

<u>DEPARTMENT</u>	<u>IMPACT FEES:</u>
	Parks Facilities Fund 31
	Administrative Facilities Fund 32
	DPW Facilities Fund 33
	Library Facilities Fund 34
	Police Facilities Fund 35

Program Description

The Village has used impact fees since 1995 to finance a variety of projects and facilities needed to accommodate the tremendous level of growth experienced over the years. Consistent with the responsible implementation of impact fee financing, the Village conducts public facilities needs assessments from time to time to determine whether existing fees are at appropriate levels. The needs assessment conducted in 2019 resulted in significant changes to the structure and implementation of the Village's impact fees.

One of the biggest changes was made in the former Municipal Building impact fee. Since its inception in 1995, this fee has been a general one that was collected and used to fund any type of municipal building construction eligible for impact fee financing. In 2016 the Village undertook a facilities needs study that identified several specific areas that should be expanded to keep pace with the Village's growth. Referring to the findings in this study, the 2019 needs assessment determined it would be most effective to divide the former Municipal Building impact fee into several fees devoted to each of the areas. This is reflected in the new fees listed above regarding Administrative Facilities, DPW Facilities, Library Facilities and Police Facilities. The Parks Facilities also listed here is a newer version of the previous Parks Facilities Impact Fee.

Another major change enacted this year is the application of some of these fees to both residential and non-residential construction. This change was made in recognition of the fact that non-residential properties also receive public services such as public works operations and public safety and so should contribute to the costs of facilities needed for those activities.

The Village Board received the Public Facilities Needs Assessment and Impact Fee Study at their September 16, 2019 meeting and directed that the public hearing be held at the October 21, 2019 meeting. After the public hearing was held, the Village Board adopted the corresponding ordinance and it went into effect on October 25, 2019. Building permit fees for any construction applications received after this date will include the new impact fees. Due to the fact that these fees have been enacted near the end of the usual construction season, the budgets for these funds are fairly minimal and will be presented together for the first full year. Beginning in 2021 the funds will be presented separately to provide more detail on their various activities.

Fund Balance

While it is possible that there may be some fees still collected for these funds in 2019, at the time of budget development they were all too new to have established any fund balance for the year.

Impact Fee Status

The new impact fees have been enacted as follows:

Development	Parks Facilities	Admin Facilities	DPW Facilities	Library Facilities	Police Facilities	Sewer Facilities***	Total
Residential*	\$1,208	\$547	\$1,508	\$931	\$1,604	\$2,652	\$8,450
Nonresidential**	N/A	\$1,625	\$4,476	N/A	\$4,762	\$2,652	\$13,514

*Residential fees are calculated per dwelling except for Sewer Facilities.

**Nonresidential fees are calculated per acre except for Sewer Facilities.

***Sewer Facilities fees are calculated per REC (Residential Equivalent Connection).

2019 Accomplishments

- The completion of the public facilities needs assessment and impact fee study and the resulting establishment of each of these impact fee funds was a major accomplishment for 2019.

2020 Objectives

- The Parks Facilities impact fees are anticipated to be used to help finance the Parks, Public Works & Forestry Department's upcoming construction projects.
- The DPW Facilities impact fees will be used to help offset the debt service costs associated with a portion of the expansion of the Village's Public Works facility.
- The remaining impact fees will be collected to establish a reserve of funds that can be used to assist with the financing of future construction projects as indicated in each fund.

Account Detail

42400-000 and

42410-00 Facilities Fees: The budget for each of these accounts was calculated using an estimated 40 new residential units. Proposed construction activity indicates the number will be higher than this but the Village's practice is to budget as conservatively as possible to avoid creating shortfalls. Also, no estimate has been included for non-residential construction for 2020. After we gain some experience in calculating those fees we may incorporate them in budget projections for future years.

55200-300 Building Supplies & Expense: A small amount has been included here for incidental expenses that may arise during the year.

59240-000 Transfer to Debt Fund: The only fund using this account for 2020 will be the DPW Facilities fund since it will assist with the debt service on a portion of the DPW expansion project. The number shown for DPW Facilities transfer to debt fund is an estimate based on projected fees.

PROPOSED 2020 BUDGET

PARK FACILITIES IMPACT FEES FUND 31 - REVENUES

	2018 ACTUAL 7/31/2018	2019 ACTUAL 07/31/2019	PROJECTED YEAR-END	2019 AMENDED BUDGET	2020 PROPOSED BUDGET	% CHANGE
310-42400-000-000 PARK IMPACT FEES					48,320.00	
310-48210-000-000 INTEREST INCOME					-	
310-48125-000-000 GAIN ON INVESTMENTS					-	
310-48130-000-000 UNREALIZED GAINS					-	
310-48210-000-000 RENT INCOME					150.00	
TOTAL FUND REVENUE	-	-	-	-	48,470.00	

PROPOSED 2020 BUDGET

PARK FACILITIES IMPACT FEES FUND 31 - EXPENDITURES

	2018 ACTUAL 7/31/2018	2019 ACTUAL 07/31/2019	PROJECTED YEAR-END	2019 AMENDED BUDGET	2020 PROPOSED BUDGET	% CHANGE
310-55200-300-000 PARKS SUPPLIES & EXPENSE					50.00	
310-55200-810-000 PARKS LAND					24,160.00	
TOTAL FUND EXPENDITURES	-	-	-	-	24,210.00	
NET REVENUE OVER EXPENDITURES	-	-	-	-	24,260.00	

PROPOSED 2020 BUDGET

ADMINISTRATIVE FACILITIES IMPACT FEES FUND 32 - REVENUES

	2018 ACTUAL 7/31/2018	2019 ACTUAL 07/31/2019	PROJECTED YEAR-END	2019 AMENDED BUDGET	2020 PROPOSED BUDGET	% CHANGE
320-42410-000-000 ADMIN FACILITIES FEES					21,880.00	
320-48120-000-000 INTEREST INCOME					-	
320-48125-000-000 GAIN ON INVESTMENTS					-	
320-48130-000-000 UNREALIZED GAINS					-	
TOTAL FUND REVENUE	-	-	-	-	21,880.00	

PROPOSED 2020 BUDGET

ADMINISTRATIVE FACILITIES IMPACT FEES FUND 32 - EXPENDITURES

	2018 ACTUAL 7/31/2018	2019 ACTUAL 07/31/2019	PROJECTED YEAR-END	2019 AMENDED BUDGET	2020 PROPOSED BUDGET	% CHANGE
320-55200-300-000 SUPPLIES & EXPENSE					50.00	
TOTAL FUND EXPENDITURES	-	-	-	-	50.00	
NET REVENUE OVER EXPENDITURES	-	-	-	-	21,830.00	

PROPOSED 2020 BUDGET

DPW FACILITIES IMPACT FEES FUND 33 - REVENUES

	2018 ACTUAL 7/31/2018	2019 ACTUAL 07/31/2019	PROJECTED YEAR-END	2019 AMENDED BUDGET	2020 PROPOSED BUDGET	% CHANGE
330-42410-000-000 DPW FACILITIES FEES					60,320.00	
330-48120-000-000 INTEREST INCOME					-	
330-48125-000-000 GAIN ON INVESTMENTS					-	
330-48130-000-000 UNREALIZED GAINS					-	
TOTAL FUND REVENUE	-	-	-	-	60,320.00	

PROPOSED 2020 BUDGET

DPW FACILITIES IMPACT FEES FUND 33 - EXPENDITURES

	2018 ACTUAL 7/31/2018	2019 ACTUAL 07/31/2019	PROJECTED YEAR-END	2019 AMENDED BUDGET	2020 PROPOSED BUDGET	% CHANGE
330-55200-300-000 SUPPLIES & EXPENSE					50.00	
330-59240-000-000 TRANSFER TO DEBT FUND					50,000.00	
TOTAL FUND EXPENDITURES	-	-	-	-	50,050.00	
NET REVENUE OVER EXPENDITURES	-	-	-	-	10,270.00	

PROPOSED 2020 BUDGET

LIBRARY FACILITIES IMPACT FEES FUND 34 - REVENUES

	2018 ACTUAL 7/31/2018	2019 ACTUAL 07/31/2019	PROJECTED YEAR-END	2019 AMENDED BUDGET	2020 PROPOSED BUDGET	% CHANGE
340-42410-000-000 LIBRARY FACILITIES FEES					37,240.00	
340-48120-000-000 INTEREST INCOME					-	
340-48125-000-000 GAIN ON INVESTMENTS					-	
340-48130-000-000 UNREALIZED GAINS					-	
TOTAL FUND REVENUE	-	-	-	-	37,240.00	

PROPOSED 2020 BUDGET

LIBRARY FACILITIES IMPACT FEES FUND 34 - EXPENDITURES

	2018 ACTUAL 7/31/2018	2019 ACTUAL 07/31/2019	PROJECTED YEAR-END	2019 AMENDED BUDGET	2020 PROPOSED BUDGET	% CHANGE
340-55200-300-000 SUPPLIES & EXPENSE					50.00	
TOTAL FUND EXPENDITURES	-	-	-	-	50.00	
NET REVENUE OVER EXPENDITURES	-	-	-	-	37,190.00	

PROPOSED 2020 BUDGET

POLICE FACILITIES IMPACT FEES FUND 35 - REVENUES

	2018 ACTUAL 7/31/2018	2019 ACTUAL 07/31/2019	PROJECTED YEAR-END	2019 AMENDED BUDGET	2020 PROPOSED BUDGET	% CHANGE
350-42410-000-000 POLICE FACILITIES FEES					64,160.00	
350-48120-000-000 INTEREST INCOME					-	
350-48125-000-000 GAIN ON INVESTMENTS					-	
350-48130-000-000 UNREALIZED GAINS					-	
TOTAL FUND REVENUE	-	-	-	-	64,160.00	

PROPOSED 2020 BUDGET

POLICE FACILITIES IMPACT FEES FUND 35 - EXPENDITURES

	2018 ACTUAL 7/31/2018	2019 ACTUAL 07/31/2019	PROJECTED YEAR-END	2019 AMENDED BUDGET	2020 PROPOSED BUDGET	% CHANGE
350-55200-300-000 SUPPLIES & EXPENSE					50.00	
TOTAL FUND EXPENDITURES	-	-	-	-	50.00	
NET REVENUE OVER EXPENDITURES	-	-	-	-	64,110.00	