

DEPARTMENT**PARK IMPACT FUND
FUND 21****Program Description**

In 1995 the Village established a Park & Recreational Facilities Impact Fee under Wisconsin Statute §66.55 to provide a source of funding for the acquisition of Village park land and park-related capital improvement programs. Park Impact Fees are collected for new residential development. The Park Impact Fund was created to maintain Park Impact Fees in a separate interest-bearing account. The fund is also used to account for debt proceeds to be used towards the purchase of parkland.

There have been several changes to the Park Impact Fee program since its adoption. From time to time, the Village conducts a needs assessment to update the inventory of existing park facilities and review proposed future projects. The assessment is then used to determine the appropriate level of Park Impact Fee to be collected. There was also impact fee legislation passed in 2006, which designated that fees may only be collected at the time a building or occupancy permit is issued. Previously these fees could be collected at the time of final plat approval and would be paid in a lump sum for an entire subdivision. This legislation included a limitation on the length of time the funds may be held in this account, which requires careful monitoring of all collections and expenditures.

The economic downturn that affected the Village in the latter part of 2008 had a detrimental impact on this fund's activity. For example, the dollar value of Park Impact Fees dropped from a total of \$70,660 collected in 2007 to only \$2,820 in 2008 and has remained low since then. Another more Village-specific consideration is the fact that some of the new construction is in subdivisions that were begun before the impact fee regulations changed in 2006. This means that even though the new home building environment began to improve in 2013, many of the impact fees for this new construction were already collected prior to 2006. Due to these circumstances, the fund was not able to continue making a debt service payment in 2014.

Fortunately, the favorable trend observed towards the end of 2013 has continued and the fund was able to resume its debt service payments in 2015. The debt being paid by this fund was part of the 2007 General Obligation Notes that financed the purchase of the future Breuer parkland. It is anticipated that the fund will be able to pay this obligation in full by 2017.

Fund Balance

The Park Impact Fund ended 2014 with a balance of \$31,328. It is anticipated that the net effect of 2015 activity will leave the Park Impact Fund with an estimated balance of \$42,207 on 01/01/16. This means that the fund will be able to continue its debt service payment.

Impact Fee Status

As mentioned earlier, State Statute §66.0617(9) adopted in 2006 established strict limits for the length of time impact fees can be held for future projects. The following table is an excerpt from the record that is used to monitor the Village's impact fee collections. This is maintained to show the Village remains in compliance with this requirement.

2015 Accomplishments

- The Park Impact Fee fund was able to resume debt service payment in 2015.
- The Parks, Recreation & Forestry Department completed its update to the long-range Parks and Open Space Plan.

2016 Objectives

- The 2016 focus for this fund and the Parks, Recreation & Forestry Department will be the planning process for the future Breuer parkland.

Account Detail

42400-000 Park Expansion Fees: This budget includes a projection for 15 new impact fees in 2016.

55200-810 Parks Land: An amount is budgeted in this account because it is anticipated that some of the impact fees received in 2016 will be in the Farmstead Creek subdivision. This development donated a portion of the future Breuer parkland to the Village in exchange for credit towards its Park Impact Fee obligation.

59240-000 Transfer to Debt Fund: The fund will again be able to make a payment for debt service in 2016.

2016 PROPOSED BUDGET

PARK IMPACT FUND

	2014 ACTUAL 12/31/2014	2015 ACTUAL 7/31/2015	2015 PROJECTED YEAR-END	2015 AMENDED BUDGET	2016 PROPOSED BUDGET	%CHANGE BUDGET
210-42400-000-000 PARK EXPANSION FEES	24,190.00	6,565.00	30,535.00	7,050.00	10,575.00	50.00%
210-48120-000-000 PARK FUND INTEREST INCOME	20.20	25.46	43.65	15.00	50.00	233.33%
210-48210-000-000 RENT	3,300.00	300.00	300.00	300.00	300.00	0.00%
210-48500-000-000 DONATIONS	-	-	-	-	-	n/a
TOTAL REVENUES	27,510.20	6,890.46	30,878.65	7,365.00	10,925.00	48.34%

2016 PROPOSED BUDGET

PARK IMPACT FUND

	2014 ACTUAL 12/31/2014	2015 ACTUAL 7/31/2015	2015 PROJECTED YEAR-END	2015 AMENDED BUDGET	2016 PROPOSED BUDGET	%CHANGE BUDGET
210-55200-300-000 PARKS SUPPLIES & EXPENSE	-	-	-	-	-	n/a
210-55200-800-000 PARKS CAPITAL OUTLAY	-	-	-	-	-	n/a
210-55200-810-000 PARKS LAND	-	-	-	4,230.00	3,525.00	-16.67%
210-55200-820-000 PARKS IMPROVEMENTS	-	-	-	-	-	n/a
210-59240-000-000 TRANSFER TO DEBT FUND	-	20,000.00	20,000.00	15,000.00	20,000.00	33.33%
TOTAL EXPENSES	-	20,000.00	20,000.00	19,230.00	23,525.00	22.33%
Excess Revenues over Expenses	7,365.00	(13,109.54)	10,878.65	(11,865.00)	(12,600.00)	

DEPARTMENT**MUNICIPAL BUILDING FUND
FUND 29****Program Description**

The Village established a Municipal Facilities Impact Fee in 1995 to assist with the financing of public facilities such as law enforcement facilities and libraries. Just as with Park Impact Fees, Municipal Facilities Impact Fees are collected for new residential developments built within the Village. The Municipal Building Fund maintains and monitors the use of Municipal Facilities Impact Fees.

In 1999 another Municipal Facilities Inventory and Impact Fee Methodology was prepared to recalculate the appropriate level of impact fee due to the proposed expansion and upgrade of the Public Works, Library and Police Department buildings. The Municipal Building Impact Fee was increased to \$780 per residential unit as a result of that study.

This fund has been affected by the same economic conditions discussed under the Park Impact Fund budget. The drastic decrease in construction activity caused a severe reduction in the number of new housing units, especially in areas that would require the payment of impact fees. In 2011, the fund was able to contribute only \$10,000 towards the debt service related to the Municipal Building construction and upgrade. In 2012 and 2013, the fund was not able to assist with debt repayment at all, but sufficient fees were collected to resume debt service payments in 2014 in the amount of \$10,000.

In April 2000, the Village issued General Obligation Notes in the amount of \$3,375,000 for the purpose of funding the improvements to Firemen's Park, some smaller storm sewer and street improvements and the Village Hall expansion project. The 1999 Impact Fee study indicated that \$2,365,000 of that amount was eligible for impact fee funding, or 70% of the total issue. In 2008, the outstanding balance of \$2,005,000 of these notes was refinanced, with \$1,403,500 attributed to the Village Hall project. The Municipal Building Fund has been able to repay a total of \$550,000 on this amount to date.

The Village completed repayment of the 2008 notes in 2014. During development of the 2014 budget, the Village Board discussed the fact that a large part of the debt was paid by the General Fund and voted to approve the use of future Municipal Building impact fees to reimburse the General Fund. For 2015 and 2016, this repayment has been made directly to the Debt Service Fund to complete payment of the 2014 Promissory Notes, which will be paid in full in 2016.

Fund Balance

The Municipal Building Fund ended the year 2014 with a fund balance of \$27,627. It is anticipated that the net effect of 2015 activity will leave the Municipal Building Fund with an estimated balance of \$41,208 on 01/01/16.

Impact Fee Status

The following table is an excerpt from the record used to monitor the Village's compliance with State Statute 66.0617(9), which established limits on the length of time impact fees can be held after collection. At the very bottom of the table is an explanation of the various time constraints that apply to impact fee usage.

As can be seen from the chart, the Municipal Building Fund is well within compliance with utilizing impact fees in the time allowed. This is due to the large expenditures made to supplement the General Obligation notes issued to finance the original building and expansion project.

2015 Accomplishments

- The fund was able to continue debt service payment in 2015.

2016 Objectives

- The fund will continue to make payments to the Debt Service fund to repay the General Fund for the money that was needed to complete the 2008 notes. While this will not be recorded as an actual advance, records will be kept to ensure that repayment is accurate. A report showing the status of this repayment will be included in the annual budget process.

Account Detail

42410-000 Municipal Building Fees: The projected revenue in impact fees is set at 15 for 2016, which appears to be an appropriate estimate based on trends observed in new housing construction within the Village.

59240-000 Transfer to Debt Fund: This amount has been set at \$15,000 for 2016 based on current fund level, but an increase will be considered if additional fees are received.

**2016 PROPOSED BUDGET
MUNICIPAL BUILDING IMPACT FUND**

	2014 ACTUAL 12/31/2014	2015 ACTUAL 7/31/2015	2015 PROJECTED YEAR-END	2015 AMENDED BUDGET	2016 PROPOSED BUDGET	%CHANGE BUDGET
290-42410-000-000 MUNC BLDG FEES	26,520.00	7,020.00	33,540.00	7,800.00	11,700.00	50.00%
290-48120-000-000 MUNI BLDG INTEREST INCOME	20.03	23.93	41.02	15.00	50.00	233.33%
Total Revenues	26,540.03	7,043.93	33,581.02	7,815.00	11,750.00	50.35%

**2016 PROPOSED BUDGET
MUNICIPAL BUILDING IMPACT FUND**

	2014 ACTUAL 12/31/2014	2015 ACTUAL 7/31/2015	2015 PROJECTED YEAR-END	2015 AMENDED BUDGET	2016 PROPOSED BUDGET	%CHANGE BUDGET
290-55200-800-000 MUNI BLDG CAPITAL OUTLAY	-	-	-	-		n/a
290-57500-800-000 LAND	-	-	-	-		n/a
290-59240-000-000 TRANSFER TO DEBT FUND	10,000.00	20,000.00	20,000.00	20,000.00	15,000.00	-25.00%
Total Expenses	10,000.00	20,000.00	20,000.00	20,000.00	15,000.00	-25.00%
Excess Revenues over Expenses	(2,185.00)	(12,956.07)	13,581.02	(12,185.00)	(3,250.00)	