



Meeting Date: 12/11/2011  
Agenda Item: 6c

**Mission Statement**

Provide quality services in a modern, courteous and cost-efficient manner.

**VILLAGE BOARD MEETING STAFF REPORT**

**REPORT TO:** President Burt McIntyre and Village Board of Trustees  
**REPORT FROM:** Chris Haltom, Executive Director of Administrative Services  
**AGENDA ITEM:** Review and Take Action on Ordinance 2011-22, "An Ordinance Adopting the 2012 Budget and Tax Levy"

**POLICY ISSUE**

The Village Board must adopt an annual budget that establishes the tax levy and tax rates for the upcoming year.

**RECOMMENDED ACTION BY VILLAGE BOARD**

Village staff recommends that the Village Board approve Ordinance 2011-22 that adopts the 2012 budget and tax levy. Staff recommends the following motion may be made:  
**"Motion to approve Ordinance 2011-22 to adopt the 2012 budget and tax levy."**

**POLICY ALTERNATIVE(S)** None

**FINANCIAL INFORMATION**

**FISCAL IMPACT:**

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

**FISCAL SYNOPSIS:**

The budget determines the finances available for operations in 2012.

**PRIOR ACTION/REVIEW**

The Board approved the draft budget on November 28, 2011.

**BACKGROUND INFORMATION**

Staff obtained the state tax credit amount in early December which was the final piece of information needed in order to create the attached ordinance. By adopting the ordinance, the Village Board appropriates funding of all line items and projects for 2012.

A copy of the final budget document is included on the Village's website and included in the electronic packet of board information. A hard copy is provided to board members that do not utilize computers. A copy of the final budget document will also be given to the Brown County library located in Howard on Riverview Drive. A black and white printed copy of the budget can be purchased for \$25.

**ATTACHMENTS**

Ordinance 2011-22

**2012 BUDGET ADOPTION AND TAX LEVY ORDINANCE NO. 2011 - 22**

AN ORDINANCE APPROPRIATING THE NECESSARY FUNDS FOR THE OPERATION OF THE GOVERNMENTS AND ADMINISTRATION OF THE VILLAGE OF HOWARD FOR THE YEAR OF 2012 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 2012, 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 2012 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 \$4,678,159.64 including \$206,609.64 TIF Funds, according to the last assessed valuation thereof, a tax rate of \$3.31 per thousand; and the amount of \$82.75 is hereby levied for all taxable property of the *Village of Howard, Outagamie County*, a tax rate of \$3.31.
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 \$13,058,371.50 including \$576,719.40 TIF Funds, according to the last assessed valuation thereof, a tax rate of \$9.23 per thousand.
4. For purposes of paying the **Pulaski School District** tax as certified by School District Clerk, \$219.00 including \$0.00 TIF Funds, is hereby levied for all taxable property of the *Village of Howard, Outagamie County*, a tax rate of \$8.76.
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 \$227,649.71, including \$0.00 TIF funds, according to the last assessed valuation thereof a tax rate of \$0.16 per thousand; and \$3.87 is hereby levied, including \$0.00 for TIF Funds, for all taxable property of the *Village of Howard, Outagamie County*, a tax rate of \$0.15.
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 \$6,231,695.38 including \$275,221.12 TIF Funds, and \$1,990.10 for bridge and culvert aid and chargebacks fee, according to the last assessed valuation thereof a tax rate of \$4.40 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 \$103.99 including \$0.00 TIF Funds, according to the last assessed valuation thereof a tax rate of \$4.16 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 \$2,184,510.27 including \$96,478.30 TIF funds, according to the last assessed valuation thereof, a tax rate of \$1.54 per thousand; and the amount of \$37.13 is hereby levied for all taxable property of the *Village of Howard, Outagamie County*, a tax rate of \$1.48.

9. (a) The total of the above six levies for **Brown County** is the amount of \$26,380,386.49. A gross tax rate of \$18.64 per thousand dollars of assessed value for properties within the *Howard-Suamico School District*, less a State credit of \$1.37 per thousand dollars of assessed value for all taxable property of the Village of Howard, Brown County shall be the December 2011 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 fix levies for **Outagamie County** is the amount of \$446.74. A gross tax rate of \$17.87 per thousand dollars of assessed value for all taxable property of the Village of Howard, Outagamie County, less a school tax credit of \$0.83 per thousand dollars of assessed value shall be the December 2011 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 2011.

11. This ordinance shall take effect and be enforced from and after its passage and publication.

ADOPTED THIS 12th day of December, 2011.

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Burt R. McIntyre  
Village President

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Christopher A. Haltom  
Village Clerk

Summary notice published: December 16, 2011





**Dear Residents & Business Owners,**

Since becoming Village President in April 2008, the Board and I have focused on three broad themes to help the Village of Howard, Wisconsin improve our community- Engaging Citizens, Measuring Performance and Getting Things Done.

We believe citizens must be engaged to assist with influencing community change by helping us identify what investments we need to make with our community and building effective collaborations focused on results that matter to all citizens of the Village of Howard.

In 2012, citizens will have an excellent opportunities to assist the Board by participating in various surveys. The surveys will be conducted primarily by electronic means and will be used to assist the Board in decisions on service levels. The surveys will be prepared by staff as another way of communicating with the public. I encourage all Howard residents to participate in these surveys.

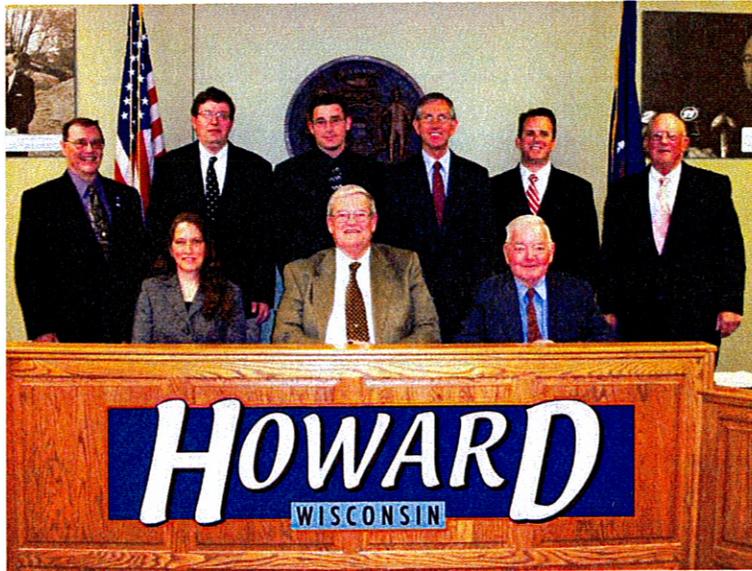
We have made a strong focus on measuring our success by participating in the ICMA Performance Measurement. Simply put, our citizens expect their government to be efficient and effective. The Village Board and I must continually monitor our operations to ensure that is happening and one way is to measure performance. This budget document reports to information that is critical in all three items I noted above. The Village of Howard Vision Statement indicates, in part, that our village is dedicated to:

*"...providing transparent, accountable government while practicing service excellence."*

Hopefully, this budget document reports to the citizens and businesses our ability to strive toward our vision.

BURT R. McINTYRE  
Village President





### Village Board

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

**Back Row (L to R):** Ron Bredael, Jim Widiger, Dan Deppeler, Ray Suennen, David Steffen, Jim Lemorande

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 funds- General Fund, Special Revenue Fund, Debt Service Fund, Capital Project Funds and Enterprise Funds. Each fund statement begins with the actual audited amounts from the last year, or for this document, the year ending December 31, 2010. The estimated or current year budget column reflects budgeted numbers from the 2011 budget year. The final number indicates the amount budgeted for the year 2012 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 the previous fiscal year, performance measurements (when available) and financial objectives for year beginning January 1, 2012.

## How to Read this Document

### Welcome!

The following pages contain the Village of Howard, Wisconsin budget for the year beginning January 1, 2012 and ending December 31, 2012. This document has been specifically prepared to help you learn about the how funds are collected and spent in the Howard community. Many people believe a budget is only a financial plan. Although you can learn much of the Village's finances from these pages, the 2012 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.



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Year Beginning January 1, 2012 and Ending December 31, 2012*

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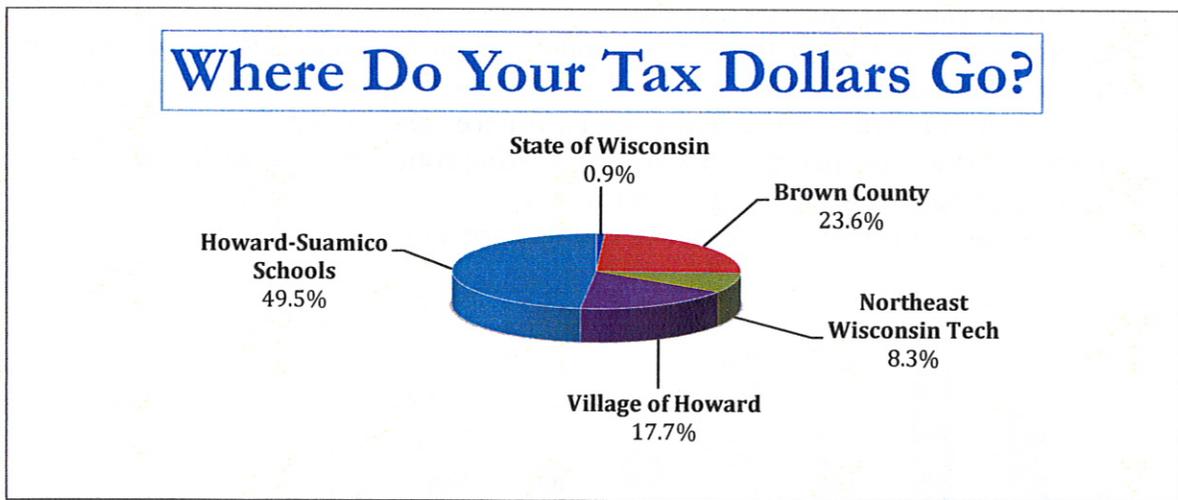
December 9, 2011

To Honorable President McIntyre, Village Trustees & Village Residents:

We respectfully present the 2012 budget that was approved November 28, 2011. 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 mission statement of "quality services delivered in a courteous, cost-effective and efficient manner." A rigorous effort was placed on creating a budget that focused on maintaining the current tax rate, accountability, transparency and adhering to budget policies.

The 2012 budget provides funding to continue substantially all of our current services and programs, without increasing the property tax rate from the prior year. The budget does reflect less funding of personnel in code administration and public works administration which could ultimately affect service levels within these departments in 2012. Staff is hopeful that the duties performed by the eliminated positions will be easily absorbed by other employees through efficiencies such as better use of technologies.

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 breakdown of an estimated December 2011 property tax bill by jurisdiction.



The chart on the previous page show 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 property tax bill issued each year in December.

<b>Average Assessed Value on Howard Homes:</b>	<b>\$184,000</b>
Estimated Total Property Tax Bill on Average Home	\$3,200
Howard Portion of Total Tax Bill	\$608

**Budget Formulation**

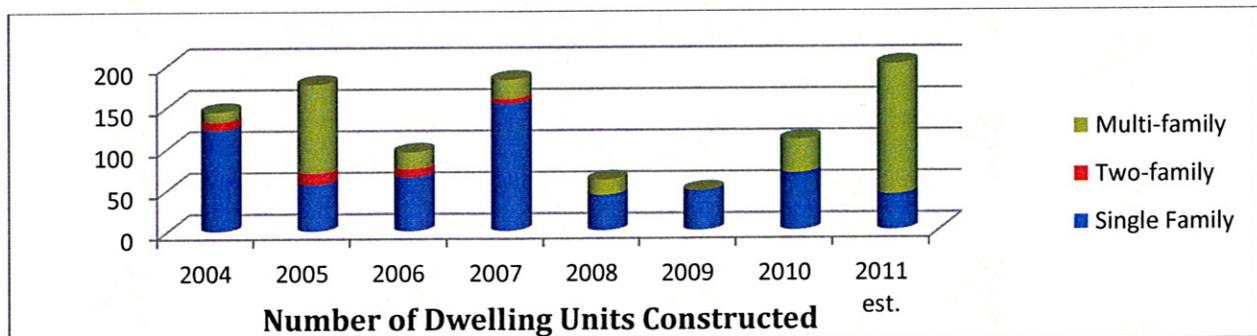
This budget document is a reflection of the Budget Policies (annually reviewed by the Village Board), Strategic Goals, departmental operating plans and Village Board modifications. The spending plan, while cognizant of the economic outlook in 2012, provides funding for core services, critical needs, equipment replacement, facility and equipment upgrades, earmarking funds for the joint Village/WisDOT Velp Avenue (US 141) reconstruction project and desired programs as discussed in the following pages.

**GENERAL BUDGET SUMMARY**

**Budget Facts and Assumptions for 2012**

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 the state of the local economy, the following facts and assumptions were made to guide the development of the 2012 budget.

- Reduction in all state aids including shared revenue, transportation aids and recycling grants of \$295,600 based on correspondence from the state.
- Single family home starts of 40 in 2012 which is steady growth but lower than peak construction years earlier last decade.
- Even with a slow economy, there is good potential for continued commercial growth in the next few years at several key locations in the village as evidenced by the new companies in Howard in 2011 of Mennard's, Amerex and Anduzzi's.
- Cost increases will be incurred in 2012 for existing contracts that totaled \$55,300 for police, garbage and recycling services.
- Cost increases for repair, maintenance and fuel are anticipated to be \$41,000.



### Tax Mill Rate

Staff had a very difficult time meeting the policy of a steadily declining tax mill rate for 2012. With a loss of \$295,600 in intergovernmental revenues from the State of Wisconsin, initial budget calculations were showing a very small increase in the tax mill rate. During budget workshops, the village board expressed concerns over any type of tax mill rate increase in 2012. Board members suggested and made changes to building permit fees that would increase this revenue source in 2012 by \$90,000. Staff was also able to make some changes in personnel that would help to keep the tax mill rate the same in 2012 as in 2011.

### Personnel Issues for 2012

Personnel changes were made in the 2012 budget due to the need to make cuts in order to maintain the current tax rate. The following items represent changes made that affected personnel:

- Early retirement option was offered to employees and two employees accepted this offer saving the village over \$84,000 in the General Fund.
- The elimination of a part-time fellowship position saving the village over \$15,000 in 2012.
- Two union contracts are set to expire on 12/31/13. The increase in wages for 2012 will be 2.75% when coupled with the 1% increase in 2011 resulted in the lowest increases since the unions were formed in the mid-1980s.
- All non-union employees will receive a 1% increase in salaries for 2012.
- No new FTE positions are included in the 2012 budget.

### No general tax supported debt issuance planned for 2012

The Village retired all general tax levy supported debt in 2009 but added a new issue in 2010 for property acquisition with an outstanding balance of \$711,460 as of December 31, 2011. There is another general obligation debt that is paid for by Tax incremental Financing (TIF or TID) District No. 2. In 2011, the Village refinanced all outstanding revenue debt from the water utility as general obligation debt; this debt will be repaid by the water utility through user fees.

### An emphasis on "green" issues

The Go Green, Save Green committee (formed in 2008) makes recommendations to the Village Board to reduce village hall's carbon footprint. The actual carbon footprint for governmental operations was calculated in 2009 and will be used as a benchmark for future performance. The results from the 2006-2008 greenhouse gas emissions inventory are as follows:

Performance Metric	2006	2007	2008	Future Goals:
CO <sub>2</sub> e (tons)	3,524	1,042	1,070	-25% reduction in emissions by 2020.
Energy (MMBTU)	25,549	22,593	18,714	
Costs	\$669,646	\$647,023	\$665,049	-25% energy use from renewable sources by 2025.

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

The 2012 budget has followed the funding plan of levying taxes to pay for capital projects each year. This plan, which dates back to the 1994 budget, has proved to be a valuable resource for allowing new equipment purchases, road resurfacing and reconstruction projects without borrowing or increasing the tax mill rate.

The budget's focus for the past eighteen years has been to obtain financing of projects by (1) tax, (2) collection of special assessments and (3) direct payments from developers. The 2012 budget focused on making consistent, long-term commitments to tax levy support of capital projects and increased funding of street resurfacing projects.

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

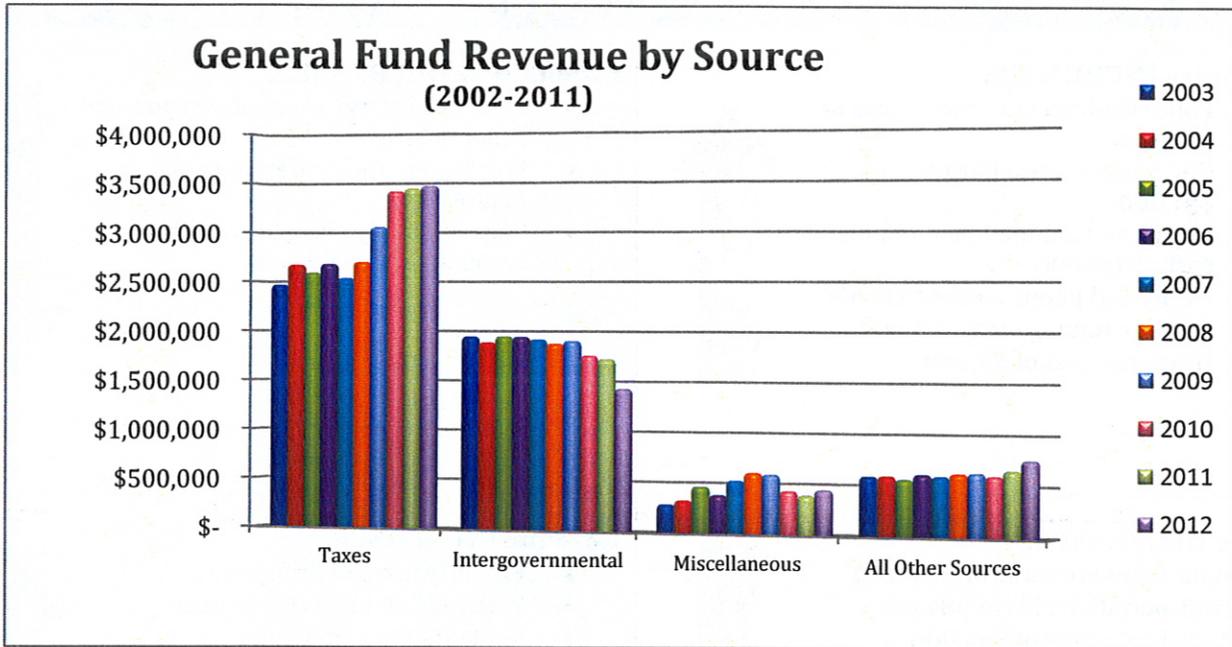
In 2007, the Board changed the policy for the General Fund's fund balance to make the reserve 25%-40% of the previous year total General Fund expenditures; the 2012 budget is showing a use of \$140,000 of fund balance. Water and Sewer Utility Funds must maintain adequate levels of net assets in order to make cash purchases of equipment and infrastructure replacements. The Golf Course Fund is expecting to experience lower net assets at the end of 2011 as funds are transferred to a Capital Project Fund. Capital Project Funds' fund balance will fluctuate from year to year based on the scheduled projects.

**THE BUDGET IN BRIEF**

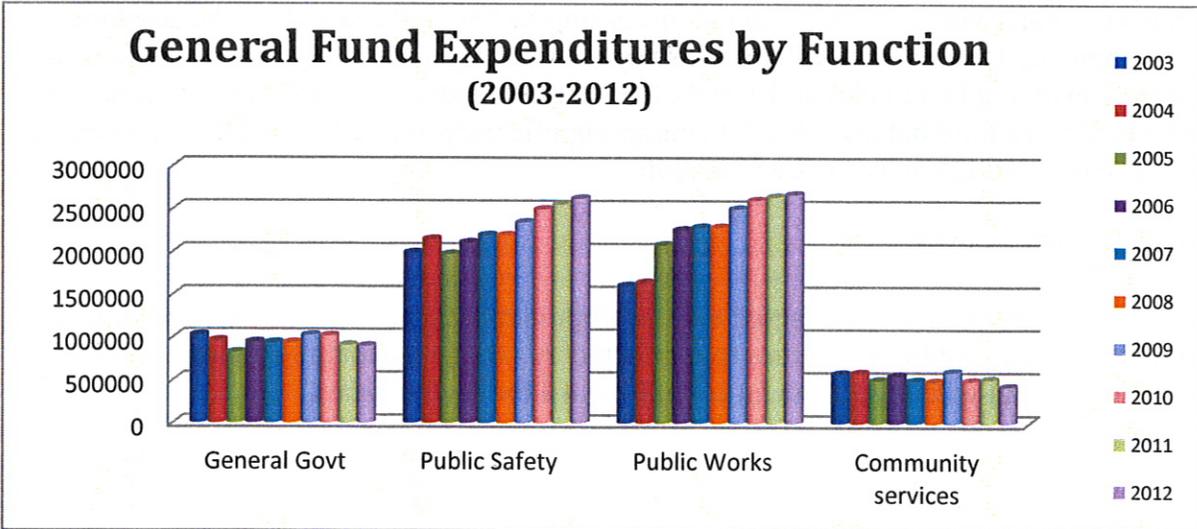
Revenues for all funds total approximately \$17.7 million in the 2012 budget, which is \$1.1 million more than the 2011 budget or estimated actual (see page 39). The largest revenue increase is in Licenses and Permits by almost \$364,000. Intergovernmental revenues are increasing by \$327,000 due to additional grants in 2012 net of a reduction in state aids. Charges for Service is increasing by \$304,000 primarily a result of increased utility rates for 2012. Special Assessment revenue is expected to increase by \$126,000 due to developer assessments in 2012 for a new subdivision. Taxes are increasing by \$11,600 due to the net of lower tax incremental valuations and higher general property tax levy. Miscellaneous revenues are expected to decrease by almost \$65,000.

The General Fund makes up \$6.1 million of the total budgeted revenues. Property taxes are increasing by \$28,500 in the General Fund. General Fund Intergovernmental revenue is decreasing by \$295,600 primarily due to lower state transportation aids and shared revenues. General Fund License and Permit revenues are increasing by \$64,600 primarily due to higher building permit fees.

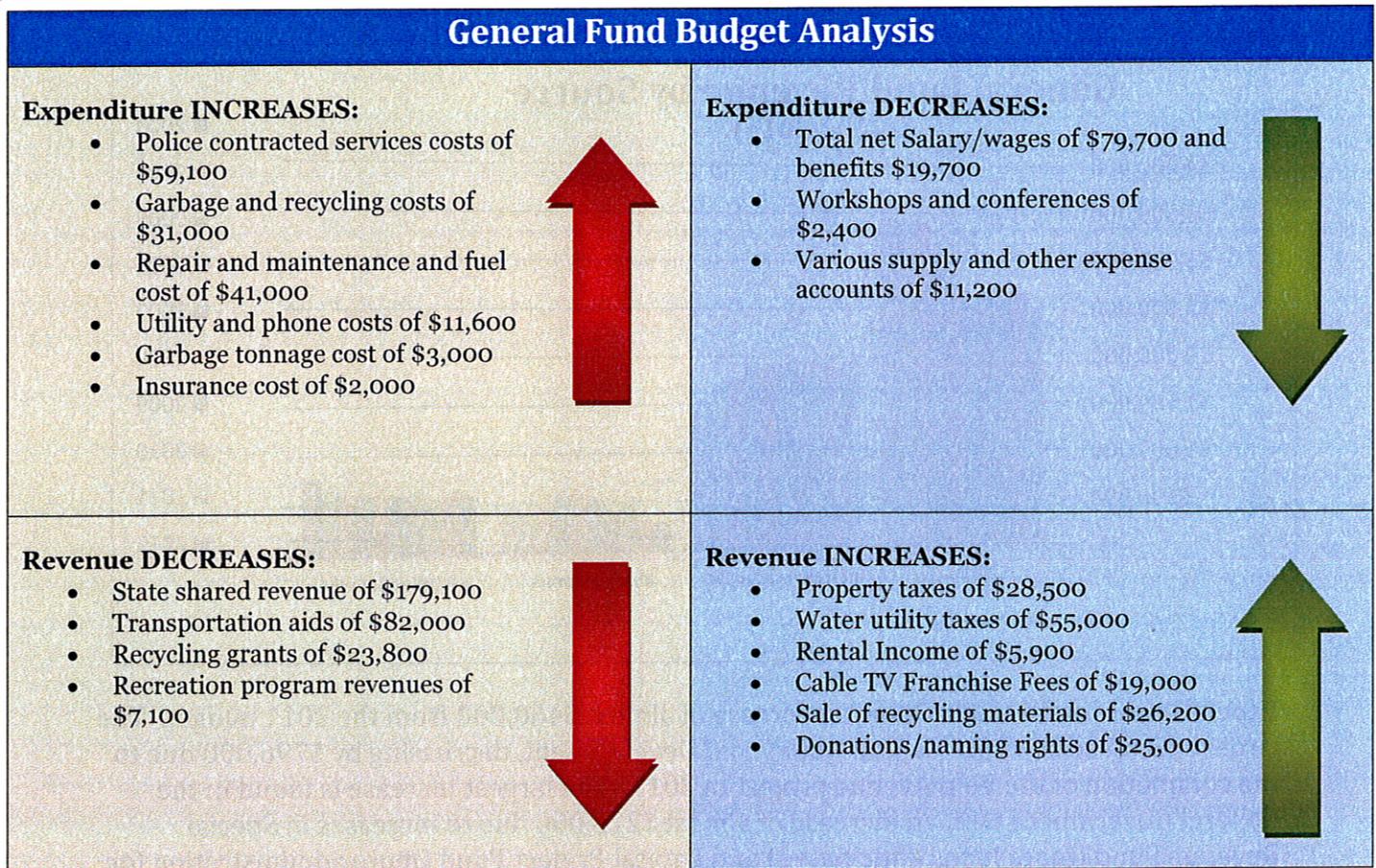
The table below identifies the General Fund's revenue source of fund trends for the past ten years.



Expenditures total \$16.8 million, a decrease of almost \$460,000 from the 2011 budget. The largest decrease is within Capital Outlay and Development, decreasing by \$796,000 due to the completion of the Velp Avenue project in 2011. The largest increase is found in the General Government with an increase of almost \$223,000 due to increases in Special Revenue Fund (more loans anticipated) and Capital Project Fund (more administration for a new developer project). The Debt Service Fund is scheduled to increase by almost \$167,000 due to increased debt payments for TID #2. Other noted changes are public safety increasing \$67,600, public works increasing \$28,100, public safety increasing \$33,000 and community development decreasing by \$85,000.



The following chart shows the major changes in the General Fund for 2012.



Fund balances and net assets are anticipated to increase by over \$1.1 million. The General Fund is expected to use \$140,000 of fund balance in 2012. The Village's adopted policy of utilizing current resources to fund capital projects has now been used for nineteen years (including this budget); this policy has allowed Capital Projects' fund balances to fluctuate from year to year with an expectation of increasing by \$666,000 in 2012. The combined Special Revenue fund balance will decrease by \$248,000 (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 not change significantly in 2012. The Enterprise Funds anticipate increasing net assets by \$869,000

**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 2012 at the highest of 0% or the rate of growth from new construction. 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 mandate. The Village has managed to maintain a steadily decreasing tax rate because of growth in residential and commercial properties and, in 2012, by eliminating 2 full-time positions, increasing building permit fees, and tightening spending in several operating areas. Projected budgets for 2013 and 2014 were prepared as part of the 2012 budget preparation. Both years currently show the use of approximately \$200,000 in fund balance in the General Fund unless costs within the fund are moved to other funds, eliminated or more revenue sources are obtained such as increases in fees.

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.

### ***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 eighteen 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 over 110 vacant residential lots ready for construction of new homes and developers are looking to create new lots in 2012. 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.

### ***Commercial Development***

The comprehensive plan identifies regional commercial centers. During the Board's strategic planning sessions, three areas along US Highway 41 were identified as high priorities for development or redevelopment. Currently, Village staff believes these areas will be developed after the state reconstructs US Highway 41 within the next ten years.

As part of the US Highway 41 project, the state will be reconstructing Velp Avenue/STH 141, east of the US Highway 41 into Green Bay. This area on Velp Avenue is expected to see redevelopment in the next ten years which should generate new tax base. The Village created TIF #5 to assist in funding these projects. The Village has also identified future non-TIF expenditures within the Capital Project Funds for Velp Avenue reconstruction for amenities to beautify the corridor above the state's standard road design.

In 2009, the Village Board of Trustees and Joint Review Board approved an amendment to allow revenue sharing in Village TIDs. TIF 2 (AMS Business Park) revenues have been transferred to TIF 4 (US 41/STH 29) to allow funding for property acquisition for new commercial development.

### ***Residential Development***

In recent years, the village has experienced more multi-family units being constructed and occupied soon after completion. Single family units are trending at or above 40 homes per year down from the average of 125 prior to 2006. Annual residential construction value has slowed from the record high of \$37 million in 2003 to \$21.5 million in 2004, \$30.6 million in 2005, \$19.5 million in 2006, \$24.1 million in 2007, \$18.2 million in 2008 and \$12.8 million in 2009, \$21.9 million in 2010. In 2011, for the first nine months, new residential construction totals \$14.5 million.

In November 2008, the Village Board approved a 204 unit apartment complex and business sites along Wisconsin Highway 29 for development over the next three years. The construction on this project will almost be completed at the end of 2011. The developer is seeking approval of an additional 88 multi-family lots for construction in 2012.

### ***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. As of 2010, the Village has two years' worth of Performance Measurement data for analysis.

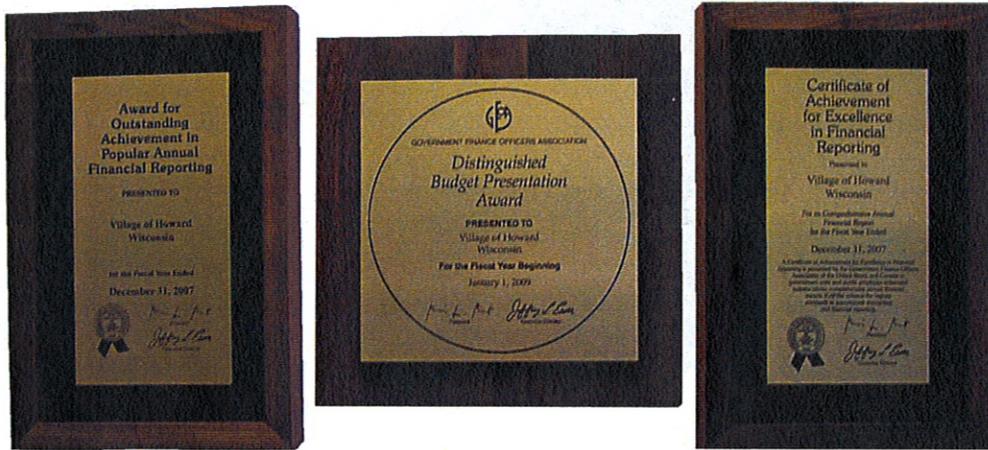
A goal of the performance measurers reporting is to establish a reporting system which will give the public, Village Board and staff the ability to evaluate the level and value of services provided to the community. Future budget documents will serve as the primary source of such reporting. As performance 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, 2011. This was the eighteenth 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 the Popular Annual Financial Reporting Award. These awards help validate the Village's efforts towards transparency, accountability and continuous improvement.



### Closing

The budget for 2012 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  
Executive 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 fairly constant 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.

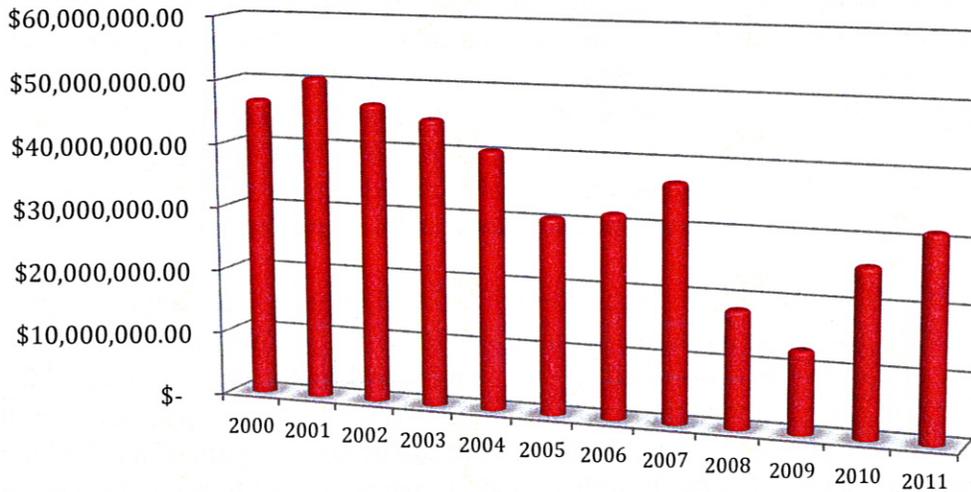
The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 15. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying 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 each 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 Village of 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
2000	13,546	5.326%
2001	13,849	2.237%
2002	14,376	6.127%
2003	14,947	3.972%
2004	15,208	1.746%
2005	15,475	1.756%
2006	15,755	1.809%
2007	15,830	0.476%
2008	15,935	0.663%
2009	16,110	1.098%
2010	17,399	8.001%
2011	17,728	1.891%

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 2011. Many of the top 10 taxpayers represent new businesses to the Village since 1990. The following table shows the top ten taxpayers in 2011 with their assessed values in 2000.

Ranking	Name	Assessed Valuations (January 1)	
		2011	2002
1.	United Health Group (Insurance)	\$38,037,900	\$44,676,600
2.	Woodman's Food Market	\$14,349,700	\$18,738,900
3.	Elana LLC (Apartments)	\$14,070,900	\$12,848,300
4.	Mills Fleet Farm (Retail)	\$9,601,900	\$5,882,100
5.	Omnova Solutions (Manufacturing)	\$9,143,600	\$10,272,800
6.	G D C Packerland LLC (Warehousing)	\$8,257,800	\$7,230,500
7.	Watermolen (Apartments)	\$8,012,800	(not in top 10)
8.	Comfort Suites (Hotel) & Rock Gardens	\$7,831,600	\$5,121,400
9.	Sanimax AMX LLC (Manufacturing)	\$6,358,200	\$5,047,100
10.	Wirthington Estates (Apartments)	\$6,358,200	(did not exist)

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 2011 is \$1,415,033,400 and the total equalized value in 2011 is \$1,341,434,800.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Village of Howard  
Wisconsin**

For the Fiscal Year Beginning

**January 1, 2010**

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

**VILLAGE OF HOWARD, WISCONSIN  
BUDGET POLICY**

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**Officials and Consultants**

*Village of Howard, Wisconsin*

**Elected Officials**

Burt R. McIntyre	Village President
Ronald Bredael	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
Dan Deppeler	Trustee Wards 15, 16, & 17
Gregg Schreiber	Municipal Judge

**Appointed Officials/Executive Staff**

Paul Evert, JD	Village Administrator
Christopher A. Haltom, CPA	Director of Administrative Services
Geoff Farr, PE	Interim Director of Public Works
David Wiese	Director of Community Development
Ed Janke	Director of Public Safety

**Contract Officials**

Dennis M. Duffy	Village Attorney
Mike Denor	Village Assessor

**Certified Public Accountants & Consultants**

Schenck S.C., Green Bay, Wisconsin

**Bond Counsel**

Foley & Lardner, Milwaukee, Wisconsin  
Quarles & Brady, Milwaukee, Wisconsin

**Financial Consultants**

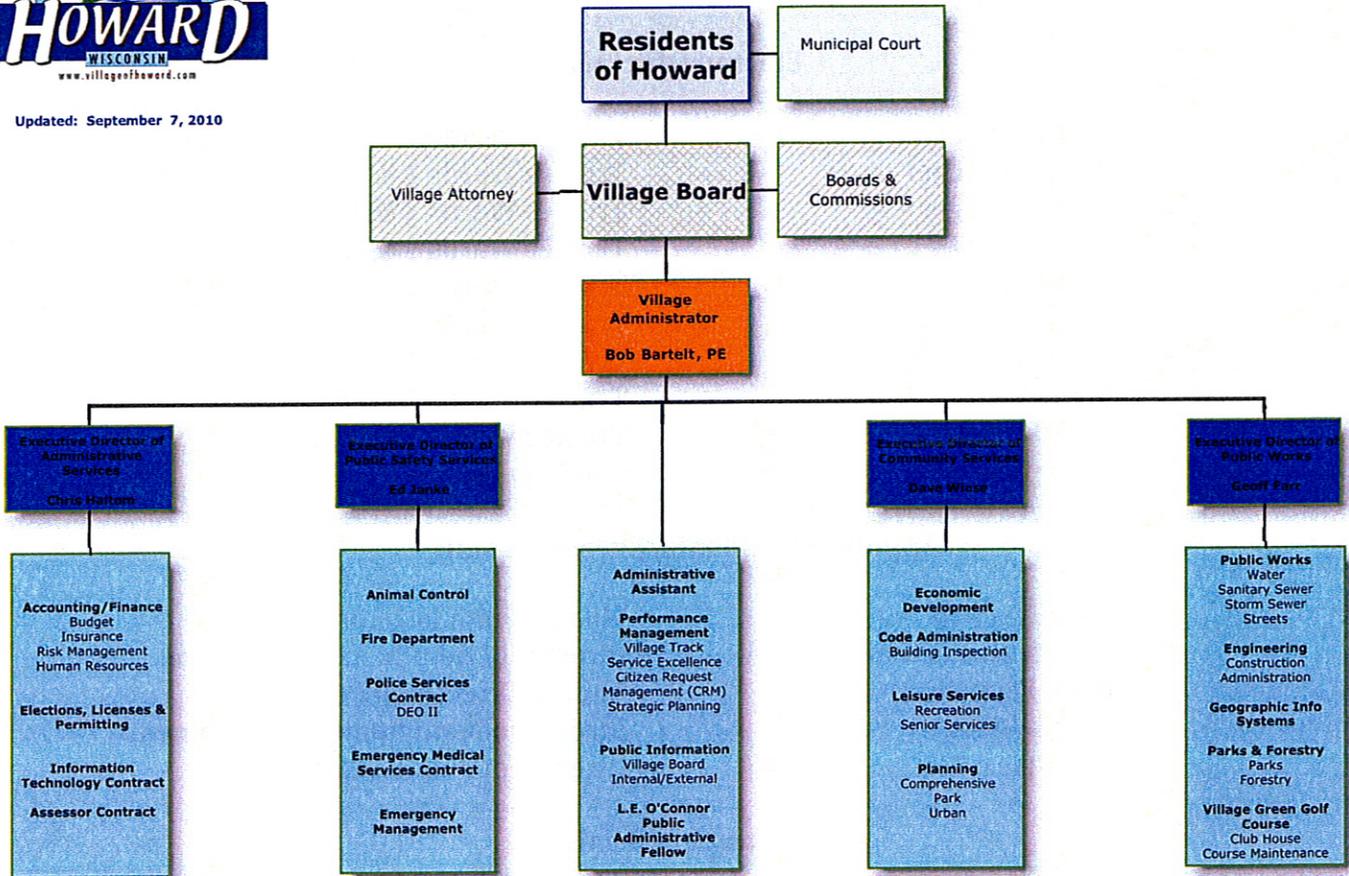
Ehlers & Associates, Milwaukee, Wisconsin

# VILLAGE OF HOWARD, WISCONSIN BUDGET POLICY

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

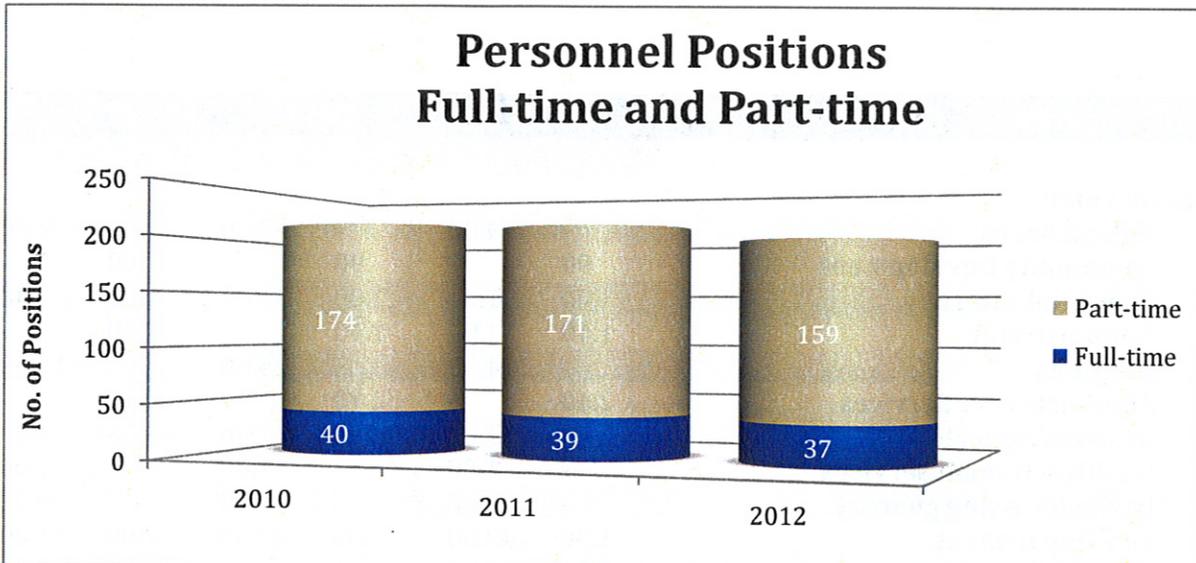


Updated: September 7, 2010



# 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 has 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 2012. 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.

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	2010		2011		2012	
	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	2.40	-	2.40	-	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	1.00	43.00	1.00	42.00	2.00	41.00
Code Administration	2.00	-	2.00	-	1.00	1.00
Public Works Administration	1.40	-	1.40	-	.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	50.00	1.00	49.00	1.00	49.00
Revolving Loan Fund	.10	-	.10	-	.10	-
<b>Capital Improvements Fund:</b>						
Engineering	2.20	1.00	2.20	1.00	1.20	1.00
<b>Water Utility:</b>						
Operations and Maint	3.90	-	3.90	-	3.90	-
Administration	1.40	-	1.40	-	1.40	-
<b>Sewer Utility:</b>						
Operations and Maint	3.15	-	3.15	-	3.15	-
Administration	1.15	-	1.15	-	1.15	-
Storm Water Utility	3.80	-	3.80	-	3.80	-
Golf Course	1.35	20.00	1.35	20.00	.25	7.00
<b>Total Positions</b>	<b>40.00</b>	<b>174.0</b>	<b>39.00</b>	<b>171.0</b>	<b>37.00</b>	<b>159.0</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 eighteen 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 2012 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

- 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 2012 budget will be presented to the board initially in the summer of 2011. The Village Board will finalize the 2012 budget by November 28, 2011. 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>May</b>	Village Administrator (VA), Executive Staff (ES), and Village Board	<ul style="list-style-type: none"> <li>• Review Summary of Reductions in State Aid Payments and New State Budget Laws</li> </ul>
<b>June 10, 2011</b>	Executive Director of Administrative Services (EDAS)	<ul style="list-style-type: none"> <li>• Hand out department budget expenditure worksheets for department directors review</li> </ul>
<b>June 13, 2011</b>	VA, ES and Village Board	<ul style="list-style-type: none"> <li>• Review and adopt Budget Policies and Budget Calendar to be used in 2012 budget preparation</li> </ul>
<b>June 20, 2011</b>	VA, ES and EDAS	<ul style="list-style-type: none"> <li>• Return of budget expenditure worksheets to VA and EDAS</li> </ul>
<b>July 8, 2011</b>	VA and EDAS	<ul style="list-style-type: none"> <li>• Distribute 2012 draft budget to Village Board</li> </ul>
<b>July 11, 2011</b>	VA, EDAS, ES & Village Board	<ul style="list-style-type: none"> <li>• Presentation of Proposed Budget at Board Meeting</li> </ul>
<b>July 25, 2011</b>	VA, EDAS, ES & Village Board	<ul style="list-style-type: none"> <li>• Continued Presentation and Discussion of Proposed Budget</li> </ul>
<b>August 8, 2011</b>	VA, EDAS, ES & Village Board	<ul style="list-style-type: none"> <li>• Continued Presentation and Discussion of Proposed Budget</li> </ul>
<b>August 22, 2011</b>	VA, EDAS, ES & Village Board	<ul style="list-style-type: none"> <li>• Continued Presentation and Discussion of Proposed Budget</li> </ul>
<b>November 21 &amp; 28, 2011</b>	Village Board	<ul style="list-style-type: none"> <li>• Public Hearing on Budget</li> <li>• Adoption of the 2012 Budget</li> </ul>
<b>December 12, 2011</b>	Village Board	<ul style="list-style-type: none"> <li>• Approve ordinance adopting tax rates and tax levies for 2012</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 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. 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 (1) developer contributions, (2) grant funds and (3) general tax levy. 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. Funding for utility projects will be obtained through existing resources and/or borrowing through competitive bidding in the bond market.

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

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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.

TIF 2, another Special Revenue Fund, is used to account for revenues collected for the TIF 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 \$500,000. The Village has collateralization for investments over \$500,000 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 infrastructure. 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 each year since adoption. 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 2012, covered employees will be required by statute to contribute 5.9% 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 5.9% (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 \$16,500 (plus another \$5,500 for employees over 50) 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.

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 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 five Tax Incremental Districts (TID or TIF). TID 2 is currently accounted for as a Special Revenue Fund. TIDs 3, 4, 5 and 6 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 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. All of the TIDs are subject to reporting and audit requirement outlined in state statutes. It is possible additional TIDs will be created in the near future to fund other redevelopment.

TID 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 6 is located along US Highway 41 near Lineville Road. Neither of these TIDs is expecting any activity in 2011.

### **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

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

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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.

### **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 policy, fire, finance, public works, parks and recreation.

### **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.

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### **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) park development fund; (2) developer projects for new subdivisions; (3) capital improvements fund; and (4) capital outlay for purchases of equipment.

### **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 fund 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 fund 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 Green Bay Metropolitan Sewage District (GBMSD) 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 GBMSD'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 fund 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. The Village Board has adopted a policy to fund Capital Projects with annual \$60,000 golf course transfers.

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### Long-term Planning

In conjunction with the preparation of the 2012 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.

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. Funding for debt service begin again in the year 2011 due to the borrowing of funds for purchasing 77 acres in the western area of the Village for potential future development.
4. Maintain a steadily declining tax mill rate.
5. Continue to fund a computerized revaluation once every three years after the US economy returns to pre-2009 property value growth.
6. Continue to evaluate infrastructure through the state's PASER evaluation process on a bi-annual basis.
7. 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. 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 personnel needs.

Given the Village is only about half 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.

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### Rest of the Budget

The remaining pages of this budget document represent the financial and narrative information related to this 2012 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.

### Tax Levy Worksheet

On page 34 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 2012 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 2010 and 2011. The 2010 amounts are actual results while 2011 reports both the budget and estimated actual amounts.

The budget can  
be viewed in  
its entirety at  
[www.villageofhoward.com](http://www.villageofhoward.com)  
or at  
Village Hall,  
2456 Glendale