Contacting Utility Management

This discussion and analysis is intended to provide information for our customers, investors, and creditors concerning the financial performance of the STW Utility and to demonstrate the STW Utility's accountability for the money it receives. If you have questions about this report, or would like additional financial information, contact the Village of McFarland, PO Box 110, McFarland, WI 53558-0110 or at (608)838-3153.

General information relating to the McFarland STW Utility can also be found at the Village website **www.mcfarland.wi.us**.

WATER AND SEWER UTILITY

McFarland Water and Sewer Utility

Statements of Net Position
December 31, 2022 and 2021

	2022	2021 (Restated)
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	$ 1,360,207	$ 2,416,424
Restricted assets:		
Redemption account	95,025	-
Customer accounts receivable	354,920	307,173
Due from municipality	-	39,736
Materials and supplies	19,450	19,450
Current portion of lease receivable	45,765	39,043
Total current assets	1,875,367	2,821,826
Noncurrent Assets		
Restricted assets:		
Reserve account	267,200	-
Replacement account	564,847	521,663
Impact fee account	61,452	45,574
Construction account	2,555,938	-
Net pension asset	166,077	101,155
Other assets:		
Water tower reserve	589,249	552,554
Depreciation reserve	80,496	79,225
Special assessments receivable	36,109	36,109
Lease receivable	1,611,124	1,656,889
Property held for future use	224,112	224,112
Capital assets:		
Plant in service:		
Water	19,346,413	18,184,652
Sewer	8,423,674	8,418,320
Total plant in service	27,770,087	26,602,972
Accumulated depreciation/amortization:		
Water	(5,753,904)	(5,432,429)
Sewer	(2,842,797)	(2,752,724)
Total accumulated depreciation/amortization	(8,596,701)	(8,185,153)
Construction work in progress:		
Water	64,902	22,736
Total construction work in progress	64,902	22,736
Total noncurrent assets	25,394,892	21,657,836
Total assets	27,270,259	24,479,662
Deferred Outflows of Resources		
Deferred outflows related to pension	316,564	194,502

See notes to the financial statements

McFarland Water and Sewer Utility

Statements of Net Position
December 31, 2022 and 2021

	2022	2021 (Restated)
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	$ 246,469	$ 403,792
Due to municipality	258,404	279,069
Customer deposits	5,000	5,000
Accrued interest	5,676	10,835
Accrued vacation leave	10,995	10,325
Current portion of financed purchase	39,950	4,805
Current portion of general obligation debt	670,000	650,000
Current liabilities payable from restricted assets:		
Current portion of revenue bonds	125,000	-
Accrued interest	11,692	-
Total current liabilities	1,373,186	1,363,826
Noncurrent Liabilities		
General obligation debt	2,080,000	2,750,000
Revenue bonds	3,525,000	-
Unamortized debt premium	262,467	88,671
Financed purchase	-	39,950
Accrued sick leave	52,987	68,986
Total noncurrent liabilities	5,920,454	2,947,607
Total liabilities	7,293,640	4,311,433
Deferred Inflows of Resources		
Deferred inflows related to pension	350,387	229,004
Deferred inflows related to leases	1,656,889	1,695,932
Total deferred inflows of resources	2,007,276	1,924,936
Net Position		
Total net investment in capital assets	15,359,009	14,907,129
Restricted for:		
Debt service	83,333	-
Equipment replacement	564,847	521,663
Impact fee	61,452	45,574
Net pension asset	166,077	101,155
Unrestricted	2,051,189	2,862,274
Total net position	$ 18,285,907	$ 18,437,795

See notes to the financial statements

McFarland Water and Sewer Utility

Statements of Revenues, Expenses and Changes in Net Position
Years Ended December 31, 2022 and 2021

	2022	2021 (Restated)
Operating Revenues		
Water:		
Sales of water	$ 1,412,209	$ 1,200,881
Other	55,474	26,128
Total water	1,467,683	1,227,009
Sewer:		
Treatment charges	1,457,178	1,481,582
Other	5,638	8,796
Total sewer	1,462,816	1,490,378
Total operating revenues	2,930,499	2,717,387
Operating Expenses		
Water:		
Operation and maintenance	684,723	534,578
Depreciation	400,304	373,238
Total water	1,085,027	907,816
Sewer:		
Operation and maintenance	1,558,513	1,472,967
Depreciation	178,058	172,373
Total sewer	1,736,571	1,645,340
Total operating expenses	2,821,598	2,553,156
Operating Income (Loss)		
Water	382,656	319,193
Sewer	(273,755)	(154,962)
Total operating income (loss)	108,901	164,231
Nonoperating Expenses		
Investment income	174,384	75,992
Gain/(loss) on sale of equipment	-	2,200
Miscellaneous income	960	-
Interest expense	(153,986)	(78,123)
Debt issuance costs	(124,119)	(11,368)
Amortization of premium	34,224	20,262
Total nonoperating expenses	(68,537)	8,963
Income before contributions and transfers	40,364	173,194
Capital Contributions	66,152	1,069,978
Transfer In (out)	-	(61,988)
Transfers - Tax Equivalent	(258,404)	(279,069)
Change in net position	(151,888)	902,115
Net Position, Beginning	18,437,795	17,535,680
Net Position, Ending	$ 18,285,907	$ 18,437,795

See notes to the financial statements

McFarland Water and Sewer Utility

Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021 (Restated)
Cash Flows From Operating Activities		
Received from customers	$ 2,483,162	$ 2,329,598
Received from municipality for services	472,300	386,988
Paid to suppliers for goods and services	(2,301,327)	(1,685,589)
Paid to employees for operating payroll	(180,162)	(134,670)
Net cash flows from operating activities	473,973	896,327
Cash Flows From Noncapital Financing Activities		
Paid to municipality for tax equivalent	(279,069)	(270,345)
Transfers to other funds	-	(61,988)
Net cash flows from noncapital financing activities	(279,069)	(332,333)
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	(1,408,110)	(875,848)
Capital contributions received (refunded)	66,152	(30,602)
Financed purchase payments	(4,805)	(4,663)
Debt retired	(650,000)	(565,000)
Interest paid	(147,453)	(73,759)
Proceeds from debt issue	3,650,000	725,000
Premium on debt net of issuance costs	83,901	26,695
Net cash flows from capital and related financing activities	1,589,685	(798,177)
Cash Flows From Investing Activities		
Investment income	174,385	75,992
Net change in cash and cash equivalents	1,958,974	(158,191)
Cash and Cash Equivalents, Beginning	3,615,440	3,773,631
Cash and Cash Equivalents, Ending	$ 5,574,414	$ 3,615,440
Noncash Capital and Related Financing Activities		
Amortization of debt premium	$ 34,224	$ 20,262
Developer financed additions to plant	$ -	$ 1,100,580

See notes to the financial statements

McFarland Water and Sewer Utility

Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021 (Restated)
Reconciliation of Operating Income to Net Cash Flows From Operating Activities		
Operating income	$ 108,901	$ 164,231
Nonoperating revenue (expense)	960	2,200
Noncash items in operating income:		
Depreciation	578,362	545,611
Depreciation charged to clearing and other utilities	32,014	23,005
Changes in assets and liabilities:		
Customer accounts receivable	(47,747)	(27,606)
Other accounts receivable	39,043	-
Due from municipality	39,736	1,600
Accounts payable	(157,323)	198,443
Accrued vacation and sick leave	(15,999)	18,333
Other current liabilities	670	126
Deferred inflow of resources	(39,043)	-
Pension related deferrals and liabilities	(65,601)	(29,616)
Net cash flows from operating activities	$ 473,973	$ 896,327
Reconciliation of Cash and Cash Equivalents to Statements of Net Position Accounts		
Cash and investments	$ 1,360,207	$ 2,416,424
Redemption account	95,025	-
Reserve account	267,200	-
Replacement account	564,847	521,663
Impact fee account	61,452	45,574
Construction account	2,555,938	-
Water tower reserve	589,249	552,554
Depreciation reserve	80,496	79,225
Cash and cash equivalents	$ 5,574,414	$ 3,615,440

See notes to the financial statements

STORM WATER UTILITY

McFarland Storm Water Utility

Statements of Net Position
December 31, 2022 and 2021

	2022	2021
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	$ 70,825	$ 588,676
Customer accounts receivable	83,750	74,189
Other accounts receivable	7,562	3,345
Total current assets	162,137	666,210
Noncurrent Assets		
Restricted assets:		
Net pension asset	66,385	39,658
Capital assets:		
Plant in service	6,861,775	6,547,432
Accumulated depreciation/amortization	(2,236,372)	(2,227,402)
Construction work in progress	11,892	2,892
Total noncurrent assets	4,703,680	4,362,580
Total assets	4,865,817	5,028,790
Deferred Outflows of Resources		
Deferred outflows related to pension	124,037	76,627

See notes to the financial statements

McFarland Storm Water Utility

Statements of Net Position
December 31, 2022 and 2021

	2022	2021
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	$ 2,201	$ 14,037
Accrued interest	337	337
Accrued vacation leave	4,425	4,276
Current portion of financed purchase	19,975	2,402
Current portion of general obligation debt	65,000	65,000
Total current liabilities	91,938	86,052
Noncurrent Liabilities		
General obligation debt	70,000	135,000
Unamortized debt premium	282	687
Financed purchase	-	19,975
Accrued sick leave	19,460	25,715
Total noncurrent liabilities	89,742	181,377
Total liabilities	181,680	267,429
Deferred Inflows of Resources		
Deferred inflows related to pension	140,325	91,806
Net Position		
Total net investment in capital assets	4,482,038	4,099,858
Restricted for:		
Net pension asset	66,385	39,658
Unrestricted	119,426	606,666
Total net position	$ 4,667,849	$ 4,746,182

See notes to the financial statements

McFarland Storm Water Utility

Statements of Revenues, Expenses and Changes in Net Position
Years Ended December 31, 2022 and 2021

	2022	2021
Operating Revenues		
Charges for services	$ 544,101	$ 537,326
Other	17,716	12,260
Total operating revenues	561,817	549,586
Operating Expenses		
Operation and maintenance	485,503	431,268
Depreciation	160,151	153,106
Total operating expenses	645,654	584,374
Operating Loss	(83,837)	(34,788)
Nonoperating Expenses		
Investment income	9,058	699
Miscellaneous revenues (expenses)	452	(200)
Interest expense	(4,411)	(6,643)
Amortization of debt premium	405	707
Total nonoperating expenses	5,504	(5,437)
Loss before contributions	(78,333)	(40,225)
Capital Contributions	-	406,187
Change in net position	(78,333)	365,962
Net Position, Beginning	4,746,182	4,380,220
Net Position, Ending	$ 4,667,849	$ 4,746,182

See notes to the financial statements

McFarland Storm Water Utility

Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows From Operating Activities		
Received from customers	$ 548,491	$ 545,737
Paid to suppliers for goods and services	(348,901)	(315,779)
Paid to employees for operating payroll	(180,162)	(134,670)
Net cash flows from operating activities	19,428	95,288
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	(474,524)	(226,119)
Capital contributions received (refunded)	-	(3,262)
Financed purchase payments	(2,402)	(2,332)
Debt retired	(65,000)	(160,000)
Interest paid	(4,411)	(8,422)
Net cash flows from capital and related financing activities	(546,337)	(400,135)
Cash Flows From Investing Activities		
Investment income	9,058	699
Net change in cash and cash equivalents	(517,851)	(304,148)
Cash and Cash Equivalents, Beginning	588,676	892,824
Cash and Cash Equivalents, Ending	$ 70,825	$ 588,676
Noncash Capital and Related Financing Activities		
Developer financed additions to utility plant	$ -	$ 409,449
Amortization of debt premium	$ 405	$ 707

See notes to the financial statements

McFarland Storm Water Utility

Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Reconciliation of Operating Loss to Net Cash Flows From Operating Activities		
Operating loss	$ (83,837)	$ (34,788)
Nonoperating revenue (expense)	452	(200)
Noncash items in operating loss:		
Depreciation	160,151	153,106
Changes in assets and liabilities:		
Customer accounts receivable	(9,561)	(1,745)
Other accounts receivable	(4,217)	(1,904)
Pension related deferrals and liabilities	(25,618)	(11,230)
Accounts payable	(11,836)	(21,654)
Accrued vacation	(6,255)	13,266
Accrued sick leave	149	437
Net cash flows from operating activities	$ 19,428	$ 95,288

See notes to the financial statements

1. Summary of Significant Accounting Policies

The financial statements of McFarland Utilities (the Utilities) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The significant accounting principles and policies utilized by the Utilities are described below.

Reporting Entity

The Utilities are separate enterprise funds of the Village of McFarland (Municipality). The Utilities are managed by the village board. The Utilities provide water, sewer and storm water service to properties within the Municipality.

The water utility operates under service rules and rates established by the Public Service Commission of Wisconsin (PSCW). The sewer and storm water utilities operate under rules and rates established by the village board. Wastewater is treated under an agreement with Madison Metropolitan Sewerage District.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Utilities are presented as enterprise funds of the Municipality. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred and net income is necessary for management accountability.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In June 2017, the GASB issued Statement No. 87, *Leases.* This statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard establishes a singe model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under the statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, which enhances the relevance and consistency of information about the Utilities' leasing activities. The Utilities adopted this statement effective January 1, 2022. The prior period presented has been retroactively restated (Note 6).

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

Deposits and Investments

For purposes of the statement of cash flows, cash and cash equivalents have original maturities of three months or less from the date of acquisition.

Investment of the utilities' funds are restricted by state statutes. Investments are limited to:

- Time deposits in any credit union, bank, savings bank or trust company.
- Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state. Also, bonds issued by a local exposition district, local professional baseball park district, local professional football stadium district, local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

The Utilities have adopted an investment policy. That policy has been adopted by the Village of McFarland. Please refer to the financial statements of the Municipality for details on this policy.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Market values may have changed significantly after year end.

Receivables/Payables

Transactions between the Utilities and other funds of the Municipality that are representative of lending/borrowing arrangements outstanding at year end are referred to as advances to/from other funds. All other outstanding balances between the Utilities and other funds of the Municipality are reported as due to/from other funds.

The Utilities have the right under Wisconsin statutes to place delinquent water, sewer and storm water bills on the tax roll for collection. As such, no allowance for uncollectible customer accounts is considered necessary.

Materials and Supplies

Materials and supplies are generally used for construction, operation and maintenance work, not for resale. They are valued at the lower of cost or market utilizing the average cost method and charged to construction or expense when used.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

Water Tower Reserve

Current water rates are designed to provide funds for future water tower painting. The utility transfers the budgeted amount each year from unrestricted cash to the internally designated account.

Depreciation Reserve

These are funds the utility has elected to set aside for future capital purchases and projects.

Special Assessments Receivable

This account represents the balances of special assessments levied against property owners for infrastructure improvements. The balances are receivable over various time periods with interest accrued annually. Some of the properties assessed are currently not developed; i.e., not attached to the water and sewer system. Payment of the assessment balance is deferred until these properties are attached to the water and sewer system.

Property Held for Future Use

This land is owned by the utility and is currently not in use.

Capital Assets

Capital assets (including right-to-use lease assets) are generally defined by the Utilities as assets with an initial, individual cost of more than $10,000 and an estimated useful life in excess of one year.

Capital assets of the Utilities are recorded at cost or the estimated acquisition value at the time of contribution to the Utilities. Major outlays for Utility plant are capitalized as projects are constructed. Capital assets in service are depreciated or amortized using the straight-line method over the following useful lives:

	Years
Water Plant:	
Source of supply	34
Pumping	22-31
Water treatment	17
Transmission and distribution	18-77
General	4-17
Sewer Plant:	
Collecting system	50-100
Collecting system pumping	20-40
General	7-20
Storm Water Plant:	
Storm water infrastructure	50
General	10-50

Lease assets are typically amortized over the lease term.

Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pension and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms, investments are reported at fair value.

Deferred Outflow of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time.

Accrued Vacation and Sick Leave

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. Vested vacation and sick leave pay is accrued when earned in the financial statements. The liability is liquidated from general operating revenues of the Utilities.

Long-Term Obligations

Long-term debt and other obligations are reported as the Utilities' liabilities. Bond premiums and discounts, are amortized over the life of the bonds using the straight-line or effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. The balance at year end for premiums and discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for the loss on refunding is shown as a deferred outflow in the statement of net position.

Leases

The Utilities are a lessor because it leases capital assets to other entities. As a lessor, the Utilities report a lease receivable and corresponding deferred inflow of resources in the financial statements. The Utilities continue to report and depreciate the capital assets being leased as capital assets. The Utilities have a policy to recognize leases over $75,000 as a lease receivable.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Revenues and Expenses

The Utilities distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Utilities' principal ongoing operations. The principal operating revenues of the Utilities are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Charges for Services

Billings are rendered and recorded bi-monthly based on metered usage. The Utilities do not accrue revenues beyond billing dates.

Current water rates were approved by the PSCW effective August 13, 2021.

Current sewer rates were approved by the village board on February 19, 2020 and implemented on August 5, 2020.

Current storm water utility rates were approved by the village board on December 28, 2015 and implemented on January 1, 2016.

Capital Contributions

Cash and capital assets are contributed to the Utilities from customers, the Municipality or external parties. The value of property contributed to the Utilities are reported as revenue on the statements of revenues, expenses and changes in net position.

Connection or Impact Fee

The Water Utility charges new customers an impact fee to connect to the system. Fees collected are recorded as capital contributions on the statements of revenues, expenses and changes in net position.

Transfers

Transfers include the payment in lieu of taxes to the Municipality.

Miscellaneous Operating Revenues

Miscellaneous revenues include forfeited discounts and water tower rental income for the Water and Sewer Utilities, as well as erosion control permits, yard waste permits and forfeited discounts for the Storm Water Utility.

Effect of New Accounting Standards on Current Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*

When they become effective, application of these standards may restate portions of these financial statements.

Comparative Data

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

2. Deposits and Investments

	Carrying Value as of December 31,		
	2022	2021	Risks
LGIP	$ 5,412,891	$ 2,314,326	Credit
Checking and Savings	232,348	1,889,790	Custodial Credit
Total	$ 5,645,239	$ 4,204,116	

Deposits in each local and area bank are insured by the FDIC in the amount of $250,000 for time and savings accounts (including NOW accounts) and $250,000 for demand deposit accounts (interest bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of $250,000 for the combined amount of all deposit accounts.

Deposits in credit unions are insured by the National Credit Union Administration in the amount of $250,000 for all share draft accounts and $250,000 for all share certificate and regular share accounts as of December 31, 2022 and 2021.

Bank accounts and credit unions are also insured by the State Deposit Guarantee Fund (SDGF) in the amount of $400,000.

The Utilities may also maintain separate cash and investment accounts at the same financial institutions utilized by the Municipality. Federal depository insurance and the SDGF apply to all municipal accounts, and accordingly, the amount of insured funds is not determinable for the Utilities alone. Therefore, coverage for the Utilities may be reduced. Investment income on commingled investments of the entire Municipality is allocated based on average investment balances.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2022 and 2021, the fair value of the LGIP's assets were substantially equal to the Utilities' share.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the Utilities' deposits may not be returned to the Utilities.

The Utilities maintain certain deposits commingled with the Municipality. The following is a summary of the Utilities' total deposit balances at these institutions.

	2022		2021	
	Bank Balance	Carrying Value	Bank Balance	Carrying Value
McFarland State Bank	(A)	$ 232,348	(A)	$ 1,889,790

(A) - The Utilities maintain certain investments commingled with the Municipality. The custodial credit risk pertaining specifically to the Utilities' resources cannot be determined for those accounts. Please refer to the Municipality's financial statements for information on this risk.

Credit Risk

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations.

The Utilities maintain certain investments commingled with the Municipality. The credit risk pertaining specifically to the Utilities' resources cannot be determined for those accounts. Please refer to the Municipality's financial statements for information on this risk.

The Utilities held investments in the Local Government Investment Pool which is an external pool that is not rated.

Investment Policy

Credit Risk

The Utilities adopted the Village of McFarland's investment policy, which addresses both credit and custodial credit risk. Refer to the Village-wide statements for this policy.

3. Interfund Receivables/Payables and Transfers

The following is a schedule of interfund balances for the years ending December 31, 2022 and 2021:

		2022		2021	
Due To	Due From	Amount	Principal Purpose	Amount	Principal Purpose
Water and Sewer Utility	Municipality	$ -	Fire protection charge	$ 39,736	Fire protection charge
Municipality	Water and Sewer Utility	258,404	Tax equivalent	279,069	Tax equivalent

The following is a schedule of transfer balances for the years ending December 31, 2022 and 2021:

		2022		2021	
To	**From**	**Amount**	**Principal Purpose**	**Amount**	**Principal Purpose**
Municipality	Water and Sewer Utility	$ 258,404	Tax equivalent	$ 279,069	Tax equivalent
Municipality	Water and Sewer Utility	-	Forgiveness of public fire protection	61,988	Forgiveness of public fire protection

4. Restricted Assets

Restricted Accounts

Certain proceeds of the Utilities' debt, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited. The following accounts are reported as restricted assets:

Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.

Reserve - Used to report resources set aside to make up potential future deficiencies in the redemption account.

Construction - Used to report debt proceeds restricted for use in construction.

Replacement Account

As a condition of receiving state and federal funds for wastewater plant construction, the Utilities have established an account for replacement of certain mechanical equipment.

Impact Fee Account

The Utilities have received impact fees which must be spent in accordance with local ordinances and state statutes. Those funds not spent within the ordinance guidelines and time frames must be refunded to the current property owner.

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Restricted Net Position

The following calculation supports the amount of water and sewer utilityrestricted net position:

	2022	2021
Restricted assets:		
Redemption account	$ 95,025	$ -
Reserve account	267,200	-
Replacement account	564,847	521,663
Impact fee account	61,452	45,574
Construction account	2,555,938	-
Net pension asset	166,077	101,155
Total restricted assets	3,710,539	668,392
Less restricted assets not funded by revenues:		
Reserve from borrowing	(267,200)	-
Construction account	(2,555,938)	-
Total restricted assets not funded by revenues	(2,823,138)	-
Current Liabilities Payable From Restricted Assets	(11,692)	-
Total restricted net position as calculated	$ 875,709	$ 668,392

The purpose of the restricted net position is as follows:

	2022	2021
Debt service	$ 83,333	$ -
Equipment replacement	564,847	521,663
Impact fee	61,452	45,574
Net pension asset	166,077	101,155
Total restricted net position	$ 875,709	$ 668,392

The following calculation supports the amount of sewer restricted net position:

	2022	2021
Restricted assets:		
Net pension asset	$ 66,385	$ 39,658
Total restricted net position as calculated	$ 66,385	$ 39,658

5. Changes in Capital Assets

Water Utility

A summary of changes in water capital assets for 2022 follows:

	Balance 1/1/22	Increases	Decreases	Balance 12/31/22
Capital assets, not being depreciated:				
Land and land rights	$ 87,550	$ -	$ -	$ 87,550
Capital assets being depreciated:				
Source of supply	211,239	-	-	211,239
Pumping	357,710	-	-	357,710
Water treatment	4,498	-	-	4,498
Transmission and distribution	16,867,980	1,240,380	76,050	18,032,310
General	655,675	32,225	34,794	653,106
Total capital assets being depreciated	18,097,102	1,272,605	110,844	19,258,863
Total capital assets	18,184,652	1,272,605	110,844	19,346,413
Less accumulated depreciation	(5,432,429)	(432,319)	110,844	(5,753,904)
Construction in progress	22,736	956,549	914,383	64,902
Net capital assets	$ 12,774,959			$ 13,657,411

A summary of changes in water capital assets for 2021 follows:

	Balance 1/1/21	Increases	Decreases	Balance 12/31/21
Capital assets, not being depreciated:				
Land and land rights	$ 87,550	$ -	$ -	$ 87,550
Capital assets being depreciated:				
Source of supply	211,239	-	-	211,239
Pumping	357,710	-	-	357,710
Water treatment	4,498	-	-	4,498
Transmission and distribution	16,095,146	787,209	14,375	16,867,980
General	523,757	177,818	45,900	655,675
Total capital assets being depreciated	17,192,350	965,027	60,275	18,097,102
Total capital assets	17,279,900	965,027	60,275	18,184,652
Less accumulated depreciation	(5,096,461)	(396,243)	60,275	(5,432,429)
Construction in progress	-	22,736	-	22,736
Net capital assets	$ 12,183,439			$ 12,774,959

Sewer Utility

A summary of changes in sewer capital assets for 2022 follows:

	Balance 1/1/22	Increases	Decreases	Balance 12/31/22
Capital assets, not being depreciated:				
Land and land rights	$ 78,020	$ -	$ -	$ 78,020
Capital assets being depreciated:				
Collecting system	6,809,508	61,114	-	6,870,622
Collecting system pumping	1,043,088	-	-	1,043,088
General	487,704	32,225	87,985	431,944
Total capital assets being depreciated	8,340,300	93,339	87,985	8,345,654
Total capital assets	8,418,320	93,339	87,985	8,423,674
Less accumulated depreciation	(2,752,724)	(178,058)	87,985	(2,842,797)
Net capital assets	$ 5,665,596			$ 5,580,877

A summary of changes in sewer capital assets for 2021 follows:

	Balance 1/1/21	Increases	Decreases	Balance 12/31/21
Capital assets, not being depreciated:				
Land and land rights	$ 78,020	$ -	$ -	$ 78,020
Capital assets being depreciated:				
Collecting system	5,880,005	929,503	-	6,809,508
Collecting system pumping	1,043,088	-	-	1,043,088
General	428,542	59,162	-	487,704
Total capital assets being depreciated	7,351,635	988,665	-	8,340,300
Total capital assets	7,429,655	988,665	-	8,418,320
Less accumulated depreciation	(2,580,351)	(172,373)	-	(2,752,724)
Net capital assets	$ 4,849,304			$ 5,665,596

Storm Water Utility

A summary of changes in storm water capital assets for 2022 follows:

	Balance 1/1/22	Increases	Decreases	Balance 12/31/22
Capital assets, not being depreciated:				
Land and land rights	$ 160,275	$ -	$ -	$ 160,275
Capital assets being depreciated:				
Storm water plant	5,979,443	433,299	-	6,412,742
General	407,714	32,225	151,181	288,758
Total capital assets being depreciated	6,387,157	465,524	151,181	6,701,500
Total capital assets	6,547,432	465,524	151,181	6,861,775
Less accumulated depreciation	(2,227,402)	(160,151)	151,181	(2,236,372)
Construction in progress	2,892	523,767	514,767	11,892
Net capital assets	$ 4,322,922			$ 4,637,295

A summary of changes in storm water capital assets for 2021 follows:

	Balance 1/1/21	Increases	Decreases	Balance 12/31/21
Capital assets, not being depreciated:				
Land and land rights	$ 160,275	$ -	$ -	$ 160,275
Capital assets being depreciated:				
Storm water plant	5,405,929	573,514	-	5,979,443
General	348,552	59,162	-	407,714
Total capital assets being depreciated	5,754,481	632,676	-	6,387,157
Total capital assets	5,914,756	632,676	-	6,547,432
Less accumulated depreciation	(2,074,296)	(153,106)	-	(2,227,402)
Construction in progress	-	2,892	-	2,892
Net capital assets	$ 3,840,460			$ 4,322,922

6. Lease Disclosures

Lessor - Lease Receivables

Water Utility

Lease Receivables Description	Date of Inception	Final Maturity	Interest Rates	Receivable Balance 12/31/22	Receivable Balance 12/31/21
Tower Space (US Cellular)	04/01/2020	12/01/2033	4.00%	$ 467,230	$ 485,843
Tower Space (AT&T)	08/01/2005	07/31/2035	2.50	331,820	348,057
Tower Space (T-mobile)	11/11/2009	12/31/2044	4.00	857,839	862,032
Total water utility activities				$ 1,656,889	$ 1,695,932

The water utility recognized $39,043 and $35,492 of lease revenue during 2022 and 2021, respectively.

The water utility recognized $71,986 and $71,642 of interest revenue during 2022 and 2021, respectively.

Restatement

The Statement of Net Position was restated to add the Lease Receivable and related Lease Deferred Inflows of $1,695,932 as of December 31, 2021. The Statement of Revenues, Expenses and Changes in Net Position as of December 31, 2021 was restated to reflect the reclassification of interest revenue of $71,642 from operating operating revenue to investment income.

7. Long-Term Obligations

Revenue Debt - Water and Sewer Utility

The following bonds have been issued:

Date	Purpose	Final Maturity	Interest Rate	Original Amount	Outstanding Amount 12/31/22
04/27/2022	Water & Sewer System Revenue Bonds 2022	05/01/2042	4.00 %	$ 3,650,000	$ 3,650,000

Revenue bonds debt service requirements to maturity follows:

Years Ending December 31:	Principal	Interest	Total
2023	$ 125,000	$ 137,800	$ 262,800
2024	130,000	132,700	262,700
2025	135,000	127,400	262,400
2026	140,000	121,900	261,900
2027	145,000	116,200	261,200
2028-2032	815,000	487,600	1,302,600
2033-2037	980,000	327,750	1,307,750
2038-2042	1,180,000	121,600	1,301,600
Total	$ 3,650,000	$ 1,572,950	$ 5,222,950

All water and sewer utility revenues net of specified operating expenses are pledged as security of the above revenue bonds until the bonds are defeased. Principal and interest paid for 2022 was $71,709. Total customer gross revenues as defined for the same periods were $3,171,035. Annual principal and interest payments are expected to require 8% of gross revenues on average.

General Obligation Debt - Water and Sewer Utility

The following general obligation notes have been issued:

Date	Purpose	Final Maturity	Interest Rate	Original Amount	Outstanding Amount 12/31/22
06/23/15	2015 and 2016 improvement projects	12/01/2024	2.00 %	$ 2,495,000	$ 670,000
07/20/17	2017 improvement projects	12/01/2025	1.20	845,000	360,000
08/01/19	2019 improvement projects	12/01/2028	2.00	720,000	555,000
06/22/2020	2020 Improvement projects	12/01/2029	1.50	645,000	510,000
03/01/2021	2021 Improvement projects	12/01/2030	1.00	725,000	655,000

General obligation notes debt service requirements to maturity follows:

Years Ending December 31:	Principal	Interest	Total
2023	$ 670,000	$ 51,010	$ 721,010
2024	700,000	38,710	738,710
2025	370,000	24,450	394,450
2026	250,000	17,300	267,300
2027	255,000	12,150	267,150
2028-2030	505,000	9,350	514,350
Total	$ 2,750,000	$ 152,970	$ 2,902,970

General Obligation Debt - Storm Water Utility

The following general obligation notes have been issued:

Date	Purpose	Final Maturity	Interest Rate	Original Amount	Outstanding Amount 12/31/22
06/23/15	2015 and 2016 improvement projects	12/01/2024	2.00 %	$ 500,000	$ 135,000

General obligation notes debt service requirements to maturity follows:

Years Ending December 31:	Principal	Interest	Total
2023	$ 65,000	$ 2,805	$ 67,805
2024	70,000	1,504	71,504
Total	$ 135,000	$ 4,309	$ 139,309

Long-Term Obligations Summary - Water and Sewer Utility

Long-term obligation activity for the year ended December 31, 2022 is as follows:

	12/31/21 Balance	Additions	Reductions	12/31/22 Balance	Due Within One Year
Revenue bonds	$ -	$ 3,650,000	$ -	$ 3,650,000	$ 125,000
General obligation debt	3,400,000	-	650,000	2,750,000	670,000
Accrued sick leave	68,986	-	15,999	52,987	-
Financed purchase	44,755	-	4,805	39,950	39,950
Unamortized debt premium	88,671	208,020	34,224	262,467	-
Total	$ 3,602,412	$ 3,858,020	$ 705,028	$ 6,755,404	$ 834,950

Long-term obligation activity for the year ended December 31, 2021 is as follows:

	12/31/20 Balance	Additions	Reductions	12/31/21 Balance	Due Within One Year
General obligation debt	$ 3,240,000	$ 725,000	$ 565,000	$ 3,400,000	$ 650,000
Accrued sick leave	50,653	28,532	10,199	68,986	-
Financed purchase	49,418	-	4,663	44,755	4,805
Unamortized debt premium	70,870	38,063	20,262	88,671	-
Total	$ 3,410,941	$ 791,595	$ 600,124	$ 3,602,412	$ 654,805

Long-Term Obligations Summary - Storm Water Utility

Long-term obligation activity for the year ended December 31, 2022 is as follows:

	12/31/21 Balance	Additions	Reductions	12/31/22 Balance	Due Within One Year
General obligation debt	$ 200,000	$ -	$ 65,000	$ 135,000	$ 65,000
Accrued sick leave	25,716	-	6,256	19,460	-
Financed purchase	22,377	-	2,402	19,975	19,975
Unamortized debt premium	687	-	405	282	-
Total	$ 248,780	$ -	$ 74,063	$ 174,717	$ 84,975

Long-term obligation activity for the year ended December 31, 2021 is as follows:

	12/31/20 Balance	Additions	Reductions	12/31/21 Balance	Due Within One Year
General obligation debt	$ 360,000	$ -	$ 160,000	$ 200,000	$ 65,000
Accrued sick leave	12,449	17,670	4,403	25,716	-
Financed purchase	24,709	-	2,332	22,377	2,402
Unamortized debt premium	1,394	-	707	687	-
Total	$ 398,552	$ 17,670	$ 167,442	$ 248,780	$ 67,402

8. Net Position

GASB No. 34 requires the classification of net position into three components - net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This component of net position consists of net positions that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Utilities' policy to use restricted resources first, then unrestricted resources as they are needed.

The following calculation supports the water and sewer utility net investment in capital assets:

	2022	2021
Plant in service	$ 27,770,087	$ 26,602,972
Accumulated depreciation/amortization	(8,596,701)	(8,185,153)
Construction work in progress	64,902	22,736
Subtotal	19,238,288	18,440,555
Less capital related debt:		
Current portion of capital related long-term debt	834,950	654,805
Long-term portion of capital related long-term debt	5,605,000	2,789,950
Unamortized debt premium	262,467	88,671
Subtotal	6,702,417	3,533,426
Add unspent debt proceeds:		
Reserve from borrowing	267,200	-
Construction funds	2,555,938	-
Subtotal	2,823,138	-
Total net investment in capital assets	$ 15,359,009	$ 14,907,129

The following calculation supports the sewer total net investment in capital assets:

	2022	2021
Plant in service	$ 6,861,775	$ 6,547,432
Accumulated depreciation/amortization	(2,236,372)	(2,227,402)
Construction work in progress	11,892	2,892
Subtotal	4,637,295	4,322,922
Less capital related debt:		
Current portion of capital related long-term debt	84,975	67,402
Long-term portion of capital related long-term debt	70,000	154,975
Unamortized debt premium	282	687
Subtotal	155,257	223,064
Total net investment in capital assets	$ 4,482,038	$ 4,099,858

9. Employees Retirement System

General Information About the Pension Plan

Plan description: The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011 expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at http: //etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can be found using the link above.

Vesting: For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits provided: Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings and creditable service.

Final average earnings is the average of the participant's three highest earnings period. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at age 55 (50 for protective occupation employees) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

Post-retirement adjustments: The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the floor) set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0

Contributions: Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers and Executives and Elected Officials. Starting January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

The WRS recognized $39,757 and $34,807 in contributions from the Utilities during the current and prior reporting periods, respectively.

Contribution rates for the plan year reported as of December 31, 2022 and December 31, 2021 are:

	2022		2021	
	Employee	Employer	Employee	Employer
General (including Executives and Elected Officials)	6.75 %	6.75 %	6.75 %	6.75 %
Protective with Social Security	6.75 %	11.75 %	6.75 %	11.65 %
Protective without Social Security	6.75 %	16.35 %	6.75 %	16.25 %

Pension Liabilities, Pension Expense (Revenue), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2022, the Utilities reported a liability (asset) of $232,462 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Utilities' proportion of the net pension liability (asset) was based on the Utilities' share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the Village of McFarland's proportion was 0.03108080%, which was an increase of 0.00128896% from its proportion measured as of December 31, 2020.

At December 31, 2021, the Utilities reported a liability (asset) of $(140,813) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Utilities' proportion of the net pension liability (asset) was based on the Utilities' share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the Village of McFarland's proportion was 0.02979184%, which was an increase of 0.00169826% from its proportion measured as of December 31, 2019.

For the years ended December 31, 2022 and 2021, the Utilities recognized pension expense (revenue) of $(21,922) and $19,429, respectively.

At December 31, 2022, the Utilities reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Water and Sewer Utility		Storm Water Utility	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	$ 250,264	$ 31,607	$ 99,619	$ 14,436
Changes in assumption	35,362	-	13,662	-
Net differences between project and actual earnings on pension plan	-	318,182	-	125,637
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,548	598	389	252
Employer contributions subsequent to the measurement date	29,390	-	10,367	-
Total	$ 316,564	$ 350,387	$ 124,037	$ 140,325

At December 31, 2021, the Utilities reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Water and Sewer Utility		Storm Water Utility	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 160,432	$ 50,700	$ 63,711	$ 22,068
Changes in assumption	7,174	-	2,395	-
Net differences between project and actual earnings on pension plan	-	178,144	-	69,661
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,029	160	581	77
Employer contributions subsequent to the measurement date	24,867	-	9,940	-
Total	$ 194,502	$ 229,004	$ 76,627	$ 91,806

Deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date reported in the tables above will be recognized as a reduction of the net pension liability (asset) in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Water and Sewer Utility	Storm Water Utility
Years Ending December 31:		
2023	$ (5,183)	$ (2,186)
2024	(31,072)	(13,102)
2025	(13,699)	(5,776)
2026	(13,259)	(5,591)
2027	-	-
Thereafter	-	-
Total	$ (63,213)	$ (26,655)

Actuarial assumptions: The total pension liability in the actuarial valuation used in the current and prior year was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2022	2021
Actuarial Valuation Date:	December 31, 2020	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2021	December 31, 2020
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021	January 1, 2015 - December 31, 2017
Actuarial Cost Method:	Entry Age Normal	Entry Age Normal
Asset Valuation Method:	Fair Value	Fair Value
Long-Term Expected Rate of Return:	6.8%	7.0%
Discount Rate:	6.8%	7.0%
Salary Increases:		
Wage Inflation	3.0%	3.0%
Seniority/Merit	0.1% - 5.6%	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table	Wisconsin 2018 Mortality Table
Post-Retirement Adjustments: *	1.7%	1.9%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. The percentages listed above are the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions for the December 31, 2020 actuarial valuation are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from the prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The total pension liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

Actuarial assumptions for the December 31, 2019 actuarial valuation are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

Long-term expected return on plan assets: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class as of December 31, 2022 are summarized in the following table:

Asset Allocation Targets and Expected Returns[1] As of December 31, 2021

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %[2]
Global Equities	52 %	6.8 %	4.2 %
Fixed Income	25	4.3	1.8
Inflation Sensitive	19	2.7	0.2
Real Estate	7	5.6	3.0
Private Equity/Debt	12	9.7	7.0
Total Core Fund[3]	115	6.6	4.0
Variable Fund Asset			
U.S Equities	70	6.3	3.7
International Equities	30	7.2	4.6
Total Variable Fund	100	6.8	4.2

[1] *Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations.*
[2] *New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%.*
[3] *The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used subject to an allowable range of up to 20%.*

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of December 31, 2021 are summarized in the following table:

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	51 %	7.2 %	4.7 %
Fixed Income	25	3.2	0.8
Inflation Sensitive Assets	16	2.0	(0.4)
Real Estate	8	5.6	3.1
Private Equity/Debt	11	10.2	7.6
Multi-Asset	4	5.8	3.3
Total Core Fund	115	6.6	4.1
Variable Fund Asset Class			
U.S Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	100	7.1	4.6

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.4%.
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

Single discount rate: A single discount rate of 6.80% and 7.00% was used to measure the total pension liability as of December 31, 2022 and December 31, 2021, respectively. As of December 31, 2022, this single discount rate was based on the expected rate of return on pension plan investments of 6.80% and a long term bond rate of 1.84%. As of December 31, 2021, the single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a long term bond rate of 2.0%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2021 and 2020, respectively. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 6.80% (7.00% for 2021) expected rate of return implies that a dividend of approximately 1.7% (1.9% for 2021) will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Utilities' proportionate share of the net pension liability (asset) to changes in the discount rate: The following presents the Utilities' proportionate share of the net pension liability (asset) calculated using the current discount rate, as well as what the Utilities' proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

The sensitivity analysis as of December 31, 2022 follows:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
Water and Sewer Utility's proportionate share of the net position liability (asset)	$ 117,843	$ (166,077)	$ (370,447)
Storm Water Utility's proportionate share of the net position liability (asset)	47,105	(66,385)	(148,077)

The sensitivity analysis as of December 31, 2021 follows:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Water and Sewer Utility's proportionate share of the net position liability (asset)	$ 96,286	$ (101,155)	$ (246,174)
Storm Water Utility's proportionate share of the net position liability (asset)	37,749	(39,658)	(96,513)

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements.

10. Commitments and Contingencies

Claims and Judgments

From time to time, the Utilities are party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Utilities' legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Utilities' financial position or results of operations.

11. Risk Management

The Utilities are exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial liability in any of the past three years. There were no significant reductions in coverage compared to the prior year.

12. Subsequent Events

The Utilities evaluated subsequent events through, the date that the financial statements were available to be issued, for events requiring recording or disclosure in the financial statements.

On August 22, 2022, the Public Works & Utilities Committee approved a variable charge for sewer rate increase of $1.50 effective January 11, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

McFarland Utilities

Schedule of Proportionate Share of the Net Pension Liability (Asset) -
Wisconsin Retirement System
Year Ended December 31, 2022

The required supplementary information presented below represents the proportionate information for the enterprise funds included in this report.

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset) - City	Utilities' Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/22	0.03108080%	$ (232,462)	$ 381,402	60.95%	106.02%
12/31/21	0.02979184%	(140,813)	301,886	46.81%	105.26%
12/31/20	0.02809358%	(77,334)	304,653	25.37%	102.96%
12/31/19	0.02660430%	84,737	392,821	21.57%	96.45%
12/31/18	0.02526343%	(66,445)	359,265	18.49%	102.93%
12/31/17	0.02403967%	19,856	388,576	5.11%	99.12%
12/31/16	0.02415237%	43,275	379,603	11.40%	98.20%

Schedule of Employer Contributions - Wisconsin Retirement System
Year Ended December 31, 2022

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/22	$ 39,330	$ 39,330	$ -	$ 437,802	8.98%
12/31/21	34,807	34,807	-	381,402	9.13%
12/31/20	27,337	27,337	-	301,886	9.06%
12/31/19	25,926	25,926	-	304,653	8.51%
12/31/18	26,319	26,319	-	392,821	6.70%
12/31/17	24,430	24,430	-	359,265	6.80%
12/31/16	25,646	25,646	-	388,576	6.60%

See notes to required supplementary information

Changes of benefit terms. There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions.

	2019 - 2021	**2022**
Long-term expected rate of	7.0%	6.8%
Discount rate	7.0%	6.8%
Salary increases		
Inflation	3.0%	3.0%
Seniority/Merit	0.1% - 5.6%	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table	2020 WRS Experience Mortality Table
Post-retirement adjustments	1.90%	1.70%

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

SUPPLEMENTARY INFORMATION

McFarland Water and Sewer Utility

Water Utility Plant
Year Ended December 31, 2022

	Balance 12/31/21	Additions	Retirements	Balance 12/31/22
Source of Supply				
Land and land rights	$ 32,300	$ -	$ -	$ 32,300
Wells and springs	211,239	-	-	211,239
Total source of supply	243,539	-	-	243,539
Pumping				
Structures and improvements	145,092	-	-	145,092
Electric pumping equipment	190,402	-	-	190,402
Other pumping equipment	22,216	-	-	22,216
Total pumping	357,710	-	-	357,710
Water Treatment				
Water treatment equipment	4,498	-	-	4,498
Transmission and Distribution				
Land and land rights	55,250	-	-	55,250
Distribution reservoirs and standpipes	1,231,105	-	-	1,231,105
Transmission and distribution mains	11,236,395	302,135	19,120	11,519,410
Services	2,337,896	209,940	6,720	2,541,116
Meters	846,364	683,307	47,710	1,481,961
Hydrants	1,216,220	44,998	2,500	1,258,718
Total transmission and distribution	16,923,230	1,240,380	76,050	18,087,560
General				
Office furniture and equipment	9,946	-	-	9,946
Transportation equipment	266,153	30,275	28,401	268,027
Tools, shop and garage equipment	75,431	-	-	75,431
Laboratory equipment	6,649	-	-	6,649
Power-operated equipment	117,001	1,200	6,393	111,808
Communication equipment	180,193	750	-	180,943
Miscellaneous equipment	302	-	-	302
Total general	655,675	32,225	34,794	653,106
Total water utility plant	$18,184,652	$ 1,272,605	$ 110,844	$19,346,413

McFarland Water and Sewer Utility

Sewer Utility Plant
Year Ended December 31, 2022

	Balance 12/31/21	Additions	Retirements	Balance 12/31/22
Collecting System				
Land and land rights	$ 78,020	$ -	$ -	$ 78,020
Service connections	736,275	61,114	-	797,389
Collecting mains	5,882,200	-	-	5,882,200
Force mains	191,033	-	-	191,033
Total collecting system	6,887,528	61,114	-	6,948,642
Collecting System Pumping				
Structures and improvements	303,762	-	-	303,762
Receiving wells	14,403	-	-	14,403
Electric pumping equipment	661,422	-	-	661,422
Other power pumping equipment	60,159	-	-	60,159
Miscellaneous pumping equipment	3,342	-	-	3,342
Total collecting system pumping	1,043,088	-	-	1,043,088
General				
Office furniture and equipment	9,948	-	-	9,948
Transportation equipment	312,705	30,275	87,985	254,995
Communication equipment	144,121	750	-	144,871
Other general equipment	2,313	-	-	2,313
Other tangible property	18,617	1,200	-	19,817
Total general	487,704	32,225	87,985	431,944
Total sewer utility plant	$ 8,418,320	$ 93,339	$ 87,985	$ 8,423,674

DRAFT 05/11/23

Storm Water Utility Plant
Year Ended December 31, 2022

	Balance 12/31/21	Additions	Retirements	Balance 12/31/22
Storm Water Plant				
Land and land rights	$ 160,275	$ -	$ -	$ 160,275
Pipes	3,784,771	213,927	-	3,998,698
Manholes	462,858	117,194	-	580,052
Inlets	746,692	102,178	-	848,870
Basins	719,431	-	-	719,431
Land improvements	153,321	-	-	153,321
Miscellaneous	112,370	-	-	112,370
Total storm water plant	6,139,718	433,299	-	6,573,017
General				
Transportation equipment	375,901	30,275	151,181	254,995
Power-operated equipment	18,617	1,200	-	19,817
Communication equipment	13,196	750	-	13,946
Total general	407,714	32,225	151,181	288,758
Total storm water utility plant	$ 6,547,432	$ 465,524	$ 151,181	$ 6,861,775

McFarland Water and Sewer Utility

Water Utility Operating Revenues and Expenses
Years Ended December 31, 2022 and 2021

	2022	2021 (Restated)
Operating Revenues		
Sales of water:		
Unmetered	$ 4,119	$ 2,837
Metered:		
Residential	705,969	622,511
Multifamily residential	61,750	48,041
Commercial	86,433	78,699
Public authorities	29,477	18,162
Total metered sales	883,629	767,413
Private fire protection	52,161	43,643
Public fire protection	472,300	386,988
Total sales of water	1,412,209	1,200,881
Other operating revenues:		
Forfeited discounts	3,546	4,600
Miscellaneous service revenue	305	1
Other	51,623	21,527
Total operating revenues	1,467,683	1,227,009
Operating Expenses		
Operation and maintenance:		
Pumping:		
Operation labor	10,751	12,723
Fuel or power purchased for pumping	49,119	44,959
Operation supplies	29,716	9,887
Maintenance	70,674	6,086
Total pumping	160,260	73,655
Water treatment:		
Operation labor	10,390	29,209
Chemicals	17,481	14,674
Maintenance	3,056	2,596
Total water treatment	30,927	46,479
Transmission and distribution:		
Operation labor	46,892	1,833
Operation supplies	27,768	9,711
Maintenance:		
Mains	19,365	36,862
Services	4,106	12,147
Meters	4,322	2,472
Hydrants	9,115	16,198
Other	75	1,544
Total transmission and distribution	111,643	80,767
Customer accounts:		
Meter reading labor	13,986	2,232
Accounting and collecting labor	30,085	18,283
Supplies	5,862	1,909
Total customer accounts	49,933	22,424

McFarland Water and Sewer Utility

Water Utility Operating Revenues and Expenses
Years Ended December 31, 2022 and 2021

	2022	2021 (Restated)
Administrative and general:		
Salaries	$ 185,473	$ 166,789
Office supplies	11,948	12,082
Outside services employed	38,427	30,678
Property insurance	38,528	39,322
Employee pensions and benefits	(35,563)	(22,136)
Miscellaneous	58,783	53,662
Transportation	19,031	19,416
Total administrative and general	316,627	299,813
Taxes	15,333	11,440
Total operation and maintenance	684,723	534,578
Depreciation	400,304	373,238
Total operating expenses	1,085,027	907,816
Operating income	$ 382,656	$ 319,193

McFarland Water and Sewer Utility

Sewer Utility Operating Revenues and Expenses
Years Ended December 31, 2022 and 2021

	2022	2021 (Restated)
Operating Revenues		
Wastewater revenues:		
Residential	$ 1,191,213	$ 1,222,716
Commercial	238,934	237,197
Public authorities	27,031	21,669
Total sewer revenues	1,457,178	1,481,582
Other operating revenues:		
Forfeited discounts	5,638	8,796
Total operating revenues	1,462,816	1,490,378
Operating Expenses		
Operation and maintenance:		
Operation:		
Power and fuel for pumping	8,802	7,387
Treatment charges	857,180	823,304
Other operating supplies	-	147
Transportation	1,531	1,203
Total operation	867,513	832,041
Maintenance:		
Collection system	16,882	39,910
Pumping equipment	15,278	6,641
Treatment and disposal plant equipment	3,109	9,113
General plant structures and equipment	199,264	172,184
Total maintenance	234,533	227,848
Customer accounts:		
Accounting and collecting	23,925	884
Meter Reading	13,721	514
Total customer accounts	37,646	1,398
Administrative and general:		
Salaries	193,102	209,407
Office supplies	3,912	3,930
Outside services employed	43,698	54,576
Insurance	38,528	39,292
Employees pensions and benefits	13,783	189
Miscellaneous	833	351
Rents	109,971	88,703
Total administrative and general	403,827	396,448
Taxes	14,994	15,232
Total operation and maintenance	1,558,513	1,472,967
Depreciation	178,058	172,373
Total operating expenses	1,736,571	1,645,340
Operating loss	$ (273,755)	$ (154,962)

Storm Water Utility Operating Revenues and Expenses
Years Ended December 31, 2022 and 2021

	2022	2021
Operating Revenues		
Storm water revenues:		
Charges for services	$ 544,101	$ 537,326
Other operating revenues:		
Forfeited discounts	2,586	3,165
Other	15,130	9,095
Total operating revenues	561,817	549,586
Operating Expenses		
Operation and maintenance:		
Operations:		
Operation supervision and labor	173,025	157,897
Facility equipment and rental	54,103	64,753
Operation supplies	131,562	85,846
Total operations	358,690	308,496
Administrative and general:		
Office supplies	885	1,127
Outside services employed	46,167	53,173
Property insurance	43,480	35,757
Employee pensions and benefits	36,247	32,568
Miscellaneous	34	147
Total administrative and general	126,813	122,772
Total operation and maintenance	485,503	431,268
Depreciation	160,151	153,106
Total operating expenses	645,654	584,374
Operating loss	$ (83,837)	$ (34,788)

McFarland Water and Sewer Utility

Rate of Return - Regulatory Basis
Years Ended December 31, 2022 and 2021

	Water	
	2022	**2021**
Utility Financed Plant in Service		
Beginning of year	$ 10,312,832	$ 10,193,054
End of year	11,714,150	10,312,832
Average	11,013,491	10,252,943
Utility Financed Accumulated Depreciation		
Beginning of year	(3,265,812)	(3,159,722)
End of year	(3,669,968)	(3,265,812)
Average	(3,467,890)	(3,212,767)
Materials and Supplies		
Beginning of year	19,450	19,450
End of year	19,450	19,450
Average	19,450	19,450
Regulatory Liability		
Beginning of year	(57,056)	(68,468)
End of year	(11,412)	(57,056)
Average	(34,234)	(62,762)
Average net rate base	$ 7,530,817	$ 6,996,864
Operating income - regulatory basis	$ 260,135	$ 205,938
Rate of return (percent)	3.45 %	2.94 %
Authorized rate of return (percent)	4.90 %	4.90 %

This schedule is computed based on Public Service Commission of Wisconsin regulatory accounting which differs from accounting principles generally accepted in the United States of America due to GASB No. 34 as well as PSC order 05-US-105.

VILLAGE OF

McFarland

SUMMARY SHEET

MEETING DATE: **Monday, May 22, 2023**

SECTION: **Business**

DEPARTMENT: **Public Works**

CONTACT: **Matt Schuenke, Village Administrator**

AGENDA ITEM: **Presentation and discussion regarding the draft 2024-2028 Capital Improvement Plan (CIP)**

PREVIOUS ACTION:

None

ISSUE SUMMARY:

Please find included within your packets the proposed 5 years Capital Improvement Plan for 2024-2028 as its related to the Public Works Department. The base of this plan is fueled by the 10 year Paving and Utility Plan following the format and assumptions previously established by this Committee. That plan is also updated and included in your packet for reference as well to review and adjust priorities where applicable. The full 5 year plan includes all other Capital needs for the Department including Utilities for vehicles, equipment, and other maintenance needs. Our plan for the meeting is to introduce these items, discuss various priorities/assumptions, and address questions/concerns as might be needed. The Village Board at the same time is reviewing the full 5 year CIP for all Departments and anticipates completing this work near the end of August for inclusion in the 2024 Budget process that will begin this Fall. We have allocated time on the agenda in June and July also to review this work.

FINANCIAL/BUDGET IMPACT:

Cost estimates and projections are included within the attachment.

VILLAGE PLAN REFERENCE:

None

ORDINANCE REFERENCE:

Section 2-432(c) - "Preparing and recommending to the Village Board a capital improvement plan for public improvements, facilities, vehicles, and equipment."

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

This first meeting is aligned for discussion only. The next meeting will include action as a recommendation to the Village Board.

ATTACHMENTS:

1. 2024-2028 McFarland CIP - DRAFT - 05182023

VILLAGE OF McFarland

5 Year
Capital Improvement Program

2024-2028

August 22, 2023
Village Board Review and Approval

DRAFT

2024-2028 McFarland Capital Improvement Plan

Funding Summary

By Department…	***2024***	***2025***	***2026***	***2027***	***2028***	***Total***
Administration	39,500	52,500	27,500	27,500	57,500	204,500
Facilities	12,683,000	12,684,500	186,000	188,000	188,000	25,929,500
Communications/Technology	5,000	5,000	5,000	5,000	5,000	25,000
Police	185,000	65,000	285,000	235,000	35,000	805,000
Fire and Rescue	110,000	1,009,000	188,250	1,413,000	584,250	3,304,500
Public Works	9,788,250	4,746,250	6,249,000	5,897,250	6,513,250	33,194,000
Senior Outreach	0	0	0	0	0	0
Library	371,000	113,000	8,000	8,000	8,000	508,000
Parks	2,938,000	3,250,000	3,090,000	1,760,000	7,565,000	18,603,000
Community Development	175,000	20,500	56,000	56,250	281,250	589,000
Total	26,294,750	21,945,750	10,094,750	9,590,000	15,237,250	83,162,500

By Fund…	***2024***	***2025***	***2026***	***2027***	***2028***	***Total***
General - Fund 100	4,500	4,500	4,500	4,500	4,500	22,500
Comm/Tech - Fund 200	5,000	5,000	5,000	5,000	5,000	25,000
TID #3 - Fund 305	-	-	-	3,070,750	1,686,500	4,757,250
TID #4 - Fund 310	-	-	-	-	-	-
TID #5 - Fund 315	-	-	-	-	-	-
Capital Projects - Fund 400	20,499,250	17,938,000	5,262,000	4,831,750	11,042,000	59,573,000
Parks - Fund 405	440,000	500,000	165,000	435,000	440,000	1,980,000
Utility - Fund 600	4,562,500	3,021,500	3,943,000	1,096,250	1,996,000	14,619,250
Stormwater - Fund 605	783,500	476,750	715,250	146,750	63,250	2,185,500
Total	26,294,750	21,945,750	10,094,750	9,590,000	15,237,250	83,162,500

Within Fund 400…	***2024***	***2025***	***2026***	***2027***	***2028***	***Total***
General Revenue	250,000	275,000	300,000	325,000	350,000	1,500,000
Grants	2,182,000	5,000	690,750	750	6,000,000	8,878,500
Intergovernmental	800,000	-	500,000	-	-	1,300,000
Borrowing	17,250,250	17,428,000	3,771,250	4,506,000	4,692,000	47,647,500
Reserves	17,000	230,000	-	-	-	247,000
Total	20,499,250	17,938,000	5,262,000	4,831,750	11,042,000	59,573,000

Within Borrowing…	***2024***	***2025***	***2026***	***2027***	***2028***	***Total***
Bonds	12,500,000	12,500,000	-	-	-	25,000,000
Notes	4,750,250	4,928,000	3,771,250	4,506,000	4,692,000	22,647,500
Total	17,250,250	17,428,000	3,771,250	4,506,000	4,692,000	47,647,500

Within Fund 600 and 605…	***2024***	***2025***	***2026***	***2027***	***2028***	***Total***
Water	2,328,250	2,897,250	2,913,000	982,000	1,965,250	11,085,750
Sanitary Sewer	2,234,250	124,250	1,030,000	114,250	30,750	3,533,500
Storm Sewer	783,500	476,750	715,250	146,750	63,250	2,185,500
Total	5,346,000	3,498,250	4,658,250	1,243,000	2,059,250	16,804,750

Capital Improvement Program

Village of McFarland

Prior Plan Approval/Inclusion Year: **2021** **2022** **2023** **2024** **2025** **2026** **2027** **2028**

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 General	Grants	Intergov	Borrow	Reserve	Total	Parks Fund 405	Utility - 600 Water	Sewer	Stormwater Fund 605	Total
Digital Records Mgmt	Admin						25,000					25,000					25,000
Equipment/Furniture	Admin	2,500										-					2,500
HR Software	Admin						12,000					12,000					12,000
Community Center (Build)	Facilities									12,500,000		12,500,000					12,500,000
General Tech Equipment	Facilities									30,000		30,000					30,000
Land Acquisition	Facilities						40,000					40,000					40,000
Network Equip	Facilities						4,000					4,000		3,000	3,000	3,000	13,000
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
RMS System	Police									150,000		150,000					150,000
Traffic Safety	Police									20,000		20,000					20,000
Car 1 Sinking Fund	Fire/EMS						7,750					7,750					7,750
EMS Equipment	Fire/EMS									24,250		24,250					24,250
Fire Equipment	Fire/EMS						24,500	5,000		27,250		56,750					56,750
Ice/Water Rescue	Fire/EMS						6,500					6,500					6,500
Technology	Fire/EMS									14,750		14,750					14,750
Exchange Street (Build)	DPW							1,177,000		2,101,250		3,278,250		1,039,750	164,000	390,750	4,872,750
Grapple Bucket	DPW									6,000		6,000					6,000
Landscape Rakes	DPW									20,000		20,000					20,000
Leased Equipment	DPW						9,000					9,000		8,000	8,000	8,000	33,000
Lift Station #2 (Build)	DPW											-			2,000,000		2,000,000
Paving and Utility Plan	DPW									698,750		698,750		1,018,250			1,717,000
Pedestrian Ways	DPW									100,000		100,000					100,000
Pickup Truck X 4	DPW									57,000		57,000		57,000	57,000	57,000	228,000
Sidewalk Replace	DPW									100,000		100,000					100,000
Sinking Fund	DPW						2,250					2,250		2,250	2,250	2,250	9,000
Small Capital	DPW											-				2,500	2,500
Street Maintenance	DPW									150,000		150,000					150,000
Street Sweeper	DPW											-				320,000	320,000
Street Tree Planting	DPW									30,000		30,000					30,000
Well #5 (Design)	DPW											-		200,000			200,000
	Outreach											-					-
	Outreach											-					-
	Outreach											-					-
Comp - Workstation	Library						8,000					8,000					8,000
HVAC Controls	Library									115,000		115,000					115,000
Parking Lot/Hardscape	Library									73,000		73,000					73,000
Roof Maintenance	Library									175,000		175,000					175,000
Bocce Electrical/Light	Parks									-		-					-
Brandt Park Bathrooms	Parks									110,000		110,000					110,000
CP Phase 2 (Design)	Parks									175,000		175,000					175,000
Field Grading	Parks									40,000		40,000					40,000
Inclusive Park (Build)	Parks							1,000,000	800,000			1,800,000	300,000				2,100,000
Lake Access Study	Parks										15,000	15,000					15,000
Lewis Park Flooring	Parks									30,000		30,000					30,000
Lake Access (Design/Build)	Parks									300,000		300,000	-				300,000
Mower	Parks									28,000		28,000					28,000
Park Equipment	Parks											-	15,000				15,000
Playground (Highland)	Parks											-	125,000				125,000
Property Acquisition	Parks											-					-
Downtown TID	CD									-		-					-
East Side BP TID	CD									50,000		50,000					50,000
Outdoor Rec Plan	CD						8,000			-	2,000	10,000					10,000
Property Acquisition	CD											-					-
Small Capital	CD	2,000										-					2,000
Sinking Fund	CD						3,000					3,000					3,000
Zoning Code	CD									110,000		110,000					110,000
Total Projects		4,500	5,000	-	-	-	250,000	2,182,000	800,000	17,250,250	17,000	20,499,250	440,000	2,328,250	2,234,250	783,500	26,294,750

Capital Improvement Program

Village of McFarland — *Prior Plan Approval/Inclusion Year:* 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 — Program Year: 2025

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 General	Grants	Intergov	Borrow	Reserve	Total	Parks Fund 405	Utility - 600 Water	Sewer	Stormwater Fund 605	Total
Badger Book Replacement	Admin									25,000		25,000					25,000
Digital Records Mgmt	Admin						25,000					25,000					25,000
Equipment/Furniture	Admin	2,500										-					2,500
Community Center (Build)	Facilities									12,500,000		12,500,000					12,500,000
General Tech Equipment	Facilities									30,000		30,000					30,000
Land Acquisition	Facilities						40,000					40,000					40,000
Network Equip	Facilities						4,000					4,000		3,500	3,500	3,500	14,500
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
Squad Car Video	Police						22,750			7,250		30,000					30,000
Traffic Safety	Police						5,000			15,000		20,000					20,000
Ambulance (x 2)	Fire/EMS									625,000	125,000	750,000					750,000
Car 1 Sinking Fund	Fire/EMS						8,500					8,500					8,500
Chief Vehicle	Fire/EMS									127,000		127,000					127,000
EMS Equipment	Fire/EMS						4,750					4,750					4,750
								5,000		55,500		60,500					60,500
Ice/Water Rescue	Fire/EMS									5,250		5,250					5,250
Technology	Fire/EMS						11,750			41,250		53,000					53,000
CTH MN 5 (Design)	DPW									50,000		50,000					50,000
E. Interceptor II (Design)	DPW											-			30,000		30,000
Leased Equipment	DPW						9,000					9,000		8,000	8,000	8,000	33,000
Patrol Truck	DPW									80,000		80,000		80,000	80,000	80,000	320,000
Paving and Utility Plan	DPW									507,750		507,750		403,000			910,750
Pedestrian Ways	DPW									100,000		100,000					100,000
Pickup Truck	DPW									44,000		44,000					44,000
Sidewalk Replace	DPW									100,000		100,000					100,000
Sinking Fund	DPW						2,750					2,750		2,750	2,750	2,750	11,000
Small Capital	DPW											-				2,500	2,500
Stormwater Maintenance	DPW											-				350,000	350,000
Street Maintenance	DPW									150,000		150,000					150,000
Street Sweeper	DPW											-				30,000	30,000
Street Tree Planting	DPW									30,000		30,000					30,000
Tool Cat Machine	DPW									85,000		85,000					85,000
Vehicle Lift	DPW									200,000		200,000					200,000
Well #5 (Build)	DPW											-		2,300,000			2,300,000
	Outreach											-					-
	Outreach											-					-
	Outreach											-					-
Comp - Workstation	Library						8,000					8,000					8,000
Roof Replacement	Library										105,000	105,000					105,000
Bathroom (Design/Build)	Parks											-	160,000				160,000
CP Phase 2 (Build)	Parks									2,000,000		2,000,000	325,000				2,325,000
Egner Park Facility (Design)	Parks									75,000		75,000		100,000			175,000
Larson Park	Parks									100,000		100,000					100,000
McF Park Ph 3.1 (Design)	Parks									75,000		75,000					75,000
McF Park (Facility)	Parks									250,000		250,000					250,000
Park Equipment	Parks											-	15,000				15,000
Property Acquisition	Parks											-					-
Siggelkow Trail (Design)	Parks									150,000		150,000					150,000
Parks PF Needs Assessment	CD						15,000					15,000					15,000
Property Acquisition	CD											-					-
Small Capital	CD	2,000										-					2,000
Sinking Fund	CD						3,500					3,500					3,500
Total Projects		4,500	5,000	-	-	-	275,000	5,000	-	17,428,000	230,000	17,938,000	500,000	2,897,250	124,250	476,750	21,945,750

Capital Improvement Program

Village of McFarland | *Prior Plan Approval/Inclusion Year:* **2021** **2022** **2023** **2024** **2025** **2026** **2027** **2028** | Program Year: 2026

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 General	Grants	Intergov	Borrow	Reserve	Total	Parks Fund 405	Utility - 600 Water	Sewer	Stormwater Fund 605	Total
Digital Records Mgmt	Admin						25,000					25,000					25,000
Equipment/Furniture	Admin	2,500										-					2,500
General Tech Equipment	Facilities									30,000		30,000					30,000
Land Acquisition	Facilities						40,000					40,000					40,000
Network Equip	Facilities						4,000					4,000		4,000	4,000	4,000	16,000
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 Vehicles	Police									200,000		200,000					200,000
Traffic Safety	Police						20,000					20,000					20,000
USH 51 Cameras	Police									50,000		50,000					50,000
Car 1 Sinking Fund	Fire/EMS						9,000					9,000					9,000
EMS Equipment	Fire/EMS						5,000					5,000					5,000
Fire Equipment	Fire/EMS						1,750	5,000		66,500		73,250					73,250
Ice/Water Rescue	Fire/EMS									4,500		4,500					4,500
Staff Vehicle	Fire/EMS									80,250		80,250					80,250
Technology	Fire/EMS						8,500			7,750		16,250					16,250
CTH MN 5 (Build)	DPW							685,750		319,000		1,004,750		882,250		366,750	2,253,750
E. Interceptor II (Build)	DPW											-			1,000,000		1,000,000
Leased Equipment	DPW						9,000					9,000		8,000	8,000	8,000	33,000
Paving and Utility Plan	DPW									497,500		497,500		500,750		286,000	1,284,250
Pedestrian Ways	DPW						47,750			52,250		100,000					100,000
Pickup Truck	DPW									15,000		15,000		15,000	15,000	15,000	60,000
Property Acquisition	DPW									350,000		350,000					350,000
Sidewalk Replace	DPW									100,000		100,000					100,000
Sinking Fund	DPW						3,000					3,000		3,000	3,000	3,000	12,000
Small Capital	DPW											-				2,500	2,500
Street Maintenance	DPW									150,000		150,000					150,000
Street Sweeper	DPW											-				30,000	30,000
Street Tree Planting	DPW									30,000		30,000					30,000
Tool Cat	DPW									93,500		93,500					93,500
Tower Paint (Holscher)	DPW											-		500,000			500,000
USH 51 Seg 7 (Build)	DPW									250,000		250,000					250,000
	Outreach											-					-
	Outreach											-					-
	Outreach											-					-
	Library											-					-
Comp - Workstation	Library						8,000					8,000					8,000
	Library											-					-
CP Phase 3 (Design)	Parks									50,000		50,000					50,000
Egner Park Facility (Build)	Parks									350,000		350,000		1,000,000			1,350,000
McF Park Ph 3.1 (Build)	Parks									425,000		425,000					425,000
Park Equipment	Parks											-	15,000				15,000
Playground (Cedar Ridge)	Parks											-	150,000				150,000
Property Acquisition	Parks											-					-
Siggelkow Trail (Build)	Parks								500,000	600,000		1,100,000					1,100,000
Comprehensive Plan	CD									50,000		50,000					50,000
Property Acquisition	CD											-					-
Small Capital	CD	2,000										-					2,000
Sinking Fund	CD						4,000					4,000					4,000
Total Projects		4,500	5,000	-	-	-	300,000	690,750	500,000	3,771,250	-	5,262,000	165,000	2,913,000	1,030,000	715,250	10,094,750

Capital Improvement Program

Village of McFarland | *Prior Plan Approval/Inclusion Year:* **2021** **2022** **2023** **2024** **2025** **2026** **2027** **2028** | Program Year: 2027

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 General	Grants	Intergov	Borrow	Reserve	Total	Parks Fund 405	Utility - 600 Water	Sewer	Stormwater Fund 605	Total
Digital Records Mgmt	Admin						25,000					25,000					25,000
Equipment/Furniture	Admin	2,500										-					2,500
General Tech Equipment	Facilities									30,000		30,000					30,000
Land Acquisition	Facilities						40,000					40,000					40,000
Network Equip	Facilities						4,500					4,500		4,500	4,500	4,500	18,000
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 Vehicles x 3	Police									200,000		200,000					200,000
Traffic Safety	Police						20,000					20,000					20,000
Car 1 Sinking Fund	Fire/EMS						10,000					10,000					10,000
CPR Compressors	Fire/EMS									55,500		55,500					55,500
EMS Equipment	Fire/EMS						5,000					5,000					5,000
Fire Equipment	Fire/EMS						38,500	750		4,500		43,750					43,750
Pumper/Engine	Fire/EMS									1,281,750		1,281,750					1,281,750
Technology	Fire/EMS						17,000					17,000					17,000
Facility (Plan)	DPW									100,000		100,000					100,000
Leased Equipment	DPW						9,000					9,000		8,000	8,000	8,000	33,000
Patrol Truck	DPW									82,500		82,500		82,500	82,500	82,500	330,000
Paving and Utility Plan	DPW			3,070,750						920,250		920,250		692,750			4,683,750
Pedestrian Ways	DPW									100,000		100,000					100,000
Pickup Truck	DPW						500			16,500		17,000		16,000	16,000	16,000	65,000
Sidewalk Replace	DPW									100,000		100,000					100,000
Sinking Fund	DPW						3,250					3,250		3,250	3,250	3,250	13,000
Small Capital	DPW											-				2,500	2,500
Street Maintenance	DPW									150,000		150,000					150,000
Street Sweeper	DPW											-				30,000	30,000
Street Tree Planting	DPW									30,000		30,000					30,000
Tractor	DPW									85,000		85,000					85,000
Well #3 (Design)	DPW											-		175,000			175,000
	Outreach											-					-
	Outreach											-					-
	Outreach											-					-
	Library											-					-
Comp - Workstation	Library						8,000					8,000					8,000
	Library											-					-
Aquatics (Design)	Parks									500,000		500,000					500,000
Bathroom (Design/Build)	Parks											-	170,000				170,000
CP Phase 3 (Build)	Parks									250,000		250,000	250,000				500,000
Lower Yahara (Design)	Parks									150,000		150,000					150,000
McF Park Ph 3.2 (Build)	Parks									425,000		425,000					425,000
Park Equipment	Parks											-	15,000				15,000
Property Acquisition	Parks											-					-
Comprehensie Plan	CD						25,000			25,000		50,000					50,000
Property Acquisition	CD											-					-
Small Capital	CD	2,000										-					2,000
Sinking Fund	CD						4,250					4,250					4,250
Total Projects		4,500	5,000	3,070,750	-	-	325,000	750	-	4,506,000	-	4,831,750	435,000	982,000	114,250	146,750	9,590,000

Capital Improvement Program

Village of McFarland

Prior Plan Approval/Inclusion Year: 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028

Program Year: 2028

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 General	Grants	Intergov	Borrow	Reserve	Total	Parks Fund 405	Utility - 600 Water	Sewer	Stormwater Fund 605	Total
Digital Records Mgmt	Admin						25,000					25,000					25,000
Equipment/Furniture	Admin	2,500										-					2,500
Voting Equipment	Admin									30,000		30,000					30,000
General Tech Equipment	Facilities						30,000					30,000					30,000
Land Acquisition	Facilities						40,000					40,000					40,000
Network Equip	Facilities						4,500					4,500		4,500	4,500	4,500	18,000
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
Traffic Safety	Police						20,000					20,000					20,000
AED Machines	Fire/EMS									39,500		39,500					39,500
Brush Truck	Fire/EMS									90,000		90,000					90,000
Car 1 Sinking Fund	Fire/EMS						10,250					10,250					10,250
EMS Equipment	Fire/EMS						5,500					5,500					5,500
Fire Equipment	Fire/EMS						40,500			4,750		45,250					45,250
SCBA Replacements	Fire/EMS									375,000		375,000					375,000
Technology	Fire/EMS						18,750					18,750					18,750
Facility (Design)	DPW											-					-
Leased Equipment	DPW						9,000					9,000		8,000	8,000	8,000	33,000
Paving and Utility Plan	DPW			1,686,500						623,750		623,750		405,000			2,715,250
Pedestrian Ways	DPW									100,000		100,000					100,000
Pickup Truck	DPW						15,000					15,000		15,000	15,000	15,000	60,000
Sidewalk Replace	DPW									100,000		100,000					100,000
Sinking Fund	DPW						3,250					3,250		3,250	3,250	3,250	13,000
Small Capital	DPW											-				2,500	2,500
Street Maintenance	DPW									150,000		150,000					150,000
Street Sweeper	DPW											-				30,000	30,000
Street Tree Planting	DPW									30,000		30,000					30,000
USH 51 Seg 6 (Build)	DPW									1,750,000		1,750,000		204,500			1,954,500
Well #3 (Build)	DPW											-		1,325,000			1,325,000
	Outreach											-					-
	Outreach											-					-
	Outreach											-					-
	Library											-					-
Comp - Workstation	Library						8,000					8,000					8,000
	Library											-					-
Aquatics (Build)	Parks							6,000,000				6,000,000					6,000,000
Arnold Larson (Plan/Design)	Parks						1,000			74,000		75,000					75,000
Brandt Parking Lot (Design/Build)	Parks									250,000		250,000					250,000
Dredging (Design)	Parks									50,000		50,000					50,000
Lower Yahara (Build)	Parks									750,000		750,000	250,000				1,000,000
Park Equipment	Parks											-	15,000				15,000
Playground (???)	Parks											-	175,000				175,000
Property Acquisition	Parks											-					-
Downtown TID	CD									25,000		25,000					25,000
Property Acquisition	CD											-					-
Small Capital	CD	2,000										-					2,000
Sinking Fund	CD						4,250					4,250					4,250
Wayfinding Signage	CD									250,000		250,000					250,000
Total Projects		4,500	5,000	1,686,500	-	-	350,000	6,000,000	-	4,692,000	-	11,042,000	440,000	1,965,250	30,750	63,250	15,237,250

2023-2027 CAPITAL IMPROVEMENT PLAN (CIP)

Appendix A

Financial Analysis

Appendix B

Project Summaries

Appendix C

Paving and Utility Plan 2023-2032

Appendix D

Park System Capital Improvements 2023 - 2032

2023-2027 CAPITAL IMPROVEMENT PLAN (CIP)

Appendix A

Financial Analysis

Village of McFarland
2024 - 2028 Capital Improvement Program
Estimated Debt Service - Village Purposes Notes & Bonds - With Growth

Year Due	Existing Debt Service	2024 $12,500,000 Bonds Principal	2024 $12,500,000 Bonds Interest	2024 $4,460,000 Notes Principal	2024 $4,460,000 Notes Interest	2025 $12,500,000 Bonds Principal	2025 $12,500,000 Bonds Interest	2025 $4,930,000 Notes Principal	2025 $4,930,000 Notes Interest	2026 $3,770,000 Notes Principal	2026 $3,770,000 Notes Interest	2027 $4,505,000 Notes Principal	2027 $4,505,000 Notes Interest	2028 $4,695,000 Notes Principal	2028 $4,695,000 Notes Interest	Combined Debt Service	Tax Rate	Est. Tax Rate Increase *	Est. Tax Increase ****	*** Percentage of Legal Debt Limit Used	Year Due
2023	3,374,967															3,374,967	$2.47			59.72%	2023
2024	4,067,749															4,067,749	$2.64	$0.16	$59.84	72.01%	2024
2025	3,910,869	425,000	693,562	100,000	207,187											5,336,618	$3.26	$0.63	$230.79	83.91%	2025
2026	4,173,244	425,000	533,813	300,000	157,875	145,000	699,862		246,500							6,681,294	$3.89	$0.63	$231.17	78.54%	2026
2027	4,021,628	475,000	513,562	350,000	145,688	475,000	545,288	425,000	188,700	200,000	196,031					7,535,897	$4.22	$0.33	$121.13	79.16%	2027
2028	3,499,647	500,000	491,625	400,000	131,625	500,000	523,350	425,000	171,700	325,000	144,819	425,000	230,297			7,768,063	$4.22	$0.00	$1.22	70.53%	2028
2029	3,400,822	525,000	468,563	475,000	115,219	525,000	500,287	450,000	154,200	325,000	131,006	425,000	164,369	120,000	246,872	8,026,338	$4.28	$0.05	$20.20	62.78%	2029
2030	2,990,019	550,000	444,375	500,000	96,937	550,000	476,100	475,000	135,700	375,000	116,131	425,000	146,306	425,000	185,406	7,890,974	$4.12	($0.15)	($56.94)	55.26%	2030
2031	2,506,869	625,000	417,937	525,000	77,719	575,000	450,788	525,000	115,700	400,000	99,663	450,000	127,712	450,000	166,813	7,513,201	$3.85	($0.27)	($101.05)	48.26%	2031
2032	2,564,928	650,000	389,250	590,000	56,812	600,000	424,350	580,000	93,600	425,000	82,131	450,000	108,588	475,000	147,156	7,636,815	$3.83	($0.01)	($4.93)	41.19%	2032
2033	2,199,325	650,000	360,000	600,000	34,500	625,000	396,787	675,000	68,500	425,000	64,069	450,000	89,463	500,000	126,438	7,264,082	$3.57	($0.26)	($95.29)	34.53%	2033
2034	1,491,509	650,000	330,750	620,000	11,625	650,000	368,100	675,000	41,500	425,000	46,006	455,000	70,231	525,000	104,656	6,464,377	$3.12	($0.46)	($168.01)	28.69%	2034
2035	1,466,469	650,000	301,500			675,000	338,287	700,000	14,000	425,000	27,944	475,000	50,469	550,000	81,813	5,755,482	$2.72	($0.40)	($146.10)	23.57%	2035
2036	1,440,894	700,000	271,125			700,000	307,350			445,000	9,456	475,000	30,281	550,000	58,437	4,987,543	$2.31	($0.41)	($150.90)	19.19%	2036
2037	1,415,319	700,000	239,625			720,000	275,400					475,000	10,094	550,000	35,063	4,420,501	$2.01	($0.30)	($111.71)	15.37%	2037
2038	1,389,209	700,000	208,125			720,000	243,000							550,000	11,687	3,822,021	$1.70	($0.31)	($112.82)	12.11%	2038
2039	1,362,031	700,000	176,625			720,000	210,600									3,169,256	$1.38	($0.32)	($117.42)	9.51%	2039
2040	1,334,318	700,000	145,125			720,000	178,200									3,077,643	$1.32	($0.07)	($24.47)	7.01%	2040
2041	1,306,606	700,000	113,625			720,000	145,800									2,986,031	$1.25	($0.06)	($23.71)	4.60%	2041
2042	431,375	725,000	81,563			720,000	113,400									2,071,338	$0.85	($0.40)	($147.86)	2.97%	2042
2043		725,000	48,937			720,000	81,000									1,574,937	$0.64	($0.22)	($80.01)	1.75%	2043
2044		725,000	16,313			720,000	48,600									1,509,913	$0.60	($0.04)	($14.08)	0.57%	2044
2045						720,000	16,200									736,200	$0.29	($0.31)	($114.95)		2045
	$48,347,797	$12,500,000	$6,246,000	$4,460,000	$1,035,187	$12,500,000	$6,342,749	$4,930,000	$1,230,100	$3,770,000	$917,256	$4,505,000	$1,027,810	$4,695,000	$1,164,341	$113,671,240		$0.35	$128.83		
Est. Int. Rate		4.50%		3.75%		4.50%		4.00%		4.25%		4.25%		4.25%				Average for 2024-2028 CIP			

* Based on Villages 2023 Est. Assessed Value - $1,543,697,303 **

$1,364,907,000	22 Actual
$1,543,697,303	23 Est.
$1,636,319,141	
$1,718,135,098	
$1,786,860,502	
$1,840,466,317	
$1,877,275,644	
$1,914,821,156	

** Assuming growth at 6%, 5%, 4%, 3% and 2% thereafter

*** Calculation based on All General Obligations, 5% of Equalized Value using same growth assumptions as above.

**** Median Home Value $ 368,500

5/12/2023

VILLAGE OF McFarland
Naturally Connected

2023-2027 CAPITAL IMPROVEMENT PLAN (CIP)

Appendix B

Project Summaries

VILLAGE OF McFarland
Naturally Connected

2023-2027 CAPITAL IMPROVEMENT PLAN (CIP)

Appendix C

Paving and Utility Plan 2023-2032

Village of McFarland
Conceptual Project List in Approximate Priority Order
Long Range ROW Infrastructure Improvements Plan
5/12/2023

Notes:
1. Costs shown assumed entire scope described, and will need adjustment if scope is changed.
2. PR= Pavement Rehabilitation, SSR= Storm Sewer Rehabilitation, PUR= Pavement and Utility Rehabilitation, WR= Water Main Replacement, W= New Watermain, RC= Rural Conversion
3. Project costs assume that 35% of street replacement costs for projects that include water main replacement will be funded by the Water Utility.
4. Project costs assume 25% curb replacement.
5. Previous iterations of this document have been accepted by the Village Board. This is a living document and as such is continually updated as additional project details become known.
6. All costs shown are in current date dollars. No inflation has been applied.

								PROJECT COSTS											
Year	**Street**	**From**	**To**	**Length**	**Width**	**Pvmt Rating**	**Action**	**Street**	**TIF/TID Street**	**Sewer Utility**	**Water Utility**	**Storm Utility**	**TIF/TID Non-Street**	**Pedestrian**	**Off-Street Sewer**	**Off-Street Water**	**Off-Street Storm**	**Total**	**General Comments**
2024	*Exchange Street*	*Sleepy Hollow Road*	*Farwell St*			*5*	*PUR*	*$2,101,300*		*$164,000*	*$1,039,700*	*$390,700*						*$3,695,700*	Partially funded by STP-URBAN grant ($1,177,000). Amounts represent Village expenditures. Not included in year total where noted.
2024	Larson St	Erling Ave	Termini	751	28	2	PUR	$108,000			$223,500							$331,500	Pair with Glen
2024	Glen Rd	Larson St	Wisconsin Ave	850	21	3	PUR	$94,200			$322,100							$416,300	Pair with Larson
2024	Badger St	Dale St	Farwell St	350	32	5	PUR	$63,000			$165,972							$228,972	Pair with Dale St
2024	Dale St	Lexington St	Termini	850	32	4	PUR	$122,241			$286,755							$408,996	Pair with Badger St
2024	Ivywood Trl	Terminal Dr	Termini	1170	36	4	PR	$164,600										$164,600	This project scope is for pulverize and overlay with some allowance for base repair. Partially funded by LRIP grant ($20,500).
2024		Public Works Surface Asphalt				3	Parking Lot	$146,700			$20,000							$166,700	Includes Filling Station
2024		Soccer	Curling Club	408	8	N/A	Path Resurfacing							$33,800				$33,800	
2024		Lewis Park Shelter	Marsh Woods Drive	521	10	N/A	Path Resurfacing							$33,865				$33,900	
2024	Various					N/A	Path Resurfacing							$32,335				$32,400	
2024	Various					N/A	Sidewalk Replacements							$100,000				$100,000	
2024	Off-Street					N/A	Lift Station 2 Replacement								$2,000,000			$2,000,000	The 2018 East Basin Utility Service Study identified Lift Station 2 as a future capacity restaint within the Village's existing sanitary system. Resonctruction of this station will be required to support continued expansion of the Village's existing sanitary sewer system to the east. If new development continues to occur at it's current pace, it is anticipated that critical capacity at this station could be reached by 2032. Updrages to this station should be done in conjunction with upgrades to the lift station 2 force main. Additionally, capacity improvments to the Village's existing Highland Drive Interceptor will be required to support capacity increases at the station.
2024	Off-Street					N/A	Well 5- Preliminary Design									$200,000		$200,000	The Village completed a Water System Needs Assessment in 2023. This study projected that water usage rates would require the construction of a new well and house in 2024-2026.
							Year Total (Including Exchange Street)	**$2,800,041**	**$0**	**$164,000**	**$2,058,027**	**$390,700**	**$0**	**$200,000**	**$2,000,000**	**$200,000**	**$0**	**$7,812,868**	
							Year Total (Excludes Exchange Street)	**$698,741**	**$0**	**$0**	**$1,018,327**	**$0**	**$0**	**$200,000**	**$2,000,000**	**$200,000**	**$0**	**$4,117,168**	

								PROJECT COSTS											
Year	**Street**	**From**	**To**	**Length**	**Width**	**Pvmt Rating**	**Action**	**Street**	**TIF/TID Street**	**Sewer Utility**	**Water Utility**	**Storm Utility**	**TIF/TID Non-Street**	**Pedestrian**	**Off-Street Sewer**	**Off-Street Water**	**Off-Street Storm**	**Total**	**General Comments**
2025	McFarland Ct	Terminal Dr	Termini	634	32	4	PR	$90,700										$90,700	
2025	Lakeview Ave	Bremer Rd	Termini	686	22	3	PUR	$99,295			$286,953							$386,300	
2025	Yahara Dr	USH 51	Rivercrest Dr	581	32	5	PR	$90,100										$90,100	
2025	Yahara Dr	Rivercrest Dr	Indian Mound Dr	422	32	5	PR	$60,400										$60,400	
2025	Siggelkow Rd	CTH AB / Siggelkow Rd plus 601 ft	Pierce Rd / Siggelkow Rd	676	20	5	PR	$66,000										$66,000	
2025	Severson Rd	Lake Edge Rd	Farwell St	650	32	5	PUR	$101,250			$116,109							$217,400	
2025		Glenway	Running Deer	256	8	N/A	Path Resurfacing							$21,200				$21,200	
2025	Various					N/A	Path Resurfacing							$78,800				$78,800	
2025	Various					N/A	Sidewalk Replacements							$100,000				$100,000	
2025	Off-Street					N/A	Well 5- New Construction									$2,300,000		$2,300,000	The Village completed a Water System Needs Assessment in 2023. This study projected that water usage rates would require the construction of a new well and house in 2024-2026.
2025	Off-Street					N/A	Stormwater Treatment Device Maintenance										$350,000	$350,000	As part of the Village's ongoing MS4 permit responsibilities, storm water management areas require regular investiagion and cleaning. This effort will involve dredging of accumulated sediment and removal of unwanted vegetation/woody growth.
2025	Off-Street						Well 4 Rehabilitation- Preliminary Design									$175,000		$175,000	The wells were reviewed in 2019 with WNDR staff. Several items were identified during the inspection, including: the pumps need to be pulled and inspected, piping needs painting as a means of protection from sweating, entry point sample taps are needed, A/C as a means of climate and humidity control is perferred, separate checmical room needs to be constructed, the vent is undersized and needs to be replaced, and significant electrical upgrades are required. The scope of this project is to address all of these issues, replace most of the well house itself to provide room for a generator and working space, replace all corrodede electrical/controls, and remove the right-angle backup engine.
							Year Total	**$507,746**	**$0**	**$0**	**$403,062**	**$0**	**$0**	**$200,000**	**$0**	**$2,475,000**	**$350,000**	**$3,935,900**	

								PROJECT COSTS											
Year	**Street**	**From**	**To**	**Length**	**Width**	**Pvmt Rating**	**Action**	**Street**	**TIF/TID Street**	**Sewer Utility**	**Water Utility**	**Storm Utility**	**TIF/TID Non-Street**	**Pedestrian**	**Off-Street Sewer**	**Off-Street Water**	**Off-Street Storm**	**Total**	**General Comments**
2026	Broadhead Street/CTH MN Phase 4B	North Peninsula Way	CTH AB	1958	36	6	RC	$318,900			$882,300	$366,800						$1,568,000	Partially paid for by Dane County. Amounts represent Village expenditures.
2026	Creamery/Elvehjem Road	Milwaukee Street	Country Walk Lane	2165	36	5	RC	$497,400			$500,600	$286,000						$1,284,000	
2026		Black Walnut Ct	Wild Cherry Ln	370	8	N/A	Path Resurfacing							$30,600				$30,600	
2026		Cedar Ridge Park	Gazebo Loop	604	8	N/A	Path Resurfacing							$49,900				$49,900	
2026	Various					N/A	Path Resurfacing							$19,500				$19,500	
2026	Various					N/A	Sidewalk Replacements							$100,000				$100,000	
2026	Off-Street						Well 4 Rehabilitation									$1,325,000		$1,325,000	The wells were reviewed in 2019 with WNDR staff. Several items were identified during the inspection, including: the pumps need to be pulled and inspected, piping needs painting as a means of protection from sweating, entry point sample taps are needed, A/C as a means of climate and humidity control is perferred, separate checmical room needs to be constructed, the vent is undersized and needs to be replaced, and significant electrical upgrades are required. The scope of this project is to address all of these issues, replace most of the well house itself to provide room for a generator and working space, replace all corrodede electrical/controls, and remove the right-angle backup engine.
2026	Off-Street						Holscher Water Tower									$500,000			An inspection of the tower was performed in June of 2020 by Lane Tank Company. The results of the inspection included maintenance and painting reccommendations with cost estimates. The total cost in this item includes addressing all maintenance and code items identified in the inspection as well as a full repainting of the interior and exterior of the tank. The exterior painting work would include provisions for full containment of overspray as well as the addition of a "McFarland" logo.
2027	Off-Street						Well 3 Rehabilitiation									$175,000		$175,000	The wells were reviewed in 2019 with WNDR staff. Several items were identified during the inspection, including: the pumps need to be pulled and inspected, piping needs painting as a means of protection from sweating, entry point sample taps are needed, A/C as a means of climate and humidity control is preferred, separate checmical room needs to be constructed, the vent is undersized and needs to be replaced, and significant electrical upgrades are required. The scope of this project is to address these issues, replace all corroded electrical/controls, update the backup generator, and remove the right-angle backup engine.
							Year Total	**$816,300**	**$0**	**$0**	**$1,382,900**	**$652,800**	**$0**	**$200,000**	**$0**	**$2,000,000**	**$0**	**$4,552,000**	

								PROJECT COSTS											
Year	**Street**	**From**	**To**	**Length**	**Width**	**Pvmt Rating**	**Action**	**Street**	**TIF/TID Street**	**Sewer Utility**	**Water Utility**	**Storm Utility**	**TIF/TID Non-Street**	**Pedestrian**	**Off-Street Sewer**	**Off-Street Water**	**Off-Street Storm**	**Total**	**General Comments**
2027	South Ct	Burma Rd	Overlook Dr plus 600 ft	1200	18	3	PUR	$186,842			$395,155							$582,000	This budget inlcudes the addition of curb and gutter from Overlook Drive to the end
2027	South Ct	Overlook Dr plus 600 ft	Yahara Drive	550			W				$137,500							$137,500	Pair with South Ct PUR
2027	N Terminal Drive	Lift Station 4	USH 51	3500	32	5	RC		$2,412,686				$657,987					$3,070,673	
2027	Marsh Rd	Red Oak Trl / Wellington Cir	Siggelkow Rd	739	44	5	PR	$228,500										$228,500	This estimate includes concrete pavement replacement at the intersection with Siggelkow
2027	Marsh Rd	Eighmy Rd	Red Oak Trl / Wellington Cir	2000	42	5	PR	$361,900										$361,900	
2027		Osborn Drive	Milwaukee St	640	8	N/A	Path Resurfacing							$52,900				$52,900	
2027	Various					N/A	Path Resurfacing							$47,100				$47,100	
2027	Various					N/A	Sidewalk Replacements							$100,000				$100,000	
2027	Off-Street						Well 3 Rehabilitiation									$1,325,000		$1,325,000	The wells were reviewed in 2019 with WNDR staff. Several items were identified during the inspection, including: the pumps need to be pulled and inspected, piping needs painting as a means of protection from sweating, entry point sample taps are needed, A/C as a means of climate and humidity control is preferred, separate checmical room needs to be constructed, the vent is undersized and needs to be replaced, and significant electrical upgrades are required. The scope of this project is to address these issues, replace all corroded electrical/controls, update the backup generator, and remove the right-angle backup engine.
							Year Total	**$777,242**	**$2,412,686**	**$0**	**$532,655**	**$0**	**$657,987**	**$200,000**	**$0**	**$1,325,000**	**$0**	**$5,905,573**	

								PROJECT COSTS											
Year	**Street**	**From**	**To**	**Length**	**Width**	**Pvmt Rating**	**Action**	**Street**	**TIF/TID Street**	**Sewer Utility**	**Water Utility**	**Storm Utility**	**TIF/TID Non-Street**	**Pedestrian**	**Off-Street Sewer**	**Off-Street Water**	**Off-Street Storm**	**Total**	**General Comments**
2028	USH 51 WM Crossing	Dale Rd Xing & along USH 51					WR				$204,500							$204,500	Pair with Dale Curtian and Dale Rd
2028	Dale Curtian Rd	USH 51	Termini	600	32	5	PR	$85,900										$85,900	Pair with WM Crossing
2028	Dale Rd	Lake Edge Rd	USH 51	375	37	4	PUR	$57,000			$160,100							$217,100	Pair with WM Crossing
2028	Triangle Street	Siggelkow Rd plus 2700 feet	Voges	2609	40	6	RC		$1,267,300				$419,100					$1,686,400	This estimate amount includes the installation of a new path for the length of the entire project.
2028	Wisconsin Ave	Bremer Rd / Norma Rd	Termini	318	20	3	PUR	$58,796			$104,019							$162,815	
2028	Field Ave	Erling Ave	Card Ave	650	42	4	PUR	$117,700			$183,801							$301,501	
2028	Wild Flower Ct	Country Walk / Forest Ridge Ct	Termini	264	32	5	PR	$37,800										$37,800	
2028	Lake Edge Dr	South Ct	loop	400	35	6	PUR	$48,413			$117,245							$165,658	
2028	Beckler	Card Ave	Erling Ave	264	26	5	PR	$31,800										$31,800	
2028	Bird Song Ct	Morning Dove Dr	Termini	158	32	5	PR	$22,600										$22,600	
2028	Morning Dove Dr	Hidden Farm Rd plus 422 ft	Country Walk / Spring Pond Ct	423	32	5	PR	$60,500										$60,500	
2028	Morning Dove Dr	Hidden Farm Rd	Bird Song Ct	320	32	5	PR	$45,800										$45,800	
2028	Burma Rd	Overlook Dr / South Ct	USH51	640	32	4	PR	$91,600										$91,600	
2028		Soccer Parking Lot				4	Parking Lot	$108,600										$108,600	
2028	Various					N/A	Path Resurfacing							$100,000				$100,000	
2028	Various					N/A	Sidewalk Replacements							$100,000				$100,000	
							Year Total	**$766,509**	**$1,267,300**	**$0**	**$769,665**	**$0**	**$419,100**	**$200,000**	**$0**	**$0**	**$0**	**$3,422,575**	
2029	Creamery/Elvehjem Road	Country Walk	CTH AB	7132	36	5	RC	$800,494			$635,553	$530,179						$1,966,300	
2029	Various					N/A	Path Resurfacing							$100,000				$100,000	
2029	Various					N/A	Sidewalk Replacements							$100,000				$100,000	
							Year Total	**$800,494**	**$0**	**$0**	**$635,553**	**$530,179**	**$0**	**$200,000**	**$0**	**$0**	**$0**	**$2,166,300**	
2030	Black Walnut Dr	Wild Cherry Ln	Smith Ridge Rd	1267	36	6	PR	$200,500										$200,500	
2030	Black Walnut Dr	Smith Ridge Rd	Siggelkow Rd / Carncross Dr	1900	36	6	PR	$300,600										$300,600	
2030	Black Walnut Dr	Black Walnut Ct / Leanne Ln plus 316 ft	Wild Cherry Ln	106	36	5	PR	$16,800										$16,800	
2030	Various					N/A	Path Resurfacing							$100,000				$100,000	
2030	Various					N/A	Sidewalk Replacements							$100,000				$100,000	
2030	Off-Street						Lift Station 2 Force Main								$450,000			$450,000	The Lift Station #2 Force Main is approaching 40 years of age and is a cast iron force main. Capacity improvments to this force main will need to be constructed in coordination with any reconstruction and capacity increases of lift station 2.
							Year Total	**$517,900**	**$0**	**$0**	**$0**	**$0**	**$0**	**$200,000**	**$450,000**	**$0**	**$0**	**$1,167,900**	

								PROJECT COSTS											
Year	**Street**	**From**	**To**	**Length**	**Width**	**Pvmt Rating**	**Action**	**Street**	**TIF/TID Street**	**Sewer Utility**	**Water Utility**	**Storm Utility**	**TIF/TID Non-Street**	**Pedestrian**	**Off-Street Sewer**	**Off-Street Water**	**Off-Street Storm**	**Total**	**General Comments**
2031	N Bremer Road	Erling Ave	Bellevue Ct	1000	32	6	PUR	$184,584			$385,082							$569,700	
2031	Ahren Ln	Meredith Way	Exchange St	528	32	7	PR	$75,600										$75,600	
2031	S Bremer Road	Larson Beach Rd plus 200 ft	Bellevue Ct	1200	32	7	PUR	$234,231			$642,200							$876,500	
2031	Brendan Ct	Termini	Meredith Way	211	32	7	PR	$30,200										$30,200	
2031	Cardinal Dr	Curtis St	Sauk Ln	739	36	6	PR	$116,900										$116,900	
2031	Calico Ct	Marsh Rd / Calico Dr	Termini	580	32	5	PR	$83,000										$83,000	
2031	Various					N/A	Path Resurfacing							$100,000				$100,000	
2031	Various					N/A	Sidewalk Replacements							$100,000				$100,000	
							Year Total	**$724,515**	**$0**	**$0**	**$1,027,282**	**$0**	**$0**	**$200,000**				**$1,951,900**	
2032	Valley Drive	Siggelkow Road	Ridge Road	2600	42	6	p	$843,406										$843,500	Includes new sidewalk, one side. Sidewalk is not in capital improvement plan.
2032	Various					N/A	Path Resurfacing							$100,000				$100,000	
2032	Various					N/A	Sidewalk Replacements							$100,000				$100,000	
							Year Total	**$843,406**	**$0**	**$0**	**$0**	**$0**	**$0**	**$200,000**				**$1,043,500**	
2033	Overlook Dr	Burma Rd / South Ct	South Ct	1373	18	8	PUR	$181,072			$444,533							$625,700	
2033	Erling Ave	Bremer Rd	Terminal Dr	700	36	8	PUR	$89,100			$200,000							$289,100	
2033	Norma Rd	Termini	Bremer Rd / Wisconsin Ave	898	36	8	PUR	$130,100			$363,600							$493,700	
2033	Renee Ct	Lewis Lane	Exchange St	1676	32	4	PUR	$238,359			$492,896							$731,300	
2033	Various					N/A	Path Resurfacing							$100,000				$100,000	
2033	Various					N/A	Sidewalk Replacements							$100,000				$100,000	
							Year Total	**$638,631**	**$0**	**$0**	**$1,501,029**	**$0**	**$0**	**$200,000**				**$2,339,800**	

								PROJECT COSTS											
Year	**Street**	**From**	**To**	**Length**	**Width**	**Pvmt Rating**	**Action**	**Street**	**TIF/TID Street**	**Sewer Utility**	**Water Utility**	**Storm Utility**	**TIF/TID Non-Street**	**Pedestrian**	**Off-Street Sewer**	**Off-Street Water**	**Off-Street Storm**	**Total**	**General Comments**
2034	Main St	Eighmy Rd	Broadhead St	1000	32	5	PUR	$229,377			$489,479							$718,900	
2034	Sighting Road	Johnson St	Marsh Woods Drive	720	32	4	PUR	$106,501			$235,714							$342,300	
2034	Everglade Ct	Termini	Marsh Woods Drive	142	38	4	PR	$23,600										$23,600	
2034	Forest Lawn Cir	Summer Trail Rd	Termini	463	36	4	PUR	$106,501			$235,714							$342,300	
2034	Hough St	Main St	Milwaukee St	397	32	4	PR	$56,800										$56,800	
2034	Hillside Ct	Termini	Pheasant Run	196	36	4	PUR	$40,339			$99,417							$139,800	
2034	Jager Rd	Termini	Exchange Street	670	16	4	PUR	$54,403			$103,761							$158,200	
2034	Various					N/A	Path Resurfacing							$100,000				$100,000	
2034	Various					N/A	Sidewalk Replacements							$100,000				$100,000	
							Year Total	**$617,521**	**$0**	**$0**	**$1,164,086**	**$0**	**$0**	**$200,000**				**$1,981,900**	
2035	Broadhead Street/(	Wisconsin St	Main St	376	38	9	PUR	$69,364			$137,262							$206,700	
2035	Leanne Ln	Scott St	Broadhead St	782	32	7	PUR	$117,651			$260,199							$377,900	
2035	Rivercrest Dr	Burma Rd	Yahara Drive	1200	28	4	PR	$153,400										$153,400	
2035	Various					N/A	Path Resurfacing							$100,000				$100,000	
2035	Various					N/A	Sidewalk Replacements							$100,000				$100,000	
							Year Total	**$340,415**	**$0**	**$0**	**$397,461**	**$0**	**$0**	**$200,000**				**$938,000**	
							TOTAL FOR YEARS 1-12 (Excludes Exchange Street)	**$8,049,419**	**$3,679,986**	**$0**	**$8,832,020**	**$1,182,979**	**$1,077,087**	**$2,400,000**				**$33,522,516**	
							TOTAL FOR YEARS 1-12 (Includes Exchange Street)	**$10,150,719**	**$3,679,986**	**$164,000**	**$9,871,720**	**$1,573,679**	**$1,077,087**	**$2,400,000**				**$37,218,216**	

VILLAGE OF McFarland
Naturally Connected

2023-2027 CAPITAL IMPROVEMENT PLAN (CIP)

Appendix D

Park System Capital Improvements 2023-2032

VILLAGE OF

McFarland

SUMMARY SHEET

MEETING DATE: **Monday, May 22, 2023**

SECTION: **Business**

DEPARTMENT: **Public Works**

CONTACT: **Lee Igl, Public Works Director**

AGENDA ITEM: **Discussion and action to make a recommendation to the Village Board regarding the annual CMAR submittal for 2022**

PREVIOUS ACTION:
None.

ISSUE SUMMARY:
The 2022 CMAR (Compliance Maintenance Annual Report) is an annual DNR report that indicates the health of the sewer utility in the area of maintenance and its equipment replacement fund. We are required to submit this report on an annual basis.

The utility has a Grade of "A" for the.2022 reporting year.

Once completed and before submission to the DNR, the CMAR needs to be accepted by a governing board via resolution.

FINANCIAL/BUDGET IMPACT:
None.

VILLAGE PLAN REFERENCE:
None.

ORDINANCE REFERENCE:
None.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
Recommended motion:

Motion, second to recommend approval to the Village Board regarding the 2022 Compliance Maintenance Annual Report (CMAR) as presented.

ATTACHMENTS:
1. Draft CMAR 2022

Status :
InProgress

SECTIONS

Financial

Collection

Summary

Resolution

INFO

SectionInstructions

CMAR Website

OPTIONS

Report Issue

Submit

Save

Validate

Print

Return

Compliance Maintenance Annual Report

Logout

Mcfarland Sewage Collection System **Updated: 5/16/2023** **Reporting For: 2022**

Financial Management

1. Provider of Financial Information

Name: Lee Igl

Telephone: 608-838-7287 (XXX) XXX-XXXX

E-Mail Address (optional): lee.igl@mcfarland.wi.us

2. Treatment Works Operating Revenues

2.1 Are User Charges or other revenues sufficient to cover O&M expenses for your wastewater treatment plant AND/OR collection system ?

- (●) Yes (0 points)
- ( ) No (40 points)

If No, please explain:

0

2.2 When was the User Charge System or other revenue source(s) last reviewed and/or revised?

Year: 2023

- (●) 0-2 years ago (0 points)
- ( ) 3 or more years ago (20 points)
- ( ) N/A (private facility)

2.3 Did you have a special account (e.g., CWFP required segregated Replacement Fund, etc.) or financial resources available for repairing or replacing equipment for your wastewater treatment plant and/or collection system?

- (●) Yes (0 points)
- ( ) No (40 points)

REPLACEMENT FUNDS [PUBLIC MUNICIPAL FACILITIES SHALL COMPLETE QUESTION 3]

3. Equipment Replacement Funds

0

3.1 When was the Equipment Replacement Fund last reviewed and/or revised?

Year: 2023

- (●) 1-2 years ago (0 points)
- ( ) 3 or more years ago (20 points)
- ( ) N/A

Status : InProgress

SectionInstructions

CMAR Website

If N/A, please explain:

3.2 Equipment Replacement Fund Activity

3.2.1 Ending Balance Reported on Last Year's CMAR		$	521,663.00
3.2.2 Adjustments - if necessary (e.g. earned interest, audit correction, withdrawal of excess funds, increase making up previous shortfall, etc.)	+/-	$	0.00
3.2.3 Adjusted January 1st Beginning Balance		$	521,663.00
3.2.4 Additions to Fund (e.g. portion of User Fee, earned interest, etc.)	+	$	43,184.00
3.2.5 Subtractions from Fund (e.g., equipment replacement, major repairs - use description box 3.2.6.1 below*)	-	$	0.00
3.2.6 Ending Balance as of December 31st for CMAR Reporting Year		$	564,847.00

All Sources: This ending balance should include all Equipment Replacement Funds whether held in a bank account(s), certificate(s) of deposit, etc.

CALCULATE

3.2.6.1 Indicate adjustments, equipment purchases, and/or major repairs from 3.2.5 above.

3.3 What amount should be in your Replacement Fund? $ 10,000.00

Please note: If you had a CWFP loan, this amount was originally based on the Financial Assistance Agreement (FAA) and should be regularly updated as needed. Further calculation instructions and an example can be found by clicking the SectionInstructions link under Info header in the left-side menu.

3.3.1 Is the December 31 Ending Balance in your Replacement Fund above, (#3.2.6) equal to, or greater than the amount that should be in it (#3.3)?

- (●) Yes
- ( ) No

If No, please explain.

4. Future Planning

4.1 During the next ten years, will you be involved in formal planning for upgrading, rehabilitating, or new construction of your treatment facility or collection system?

Status :
InProgress

SectionInstructions

CMAR Website

(•) Yes - If Yes, please provide major project information, if not already listed below.

( ) No

Add Project

Project #	Project Description	Estimated Cost	Approximate Construction Year
1	Upgrade to Lift Station #2	$2,100,000	2024
2	Exchange Street sewer rehabilitation	$1,265,500	2024
3	Forcemain Rehabilitation/Replacement at Lift Station #2	$450,000	2025
To edit Project, click on Project #			

5. Financial Management General Comments

ENERGY EFFICIENCY AND USE

6. Collection System

6.1 Energy Usage

6.1.1 Enter the monthly energy usage from the different energy sources:

Energy use can be obtained from your monthly utility bills or request from your utility a use summary. Read your energy bill or use summary closely and enter the use in the correct month. Include all collection system energy use in which the municipality is financially responsible.

COLLECTION SYSTEM: Total Energy Consumed

Number of Municipally Owned Pump/Lift Stations: **5**

	Total Collection System Electricity Consumed (kWh)	Total Collection System Natural Gas Consumed (therms) *Leave blank if not applicable*
January	4,842	129
February	4,846	121
March	4,973	77
April	4,720	42
May	3,738	11
June	3,694	3
July	3,644	7
August	3,700	11
September	4,318	12
October	3,557	20
November	3,801	73
December	3,951	155
Total	**49,784**	**661**
Average	**4,149**	**55**

Status :
InProgress

[SectionInstructions]

[CMAR Website]

6.1.2 Comments:

6.2 Energy Related Processes and Equipment

6.2.1 Indicate equipment and practices utilized at your pump/lift stations (Check all that apply):

- ☐ Comminution or Screening
- ☐ Extended Shaft Pumps
- ☐ Flow Metering and Recording
- ☐ Pneumatic Pumping
- ☐ SCADA System
- ☐ Self-Priming Pumps
- ☐ Submersible Pumps
- ☐ Variable Speed Drives
- ☐ Other:

6.2.2 Comments:

6.3 Has an Energy Study been performed for your pump/lift stations?

- ◉ No
- ○ Yes

Year:

By Whom:

Describe and Comment:

6.4 Future Energy Related Equipment

6.4.1 What energy efficient equipment or practices do you have planned for the future for your pump/lift stations?

Status :
InProgress

Solar power may be implemented with the new Lift station #2 install.

Total Points Generated	0
Score (100 - Total Points Generated)	100
SECTION GRADE	**A**

SectionInstructions

CMAR Website

VILLAGE OF
McFarland

SUMMARY SHEET

MEETING DATE: **Monday, May 22, 2023**

SECTION: **Business**

DEPARTMENT: **Public Works**

CONTACT: **Lee Igl, Public Works Director**

AGENDA ITEM: **Discussion and action to make a recommendation to the Village Board regarding a proposal for sidewalk maintenance.**

PREVIOUS ACTION:

None

ISSUE SUMMARY:

Property owners are the maintaining authority of the sidewalk adjacent to their property. To assist property owners with correction of structural deficiencies with concrete sidewalks and ramps, the Department of Public Works inspects and corrects and/or replaces defective sidewalk sections on an annual basis. This process is driven by inspections and citizen requests/inquiries. Replacement areas are logged on our GIS system. Residents are not assessed for this work as funds in the Public Works budget cover this.

We are moving into our third year of completing sidewalk replacement and repairs to identified sidewalk slabs. Again this year, staff talked with several different contractors requesting proposals to complete the sidewalk replacements. Only one, Fahrner Asphalt Sealers, was willing to entertain submittal of a proposal. The other contractors stated they had too much existing work and a lack of staff to commit to maintenance work.

Enclosed in your packet is a proposal from Fahrner Asphalt Sealers for the 2023 work to be completed. Funds for this work have been allocated in the 2023 budget. Staff are requesting up to $100,000 towards sidewalk maintenance, which is approximately 175 squares, based on Fahner's proposal.

Fahrner Asphalt, the proposal provider, has been in business since 1979 and has worked in the village in the past and we have been very pleased with their work. They are a reputable and well-respected company.

FINANCIAL/BUDGET IMPACT:

The funds for the 2023 Sidewalk Replacement project are included within the 2023 Budget.

VILLAGE PLAN REFERENCE:

None

ORDINANCE REFERENCE:

None

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

Recommend approval to the Village Board of the 2023 sidewalk maintenance proposal received by Fahrner Asphalt for up to $100,000.

ATTACHMENTS:

1. 2023 Concrete Proposal May Fahrner

PROPOSAL / CONTRACT

Job. No. ________________

Date: May 17, 2023

FAHRNER asphalt sealers llc

Pavement Maintenance Contractors

EEO/AA Employer

CORPORATE OFFICE: 1.800.332.3360

PLOVER, WI 54467
2800 Mecca Drive
Ph.: 715.341.2868
Fax: 715.341.1054

WAUNAKEE, WI 53597
316 Raemisch Road
Ph.: 608.849.6466
Fax: 608.849.6470

KAUKAUNA, WI 54130
860 Eastline Road
Ph.: 920.759.1008
Fax: 920.759.1019

EAU CLAIRE, WI 54703
6615 U.S. Hwy 12 W
Ph.: 715.874.6070
Fax: 715.874.6717

FREDERIC, WI 54837
3468 115th Street
Ph.: 715.653.2535
Fax: 715.653.2553

SAGINAW, MI 48601
2224 Veterans Memorial Pkwy
Ph.: 989.752.9200
Fax: 989.752.9205

DUBUQUE, IA 52002
7680 Commerce Park
Section C
Ph.: 563.556.6231
Fax: 563.588.1240

OAKDALE, MN 55128
7500 Hudson Blvd., Ste. 305
Ph.: 651.340.6212
Fax: 651.340.6221

Contact Name: Lee Igl
Contract Price T.B.D.

PURCHASER: VILLAGE OF MCFARLAND
ADDRESS: 5115 TERMINAL DR
MC FARLAND, WI 53558

TELEPHONE: (608) 838-7287
DESCRIPTION OF PROPERTY:
2023 Concrete
5155 Terminal Dr.
McFarland, WI 53558

1. **FAHRNER Asphalt Sealers, L.L.C. (CONTRACTOR) and PURCHASER agree that, CONTRACTOR shall furnish the labor and materials to complete certain construction in accordance with the following specifications:**

   Sidewalk Concrete Slab Replacement

   Removal, disposal of debris, placement of new concrete, new topsoil & seeding. Does not include any traffic control on streets. Crew will close off the necessary sections of sidewalks during construction.

   **Remove & Replace Sidewalk Panel 4" - SF Price..... $20.04
   **Remove & Replace Sidewalk Panel 6" - SF Price..... $20.81
   **Locations TBD by Village Public Works.
   **Dollar amount not to exceed $25,000 without written approval.

This proposal may be withdrawn if not accepted and received by CONTRACTOR within 20 days of the date above and/ or at any time before performance of the work hereunder upon CONTRACTOR'S determination that the PURCHASER is not creditworthy.

2. **If proposal is accepted please sign, retain one copy and forward a copy to our office.**
3. The undersigned ("PURCHASER") agrees to pay CONTRACTOR the total price of T.B.D. and/or the unit prices specified above for the labor and materials specified above which payment shall be due upon completion of each stage of work. PURCHASER acknowledges that the specifications, conditions and price quotes specified above are satisfactory and hereby accepted.

Acceptance of this Proposal includes acceptance of all the terms and conditions on back.

CONTRACTOR:
Fahrner Asphalt Sealers, LLC:608-280-1452
mike.jenquin@fahrnerasphalt.com

Mike Jenquin
(PRINT OR TYPE NAME)

By: Mike Jenquin
(CONTRACTOR REPRESENTATIVE)

Date: May 17, 2023

PURCHASER:
I have read and understand the terms and conditions on both sides of this contract.

____
(PRINT OR TYPE NAME)

By: ________________
(PURCHASER AUTHORIZED REPRESENTATIVE)

Date of acceptance: ________________

TERMS AND CONDITIONS

NOTICE OF LIEN RIGHTS

AS REQUIRED BY THE WISCONSIN CONSTRUCTION LIEN LAWS, CONTRACTOR HEREBY NOTIFIES OWNER THAT PERSONS OR COMPANIES FURNISHING LABOR OR MATERIALS FOR THE CONSTRUCTION ON OWNER'S LAND MAY HAVE LIEN RIGHTS ON OWNER'S LAND AND BUILDING IF NOT PAID. THOSE ENTITLED TO LIEN RIGHTS, IN ADDITION TO THE UNDERSIGNED CONTRACTOR, ARE THOSE WHO CONTRACT DIRECTLY WITH THE OWNER OR THOSE WHO GIVE THE OWNER NOTICE WITHIN SIXTY (60) DAYS AFTER THEY FIRST FURNISH LABOR OR MATERIALS FOR THE CONSTRUCTION. ACCORDINGLY, OWNER PROBABLY WILL RECEIVE NOTICES FROM THOSE WHO FURNISH LABOR OR MATERIALS FOR THE CONSTRUCTION, AND SHOULD GIVE A COPY OF EACH NOTICE RECEIVED TO THE MORTGAGE LENDER, IF ANY. CONTRACTOR AGREES TO COOPERATE WITH THE OWNER AND THE OWNER'S LENDER, IF ANY, TO SEE THAT ALL POTENTIAL LIEN CLAIMS ARE DULY PAID.

ACCEPTANCE OF WORK

All labor and material is conclusively accepted as satisfactory unless excepted to in writing within seven (7) days of performance.

EXTRA WORK

All alterations or deviations from any of the terms of this contract shall be in writing and executed by the parties hereto. Any extra cost involved therein will become an extra charge to be paid by PURCHASER over and above the contract price.

PURCHASER'S RESPONSIBILITIES

PURCHASER acknowledges and understands that it shall be responsible for obtaining any and all permits which may be required in connection with performance of this Proposal/Contract. Where applicable, PURCHASER shall also be responsible for backfilling areas that border along the newly paved surface with appropriate material to eliminate potential cracking and uneven surface at the edge of the paved surface and for installing, replacing, maintaining and repairing shoulders. PURCHASER assumes all liability for any damages done to underground utilities and/or structures unless CONTRACTOR has been notified, upon acceptance of this Proposal, as to the specific location and depth of any such buried utility/structures.

Unless exempt, in accepting this Proposal/Contract, PURCHASER acknowledges that it shall comply with the requirements of all applicable federal, state, and local employment laws, executive orders, codes and regulations (the "Requirements") effective where the work and/or services are being performed including, but not limited to, 41 CFR §§ 60-1.4(a)(1)-(8), 60-1.4(b), 60-1.4(c) or their successors effective where this Proposal/Contract is performed. To the extent required by law, all provisions of the Requirements are hereby incorporated into and made a part of this Agreement and any applicable agreements of CONTRACTOR. To the extent applicable, the Requirements include, but are not limited to, (1) prohibition of discrimination because of protected veteran status, disability, race, color, religion, sex, sexual orientation, gender identity, national origin and because of inquiry or discussion about or disclosure of compensation, (2) affirmative action to employ and advance in employment individuals without regard to race, sex, disability, or protected veteran status, (3) compliance with the Employee Notice clause contained in 29 C.F.R. part 471, Appendix A to Subpart A, or its successors, (4) compliance with the EEO-1 and VETS-4212 reports filing requirements in 41 C.F.R. §§ 60-1.7 and 41 C.F.R. §61-300.10, or their successors, (5) compliance with paycheck transparency obligations of 48 C.F.R. § 22.2005, including the contract clause found at 48 C.F.R. § 52.222-60, which is incorporated by reference as if fully set forth herein, (6) other affirmative action in employment, (7) required/certified payrolls, (8) social security acts, (9) unemployment compensation acts, (10) worker's compensation acts, (11) equal employment opportunity acts and (12) the required contract provisions for Federal-Aid Construction Contracts, Form FHWA-1273, if applicable.

When applicable, PURCHASER and CONTRACTOR shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans. When applicable, PURCHASER and CONTRACTOR shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action covered by prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

INCLEMENT WEATHER

Inclement weather may alter the completion of the work to be furnished hereunder. Furthermore, special consideration should be given if work is to be performed before May 1 or after October 15 in light of less than desirable weather conditions which could potentially impair the quality of the work performed hereunder.

WARRANTY

All material is guaranteed to be as specified and all work is to be completed in a workmanlike manner according to standard practices. All labor and materials will be guaranteed against defect for one (1) year from date of installation. Due to Wisconsin winters and expansion and contraction of the ground, some cracking of the pavement may be experienced. There are no express or implied warranties of merchantability, quality, quantity or of fitness for any particular purpose, which extend beyond those specifically set out in this document.

<u>All warranties are void if payment is not made as stipulated.</u>

DELINQUENCY CHARGE

Payment is due and payable upon completion of each stage of the work. If PURCHASER defaults on the payment required, PURCHASER will be liable for all costs of collection, including reasonable attorney's fees, and a delinquency charge on the balance at the maximum rates allowed by law. If PURCHASER is an organization as defined by Wis. Statutes, Section 421.301(28), the Delinquency Charge rate shall be 1.5% per month (18% APR) plus all costs of collection, including reasonable attorney's fees. CONTRACTOR retains title to all merchandise covered by this Agreement until full payment is received according to the above terms of sale. PURCHASER consents in any action or legal proceeding relating to this Contract commenced by the CONTRACTOR to the personal jurisdiction of any court that is either a court of record in the State of Wisconsin or a court of the United States located in the State of Wisconsin. It is hereby agreed that no legal action with respect to this contract may be brought by either party later than one (1) year after the cause of action accrues and that the party asserting such a legal action shall be barred from any remedy thereto.

INDIVIDUAL LIABILITY

The undersigned PURCHASER agrees to be individually liable for all terms of the Agreement, regardless of whether he or she signs individually or as an agent for the owner of the property upon which the work is being performed or for any other individual, partnership or corporation.

PRODUCT INFORMATION AND MAINTENANCE

Since the asphalt in blacktop needs time to harden and cure, usually 6-12 months, your asphalt pavement will remain soft and pliable during warm weather. During this time, don't park in the same spot every time and do not turn your steering wheel back and forth when your car is not moving. It is not unusual to experience some cracking over the winter due to the contraction and expansion of the ground, especially over culverts, pipes, electric wires, etc. Avoid gasoline and petroleum product spills as they will destroy your pavement. If spills do occur, immediately flush with lots of soapy water. If you decide to seal coat your pavement, wait until the summer following installation.

BINDING EFFECT

This Agreement shall be binding upon the parties hereto, their heirs, personal representatives, successors and assigns.

ENTIRE AGREEMENT

The entire contract is embodied in this writing. This writing constitutes the final expression of the party's agreement, and is a complete and exclusive statement of that agreement. In the event that any term of this contract is unenforceable, the remaining terms of the contract shall still be in full force and effect.

VILLAGE OF
McFarland

SUMMARY SHEET

MEETING DATE: **Monday, May 22, 2023**

SECTION: **Business**

DEPARTMENT: **Public Works**

CONTACT: **Lee Igl, Public Works Director**

AGENDA ITEM: **Discussion and possible action for Final Engineering Proposal on Lift Station #2.**

PREVIOUS ACTION:

Original design engineering was approved at the December 18, 2021 Public Utility Committee meeting and also at the January 24, 2022 Village Board meeting.

ISSUE SUMMARY:

The Village of McFarland is planning to replace Lift Station No. 2. The lift station was constructed in 1979 as a steel underground structure, but the existing pump vault has some corrosion and is due for replacement. The pump vault is a confined space that requires operators to access it routinely to check on the pumps, valves, and controls located within the structure approximately 20 feet below the ground. In addition, the Village has decided to replace the existing wetwell structure to accommodate future anticipated growth.
The preliminary engineering services for this work have been completed and we are ready to continue with the final design.

FINANCIAL/BUDGET IMPACT:

The estimated cost for this will not exceed $125,000 and this amount has been included within the 2023 budget.

VILLAGE PLAN REFERENCE:

None

ORDINANCE REFERENCE:

None

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

Motion to recommend approval to the Village Board regarding a proposal from Town & Country Engineering to complete final engineering design and bidding for Lift Station #2.

ATTACHMENTS:

1. T&C Lift Station #2 engineering proposal

This is Task Order No. 5, consisting of 3 pages. (MC 214)

Task Order – Standard Hourly Rates Basis

In accordance with Paragraph 1.01 of the Agreement Between the Village of McFarland, Wisconsin (Owner) and Town & Country Engineering, Inc. (Engineer) for Professional Services – Task Order Edition, dated February 1, 2020 ("Agreement"), Owner and Engineer agree as follows:

1. Background Data

a.	Effective Date of Task Order:	May 16, 2023
b.	Specific Project (title):	Lift Station No. 2 Replacement – Final Engineering and Bidding (MC 214)
c.	Specific Project (description):	See Attachment A

2. Services of Engineer

A. The specific services to be provided or furnished by Engineer under this Task Order are described in Attachment A and the services (and related terms and conditions) set forth in the following sections of Exhibit A, as attached to the Agreement referred to above, such sections being hereby incorporated by reference:

- Final Design Phase (Exhibit A, Paragraph A1.03)
- Bidding or Negotiating Services (Exhibit A, Paragraph A1.04)

B. All of the services included above comprise Basic Services for purposes of Engineer's compensation under this Task Order.

3. Additional Services

Those services (and related terms and conditions) set forth in Paragraph A2.01 of Exhibit A, as attached to the Agreement referred to above, such paragraph being hereby incorporated by reference.

4. Owner's Responsibilities

Owner shall have those responsibilities set forth in Article 2 of the Agreement and in Exhibit B, as attached to the Agreement referred to above, such Article and Exhibit being hereby incorporated by reference.

5. Task Order Schedule

In addition to any schedule provisions provided in Exhibit A, as attached to the Agreement referred to above, or elsewhere, the parties shall meet the schedule set forth in Attachment A.

6. Payments to Engineer

A. Owner shall pay Engineer for Basic Services set forth above, except for services of Engineer's Resident Project Representative, if any, as follows:

1. An amount equal to the cumulative hours charged to the Project by each class of Engineer's personnel times Standard Hourly Rates for each applicable billing class for all services performed on the Project, plus Reimbursable Expenses and Engineer's Consultants' charges, if any.
2. Engineer's Standard Hourly Rates Schedule is shown below.
3. The total compensation for services under this Task Order is estimated to be a not-to-exceed cost of $125,000.

B. Compensation for Reimbursable Expenses

1. Owner shall pay Engineer for all Reimbursable Expenses at the rates set forth below.

Standard Hourly Rates and Reimbursable Expense Rates Schedule

Standard Hourly Rates and Reimbursable Expense Rates are set forth below. Standard Hourly Rates include salaries and wages paid to personnel in each billing class plus the cost of customary and statutory benefits, general and administrative overhead, non-project operating costs, and operating margin or profit.

Schedule:

Principal (700)	$160.00 per hour
Senior Project Manager (714)	$155.00 per hour
Senior Project Engineer (701)	$140.00 per hour
Project Engineer II (702)	$130.00 per hour
Project Engineer I (703)	$125.00 per hour
Staff Engineer II (704)	$110.00 per hour
Staff Engineer I (705)	$100.00 per hour
Senior Engineering Technician (706)	$100.00 per hour
Engineering Technician II (707)	$90.00 per hour
Engineering Technician I (708)	$80.00 per hour
Resident Inspector II (713)	$90.00 per hour
Resident Inspector I (711)	$80.00 per hour
Grant Writer (712)	$80.00 per hour
Administrative II (709)	$70.00 per hour
Administrative I (710)	$65.00 per hour
Mileage	$0.70 per mile
Total Station/GPS Survey Equipment	$25.00 per hour of actual use
Computer used for CADD	$15.00 per hour of actual use
Plotter	$15.00 per plan page

7. **Terms and Conditions**

Execution of this Task Order by Owner and Engineer shall make it subject to the terms and conditions of the Agreement (as modified above), which Agreement is incorporated by this reference. Engineer is authorized to begin performance upon its receipt of a copy of this Task Order signed by Owner.

The Effective Date of this Task Order is May 16, 2023.

OWNER: Village of McFarland, Wisconsin

By: ______________________

Print Name: Matthew Schuenke
Title: Village Administrator
Date Signed: ______________________

Address for Owner's receipt of notices:

5915 Milwaukee Street

P.O. Box 110

McFarland, WI 53558

DESIGNATED REPRESENTATIVE
(Paragraph 8.04):

____

Title: ______________________

Phone Number: ______________________

E-Mail Address: ______________________

ENGINEER: Town & Country Engineering, Inc.

By: Brian Berquist

Print Name: Brian Berquist, P.E.
Title: President
Date Signed: May 16, 2023

Engineer License or Firm's Certificate No. (if required): 37471-006

State of : Wisconsin

Address for Engineer's receipt of notices:

6264 Nesbitt Road

Madison, WI 53719

____

DESIGNATED REPRESENTATIVE
(Paragraph 8.04):

____

Title: ______________________

Phone Number: ______________________

E-Mail Address: ______________________

TOWN & COUNTRY
ENGINEERING, INC.

ATTACHMENT A

May 16, 2023

Mr. Matt Schuenke, Administrator
Village of McFarland
5915 Milwaukee Street
P.O. Box 110
McFarland, WI 53558

Subject: Engineering Proposal for Final Engineering and Bidding Services; Lift Station #2 Replacement

Dear Matt:

The Village of McFarland is planning to replace Lift Station No. 2. The lift station was constructed in 1979 as a steel underground structure, but the existing pump vault has some corrosion and is due for replacement. The pump vault is a confined space that requires operators to access it routinely to check on the pumps, valves, and controls located within the structure approximately 20 feet below ground. In addition, the Village has decided to replace the existing wetwell structure to accommodate future anticipated growth.

The preliminary engineering services for this work have been completed and we are ready to continue with final design as outlined below:

Final Design:

- Perform hydraulic calculations, wetwell and valve vault design, pump sizing, force main confirmation, and electrical design for the new lift station.
- Evaluate options for the valve vault to be integral or adjacent to the wetwell, or utilizing an above-ground structure.
- Prepare plans, specifications, and engineering report for submittal to the WDNR.
- Provide electrical service design for the new pumps, control panel, and related level monitoring and/or float control equipment. The design drawings will include an electrical 1-line diagram, as well as a control panel elevation, and pad detail. A standby generator will be included in the design.
- Coordinate with the electrical utility on the requirements for the power service.

Bidding Services:

- Respond to questions during bidding, and prepare addenda as required to address concerns with the bid documents.

Wisconsin DNR Loan Document Preparation for Clean Water Funding:

- Assist the Village with the preparation of loan application documents to secure CWF loan and principal forgiveness funding for the project. Executed contracts will need to be delivered to the DNR by September of the construction year (anticipated to be 2024).

The cost of the Engineering Services as listed above is not-to-exceed $125,000. Costs will be invoiced on a Time and Material basis with charges only for the hours and expenses incurred.

The following items are not included in the budget, and will be handled separately upon request if needed:

- Design and construction support for force main improvements, if needed.
- Soil borings and soil engineering report.
- Any additional wetland evaluations related to the site.
- Easement acquisition, if necessary.
- Negotiation of property acquisition if needed.

Once bids are received, we will provide a separate proposal to cover the following items:

Construction Services:

- Review of the lift station and related equipment submittals / shop drawings, as well as the O&M manuals for this equipment.
- Respond to contractor questions regarding concerns or issues during construction.
- Conduct three site inspections during critical phases of construction.
- Conduct a final site visit to review the installed equipment and electrical at substantial completion of the project.

Loan Administration:

- Review Pay Applications prior to payment to confirm they conform to DNR CWF requirements. Contractor wage rates and lien waivers will also be reviewed as part of the application review, and a recommendation will be made regarding the thoroughness of each application.
- Prepare the Request for Disbursement applications required by the DNR for reimbursement of the Village for the portions of the project to be covered under the loan.
- Coordinate with the DNR on Change Orders processed by the Village to be included in the CWF loan.
- Assist the Village with closing out the loan with the Wisconsin DNR upon completion of the project.

We at Town & Country Engineering, Inc. wish to thank you for allowing us to serve the Village on this project. If you have any questions regarding the above material, please feel free to call.

Very truly yours,

TOWN & COUNTRY ENGINEERING, INC.

Brian R. Berquist, P.E.
President

cc: Mr. Lee Igl, Director of Public Works, Village of McFarland *(via email)*

BRB:sai
J:\JOB#S\McFarland\MC-00-00\O&E and Scopes\Task Order Contract\Task Order No. 5 - Lift Station No. 2 Replacement - Final\Attachment A.docx