



**Meeting:** Village Board  
**Meeting Date:** 12/9/13  
**Agenda Item:** 5a

**Mission Statement**

To provide our residents with a safe, friendly, attractive and active community by aggressively pursuing innovative ways to deliver valuable services.

**VILLAGE BOARD MEETING STAFF REPORT**

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**REPORT TO:** Burt R. McIntyre, President  
Village Board of Trustees

**REPORT FROM:** Chris Haltom, Director of Administrative Services

**AGENDA ITEM:** Review and take action on Ordinance 2013-14 Appropriating Funds, Levying Taxes and Approving the Budget for 2014

**ACTION REQUESTED:**  Ordinance  Resolution  Motion  Receive/File

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**POLICY ISSUE**

Should the Village Board approve Ordinance 2013-14 that appropriates funding for 2014, levies taxes and approves the budget?

**BACKGROUND INFORMATION**

The attached ordinance is the final step in the process of approving a budget for 2014. The village finally received all the necessary information to compute a tax rate for each overlying taxing jurisdiction and the state school tax credit information. The attached ordinance outlines the tax rates for Brown County and the one parcel in Howard that is also located in Outagamie County.

**FISCAL IMPACT:**

- |                              |  |
|------------------------------|--|
| 1. Is There A Fiscal Impact? | <u>Yes</u>                               |
| 2. Is it Currently Budgeted? | <u>Board is adopting the 2014 budget</u> |
| 3. If Budgeted, Which Line?  | <u>N/A</u>                               |

**PREVIOUS ACTION**

The Village Board approved the 2014 budget at the last board meeting. The ordinance codifies the budget document, sets the tax rates for 2014 and appropriates funding for the various village departments to operate in 2014.

**RECOMMENDED ACTION**

Village staff recommends the village board approve Ordinance 2013-14 that appropriates funding, approves the budget and sets the tax rates and levies for 2014. If the Village Board is in favor of this action, the following motion may be made:

*“Motion to approve Ordinance 2013-14 approving tax rates and the 2014 budget.”*

**ATTACHED INFORMATION**

- I. Ordinance 2013-14
- II. 2014 Budget Intro, Summary, and Policy

**These documents were previously presented to and approved by the Village Board. To review them, click the respective hyperlinks below:**

[Click here to review the 2014 Budget – General Fund document](#)

[Click here to review the 2014 Budget – Special Revenue and Capital Projects](#)

[Click here to review the 2014 Budget – Enterprise Funds](#)

**2014 BUDGET ADOPTION AND TAX LEVY ORDINANCE NO. 2013 - 14**

AN ORDINANCE APPROPRIATING THE NECESSARY FUNDS FOR THE OPERATION  
OF THE GOVERNMENTS AND ADMINISTRATION OF THE VILLAGE OF HOWARD  
FOR THE YEAR OF 2014 AND LEVYING TAXES ON TAXABLE  
PROPERTY IN THE VILLAGE OF HOWARD

The Village Board of the Village of Howard, Brown County, Wisconsin do hereby ordain as follows:

1. There is hereby appropriated out of the receipts of the village of Howard for the year 2014, including monies received from the general property tax levy, to the various purposes specified in the budget presented herewith for the purpose therein stated, the following amounts:

A copy of the 2014 Budget is attached hereto and made a part of this ordinance.

2. For the purpose of paying the **Village of Howard** expenses as set forth in the Budget, there is hereby levied on all taxable property of the village of Howard, Brown County, the amount of \$4,977,761.60 including \$310,461.60 TIF Funds, according to the last assessed valuation thereof, a tax rate of \$3.33 per thousand; and the amount of \$83.25 is hereby levied for all taxable property of the *village of Howard, Outagamie County*, a tax rate of \$3.33.
3. For the purpose of paying the **Howard-Suamico School District** tax as certified by School District Clerk, there is hereby levied on all taxable property of the village of Howard, Brown County, the amount of \$13,124,776.08 including \$818,590.08 TIF Funds, according to the last assessed valuation thereof, a tax rate of \$8.78 per thousand.
4. For the purpose of paying the **Pulaski School District** tax as certified by School District Clerk, there is hereby levied on all taxable property of the *village of Howard, Outagamie County*, the amount of \$229.00 including \$0.00 TIF Funds, according to the last assessed valuation thereof, a tax rate of \$9.16 per thousand.
5. For the purpose of paying the **State** tax as certified by the County Clerk, there is hereby levied on all taxable property of the village of Howard, Brown County, the amount of \$239,291.11, including \$0.00 TIF funds, according to the last assessed valuation thereof a tax rate of \$0.16 per thousand; and \$3.96 is hereby levied, including \$0.00 for TIF Funds, for all taxable property of the *village of Howard, Outagamie County*, a tax rate of \$0.16.
6. For the purpose of paying the **Brown County** tax as certified to by the County Clerk, there is hereby levied on all taxable property of the village of Howard, Brown County, the amount of \$6,544,617.39 including \$408,186.98 TIF Funds, and \$1,000.00 for bridge and culvert aid and chargebacks fee, according to the last assessed valuation thereof a tax rate of \$4.38 per thousand.
7. For purposes of paying **Outagamie County** tax as certified to by the County Clerk, there is hereby levied on all taxable property of the *village of Howard, Outagamie County*, the amount of \$109.73 including \$0.00 TIF Funds, according to the last assessed valuation thereof a tax rate of \$4.39 per thousand.

8. For the purpose of paying the **Northeast Wisconsin Technical College District** tax as certified by the Secretary and President of the District, there is levied on all taxable property of the village of Howard, Brown County, the amount of \$2,340,701.81 including \$145,988.78 TIF funds, according to the last assessed valuation thereof, a tax rate of \$1.57 per thousand; and the amount of \$38.68 is hereby levied for all taxable property of the *village of Howard, Outagamie County*, a tax rate of \$1.55.
9. (a) The total of the above five levies for **Brown County** is the amount of \$27,227,084.54. A gross tax rate of \$18.22 per thousand dollars of assessed value for properties within the *Howard-Suamico School District*, less a State credit of \$1.34 per thousand dollars of assessed value for all taxable property of the village of Howard, Brown County shall be the December 2013 tax rate. The said amount to be levied against the assessed valuation of taxable property in the village of Howard, Brown County.
- (b) The total of the above five levies for **Outagamie County** is the amount of \$464.52. A gross tax rate of \$18.58 per thousand dollars of assessed value for all taxable property of the *village of Howard, Outagamie County*, less a school tax credit of \$1.22 per thousand dollars of assessed value shall be the December 2013 tax rate. The said amount is to be levied against the assessed valuation of taxable property in the village of Howard, Outagamie County.
10. The village clerk is hereby directed to carry out all of said taxes on the tax roll of 2013/2014.
11. This ordinance shall take effect and be enforced from and after its passage and publication.

ADOPTED THIS 9th day of December, 2013.

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Burt R. McIntyre  
Village President

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Christopher A. Haltom  
Village Clerk

Summary notice published: December 15, 2013

***Village of  
Howard,  
Wisconsin***



***2014  
Budget***

**Dear Residents & Business Owners,**

It has been my privilege to serve as Village President since 2008. During the last 5 years our country has weathered some very difficult economic times. Despite this challenge I feel that what we have accomplished over the last 5 years has positioned our village well to take advantage of the economy as it improves, and stay steady if there is another downturn.

In 2013 we focused on a number of internal projects. A new strategic plan was adopted by the Board for the years 2014-2017. This plan serves as a road map for how we operate. Our new strategic plan provides for the following six goals: 1. Maintain a strong financial position 2. Recruit and maintain a workplace of well-trained, competent employees 3. Create a unique community identity with a strong sense of place 4. Provide a safe, functional, well-maintained and cost-effective infrastructure 5. Protect the safety and security of residents, businesses, employees and visitors 6. Create and enhance collaborative partnerships with stakeholders.

With the 2014 budget I believe we acted consistently with our new plan. This budget adds a new directed enforcement officer to help address a staffing shortfall during busy times of day, merges code enforcement with a firefighter to reduce the day time response of our fire department, and increases funding for road resurfacing to help keep our roads in good riding condition.

This year we also have been working on a plan for the future of our parks and open spaces. Public input was frequently requested as we worked on updating the Village's Comprehensive Recreation Plan. And our personnel policy was rewritten so when our current union contracts expire at the end of 2013, our employees are treated fairly, while benefits are brought in line with the private sector.

This year it was also my honor to attend the dedication of the Corporal Justin Ross Memorial Trail in Mills Center Park. The creation of this trail system was made possible by the generosity of Justin's parents, who wanted to honor their son and our resident, after he made the ultimate sacrifice while stationed in Afghanistan.

The staff and I are always ready and willing to answer any questions you may have as you read through this document and are always receptive to any suggestions that will improve the quality of life in our community.

Burt R. McIntyre, Village President

## How to Read this Document

### Welcome

The following pages contain the village of Howard, Wisconsin budget for the year beginning January 1, 2014 and ending December 31, 2014. This document has been specifically prepared to help you learn how funds are collected and spent in the village of Howard. Many people believe a budget is only a financial plan; while you can learn much of the village's finances, the 2014 budget document has been designed to serve other functions as well. For example, it is a policy document that presents the major policies which guide how the village of Howard is managed.



### Village Board

**Front Row (L to R):** Cathy Hughes, President Burt R. McIntyre, George Speaker

**Back Row (L to R):** Jim Lemorande, John Havey, Jim Widiger, Ray Suennen, David Steffen, Jay Faikel

It is an operations guide which gives the public, elected officials and village staff information pertaining to the production and performance of individual village operations. The document is also designed as a communication device in which information is conveyed graphically, in tables and charts and with narrative explanations.

### Budget Format

The document is divided into different fund types - General Fund, Special Revenue Fund, Debt Service Fund, Capital Project Funds and Proprietary Funds. Each fund statement begins with the actual audited amounts from the last year, or for this document, the year ending December 31, 2012. The estimated or current year budget column reflects the estimated or budget amounts for 2013. The final column indicates the amount budgeted for the year 2014 or the budget year.

Accompanying the statements are narratives and graphs which describe the major features of that particular fund. Within each fund there may be one or more departments which further describe a component of the village's organization. Each department is presented with its mission statement, a listing of the department's goals and accomplishments for previous years, performance measurements (when available) and financial objectives for year beginning January 1, 2014.



# Table of Contents

Village of Howard Annual Budget for All Appropriated Funds  
Year Beginning January 1, 2014

## Introductory Section

1-9	<b>Transmittal Letter</b>	47-54	<b>Detailed Revenues by Source</b> <i>Taxes, Intergovernmental, Licenses &amp; Permits, Fines &amp; Forfeitures, Charges for Service, Miscellaneous Revenues</i>
10-13	<b>About the Village</b> <i>Location, Population, Property Valuation</i>	55-58	<b>Expenditures by Function</b> <i>Summary, Detail, Trend</i>
14	<b>GFOA Distinguished Budget Award</b>		
15	<b>Village Officials</b>		
16-18	<b>Village Personnel</b> <i>Organizational Chart and F-T/P-T position data</i>		
19-33	<b>Budget Policy</b> <i>Guide, Adoption, Calendar, Policies, TIF, Funds, Planning</i>		
34	<b>Strategic Planning Analysis</b>		
35	<b>Budget- At a Glance</b> <i>Summary Budget</i>		
	<b>Tax Information</b>		
36	<i>Tax Levy and Billing Explanations</i>		
37	<i>Property Tax Calculation</i>		
38	<i>Ten Years of Property Tax Rates</i>		
39	<b>Budget Summary</b> <i>All Funds</i>		
40-42	<b>Summary of Revenue, Expenditure and Fund Balance (Net Asset) Changes</b> <i>2013 Budget Compared to 2012 Budget</i>		
43	<b>Combining Budget</b> <i>All Funds</i>		
			<b>Expenditure Detail</b>
			<i>General Administration</i>
		59-60	Village Board
		61-62	Municipal Court/Attorney
		63-64	Administrator
		65-66	Elections
		67-68	Administrative Services
		69-70	Assessment of Property
		71-72	Buildings and Plant
		73	Board of Appeals
		74	Property & Liability Insurance
		75	Contingencies & Collectible Accounts
			<i>Public Safety</i>
		76	Health & Human Services
		77-78	Police
		79-80	Fire
		81	Rescue
			<i>Public Works</i>
		82	Administration
		83-84	Streets & Street Lights
		85	Mechanic
		86	Snow and Ice Removal
		87	Building Operations
		88-89	Sanitation
		90	Recycling
		91-92	Park Maintenance
			<i>Community Development</i>
		93-94	Planning and Development
		95-96	Leisure Services
		97-98	Code Administration
44	<b>Budget Summary – 5 years</b>		
45	<b>Budgeted Revenues Summary</b>		
46	<b>Budget Revenue Trends</b>		

## General Fund

## Special Revenue Funds

99	Combined Special Revenue Fund
100-103	Revolving Loan Fund
104-105	Tax Increment District 2

## Debt Service Fund

106	Summary
107	Summary of Combined Debt Service Funds
108	Debt Obligations
109	Effect of Existing Debt on Current Operations
110	Effect of Existing Debt on Future Operations

## Capital Projects Funds

111	Capital Projects Summary
112-116	Capital Projects by Fund and Project <i>Tax Increment District 3, 4, 5, 6, 7</i> <i>Park Impact Fee Development</i> <i>Capital Outlay</i> <i>Capital Improvements</i>
117-118	Combining Budget Summary <i>For All Capital Funds</i>
119	Combined Budget Summary <i>Last Three Years</i>
120-128	Tax Increment Districts (3-7)
129	Park Impact Fee
130-132	Capital Outlay Funds <i>General Government</i> <i>Public Safety - Police</i> <i>Public Safety - Fire</i> <i>Public Works</i> <i>Parks and Recreation</i> <i>Engineering</i>
133	Capital Improvements - Roads

134-136 Engineering Department

## Proprietary Funds

137-139	Explanations Enterprise Fund and Rates
140	Combining Budget
141-147	Water Utility <i>Three Year</i> <i>Revenue</i> <i>Expenses</i>
148-153	Sewer Utility <i>Three Year</i> <i>Revenue</i> <i>Expenses</i>
154-158	Storm Water <i>Three Year</i> <i>Revenue</i> <i>Expenses</i> <i>Cash Flow</i>
159-160	4-Year Capital Budgeting Water, Sewer, Storm Sewer
161-162	Water and Sewer Debt Service
163-165	Golf Course

## Statistical Section

166	Assessed & Equalized Values
167-168	Village Statistics <i>Demographic Trends</i> <i>Largest Taxpayers &amp; Employers</i>
169	Building Permits Issued
170-171	Other Statistical Data

## Detail Line Item

172-183

## Glossary

184-195



November 28, 2013

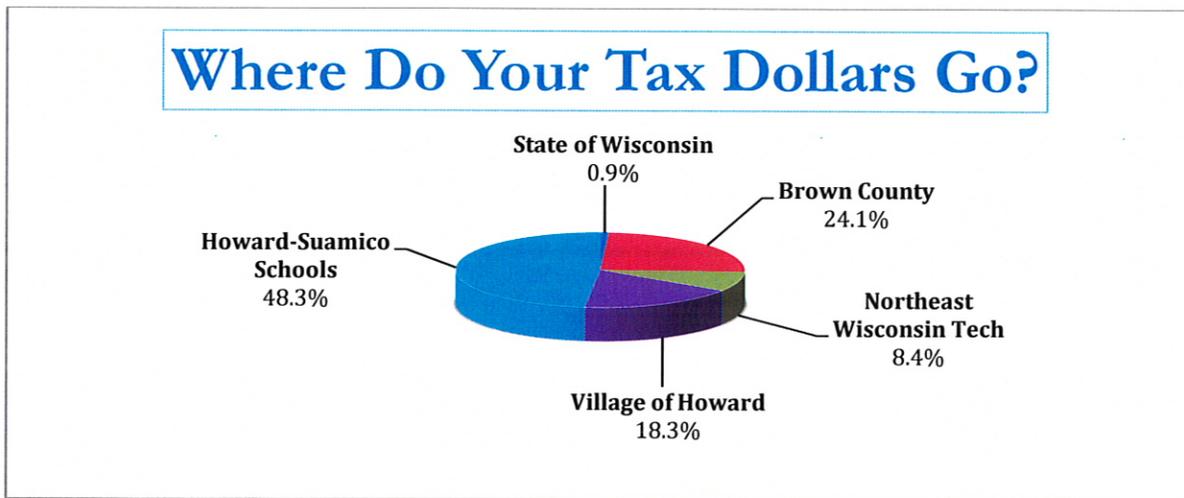
To Honorable President McIntyre, Village Board of Trustees & Village Residents:

We respectfully present the 2014 budget that was approved November 25, 2013. This budget is designed to meet the existing and emerging needs of the village. The budget reflects staff recommendations on how to best accomplish the village's new mission statement:

**Provide our residents with a safe, friendly, attractive and active community by aggressively pursuing innovative ways to deliver valuable services.**

The 2014 budget provides funding to continue all of our current services and programs from 2013 and increase services in police and fire. The budget maintains funding levels of personnel in all departments, increases funding to allow for adding one contracted DEO police officer, one full-time fire fighter/code enforcement officer, two summer interns, two full-time employees at the golf course (manager and chef) and funding for a new pay for performance system for existing employees.

The annual property tax bill issued each December includes taxes not only from the village of Howard, but also from four overlying taxing jurisdictions. The chart below reports the percentage breakdown of the December 2013 property tax bill by jurisdiction.



The chart on the previous page shows how the total property tax bill is distributed among the overlying taxing jurisdictions in Howard. Another way to see Howard's portion of the bill is to look at an average Howard net property tax bill issued in December 2013.

<b>Average Assessed Value on Howard Homes:</b>	<b>\$184,000</b>
Estimated Net Property Tax Bill on Average Home	\$3,102
Howard Portion of Total Tax Bill	\$613

### **Budget Formulation**

This budget document is a reflection of the Budget Policies (annually reviewed by the village board), strategic plan (updated in 2013), departmental operating plans and village board modifications. The spending plan provides funding for core services, desired programs, critical needs, equipment replacement, facility and equipment upgrades and increased funding for street resurfacing as discussed in the following pages.

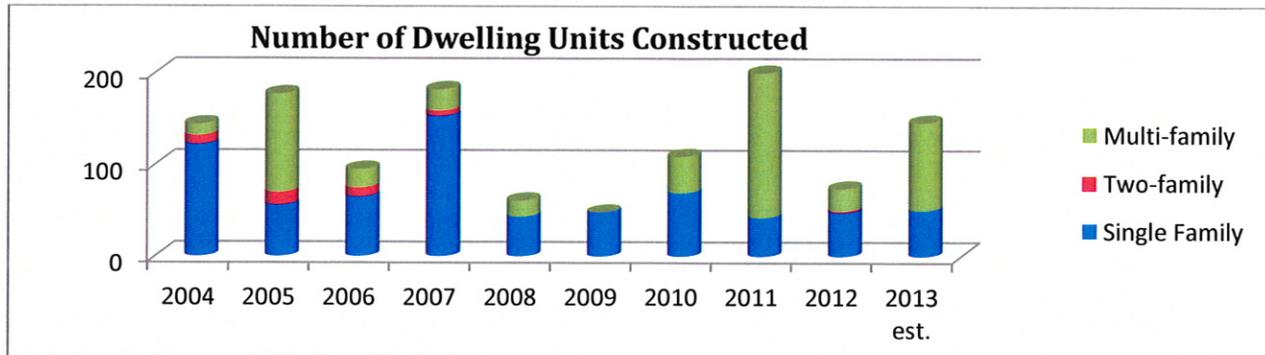
### **GENERAL BUDGET SUMMARY**

#### **Budget Facts and Assumptions for 2014**

The initial planning stage of budget preparation involves evaluating the outside forces that effect funding decisions: federal, state, and local economic conditions, federal and state mandates, political environment, citizen concerns, and outside agency collaboration opportunities. Based on available information, the following facts and assumptions were made to guide the development of the 2014 budget.

- Reduction in state transportation aids of \$66,400 based on state notification.
- Single family home starts of 40 in 2014 which is steady growth but lower than peak construction years earlier last decade.
- A new contract for garbage and recycling collections for 2014 will yield a savings of over \$203,000. The new provider will be utilizing compressed natural gas in order to obtain the large savings on this service.
- Elimination of the two Teamster unions for public works laborers and office clerical positions will cause these employees to begin participation in 50% of pension contributions saving the village over \$60,000 in 2014.
- Cost increases for salaries and wages of \$60,000 will allow for a new pay for performance system to be implemented by the administrator.
- Even with a sluggish economy, there is good potential for continued commercial growth in the next few years at several key locations in the village.
- Adding one full-time fire fighter/code enforcement officer and eliminating the part-time director of code administration position.
- Anticipated revenue increases for fines and forfeitures of \$20,000 and rental income of \$7,900.
- Cost increases will be incurred in 2014 for existing police service contract of 2% or \$28,000 plus the addition of one directed enforcement officer (DEO) at a cost of \$103,200.

- Decreased cost for utilities and telephone are anticipated to be \$56,100.
- Increased cost for liability and workers compensation insurance of \$25,200 in the General Fund due to high experienced claims in recent years.
- The need to increase spending on street resurfacing.



### Tax Mill Rate

The 2014 budget reflects no change in the tax mill rate from 2013 of \$3.33. With pressures from all of the items listed on the previous page, slower growth than the last two decades, continued reduction in intergovernmental revenues from the State of Wisconsin and continued state mandated levy limits, even the initial budget calculations showed no change in the tax mill rate (primarily due to savings from the garbage/recycling contract).

### Personnel Issues for 2014

The two Teamster union contracts expire on December 31, 2013 causing the employees covered under these contracts to begin to pay 50% of their pension contributions. This change will save the village over \$60,000 in 2014 in all funds. All non-union employees began contributing their 50% share in mid-2011.

The number of full-time employees will increase by three positions in 2014. The fire department will hire a full-time position for a fire fighter/code enforcement officer and the golf course will hire two new employees (manager and chef). The 2014 budget eliminated the half-time position for code enforcement administrator in exchange for creating this new position. It is anticipated this position will be filled at the beginning of 2014.

The village contracts for police protection services with the Brown County Sheriff so the increase of one DEO will not affect the total number of employees in 2014.

### Contracting for Garbage/Recycling and an emphasis on "green" issues

The village board approved a new contract for recycling and garbage collection services for 2014 that saves the General Fund over \$203,000. Staff negotiated with a new provider of this service suggesting the provider utilize clean burning compressed natural gas. Not only is the natural gas cleaner burning but it is currently less expensive than gasoline or diesel fuel. This contract change made it possible to add budget funding for resurfacing and fund a new DEO position.

Obtain optimum amount of funding for infrastructure construction before utilizing financing through the bond market

The 2014 budget has followed the funding plan of levying taxes to pay cash for capital projects; this policy dates back to the 1994 budget. This funding source has proved to be a valuable resource for allowing new equipment purchases, road resurfacing and reconstruction projects without borrowing or large increases in the tax mill rate.

The budget's focus for the past twenty years has been to obtain financing of projects by (1) tax levy, (2) collection of special assessments and other revenue sources and (3) direct payments from developers. The 2014 budget focused on making consistent, long-term commitments to tax levy support of capital projects and increased funding of street resurfacing projects.

The village is looking to borrow funds for two Tax Incremental Financing Districts (TIF or TID). This borrowing will occur late in 2013. Since the TIDs will be making repayments on this new debt, the TIDs are reporting such borrowing and loan repayments within each respective fund.

Maintain adequate fund balances (net assets) to protect the village's financial integrity

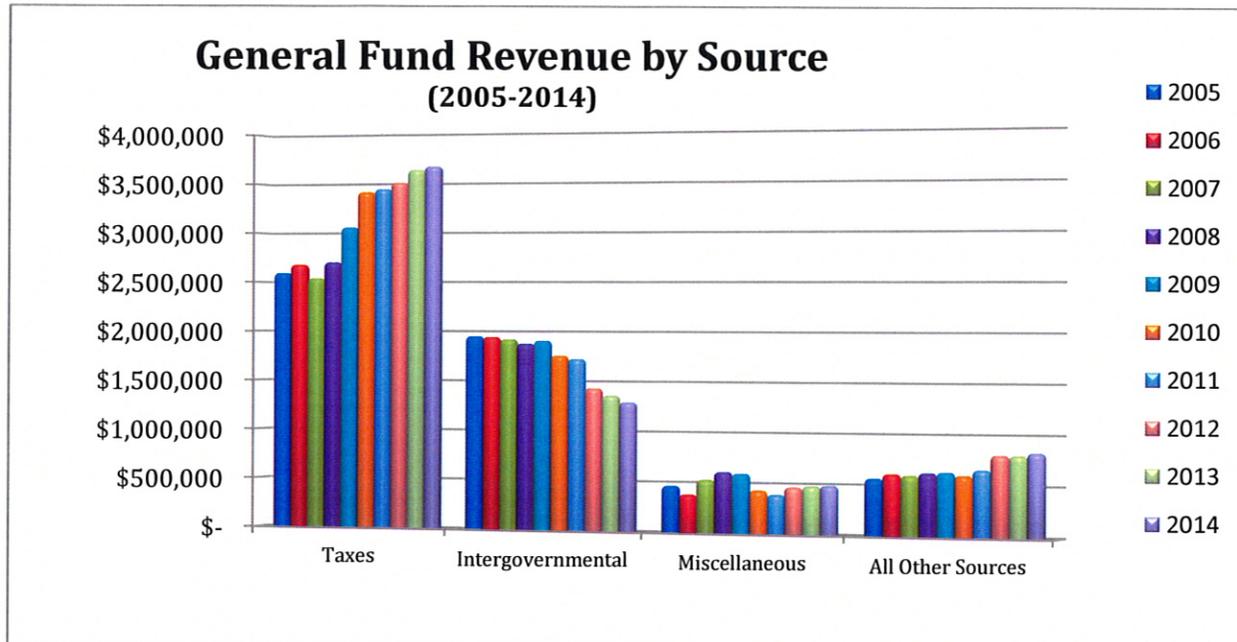
In 2007, the Board changed the policy for the General Fund's fund balance to make the reserve 25%-40% of the previous year total General Fund expenditures. The water, storm sewer and sanitary sewer utility funds must maintain adequate levels of net assets in order to make cash purchases of equipment, fund current operations and infrastructure replacement. The golf course operations have been utilized in the past to help fund village capital project funds through fund transfers; in 2014 and 2015, no transfers will be made to allow the course to replenish cash balances for future improvements. Capital Project Funds' fund balance will fluctuate from year to year based on the scheduled projects.

**THE BUDGET IN BRIEF**

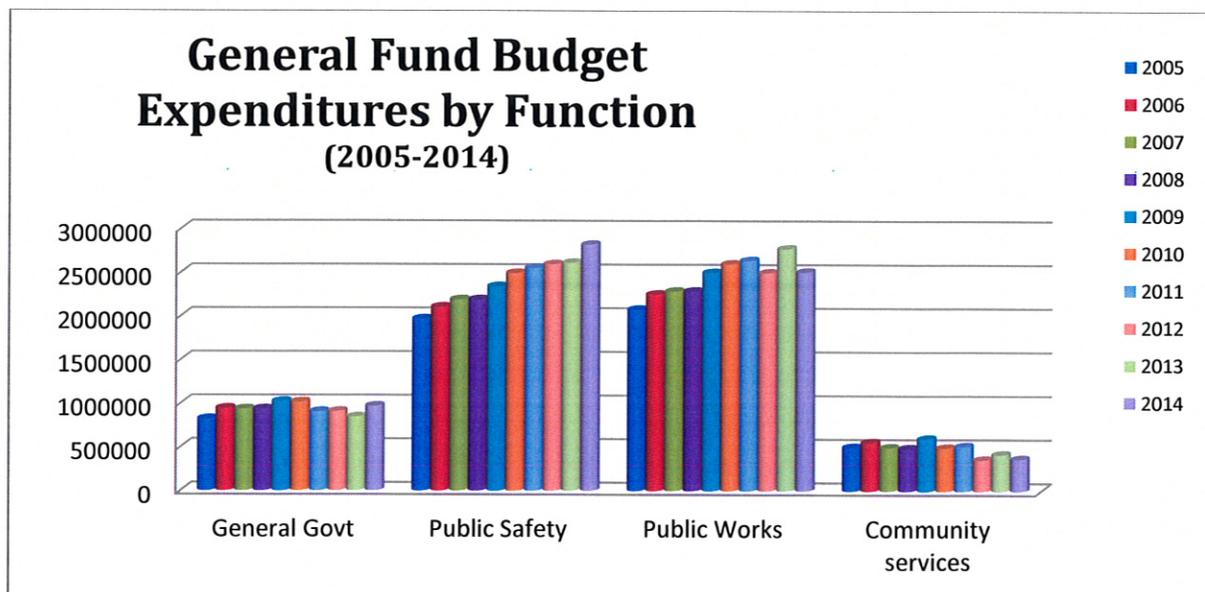
Revenues for all funds total approximately \$19.4 million (excluding other financing sources) in the 2014 budget, which is \$1.2 million more than the 2013 budget or estimated actual (see page 39). The largest revenue increase is in Charges for Service increasing by over \$976,000 due to anticipated increased water and sewer rates. Taxes are increasing by over \$224,000 primarily related to growth in TIDs. Special Assessments are increasing by over \$243,000 due to collection of assessments levied on developer projects in 2013 and 2014. Intergovernmental revenues are increasing by almost \$42,000 which is a net result of increases in capital grants (bridge funding) and state transportation aids. Licenses and Permits are anticipating decreasing by \$177,000 and Miscellaneous revenues are expected to decrease by \$61,000 in 2014.

The total budgeted revenue of \$19.4 million is comprised of the General Fund \$6.3 million, Special Revenue Funds of \$1.1 million, Capital Project Funds of \$2.3 million and all Enterprise Funds of \$9.7 million. Property taxes are increasing by only \$34,150 in the General Fund. General Fund Intergovernmental revenue is decreasing by \$72,100 primarily due to lower state transportation aids.

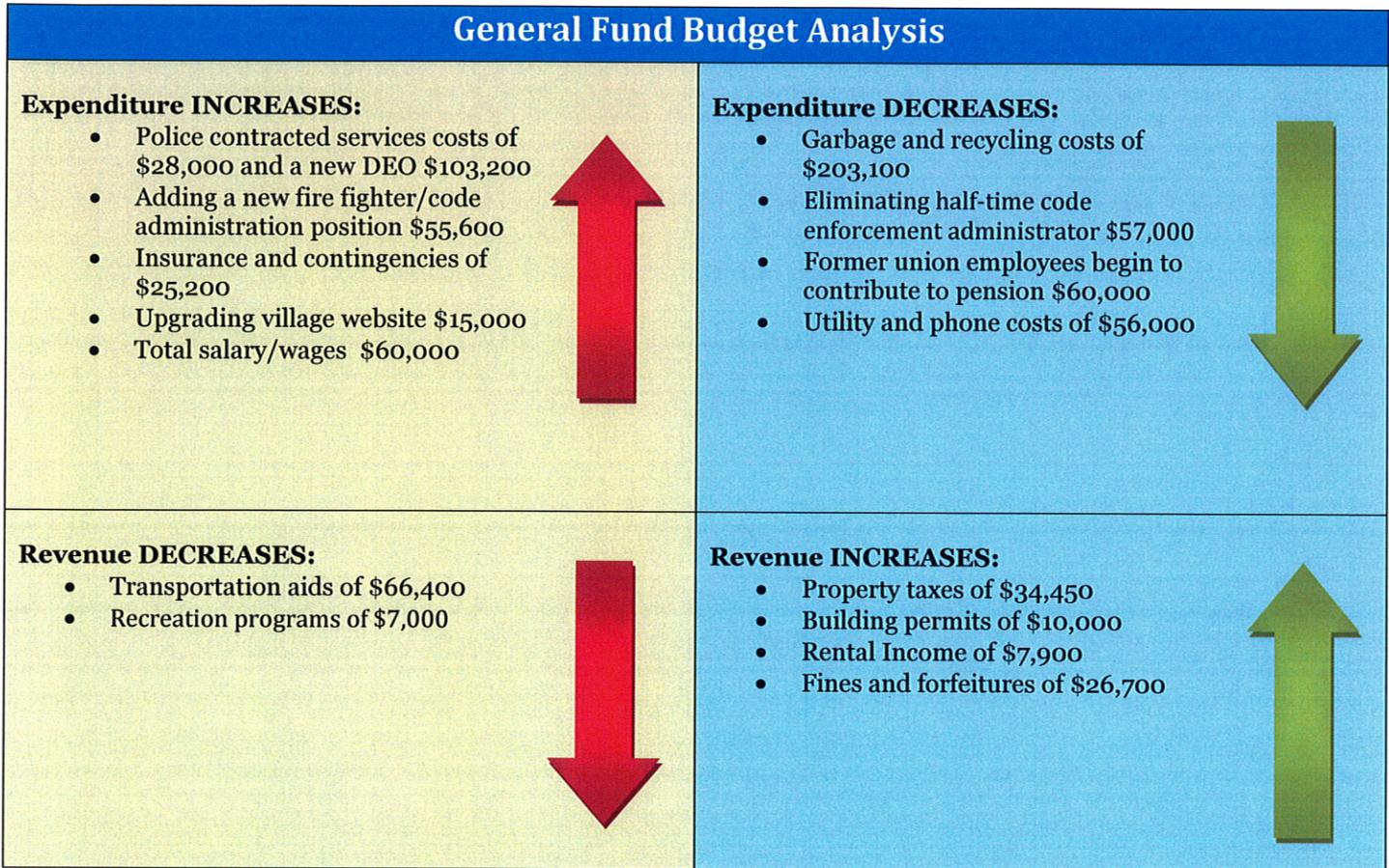
The table below identifies the General Fund's revenue source trends for the past ten years.



Expenditures for all funds total \$27.1 million, an increase of \$8.9 million from the 2013 budget. The largest increase is within Capital Outlay and Development, increasing by \$10.1 million primarily due to projects in TIDs #3 and #4. The Debt Service Fund is scheduled to decrease by \$1.7 million due to early call of debt in 2013 and final debt payment in TID #2. Enterprise Funds are increasing by \$318,000 due primarily to increased costs from the GBMSD and CBCWA. Within the General Fund, public safety is increasing by \$207,500 and general government is increasing \$123,500.



The following chart shows the major changes in the General Fund for 2014.



Total combined fund balances and net assets are anticipated to decrease by \$7 million. The General Fund's fund balance is expected to decrease by \$50,000 to transfer excess surplus funds from 2013 operations to capital projects. The village's adopted policy of utilizing current resources to fund capital projects has now been used for twenty years (including this budget); this policy has allowed Capital Projects' fund balances to fluctuate from year to year with an expectation of decreasing by \$8.6 million in 2014. The combined Special Revenue fund balance will decrease by \$187,000 (due to budgeting for loans made from the Revolving Loan Fund and TID #2 transfers exceeding tax increment generated). The Debt Service fund balance will be eliminated with the final debt payment being made in 2013. The Enterprise Funds anticipate increasing net assets by \$1.9 million.

### MAJOR POLICY ISSUES

There were many issues that affected the development of this budget as explained on pages 2 - 4 of this letter. Additional issues that affected this budget, explained below, represent opportunities that will impact the future of Howard for several years.

### ***Planning Process***

The planning process of this budget document contains both short-term and long-term plans. The short-term plans focused on operational needs of the village over the next year. Long-term plans focus on two to ten years into the future (and even more years for capital equipment replacement funds).

The state imposed tax levy limits on the budget for 2014 at the highest of 0% or the rate of growth from new construction which was 1.807% for 2014. The village self-imposed budget policy (since 1994) of a steadily reducing tax mill rate has proved to be a stronger force in limiting the tax levy growth than the state's fluctuating mandate. The village has managed to maintain a steadily decreasing tax rate because of growth in residential and commercial properties for the past 20 years.

Growth continues to be a major factor in the village's economic future. During 2011, the village completed an update of the comprehensive plan for the entire village. This plan outlined planned growth into the future and identified areas for specific types of growth. Continued growth in residential and commercial development is being encouraged in the comprehensive plan and has been identified in the strategic plan as high priorities in the near future to help mitigate growth in the tax rate.

### ***Long-term Financial Plan***

During the development of the 1994 budget, a policy was established regarding financing for capital projects and a debt policy was established. These policies were followed during the completion of this and the last 20 budgets resulting in taxpayer benefits, such as a steadily declining tax mill rate. While changes have occurred in the composition of the village board since 1994, the commitment to follow the capital projects financing plan has continued and is expected to continue into the future.

The village is hopeful that future development will continue in both commercial and residential areas but at an expected slower pace. Private developers own 80 vacant residential lots ready for construction of new homes; the village will create 66 new lots on village owned property in 2014. The village is continuing to market lots owned within the Business Park and the Industrial Park as well as showing several private sites on the village's marketing website. The village was able to have a 78 acre site in the western portion of the village added to the state's certified site selection for industrial properties.

### ***Commercial Development***

The comprehensive plan identifies regional commercial centers. Areas located within TIDs have been identified as high priorities for development or redevelopment. The 2014 budget reflects investment in infrastructure in both TIDs #3 and #4 to allow for continued growth in commercial and multi-family properties. TID #3 is the planned village center which will include a new park area that will feature an open air shelter with multi-use in summer months and the ability to make ice for an ice rink in winter months.

In 2009, the village board approved a TID #2 amendment to allow revenue sharing of excess revenue with TID #4. After funds are transferred in 2015, the village would like to close TID #2 to allow for capturing the growth from the TID into the tax base of the village.

In 2012, the village was proud to be a part in the grand opening of a Menards store within the TID #4 boundaries. A developer incentive was granted to Menards on a pay-as-you-go basis over the next 15 years. The village also experienced several other business openings in 2013 that contributed to \$20 million in new valuation.

### ***Residential Development***

In recent years, the village has experienced more multi-family units being constructed with full occupancy occurring after construction completion. Single family units are trending at about 45 homes per year down from the average of 115 in the five years preceding 2006. Annual residential construction value has slowed from the record high of \$37 million in 2003 to \$21.5 million in 2004, \$23.3 million in 2005, \$19.5 million in 2006, \$24.1 million in 2007, \$18.2 million in 2008 and \$12.8 million in 2009, \$26.0 million in 2010, \$34.3 million in 2011, \$19.8 million in 2012 and \$20.9 million for the first nine months of 2013.

In November 2008, the Village board approved a 204 unit apartment complex along Wisconsin Highway 29 for development. The final four buildings are currently under construction with anticipated completion in late 2013 or early 2014. The 2013 assessed value on this complex was \$12.7 million (becoming the 5<sup>th</sup> largest taxpayer in Howard) with additional value added during 2013 not included in this amount.

### ***Performance Measurements***

The budget document continues to be modified to report more quantitative and qualitative performance measurements. During 2008, the village began to participate in the International City Manager's Association Center for Performance Measurement. In 2013, the village began participating in new performance based software from Revelstone in the hopes of obtaining more meaningful measures.

A goal of the performance measurers reporting is to establish a reporting system which will give the public, the board and staff the ability to evaluate the level and value of services provided to the community. Future budget documents will serve as the primary source of such reporting. As performance analysis continues, the budget will continue to be more refined in its qualitative reporting.

## **BUDGET AND FINANCIAL RECOGNITION**

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the Village of Howard, Wisconsin, for its annual budget for the fiscal year beginning January 1, 2013. This was the 20<sup>th</sup> consecutive year of receiving the award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

In addition to the GFOA Distinguished Budget Presentation award, the village has received recognition by the GFOA by receiving their Certificate of Achievement Award for Excellence in Financial Reporting and in past years, the Popular Annual Financial Reporting Award. These awards help validate the village's efforts towards transparency, accountability and continuous improvement.

**Closing**

The budget for 2014 represents a strong effort by staff and board to focus on fiscally conservative policies in order to minimize the tax burden to property owners. We believe this budget document provides all the information the Village board and public need to make informed decisions about the overall operations of the Village of Howard.

Respectfully submitted,

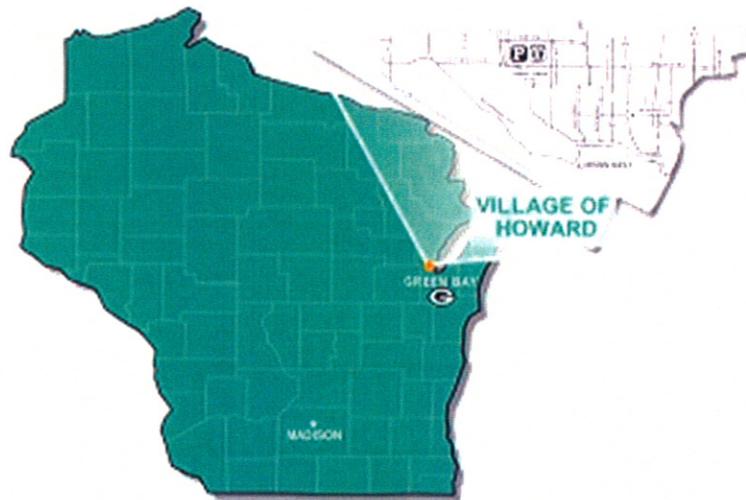


Paul Evert, JD  
Village Administrator

Christopher A. Haltom, CPA  
Director of Administrative Services

## Information about the Village

The Village of Howard, located primarily in Brown County, is contiguous to the northwest side of Green Bay. The village is bordered by the City of Green Bay on the east, the Village of Hobart to the south and the Village of Suamico and Town of Pittsfield on the north. The village is approximately 215 miles from Chicago, Illinois; 115 miles from Milwaukee, Wisconsin; and 285 miles from Minneapolis, Minnesota.



The Green Bay area was discovered in 1634 by a French voyager named Jean Nicolet. The Town of Howard was established in 1835 and slowly developed along the Duck Creek as a center for mail delivery, farming, quarrying and lumbering. By 1856, a school was operating and the Town of Howard became well known for its Duck Creek stone quarries.

By 1959, the population had grown and the Town of Howard became incorporated as the Village of Howard. Residential, commercial and industrial growth has steadily continued since that time, creating a dynamic suburban community on Green Bay's northwest side.

The population of the village has increased dramatically since 1990 when the population, as reported in the federal census, was 9,874. The population in the 2000 census had increased to 13,849, a 40.3% increase and in 2010 census reported 17,399 or 25.6% increase from 2000. Population increases have resulted because of new residential construction which has remained a vibrant part of the community since the late 1980's.

## **Wisconsin Property Valuations and Property Taxes**

### **Equalized Value**

Wisconsin Statutes, Section 70.57, requires the Department of Revenue to annually determine the equalized value (also referred to as full equalized value or aggregate full value) of all taxable property in each county and taxation district. The equalized value is an independent estimate of value used to equate individual local assessment policies so that property taxes are uniform throughout the various subdivisions (cities, villages, and towns) in the state. Equalized value is calculated based on the history of comparable sales and information about value changes or taxing status provided by the local assessor. A comparison of the state determined equalized value and the local assessed value, expressed as a percentage, is known as the assessment ratio or level of assessment.

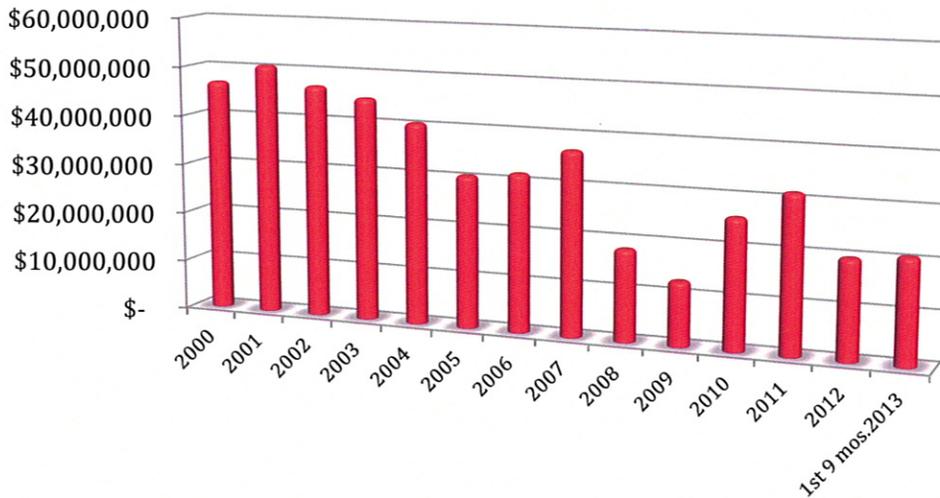
The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 15. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying in more than one municipality, such as counties, school districts, or special taxing districts, use the equalized value of the underlying units in calculating and distributing their respective levies. Equalized values are also used to apportion state aids and calculate municipal general obligation debt limits.

### **Assessed Value**

The “assessed value” of taxable property in a municipality is determined by the local assessor, except for manufacturing properties which are valued by the state. Each city, village or town retains its own local assessor, who must be certified by the Wisconsin Department of Revenue. Assessed value is used by these municipalities to determine tax levy mill rates and to apportion levies among individual property owners. Beginning in 1986, the state required that the assessed values must be within 10% of state equalized values at least once every five years. The local assessor values property as of January 1 each year and is required to submit those values to the municipality the second Monday in May. The assessor also reports any value changes taking place since the previous year, to the Department of Revenue, by this same date.

The two tables on the following page report population data and construction cost estimates for the past 10 years in the Howard. The population growth has been steady and consistent without huge spikes in any given year. Such a steady increase allows for less financial strain on the village’s ability to service the community needs. (These two tables are also located in the statistical section of this budget document.)

### Total Construction Costs Estimates (Based on Building Permits Issued)



### Population Estimates (Wisconsin Department of Administration estimates)

YEAR	POPULATION	PERCENTAGE CHANGE
2001	13,849	2.24%
2002	14,376	6.13%
2003	14,947	3.97%
2004	15,208	1.75%
2005	15,475	1.76%
2006	15,755	1.81%
2007	15,830	0.48%
2008	15,935	0.46%
2009	16,110	1.10%
2010	17,399	8.00%
2011	17,728	1.89%
2012	18,166	2.47%
2013	18,348	1.00%

In addition to residential growth, the village has incurred substantial commercial and industrial growth since the late 1980's. In 1990, commercial and industrial taxpayers comprised 20% of total assessed valuation; the commercial and industrial percentage has grown to 31% in 2012. Many of the top 10 taxpayers represent new businesses to the village since 1990. The following table shows the top ten taxpayers in 2012 with their assessed values in 2003, ten years earlier.

Ranking	Name	Assessed Valuations (January 1)	
		2013	2003
1.	United Health Group (Insurance)	\$38,584,300	\$46,040,500
2.	Menards Inc.	\$16,300,200	(new in 2013)
3.	Woodman's Food Market	\$14,817,800	\$17,274,600
4.	Elana LLC (Apartments)	\$13,822,700	\$12,831,700
5.	CCAPTS LLC (Apartments)	\$12,734,400	(new in 2011)
6.	Omnova Solutions (Manufacturing)	\$9,389,500	\$8,873,700
7.	Hattiesburg Paper LLC (Warehousing)	\$8,574,600	\$7,253,700
8.	Mills Fleet Farm (Retail)	\$8,432,600	\$5,841,700
9.	Comfort Suites (Hotel) & Rock Gardens	\$7,660,300	\$5,035,000
10.	Watermolen (Apartments)	\$7,489,500	(not in top 10)

Please note that the state determines manufacturing assessments. The assessed values above report the combined real and personal property tax valuations. Total assessed valuation in the Village for 2013 is \$1,494,437,700 and the total equalized value in 2013 is \$1,410,056,600.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Village of Howard  
Wisconsin**

For the Fiscal Year Beginning

**January 1, 2012**

*Linda C. Danson Jeffrey R. Eisen*

President

Executive Director

The Village of Howard, Wisconsin has received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for the following budget years beginning January 1:

1994	1995	1996	1997	1998	1999
2000	2001	2002	2003	2004	2005
2006	2007	2008	2009	2010	2011
2012	2013				

**VILLAGE OF HOWARD, WISCONSIN  
BUDGET POLICY**

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**Officials and Consultants**

*Village of Howard, Wisconsin*

**Elected Officials**

Burt R. McIntyre	Village President
John Havey	Trustee Wards 1 & 2
James Widiger	Trustee Wards 3 & 4
Cathy Hughes	Trustee Wards 5 & 6
George Speaker	Trustee Wards 7 & 8
Jim Lemorande	Trustee Wards 9 & 10
Ray Suennen	Trustee Wards 11 & 12
David Steffen	Trustee Wards 13, 14 & 18
Jay Faikel	Trustee Wards 15, 16, & 17
Gregg Schreiber	Municipal Judge

**Appointed Officials/Executive Staff**

Paul Evert, JD	Village Administrator
Christopher A. Haltom, CPA	Dir. of Admin. Services/Clerk/Treasurer
Geoff Farr, PE	Director of Public Works
David Wiese	Director of Community Development
Ed Janke	Director of Public Safety

**Contracted Officials**

Dennis M. Duffy	Village Attorney
Mike Denor	Village Assessor

**Certified Public Accountants & Consultants**

Kerber Rose, S.C., Shawano, Wisconsin

**Bond Counsel**

Foley & Lardner, Milwaukee, Wisconsin

**Financial Consultants**

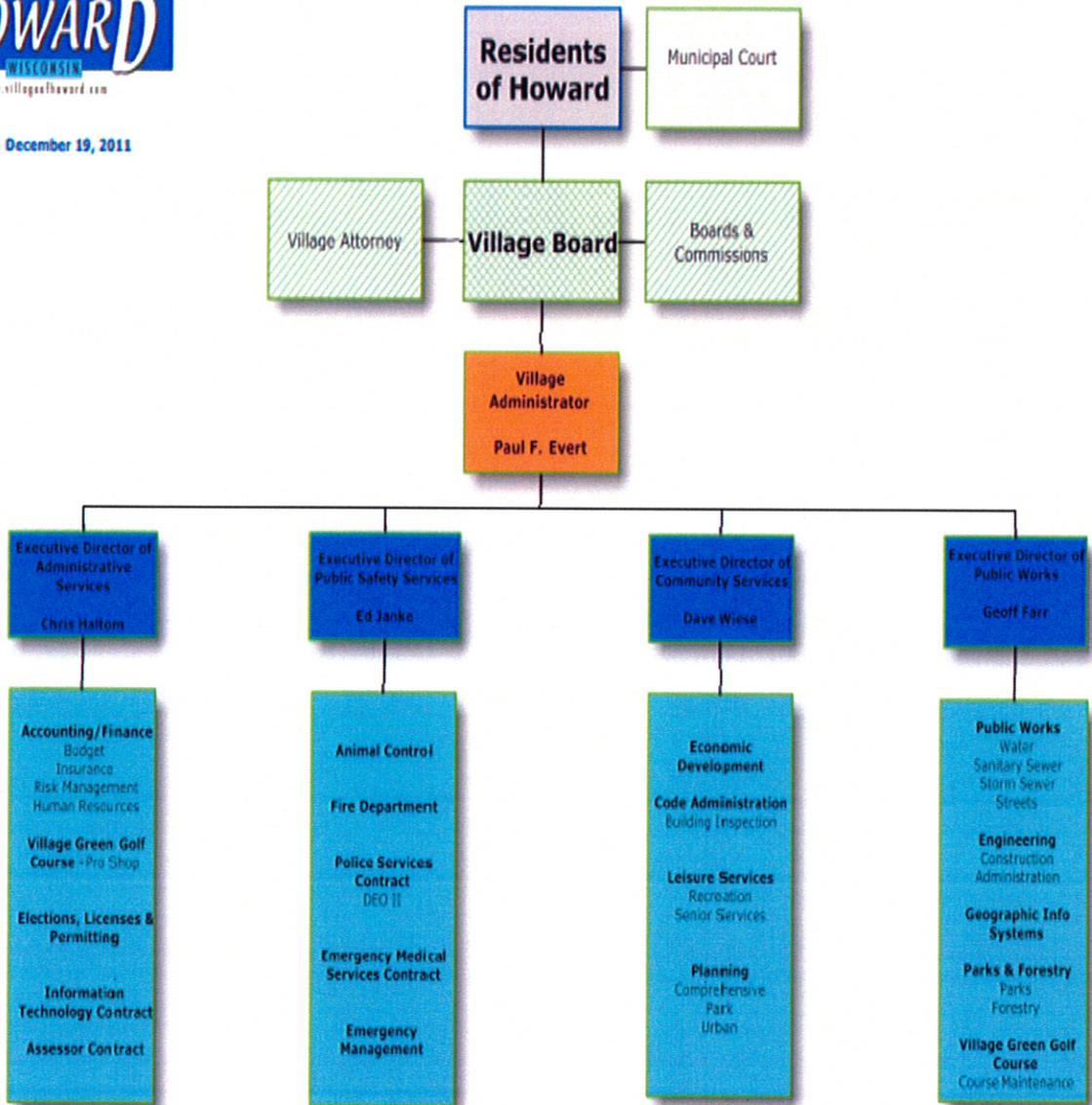
Ehlers & Associates, Milwaukee, Wisconsin

# VILLAGE OF HOWARD, WISCONSIN BUDGET POLICY



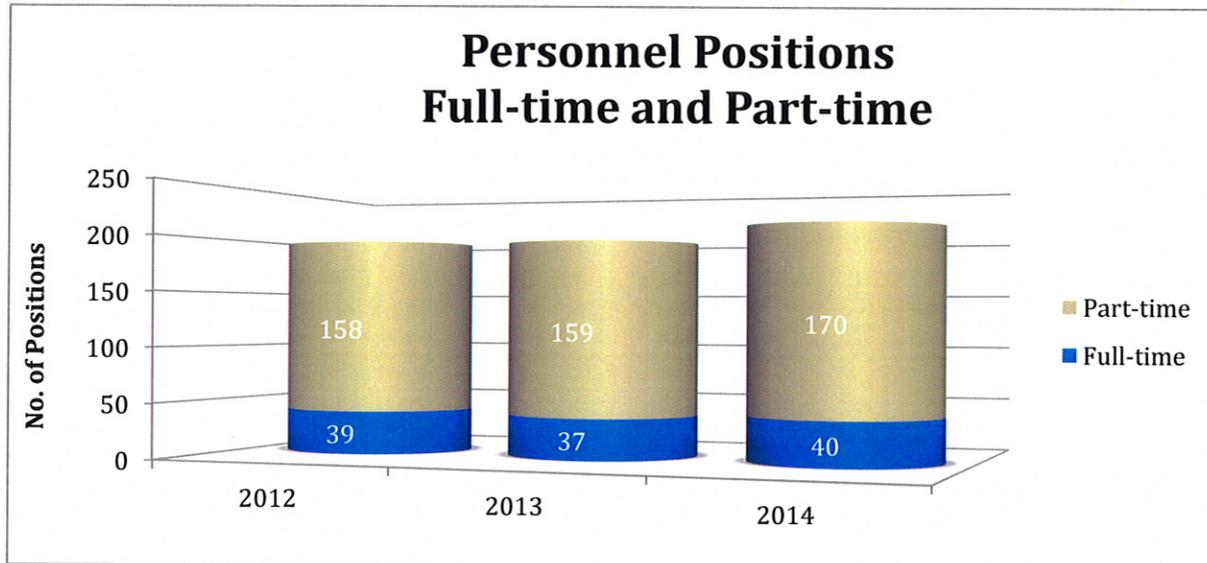
Updated: December 19, 2011

## Village Team - Organizational Flowchart Village of Howard, Wisconsin



## VILLAGE OF HOWARD, WISCONSIN BUDGET POLICY

### VILLAGE OF HOWARD, WISCONSIN Summary of Full-time and Part-time Positions Last Three Budget Years



Over the past twenty years, the village has experienced steady growth in residential and commercial property values. During that time, the state and federal government have created new mandatory services such as curbside recycling pickup and storm water regulations. These and other factors add demands on the village's services provided to the community. The village gradually increased the work force from a total number of full-time positions of 31 in 1990 to a total of 43 employees in 2007 before dropping down to 37 in 2013. The decrease in FTEs is a result of budget cuts being made due to drop in state aids and less growth than years preceding 2006.

The increase of three positions from 2013 to 2014 is a result of hiring a full-time manager and a chef at the restaurant of the Village Green Golf Course and hiring a full-time fire fighter/code enforcement officer. The increases in part-time positions are related to hiring more part-time positions for the restaurant facility.

Continued growth in population puts demands on services such as snow plowing, recycling and garbage pickup, community development, leisure services, police protection, fire services and general government operations. Growth has slowed in recent years due to the trends in the national economy. The slower growth pace should put less strain on requests for new services. Continued cut in aids from the state and levy limits will put more pressure on service levels and staffing positions.

The following page summarizes the number of personnel positions budgeted by department. The village continues to strive for a salary and benefits package that will attract and maintain highly qualified and motivated employees.

**VILLAGE OF HOWARD, WISCONSIN  
BUDGET POLICY**

**VILLAGE OF HOWARD, WISCONSIN  
SUMMARY OF FULL-TIME AND PART-TIME POSITIONS (Cont.)  
Last Three Budget Years**

Fund/Department	2012		2013		2014	
	FT	PT	FT	PT	FT	PT
<b>General Fund:</b>						
Village Board	-	9.00	-	9.00	-	9.00
Community Development	.90	-	.90	-	.90	-
Court and Attorney Administrator	1.00	1.00	1.00	1.00	1.00	1.00
Elections	-	14.00	-	14.00	-	14.00
Administrative Services	2.10	-	2.10	-	2.10	-
Board of Appeals	-	7.00	-	7.00	-	7.00
Health & Human Services	-	1.00	-	1.00	-	1.00
Police (crossing guards)	-	9.00	-	9.00	-	9.00
Fire Department	2.00	42.00	2.00	41.00	3.00	40.00
Code Administration	1.00	-	1.00	1.00	1.00	-
Public Works Administration	.80	-	.80	1.00	.80	1.00
Street Department	5.90	9.00	5.90	9.00	5.90	9.00
Mechanic	1.60	-	1.60	-	1.60	-
Snow Removal	1.25	-	1.25	-	1.25	-
Sanitation	.50	-	.50	-	.50	-
Recycling	.60	-	.60	-	.60	-
Parks	2.00	9.00	2.00	9.00	2.00	9.00
Recreation	1.00	49.00	1.00	49.00	1.00	49.00
Revolving Loan Fund	.10	-	.10	-	.10	-
<b>Capital Improvements Fund:</b>						
Engineering	1.20	1.00	1.20	1.00	1.20	1.00
<b>Water Utility:</b>						
Operations and Maint Administration	3.90	-	3.90	-	3.90	-
Administration	1.40	-	1.40	-	1.40	-
<b>Sewer Utility:</b>						
Operations and Maint Administration	3.15	-	3.15	-	3.15	-
Administration	1.15	-	1.15	-	1.15	-
Storm Water Utility	3.80	-	3.80	-	3.80	-
Golf Course	.25	7.00	.25	7.00	2.25	20.00
<b>Total Positions</b>	<b>37.00</b>	<b>158.0</b>	<b>37.00</b>	<b>159.0</b>	<b>40.00</b>	<b>170.0</b>

**Note:** All of the full-time positions (FT) are stated as full-time equivalencies (FTE). Part-time positions (PT) represent the number of positions to be employed in each department; this number is not expressed in FTE. When reviewing the departmental budget sheets, PT positions are noted in number of positions and FTE.

# VILLAGE OF HOWARD, WISCONSIN

## BUDGET POLICY

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### **Financial Policies**

The village of Howard's financial policies set forth the basic framework for the overall fiscal management of the village. Operating concurrently with changing conditions and circumstances, these policies serve as a guide to assist in the development of Village board fiscal and financial decisions. These policies provide guidelines for evaluating both current programs and proposals for future projects.

Most of these policies have been established over the past nineteen years and are occasionally modified to better enhance the functions being performed within the policy framework. The policies always encompass generally accepted accounting principles and state and federal laws and regulations that help to maintain financial stability to the Village.

### **Operating Budget Policies**

The following operational policies have been previously established and used in the preparation of the 2014 budget document:

1. The village will prepare an annual budget for all operating funds.
2. The village's primary budgetary control will be monthly reporting of General Fund.
3. The village will strive toward the use of performance measurement and performance objectives with the operating budget.
4. Operating budgets are established on a fund/function/department basis.

### **Budget Policy Guide (Short-term Goals)**

The village is under state mandate to limit increases in tax levies by the greater of 1% or the percentage growth within the village. In addition to the state mandate, the following criteria have been established by the Village as a guide in developing annual budgets:

- I. Limit assessed tax rate growth to the extent possible by striving to maintain a steadily decreasing tax mill rate. The tax rate may fluctuate from year to year with small increases noted in years of low growth in property values outside of our tax incremental financing districts. Steadily decreasing tax mill rates are an assumed byproduct of continued growth in property tax values exceeding 4% per year.
- II. Maintain current services to the public and add new services when tax mill rate is not affected. With continued state aid cuts, service levels may need to be reduced in future years.
- III. Provide new state and federal mandated services at the lowest possible cost yielding the highest benefit.
- IV. Establish utility fees sufficient to meet the utilities' fiscal needs.
- V. Utilize current resources to fund capital projects provided such funding does not cause an adverse effect on the tax mill rate. Borrow only when a revenue source can be provided to substantially repay new debt service.

**VILLAGE OF HOWARD, WISCONSIN  
BUDGET POLICY**

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- VI. Add funding for additional street resurfacing projects when possible with minimal effect on the property tax rate.
- VII. Maintain adequate fund balances to protect the village’s financial integrity. The General Fund’s Fund Balance policy is to maintain between 25% and 40% of the prior year’s expenditures.

**Budget Adoption**

The village ordinances require the administrator to submit a proposed budget to the village board by November 20 of each year. The 2014 budget will be presented to the board initially in the fall of 2013. The village board finalized the 2014 budget on November 25, 2013. A public hearing was held before final adoption to allow for public input and make any desired budget changes before adopting the final budget document.

The budget requires approval by early December of each year in order to allow for village officials to coordinate with the Brown County Treasurer to calculate, print and mail property tax billings by mid-December. The budget calendar, in the table below, reflects the annual time line used in guiding the progress of the budget document.

**BUDGET CALENDAR**

Date	Responsibility	Action
<b>June - July</b>	Director of Administrative Services (DAS)	<ul style="list-style-type: none"> <li>Update the budget document with actual results for 2012 and make ready the document for 2014.</li> </ul>
<b>July 15, 2013</b>	Village Administrator (VA), DAS, Executive Staff (ES)	<ul style="list-style-type: none"> <li>Hand out department budget expenditure worksheets for department directors review</li> </ul>
<b>August 12, 2013</b>	VA, DAS, ES and Village Board	<ul style="list-style-type: none"> <li>Review and adopt Budget Policies and Budget Calendar to be used in 2014 budget preparation</li> </ul>
<b>August 15, 2013</b>	VA, ES and DAS	<ul style="list-style-type: none"> <li>Return of budget expenditure worksheets to VA and EDAS</li> </ul>
<b>August 26, 2013</b>	VA and DAS	<ul style="list-style-type: none"> <li>Distribute 2014 draft budget to Village Board and hold first budget discussions at Board Meeting</li> </ul>
<b>Sept. 9 and 23, 2013</b>	VA, DAS, ES & Village Board	<ul style="list-style-type: none"> <li>Presentation of Proposed Budget at Board Meeting</li> </ul>
<b>October 14 and 28, 2013</b>	VA, DAS, ES & Village Board	<ul style="list-style-type: none"> <li>Continued Presentation and Discussion of Proposed Budget</li> </ul>
<b>November 11 and 25, 2013</b>	Village Board	<ul style="list-style-type: none"> <li>Public Hearing on Budget</li> <li>Adoption of the 2014 Budget</li> </ul>
<b>December 9, 2013</b>	Village Board	<ul style="list-style-type: none"> <li>Approve ordinance adopting tax rates and tax levies for 2014</li> </ul>

## **VILLAGE OF HOWARD, WISCONSIN BUDGET POLICY**

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### **Balanced Budget**

For purposes of preparing the annual budget for the village, a balanced budget refers to all revenues and beginning fund balances shall be equal to all expenditures plus ending fund balances. In most years, the revenues from all sources (excluding fund balance) in the General Fund will be equal to all expenditures in the fund. In years with revaluations or larger cost events, then expenditures will exceed the revenues.

### **Budget Amendments**

From time to time it becomes necessary to modify the adopted budget. The procedure for amending the budget depends upon the type of change that is needed.

One type of budget amendment brings about a change in the total appropriation for a department, function or fund. Examples of these changes include but are not limited to:

- the acceptance of additional grant money that becomes available;
- the appropriation of additional funding if expenditures are projected to exceed budgeted amounts;
- the addition of new programs which generate positive or neutral cash flows
- the transfer of appropriations from one fund to another when deemed necessary
- unforeseen emergencies

All budget amendments exceeding \$60,000 require village board approval with a two-thirds vote. The amendments must be published as a class one notice within 15 days of the approval. The Administrator has the authority to make budget amendments up to \$60,000 without seeking village board approval; the main reason for such amendments is for allocating salary/wage increases.

Each year the approved and adopted budget reflects a balanced budget whereby an estimate of revenues and beginning fund balances are equal to estimated expenditures and ending fund balance. This basis of budgeting is referred to as the expenditures plus encumbrance method of budgeting. The budget is prepared in accordance with generally accepted accounting principles (GAAP). GAAP is used to report a more meaningful budget when compared to actual expenditures included in the CAFR. See page 28, Budgetary Basis for more about the GAAP basis used in the budget.

### **Capital Projects Budget Policies**

Funding for capital projects shall utilize available funding sources from developer contributions, grant funds, general tax levy and any other revenue sources (non-debt related). If funding requirements are not met through such items, then fund transfers will be made from existing resources, if available, before utilizing any borrowing alternatives. It is the intent of the village board to pay the full cost of current services with current revenues or available fund balance and avoid borrowing for operating expenditures.

## **VILLAGE OF HOWARD, WISCONSIN BUDGET POLICY**

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Funding for utility projects will be obtained through existing resources and/or borrowing through competitive bidding in the bond market.

The village has developed a capital improvement plan that is reviewed and updated annually. In addition to this plan, a comprehensive development plan, CORP and a Park and Recreation Needs Assessment were adopted in previous years. Each annual budget will provide for adequate funding of the long-term plans that will be constructed or purchased.

The village will maintain its physical assets at a level adequate to protect the village's capital investment and to minimize future maintenance and replacement costs. The budget will provide for the maintenance and replacement of the capital plant and equipment from current revenues. Industrial acreage will be available within the village to insure adequate development in accordance with the overall area development plans.

### **Revenue Policies**

The village will strive to maintain a stable revenue system. The goal is to minimize fluctuations from year to year from revenue sources and maintain a stable tax rate. The village will follow an aggressive policy of collecting revenues. Major sources of revenue are guaranteed from state aids and the August tax settlement with the County Treasurer.

The village will review license and fee charges periodically in order to determine if the revenues adequately support the activities. User fees and charges will be established whenever deemed appropriate. Impact fee analysis shall be prepared to assure that costs of land development are borne by developers.

Water, Sewer and Storm Water Utilities funds will be self-supporting through user charges. The Water fund is regulated by the Public Service Commission (PSC) and all rate changes are subject to their approval. The Sewer and Storm Water Utilities require village board approval for any rate changes. Delinquent water, sewer and storm water billings are added to property tax billings on November 15 of each year.

### **Fund Balance Reserve Policies**

The General Fund policy for fund balance reserve was modified by the village board in 2007. The new policy establishes the fund balance to be between 25%-40% of the previous year's actual expenditures within the fund. All excess funds above this policy may be transferred from the General Fund into a capital project fund or maintained within the General Fund for future use.

Reserves are established in the Water and Sewer Utilities in order to maintain Revenue Bond Ordinance provisions. Funds will be reserved for equipment, major replacement and repairs in the Sewer Utility.

## **VILLAGE OF HOWARD, WISCONSIN BUDGET POLICY**

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Debt Service Fund reserves are established for any revenues collected in excess of budget amounts or expenditure needs. Such reserves will be utilized against future debt retirement. None of the enterprise fund debt reserves are included in the Debt Service Fund.

The Revolving Loan Fund, which is a Special Revenue Fund, maintains a fund balance for the amount of loan funds collected. Such funds are available for future loans to qualifying businesses. The village desires to loan all available funds thereby keeping fund balance to a minimum.

TID #2, another Special Revenue Fund, is used to account for revenues collected for the TID district and subsequently transferred to Debt Service Fund for annual debt payments. The Fund balance fluctuates based on the debt schedule and revenue collections in any given year.

Capital Project Funds maintain ongoing fund balances for accumulation of funds until major equipment or construction projects can be funded. The amount of the fund balance will vary from year to year depending on the timing of the equipment purchase or the construction project.

### **Investment Policies**

During 1996, the village board adopted a formal investment policy. Under the investment policy, the objective of each investment will be prioritized by safety, liquidity and return on investment.

Short-term investments required for daily operating needs are handled with a local bank. Such funds are maintained in interest bearing accounts and insured by FDIC and State Guarantee fund up to \$650,000. The village has collateralization for investments over \$650,000 of deposits at two local banks.

Long-term investments (funds available for more than 30 days) may be placed into Certificates of Deposit with the financial institution offering the highest guaranteed yields and the Wisconsin Local Government Investment Pool. The policy also allows for investment in U.S. government securities, agencies and municipal securities.

### **Debt Policies**

The village long-term borrowing is limited to capital improvements for new infra-structure. Short-term borrowing has not been utilized by the village. All general obligation debt is limited by state statute to 5% of equalized valuation. Referendum will only be used on capital projects for bonding indebtedness if the state mandated debt limited will be exceeded for borrowing related to construction projects or asset purchases.

## **VILLAGE OF HOWARD, WISCONSIN BUDGET POLICY**

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During the 1994 budget, the village adopted a policy to limit borrowing to new construction projects only after utilizing all available funds and will strive to pay for all reconstruction through tax revenues. This policy has been successfully utilized in every year since except in 2010 when approximately 78 acres of land was purchased with debt. New borrowing will only be allowed when a revenue source to pay for the borrowing is identified and utilized in order to limit tax rate growth, such as TIF's.

The village utilizes outside council and consultants for completing debt issues and proper disclosure of financial condition in bond prospectus. Financial data is obtained from the most recently audited financial statements. Other pertinent prospectus information is gathered from State of Wisconsin, Brown County and village records and sources.

### **Special Assessment Policies**

The village board has established by resolution (last revision in 2007) a special assessment policy; however, each project is reviewed on a case by case basis in order to obtain the most equitable assessments and financing for residents, developers and the taxpayer.

Generally, the policy states that developers pay 100% of all infrastructure costs. Fronting property owners pay assessments based on frontage footage over a ten year period with interest charged at 5¾%. Properties with more than 90 feet of frontage are granted deferral of assessments on the footage over 90 feet until the property is used or otherwise ownership transferred. Interest may be charged on deferrals depending on circumstances.

### **Purchasing Policies**

By State statutes, the village must use competitive sealed bids for all public construction of \$25,000 or more. This process shall be done in accordance with state statutes for publication in authorized village newspaper, bid invitations, opening and evaluating bids, and awarding the bids through village board approval. Competitive bidding procedures will also be utilized for all equipment purchases in excess of \$25,000. The procedure will include a bid specifications sheet, inviting all qualified suppliers in writing to submit quotes, quotes being evaluated concurrently and awarding the bid. Purchases of less than \$25,000 are made through various criteria:

- Informal telephone quotations
- Negotiated purchases
- Published price lists
- Emphasis placed on local businesses

All invoices are presented to the village board for approval before payment is made except for certain situations. These situations include, but are not limited to, payroll and related liabilities, refunds, payments for health and dental benefits and any emergency payments for appropriated budget items with the approval of the department head.

## **VILLAGE OF HOWARD, WISCONSIN BUDGET POLICY**

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### **Pension Funding and Reporting Policies**

The current budget shall include amounts sufficient to cover all pension liabilities. All permanent employees expected to work over 600 hours (1,200 hours beginning September 2011) a year are eligible to participate in the Wisconsin Retirement System. In 2014, covered employees will be required by statute to contribute 7.0% of their salary to the plan. The village is required to contribute the remaining amounts necessary to pay the projected cost of future benefits. Employer required contribution under this plan is 7.0% (11.3% for protective with social security).

### **Deferred Compensation Plan**

The village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits deferral up to \$17,000 (plus another \$5,500 for employees over 50 and another \$17,000 for annual "catchup" provisions) not to exceed their annual salary. The annual contribution amount will be adjusted per federal law. This plan is administered by an independent organization.

### **Employee Policies**

The village seeks to employ the highest qualified personnel for positions available and resources provided. The village has two employee unions covering (1) public works and parks department (DPW) employees and (2) clerical employees. Contracts with these unions generally cover a two or three year period. The current contracts expire December 31, 2013. Under Wisconsin Act 10, approved in January 2011, unions will only be allowed to bargain wage increases upon termination of their existing contracts.

The village also has established policies for non-union employees. Such policies include vacation and paid time off, fringe benefits, wage adjustments and wage scales, hiring and termination procedures, non-discrimination, harassment and other similar policies and grievance procedures. In the event union contracts do not cover an issue, the non-union policies become effective.

### **Risk Management**

The village has purchased commercial insurance policies for various risks of loss related to torts, theft, damage or destruction of assets; errors and omissions; injuries to employees; or acts of God. In addition to the purchased insurance, the village has purchased health, dental and short-term disability for full-time employees through Central States C-6 Plan. The village full-time employees (those working more than 35 hours per week) and their dependents are eligible for medical and dental benefits and short-term disability. Funding for the Central States plan is 90% paid by the village and 10% paid by the employees.

## **VILLAGE OF HOWARD, WISCONSIN BUDGET POLICY**

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### **Tax Incremental Districts**

The village has established six Tax Incremental Districts (TID or TIF). TID #2 is currently accounted for as a Special Revenue Fund. TIDs 3, 4, 5, 6 and 7 are accounted for as a Capital Project Funds. All of these TIDs were established in accordance with Wisconsin Statutes. Tax revenues generated from the increased property valuations for properties located within the TID are used to repay all costs associated with the TID. TID expenditures can be made up to five years prior to the statutory closure date of the TID.

TID #2 is currently collecting tax increment and special assessments to repay TID expenditures. This TID expended over \$20 million of costs and is expected to recapture these costs in 2015. An amendment to this TID was approved in 2009 allowing up to \$6 million of future TID #2 incremental revenues to be transferred to TID #4.

TID #3 was created in January 2006 for the Village Center project. Costs related to this TID are expected to be incurred over the next 10-15 years after an anchor store has been obtained for the site. This TID is a mixed-use TID expecting both residential and commercial development to create a downtown center.

TID #4 was created in 2007 to account for costs related to redevelopment along the US Highway 41 and Highway 29 interchange. Costs are expected to be incurred over the next ten years in this area. Large box retail stores are expected to anchor shopping centers within this TID district. Recent discussion with developers have centered around a possible grocery store being anchored on one end of the development. Other discussion has occurred regarding relocating a cement factory located in the middle of the project.

TIDs #5 and #6 were both created in 2008; substantial tax incremental revenues are not expected in these TIDs until development occurs. TID #5 is located mainly in an area along Velp Avenue between US Highway 41 and Military. TID #5 has agreed to developer incentives for the Harley Davidson business that opened in 2012. No other activity within this TID is expected in 2013.

TID #6 is located along US Highway 41 near Lineville Road. The 2013 budget is reporting a developer incentive for Amerex, a business that recently completed construction of their facility. Possibility exists for additional development on the east side of Hwy 41 near Lineville Road. The TID plan calls for extension of utilities to this area.

TID #7 was created in 2012 to allow for development of the quarries located along Glendale Avenue just west of Velp Avenue. The TID plan calls for a mixed use development of residential and commercial properties along with development of a park that makes use of the quarries' water features. Several developers have expressed interest in developing this site.

# VILLAGE OF HOWARD, WISCONSIN

## BUDGET POLICY

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### **Budgetary Basis**

The village prepares a budget for all fund types within the comprehensive budget document. By law, the village is required to make appropriations for funds affecting the tax levy (which are the General Fund, Debt Service Fund and Capital Projects Funds). Listed below are all of the funds contained in this budget document and the accounting method used for budgeting purposes.

#### *Modified Accrual Basis*

General Fund, Special Revenue Funds  
Debt Service Fund, Capital Project Fund

#### *Accrual Basis*

Enterprise Funds and Internal Service Fund

The modified accrual basis of accounting is a method of recording revenues when susceptible to accrual (i.e. when they become measurable and available) and recording expenditures when the liability is incurred, except for principal and interest on long-term debt. In the accrual basis of accounting, transactions are recognized at the time they are incurred, as opposed to when cash is received or spent. The budgetary basis is the same basis of accounting used in the comprehensive annual financial report (CAFR).

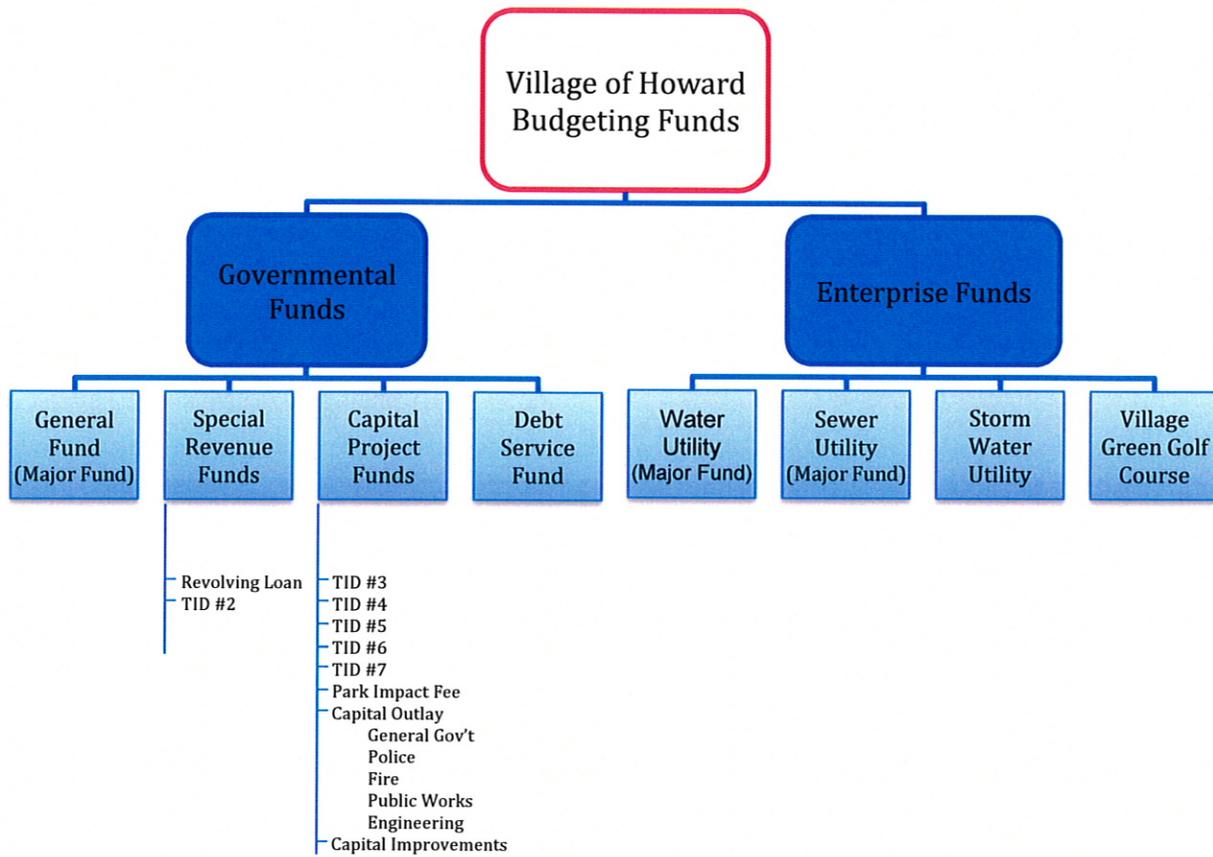
Wisconsin state statutes 65.90 (2) require budgets to be prepared that show a "list (of) all existing indebtedness and all anticipated revenue from all sources during the ensuing year and shall likewise list all proposed appropriations for each department, activity and reserve account during the said ensuing year." This budget document includes all of the above listed funds. The following paragraphs give a brief description of all funds that are subject to appropriations.

### **Program Results Reporting**

The annual budget is used as a means of reporting results of various programs and department goals and objectives. Part of the continued development of such reporting has been to identify and standardize the criteria for output measurements and quantifiable and measurable goals and objectives. Effort is being made to add more data each year.

# VILLAGE OF HOWARD, WISCONSIN BUDGET POLICY

## BUDGET FUND STRUCTURE



### Major Fund Descriptions:

#### General Fund:

The General Fund accounts for all financial resources of the village not accounted for in some other fund. The General Fund generates over 80% of its revenue from taxes and intergovernmental revenues (mostly state aids of various forms).

#### Water Utility:

The water utility accounts for the operations of the village's water utility. This utility generates revenues from user fees and obtains its water supply from the Central Brown County Water Authority. The Wisconsin Public Service Commission is an oversight agency for the operations of the water utility establishing rates and policies for operations.

#### Sewer Utility:

The sewer utility accounts for the operations of the village's sanitary sewer facilities. This utility transmits all sanitary sewage from customers to the NEW Water (formerly Green Bay Metropolitan Sewage District). The revenue from this fund is derived from user fees.

**VILLAGE OF HOWARD, WISCONSIN  
BUDGET POLICY**

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**Departmental/Fund Relationship**

	General Fund	Special Revenue Fund	Capital Projects Fund	Water Utility	Sewer Utility	Storm Utility	Village Green Golf
Board	√	√	√	√	√	√	√
Administrator	√	√	√	√	√	√	√
Administrative Services	√	√	√	√	√	√	√
Public Safety	√		√				
Community Development	√						
Public Works	√		√	√	√	√	√
Engineering			√	√	√	√	

**General Fund**

This fund accounts for all activity that is not included in any other fund within the village. The following pages explain in detail the departments that are accounted for in the General Fund. Some of these departments include administrator, police, fire, administrative services (finance, clerk, and treasurer), public works, and community development.

**Special Revenue Funds**

The Special Revenue fund contains two funds, the Revolving Loan fund that accounts for block grants and subsequent loans and TID #2. Collections of loans are accounted for in the Revolving Loan Fund. The loan fund is allowed to keep \$750,000 of subsequently collected grant proceeds for future loans. TID #2 (as explained above) accounts for tax incremental revenues and subsequent transfers to Debt Service Fund.

**Debt Service Fund**

This fund accounts for principle and interest payments on all general obligation debt. The proprietary funds debt is excluded from the debt service fund. Revenues used to offset the debt service requirements include transfer of funds from the TID and interest earned on investments. Tax levies are made for full funding of debt service requirements.

**Capital Projects Funds**

The following pages explain in detail all of the projects that are included in this year's budget. These projects include four separate types of funds: (1) TIDs #3 - #7; (2) park development fund; (3) capital improvements fund; and (4) capital outlay for equipment.

## **VILLAGE OF HOWARD, WISCONSIN BUDGET POLICY**

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### **Enterprise Funds**

There are four funds accounted for as enterprise funds. All enterprise funds are to be self-sufficient from user fees. User fees should be sufficient to cover all operating expenses, interest and principal payments of debt service, reasonable rate of return and amounts to fund future replacement projects of infrastructure or capital assets.

The first enterprise fund is the water utility that accounts for the revenue charged and expenses incurred related to the water utility operations. The village has two operating wells and three water towers but water is obtained from the CBCWA. The village has over 75 miles of water main in the ground. Revenues for the fund are generated from user charges to customers and public fire protection fees from the general fund.

The second enterprise fund is the sewer utility that accounts for all revenue and expenses related to the sanitary sewer utility. Revenues are derived from user charges to customers and expenses include fees paid to the NEW Water (formerly Green Bay Metropolitan Sewage District) (NEW) for use of sewer lines, treatment and annexation fees, as well as other operating expenses. The village sewer utility does not treat sanitary sewer waste but deposits the waste into the NEW's sewer lines for their treatment facility to treat.

Both the water and sewer utility have replacement programs for infrastructure and capital equipment that are sufficient to replace all assets through user fees and charges. This budget identifies five years of capital improvements that will be made through existing resources.

The third enterprise fund is the storm water utility that began accounting for this fund January 1, 2005. This utility accounts for the costs associated with storm water utility assets, infrastructure, user fees, and cost related to maintenance and operation of the utility.

The fourth enterprise fund is the golf course, known as the Village Greens. The village purchased the golf course in December 1996. The operations of the golf course include green fees for the nine-hole course, merchandise sales, cart rental revenues and rental income from renting the restaurant facility.

### **Long-term Planning**

In conjunction with the preparation of the 2014 budget, extensive work was done on long-term planning. The long-term planning aspects have to do with future growth areas and potential tax base increases to assist in funding future budget increases. The projections were made primarily to determine the timing of various capital projects for prioritization and their future tax impact. See page 37 for a 5-year budget projection.

## **VILLAGE OF HOWARD, WISCONSIN BUDGET POLICY**

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Various assumptions were used in the long range planning process. Many goals were derived from the process, seven of which are listed below:

1. Continue to fund major reconstruction projects and capital outlays with cash reserves and future tax levies. No plans for future borrowing for these needs.
2. Continue to fund current service levels and any new state or federal mandates.
3. Maintain a steadily declining tax mill rate.
4. Continue to fund a computerized revaluation once every three years after the US economy returns to pre-2008 property value growth.
5. Continue to evaluate infrastructure through the state's evaluation process on a bi-annual basis.
6. As part of the Capital Project Funds annual budget, department directors evaluate major assets for scheduled future replacement and repairs over 20 years.

Long-term financial goals are centered on continued growth from new residential, industrial and commercial construction as well as redevelopment of commercial areas. In order to maintain a steadily declining tax mill rate, new assessed valuation created each year will need to be at least \$25 million outside of TIDs. To be able to add additional personnel without increasing taxes will require even more growth. Future budgets may require years of tax mill rate increases to allow for increased service levels.

Given the village is only about 60% developed, continued growth will only be limited by demand and economic factors that are beyond the village's control.

### **Acceptable Construction Practices**

Discussion has occurred about proper engineering design of intersections. Howard intersections can contain stop lights, stop signs, roundabouts or other forms of engineering designs deemed acceptable practice. The designs are made for many purposes that include cost, and available resources, traffic calming, proximity to existing intersections and other factors that may be unique to the streets involved.

The village board accepts all forms of intersection design and construction that is deemed appropriate for the streets involved. No type of design or construction will be eliminated from possible use in the village.

### **Rest of the Budget**

The remaining pages of this budget document represent the financial and narrative information related to this 2014 budget document. The remaining pages also contain data on performance measures, various statistics, a glossary of terms and other information.

It is the hope of the management of the village of Howard that all parties reading this budget document will be well informed of the financial matters and overall operations of the village as well as have a better understanding of the policies which are used to shape the budget process.

**VILLAGE OF HOWARD, WISCONSIN**  
**BUDGET POLICY**

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**Tax Levy Worksheet**

On page 35 is the budget worksheet used to determine the tax levy and serves as the posted legal notice required for the budget public hearing. Listed are the proposed expenditures for 2014 by fund offset by the anticipated revenue sources (excluding property taxes); the result is the tax levy. Also included in this worksheet are comparative data for 2012 and 2013. The 2012 amounts are actual results while 2013 reports both the budget and estimated actual amounts.

# Strategic Planning Analysis



## Strong Financial Position

- Retain and Expand Existing Businesses in Howard
- Encourage Development Along US 41/STH 29
- Attract New Businesses
- Create Business Friendly Environment
- Encourage Balanced Residential Growth

### Recent Accomplishments:

- Obtained the Wisconsin Certified Site Selection status for 78 acres of village owned property. The site will be used for industrial development.
- Continued working with WisDOT to construct improvements along US Hwy 41/29 corridor.
- Using an online marketing program on village website to allow potential new businesses to view and obtain additional data about available business sites in Howard.
- Worked with the CDA to approve two new loans from the revolving loan fund business.
- Constructed 12 new residential lots with a local developer in 2012.



## Maintain well trained workforce

- Ensure Transparency in Government Operations
- Ensure Services are Provided Efficiently and Effectively
- Improve and Utilize Innovative Processes

### Recent Accomplishments:

- Continued to publish in weekly electronic mailings many of the events approved by the village board during 2012. Expanded the listing from 400 to over 3,000 recipients.
- Held two extra recall elections in 2012 using the newly created ward districts from the 2010 census.
- Began meeting with local businesses to discuss their needs towards business retention.
- Utilized constant contact services to assist in notifying residents of relevant issues affecting the village.
- Expanded use of social media services as a means of disseminating information.



## Create unique community identity

- Economies of Scale with Local Government Partners
- Better Relationships with State Agencies

### Recent Accomplishments:

- Installed a new radio system in cooperation with Brown County and several other local municipalities.
- Continued partnering with Brown County, Suamico, and the Howard-Suamico School District on Safe Routes to School Plan.
- Worked with WisDOT on their continued reconstruction of US Hwy 41/Hwy 29.
- Worked on creation of the Packerland Rural Fire and Rescue District with neighboring Pulaski and Suamico.
- Continued working with newly formed Wisconsin Economic Development Corp to assist with business retention and expansion.

# Strategic Planning Analysis (Continued)



## Provide safe, functional infrastructure

- Preserve and Enhance Green Space/Trails
- Minimize Carbon Footprint
- Develop and Maintain Attractive Primary Corridors

### Recent Accomplishments:

- Installed new LED lighting on Riverdale Drive.
- Installed sidewalks, street trees in terraces along Shawano Avenue and Riverdale Drive.
- Completed construction for Spencer's Crossing subdivision connection with Mills Center Park.
- Working with Focus on Energy in identifying small energy saving projects with grant support.
- Obtained a \$25,000 grant from Focus on Energy to be used in purchase of energy efficient boilers. Installed energy misers at 3 locations.
- Received the Tree City USA award for the 20th village.



## Prove safe community for residents, businesses, employees and visitors

- Ensure Transparency in Government Operations
- Ensure Services are Provided Efficiently and Effectively
- Improve and Utilize Innovative Processes

### Recent Accomplishments:

- Continued to publish in weekly electronic mailings many of the events approved by the village board during 2012. Expanded the listing from 400 to over 3,000 recipients.
- Held two extra recall elections in 2012 using the newly created ward districts from the 2010 census.
- Began meeting with local businesses to discuss their needs towards business retention.
- Utilized constant contact services to assist in notifying residents of relevant issues affecting the village.



## Create partnerships with stakeholders and other communities

- Economies of Scale with Local Government Partners
- Better Relationships with State Agencies

### Recent Accomplishments:

- Installed a new radio system in cooperation with Brown County and several other local municipalities.
- Continued partnering with Brown County, Suamico, and the Howard-Suamico School District on Safe Routes to School Plan.
- Worked with WisDOT on their continued reconstruction of US Hwy 41/Hwy 29.
- Worked on creation of the Packerland Rural Fire and Rescue District with neighboring Pulaski and Suamico.