

Thursday, March 20, 2025

7:00 PM

McFarland Municipal Center
5915 Milwaukee St, McFarland
Conference Room A

AGENDA

The public may attend in-person or remotely through the Zoom webinar or telephone options listed below. *Please Note: Virtual attendance is offered as a convenience, but technical difficulties beyond the Village's control may prevent or limit its availability at any meeting. The public is encouraged to attend the meeting in person to assure full access to the proceedings.*

PLEASE CLICK THE LINK BELOW TO JOIN THE ZOOM WEBINAR:

<https://us02web.zoom.us/j/84236376559>

Or by Telephone: +1 (312) 626-6799

Webinar ID: 842 3637 6559

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 Finance 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 finance@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 February 20, 2025 meeting.

4. BUSINESS.

- a. Discussion and action to make a recommendation to the Village Board regarding a Community Grant Application from the McFarland Bird Festival
- b. Discussion regarding the creation of an ordinance requiring a referendum vote of the electors before certain public construction projects can be commenced.
- c. Discussion regarding updates to Chapter 3 (Debt Management Policy) of the Fiscal Policy Manual.
- d. Discussion regarding updates to Chapter 2 (Budget Development Policy) of the Fiscal Policy Manual.
- e. Discussion regarding updates to Chapter 11 (Revenues Policy) of the Fiscal Policy Manual.

5. SCHEDULE NEXT MEETING DATE.

- a. Thursday, April 17, 2025 at 7:00 pm - Planned for cancelation.
- b. Thursday, May 15, 2025 at 7:00 pm.

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

Finance Committee Minutes

Thursday, February 20, 2025 - 7:00 PM

1. CALL TO ORDER, ROLL CALL.

Trustee Stephanie Brassington called the Finance Committee meeting to order at 7:07 pm in the Community Room of the McFarland Municipal Center.

2. PUBLIC APPEARANCES.

- a. This is an opportunity for members of the public to address the Finance 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 finance@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 June 20, 2024 Finance Committee meeting.

Motion by Village Trustee Stephanie Brassington, second by Village Trustee Miguel Peña, to approve the minutes of the June 20, 2024 Finance Committee meeting. Motion carries 3 - 0 - 0 by acclamation.

4. BUSINESS.

- a. Discussion and action to make a recommendation to the Village Board for the creation of an ordinance requiring a referendum vote of the electors before certain public construction projects can be commenced.

Village Administrator Schuenke provided an overview of past Village ordinances relating to referendum vote requirements for construction projects. The Finance Committee discussed, and Trustee Peña presented on the topic. This item will be included on the 3/20/25 Finance Committee agenda.

b. Discussion on updates to the Finance Committee work plan regarding policy reviews.

Village Administrator Schuenke shared updates regarding the Finance Committee work plan, including tentative dates for review of each fiscal policy.

c. Discussion regarding updates to Chapter 2 (Budget Development Policy) of the Fiscal Policy manual.

Village Administrator Schuenke provided a brief overview of this topic, which will be included on the 3/20/25 Finance Committee agenda.

5. SCHEDULE NEXT MEETING DATE.

a. Thursday, March 20, 2025 at 7:00 pm.

6. ADJOURNMENT.

Motion by Trustee Brandt, second by Trustee Peña, to adjourn at 8:42 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,
Lisa Skar
Finance Manager/Treasurer

Community Grant Application

Staff Review

Applicant McFarland Bird Festival Committee Submittal: 2/18/2025

Cover Letter **Yes** No Application **Yes** No Supplemental **Yes** No

Eligible **Yes** No

Reason Active Non-Profit Community Group Operating within Village of McFarland

Fundable Requests – Applicant Selected:

- (a) **Enhancement of community/neighborhood engagement, special event development, and/or public education.**
- (b) Youth mentoring and education.
- (c) **New, small capital projects and/or equipment.**
- (d) Promotion of health, wellness, food security, and natural care.
- (e) Advancement of sustainable ideas for the better of the local environment.
- (f) Adult education and workforce development.
- (g) Other funding may be considered if in the sole discretion of the Village it is determined the request enhances the quality of life within the Community.

Application Complete **Yes** No

Staff Comments

Reviewer Lisa Skar Review Date 2/18/2025

Committee Review 3/20/25

Village Board Review 3/25/25

McFarland Bird Festival Committee

5212 Broadhead Street
McFarland, WI 53558
(608) 513-6792

Purple Martin Interpretive Sign for Lewis Park

17th February 2025

OVERVIEW

The McFarland Bird Festival committee is requesting funding to complete our project to install an interpretive sign at Lewis Park about Purple Martins / Nesting-Houses.

OBJECTIVE

The objective of the project is to increase knowledge and awareness of Purple Martin nesting in McFarland and specifically at Lewis Park. This is a unique bird species that migrates from the Amazon in South America to places as far away as McFarland each spring/summer, but they require special nesting boxes to survive. McFarland has successfully used Purple Martin houses for a long time at Lewis Park. (For comparison, we have already fundraised and implemented a more general interpretive sign at Lewis Park - great reviews from community members)

SPECIFICATIONS

75" long x 16" tall industrial grade aluminum sign with color artwork printed

BUDGET

Artwork Design (design graciously donated by local birder, Kris Perlberg)	\$0
Sign (industrial grade aluminum with artwork printing; welded mounting post):	\$,1840
Set up fees:	\$225
Shipping:	\$735
Total Costs:	\$2,800
Funds already raised via Birdathon:	\$1,500
Funds requested via McFarland Community Grant:	\$1,300

CONCLUSION

In conclusion, the volunteer McFarland Bird Festival Committee is humbly requesting \$1,300 in funding by 3/1/2025 or thereabout to be able to order/install the signage in time for the 5/10/2025 festival. We have worked hard to fundraise for this addition to Lewis Park but need help to get it over the finish-line. We have worked in the past to have other improvements to Lewis Park (spotting scope system; general interpretive sign, etc.) and feel this new signage will be another well-received educational addition to this great McFarland park.

Kind regards,

Shawn Miller
Volunteer, McFarland Bird Festival Committee
608-513-6792



Community Grant Program Application

Program Description

The Village of McFarland recognizes that support within the Community exists and develops in many different facets. In order to foster programs and ideas to create a healthier and more equitable environment within our Community, this Community Grant Program is created to catalyze projects that improve our local quality of life within eligible activities.

For more information, please review [Chapter 13 of the Village's Fiscal Policy Manual](#) or contact [Village Administrator Matt Schuenke](#).

Eligibility Information

Community organizations that are an active group or organization that regularly meets within the Village of McFarland that is tax exempt pursuant to Section 501(c)(3) of the Internal Revenue Code or that provide charitable services, sponsorships, or donations within the Community without discrimination on the basis of sex, race, religion, creed, color, national origin, age, disability, sexual orientation, ancestry, marital status, arrest or conviction record, military status, or any other legally protected status.

Organization/Group Information

Organization/Group Name	McFarland Bird Festival
Organization/Group Address	5212 Broadhead Street, McFarland, WI, 53558
Organization/Group Website, if applicable	NA
Please describe mission/purpose/goals of Organization/Group	Our volunteer group is dedicated to helping plan and conduct the annual McFarland Bird Festival that is held at Lewis Park each year. We provide events on the second Saturday of each may at no-cost for the community to engage in (exhibit booths, bird viewing at Lewis Park, free guided bird walks, etc.). We also provide several events leading up to the festival in conjunction with E.D. Locke McFarland Library.

Main Contact Information

Main Contact First Name	Shawn
Main Contact Last Name	Miller
Main Contact Address, Including City, State, Zip	5212 Broadhead Street, McFarland, WI, 53558

Main Contact Phone Number 6085136792

Main Contact E-mail Address 608shawnmiller@gmail.com

Main Contact Role within Organization/Group Volunteer / Chief Fundraiser

Main Contact Role within the Project Planner and fundraiser

Describe Main Contact's Experience with Organization/Group and/or Similar Projects

My experience with the McFarland Bird Festival dates to at least 2019. I have led numerous free guided bird walks both on the day of the festival and in the weeks leading up to the festival. I have also conducted an annual "Birdathon" fundraiser for each year of the festival (see as many birds as possible within the boundaries of McFarland on a given day; obtain pledges per-species-seen). We have raised over \$3,800 since we began (with another \$3,800 being donated to the Wisconsin Natural Resources Foundation - the overall coordinator of Birdathons throughout Wisconsin).



Community Grant Program Application

Key Personnel

In addition to the main contact identified on the previous page, please identify all key personnel within organization/group and/or involved in the project.

i. **First Name**

Jenny

Last Name

Goodland

Role within Organization/Group and/or Project

Volunteer

Describe Experience within Organization/Group and/or Similar Projects

Jenny typically gets the group launched each year. She is also the main social-media promoter on Facebook. Jenny has many contacts within the community that she uses to help organize the festival.

Please select plus sign below to add additional personnel.



Community Grant Program Application

Grant Request Information

The Organization/Group is requesting funding for: (Check all that apply)

- New, small capital projects and/or equipment
- Enhancement of community/neighborhood engagement, special event development, and/or public education

Amount of funding being requested

1300

Describe funding request

Our Birdathon fundraiser in 2024 was targeting a new interpretive sign to pair with the existing Purple Martin houses at Lewis Park. We raised \$1,500 towards this small capital project, but the total cost is quoted at \$2800. We are requesting the balance of \$1,300 to help complete the project in time for display at the May 2025 McFarland Bird Festival.

Describe goals/objectives of project

Objective of the project is to increase knowledge and awareness of Purple Martin nesting in McFarland and specifically at Lewis Park. This is a unique bird species that migrates from the Amazon in South America to places as far away as McFarland each spring/summer, but they require special nesting boxes to survive. McFarland has successfully used Purple Martin houses for a long time at Lewis Park. (For comparison, we have already fundraised and implemented a more general interpretive sign at Lewis Park - great reviews from community members)

Describe budget of project

Sign budget:
Artwork Design \$0 (design graciously donated by local birder from Stoughton, Kris Perlberg)
Sign (industrial grade aluminum with artwork printing; welded mounting post): \$1840
Set up fees: \$225
Shipping: \$735
Total: \$2800

Funds raised via Birdathon: \$1,500
Funds requested via McFarland Community Grant: \$1,300

Describe timeline of project

Requesting to get approved grant by 3/1/2025 to allow time for sign fabrication, shipping and installation in time for 5/10/2025 McFarland Bird Festival.



Community Grant Program Application

References

Please provide references

i. **Organization/Group Name, if applicable**

McFarland Parks

Contact Person's First Name

Sayer

Contact Person's Last Name

Larson

Contact Person's Phone Number

608-838-7287

Contact Person's E-mail Address

slarson@mcfarland.wi.gov

Please describe the nature of the relationship with this reference, including any experience of working with your Organization/Group on a similar project

Sayer is a part of the volunteer group for the McFarland Bird Festival. Sayer is the McFarland Parks Superintendent. Sayer worked with the Bird Festival group to order/install the current analogous interpretive signage at Lewis Park.

Please select the plus sign below to add additional references.

ii. **Organization/Group Name, if applicable**

E.D. Locke McFarland Library

Contact Person's First Name

Heidi

Contact Person's Last Name

Cox

Contact Person's Phone Number

608-838-9030

Contact Person's E-mail Address

hcox@mcfarlandlibrary.org

Please describe the nature of the relationship with this reference, including any experience of working with your Organization/Group on a similar project

Heidi also coordinates programming with/for the McFarland Library around the McFarland Bird Festival.

Please select the plus sign below to add additional references.



Community Grant Program Application

Cover Letter

Please submit a Cover Letter summarizing your request.

 Purple Martin Interpretive Sign for Lewis Park - Grant Cover Letter.pdf

Additional Attachments

Please attach any other supplementary information supporting the funding request. This area could also include letters of support for the funding request.

Supplementary Attachments

 Interpretive Signage one sign panel with crating and shipping included.pdf

 McFarland_Lewis Park_Purple Martin_Interpretive_Signage_75x18.pdf



Community Grant Program Application

Acknowledgements

The Organization/Group submitting this application acknowledges the following:

- The Organization/Group meets the eligibility requirements identified in Chapter 13 the Village of McFarland Fiscal Policy Manual.
- Funding may be granted at the discretion of the Village of McFarland and subject to the availability of funds.
- The Organization/Group is expected to seek additional resources to accomplish project goals.
- At the completion of the project, the Organization/Group will submit to the Village of McFarland a Project Summary outlining how the funds were used within the proposal awarded.

Name of Person Submitting Application

Shawn Miller

Role within Organization/Group

Fundraising Coordinator

As the person submitting this application, I certify that:

- I am authorized by the Organization/Group to submit this application on behalf of the Organization/Group.
- To the best of my knowledge and belief with regard to the foregoing application and any attachments thereto, I have read and made complete answers to each question and that my answers in each instance are true and correct.

Signature

Dr. M. M. M.

Date

02/17/2025



A Division of MS SIGNS, Inc.
**DIRECT EMBED
 COATING
 SYSTEMS, LLC**

Main Offices:

280 North Midland Ave., Bldg. C-1,
 Postal Unit 128, Saddle Brook, NJ 07663
 Tel: 973-333-8988 | Fax: 973-807-9281

Date: 2/17/2025	WO #:
To: Shawn Miller	(Tel)
From: Kevin Cherashore	(Fax)
	(Email)
	(Tel) 973-569-1111
	(Fax) 973-807-1642 / 973-569-1118
	(Email) kevin@directembedcoating.com
Re: Interpretive Signage	Location:

Material and labor furnished are guaranteed to be in accordance with the below referenced specifications. Written approval will be obtained for any alterations or deviations whether or not they involve extra cost. Should Direct Embed be obstructed or delayed in the completion of the manufacture or installation of the signage by strike, accident, or delay beyond our control, then there shall be an allowance of additional time as reasonably agreed upon by the parties. In the event Client shall fail to pay all monies owed hereunder and MS Signs, Inc. shall cause this contract to be placed in the hands of an attorney for collection, client hereby agrees to pay all costs of collection including all attorney's fees and court costs. All deposits are non-refundable. The prices quoted below are valid for a period of 15 days. A fuel surcharge of 1.5% will be applied to the total.

<u>Qty</u>	<u>Description</u>	<u>\$ Per</u>	<u>\$ Total</u>
1	77" x 18" x 1/8" thick aluminum sign panel with 1", 90-degree break form bends top and bottom, two square aluminum sleeve brackets made to fit 4" square wood posts, posts to be supplied by others, panel to have Direct Embed custom powder coat graphic finish on face and all edges, second surface and brackets to be base white powder coat finish, all art to be supplied by client in production ready electronic file		\$1840.00
1	Art set up, shop drawing and color match fee		\$225.00
	Sub total		\$2065.00
	Crating and shipping, 2-day transit, includes insurance		\$735.90
	Grand sub total		\$2800.90
	Sales Tax Exempt certificate to be provided		

Ship To:
 McFarland Public Works
 Attn: Sayer Larson
 5115 Terminal Drive
 McFarland, WI
 53558

Installation by others, all artwork to be supplied in production ready, electronic format
 50% deposit required, balance due upon completion, FOB Saddle Brook, NJ
 Please allow 3-4 weeks for fabrication upon all final approvals

Acceptance of Proposal

Signature

Date

Acceptance of Proposal

Signature

Date



Male

PURPLE MARTINS *of* McFarland



Female

The bond between purple martins and people runs deep.

Historically, there is a long and close association between humans and the Purple Martin, a relationship that distinguishes this species from nearly all others in North America. Popular and well known to much of the public, this species in eastern North America now breeds almost exclusively in birdhouses. Its conversion to human-made martin houses from ancestral nest sites — abandoned woodpecker holes in dead snags — was nearly complete by 1900, as natural nestings were rarely recorded east of the Rocky Mountains during the 1900s.

Source: birdsoftheworld.org

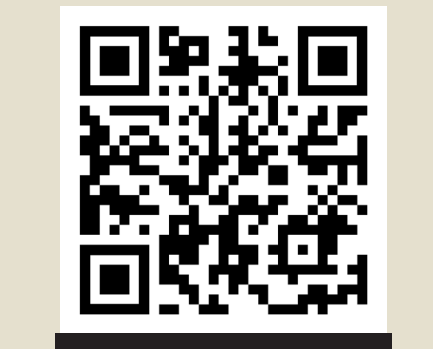
Purple Martin Fun Facts

- Largest swallow in North America
- Males are glossy black-blue color
- Arrive in McFarland in early April
- Depart McFarland by early September
- Recorded as far north as Alaska
- Migrate to Amazon basin in winter
- Southernmost nest in Florida City, Florida
- Exclusive diet of flying insects
- Gets water by skimming lakes
- Feeds at altitudes up to 150ft high
- Will search for food up to 2 miles from nest



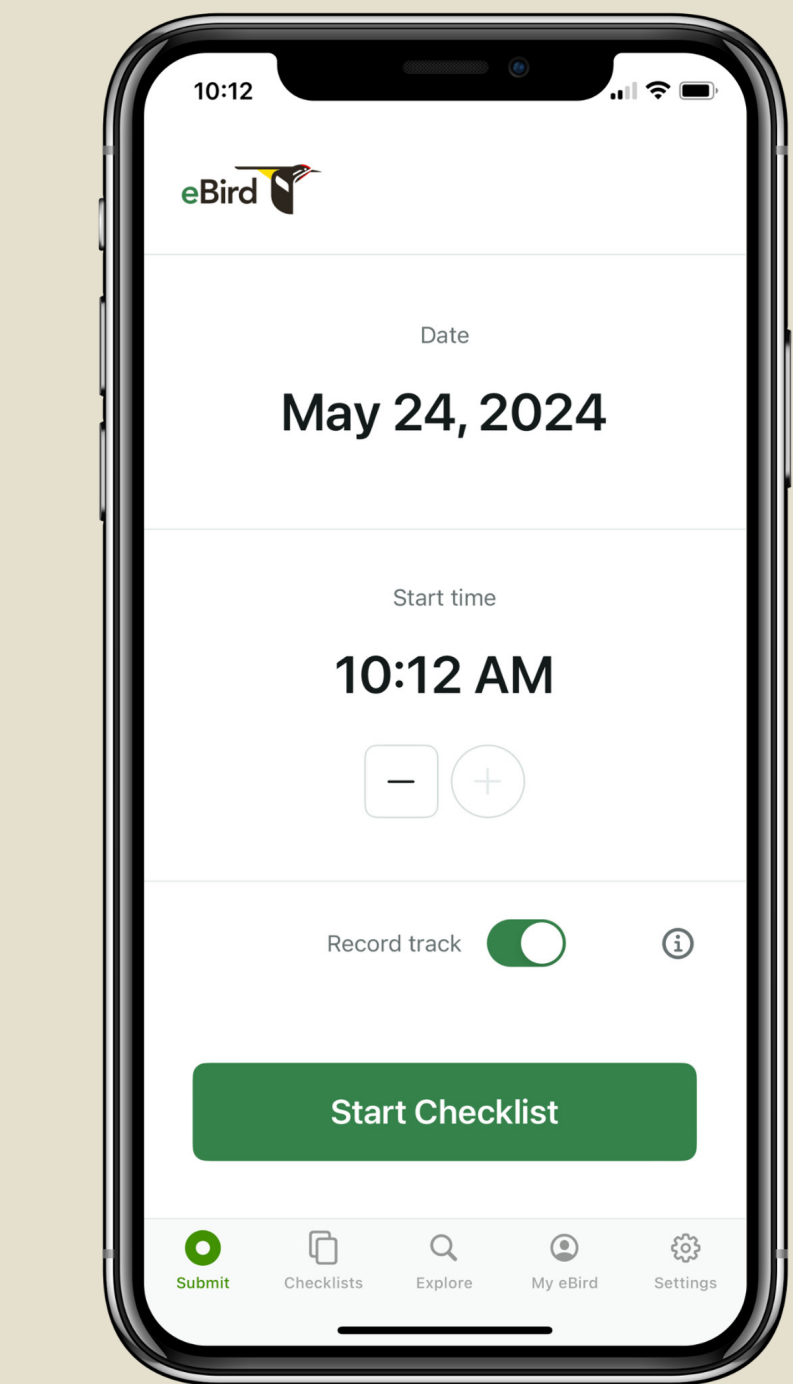
Look for Purple Martin houses at Lewis Park and Marsh Woods Park.

Scan here to learn more about Purple Martins



SCAN ME

Track your Purple Martin sightings with the free eBird mobile app.



CHAPTER 13 Community Grant Program

SECTION 13.01 Program Description

The Village of McFarland recognizes that support within the Community exists and develops in many different facets. In order to foster programs and ideas to create a healthier and more equitable environment within our Community, this Community Grant Program is created to catalyze projects that improve our local quality of life within the eligible activities.

SECTION 13.02 Purpose

The purpose of this policy is to provide uniform guidelines to:

- (a) Provide a framework for the fair and transparent disbursement of public funds in support of this program;
- (b) Ensure that all applicants to the program are treated fairly and equitably;
- (c) Minimize administrative oversight and encourage consistency in the application process; and
- (d) Provide Village Board and Staff with guidance on appropriate expenditures, record keeping, and reporting expenses related to this program.

SECTION 13.03 Eligibility

- (a) Community organizations that are an active group or organization that regularly meets within the Village of McFarland that is tax exempt pursuant to Section 501(c)(3) of the Internal Revenue Code or that provide charitable services, sponsorships, or donations within the Community without discrimination on the basis of sex, race, religion, creed, color, national origin, age, disability, sexual orientation, ancestry, marital status, arrest or conviction record, military status, or any other legally protected status.

- (b) The following entities are not eligible to apply for the grant program:
 - (1) Individual Applicant.
 - (2) Organizations awarded one (1) grant within the same calendar year.
 - (3) K-12 education institutions (unless said institution has an incorporated, non-profit element that submits an application).
 - (4) Post-secondary educational institutions.
 - (5) Religious organizations seeking to use grant proceeds for religious purposes, whether directly or indirectly, as determined by the Village.
 - (6) Foundations or other organizations utilizing funds exclusively for personal expenses.

SECTION 13.04 Program Objectives

- (a) Enhances the vibrancy and livability of the Village.
- (b) Demonstrates creativity, innovation, and addresses Community needs.
- (c) Aligns with the goals and objectives of the Village to partner in improving the local quality of life.
- (d) Provides realistic vision on Community impact and outreach.
- (e) Aligns with diversity, equity, and inclusion initiatives of the Village.

SECTION 13.05 Fundable Requests

Funding requests with a strong and realistic plan for success as follows:

- (a) Enhancement of community/neighborhood engagement, special event development, and/or public education.

- (b) Youth mentoring and education.
- (c) New, small capital projects and/or equipment.
- (d) Promotion of health, wellness, food security, and natural care.
- (e) Advancement of sustainable ideas for the better of the local environment.
- (f) Adult education and workforce development.
- (g) Other funding may be considered if in the sole discretion of the Village it is determined the request enhances the quality of life within the Community.

SECTION 13.06 Non-Fundable Requests

The following requests may not be funded in accordance with this policy:

- (a) Annual and/or ongoing capital campaigns including support for debt service or endowment funds.
- (b) Building projects either new construction or remodeling.
- (c) Land acquisition.
- (d) Ongoing maintenance and operational support including personnel expenses.
- (e) Services otherwise supported through the health care system.
- (f) Lobbying.
- (g) Scholarships.
- (h) Sports and recreation events.
- (i) Personal expenses.

SECTION 13.07 Application Submittal

Each request to be submitted to the Village for consideration shall provide the following:

- (a) **Cover Letter.** Included within a separate heading summarizing the request.
- (b) **Application.** Included within Appendix A of this policy. The Application will bring together the relevant information outlining the request proposal the applicant is looking to see funded. This will include but not limited to identifying the organization, funding request, goals/objectives, experience, identifying key personnel, budget, timeline, references, and submittal requirements.
- (c) **Attachments.** Any other supplementary information needing to be attached to the application in order to support the funding request as filed. This area could also include letters of support for the funding request as provided.

SECTION 13.08 Application Evaluation

The following criteria will be applied to the review of applications for funding:

- (a) Request produces meaningful, reasonable, and sustainable outcomes.
- (b) Strengthens and enhances neighborhood/community assets.
- (c) Promotes self-sufficiency of individuals and/or organizations.
- (d) As part of the application evaluation process, the Village shall conduct a criminal background check on representatives responsible for the applicant organization. The following will be among the factors considered in determining whether or not the applicant will be eligible for a funding award based on the results of the background check:
 - (i) The nature and gravity of the offense(s).
 - (ii) The time that has passed since the conviction and/or completion of the sentence.

- (iii) The nature of the position held by the individual and/or principal member.
- (iv) Procedures and policies in place to ensure the appropriate handling and use of monies.
- (e) Encourages coordination/collaboration with other relevant Community partners.
- (f) Fosters innovation and entrepreneurship.
- (g) Experience of the organization and the individuals responsible for administering the funds.
- (h) Timeline and the realistic nature of implementation.
- (i) Aligned with Village Goals and Objectives through the annual Strategic Implementation Plan.
- (j) **Review Process.** Each application submitted shall be reviewed as follows:
 - (i) **Staff Review.** All applications shall be filed with the Administration Department to ensure completeness of the information provided. Completed applications will be forwarded to the Finance Committee for consideration at their next available meeting scheduled at the discretion of the Village.
 - (ii) **Committee Review.** The Finance Committee shall review all applications submitted following Staff determination of completeness. They will review and provide a recommendation as to whether it should be awarded to the Village Board to ensure applications are complete. This recommendation may include to award as requested, award with conditions/modifications, or to not award.
 - (iii) **Board Action.** The Village Board shall receive the recommendation from the Finance Committee and in its sole discretion take action on the request.

SECTION 13.09 Funding Awards

- (a) Grant applications may be requested subject to the availability of funds and within the discretion of the Village. Program funding through this grant may or may not be the sole financial supporter of projects, as applicants are expected to seek additional resources to accomplish project goals.
- (b) The grant program may provide payment upon award of funding.
- (c) All funding awards subject to the availability of funds as authorized within the Annual Budget by the Village Board for the Village of McFarland.

SECTION 13.10 Final Report

- (a) **Project Summary.** Included within Appendix B of this policy. A Project Summary will bring together the relevant information outlining how the funds were used within the proposal awarded. This will include but not limited to identifying the organization, providing the summary, detailing conclusions, outlining a final budget, and other relevant information needed as applicable.

* * *

Appendix A [Application](#)

Appendix B [Final Report](#)

Adopted: May 23, 2023

Revised: None



McFarland
SUMMARY SHEET

MEETING DATE: Thursday, March 20, 2025

SECTION: Business

DEPARTMENT: Administration

CONTACT: Matt Schuenke, Village Administrator, Cassandra Suettinger, Deputy Administrator/Clerk

AGENDA ITEM: Discussion regarding the creation of an ordinance requiring a referendum vote of the electors before certain public construction projects can be commenced.

PREVIOUS ACTION:

At the August 27, 2024 meeting, the Village Board reviewed and approved a referral request from Trustee Brassington on this matter to be discussed further within this Committee of the Whole meeting.

The Committee of the Whole considered the referral request at its meeting on September 10, 2024.

At the January 28, 2025 meeting, the Village Board took action to make a referral of this issue to the Finance Committee for them to review and make a recommendation.

The Finance Committee met on February 20, 2025 to review the referral request.

ISSUE SUMMARY:

The Village previously had enacted an ordinance requiring a referendum for capital projects. This was changed over the years to alter the amounts, create conditions, and establish exemptions as applicable. At our previous meeting we reviewed the historical ordinances that had been in place previously and discussed the implications of our debt utilization through a presentation provided by one of the Committee members. This issue as to whether or not these standards should be enacted was referred to the Village Board for the Committee to review and provide a recommendation. Summary background from that meeting is presented later in this memo.

One of the discussion points from that meeting was trying to understand the historical impact of these ordinances, polices, and projects against our need for debt. Enclosed is a brief analysis looking at our debt utilization against the various limits. This data was extracted from our annual audit from 1998 through 2023. The 2024 Audit is being drafted and will be finalized in May. The data then from 2025 through 2033 is taken from the 2024-2028 CIP to offer a future perspective of the impact of future projects that are planned but not approved. The range is provided to how the Village's debt evolved from before the current Municipal Center was built to the Library, Public Safety Center, and planned improvement of the Community Center.



Various ordinance and policy adoptions are noted within the spreadsheet as well. We will review this further in the meeting and also the included graphs provided for visual understanding of the data.

Looking at the debt utilization percentage column, a few thoughts:

- As of our December 31, 2023 audit, our Debt Utilization was at 53% which was down from 58% the prior year. This was the point at which all borrowed funding of the Public Safety Center had been realized.
- Previous 5 year Average was 46%.
- Previous 10 year Average was 37%.
- Overall historical Average was 37%.
- Looking ahead, the next 5 year average is projected at 54% followed by 51% for the next 10 years. This is by no means approved at this point.

The enclosed line graph does a nice job of showing the flow of these percentages through the years.

FINANCIAL/BUDGET IMPACT:

Discussion of this referral and consideration for this ordinance have minimal costs as the Village Board weights the policy implications of these standards.

Implementation of the ordinance will have fiscal implications both on the capital planning of our projects and thinking of how various projects could come forward as well as their timing within the design process. There are also operational considerations for the inclusion of steps in the process to develop a project with these standards in place that are not insurmountable, but part of the process when considering policy matters such as these. We can discuss these in the meeting.

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

The Village had previously had a few different variations of these requirements within its code dating back several years before it was later removed entirely. Within that discussion, Trustee Peña provided some ideas via a presentation regarding how we could address the referendum question in relation to our debt limit. Chapter 3 of our Fiscal Policy Manual addresses debt limitations as guidelines to follow which is different from what enacting an ordinance would require. The board recently approved referral of the question to Committee for review and recommendation with this meeting beginning that discussion.

As mentioned, the ordinance requirements have been around in a few different versions. Each version is included in the packet and summarized as follows (versions noted by year):

- **2005** - Original adoption and required a referendum for any project in excess of \$1 million. There were no exceptions.



- **2014** - This was the first amendment to the original adoption where the standard was increased to \$1.25 million while creating some exceptions for streets, utilities, and annual adjustment for inflation.
- **2018** - The second amendment changed calculation of the threshold to follow value of the Village based on a comparable example. It stated the new threshold would be 1% of equalized value which as of 2024 that would amount to a new threshold of approximately \$17 million. Additional exceptions were added to the existing list including TID projects, Federal/State/County required projects, projects shared with another unit of government, public safety related, and to address emergencies. Subsection (c) added clarity also to how the threshold is applied within the projects to be considered.
- **2022** - Finally, the requirements in place since 2018 were removed in their entirety.

There is no requirement for municipalities to have a referendum requirement for capital projects. The only limit we face is that we cannot borrow more than 5% of our equalized value (~\$85 million). The range seen above between 2005 to 2022 is the very strict standard to no standard applied with the two versions in between offering different amounts of flexibility. The 2018 version offered the most definition to date to the process while offering flexibility on the amount for the board to manage. The only project that would have required a referendum under the last version of this code would have been the Public Safety Center; however, it was specifically exempted based on its use. This requirement is not common in local government. There are a few examples in Sussex, Delafield, and Elm Grove we can look at but the vast supermajority of the State municipalities do not have this requirement.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

The first item is presented for discussion only related to the ordinance. No action is needed on this item.

ATTACHMENTS:

1. Debt Utilization Historical Data
2. Debt Graph
3. Debt Utilization Percent Graph

Historic Debt Utilization

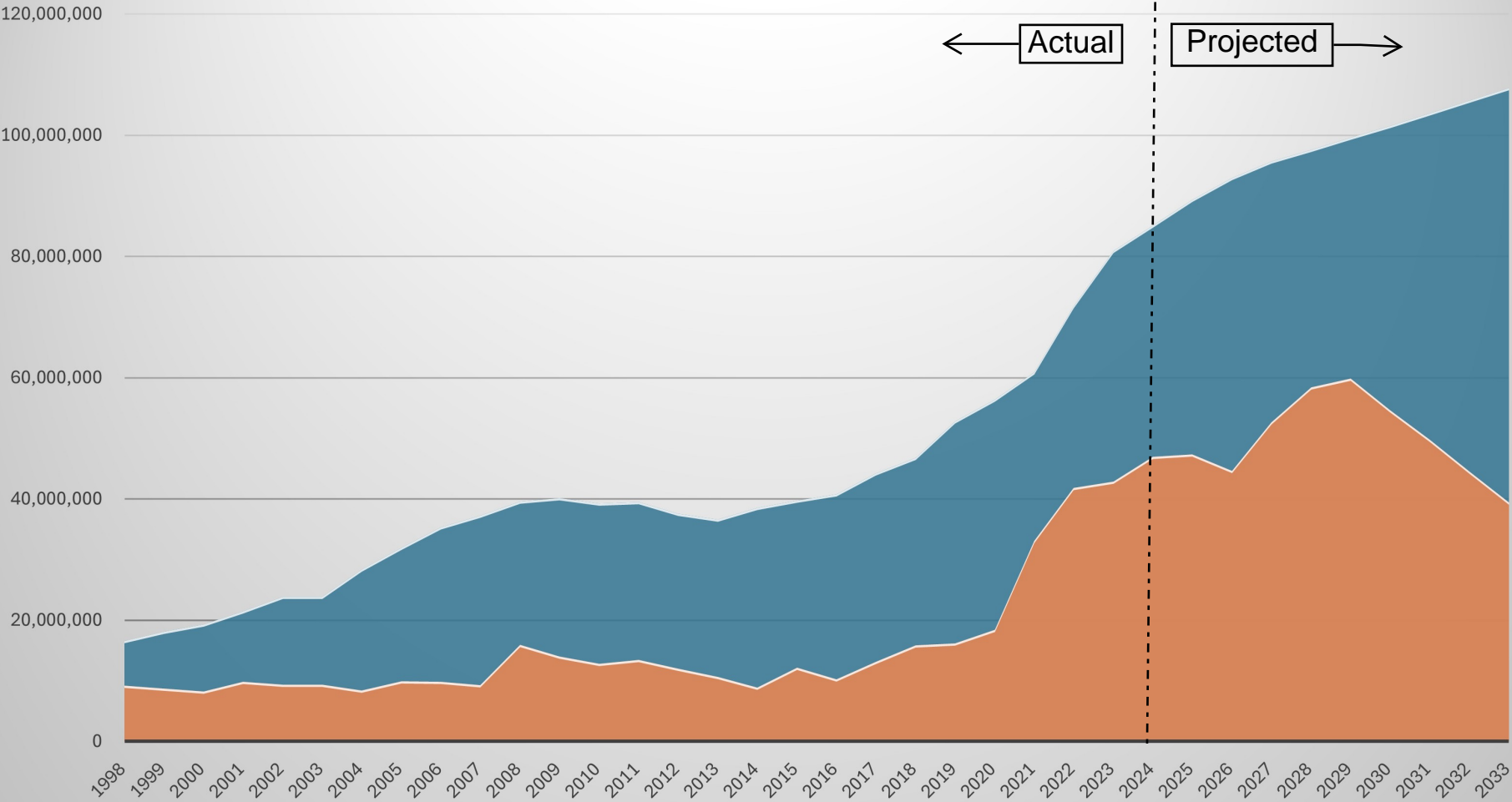
Year	Equalized Value	5% Limit	Actual Utilization	% Utilization	Policy % Limit	Projects	Notes
1998	330,452,800	16,522,640	9,212,246	56%			
1999	362,171,700	18,108,585	8,726,105	48%			
2000	385,706,300	19,285,315	8,199,895	43%		Municipal Center	
2001	428,412,900	21,420,645	9,814,649	46%		Municipal Center	
2002	477,092,200	23,854,610	9,331,674	39%			
2003	477,092,200	23,854,610	9,331,674	39%			
2004	567,133,400	28,356,670	8,371,242	30%		Library	
2005	639,080,400	31,954,020	9,922,072	31%		Library	Referendum Ord. Adoption
2006	705,937,400	35,296,870	9,852,402	28%			
2007	744,821,400	37,241,070	9,250,766	25%			
2008	791,038,400	39,551,920	15,959,500	40%			3 Res. at \$6.5 mil total, various purposes.
2009	803,199,500	40,159,975	14,029,179	35%			
2010	784,433,300	39,221,665	12,830,595	33%			
2011	790,262,600	39,513,130	13,448,603	34%	50%		Chapter 3 Adoption
2012	750,545,100	37,527,255	11,983,158	32%	50%		
2013	731,654,200	36,582,710	10,638,458	29%	50%		
2014	770,175,400	38,508,770	8,868,255	23%	50%		Referendum Ord. 1st Amend
2015	794,452,100	39,722,605	12,165,000	31%	50%		
2016	815,493,100	40,774,655	10,245,000	25%	50%		
2017	883,717,700	44,185,885	13,100,000	30%	50%		
2018	936,011,100	46,800,555	15,855,000	34%	50%		Referendum Ord. 2nd Amend
2019	1,056,153,600	52,807,680	16,165,000	31%	50%		Chapter 3 1st Amend
2020	1,127,280,700	56,364,035	18,400,000	33%	67%		Chapter 3 2nd Amend
2021	1,217,439,600	60,871,980	33,070,000	54%	67%	Public Safety Center	
2022	1,434,947,800	71,747,390	41,785,000	58%	67%	Public Safety Center	Referendum Ord. Termination
2023	1,617,865,600	80,893,280	42,845,000	53%	67%		
2024	1,701,717,900	85,085,895	46,965,000	55%	67%	Community Center	Design Funding
2025	1,786,803,795	89,340,190	47,370,000	53%	67%		
2026	1,858,275,947	92,913,797	44,630,000	48%	67%		
2027	1,914,024,225	95,701,211	52,620,000	55%	67%	Community Center	Half Construction
2028	1,952,304,710	97,615,236	58,440,000	60%	67%	Community Center	Half Construction
2029	1,991,350,804	99,567,540	59,855,000	60%	67%		
2030	2,031,177,820	101,558,891	54,670,000	54%	67%		
2031	2,071,801,376	103,590,069	49,750,000	48%	67%		
2032	2,113,237,404	105,661,870	44,565,000	42%	67%		
2033	2,155,502,152	107,775,108	39,375,000	37%	67%		

* The green shading represents the former year in which the audit is not done but under development.

** The red shading is a current projection from the 2024-2028 Capital Improvement Plan. These projects are not approved, just forecasted.

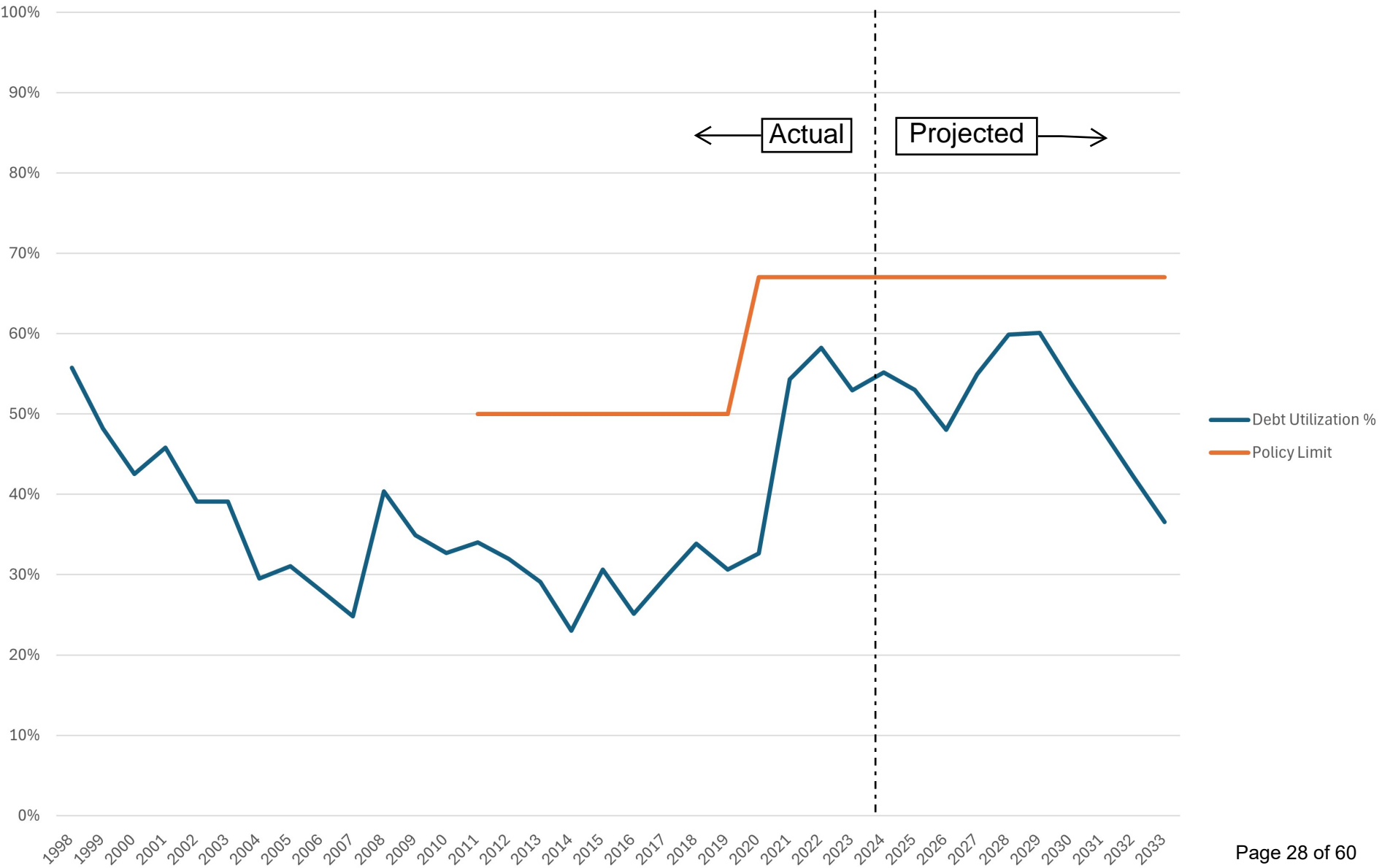
*** Library is planned in 2033 but not shown in the projection above.

Debt Limit vs. Utilization



■ Debt Limit ■ Debt Utilization

Debt Utilization as Percentage of Total




McFarland
SUMMARY SHEET

MEETING DATE: Thursday, March 20, 2025

SECTION: Business

DEPARTMENT: Administration

CONTACT: Matt Schuenke, Village Administrator

AGENDA ITEM: Discussion regarding updates to Chapter 3 (Debt Management Policy) of the Fiscal Policy Manual.

PREVIOUS ACTION:

None.

ISSUE SUMMARY:

Enclosed is Chapter 3 of our Financial Policy Manual that is our Debt Management Policy. The former agenda item looked at the question of debt limit as a matter of requirement through ordinance or continued guidance through policy like we have it now. Section 3.02(b), under subsection (1) establishes the link to State Statutes where we are not able to borrow more than 5% of our equalized value. As of 2024, our equalized value was \$1,701,717,900 where 5% of that amount would equal \$85,085,895. This 5% threshold applies uniformly to all municipalities within the State.

Whether we choose to use \$1 of this 5% limit or all of it, that is where the discretion lies and each community naturally is different in their approach. Our approach to establishing standards for a debt limit is tied to our utilization ratio. Within this same policy section, the utilization ratio is defined where we “intend” not to exceed 3.33% of that 5% max which would create a limit to max debt utilization at 67%. The key difference between the former ordinances and this policy are that the ordinance was a requirement, and the policy is presently established as a guideline. The policy helps guide our targets within forecast projections which as of the last accepted CIP we are showing we’ll stay under that amount. There are a few other subsections there too that could be considered or applied to a referendum requirement, but the debt utilization ratio is the main one related to this request.

The data shared in the previous agenda item will be applicable to this discussion as well. It was discussed splitting these two items between an ordinance and policy discussion to adjust our focus of the issues.

Also enclosed is the presentation from Trustee Peña that was provided at the last meeting.

FINANCIAL/BUDGET IMPACT:

None.

VILLAGE PLAN REFERENCE:

None.



ORDINANCE REFERENCE:

None.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

Presented for discussion in relation to the referral noted in the previous item.

ATTACHMENTS:

1. Chapter 3 - Debt Management Policy 03232020
2. Debt Utilization cap

CHAPTER 3 Debt Management Policy

SECTION 3.01 Policy Purpose

- (a) The Village acknowledges that certain costs incurred on an annual basis reflect an investment in the future of the Village. These types of costs include development, acquisition, and replacement of assets that will be used by the residents of the Village over a long period of time. Financing of these long-term assets is often appropriately accomplished through the issuance of long-term debt instruments, special assessments, or any other combination of these.

- (b) It is the responsibility of the Village Board and Village administrative staff to monitor the financial health of the Village. A significant portion of the Village's financial health is determined by its ability to manage its debt, so the role of debt in the Village's total financial strategy must be carefully defined in order to avoid using debt in a way that weakens other parts of its financial structure. It is the responsibility of the Village Administrator and Clerk/Treasurer to regularly monitor the Village's outstanding debt and to recommend issuance, replacement and retirement of outstanding debt to the Finance Committee and the Village Board.

SECTION 3.02 Policy Implementation Objectives

(a) Financing Considerations.

- (1) The Village will confine long-term borrowing to capital improvements, equipment, or other long-term projects which cannot and, appropriately should not, be financed from current annual operating revenues.

- (2) The Village will not use long-term debt to finance current operations, nor will long-term debt be used to finance the cost of short-lived (less than five years) depreciable assets (for example, vehicles).

- (3) In general, the final maturity of bonds and notes issued by the Village should not exceed the expected useful life of the underlying project for which it is being issued.

- (4) The Village will issue general obligation debt by borrowing from the State Trust Fund or through a competitive bidding process or negotiated sale, depending upon which approach is deemed most advantageous to the Village.

- (5) Periodic reviews of outstanding debt will be undertaken by the Village Administrator and Clerk/Treasurer at least every two years to determine refinancing opportunities. Refinancing will be considered (within federal tax law constraints) if and when there is a net economic benefit of the refunding.

(b) **Debt Limits and Structure.**

- (1) Section 67.03 of Wisconsin Statutes and Article XI, §3(2) of the Wisconsin Constitution require that general obligation debt outstanding not exceed 5% of the equalized valuation of the taxable property within the Village. Revenue bonds and notes are not considered debt for purposes of determining compliance with constitutional debt limitations. The Village intends to keep total outstanding general obligations debt within 3.33% of the equalized valuation unless otherwise authorized by the Village Board. Debt levels should further be consistent with the Village's credit objectives and long-term financial plan.
- (2) The Village will keep the maturity of all outstanding general obligation bonds at or below 20 years unless otherwise allowed by Wisconsin State Statutes and authorized by the Village Board.
- (3) The total annual debt service expense for general obligation debt (exclusive of that funded by proprietary operations) should not exceed 25% of the Village's total operating expense less capital outlay, unless otherwise authorized by the Village Board. The Village will make every effort realistic and reasonable to maintain debt service expenditures at a proportionately even level for tax rate stabilization.

(c) **Municipal Advisor.**

- (1) The Village will utilize the services of a qualified Municipal Securities Rulemaking Board (MSRB) Registered Municipal Advisor ("Municipal Advisor") that meets all current certification requirements in the monitoring of its debt and debt service.
- (2) The Village should strive to maintain a long-term relationship with a Municipal Advisor to allow for continuity and consistency in services provided by the advisor. However, the arrangement between the Municipal Advisor and the Village should be examined every five (5) years or as deemed necessary by Village administrative staff and the Village Board.

- (3) All feasible alternatives (for example, State Trust Fund loans, Clean Water Fund loans, and private placements with local financial institutions) for borrowing funds should be considered by the Village and the Municipal Advisor depending on the uniqueness of the items or projects being financed by long-term debt.
- (4) All costs of issuing long-term debt, including fees for professional services, underwriting fees, and the interest costs over the term of the debt issue, must be considered and carefully evaluated for each borrowing.
- (5) The Village will work with the Municipal Advisor to ensure that long-term debt issues are structured to protect the interest of the Village for the present and in the future (for example, the inclusion of call provisions to protect the Village against future interest rate fluctuations or other circumstances).

(d) **Other Considerations.**

- (1) The maintenance of the best possible credit rating shall be a significant factor in all financial decisions.
- (2) The Village will maintain good communications with bond rating agencies regarding its financial condition.
- (3) The Village will follow a policy of full disclosure in all financial reporting including bond prospectuses and continuing disclosure agreements required under SEC Rule 15c2-12(b)(5).

Adopted: October 10, 2011

Amended: July 8, 2019
March 23, 2020



Debt Utilization Cap

A decorative horizontal line consisting of a teal segment on the left and an orange segment on the right.

Why?

- Alignment with Economic Conditions
- Flexibility for Large-Scale Projects
- Encourages Long-Term Planning and Sustainability
- Better Management of Unexpected Costs
- Addresses community concerns around overall borrowing
- Helps with budgeting?

A decorative horizontal bar consisting of a teal segment on the left and an orange segment on the right.

Alignment with Economic Conditions

- Adjusts with the Village's financial health and economic conditions
- Allows for more substantial investments
- Ensures debt levels are proportional

A decorative horizontal line consisting of a teal segment on the left and an orange segment on the right.

Flexibility for Large-Scale Projects

- Allows for high-impact projects to proceed

A decorative horizontal line consisting of a teal segment on the left and an orange segment on the right.

Long-Term Planning and Sustainability

- Encourages the consideration of the implications of borrowing and spending
- Promotes sustainable financial practices



Better Management of Unexpected Costs

- Provides flexibility to accommodate unexpected costs



Overall borrowing concerns

- Creates a hard limit to borrowing
- Leaves room for emergencies
- Prevents unexpected high increases on taxes



Helps with budgeting?

- Set limits
- Help prioritize projects


VILLAGE OF
McFarland
SUMMARY SHEET

MEETING DATE: Thursday, March 20, 2025

SECTION: Business

DEPARTMENT: Administration

CONTACT: Cassandra Suettinger, Deputy Administrator/Clerk, Lisa Skar,
Finance Manager/Treasurer, Matt Schuenke, Village Administrator

AGENDA ITEM: Discussion regarding updates to Chapter 2 (Budget Development Policy) of the Fiscal Policy Manual.

PREVIOUS ACTION:

The Finance Committee reviewed this item at its meeting on February 20, 2025.

ISSUE SUMMARY:

Included within the packet is the current Chapter 2 for Budget Development. The document is updated to the current format with the language currently carried over from the 2012 adoption.

We will review the whole document for updates/changes, but areas of emphasis are added that we will discuss as we review this in the meeting.

One new guiding tool in this process is adapting to the format to apply for a Government Finance Officers Association (GFOA) Distinguished Budget Award. The award itself is notable recognition for the hard work we do in a budget process, but the real value is the structure added to enhance the budget as a key tool within the organization. Included is the application to provide an overview. Most of what is required is something we already do. There are elements we want to add for the 2026 process to be able to apply for the next cycle to receive this recognition. Including reference in the policy will help maintain that link going forward to continue to set the standard for that process within these guidelines.

Our main objective in this meeting is to introduce the current policy, show some areas for some new ideas, and discuss what other thoughts members have as we begin to update this document. The next meeting then we'll present an updated version of the former policy to begin working on as the specific update.

This is carried over from the previous meeting. Staff will be working on some proposed updates that will be released no later than Tuesday of next week before the Thursday meeting.

FINANCIAL/BUDGET IMPACT:

None

VILLAGE PLAN REFERENCE:

None

ORDINANCE REFERENCE:



None

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

No action needed. Presented for discussion only.

ATTACHMENTS:

1. Chapter 2 - Budget Development Policy 02132025
2. GFOA Distinguished Budget Award Application

CHAPTER 2 Budget Development Policy

SECTION 2.01 Policy Purpose

- (a) The process for the publication and legislative consideration of the annual budget for the Village is stated in Wis. Stats. § 62.12 and § 65.90 and Chapter 23, Article II, Division 2 of the McFarland Code of Ordinances. Those legislative guidelines provide the overall framework and minimum legal requirements for the Village budget process. This policy outlines the process to be followed by Village staff and the Village Board in developing and presenting the annual operating and capital budgets for all Village operations, including utilities, for review and adoption.

SECTION 2.02 Policy ~~Implementation~~ Objectives

- (a)
- (b)

SECTION 2.03 Basis of Budgeting.

- (a) The Village adopts annual budgets for the general, special revenue, debt service and capital project funds that are prepared on the modified accrual basis of accounting. The enterprise funds budgets are prepared on the accrual basis of accounting.
- (b) The adopted budget indicates the amount that can be expended by each fund based on detailed budget estimates for individual expenditure accounts. Management may make budget modifications within the department level. All budget revisions at the fund level must be authorized by the Village Board at the request of the Administrator/ Treasurer. The Board, under Wis. Stats. § 65.06, can modify or amend the budget if unappropriated funds are available. All supplemental appropriations are financed either by transfers from reserves or by revenues received in excess of the budgeted amounts.
- (c) All budget amounts lapse at the end of the year to the extent they have not been expended.
- (d) The basis of budgeting for the Village's funds is the same as the basis used for the fund statements in the Village's annual financial statements.

(e) Create reference to GFOA to follow their distinguished budget award format.

SECTION 2.04 General Budget Procedures.

- (a) The annual budget for the Village developed for consideration by the Village Board will include all operations of the Village, including utilities, and will include both the operating budget for the ensuing fiscal year and a capital budget based upon a five-year capital improvement plan.
- (b) Before commencement of the annual budget process, the Village Board and the Administrator/Treasurer will develop recommended budget parameters and the budget calendar. Budget parameters will include allowable increases/decreases in operating budgets, projected wage increases, targets for borrowing in accordance with the Village's debt management policy, anticipated changes in revenue sources or tax base growth, and other factors.
- (c) Certain elements of budgets that are common across departments will be calculated and/or monitored by the Administrator/Treasurer on a centralized basis to ensure comparability and budgetary control. These areas include:
 - (1) Salaries and benefits.
 - (2) Liability, worker's compensation, and property insurance coverages.
 - (3) Fuel and utility cost assumptions.
 - (4) Public Fire Protection Charge.
- (d) The Administrator/Treasurer is responsible for coordination and initial review of departmental budget submissions. As necessary, meetings will be held with departments to review their budget requests prior to finalizing the budget.
- (e) The budget, consisting of the Administrator/Treasurer's recommendations on department requests shall be submitted to the Village Board for its consideration. Along with the executive budget submission, the following information will be reported to the Village Board:
 - (1) All budget requests by departments, whether recommended for funding or not in the budget; and
 - (2) A report from the Administrator/Treasurer as to whether the budget falls within the initial parameters established by the Village Board and areas in which changes/adjustments could be considered.

- (f) Village Board review and deliberation on the budget and municipal services will generally be done in consultation with department heads, as determined appropriate by the Board. The annual operating and capital budgets will be submitted to the Village Board for adoption by formal Resolution.

SECTION 2.05 Operating Budget.

- (a) The operating budgets will serve as the annual financial plans for the Village and as the policy documents for implementing Board goals and objectives. The budget will provide the staff the resources necessary to accomplish Village Board determined service levels. The Village's annual budget document will be presented by department, with a logical breakdown of programs and line-item detail. Separate summary budget information will also be presented for discussion and review by the Village Board and the public.
- (b) The Village will annually adopt a balanced budget for the General Fund where operating revenues and other funding sources are equal to, or exceed, operating expenditures. Funding sources that can be considered in adhering to this provision include applying some portion of the general fund balance (reserves) that exceeds the minimum level required to be maintained per the Village's fund balance policy. Any increase in expenditures, decrease in revenues, or combination of the two that would result in a significant budget imbalance during the current fiscal year will be reported to the Finance Committee for consideration and recommendation to the Village Board of budget revisions or use of fund balance reserves to support ongoing operations. Any year-end operating surpluses will revert to unreserved fund balance for use in maintaining reserve levels set by policy.
- (c) Enterprise funds (e.g., the Water and Sewer Utility and Stormwater Utility) shall be supported by their own rates and specified revenue sources, including property taxes as deemed appropriate by the Village Board, and not be subsidized by the General Fund. Enterprise fund operating surpluses will not be used to subsidize other Village funds.
- (d) Enterprise funds and special revenue funds will pay their proportionate share of overhead services provided by General Fund departments.
- (e) The Village Board exercises legal budgetary control at the fund level, however reports are provided at functional and departmental levels as defined in the Village budget document. Budget accountability rests primarily with the operating departments of the Village, with general oversight by the Finance Committee and the Public Utilities Committee.

SECTION 2.06 Capital Improvement Budgets.

Commented [MS1]: Break this up into two sections to note guidelines (update what was here before) and then create new section to focus on process/timeline.

- (a) The Village will enact an annual capital improvement budget based upon a five-year capital improvement plan. Projects or future capital expenditures to be included in the capital improvement plan shall include those items resulting from changes in population, changes in real estate development, changes in economic base, or developments anticipated as part of the master and neighborhood planning process. The capital improvements plan will also include consideration of major equipment replacement needs. The five-year capital improvement plan will be updated annually.
- (b) The Village will coordinate development of the annual capital improvement budget and the vehicle/equipment replacement program with the development of the operating budget. Future operating costs or savings associated with new capital improvements or major equipment purchases will be projected and included in the operating budget. Approval of the annual capital improvement budget shall take place at the same time as approval of the annual operating budget.
- (c) As part of the annual capital improvement budget process, the Administrator/Treasurer will develop for consideration by the Village Board a projection of changes in the property tax levy necessary for debt service in subsequent budget years. Such target will be used to develop guidelines for the level of borrowing to be used in supporting the annual capital improvement budget. The projection will be based on a combination of factors including, but not limited to, expected growth in tax base, inflation rates, or similar factors.
- (d) Utility projects not funded via special assessments, grants, or similar funding sources other than utility rates will be analyzed for future rate impacts as part of the annual budget process. Utility projects will be coordinated with Village projects to minimize costs and inconvenience to residents.
- (e) Development-related projects for which tax incremental financing might be considered will be considered outside of the borrowing projections noted above due to the dedicated revenue stream (tax increments or other sources) used to pay the debt.
- (f) Each department head will develop the annual capital improvement budget for his or her respective department. These initial budgets should be reviewed by the appropriate board or committee which is responsible for overseeing the operations of each department. The final review of the annual capital improvement budget will then be completed by the Administrator/Treasurer prior to being presented to the Village Board for approval.

- (g) Capital improvement expenditures shall include any amounts expended for equipment or other assets with a useful life of more than five years and/or which involve amounts more than \$2,500. Expenditures not meeting these criteria, or which have a useful life of less than the payback period of the funds to be borrowed, shall be included in the Village's annual operating budget or equipment replacement program as applicable.
- (h) Requests for new or replacement vehicles and similar equipment will be analyzed in conjunction with the Village's equipment replacement program. Sinking funds will be established when feasible to fund future vehicle and equipment replacements.
- (i) Facility improvement projects to be included in the capital improvement budget should involve major renovations that change the floor plan, wall locations, modifications to the structure, or modifications to building mechanical systems. Items that do not meet these criteria should be included in department operating budgets.
- (j) The Village will make all capital improvements in accordance with the approved annual capital improvements budgets. Any variance from the approved budget that would require a supplemental appropriation, or to add, delete or substitute projects, requires approval by the Village Board.
- (k) Financing Considerations:
 - (1) The Village will utilize the least costly financing method for all new projects.
 - (2) Each department will identify the estimated costs and potential alternate funding sources for each capital improvement project proposal.
 - (3) The Village will utilize available grant funds and other intergovernmental assistance to finance only those capital improvements that are consistent with the capital improvement plan and the Village's priorities.
- (l) Other Considerations:
 - (1) The Village will maintain all of its assets at a level adequate to protect the Village's capital investment and to minimize future maintenance or replacement costs.
 - (2) The Village will maintain adequate equipment utilization and maintenance records to support its five-year capital improvement plan and to assure proper maintenance of equipment.

SECTION 2.07 Budget Contents

(a)

Commented [MS2]: Reference the current table of contents to spell out what is needed to be included within the document.
Link back to GFOA Award.

SECTION 2.08 Budget Development Process.

Commented [MS3]: Update this to follow the current schedule.

- (a) The formal budget process begins in late June of each year when the Village Board determines the details of the budget calendar and budget review process to be used that year. Informally, aspects of upcoming budgets are discussed throughout the year with the Village Board and staff. [Refer to the attached Budget Schedule which describes the process and timetable for the current year.]
- (b) In July the Village Board is presented with pertinent background information for the upcoming budget and fiscal policy recommendations from the Finance Committee. The Board determines general budget parameters and guidelines to be followed by the departments when compiling their budget requests. As appropriate, the Administrator/Treasurer details alternative budget scenarios for the department heads to submit.
- (c) The Administrator/Treasurer provides each department with historical financial information and projected salary and benefit figures based on the authorized positions. Department heads are then responsible for completing budget requests in accordance with the guidelines provided by the Administrator/Treasurer and the Village Board. Capital budget requests and changes in staffing levels or significant service level/policy changes are reviewed with committees of jurisdiction in July and August. Departmental budget requests are returned to the Administrator/Treasurer in late August for compilation.
- (d) Simultaneously, the Administrator/Treasurer reviews current year revenue trends and completes revenue estimates for the budget year. The Administrator/Treasurer reviews the budget amounts requested and meets with department heads individually to discuss potential cost savings measures and overall financial goals of the Village.
- (e) In late August each department reviews with the Village Board any significant budget problem areas or opportunities for the coming year and any requested changes in staffing. The Village board determines budget assumptions to be made regarding requested staffing changes and wages and benefits for non-represented and represented employees.

- (f) In mid-September the Village Board is given an overview of the compiled departmental budget requests. Budget policy issues are identified and discussed and final direction is provided to staff by the Board on tentative tax levy, revenue, expense, staffing, and service change assumptions to be incorporated in the proposed budget.
- (g) The recommended five-year capital improvement plan is typically distributed to the Village Board in mid-September and reviewed at a working session in late September or early October. The recommended operating budgets are typically distributed to the Village Board in mid-October and reviewed in multiple working sessions in late October or early November following the public hearing. The operating and capital budgets of the Water and Sewer Utility and the Stormwater Utility are typically reviewed by the Public Utilities Committee in November and forwarded to the Village Board for action in December.
- (h) In late October the Village Board holds a public hearing on the proposed budgets following publication of budget summaries in accordance with statutory requirements. Members of the public are encouraged to comment at the public hearing on the proposed budgets and their impact on municipal services.
- (i) For a one week period following the final budget review meeting Village Board members may submit requests for changes to the proposed budgets. Any proposed changes will be circulated to all other Board members and staff for proper evaluation and analysis of operational and service impacts prior to discussion and possible action at the subsequent Village Board meeting. Consideration of budget changes not submitted by the deadline will be determined by a majority of the Village Board.
- (j) The budget for each individual fund is adopted separately by the Village Board which also approves the overall tax levy for Village purposes and the composite tax levy to be collected for all taxing jurisdictions. The adoption of non-utility budgets typically occurs on the second Monday in November. ñ

SECTION 2.09 Budget Publication

- (a) Print at Municipal Center and Library.
- (b) Electronic via website.
- (c) Tax bill insert.
- (d) Hearing notice.
- (e) Budget summary.

Adopted: August 27, 2012

Amended: XXXX XX, 2025

Commented [MS4]: Or could be titled engagement to build out these elements and other suggestion we need to address from Trustee Peña.



DETAILED LOCATION CRITERIA GUIDE

Budgets with a Fiscal Year Beginning 1/1/25 or later

CITE SPECIFIC PAGE REFERENCES ON THE LINES IN THE RESPONSE TO EACH QUESTION

(Citations may include links or section titles for online budget books)

Name of Entity: _____

State/Province: _____

First Submission? Yes No

#C1. | Table of Contents

Mandatory: Include a table of contents that facilitates easy access to information.

1. Is a comprehensive table of contents provided for easy navigation (may take a variety of forms related to the approach used to present budgetary information)?

2. Do all pages in the table of contents electronically link to the corresponding content location (pages in a traditional document or other content in an electronic form)?

3. Are the page numbers or similar reference points in the table of contents consistent with the referenced page numbers? _____

#P1. | Strategic Goals and Strategies

Mandatory: Provide a coherent statement of organization-wide, strategic goals and strategies that address long-term concerns and issues.

1. Are strategic goals included? _____
2. Is the process for creating the strategic goals explained? _____
3. Are action plans and/or strategies included to show how these goals will be accomplished? _____

#P2. | Priorities and Issues

Mandatory: Provide a budget message that articulates priorities and issues for the upcoming year. The message should describe significant changes in priorities from the current year and explain the factors that led to those changes. The message may take one of several forms (e.g., transmittal letter, budget summary section).

1. Does the message highlight the principal issues facing the governing body in developing the budget (e.g., policy issues, economic factors, regulatory, and legislative challenges)?

2. Does the message describe the actions to be taken to address these issues?

3. Does the message explain how the priorities for the budget year differ from the priorities of the current year? _____
4. Are major changes in service levels, fees, and/or taxes presented? _____

#C2. | Budget Overview

Mandatory: An overview of significant budgetary items and trends should be provided. The overview should be presented within the budget as a separate section (e.g., budget-in-brief) or integrated within the transmittal letter.

1. Is an overview contained in the budget message/transmittal letter, executive summary, or in a separate budget-in-brief? _____
2. Is summary information on significant budgetary items conveyed in an easy to consume format? _____
3. Is summary information on budgetary trends provided? _____
4. Is a summary of changes presented between the proposed to adopted budget?

#O1. | Organization Chart

Mandatory: Provide an organization chart for the entire entity.

1. Is a legible organization chart provided that shows the entire entity?

#F1. | Fund Descriptions and Fund Structure

Describe all funds that are subject to appropriation.

1. Are a narrative and/or a graphic overview of the entity's budgetary fund structure included in the document? _____
2. Do the materials indicate which funds are appropriated? (*Other funds for which financial plans are prepared also may be included in the document.*) _____
3. Is each individual major fund described? _____
4. If additional or fewer funds are included in the audited financial statements, is this indicated? _____

#O2. | Department/Fund Relationship

Provide narrative, tables, schedules, or matrices to show the relationship between functional units, major funds, and nonmajor funds in the aggregate.

1. Is the relationship between the entity's functional units, major funds, and nonmajor funds in the aggregate explained or illustrated? _____

#F2. | Basis of Budgeting

Explain the basis of budgeting for all funds, whether cash, modified accrual, or some other statutory basis.

Name of Entity:

State/Province:

First Submission? Yes No

1. Is the basis of budgeting defined (e.g., *modified accrual, cash, or accrual*) for all funds?

2. If the basis of budgeting is the same as the basis of accounting used in the entity's audited financial statements, is that fact clearly stated? _____
3. If the basis of budgeting is not the same as the basis of accounting used in the entity's audited financial statements, are the differences described? _____

#P3. | Financial Policies

Mandatory: Include a coherent statement of entity-wide long-term financial policies.

1. Is there a summary of financial policies? _____
2. Do the financial policies include the entity's definition of a balanced budget?

3. Does the budget comply with relevant financial policies? _____

#P4. | Budget Process

Mandatory: Describe the process for preparing, reviewing, and adopting the budget for the coming fiscal year. Also, describe the procedures for amending the budget after adoption.

1. Is a description of the process (including amendments) used to develop, review, and adopt the budget included? _____
2. Is a budget calendar provided to supplement (not replace) the narrative information on the budget process? _____
3. Is there a discussion of how the public is involved in the budget process?

#F3. | Consolidated Financial Schedule

Mandatory: Present a summary of major revenues and expenditures, as well as other financing sources and uses, to provide an overview of the total resources budgeted by the organization.

1. Is an overview of revenues and other financing sources and expenditures and other financing uses of all appropriated funds included? _____
2. Are revenues and other financing sources and expenditures and other financing uses presented either (1) together in a single schedule or (2) in separate but adjacent/sequential schedules or (3) in a matrix? _____
3. Are revenues presented by major type in this schedule (e.g., property taxes, intergovernmental, sales taxes, fees and charges)? _____
4. Are expenditures presented by function, program, or spending component in this schedule? _____

#F4. | Three Year Consolidated and Fund Financial Schedules

Include summaries of revenues and other financing sources, and of expenditures and other financing uses for the prior year actual, the current year budget and/or estimated current year actual, and the proposed budget year.

Name of Entity:

State/Province:

First Submission? Yes No

1. Are revenues and other financing sources and expenditures and other financing uses for the prior year, the current year, and the budget year presented together on the same schedule(s) or on schedules presented on adjacent/sequential pages? _____
2. Is this information presented for the appropriated funds in total? _____
3. Is this information also presented at a minimum for each major fund and for other (i.e. nonmajor) funds in the aggregate (or for each significant fund and other funds in the aggregate if no appropriated funds are included)? _____
4. Are revenues presented by major type in this schedule (e.g., *property taxes, intergovernmental, sales taxes, fees and charges*)? _____
5. Are expenditures presented by function, program, or spending component in this schedule? _____

#F5. | Fund Balance

Mandatory: Include projected changes in fund balance/net position for appropriated funds included in the budget presentation.

1. Is the entity's definition of fund balance/net position included? _____
2. Is the fund balance/net position information presented for the budget year?

3. Is there a schedule showing (1) beginning fund balances/net positions, (2) increases or decreases in total fund balances/net positions, and (3) ending fund balances/net positions for appropriated governmental funds? _____
4. Is this information presented at a minimum for each major fund and for nonmajor governmental funds in the aggregate? _____
5. If the fund balances of any major fund or the nonmajor funds in the aggregate are anticipated to increase or decline by more than 10%, does the document include a discussion of the causes and/or consequences of these changes in fund balance?

6. If an entity has no governmental fund, is the change in net position presented for (1) the entity as a whole, (2) the main operating fund, and (3) each significant fund?

7. If an entity has no governmental funds and the net position is anticipated to change by more than 10%, do the materials include a discussion of the causes and/or consequences of those changes? _____

#F6. | Revenues

Mandatory: Describe major revenue sources, explain the underlying assumptions for the revenue estimates, and discuss significant revenue trends.

1. Are individual revenue sources described? _____
2. Do the revenue sources that are described represent at least 75% of the total revenues of all appropriated funds? _____

Name of Entity:

State/Province:

First Submission? Yes No

3. Are the methods used to estimate revenues for the budget year described (e.g., *trend analysis, estimates from another government or consulting firm*)? _____
4. If revenues are projected based on trend information, are both those trends and the underlying assumptions adequately described? _____

#F7. | Long-range Operating Financial Plans

Explain long-range operating financial plans and their effect upon the budget and the budget process.

1. Do your long-range financial plans for major funds (beyond just the General Fund) extend out at least two years beyond the budget year? _____
2. Are the assumptions used in the long-range operating financial plans identified?

3. Is there a concise explanation of the significance of the long-range operating financial plans in its relation to achieving strategic goals? _____

#F8. | Capital Program

Mandatory: Include budgeted capital expenditures, whether authorized in the operating budget or in a separate capital budget.

1. Are “capital expenditures” defined? _____
2. Do the materials indicate the total dollar amount (for both sources and uses) of the capital program for the budget year(s) and/or multi-year capital plan? _____
3. Are significant nonrecurring capital expenditures described along with dollar amounts?

4. What is the process to identify funded projects? _____
5. Is there a description and quantification of how specific nonrecurring capital projects will affect the entity’s current and future operating budget? _____

#F9. | Debt

Mandatory: Include financial data on current debt obligations, describe the relationship between current debt levels and legal debt limits, and explain the effects of existing debt levels on current operations.

1. Are debt limits and coverage requirements described and calculated? _____
2. Is the amount of principal and interest payments presented through maturity for each fund? _____
3. Are bond ratings shown? _____
4. Is the purpose of the different debt obligations included? _____

#O3. | Position Summary Schedule

Mandatory: A schedule or summary table of personnel or position counts for prior, current and budgeted years shall be provided.

1. Is a summary table of position counts provided for the entire entity? _____

Name of Entity:

State/Province:

First Submission? Yes No

2. Does the table include the prior year, the current year, and budget year position counts? _____

3. Are changes in staffing levels for the budget year explained? _____

#O4. | Departmental/Program Descriptions

Mandatory: Include departmental/program descriptions.

1. Are organizational units clearly presented (e.g., *divisions, departments, offices, agencies, or programs*)? _____

2. Are descriptions provided along with major priorities in each organizational program? _____

#O5. | Departmental/Program Goals and Objectives

Include clearly stated goals and objectives of the department or program.

1. Are departmental/program goals and objectives described? _____

2. Are departmental/program goals clearly linked to the strategic goals of the entity? _____

3. Are objectives quantifiable? _____

4. Are time frames on objectives noted? _____

#O6. | Performance Measures

Mandatory: Provide objective measures of progress toward accomplishing the government's mission as well as goals and objectives for specific departments and programs.

1. Are performance data for individual departments or programs included in the document? _____

2. Are performance data directly related to the strategic goals and objectives of the department or program? _____

3. Do performance measures focus on results and accomplishments (e.g., *output measures, efficiency and effectiveness measures*) rather than inputs (e.g., *dollars spent*)? _____

#C3. | Statistical/Supplemental Section

Include statistical and supplemental data that describe the organization, its community, and population. It should also furnish other pertinent background information related to the services provided.

1. Is statistical information that defines the community included (e.g., *population, composition of population, land area, and average household income*)? _____

2. Is supplemental information on the local economy included (e.g., *major industries, top taxpayers, employment levels, and comparisons to other local communities*)? _____

3. Is other pertinent information on the community (e.g., *local history, location, public safety, education, culture, recreation, transportation, healthcare, utilities, and governmental structure*) included? _____

Name of Entity:

State/Province:

First Submission? Yes No

#C4. | Glossary

A glossary should be included for any terminology (including abbreviations and acronyms) that is not readily understandable to an informed lay reader.

1. Is a glossary that defines technical terms related to finance and accounting, as well as non-financial terms related to the entity? _____
2. Are acronyms or abbreviations used in the document defined in the glossary?

3. Is the glossary written in non-technical language? _____

#C5. | Charts and Graphs

Charts and graphs should be used, where appropriate, to highlight financial and statistical information. Narrative interpretation should be provided when the messages conveyed by the graphs are not self-evident.

1. Are charts and graphs used in the document to convey essential information (e.g., key policies, trends, choices and impacts)? _____
2. Are graphics explained? _____

#C6. | Understandability and Usability

The budget information should be produced and formatted in such a way as to enhance its understanding for the average reader. It should be attractive, consistent, and oriented to the reader's needs.

1. Are page formatting and font consistent? _____
2. Is the level of detail appropriate? _____
3. Are text, tables, and graphs legible and accurate? _____
4. Are links included to other forms of budget communication, like videos, social media, etc.?

Name of Entity:

State/Province:

First Submission? Yes No


VILLAGE OF
McFarland
SUMMARY SHEET

MEETING DATE: Thursday, March 20, 2025

SECTION: Business

DEPARTMENT: Administration

CONTACT: Matt Schuenke, Village Administrator

AGENDA ITEM: Discussion regarding updates to Chapter 11 (Revenues Policy) of the Fiscal Policy Manual.

PREVIOUS ACTION:

None.

ISSUE SUMMARY:

Enclosed within your packet is Chapter 11 which is titled the Revenues Policy. This was adopted by the Village on October 10, 2011. The policy has not been updated to the new format yet nor provided suggested changes. It is introduced here and can be discussed, reviewed as time allows while we work through all of the policy updates. The purpose of the policy is to provide guidelines on revenue development and monitoring. Our main source of revenue within our budget funding our core services is the property tax levy. We wish there were more sources of revenue but the ones we do have that are not the tax levy are very important. One consideration would be to consolidate this with the budget policy discussed in the preceding item. They already have some overlap but we can review that.

FINANCIAL/BUDGET IMPACT:

None.

VILLAGE PLAN REFERENCE:

None.

ORDINANCE REFERENCE:

None.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

No action for this item, presented for discussion.

ATTACHMENTS:

1. Chapter 11 - Revenue Policy 10102011

REVENUE POLICY

POLICY PURPOSE

The Village needs to maintain a diversified and stable revenue base to shelter it from unanticipated fluctuations and to minimize reliance on the property tax. Similar sources and uses of revenues should be matched to the extent possible to ensure adequate and equitable funding for various Village services and programs over the long term.

POLICY IMPLEMENTATION OBJECTIVES

A. GENERAL CONSIDERATIONS

1. Each year and whenever appropriate, existing revenues will be re-examined by the Administrator/Treasurer and staff and possible new sources of revenues will be explored to ensure that the Village is optimizing its revenue potential.
2. The Village will establish all user charges and fees at a level related to the actual cost of providing the service. Each year the Village will recalculate the direct and indirect cost of services supported by user fees to identify the impacts of inflation and other cost increases.
3. Legally restricted revenues will be avoided when they adversely affect the short or long-term financial health of the Village. One-time revenues will be used for capital improvements or as legally restricted to a specific purpose.
4. Each year and whenever appropriate, intergovernmental revenues will be reviewed to determine their short and long-term stability, to minimize the impact of any adverse changes. Intergovernmental revenues shall be used as legally prescribed or otherwise set forth by policy.
5. Any amounts due to the Village will be carefully and routinely monitored. An aggressive policy of collection will be followed for all receivables, including property taxes. In addition, proprietary funds will generate revenue sufficient to support the full direct and indirect costs of these funds.
6. All potential grants and other aid shall be carefully examined for matching requirements and restrictive covenants, to ensure that Village participation in such grants will be beneficial and cost-effective.

B. BUDGET CONSIDERATIONS

1. Annual revenue will be estimated using an objective, analytical process.
2. Revenues are to be budgeted for debt service amounts relating to general obligation debt before they are allotted for any other type of expenditure.

3. Where appropriate and not contrary to accepted public policy or statutes, emphasis will be directed toward full cost recovery through user fees and cost sharing with other governmental units and other Village funds such as utilities. User fees and cost allocation formulas will be reviewed annually by the Village Board as part of the budget process, and revised as necessary to reflect inflation and other cost increases.
4. Payments in lieu of taxes from municipal utilities will be budgeted and based on utility estimates.
5. Commercial revenue sources will be budgeted conservatively.
6. Proceeds from the sale of equipment or excess property will not be budgeted as operating revenue unless such amounts can be accurately projected. Any such proceeds received shall be recorded in the appropriate fund (for example, proceeds from equipment sales should be recorded in the fund the equipment was replaced from)
7. Revenue estimates for the annual budget will take into consideration the statistical ten-year analysis of revenue trends, property tax levies and property value growth percentages and the current year projected financial results.

C. REVENUE MONITORING

1. A comparison of actual revenues to budgeted amounts will be made by the Administrator/Treasurer on a monthly basis. A report will be made to the Finance Committee and Village Board at mid-year or anytime the likelihood of a significant revenue shortfall is identified. If the shortfall is anticipated to be other than temporary, the Administrator/Treasurer will coordinate the development of a plan to maintain a balanced budget.

D. OTHER CONSIDERATIONS

1. New sources of non-property tax based revenue should be actively explored and discussed throughout the year.
2. Intergovernmental grant requests shall be reviewed by the Administrator/Treasurer and the Village Board prior to the application being submitted, whenever possible. This review is to ensure that the grants do not create an obligation for unfunded expenditures by the Village relating to the grant's purpose and to provide an overall budgetary review of grant proposals. Grants requiring Village matching funds should be reported to the appropriate committee or commission and Village Board prior to submission of the grant application. The Village Board shall approve all matching funds grant awards prior to the final acceptance of a grant. Grant reimbursement requests should be submitted to the Administration Department for tracking of grant activity and proper recording of grant revenues.

Adopted: October 10, 2011