



DOA Local Government Report

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The State Trust Fund Loan Program

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DOA Local Government Report is published biannually by the Wisconsin Department of Administration, Division of Intergovernmental Relations, 101 East Wilson St. Madison, WI 53702.

Please direct general questions or comments to Dawn Vick, DOA Division of Intergovernmental Relations, (608) 266-7043 or dawn.vick@wisconsin.gov.

The Board of Commissioners of Public Lands (BCPL) works with local governments to maintain and improve Wisconsin's public infrastructure with the State Trust Fund Loan Program. This is one of the largest public lending programs in the state. Over the past five years, Wisconsin citizens and local governments have benefited from nearly \$600 million in Trust Fund loans to support community and school projects.

These loans are used for three types of public purposes:

- School repairs and improvements, including the installation of more energy-efficient heating and lighting systems
- General public works projects, including roads, town halls, airports, sewer systems and wastewater facilities, trucks, and emergency vehicles
- Economic development through TIF (tax incremental financing) districts and downtown revitalization projects

State Trust Fund loans can be used by local governments and school districts to finance any public purpose in Wisconsin—from under \$200,000 to renovate a fire station in Sauk County to more than \$1.5 million to develop an industrial park in West Bend. The State Trust Fund Loan Program has supported projects in every area of the state.

The application process is easy, there are no loan origination fees, and loans can be prepaid without penalty between March 15 and July 31 each year. Interest rates are competitive and can be fixed for terms of up to 20 years. Loan interest rates are subject to change from time to time based on economic conditions and availability of funds.

These loans are a prudent investment of Trust Funds. They provide a reasonable rate of return with low risk, as each loan is a general obligation of a taxing authority. They also provide an alternative to bonding for maintenance of the state's infrastructure.

Perhaps most importantly, more than 94% of the interest collected on Trust Fund loans is used to provide critical support for K-12 public school libraries throughout the state—a benefit no commercial lender can match.

For more information on State Trust Fund Loans and the BCPL go to their web page at <http://bcpl.state.wi.us> or contact Trust Fund Loan Specialist Coletta Demuth (608) 266-0034 or Coletta.demuth@wisconsin.gov.

Community Development Block Grants

Community Development Block Grants (CDBG), administered by the Wisconsin Department of Commerce, can be used by local governments for a wide range of public facilities projects including water and sewer for residential areas or for business expansion or development in which there will be jobs retained or created. Other facilities eligible for funding include senior centers, medical clinics, and other facilities available for general public use.

Projects supported by CDBG funds must principally benefit low and moderate-income residents, remove blight and slum conditions or respond to an urgent local need following a catastrophic event. The maximum grant allowable under the State's program is \$750,000, however, due to limited resources, grants rarely exceed \$500,000. The State's CDBG program is available to communities with populations less than 50,000.

Grants can also be used for downtown revitalization projects, waterfront redevelopment, and other activities including site clearance and preparation for affordable housing development. Planning grants are also available through the program. Ineligible activities include facilities for the general conduct of government (city halls, town garages), sports facilities, and facilities used by organizations that are not available to the general public. The activities eligible for funding are too numerous to list here.



Local governments can apply for CDBG funds anytime during the year; however, local governments are strongly encouraged to contact CDBG program staff at the Department of Commerce before submitting an application. Staff will conduct pre-application consultations with potential applicants to help confirm project eligibility and identify strengths and weaknesses of the proposal.

For more information on the CDBG program, visit: www.commerce.wi.gov, and click on "Local Government" that appears in the "Financial Assistance" box, or contact CBDG Program staff member Sandy Herfel at (608)266-2435 or sandra.herfel@wisconsin.gov.

Drinking Water and Wastewater Funding Sources

The Wisconsin Drinking Water and Wastewater Funding Sources Committee provides current financial information on the various sources of funding for local and Tribal governments and eligible individual purposes. The goal is to provide one-stop assistance in locating the available sources of grant or loan funds for drinking water and wastewater projects.

All available programs are summarized in the Drinking Water and Wastewater Funding Sources booklet. This publication contains eligibility and contact information for the available financial and technical assistance. The booklet also contains the Preliminary Inquiry for Project Financing form so a committee representative can contact you to discuss planning for your project.

The booklet is available at <http://www.dnr.wi.gov/org/caer/cfa/EL/Forms/sources.html>. If you would like a hard copy of the booklet, contact Pat Sullivan at 608-266-5742 or patricia.sullivan@wisconsin.gov

The booklet will also be available at the Wisconsin Rural Water Association Annual Technical Conference, April 8-11, 2008 at the Green Bay Regency Suites and KI Convention Center Complex. Stop by and pick up a booklet and discuss your drinking water or wastewater projects.

Assistance Redeveloping Brownfield Properties

The Blight Elimination and Brownfield Redevelopment Program (BEBR), administered by the Wisconsin Department of Commerce, provides grant funds to assess and remediate environmental contamination from abandoned, idle or underused industrial or commercial sites. Grants are available to assist local governments and businesses. This program typically awards about \$7.5 million in a combination of state and federal funds each fiscal year with a maximum grant award of \$1.25 million. A redevelopment plan that promotes economic development and has a positive effect on the environment is an essential element in a successful BEBR application.

The BEBR program accepts applications throughout the year. The Department of Commerce reviews applications looking for projects to promote economic development, have a positive effect on the environment and improve the quality and amount of the applicant's contribution to the project. Projects that propose innovative strategies are also highly ranked in the review process.

The BEBR program is a cooperative effort among state agencies, local governments and the private sector. The Department of Commerce, with the Department of Natural Resources, offers "Green Team Meetings" for local governments, developers and their environmental consultants. The goal of these meetings is to bring together key state agency staff to help our customers understand financial assistance programs offered and address the liability concerns for specific projects.

For information on the BEBR program, or to obtain a copy of the application, please visit: <http://commerce.wi.gov/CD/CD-bfi-grants.html> If you have questions about the program, or if you would like to discuss a project, or to schedule a Green Team Meeting, please contact the following individuals:

- Jason Scott, Grants Supervisor, (608)261-7714, jason.scott@wisconsin.gov
- Al Rabin, Program Specialist, (608)267-8926, alan.rabin@wisconsin.gov
- Sandy Herfel, Finance Specialist, (608) 266-2435, Sandra.Herfel@Wisconsin.gov

State Contracts Can Help Locals Save Money

Did you know that local and tribal governments can use state contracts to purchase goods and services? In fact, many counties, municipalities and tribes are already using state contracts to save money.

Through cooperative purchasing, local and tribal governments can take advantage of state contracts in two ways. First, local and tribal leaders can simply contact the business holding the state contract and purchase needed goods and services directly from the contract. Or, local and tribal officials can use the state contract as a negotiating tool when dealing with other suppliers of goods and services. Either way, local and tribal governments can use state contracts to leverage lower prices. Since the state procures large volumes of goods, negotiated state contracts can often provide opportunities for significant savings for local and tribal governments.

Local and tribal governmental purchasers can locate state contracts through VendorNet, the state of Wisconsin's electronic purchasing information system. VendorNet provides easy access to state contracts that may be used by state agencies, campuses and municipalities. VendorNet is available free of charge on the Internet at <http://vendornet.state.wi.us>.

For more information on the state contracts or VendorNet, contact Jim Langdon, Acting Administrator with the Department of Administration, Division of Enterprise Operations at (608) 267-2715 or by email at james.langdon@wisconsin.gov.

Alternative Dispute Resolution for Municipal Boundary Conflicts

[2007 Wisconsin Act 43](#), which took effect on January 18, 2008, encourages local governments to use Alternative Dispute Resolution (ADR) to address municipal boundary conflicts such as annexation, incorporation, consolidation, and related land use and intergovernmental conflicts.

This new law also clarifies how general intergovernmental agreements and stipulations and orders from a circuit court may be used by local governments to resolve annexation and boundary issues. The new law also simplifies requirements for cooperative boundary agreement by shortening some waiting periods and providing that agreements can now use adopted local comprehensive plans or, until 2010, master plans adopted by participating municipalities.

The specific statutory provisions in Act 43 relating to ADR:

- 1) requires the Department of Administration to maintain a list of ADR professionals to help local governments find qualified professionals;
- 2) creates a mediated process for communities to use to develop cooperative boundary agreements with their municipal neighbors, and
- 3) encourages circuit court judges to resolve annexation litigation using ADR by applying s. 802.12 Wis. Stats. - Wisconsin's ADR statute - to annexation disputes.

ADR can be used to resolve disputes out of court, or at the direction of a court. ADR procedures can range from assisted decision-making involving a neutral third party to decision-making by a third party who may include arbitrators or special masters.

ADR procedures tend to be less adversarial than a court trial, and are often cheaper, faster, and less formal. Often times, satisfaction with the final decision is higher. The parties can take ownership in the agreed-upon decision because they participated in its development and details. This means that in contrast to court decisions, where the losing party often appeals, ADR decisions are more likely to be implemented. Speaking with a trained ADR professional is often a good first step in order to best match the dispute or issue to an appropriate ADR procedure, determine whether the parties desire to maintain a working relationship, as well as whether the matter should instead be resolved by a court.

This spring, the Municipal Boundary Review (MBR) program in the Department of Administration will be working with other state agency ADR resources, professional associations, and county dispute resolution centers, to develop the on-line roster of specialists qualified to provide public sector dispute resolution services.

For more information, including web links to ADR resources and fact sheets relating to changes to the intergovernmental agreement statutes brought about by 2007 Act 43, visit MBR's web pages at: <http://www.doa.state.wi.us/municipalboundaryreview> ; or contact George Hall at 608-266-2683 or e-mail george.hall@wisconsin.gov or contact Erich Schmidtke at 608- 264-6104 or e-mail erich.schmidtke@wisconsin.gov.

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