



**REPORTS OF VILLAGE OFFICIALS – DIR. ADMINISTRATIVE SERVICES**

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**Continuation of 2014 Budget planning and discussion**

**REPORT PREPARED BY:** Paul Evert

**MEETING DATE:** November 8, 2013

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The 2014 draft budget was delivered in its entirety to the village board in September with only one page being modified and delivered to the board since then. For the November 11<sup>th</sup> meeting, the budget discussion from staff will focus on the Enterprise Funds, which are comprised of the Water Utility, Sanitary Sewer Utility, Storm Water Utility and Golf Course.

The three utilities do not utilize the approved budgets as a control measure as is done with the governmental funds. Instead, the budget is created to estimate revenue and expenses of each fund in order to determine if the fund rates are sufficient or require a rate study to assist in obtaining the desired rate of return. Staff has entered into an agreement with Schenck S.C. to prepare a rate study for both the water utility and sanitary sewer utility for 2014 as revenues do not appear to be sufficient under current operating conditions.

The largest change for the water utility in 2014 is the expense for water purchases is expected to increase. The Central Brown County Water Authority has notified the village through their budget process that the amount charged to the village in 2014 is increasing by \$110,400 from the 2103 expense. The increase can only be absorbed by the utility with a rate increase. In previous years, the village utilized a purchased water adjustment clause (PWA) with the Public Service Commission (PSC) of Wisconsin in order to obtain a rate increase. In recent years, the PSC has notified all Authority members that the PWA method of rate increases will be halted due to the Authority's method of allocating costs and determining rates. The only means to change water rates is now through an entire rate study. Staff is hopeful the rate study can be completed in 2013 with a first quarter 2014 implementation.

The sewer utility was notified from the Green Bay Metropolitan Sewage District (now called NEW Water) that our estimated expense in 2014 will increase by \$162,000. The estimated increase has several variables that determine the actual expense, so an estimate is not as accurate as the Authorities water expense estimates. The increased cost from NEW Water will require a rate study; staff is hopeful Schenck S.C. will complete the study and allow for village board approval in 2013 for 2014 implementation.

The storm water utility appears to have adequate rates to fund current operations and capital projects projected over the next several years. As these rates appear adequate, staff is recommending rates remain constant at \$4.33 per ERU, per month or \$13 per ERU, per quarter.

The golf course operations have noticed a decline in the number of rounds played over the past decade. The hiring of a new clubhouse manager for golf and the restaurant should assist in increasing the number of rounds and increasing the restaurant operations in 2014. A new budget page for the golf operations is attached to this report.

A full service restaurant open for lunch and dinner every day will necessitate a huge change in operations for 2014. The village has no historical records for such operations. Estimated restaurant revenue of \$350,000 and operating expenses of \$275,000 has been included in this budget. These amounts will not restrict the operations of the restaurant and a more detailed budget will be developed with the new manager after hiring.

Trustee Steffen had questions related to the timing of when to hire the new DEO with the county sheriff. His question was if there is any type of seasonality to volume of incidents. The attachment II to this report shows incidents by shift and month over the past twelve months. There do not appear to be any trends noted in this report for monthly spikes in incidents with the highest month being March at 1,214 and the lowest month being December at 960. The new DEO would not be hired until after all the required postings and interviews have occurred. Staff does not expect the hiring to occur until March 2014 at the earliest.

**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	\$ 225,000
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	-
Restaurant sales	-	-	350,000
Total Operating Revenues	<u>340,576</u>	<u>321,164</u>	<u>695,000</u>
Operating expenses:			
Golf operations:			
Salaries & benefits	126,809	85,000	134,500
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
Restaurant expenses	-	-	275,000
Depreciation	44,855	47,000	52,000
Administrative expenses	8,334	8,200	8,500
Total operating expenses	<u>308,427</u>	<u>250,300</u>	<u>596,200</u>
Operating income	32,149	70,864	98,800
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 revenue	<u>(59,368)</u>	<u>(29,500)</u>	<u>700</u>
Change in net assets	(27,219)	41,364	99,500
Net Assets - January 1	<u>2,901,703</u>	<u>2,874,484</u>	<u>2,915,848</u>
Net Assets - December 31	<u>\$ 2,874,484</u>	<u>\$ 2,915,848</u>	<u>\$ 3,015,348</u>

012 Data	January	February	March	April	May	June	July	August	September	October	November	December	total	by Hou	Median	Mode
000-0059	40	40	32	36	46	51	50	48	54	47	59	32	535	46.5	40	
100-0159	38	36	44	32	58	49	33	45	38	35	45	24	477	38	38	
200-0259	47	31	31	42	14	34	42	33	29	35	31	21	390	32	31	
300-0359	23	29	36	22	12	21	22	29	24	15	26	20	279	22.5	29	
<b>000-0359</b>	<b>104</b>	<b>136</b>	<b>143</b>	<b>132</b>	<b>130</b>	<b>155</b>	<b>147</b>	<b>155</b>	<b>145</b>	<b>132</b>	<b>161</b>	<b>97</b>	<b>1637</b>	<b>139</b>	<b>138</b>	
400-0459	24	21	39	22	13	18	21	18	28	12	20	23	259	21	21	
500-0559	16	10	13	8	19	11	9	9	17	7	11	12	142	11	11	
600-0659	14	17	15	17	19	20	16	17	10	18	9	12	184	16.5	17	
700-0759	50	73	53	60	50	41	33	48	51	57	24	39	579	50	50	
<b>400-0759</b>	<b>104</b>	<b>121</b>	<b>120</b>	<b>107</b>	<b>101</b>	<b>90</b>	<b>79</b>	<b>92</b>	<b>106</b>	<b>94</b>	<b>64</b>	<b>86</b>	<b>1164</b>	<b>98.5</b>	<b>99</b>	
800-0859	66	76	50	45	54	52	52	54	70	71	57	44	691	54	54	
900-0959	71	45	44	68	55	51	64	55	30	51	46	41	621	51	55	
000-1059	44	51	57	49	64	59	64	54	40	58	43	41	624	52.5	64	
100-1159	54	51	71	54	53	62	52	56	64	50	49	51	667	53.5	54	
<b>800-1159</b>	<b>235</b>	<b>223</b>	<b>222</b>	<b>216</b>	<b>226</b>	<b>224</b>	<b>232</b>	<b>219</b>	<b>204</b>	<b>230</b>	<b>195</b>	<b>177</b>	<b>2603</b>	<b>211</b>	<b>227</b>	
200-1259	49	63	62	62	50	51	63	60	46	68	56	55	685	58	63	
300-1359	51	64	83	57	78	44	68	65	66	48	66	62	752	64.5	66	
400-1459	84	77	71	73	65	57	67	64	76	74	72	57	837	71.5	57	
500-1559	77	70	85	62	69	85	72	60	65	92	78	51	866	71	85	
<b>200-1559</b>	<b>261</b>	<b>274</b>	<b>301</b>	<b>254</b>	<b>262</b>	<b>237</b>	<b>270</b>	<b>249</b>	<b>253</b>	<b>282</b>	<b>272</b>	<b>225</b>	<b>3140</b>	<b>265</b>	<b>271</b>	
600-1659	53	51	70	59	80	67	84	64	46	70	46	79	769	65.5	70	
700-1759	54	51	61	61	56	61	57	56	54	53	70	55	689	56	61	
800-1859	33	41	48	44	49	39	45	61	38	53	40	49	540	44.5	49	
900-1959	43	39	54	49	40	37	54	45	28	51	44	45	529	44.5	54	
<b>600-1959</b>	<b>183</b>	<b>182</b>	<b>233</b>	<b>213</b>	<b>225</b>	<b>204</b>	<b>240</b>	<b>226</b>	<b>166</b>	<b>227</b>	<b>200</b>	<b>228</b>	<b>2527</b>	<b>210.5</b>	<b>234</b>	
000-2059	47	46	52	41	45	50	59	45	39	33	59	39	555	45.5	45	
100-2159	28	32	46	30	46	39	54	46	37	36	35	33	462	36.5	46	
200-2259	28	35	41	35	48	51	48	56	64	40	45	42	533	43.5	35	
300-2359	52	49	56	53	71	62	35	74	44	54	48	33	631	52.5	#N/A	
<b>000-2359</b>	<b>155</b>	<b>162</b>	<b>195</b>	<b>159</b>	<b>210</b>	<b>202</b>	<b>196</b>	<b>221</b>	<b>184</b>	<b>163</b>	<b>187</b>	<b>147</b>	<b>2181</b>	<b>178</b>	<b>#N/A</b>	
<b>total Month</b>	<b>1042</b>	<b>1098</b>	<b>1214</b>	<b>1081</b>	<b>1154</b>	<b>1112</b>	<b>1164</b>	<b>1162</b>	<b>1058</b>	<b>1128</b>	<b>1079</b>	<b>960</b>	<b>13252</b>			