

Village of Dane – One Year Plan Proposal

Steve Clemens

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Introduction and Strategy Overview

The purpose of this document is to propose a 1 year plan of initiatives for the Village of Dane. The intent is to use this document as a starting point to gather ideas and suggestions that can add value and help improve the overall operations of the village, and, how to start looking for sustainable and beneficial economic development opportunities for the future. In summary, this should be a collaborative effort between our village employees, our village board and village residents interested in getting involved.

There is a famous saying that states “if you don’t have a plan for yourself you will likely end up being a part of someone else’s plan”. I believe that to be true for the Village of Dane. If we do not plan for our future, other entities (county government, state government, development firms, etc.) will do our planning for us. However, no one has more of a vested interest in the outcome of the village than we do as residents and business owners within the village. By starting out with a one year plan we are setting the stage to control our own destiny.

Another famous saying is “the only constant in business and politics is change”. I believe that to be true as well. The next logical question then is, if our environment will always be changing, is planning just a waste of time? It is important to remember that a plan is not something that is inflexible or so to speak “cast in concrete”. As circumstances change, our plans will need to be able to change with those circumstances. Having a plan in place will give us the best opportunity to influence those changes in a manner that is positive for the village and our residents.

Another important point in the overall strategy is to be very specific about what this one year plan is NOT about. This is not an effort to find past mistakes and shortcomings and then use that against anyone. This effort is about emphasizing the hard work and accomplishments of our village employees and board members, and, using that as the basis of where we can learn and make improvements.

Budget Analysis

Municipal budgeting and finance is more than just minimizing cash outlays so that we can minimize property tax demands. Minimizing property tax demands that are driven by the Village of Dane operational and capital budget is definitely an important goal. However, it is equally important to be transparent and to demonstrate that the dollars being spent by the Village of Dane are being invested wisely.

One way to measure the effectiveness of our financial condition is to establish financial key performance indicators which are sometimes referred to as KPI's. Wikipedia (Key Performance Indicator, 2010) defines a KPI as a performance measure that is commonly used to help an organization define and evaluate how successful it is, typically in terms of making progress towards its long-term organizational goals.

Improving our financial condition is something that we know our current village clerk / treasurer is already working towards. Below are three inexpensive methods that we can use to build on what has been started and to help us better understand our financial position:

- Ratio analysis
- Internal trending analysis
- External benchmarking analysis

Ratio analysis is perhaps the easiest step we can take to better understand where and how our money is being spent. For example, we can measure the ratio of public safety expense against total expenses, or, against revenues received. We can measure the ratio of Village debt against cash on hand or against asset valuations.

Ratio analysis of financial statements alone has some marginal value, but, it can provide more information if you trend those ratios over time. For example, how has the ratio of public safety expense against total expenses changed over time? Has it increased? Decreased? Stayed the same?

We can gain a better understanding of our financial position if we measure attributes and ratios from our financial statements against external peer municipalities in the state of

Wisconsin. This is referred to as benchmarking. For example, if we were to look at several municipalities with demographics similar to the Village of Dane, how would our public safety expense compare? Would our expenses be higher? Lower? The same? What percentile are we in? How would our debt ratios compare? Below is a list of some other attributes that might be worth benchmarking and analyzing against other peer municipalities:

- 1) How does our property tax mill rate compare to that of other peer municipalities?
- 2) How does our property valuation compare to that of other peer municipalities? Total value? Categories?
- 3) How does our expense budget in other categories compare to that of other peer municipalities?
- 4) How does our debt ratio compare to that of other peer municipalities?
- 5) How do our capital improvement funds compare to that of other peer municipalities?
- 6) How does our infrastructure and asset value compare to that of other peer municipalities?

In regards to peer benchmarking analysis there are a significant number of financial reports available through the Wisconsin Department of Revenue (Financial Reports, 2010) that might be of value if we choose to do peer benchmarking analysis:

- 1) Aids to Local Governments – Shared Revenues and State Aid (2004 – 2009)
- 2) Aids to Local Governments – Statement of Assessments (2002 – 2009)
- 3) Report used for Appointment of County Levy (2001 – 2009)
- 4) Municipal Debt Margins (1998 – 2008)
- 5) Municipal Debt Limit (2001 – 2009)
- 6) Major Property Class Comparisons (2009)
- 7) Net New Construction (2008 – 2009)
- 8) Tax Incremental Value Report (2000 – 2009)
- 9) County and Municipal Revenues and Expenditures (1999 – 2008)
- 10) Wisconsin School District Statistics (2006 – 2008)
- 11) Lottery and Gaming Property Tax Credit (2001 – 2009)
- 12) Town, Village and City Taxes (1999 – 2008)

- 13) Statement of Equalized Values (2002 – 2009)
- 14) All Property Total Real and Personal Property (2002 – 2008)
- 15) Summary of Aggregate Ratios (2002 – 2009)

City and Village property tax data is also available on the website of the League of Wisconsin Municipalities which might provide some interesting comparisons (League of Wisconsin Municipalities, 2010). The information is below:

- 1) City and Village Property Taxes Levied in 2008 - <http://www.lwm-info.org/vertical/Sites/%7B92F7D640-E25A-4317-90AD-4976378A8F8D%7D/uploads/%7BC9837FE9-E71A-40EF-83F9-E6745203E022%7D.PDF>.
- 2) Performance Measurement in Wisconsin Municipalities - <http://www.lwm-info.org/vertical/Sites/%7B92F7D640-E25A-4317-90AD-4976378A8F8D%7D/uploads/%7BAF23CC24-B07E-4115-AEC0-1BF698D9EC32%7D.PDF>.

Another area that might have some comparison data available is the Government Institute of Wisconsin - <http://www.localgovinstitute.org/> (Local Government Institute of Wisconsin, 2010). Eventually we may also want to look for data from municipalities from other states outside of Wisconsin.

In regards to benchmarking analysis it is important to emphasize that this is NOT an exercise in making the Village of Dane look like every other peer municipality. There will likely be areas where we are different and have a good justification to be different. Benchmarking is an exercise in helping us better understand those areas where we are different, and in the interest of transparency, to call them out. However, in other areas benchmarking can help us learn where we might be able to make improvements, and, be transparent about those as well. It will help us get perspective.

I also need to point out that most of my financial background and training is in the business and corporate sector and not in the municipal and government sector. I am certain there is much for me to learn. There is, however, one lesson I have learned that I think applies to both sectors. “Over the course of a fiscal cycle, income and expense may expand and contract, and, ratio analysis for any one year may not present an accurate picture of the organization.

Therefore we look at trend analysis of performance over a number of years. However, without industry comparisons (benchmarking), even trend analysis may not present a complete picture” (Block & Hirt, 2005).

In summary, there are significant analysis opportunities available to us for a minimal investment to help us better understand our financial position. I would like to recommend that the Village Clerk/Treasurer and one or two village board members work together to create these analysis reports and then have the Village Clerk/Treasurer present the information to the board and village residents at a future meeting.

Infrastructure and Asset Lifecycle Management

Managing the lifecycle of our major infrastructure components and assets is an extremely important aspect of managing the operations of the Village of Dane. The on-going output from an infrastructure and asset lifecycle management program will allow us to set-up and manage targeted investment funds (savings accounts) for future infrastructure improvements and asset replacements, and in turn, allow us to keep our debt load in check.

My suggestion moving forward is to build on what we have by first categorizing our infrastructure and assets. Below is a suggested start:

- Streets and Roads (includes sidewalks as well as curb and gutter)
- Parks and Recreation
- Buildings
- Water and Sewer
- Equipment
- Other?

Within each of the above major infrastructure and asset categories I would suggest that we inventory each major component and track the following attributes for each component:

1. Current age of each component
2. Lifecycle expectation of each component
3. Annual maintenance and up-keep associated with each component
4. Rough cost to upgrade or replace each component.
5. Financing and funding alternatives available (cash purchase, loan, lease, outsource, etc.).
6. Any known significant expansion plans within the infrastructure / asset category.
7. Status of each component using a stoplight methodology:
 - a. **Green** = Requires little attention other than normal maintenance
 - b. **Yellow** = Requires some attention
 - c. **Red** = Requires significant attention and/or poses a safety risk to employees or residents.
8. Other considerations?

Managing our community's infrastructure and assets is perhaps our most important task in managing the economic health and viability of our village. A community with an excessively deteriorating infrastructure that is in need of repair will have a significant negative impact on our overall property valuations. That is not a good situation for the village or our village residents.

I would like to recommend that our Village Works Director work with one or two of our village board members to compile the information and to establish the on-going processes needed manage the lifecycle of our major infrastructure components and assets.

Communication, Collaboration and Process Improvements

This is an area where our village clerk/treasurer has already accomplished a lot. We now have a website at www.villageofdane.org. This is a very professional public Internet presence which is, and will be, a great tool for keeping our village residents and other interested parties informed of village operations and activities. The website also provides easily accessible information on how to contact our village offices in person, via the phone, or via electronic mail.

Having served on the village board in past years one thing that I remember is the occasional challenge of balancing village board activities with my full-time job and career. I know that this is very likely an issue and challenge for other board members as well. That being the case, we must look to technology capabilities such as electronic mail to improve our productivity so we can optimize the use of our time. I would like to suggest that we pursue the following enhancements to further improve our communications and collaboration capabilities:

- 1) Implement an e-mail correspondence process for village board members and village employees.
- 2) Provide document management capabilities for village board members and village employees.

E-mail correspondence should be a relatively easy process to implement, however, we do need to make certain that we remain in compliance with open meeting laws (Open Meetings Law, 2003). We will certainly need the opinion of the village legal counsel, but, it would seem that we can remain in compliance with open meetings law by implementing some simple procedures. First, we cannot use e-mail for any decisions requiring a vote. All decisions requiring a vote must be during an open meeting where the public can participate. That doesn't mean that we cannot use e-mail for discussion of various topics, however, we must make sure that all e-mail discussions are made available publicly to anyone that wants to review them. I feel a simple procedure involving two steps will solve that problem. We can use an e-mail distribution list that includes all board members, the Village Works Director and the Village Clerk / Treasurer. We then need the Village Clerk / Treasurer to archive all e-mail correspondence so that all discussions can be reviewed by anyone at any time.

Again, I realize that we need to be cognizant of our open meeting laws, and, we need the opinion of our Village Legal counsel to provide further assurance of compliance. I do feel strongly however that we need and can deploy processes that will allow us to improve communications and productivity while still being compliant with our democratic municipal processes.

Productivity can also be improved with electronic accessibility to meeting documents as well as ordinances and codes. There are a number of ways to accomplish this, and, all options will need to be in compliance of the law. One method would be a electronic document management system that would be accessible via the Internet. A document management system would provide assurance that everyone is looking at the appropriate versions of all documents, and, would allow documents to be reviewed in advance of any open meetings.

Another area of process that needs to be evaluated is the invoice and billing approval process. In the past when I was on the board each invoice required two board member signatures on the invoice itself. This was a very lengthy and tedious process. I would like to recommend that we look at other processes that could potentially improve the productivity of our invoice approval process while still maintaining necessary financial and auditing controls.

That last area of process that I feel should be discussed and evaluated is the availability of a whiteboard (sometimes referred to as a dry-erase board) and an overhead projector for displaying PC presentations and PC content on a wall or screen. During meetings these tools are very beneficial in helping board members, village employees, and citizens make points and share ideas more accurately and effectively. They are also very beneficial during budget season when working in groups and making sure that everyone is on task. Most modern businesses today do not operate without these simple tools. It has been several years since I served on the village board, so, these items may already exist. If not, my recommendation is that we evaluate alternatives and costs and consider budgeting for these two simple tools.

I would like to recommend that our Village Clerk / Treasurer work with one or two of our village board members to analyze our capabilities and the legal compliance associated with the processes and productivity improvements proposed in this section. The deliverable will be a presentation of their findings to the board at a future meeting.

Village ordinances and codes

The Village of Dane has a reasonably good set of ordinances and codes. There is value however in completing three tasks where our ordinances and codes are concerned:

- 1) Make our ordinances and codes electronically accessible (This was discussed in a previous section of this proposal, and, this is something that our Village Clerk / Treasurer is already working on).
- 2) Review the appropriateness of our existing ordinances and codes.
- 3) Consistency in the enforcement of our ordinances and codes.

As indicated, item 1 above is already being addressed. The reason for item 2 is to try to understand if there are any areas where our ordinances and codes should be updated. One recommended method is to research the ordinances and codes of other communities. There is a good website available through the Wisconsin State Law library which makes the ordinances and codes of most Wisconsin communities available electronically which is <http://wilawlibrary.gov/topics/ordinances.php> (Wisconsin Ordinances and Codes).

Item 3 above will address an area where several negative comments have been made. It is important to have a good set of ordinances and codes from which to govern a municipality. What is equally important is to make certain that the ordinances and codes are being enforced consistently. To address this issue my recommendation is to establish an agenda item for a future meeting where village residents can attend to provide feedback on how effectively they feel the ordinances and codes are being enforced, and, to provide feedback on how the process might be improved.

Formulation of a Planning Commission

What is a “Planning Commission” and what do they do? A planning commission is a committee made up of appointed by a municipal board. Below is an excerpt from a very helpful book that I have found which is titled “The Small Town Planning Handbook” which outlines the five main purposes of a planning commission (Daniels, Keller, Lapping, Daniels, & Segedy, 2007):

- 1) Establish a planning process.
- 2) Draft a community plan for future public and private development.
- 3) Draft two land-use maps, with one showing the current location, land uses, and densities of development within the community, and the other illustrating the future desired location and density of different types of development.
- 4) Draft regulations on the use of land (e.g., residential, commercial, and industrial) and the subdivision of land into new lots.
- 5) Rule on new development proposals according to the town plan, the future land-use map, and the zoning and subdivision regulations.

In summary, a planning commission is responsible for developing each of the above long range (strategic) planning areas and proposing them to the Village Board for approval. Why do we need long range plans? Two key trends will continue to shape small towns for the foreseeable future (Daniels, Keller, Lapping, Daniels, & Segedy, 2007):

- 1) The decline in federal and state funding support, and
- 2) Greater competition among towns to attract and create new businesses.

In addition to the above two items is another important attribute which is the impact of the economic recession of 2009. There was a recent presentation by the Dean of the Wisconsin School of Business, Mike Knetter (Knetter, 2010). In his presentation he posed the question; “what will lead the recovery from the 2009 recession”? He emphasized that it will not be housing that will provide the economic stimulus that many American communities, including the Village of Dane, have relied on for many years. Knetter also emphasized that it will not be, at least for some time, consumer discretionary spending that will aid in the recovery due to the large number of unemployed people.

What then will be the basis of economic growth moving forward? Will it be manufacturing? Some say it won't be manufacturing, but, the weakening dollar is making US labor more attractive in some areas. We also have a living example of a manufacturing company in the Village (Dane Manufacturing, Inc.) which has a long history and continues to be successful despite the predictions.

Another area that I think has promise is engineering and manufacturing of technologies and products around alternative energies. I a book titled "Hot Flat and Crowded – Why We Need a Green Revolution and How It Can Renew America", the author Thomas L. Friedman makes a compelling case to support this assertion (Friedman, 2008). Following is an excerpt from the book:

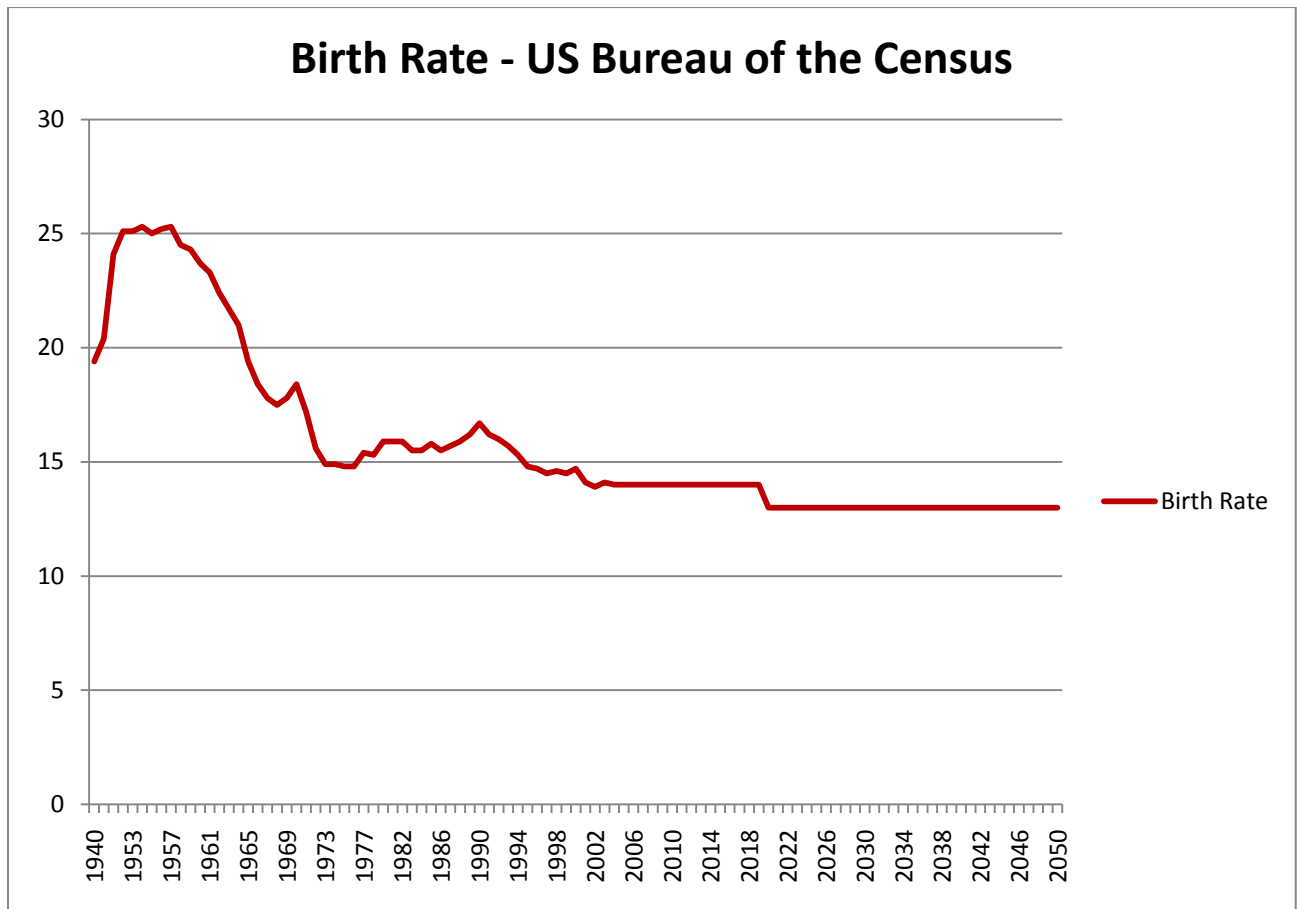
"That's why I am convinced that the ability to develop clean power and energy-efficient technologies is going to become the defining measure of a country's economic standing and environmental health, energy security, and national security over the next fifty years. The ability to design, build, and export green technologies for producing clean electrons, clean water, clean air, and healthy and abundant food is going to be the currency of power in the Energy-Climate Era . . ."

I agree with Friedman's assertion, but, I also think that timing will be important. The current fossil fuel industry has the ability to control supply and demand and manipulate markets and costs. Nonetheless, alternative energy technologies is an industry that the current Obama presidential administration wants to develop and one that, we as a community, should look to for opportunities.

There are also grants available in the area of green and alternative energy technologies that we should be aware of. In a recent press release it was announced that another small rural Wisconsin community is receiving a \$1.1 million Community Development Block Grant (CDBG) from the state of Wisconsin for a green technology training and enterprise center (State of Wisconsin, 2010). This small community is Plain, Wisconsin and it shares many demographic similarities to the Village of Dane.

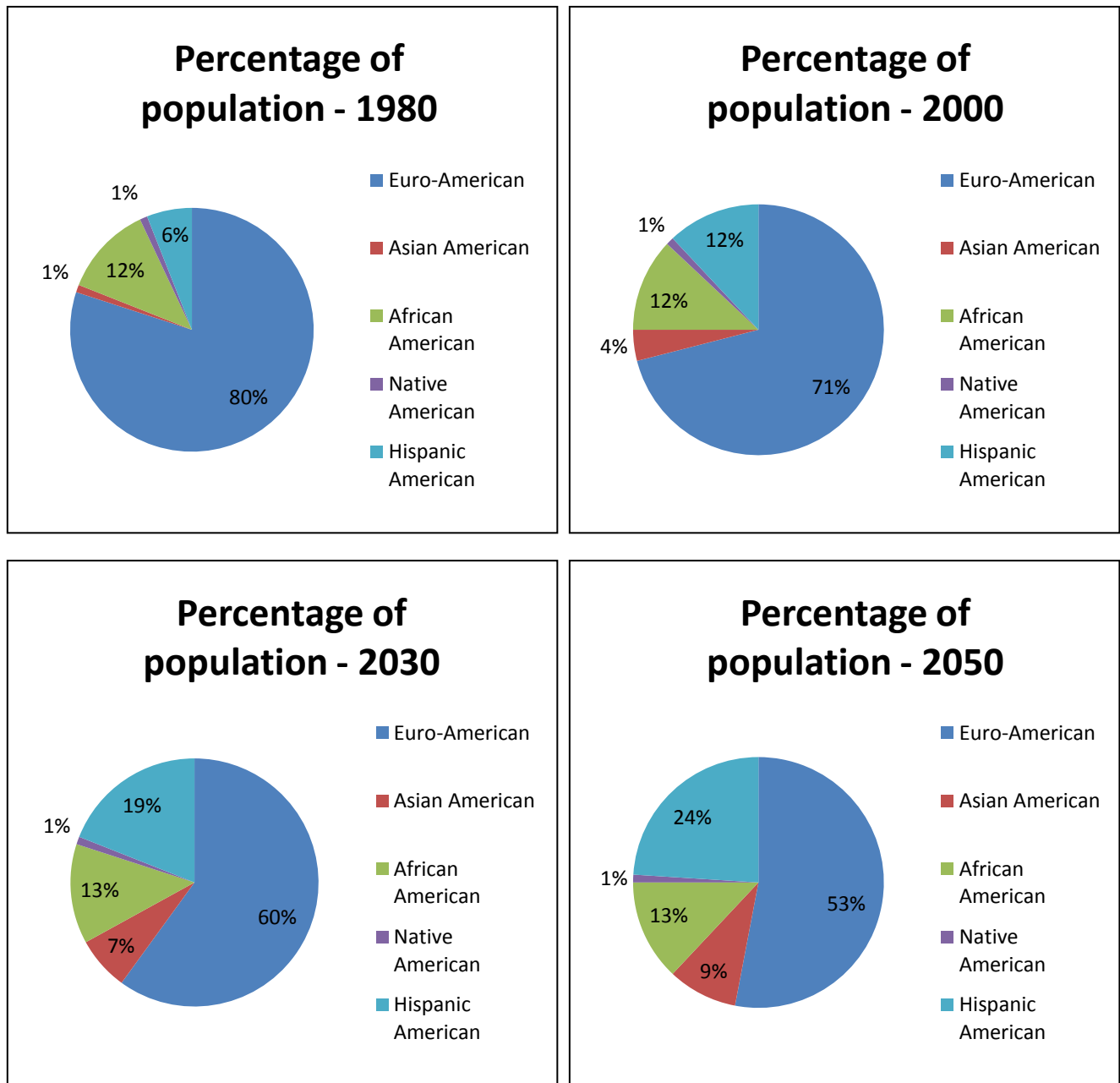
In summary, there are development opportunities available to help us develop our community if we are willing to pursue them.

Another important factor to consider as our community evolves is the change in birth rates and immigration rates in the US and how that will impact future growth. The US population will continue to grow, but, it will grow in a more ethnically diverse manner. Birth rates have fallen significantly since the baby boom era of the 1950’s and 1960’s and are projected to continue to decline slightly and remain steady through 2050 which is illustrated in the graph below (US Census Bureau - International Database, 2010):



- Birth rate is per 1,000 residents

But even with birth rates falling overall among existing US citizens, the birth rate among ethnically diverse citizens is higher than Euro-Americans. That coupled with increasing immigration rates will change the ethnicity percentages of our population significantly as evidenced by the graphs below (Marger, 2006):



In summary, the evidence is compelling. The world around us is changing and we need to determine the best way for us to change with it. As a community we need to think and plan differently, and, we need a broader scope of people helping us with our thinking and planning

to meet our new challenges. That is why we need to consider establishing a Planning Commission.

At this point we have talked about how a Planning Commission is formed which is through appointment by the village board. We covered what the purpose of the Planning Commission is, and, we provided some compelling evidence as to why we need to do long range planning. The one area left to cover is the activities of a Planning Commission, in particular, how we get started.

Below is a suggested list of some of the steps that could be taken, however, this is not an exhaustive list. After the planning commission is formed and we learn more about the planning commission process, other steps and methods will likely be needed, but, the list below will give us a start:

- 1) Determine if there are any statutory requirements regarding the formulation and make-up of a Planning Commission.
- 2) Determine the size of the Planning Commission
- 3) Appoint members.
- 4) Technical data gathering phase.
 - Demographic data.
 - Economic data.
 - Historical data.
 - Current zoning and land use maps and data.
 - Identify potential consulting assistance opportunities.
 - Identify potential information resource opportunities (For example, many of Wisconsin's higher educational institutions have urban planning and urban studies programs to possibly draw on).
- 5) SWOT (strengths, weaknesses, opportunities, threats) analysis for the village.
- 6) Survey village residents to gather more data. Examples of the questions that might be included in the survey:
 - What needs to be done to make Dane a better community?
 - What new services would make this a better community?

- What old services should we stop to make this a better community?
 - What can we do to improve the appearance of our community?
 - How should new buildings look to fit in with the community?
 - What ideas and suggestions do you have that would help improve Dane's economic position?
 - How should areas of the community look if they are redeveloped?
- 7) Draft a vision statement. In *The Small Town Planning Handbook* (Daniels, Keller, Lapping, Daniels, & Segedy, 2007) page 31 includes a sample vision statement from Lodi, Wisconsin:
- In 2025, Lodi is a community that links the future with the past by recognizing the importance of history in growth and development. The center of our small town is a pedestrian-friendly main street that celebrates historical architecture, while our waterways and surrounding vistas nourish the health and beauty of the valley.*
- 8) Draft goals and objectives.
- 9) Hold open meetings to allow residents to provide feedback.
- 10) Research economic plans and strategies of other communities.
- 11) Research alternative land use and building alternatives that conform to the economic plans being considered. There are interesting resources available in this area to assist us such as the book titled "Rural By Design" (Arendt, Brabec, Dodson, Reid, & Yaro, 1994). This book offers some interesting design alternatives and suggestions. This is just one of many examples. There are also several available consulting firms listed on the League of Wisconsin Municipalities web site.
- 12) Draft a future state plan that covers at least the following areas:
- a. Updated zoning and land use plans.
 - b. Marketing opportunities for economic development.
 - c. Other action plans needed.

Summary

As indicated previously, the intent is to use this proposal as only a starting point for establishing a one year plan for the Village of Dane. This proposal needs to be reviewed by the village board and village employees to gather feedback and other ideas on how to better refine the one year plan. Again, this proposal is intended to build on the work that has already been started, not to undo it.

We also must firmly believe that what is being proposed for the one year plan is not beyond the skills that we already possess in the village nor does it have to be expensive. We simply need to be diligent and start by drawing on the resources and expertise that we already have available, and, be willing to take the time to research and learn. In addition to the current residents of the village as resources, this proposal has also identified many other resources that are available to help us get started. Examples are the League of Wisconsin Municipalities and potential resources through the University of Wisconsin and the UW Extension program. We should also reach out to surrounding communities to establish working relationships and networks.

Another set of resources we should not forget about and look to for assistance is our state and federal representatives. The following website - <http://www.legis.wisconsin.gov/W3asp/waml/wamlresults.aspx?Address=1%20west%20main%20street&City=Dane&ZIP=53529> is maintained by the Wisconsin State Legislature (Who are my legislators?, 2009). Our state and federal representatives are identified at this site as well as links to their individual detailed sites.

In closing, this proposal is intended to emphasize that there is much that we can do to gain a better perspective on our financial position. There are many steps we can take to improve the operations and processes of the village. And, there is nothing stopping us from working to plan for our future. What is more important is that much of it can be done before a single dollar needs to be spent. We just need to continue to be diligent, we need to continue to do the right thing, and we need to continue to rely on our ingenuity (Gawande, 2007).

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