Explanation of Enterprise Funds

Water and Sewer Utilities

The village of Howard has maintained separate water and sanitary sewer utilities since the mid-1950's when the systems were installed. The systems have expanded over the years to its current level of three water towers, two inactive wells, over 75 miles of water mains and access to over 84 miles of sanitary sewer mains. The sewer utility waste flows to the Green Bay Metropolitan Sewage District (GBMSD) system for treatment.

During the earliest years of the utilities, they were operated and reported as a combined system to the Wisconsin Public Service Commission (PSC), the body which regulates water utilities within Wisconsin. In addition to the PSC, the village board is the oversight body of both utilities. The utilities currently operate separately with their own set of books and records. Laborers track their time by department for proper allocation of wages and benefits.

On the following page is a listing of the utilities rates for billing customers. All of the water utility rates are still set by application to the PSC. The latest water rate study prepared by the village and submitted to the PSC for approval was performed in late 2008 with approval coming from the PSC in May 2009. The overal water revenue requirements were decreased by 4% as a result of this study.

The sanitary sewer system rates are established by the village board. For the past several years, the GBMSD has been increasing the utility's cost to process sewage resulting in increased customer rates. The utility will hire a consultant to perform a rate study to establish new rates that will take affect in early 2014. The high strength or industrial customer surcharge rates are changed at the beginning of each year to mirror the rates charged by the GBMSD.

For budget purposes, the 2013 amounts used represent estimated actual results for all of 2013. Estimated actual amounts are used rather than the budgeted amounts since the estimates are more accurate and both utilities review the need for rate changes based on actual results, not budget information. (The governmental funds report 2013 budget numbers in an attempt to be more consistent in reporting information related to tax levies and budget to budget variances.)

Beginning in January 2008, the utilities prepare a monthly billing for customers (in prior years, billings were quarterly). Both the water and sewer billings are based on the gallons of water used by a customer and a fee for service based on the size of meter. One combined billing is prepared for water and sewer charges (also storm water charges are included in the billing). Industrial customers sewer flow is metered and billed based on the flow and four high strength components of sewage.

The water utility is a member of the Central Brown County Water Authority (Authority or CBCWA). Since July 2007, the Authority has obtained drinking water from Lake Michigan by purchasing from the City of Manitowoc.

Storm Water Utility

In 2004, the village created a Storm Water Utility to account for cost of operating the storm water functions performed by the Village. This utility established user fees that became effective January 1, 2005. The user fees are designed to recover the cost of maintaining the storm water utility. The costs related to this utility are operating (mainly labor and equipment maintenance costs) and capital costs (new and reconstructed storm water infrastructure).

User fees are established on an equivalent residential unit (ERU) basis. One ERU is equal to 3,301s.f. of impervious surface per parcel. ERU's will be calculated by utilizing the total of impervious surface for each parcel divided by the 3,301, then rounded to the nearest one-tenth of one percent. All businesses, non-profit organizations, residential and multi-family dwelling units will be charged a user fee. The quarterly user fee was increased to $13.00 per ERU in 2008 which was up $2 from all prior years.

The village converted to a monthly billing in 2008 for water and sewer bills. User fees for most customers of the storm sewer utility are now based on a monthly rate of $4.33 per ERU. Customers with storm water only billings can choose to utilize a quarterly billing.

Storm Water Utility

The village purchased the Village Green Golf Course, a nine hole public golf course, on January 1, 1997. The course was purchased from a company which had operated the course for over twenty years. The first sixteen years of operations have been quite successful.

In 1997, the village entered into a contract with a local PGA professional for operating the golf pro shop and collecting greens fees for the village. The pro operated the restaurant located within the club house and hired all the supporting staff for the restaurant and pro shop. The contract with the pro expired at the end of 2001 and was not renewed. In 2002, the village assumed operating activities of the restaurant and golf course. All the employees of the golf course are now village employees.

Beginning in April 2011, the restaurant operations of the club house were rented to a local company called Coaches Corner. Coaches has a lease on the restaurant that ends on December 31, 2014.

Water Utility Rates

Volume charges are charged based on a per thousand gallon of use.

	2014 est.	2012-2013	2011	2009-2010
Up to 10,000 gallons	$6.35	$6.05	$5.10	$5.10
Next 90,000 gallons	$6.04	$5.75	$4.35	$4.35
Over 100,000 gallons	$5.78	$5.50	$3.25	$3.25

Service charge based on meter size:

	Monthly Rates				
	2014 est.	2013	2012	2011	2009-2010
Meter Size: 5/8"	$16.17	$15.40	$15.40	$11.71	$11.70
3/4"	$16.17	$15.40	$15.40	$11.71	$11.70
1"	$23.10	$22.00	$22.00	$15.61	$15.60
1.25"	$30.45	$29.00	$29.00	$21.76	$21.67
1.5"	$36.75	$35.00	$35.00	$29.01	$28.60
2"	$54.60	$52.00	$52.00	$42.01	$41.60
3"	$84.00	$80.00	$80.00	$69.01	$69.34
4"	$121.80	$116.00	$116.00	$108.01	$108.34
6"	$204.75	$195.00	$195.00	$195.02	$195.02
8"	$300.30	$286.00	$286.00	$286.03	$286.03

Sewer Utility Rates

Sewer rates are are established on volume charges for every 1,000 gallons of water used and on a fixed monthly rate or service charge. Industrial customers have additional charges for four components of sewage. The volume charges, monthly service charge and industrial surcharge rates are all listed in the chart below.

	Est. 2014	2013	2012	2011	
Vol chrg (per 1,000 gal)	$4.90	$4.40	$3.38	$3.28	
Service charge	$3.50	$2.75	$2.75	$2.74	
Industrial surcharges:					
BOD > 266 mg/l	$0.30901	$0.31486	$0.26511	$0.18061	per pound
TSS > 266 mg/l	$0.34795	$0.33942	$0.29365	$0.22868	" "
Phosphorus > 10 mg/l	$0.62393	$0.61715	$0.48596	$0.62204	" "
TKN > 46 mg/l	$0.78995	$0.78893	$0.76674	$0.71667	" "

Note: The rates for the four components listed represent the anticipated change effective January 1, 2014 and are matching the GBMSD's rates found in their budget document.

Storm Water Utility Rates

	2008 thru 2014	2005/2006/2007
ERU quarterly rate	$13.00	$11.00
ERU monthly rate	$4.33	N/A

Golf Course Rates 2014 and 2013	9 holes	18 holes
Weekday rates	$15.00	$22.00
League rates	$13.00	N/A
Junior and senior rates	$13.00	$18.00
Membership fees-single	annual fee	$550
Membership fees-married couple	annual fee	$850
Membership fees - senior (over 60)	annual fee	$450
Membership fees-married senior (over 60)	annual fee	$650
Membership fees - junior (16 and under)	annual fee	$200

VILLAGE OF HOWARD, WISCONSIN

Combining Budget for Enterprise Funds

For Year Beginning January 1, 2014

	Water Utility	Sanitary Sewer Utility	Storm Water Utility	Golf Course	Total Combined
Operating Revenue	$ 5,251,300	$ 2,931,200	$ 756,600	$ 350,500	$ 9,289,600
Operating Expenses					
Operation and maintenance	3,403,099	2,167,212	469,500	216,200	6,256,011
Administrative and general	380,400	315,700	-	8,500	704,600
Depreciation and amortization	512,000	285,000	220,000	52,000	1,069,000
Taxes	-	8,100	-	-	8,100
Total Operating Expenses	4,295,499	2,776,012	689,500	276,700	8,037,711
Operating Income	955,801	155,188	67,100	73,800	1,251,889
Nonoperating Revenues (Expenses)					
Interest revenue	21,000	16,000	8,000	700	45,700
Interest expense	(62,300)	(5,000)	-	-	(67,300)
Operating transfers out	-	-	-	-	-
Contributed capital	195,000	220,000	300,000	-	715,000
Transfers out (formerly Taxes)	(380,000)	-	-	-	(380,000)
Total Nonoperating Revenues (Expenses)	(226,300)	231,000	308,000	700	313,400
Change in Net Assets	729,501	386,188	(240,900)	74,500	1,565,289
Net Assets - January 1	23,967,610	20,717,458	14,207,779	2,915,848	61,808,695
Net Assets - December 31	$ 24,697,111	$ 21,103,646	$ 13,966,879	$ 2,990,348	$ 63,373,984

VILLAGE OF HOWARD, WISCONSIN
Comparative Budget for Water Utility
For Year Beginning January 1

	2012 Actual	2013 Estimated Actual	2014 Budget
Operating Revenue			
Charges for services	$ 4,946,003	$ 4,940,500	$ 5,185,500
Other	55,336	65,100	65,800
Total Operating Revenue	5,001,339	5,005,600	5,251,300
Operating Expenses			
Operation and maintenance	3,220,855	3,340,900	3,403,099
Administrative and general	372,659	369,200	380,400
Depreciation	550,520	492,000	512,000
Total Operating Expenses	4,144,034	4,202,100	4,295,499
Operating Income	857,305	803,500	955,801
Nonoperating Revenues (Expenses) & Transfers			
Interest revenue	23,203	23,000	21,000
Interest and amortization expense	(64,143)	(64,200)	(62,300)
Capital contributions	522,369	138,900	195,000
Transfers out (formerly Taxes)	(359,576)	(370,100)	(380,000)
Total Nonoperating Revenues (Expenses) and Transfers	121,853	(272,400)	(226,300)
Change in Net Assets	979,158	531,100	729,501
Net Assets - January 1	22,457,352	23,436,510	23,967,610
Net Assets - December 31	$ 23,436,510	$ 23,967,610	$ 24,697,111

REVENUE - CHARGES FOR SERVICE

Historical Summary:

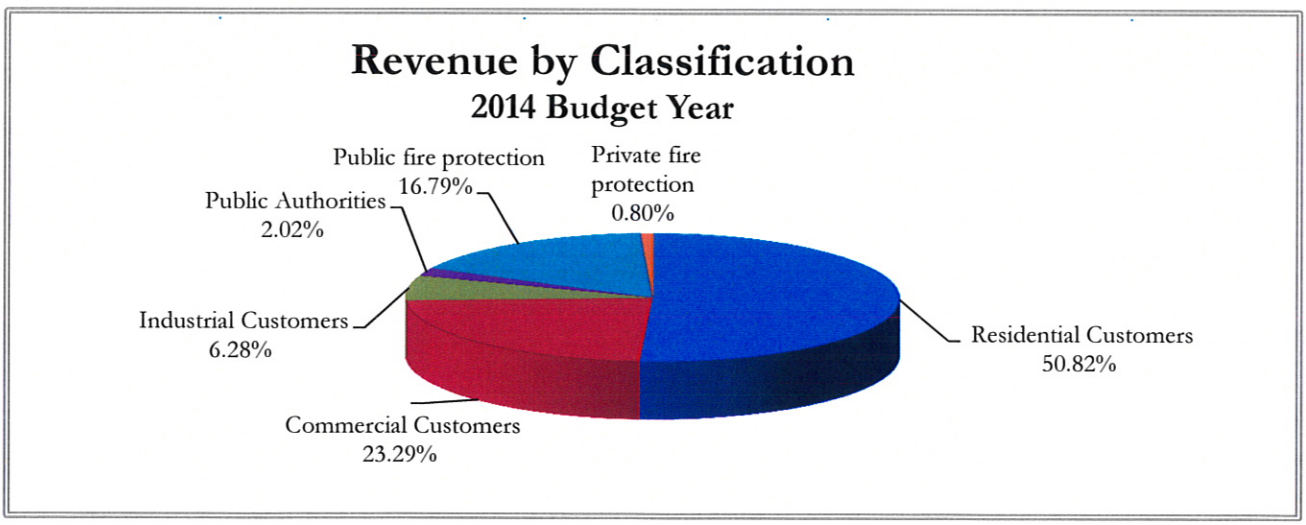
2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Estimated Actual	2014 Budget
$4,319,811	$4,177,496	$4,418,797	$4,946,003	$4,940,500	$5,185,500
Percentage Change	-3.29%	5.78%	11.93%	-0.11%	4.96%

Explanations and Assumptions:

The village had the PSC review water rates in 2012 and new rates were adopted. Water revenues are generated from charges based on the consumption of water used by residents, commercial and industrial customers. Public fire protection charges are made to customers and the village government. Private fire protection is charged to commercial entities with private fire devices like sprinkler systems.
The water rates include a water rate adjustment clause that allows the village to change water rates through the PSC annually for changes in water cost from the Water Authority without a full rate study being prepared.

Line item detail:	2012 Actual	2013 Est. Actual	2014 Budget	2014 Budget
Residential Customers	$ 2,440,128	$ 2,510,000	$ 2,635,500	50.82%
Commercial Customers	1,085,650	1,150,000	1,207,500	23.29%
Industrial Customers	346,402	310,000	325,500	6.28%
Public Authorities	105,685	100,000	105,000	2.02%
Public fire protection	927,368	829,200	870,700	16.79%
Private fire protection	40,770	41,300	41,300	0.80%
Total Charges for Service	**$ 4,946,003**	**$ 4,940,500**	**$ 5,185,500**	**100.00%**

2014 Budget Analysis:
The budget reflects a 5% increase in all revenue categories anticipating a rate study will be performed for 2014 resulting in a 5% increase in rates.



REVENUE - OTHER

Historical Summary:

2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Estimated Actual	2014 Budget
$39,139	$65,303	$71,167	$55,336	$65,100	$65,800
Percentage Change	66.85%	8.98%	-15.26%	17.64%	1.08%

Explanations and Assumptions:

Forfeited discounts are earned whenever a customer becomes delinquent in payment of billings. The rate for forfeited discounts is 1.0% per month of delinquency. There is also a 10% penalty applied to all outstanding accounts that exist on November 1 of each year. The miscellaneous revenues are made up of turn-on fees, rate of return on water meters and other items.

Line item detail:	2012 Actual	2013 Est. Actual	2014 Budget	2014 Budget
Forfeited discounts	$ 32,120	$ 34,000	$ 34,400	52.28%
Miscellaneous	23,216	31,100	31,400	47.72%
Total Other Revenue	**$ 55,336**	**$ 65,100**	**$ 65,800**	**100.00%**

2014 Budget Analysis:

Forfeited discounts are expected to increase by an estimated 1.0% in 2014 due to estimated increase in number of customers and the sluggish economy.

EXPENSE - OPERATIONS AND MAINTENANCE

MISSION To provide the customers continued safe drinking water supply in the most effective and cost efficient manner.

GOALS
Immediate responses to all water main break reportings.
Read all water meters once each month for billing purposes and replace old meters.
Continue to upgrade and replace old water mains.
Have 24 hour coverage of water system through use of a pager.
Flush all hydrants at least once per year.
Perform leak detections to discover and eliminate cause of water loss.

ACCOMPLISHMENTS

2013 Continued working with staff and outside consultants on leak detection and repairs.

2012 Continued working with staff and outside consultants on leak detection and repairs.

2011 Contracted with a firm to perform leak detection services and discovered one leak that was immediately repaired. Internally performed leak detections on all service connection to customers and repaired all leaks detected.

Quantitative Performance Measures:

	Number of gallons				
Year	Well water	Purchased water	Total Water	Sold & Used	Percentage Sold
2000	598,898,000	-	598,898,000	414,683,000	69.2%
2001	640,188,000	-	640,188,000	492,275,000	76.9%
2002	631,980,000	-	631,980,000	474,974,000	75.2%
2003	662,678,000	-	662,678,000	599,115,000	90.4%
2004	701,227,000	-	701,227,000	616,448,000	87.9%
2005	766,323,000	-	766,323,000	628,311,000	82.0%
2006	732,793,000	-	732,793,000	692,154,000	94.5%
2007	501,294,000	230,402,000	731,696,000	725,217,000	99.1%
2008	1,266,000	622,224,000	623,490,000	564,127,000	90.5%
2009	1,168,000	636,307,000	637,475,000	520,223,000	81.6%
2010	1,035,000	630,038,000	631,073,000	582,073,000	92.2%
2011	719,000	676,084,000	676,803,000	547,692,000	80.9%
2012	753,000	722,647,000	723,400,000	596,303,000	82.4%
2013 estimates	750,000	725,000,000	725,750,000	622,000,000	85.7%

PROGRAM EXPENDITURES	2012 Actual	2013 Est. Actual	2014 Budget	2014 Budget
Operation labor	$ 870	$ 700	$ 800	0.02%
Pumping operating labor	-	-	-	0.00%
Water purchased	2,762,687	2,857,400	2,967,800	87.21%
Source of supply miscellaneous	125	100	100	0.00%
Source of supply - maintenance	15,986	1,000	1,000	0.03%

PROGRAM EXPENDITURES (Continued)

Fuel for pumping	$ 18,029	$ 24,000	$ 26,000	0.76%
Pumping supplies	-	2,100	100	0.00%
Maintenance pumping plant	814	700	700	0.02%
Water treatment labor	12,028	13,800	13,000	0.38%
Chemicals	6,948	10,000	7,000	0.21%
Water treatment supplies	3,777	4,200	4,000	0.12%
Water treatment plant maintenance	405	1,900	500	0.01%
Transmission labor	90,585	85,000	87,300	2.57%
Transmission supplies	24,763	19,800	22,000	0.65%
Rent	33,000	33,000	33,000	0.97%
Maintenance structures (painting)	-	-	-	0.00%
Maintenance - distribution	19,411	37,000	10,000	0.29%
Maintenance - watermains	52,268	50,000	50,000	1.47%
Maintenance - fire mains	21,082	15,000	20,000	0.59%
Maintenance - services	48,980	100,000	60,000	1.76%
Maintenance - meters	5,578	1,500	5,000	0.15%
Maintenance - hydrants	27,935	6,500	15,000	0.44%
Maintenance - misc plant	7,817	-	-	0.00%
Meter reading labor	20,299	29,300	29,900	0.88%
Accounting dept. labor	45,552	46,200	47,500	1.40%
Customer account supplies	1,916	1,700	2,400	0.07%
Total Operations & Maint.	**$ 3,220,855**	**$ 3,340,900**	**$ 3,403,099**	**100.00%**

	2012 Positions Authorized (FTE)	2013 Positions Authorized (FTE)	2014 Positions Authorized (FTE)
Working Foreman	0.80	0.80	0.80
Laborer	2.40	2.40	2.40
Mechanic	0.30	0.30	0.30
Dir. Administrative Services	0.25	0.25	0.25
Accountant I	0.15	0.15	0.15
Utility billing clerk	0.40	0.40	0.40
Total FTEs	4.30	4.30	4.30

2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Estimated Actual	2014 Budget
$2,675,772	$2,821,656	$2,711,604	$3,220,855	$3,340,900	$3,403,099
Percentage Change	5.45%	-3.90%	18.78%	3.73%	1.86%

ADMINISTRATION AND GENERAL

MISSION To provide customers an avenue of communication regarding water services and supervise labor in meeting operational goals.

GOALS
Make appointments for final reading of meters and meter replacements.
Continue working closely with CBCWA on water supply issues.
Evaluate main breaks for the need to contract for repairs versus internal repairs.

ACCOMPLISHMENTS

2013 Entered into an agreement for purchasing new meter reading technologies at a greatly discounted price by joining with other municipalities.

2012 Began investigation of new meter reading technologies. Continued work on isolating leaks in the water system.

2011 Began implemenatation of a new water valve exercising program. Relocated water mains and laterals for US Hwy 41 and State Hwy 29 projects.

	2012 Actual	2013 Est. Actual	2014 Budget	2014 Budget
Administration labor	$ 146,391	$ 122,700	$ 126,000	33.12%
Office supplies	29,627	31,000	32,000	8.41%
Outside services employed	61,541	45,000	60,000	15.77%
Property insurance	20,475	26,500	28,000	7.36%
Injuries and damages	-	-	-	0.00%
Pensions and other benefits	114,625	138,000	127,900	33.62%
Other expenses	-	200	500	0.13%
Regulatory commission exp	-	5,800	6,000	1.58%
Total Administration/General	**$ 372,659**	**$ 369,200**	**$ 380,400**	**100.00%**

	2012 Positions Authorized (FTE)	2013 Positions Authorized (FTE)	2014 Positions Authorized (FTE)
Administrator	0.15	0.15	0.15
Administrators assistant/PIO	0.15	0.15	0.15
Public Works Director	0.25	0.25	0.25
Administrative assistants	0.45	0.45	0.45
Engineer Tech & GIS operator	0.45	0.45	0.45
Total FTEs	1.45	1.45	1.45

2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Est. Actual	2014 Budget
$284,470	$314,930	$342,856	$372,659	$369,200	$380,400
Percentage Change	10.71%	8.87%	8.69%	-0.93%	3.03%

2014 Budget Analysis - Operations and Maintenance:

In 2007, the Village began purchasing water from the Central Brown County Water Authority (Authority). Since then, payments to the Authority will be classified as water purchased for resale. The cost associated with purchasing water from the Authority is determined by the Authority in their budget process. At the time of printing this document, the Authority's budget was not yet completed but an estimate was obtained for the 2014 budget amount.

2014 Budget Analysis - Administration and General

Adjusted budget amounts based on historical trends and averages. Pension and other benefits should be reduced in 2014 by approximately $17,000 as union employees begin to pay 1/2 of pension costs.

2014 Budget Analysis - Depreciation:

The calculation of plant depreciation is based on estimated life of each class of asset as determined by the PSC. The budget amount represent estimates of the 2014 expense based on current rates of depreciation and estimates of additions and deletions to fixed asset.

2014 Budget Analysis - Transfers Out (formerly Taxes):

The GASB changed the methold of recording revenue and expenses are reported for in-lieu of tax payments. Since there is no direct service provided for this payment, the payment must be reported as a Transfer instead of an expense. The amount of the transfer continues to be calculated as in the past years with the payment being based on the utility plant existing at the beginning of the year and certain components of the tax rate.

Note: The village is part of the Authority. This body was created in order to develop an alternative water source for the member communities other than well water. The aquifer that holds most communities water supply is being depleted and has high levels of contaminants that exceed EPA limits. The village is a charter member of the Authority. Cost from the Authority are passed on to customers through a water rate adjustment clause.

VILLAGE OF HOWARD, WISCONSIN

Comparative Budget for Sewer Utility

For Year Beginning January 1

	2012 Actual	2013 Estimated Actual	2014 Budget
Operating Revenue			
Charges for services	$2,412,192	$2,650,600	$2,915,200
Other	14,466	16,000	16,000
Total Operating Revenue	2,426,658	2,666,600	2,931,200
Operating Expenses			
Operation and maintenance	1,952,789	1,998,630	2,167,212
Administrative and general	315,610	335,000	315,700
Depreciation	275,199	280,000	285,000
Taxes	7,891	8,000	8,100
Total Operating Expenses	2,551,489	2,621,629	2,776,012
Operating Income	(124,831)	44,971	155,188
Nonoperating Revenues (Expenses)			
Interest revenue	19,862	15,000	16,000
Interest expense	(8,708)	(6,100)	(5,000)
Capital contributions	270,888	719,300	220,000
Total Nonoperating Revenues (Expenses)	282,042	728,200	231,000
Change in Net Assets	157,211	773,171	386,188
Net Assets - January 1	19,787,076	19,944,287	20,717,458
Net Assets - December 31	$19,944,287	$20,717,458	$21,103,646

REVENUE - CHARGES FOR SERVICE

Historical Summary:

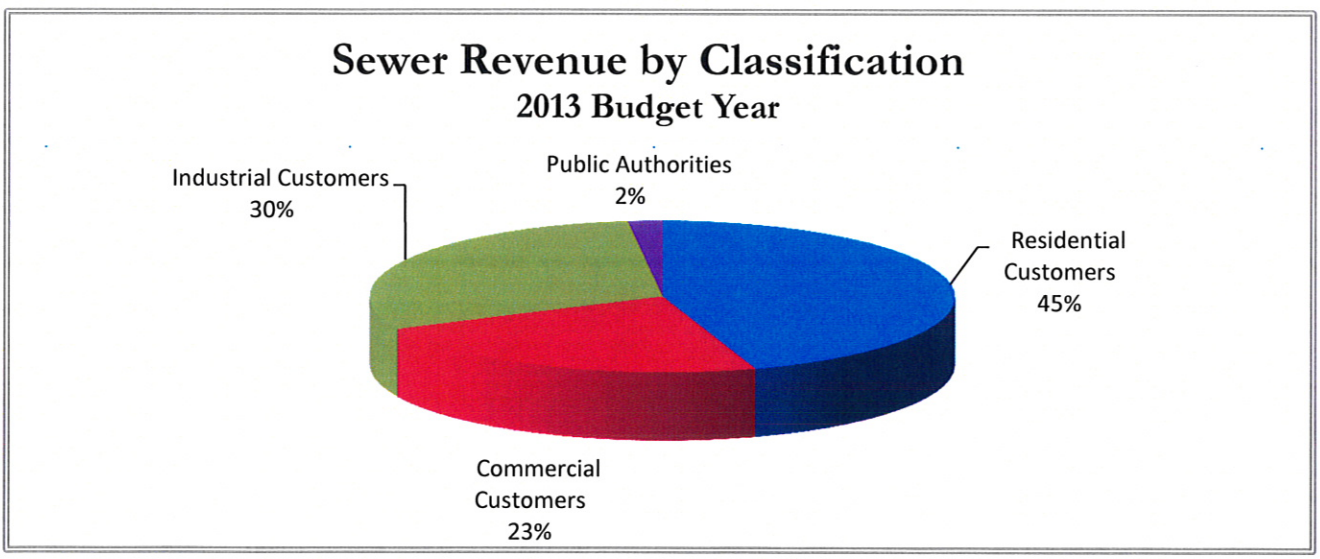
2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Estimated Actual	2014 Budget
$1,840,319	$1,925,073	$2,091,759	$2,412,192	$2,650,600	$2,915,200
Percentage Change	4.61%	8.66%	15.32%	9.88%	9.98%

Explanations and Assumptions:
The sewer rates are established by the village board. The flow rate was adjusted in 2011 and in 2012.
The 2012 budget amounts are based on the combination of historical trends and estimated new housing starts and new businesses. A rate increase may be necessary for 2012 but has not been factored into the budget.

Line item detail:	2012 Actual	2013 Est. Actual	2014 Budget	2014 Budget
Residential Customers	$1,012,265	$1,188,900	$1,307,800	44.86%
Commercial Customers	493,016	610,700	671,800	23.04%
Industrial Customers	864,456	800,000	880,000	30.19%
Public Authorities	42,455	51,000	55,600	1.91%
Total Charges for Service	**$2,412,192**	**$2,650,600**	**$2,915,200**	**100.00%**

2014 Budget Analysis:
The sewer rates are expecting an increase of at least 9% to match the cost increase from the GBMSD. Residential customers are expecting 40 new customers and commercial a 90 new customers in 2013 caused by growth, while public authority will only see the 9% rate increase.

The Industrial customer revenues have seen fluctuations from year to year due to changes in the largest customer's pretreatment facility. Industrial revenue is not expected to increase 9% in 2013.



REVENUE - OTHER

Historical Summary:

2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Estimated Actual	2014 Budget
$15,953	$14,922	$14,257	$14,466	$16,000	$16,000
Percentage Change	-6.46%	-4.46%	1.47%	10.60%	0.00%

Explanations and Assumptions:

Forfeited discounts are earned whenever a customer becomes delinquent in payment of sewer billings. The rate charged for past due accounts is 1.0% per month. There is also a 10% penalty applied to all outstanding accounts on November 1 of each year. Miscellaneous revenues are comprised of second meter sales and other items.

Line item detail:	2012 Actual	2013 Est. Actual	2014 Budget	2014 Budget
Forfeited discounts	$13,771	$15,000	$15,000	93.75%
Miscellaneous	695	1,000	1,000	6.25%
Total Other Revenue	**$14,466**	**$16,000**	**$16,000**	**100.00%**

2014 Budget Analysis:

The budget is reflecting no changes in the two items for 2013. The 2013 budget is based on estimated actual results from 2012.

EXPENSE - OPERATIONS AND MAINTENANCE

MISSION To provide the customers continued access and flow of sewage in the most cost efficient manner.

GOALS
Provide immediate responses to sewer backup complaints.
Extend sewer lines into new subdivisions.
Replace old sewer mains in accordance with capital replacement schedule.
Perform sewer cleaning and inspections in accordance with scheduled events.

ACCOMPLISHMENTS

2013 Continued monitoring flow results by updating spreadsheet with flow data and continued sewer

2012 Continued monitoring flow results by updating spreadsheet with flow data and continued sewer cleaning and inspection program.

2011 Continued monitoring flow results by updating spreadsheet with flow data. Continued with sewer cleaning and inspection program.

PROGRAM EXPENDITURES	2012 Actual	2013 Est. Actual	2014 Budget	2014 Budget
Operation labor	$19,957	$20,000	$20,700	0.96%
Fuel for pumping	4,575	4,400	4,900	0.23%
Phosphorus chemicals	-	-	-	0.00%
Transportation expense	21,429	21,430	22,500	1.04%
Green Bay Met Charges-treatment	1,749,061	1,800,000	1,962,000	90.53%
Maintenance - Collection	93,481	95,000	97,613	4.50%
Maintenance - Pumping	13,864	13,300	13,300	0.61%
Maintenance - General Plant	3,967	500	1,000	0.05%
Billing labor and supplies	46,455	44,000	45,200	2.09%
Total Operating Expenses	**$1,952,789**	**$1,998,630**	**$2,167,212**	**100.00%**

	2012 Positions Authorized (FTE)	2013 Positions Authorized (FTE)	2014 Positions Authorized (FTE)
Working Foreman	0.15	0.15	0.15
Laborer	1.60	1.60	1.60
Dir. Administrative Services	0.25	0.25	0.25
Accountant I	0.25	0.25	0.25
Clerk Typist	0.25	0.25	0.25
Meter reader	0.25	0.25	0.25

2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Estimated Actual	2014 Budget
$1,013,555	$1,200,534	$1,371,427	$1,952,789	$1,998,630	$2,167,212
Percentage Change	18.45%	14.23%	42.39%	2.35%	8.43%

EXPENSE - ADMINISTRATION AND GENERAL

MISSION To provide the customers communication access to sewer personnel and administrate laborers.

GOALS Make available access to the public for any sewer related concerns.
Perform all administrative functions of the utility such as preparing service orders.

ACCOMPLISHMENTS

2011-2013 1. Updated sewer replacement schedule and continued to replace sewer lines as needed.

PROGRAM EXPENDITURES	2012 Actual	2013 Est. Actual	2014 Budget	2014 Budget
Administration labor	$ 80,545	$ 75,000	$ 76,100	24.11%
Meter reading labor	20,299	29,300	29,900	9.47%
Meter supplies (ROR)	5,578	20,400	21,000	6.65%
Office supplies	20,630	21,000	21,000	6.65%
Outside services employed	50,811	50,000	50,000	15.84%
Property insurance	17,254	17,300	18,200	5.76%
Pensions & benefits	87,043	88,000	65,500	20.75%
Uncollectible accounts	-	500	500	0.16%
Miscellaneous	450	500	500	0.16%
Rents	33,000	33,000	33,000	10.45%
Total Administration	**$ 315,610**	**$ 335,000**	**$ 315,700**	**100.00%**

	2012 Positions Authorized (FTE)	2013 Positions Authorized (FTE)	2014 Positions Authorized (FTE)
Administrator	0.10	0.10	0.10
Public Works Director	0.20	0.20	0.20
Clerk/typists	0.40	0.40	0.40
Engineer Tech & GIS operator	0.30	0.30	0.30
Foreman	0.15	0.15	0.15

2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Estimated Actual	2014 Budget
$320,703	$312,047	$296,816	$315,610	$335,000	$315,700
Percentage Change	-2.70%	-4.88%	6.33%	6.14%	-5.76%

2014 Budget Analysis - Operations and Maintenance:

Charges by the GBMSD make up the overwhelming majority of expenses in this category. The GBMSD charges vary from year to year based on strength and gallons of sewage flowing to the GBMSD. With changes to our largest customer's pretreatment facility, it is very difficult to predict the cost in future years. The 2014 budget reflects a 9% increase from the 2013 amount based on GBMSD estimates.

2014 Budget Analysis - Administration and General:

Pensions and benefits and administrative salaries make up the larges item within this category. For 2014, former union employees will begin to pay 50% of their pension contributions which will decrease this expense.

2014 Budget Analysis - Depreciation:

The calculation of plant depreciation is based on estimated life of each class of asset as determined by the PSC for the water utility. The budget amount represent estimates of the 2014 expense based on current rates of depreciation and estimates of additions and deletions to fixed assets.

2014 Budget Analysis - Taxes:

This expense represents the annual fee charged by the water utility to the sewer utility for 1/2 the rate of return on meters owned by the water utility but used for sewer billings too.

VILLAGE OF HOWARD, WISCONSIN

Comparative Budget for Storm Water Utility

For Year Beginning January 1

	2012 Actual	2013 Estimated Actual	2014 Budget
Operating Revenue			
Charges for services	$ 742,932	$ 745,400	$ 750,600
Other - forfeited discounts	5,864	6,000	6,000
Total Operating Revenue	748,796	751,400	756,600
Operating Expenses			
Operation, maintenance and general	493,090	480,118	469,500
Depreciation	208,851	210,000	220,000
Total Operating Expenses	701,941	690,118	689,500
Operating Income	46,855	61,282	67,100
Nonoperating Revenues (Expenses)			
Interest revenue	10,472	6,500	8,000
Capital contributions (special assessments) & grants	207,147	207,100	300,000
Total Nonoperating Revenues (Expenses)	217,619	213,600	308,000
Change in Net Assets	264,474	274,882	375,100
Net Assets - January 1	13,668,423	13,932,897	14,207,779
Net Assets - December 31	$ 13,932,897	$ 14,207,779	$ 14,582,879

Capital contributions represents cash payments from developers for installation of new storm sewer infrastructure, special assessments and impact fees collected. These receipts are disclosed as Nonoperating revenues while the expenditure of funds for the infrastructure is capitalized as an asset and depreciated.

STORM WATER UTILITY

REVENUE - CHARGES FOR SERVICE

Historical Summary:

2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Estimated Actual	2014 Budget
$681,789	$693,763	$701,851	$742,932	$745,400	$750,600
Percentage Change	1.76%	1.17%	5.85%	0.33%	0.70%

Explanations and Assumptions:

The storm water utility rates were last adjusted by the village board during the 2008 budget process becoming effective January 1, 2008. The rates are based on 3,301 square footage of impervious surface equaling one Equivalent Residential Unit (ERU). Rate requirements are reviewed annually with each budget document and based on cash flow requirements for operating and capital needs.

The ERU Revenues are not classified by residential, commercial or industrial as done in the Water and Sewer Utilities. The ERU for each parcel determines the amount to be charged each customer and recorded as revenue.

Line item detail:	2012 Actual	2013 Est. Actual	2014 Budget	2014 Budget
ERU's Revenue	$737,552	$740,400	$745,600	99.33%
Plan review fees	5,380	5,000	5,000	0.67%
Total Charges for Service	**$742,932**	**$745,400**	**$750,600**	**100.00%**

2014 Budget Analysis:

Estimated revenue from ERU's in 2014 is based on the current actual number of ERU's plus an estimated increase of 100 more ERU's in 2014. Plan review fees are fairly constant from year to year, but contingent upon plans submitted for review.

STORM WATER UTILITY

OPERATING EXPENSES

MISSION To provide clean water from storm events that flow from the village of Howard to the Bay of Green Bay in the most cost beneficial manner.

GOALS
Develop a monitoring system to evaluate maintenance schedules.
Provide a functional storm sewer system that responds to customer needs.
Provide information to the public about the system's operations.
Sweep all streets of the village twice each year and pickup leaves at curb.

ACCOMPLISHMENTS

2013 Continued with street sweeping operations and leaf pickup services.
2012 Continued with street sweeping operations and leaf pickup services.
2011 Completed construction of a third leaf vacuum on a new truck.

	2012 Actual	2013 Est. Actual	2014 Budget	2014 Budget
Insurance	$ 4,868	$ 6,958	$ 7,000	1.45%
Workers compensation	4,814	7,160	7,500	1.49%
Contracted services	99,285	75,000	90,000	15.62%
Repairs, maintenance & fuel	49,822	81,000	50,000	16.87%
Other supplies & expenses	69,618	50,000	51,500	10.41%
Employee benefits	70,981	70,000	73,500	14.58%
Salaries and wages	193,702	190,000	190,000	39.57%
Rent & other charges	-	-	-	0.00%
Total Administration	**$ 493,090**	**$ 480,118**	**$ 469,500**	**100.00%**

STORM WATER UTILITY - Operating Expenses (Continued):

	2012 Positions Authorized (FTE)	2013 Positions Authorized (FTE)	2014 Positions Authorized (FTE)
Administrator	0.05	0.05	0.05
Administrative assistant/PIO	0.05	0.05	0.05
Administrative assistants-VH	0.10	0.10	0.10
Director of Administrative Services	0.05	0.05	0.05
Accountant I	0.05	0.05	0.05
Account Clerk	0.10	0.10	0.10
Public Works Director	0.20	0.20	0.20
Administrative assistants - PW	0.30	0.30	0.30
Engineer	0.10	0.10	0.10
Working Foreman	0.25	0.25	0.25
Laborer	1.25	1.75	1.75
Engineer Tech & GIS operator	0.70	0.70	0.70
Mechanics	0.20	0.20	0.20
Laborer - leaf collection	0.25	0.25	0.25
Totals	3.65	4.15	4.15

2014 Budget Analysis:

Cost of living increases represent the increases in the 2014 budget amounts reported above.

2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Estimated Actual	2014 Budget
$404,317	$415,671	$326,088	$493,090	$480,118	$469,500
Percentage Change	2.81%	-21.55%	51.21%	-2.63%	-2.21%

Village of Howard
Schedule of Cash Flow Analysis & Capital Improvement Projects by Year - Storm Water

	2013 Estimate	2014 Budget	2015 Budget	2016 Budget	2017 Budget	2018 Budget
Cash Balance, Jan. 1 (estimate)	$1,006,508	$744,891	$69,991	$354,476	$539,425	$727,844
Revenue						
Charges for Services (Storm Fees)	740,400	745,600	753,200	755,200	757,300	759,400
Plan review fees	5,000	5,000	1,200	1,200	1,200	1,200
Other revenue-forfeited discounts	6,000	6,000	6,000	4,000	4,000	4,000
Special Assessments	125,000	350,000	425,000	425,000	374,400	325,000
Interest income	6,500	8,000	-	-	-	-
Intergovernmental - Grants	-	-	-	-	-	-
Operating expenses	(480,118)	(469,500)	(485,915)	(500,450)	(515,480)	(530,906)
Capital Improvements:						
Equipment purchases	(15,000)	(35,000)	-	-	(140,000)	(115,000)
Orthophotos-Brown County	-	-	(3,000)	-	(3,000)	-
Valley Brooke Subdivision	(649,400)					
Pond work	-	(45,000)	-	-	-	-
Riverdale Dr.	-	(85,000)	-	-	-	-
Quarry culvert connections	-	(100,000)	-	-	-	-
Seligmann ditching project	-	(30,000)	-	-	-	-
Spring Green subdivision	-	(920,000)	-	-	-	-
Cardinal & Dousman intersection	-	(43,000)	-	-	-	-
CTH FF & Shawano project	-	(62,000)	-	-	-	-
Developer projects	-	-	-	(500,000)		
Evergreen (.12 W Rolla-Pinecrest)	-	-	-	-	-	-
Pinecrest Rd (Evergreen-Devroy)	-	-	(412,000)	-	-	-
Evergreen (Glendale-Graceland)	-	-	-	-	(290,000)	-
Cash Balance, Dec. 31 (estimate)	$744,891	$69,991	$354,476	$539,425	$727,844	$1,171,538

Note: This schedule is used to determine annual cash flows for the storm water utility and establish a rate for quarterly ERU charges. The ERU quarterly rates schedule for current year and next budget year is below with estimated future rates:

Equivalent Residential Unit (ERU) fee:

	2013	2014	2015	2016	2017	2018
Quarterly fee, per ERU	$13.00	$13.00	$13.00	$13.00	$13.00	$13.00
Monthly fee, per ERU	$4.33	$4.33	$4.33	$4.33	$4.33	$4.33

4-Year Capital Budgeting for Water, Sanitary Sewer and Storm Water Utilities

For Year Beginning January 1

Since budgeting for the utilities is on a full-accrual basis, costs of replacing old equipment and infrastructure, as well as new purchases, are not reflected in the preceding pages. In order to provide this information to the public, this schedule has been prepared. The items listed below represent the utilities' share of the estimated project cost. Projects paid by a developer are not included on this schedule.

Project Name	Year		Water	San. Sewer	Storm Water
Lakeview lift station replacement	2014		$ -	$ 450,000	$ -
Rehab projects	2014		50,000	50,000	
Cardinal & Dousman intersection	2014		38,000	20,000	43,000
CTH FF - Shawano Av. (FF to Catherine)	2014		-	-	62,000
Quarry culvert connections	2014		-	-	100,000
Seligman ditching project	2014		-	-	30,000
Cardinal - Woodale to Mnt Bay Trail	2014		144,000	-	-
Totals for 2014			232,000	520,000	235,000
Rehab projects	2015		50,000	50,000	50,000
Shawano Ave. (Catherine - Greenfield)	2015		-	522,500	-
	2015				
Totals for 2015			50,000	572,500	50,000
Rehab projects	2016		50,000	50,000	
Vincent Rd and bridge	2016		145,000	42,000	80,000
Totals for 2016			195,000	92,000	80,000
Rehab projects	2017		50,000	50,000	
Vicent Road reconstruction	2017		145,000	42,000	80,000
Totals for 2017			195,000	92,000	80,000
Four Year Average			$ 119,250	$ 296,125	$ 91,250

Water, Sanitary Sewer and Storm Water Utilities Capital Equipment Purchases

In addition to the projects on the previous page, the following equipment listings will need to be purchased:

		Water	San. Sewer	Storm
Meter replacement program	2014	$ 250,000	$ 15,000	$ -
Dump body #368	2014	25,000	-	-
ToolCat, used	2014	-	-	35,000
Meter replacement program	2015	250,000	15,000	-
Dump truck w/ plow	2015	-	-	-
Utility van	2015	30,000	-	-
Meter replacement program	2016	250,000	15,000	-
Street Sweeper	2016	-	-	-
Utility van	2016	-	31,000	-
Meter replacement program	2017	250,000	15,000	-
Pickup	2017	-	35,000	-
Jet Machine	2017	-	170,000	-

Water and Sewer Debt Service Summary

There are currently three water and sewer revenue bonds outstanding. There are also two outstanding debt issues related to the sewer utility financed through the GBMSD. All these issues are explained below.

The storm water utility has not issued any debt for financing project costs.

1. Sewer System Bayview Interceptor Capacity Purchase Dated April 1996

This $1,172,254 debt was financed by GBMSD for the village to purchase capacity in the Bayview Interceptor that traveled through the village to the Town of Pittsfield. Annual installment payments of $80,323 includes interest of 3.598%, through April 2015.

2. Water Utility General Obligation Debt - Refunding Issue Dated August 2011

This $1,695,000 debt was issued in 2011 to refund the Revenue Debt issues Series 2001 and Series 2002 listed above. This debt was issued as general obligation debt of the village but will be repaid by the water utility. Annual principal payments on this debt range from $125,000 to $205,000 through May 1, 2022. Interest rates range from 0.9% to 2.9%.

The combined water and sewer utility has obtained bond rating services for revenue debt from Moody's dating back to the early 1990's. The latest Moody's bond rating for the revenue debt was in 2002 and rated an A2. Standard & Poors has issued bond ratings for the general obligation debt of the village with a AA rating.

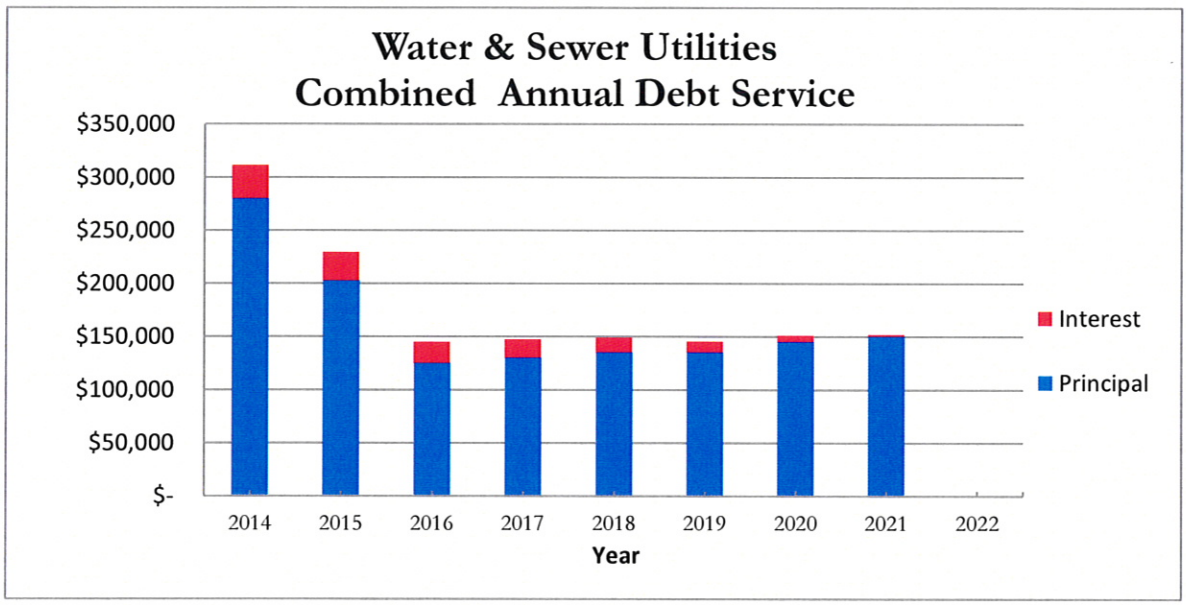
The village's established debt policy for proprietary fund debt is no new debt issuance for operating costs and replacement of existing infrastructure. Debt can be issued for new infrastructure if a revenue source is found for repayment of debt. In the case of the water and sewer utilities, the revenue source would be revenue from operations, generally through rate increases.

There is no legal debt limit for the revenue bond debt. General obligation debt can be issued for the enterprise funds, but the village has chosen to use revenue bond debt instead.

All of the outstanding debt of the utilities were issued for new infrastructure. The utilities have experienced tremendous growth as new homes and commercial sites are added annually. Revenues from the new customers have been utilized in paying off debt issuances.

The following schedule is a list of debt payments expected in the 2014 budget year:

Debt Issue	Principal Payments	Interest Payments	Total Payments
General Obligation Debt - Water	$205,000	$26,033	$231,033
Bayview Interceptor GBMSD Debt April 1996	74,841	5,482	80,323
Totals for 2014	$279,841	$31,515	$311,356



Water and Sewer Debt Service Continued

Effects of existing debt on future operations:

	Principal	Interest	Total	Debt Allocated To Water	Debt Allocated To Sewer
2014	$ 279,841	$ 31,515	$ 311,356	$ 231,033	$ 80,323
2015	202,533	26,883	229,416	149,093	80,323
2016	125,000	20,045	145,045	145,045	-
2017	130,000	17,325	147,325	147,325	-
2018	135,000	14,152	149,152	149,152	-
2019	135,000	10,508	145,508	145,508	-
2020	145,000	6,450	151,450	151,450	-
2021	150,000	2,175	152,175	152,175	-
2022	-	-	-	-	-
	$ 1,302,374	$ 129,053	$ 1,431,427	$ 1,270,781	$ 160,646

The schedule above reflects actual cash payments to be made in each of the years listed. Cash payments of interest expense do not agree with GAAP basis of interest expense reported in this budget. Since budgeting for the utilities are on a GAAP basis (full accrual), the interest for 2014 reflected above does not agree with the total interest reported in the water and sewer budgets.

Village Green Golf Course
Statement of Budgeted Revenue, Expenses and Changes in Net Position
For Year Beginning January 1

	2012 Actual	2013 Estimated	2014 Budget
Revenue			
Green fees	$ 193,504	$ 185,000	$ 200,000
Golf cart rentals	76,454	64,000	76,000
Beverages	31,540	30,500	32,000
Other golf revenues	12,278	12,000	12,000
Rental income	26,800	29,664	30,500
Restaurant sales	-	-	-
Total Operating Revenues	340,576	321,164	350,500
Operating expenses:			
Golf operations:			
Salaries & benefits	126,809	85,000	90,000
Insurance	9,168	13,200	13,200
Supplies and other expenses	41,465	38,700	40,000
Cost of goods sold	16,661	16,000	17,000
Repairs and maintenance	39,635	25,000	30,000
Advertising	2,067	3,200	11,000
Telephone and utilities	19,433	14,000	15,000
Depreciation	44,855	47,000	52,000
Administrative expenses	8,334	8,200	8,500
Total operating expenses	308,427	250,300	276,700
Operating income	32,149	70,864	73,800
Other income (expenses) & operating transfers			
Interest and other income	632	500	700
Gain (loss) on sale of equipment	-	-	-
Transfers out	(60,000)	(30,000)	-
Total operating transfers over nonoperating revenu	(59,368)	(29,500)	700
Change in net assets	(27,219)	41,364	74,500
Net Assets - January 1	2,901,703	2,874,484	2,915,848
Net Assets - December 31	$ 2,874,484	$ 2,915,848	$ 2,990,348

Summary of Golf Course Budget

On December 31, 1996, the village of Howard purchased a local nine hole golf course. The facility is being operated as a public golf course, providing golf carts, club rentals and miscellaneous merchandise sales. In addition to the golf operations, the club house houses a restaurant facility that is open during summer months and every Friday of the year. The restaurant has been providing a Friday "fish-fry" for more than 30 years. In 2011, the restaurant was rented to Coaches Corner, a popular local restaurant/bar operation.

The village contracted with a local golf pro to operate the golf course and restaurant operations from 1997 through 2001. In 2002, the village began operating the course and restaurant as a village facility. All the employees of the facility are hired by the village. The change in operations allowed the village to begin collecting revenue from golf carts, club rentals, merchandise sales and the restaurant operation sales.

The past ten years the village has funded capital outlay items from existing operations. Continued investment in equipment and building facilities will be made in future years from available resources.

The State of Wisconsin reconstructed County Road J in 2011, located on the western border of the golf course, and continued reconstruction of State Highway 29, located on the south border of the golf course. The County Road J reconstruction lowered the number of rounds played dramatically in 2011.

MISSION	STRATEGIC OBJECTIVES
To provide our residents with a friendly, attractive and active community by providing the best 9 hole golf course in Wisconsin.	1. Provide daily maintenance services of the greens, tee boxes and fairways of the golf course. 2. Maintain golf carts in excellent working condition. 3. Work with Coaches Corner on facilities use during non-golf season. 4. Expand weekday league play.
GOALS	**PLAN OF ACTION**
1. Provide an excellent golf course experience for 6-9 months of the year. 2. Provide a professional "Pro Shop" atmosphere for golf participants. 3. Rent the restaurant facilities to a popular local restaurant/bar and collect the rents.	1. Mow all greens and fairways daily and distinguish a "rough" area on each hole. 2. Maintain tee boxes through daily mowing and by repairing divots. 3. Increase advertising efforts focusing on major improvements made to the facility.

EVALUATION OF RESULTS	
2013	1. Installed new roof and painted exterior of maintenance facility. 2. Initiated a pond maintenance program. 3. Repaired and re-stripped clubhouse parking lot. 4. Installed new split rail fenceing at various locations on the course. 5. Replaced 5 golf carts and sold old carts. 6. Began a new radio advertising program.
2012	1. Repaired numerous leaks to irrigation system. 2. Continued program for pesticide and fertilization. 3. Installed drain tile in three locations on the course. 4. Installed asphalt cart paths at holes #4, #5 and #9. 5. Purchased 5 new golf carts and a new beverage cart and sold the old carts.
2011	1. Repaired numerous leaks to irrigation system. 2. Began a new program for pesticide and fertilization. 3. Installed drain tile in three locations on the course. 4. Prepped cart paths at holes #4, #5 and #9 for new asphalt. 5. Purchased new greens mower and fareway mower. 6. Obtained large payment for WPS easement.

	2011 Positions Authorized (FTE)	2012 Positions Authorized (FTE)	2013 Positions Authorized (FTE)
Accountant I	0.05	0.05	0.05
Golf operations			
Part-time - 8 positions	1.50	1.50	1.50

Capital Outlays

The following items are expected to be capital purchases in years listed:

	Year	Amount
Gas golf carts - replace 5	2013	$ 24,500
Misc course improvements	2013	$ 10,000
Collar mower	2013	$ 30,000
Gas golf carts - replace 5	2014	$ 24,500
Misc course improvements	2014	$ 10,000
Gas golf carts - replace 2	2015	$ 10,200
Misc course improvements	2015	$ 10,000
Gas golf carts - replace 2	2016	$ 10,400

Discussion of Net Assets for Golf Course:

Net Assets for the Golf Course are derived by subtracting all liabilities and capital from the assets. Cash is only part of the assets owned by the golf course. Other assets owned include equipment (such as mowers and golf carts), the buildings and the land.

The village has always maintained a strong balance in cash and net assets in order to fund future improvement projects and keep our assets in good condition.

Quantitative Performance Measures:	Rounds of golf
2013 est.	15,000
2012	18,390
2011	12,847
2010	18,110
2009	19,620
2008	19,856
2007	22,027
2006	23,555
2005	22,435
2004	22,343
2003	21,885
2002	22,928
2001	20,997
2000	26,511
1999	26,001

	2011 Positions Authorized (FTE)	2012 Positions Authorized (FTE)	2013 Positions Authorized (FTE)
Accountant I	0.05	0.05	0.05
Golf operations			
Part-time - 8 positions	1.50	1.50	1.50

Capital Outlays

The following items are expected to be capital purchases in years listed:

	Year	Amount
Collar mower	2014	$ 30,000
Gas golf carts - replace 5	2014	$ 24,500
Remodel clubhouse	2014	$ 50,000
Misc course improvements	2014	$ 10,000
Gas golf carts - replace 2	2015	$ 10,200
Misc course improvements	2015	$ 10,000
Gas golf carts - replace 2	2016	$ 10,400

Discussion of Net Assets for Golf Course:

Net Assets for the Golf Course are derived by subtracting all liabilities and capital from the assets. Cash is only part of the assets owned by the golf course. Other assets owned include equipment (such as mowers and golf carts), the buildings and the land.

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