



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 2011, citizens have an excellent opportunity to assist the Board by participating in the updating of the Village's comprehensive plan. The plan will serve as a guide to the Board in future development. State law requires the comprehensive plan to be strictly followed when making development decisions such as location of apartments and business centers.

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 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 Fund, Enterprise Fund, and Internal Service Fund. Each fund statement begins with the actual audited amounts from the last year, or for this document, the year ending December 31, 2009. The estimated or current year budget column reflects budgeted numbers from the prior year budget or 2010. The final number indicates the amount budgeted for the year 2011.

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 operational objectives for year beginning January 1, 2011.



How to Read this Document

Welcome!

The following pages contain the Village of Howard, Wisconsin budget for the year beginning January 1, 2011 and ending December 31, 2011. This document has been specifically prepared to help you learn about the resource allocation regarding 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 2011 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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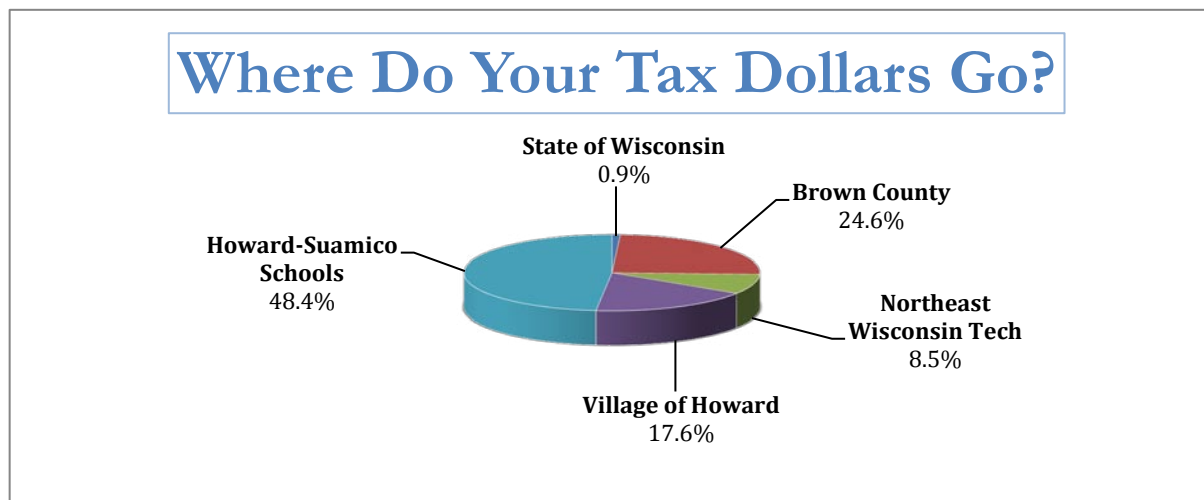
November 15, 2010

To Honorable President McIntyre, Village Trustees & Village Residents:

We respectfully present the 2011 budget that was approved November 8, 2010. 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 strategic goals and respond to community needs. A rigorous effort was placed on creating a budget that focused on maintaining the current tax rate, accountability, transparency and continuous improvement as well as adhering to budget policies.

The 2011 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 leisure services, the fire department and administration which could ultimately affect service levels within these departments in 2011. 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 other taxing jurisdictions. The chart below reports the breakdown of an estimated December 2010 property tax bill by jurisdiction.



How my property tax dollars are spent in the Village of Howard?

One of the most common questions asked by Howard residents is, “How is the Village spending my tax dollars?” The chart below illustrates the answer to this question.

Average Assessed Home Value:	\$184,000
Estimated Total Property Tax Bill on Average Home	\$3,200
Howard Portion of Total Tax Bill	\$608.40

Breakdown of Howard Portion:

<u>General Government:</u> This accounts for expenditures for the Village Board, court, elections, Administrative Services, Board of Appeals, property assessments, and insurance net of any anticipated revenues.	\$43.94	<u>Public Works:</u> This expenditure accounts for salaries and benefits of public works administrative employees, mechanics and for building maintenance costs. Other costs not indicated here are generated through user charges.	\$42.50
<u>Administrator:</u> This expenditure accounts for the salary, benefits, dues, conferences and supplies of the Administrator, Assistant Administrator and the L.E. O’ Connor Fellow.	\$15.29	<u>Streets:</u> This expenditure accounts for supplies, maintenance, salaries and benefits for street repair, snow plowing and street light employees.	\$118.47
<u>Leisure Services:</u> This expenditure accounts for supplies, maintenance, salaries and benefits for recreation employees.	\$8.46	<u>Solid Waste:</u> This expenditure accounts for the Village’s garbage and recycling contracts net of anticipated revenues.	\$68.20
<u>Community Development:</u> This expenditure accounts for salaries, benefits and supplies of the Community Development Department.	\$12.11	<u>Building Inspection:</u> This expenditure accounts for the supplies, salaries and benefits for the Code Enforcement Department net of fees collected.	\$11.68
<u>Police:</u> This expenditure accounts for the police services contract with the Brown County Sheriff’s Department net of any anticipated citation revenue.	\$111.25	<u>Debt Payments:</u> This expenditure accounts for interest and principal payments on outstanding debt.	\$7.06
<u>Fire & Rescue:</u> This expenditure accounts for the Fire Department and Emergency Medical Services (ambulance) net of any anticipated revenue.	\$92.25	<u>Capital Projects:</u> This expenditure accounts for projects including but not limited to building improvements, equipment purchases, road construction and property acquisition.	\$77.19

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 2011, 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.

OUTLOOK FOR 2011

Budget Assumptions for 2011

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 assumptions were made to guide the development of the 2011 budget.

- Slight increase in residential construction growth compared to 2009 levels (but lower than peak construction years earlier last decade)
- Further reduction in state transportation aids
- Even with a slow economy, there is good potential for commercial growth in the next few years at several key locations in the village.
- Three newly adopted multi-family projects will be fully constructed in 2011 bringing added tax base and more growth in impact and building inspection fees.

Personnel Issues for 2011

Personnel changes were made in the 2011 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:

- Three part-time positions created in 2008 were eliminated in the 2011 budget. The positions were the Administrator Secretary, Fire Department Secretary and Leisure Services Assistant. These eliminations will save the village over \$48,000 in 2011.
- The Assistant Administrator position was reclassified as an Administrative Assistant saving the village over \$16,000 in 2011.
- Two union contracts are set to expire on 12/31/10; both contracts were renegotiated and renewed for three years beginning in 2011. The increase in wages for 2011 will be 1%, the lowest increase since the unions were formed in the mid-1980s.
- All non-union employees will receive a 1% increase in salaries for 2011.
- No new FTE positions will be created and any position that is vacated during 2011 will be reviewed prior to replacement.

The budget also includes existing contracts for police services as well as refuse and recycling services. The 2011 budget and future associated costs are as follows:

- Police Services Contract (2009-2012). The Village renewed the contract with Brown County Sheriff's Department for four more years of police services beginning January 1, 2009. The contract called for a 3% annual increase in years 2011 and a 4.5% increase in 2012. The remaining costs are:

2011: \$1,312,248

2012: \$1,371,300

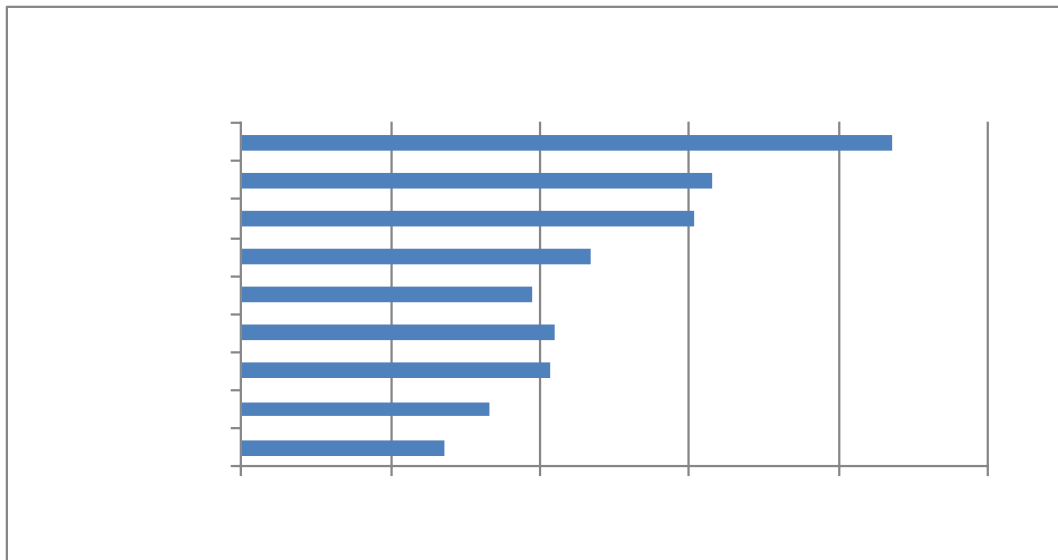
- Refuse and Recycling Contract (2009-2013). The Village extended its contract with Veolia in 2009 for five more years. The future payments listed below may vary due to fuel surcharges, a variable component to the contract.

	<u>Refuse</u>	<u>Recycling</u>
2011:	\$292,000	\$264,400
2012:	\$296,400	\$270,200
2013:	\$302,900	\$276,200

GENERAL BUDGET SUMMARY

No tax rate increase or negative tax impact for residents

The Village tax rate will remain virtually unchanged in 2011 at \$3.31.



No general tax supported debt issuance planned for 2011

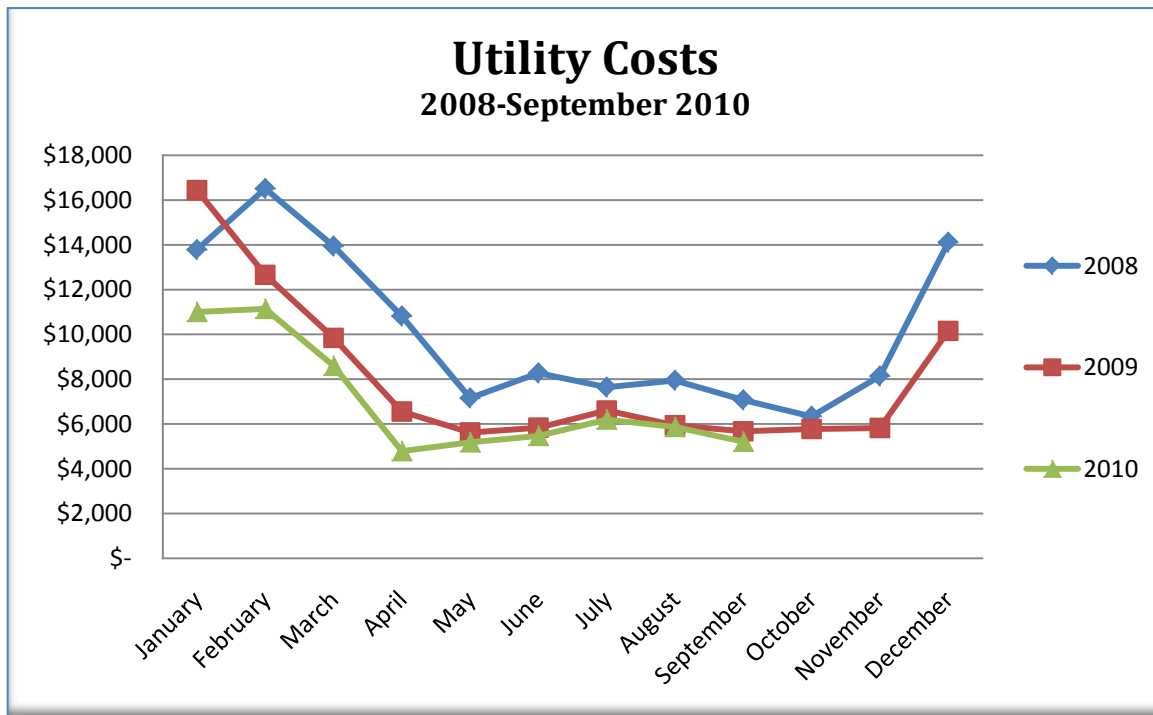
The Village retired all general tax levy supported debt in 2009 but added a new issue in 2010 for property acquisition with an outstanding balance of \$783,355. There is one other general obligation debt that is paid for with Tax Incremental Financing (TIF or TID) District. The Village also has revenue debt outstanding from the water and sewer utilities.

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 ₂ 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.

The committee will continue to research and evaluate energy and cost savings available to the Village. One initiative by the Go Green Save Green committee was to have an energy audit conducted. In March 2009, the energy audit report gave suggestions on temperature settings and motion sensory lighting. These changes saved the Village \$24,900 in 2009 (compared to 2008) and another \$11,700 for the first nine months 2010 (compared to 2009).



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

The 2011 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 seventeen years has been to obtain financing of projects by (1) direct payments from developers, (2) collection of special assessments and (3) tax levy. The 2011 budget discussions focused on making consistent, long-term commitments to tax levy support of capital projects.

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

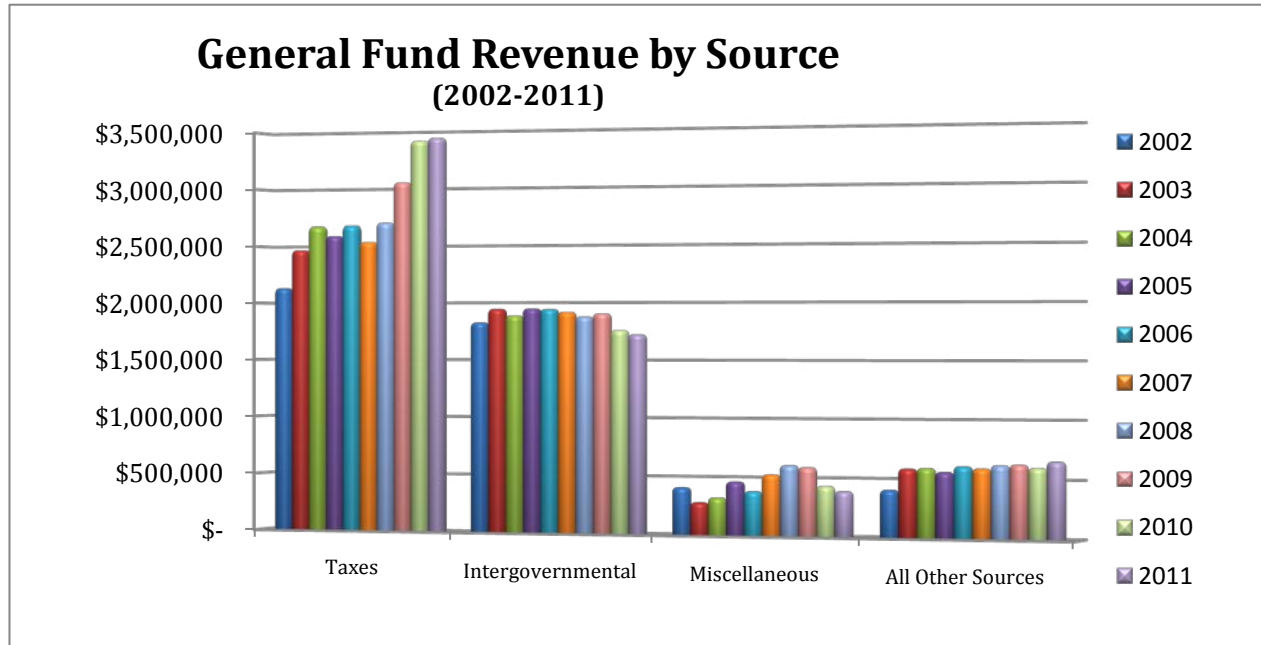
In 2007, the Board changed the policy for the General Fund's fund balance to make the reserve 25%-40% of the previous year total General Fund expenditures; the fund balance is expected to remain constant in 2010 after making transfers to other funds. Water and Sewer Utility Funds must maintain adequate levels of net assets in order to conform to bond covenants. The Golf Course Fund is expecting to experience lower net assets at the end of 2010 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

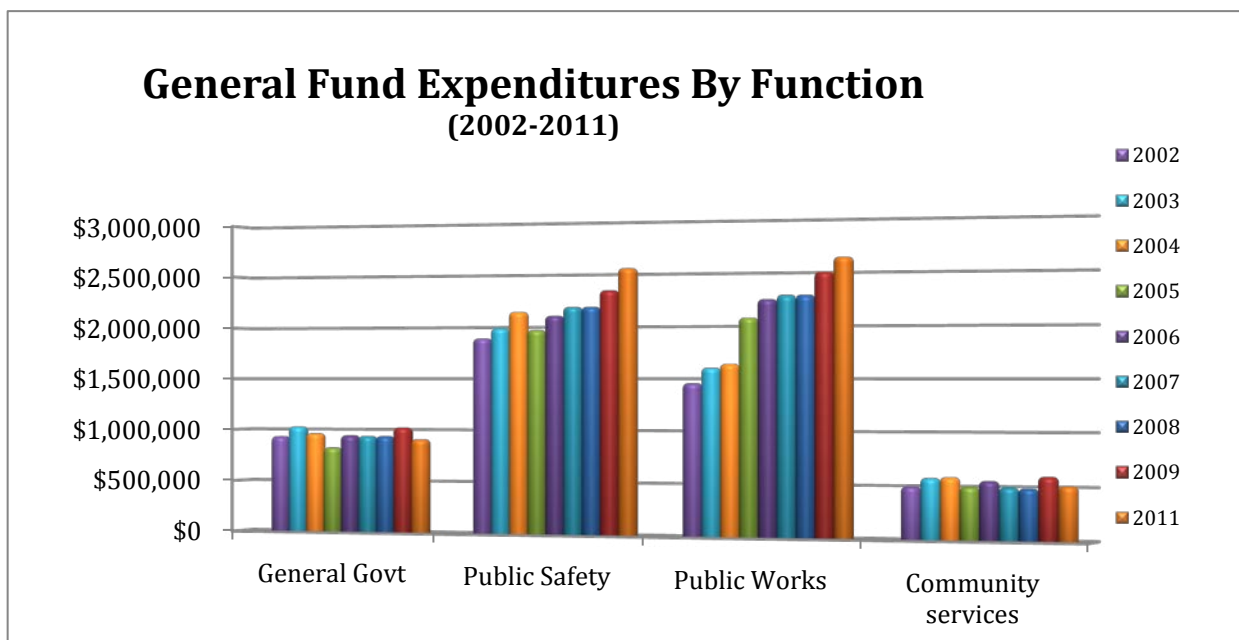
Revenues for all funds total approximately \$17.3 million in the 2011 budget, which is approximately the same amount as the 2010 budget as amended (excluding other financing sources). The largest revenue increase is in Charges for Service which is increasing by over \$326,000 (primarily a result of increased utility rates for 2011). Intergovernmental revenues are reporting a decrease of \$20,840 (primarily due to decreased state transportation aids). Taxes are decreasing by almost \$305,800 due to lower tax incremental valuations. Other noted changes in revenue categories for 2011 are decreases in miscellaneous by \$74,200 and increases in licenses and permits by \$93,120.

The General Fund makes up \$6.2 million of the total budgeted revenues. Property taxes are increasing by \$23,450 in the General Fund. General Fund Intergovernmental revenue is decreasing by \$36,000 primarily due to lower state transportation aids. General Fund miscellaneous revenues are decreasing by \$42,900 primarily due to lower interest earnings.





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



Expenditures total \$17.2 million, an increase of almost \$792,000 from the 2010 budget. The largest increase is found in the Enterprise Funds with increases of \$425,745 due to higher costs for water purchases and treating sewage. The Debt Service Fund is scheduled to increase by \$169,410 due to increased debt payments and a 2010 debt issue for land purchase. Other noted changes are general government increasing \$51,200, public works increasing \$23,200, public safety increasing \$33,000 and community development increasing by \$17,400.



The following chart shows the major changes in the General Fund for 2011.

Budget Analysis	
<p>Expenditure INCREASES:</p> <ul style="list-style-type: none"> • Police contracted services costs of \$38,400 • Garbage tonnage costs of \$13,600 • Contracted services in community development by \$40,000 for updating the comprehensive plan in 2011 • Repair and maintenance and fuel cost of \$4,000 	<p>Expenditure DECREASES:</p> <ul style="list-style-type: none"> • Total net Salary/wages of \$13,600 and benefits \$6,900 • Liability insurance costs of \$43,000 • Various supply and other expense accounts of \$42,900 • Utilities and telephone of \$21,000 
<p>Revenue DECREASES:</p> <ul style="list-style-type: none"> • Transportation aids of \$43,200 • Interest income of \$60,000 	<p>Revenue INCREASES:</p> <ul style="list-style-type: none"> • Property taxes of \$23,450 • Water utility taxes of \$15,000 • Rental Income of \$8,000 • Cable TV Franchise Fees of \$5,000 • Sale of recycling materials of \$9,000 • State recycling grant of \$2,900 

Fund balances and net assets are anticipated to increase by almost \$500,000. The General Fund is expected to use \$100,000 of fund balance in 2011. The Village's adopted policy of utilizing current resources to fund capital projects has now been used for eighteen years (including this budget). This policy has allowed Capital Projects' fund balances to fluctuate from year to year; in 2011, the fund balance is expected to increase by \$726,500. The combined Special Revenue fund balance will decrease by \$290,000 (due to budgeting for loans made from the Revolving Loan Fund). The Debt Service fund balance will decrease by \$7,100. The Enterprise Funds anticipate increasing net assets by \$505,000 and the Internal Service fund net assets should decrease by about \$335,000 as all remaining funds are being transferred to the Capital Projects Funds.

The following chart shows how the General Fund expenditures have changed over the past ten years.

MAJOR POLICY ISSUES

There were many issues that affected the development of this budget as explained on pages 3 – 6 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 2011 at the highest of 3% 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 2011, by eliminating 3 part-time positions, lower raises to employees, lower liability insurance costs and tightening spending in several operating areas.

Growth continues to be a major factor in the Village's economic and political future. During 2003, 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. In 2011, another update of the comprehensive plan is expected and growth is projected to slow significantly given the negative national economic trends of 2008 and 2009.

Long-term Financial Plan

During the development of the 1994 budget, policies were established regarding financing for capital projects. These policies were followed during the completion of this and the last seventeen 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.

Future development should continue to occur in both commercial and residential areas but at an expected slower pace. Private developers own over 150 vacant residential lots ready for construction of new homes. The Village is continuing to market lots owned within the Business Park and the Industrial Park. The comprehensive plan calls for a village center to be developed as a future focal point of Village commercial development along the South Cardinal Lane and Riverview Drive corridor.

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 five 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 one to ten years which should generate substantial 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, a balance of single family, traditional neighborhood design and condominium or zero lot line housing, has been the trend. Infill of new housing on vacant lots is becoming a more efficient alternative to extension of utilities into rural areas. 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. In 2010, for first 10 months, new construction totals \$22.3 million a marked improvement over recent years.

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 developer of this project has pulled two building permits for this site and construction is underway. This development could generate up to \$12 million in new tax base.

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, 2010. This was the seventeenth 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. For the first time (2009) the Village of Howard received the International City/County Management Association Center for Performance Measurement's Certificate of Achievement. These awards help validate the Village's efforts towards transparency, accountability and continuous improvement.



Closing

The budget for 2011 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,

Robert Bartelt
Interim 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 which was a 40.3% increase since 1990. Population increases have resulted because of new residential construction which has remained fairly constant since the late 1980's. Wisconsin Department of Administration estimates place the Village's 2010 population at 16,140 which is an 18.9% increase over the 2000 census.

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.

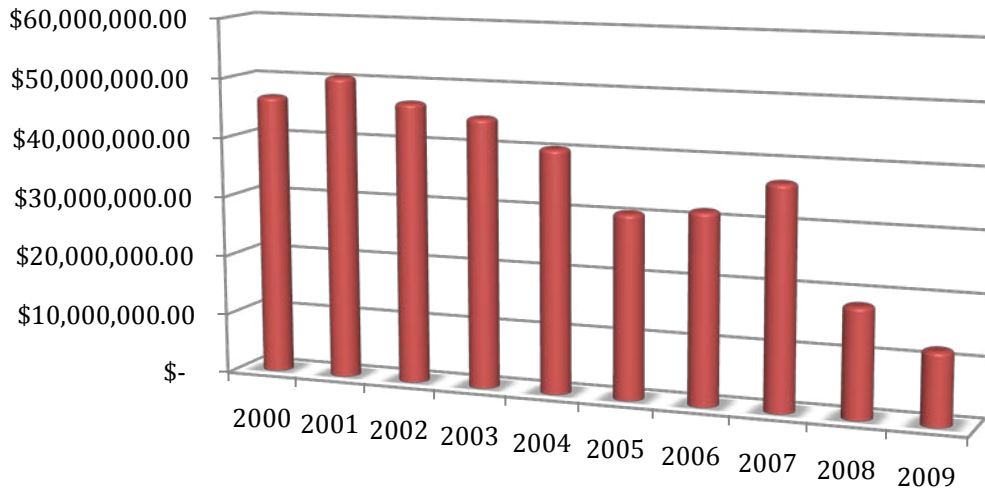
The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 15. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying 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
1999	12,861	2.929%
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	16,140	0.002%

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 2010. Many of the top 10 taxpayers represent new businesses to the Village since 1990. The following table shows the top ten taxpayers in 2010 with their assessed values in 2000.

Ranking	Name	Assessed Valuations (January 1)	
		2010	2000
1.	United Health Group (Insurance)	\$42,004,000	\$34,565,300
2.	Elana LLC (Apartments)	\$14,823,300	\$10,778,200
3.	Woodman's Food Market	\$14,070,900	(did not exist)
4.	Omnova Solutions (Manufacturing)	\$8,736,300	\$11,514,500
5.	G D C Packerland LLC (Warehousing)	\$8,275,800	\$7,014,200
6.	Mills Fleet Farm (Retail)	\$8,193,000	\$8,114,100
7.	Comfort Suites (Hotel) & Rock Gardens	\$7,599,500	\$4,750,600
8.	Watermolen (Apartments)	\$7,489,500	\$4,775,600
9.	B&D Warehousing (Manufacturing)	\$6,019,000	\$4,406,600
10.	Brookview Meadows Apartments	\$5,151,600	(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 2010 is \$1,392,123,600 and the total equalized value in 2010 is \$1,381,526,100.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Village of Howard
Wisconsin**

For the Fiscal Year Beginning

January 1, 2010

A handwritten signature in black ink, appearing to be 'H.R.' followed by a flourish.

President

A handwritten signature in black ink, appearing to be 'Jeffrey R. Stone'.

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

**VILLAGE OF HOWARD, WISCONSIN
BUDGET POLICY**

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

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

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

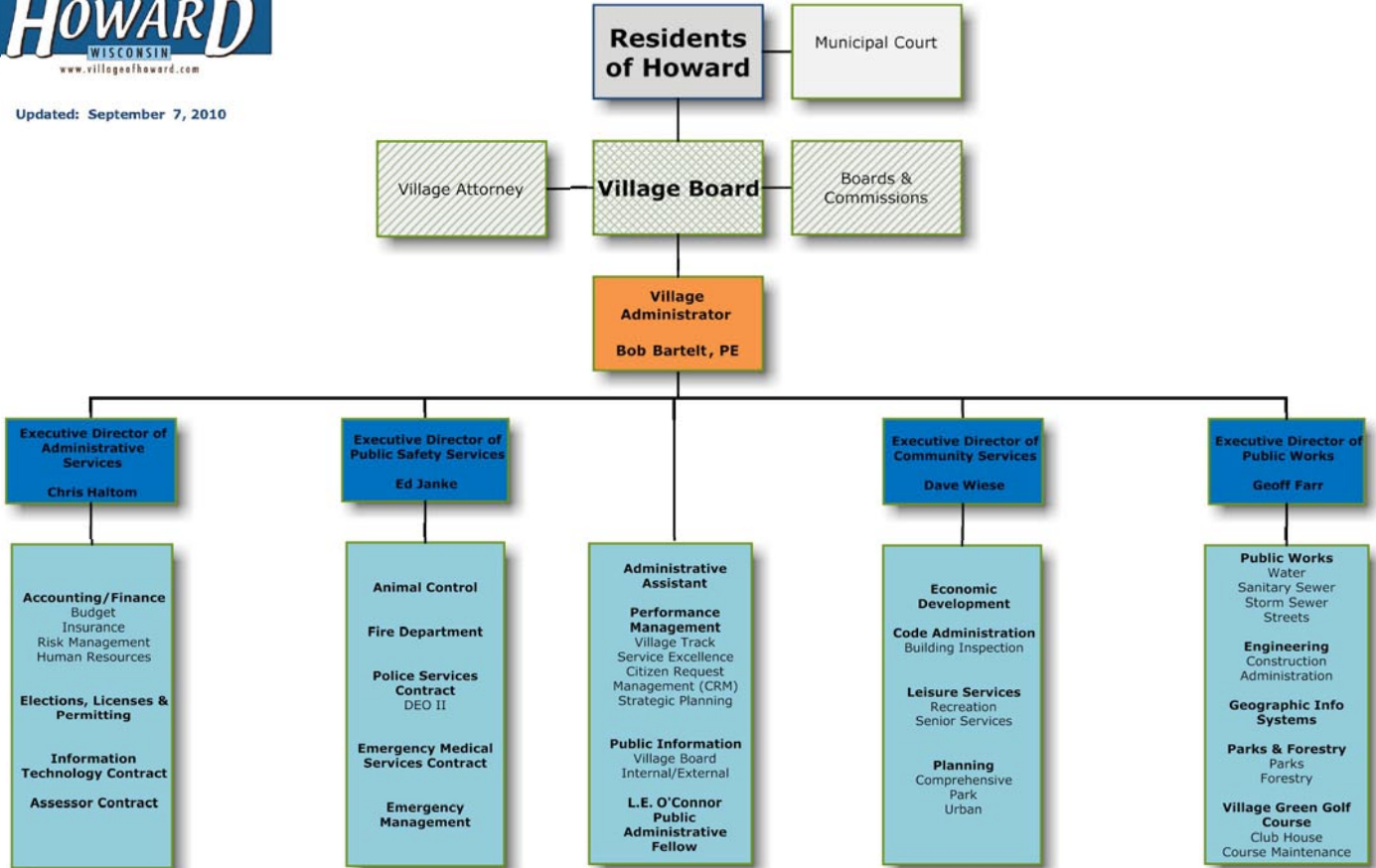
Ehlers & Associates, Milwaukee, Wisconsin

VILLAGE OF HOWARD, WISCONSIN BUDGET POLICY

Village Team - Organizational Flowchart Village of Howard, Wisconsin

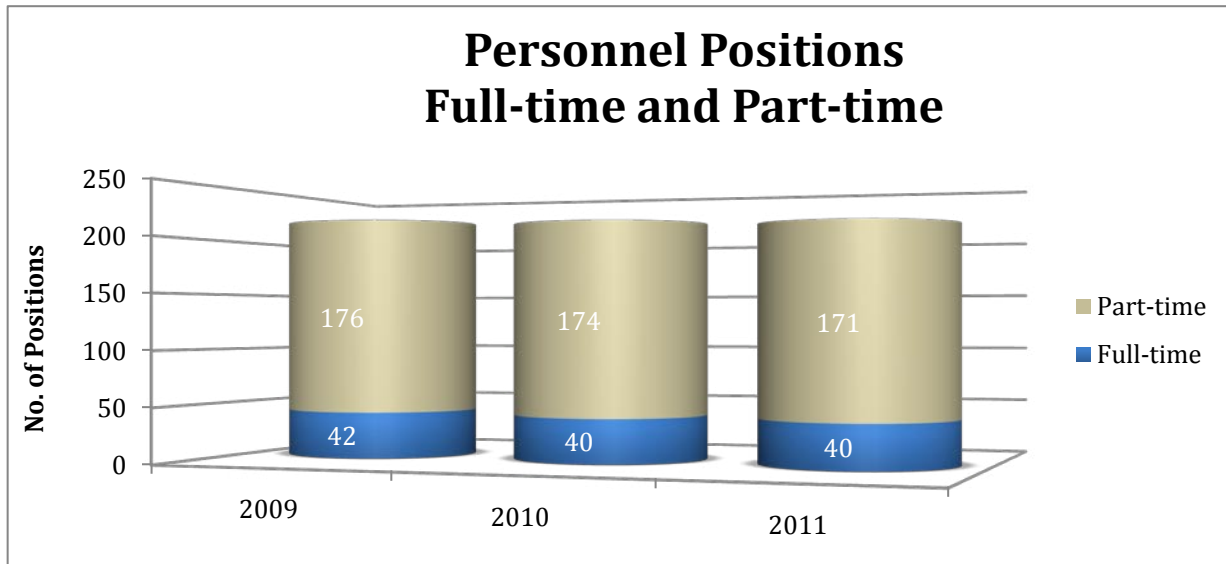


Updated: September 7, 2010



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 has been able to gradually increase the work force from a total number of full-time positions of 31 in 1990 to a total of 43 employees in 2007, dropping down to 40 in 2011. The positions created over the past twenty years are expanded services in areas of public works, finance, sanitary sewer services, engineering, forestry, recreation, fire protection, code administration, GIS, planning and the golf course. In addition, the Village has added to the police protection services contract with Brown County by adding two directed enforcement officers and one more 40 hour, seven days per week shift.

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. One full-time position, Building Inspector, was eliminated during 2007 due to retirement. In place of this full-time position, the Village added four (4) part-time positions; Assistant Building Inspector, Administrative Assistants in Administrator, Fire and Parks departments; the Assistant Building Inspector position was eliminated in 2010. The other three part-time positions were eliminated in the 2011 budget as a cost cutting measure.

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	2009		2010		2011	
	FT	PT	FT	PT	FT	PT
General Fund:						
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	1.00	2.40	-	2.40	-
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	43.00	1.00	42.00
Code Administration	2.00	1.00	2.00	-	2.00	-
Public Works Administration	1.40	-	1.40	-	1.40	-
Street Department	4.00	4.00	4.00	4.00	4.00	4.00
Mechanic	1.60	-	1.60	-	1.60	-
Snow Removal	1.25	-	1.25	-	1.25	-
Sanitation	.50	-	.50	-	.50	-
Recycling	.60	-	.60	-	.60	-
Parks	3.00	9.00	2.00	9.00	2.00	9.00
Recreation	1.00	50.00	1.00	50.00	1.00	49.00
Forestry	1.90	5.00	1.90	5.00	1.90	5.00
Revolving Loan Fund	.10	-	.10	-	.10	-
Capital Improvements Fund:						
Engineering	2.20	1.00	2.20	1.00	2.20	1.00
Water Utility:						
Operations and Maint	3.90	-	3.90	-	3.90	-
Administration	1.40	-	1.40	-	1.65	-
Sewer Utility:						
Operations and Maint	3.15	-	3.15	-	3.15	-
Administration	1.15	-	1.15	-	1.40	-
Storm Water Utility	3.80	-	3.80	-	3.80	-
Golf Course	2.35	20.00	1.35	20.00	1.35	20.00
Total Positions	42.00	176.0	40.00	174.0	40.00	171.0

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

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 fifteen 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 2011 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.
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 greatest of 3% 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.
- 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 and reconstruction projects when possible with minimal affect 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 2011 budget was presented to the Board on October 11, 2010. The Village Board met again on November 8, 2010 to discuss the proposed budget, hold a public hearing to allow for public and make any desired budget changes before adopting the final budget document.

The budget was approved on an 8 to 1 vote of the Village Board. 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
April	Village Administrator (VA), Executive Staff (ES), and Village Board	<ul style="list-style-type: none"> • Strategic Planning Session
July	VA & ES	<ul style="list-style-type: none"> • Pre-Budget Meetings
August	VA, ES & Village Board	<ul style="list-style-type: none"> • Capital Projects Tour
September 9, 2010	EDAS Executive Director of Administrative Services (EDAS)	<ul style="list-style-type: none"> • Hand out department budget expenditure worksheets for department directors review
October 7, 2010	VA, EDAS	<ul style="list-style-type: none"> • Distribute draft budget to Village Board
October 11, 2010	VA, EDAS, ES & Village Board	<ul style="list-style-type: none"> • Presentation of Proposed Budget and Board Meeting to discuss
November 8, 2010	Village Board	<ul style="list-style-type: none"> • Public Hearing and Budget Approval
December 3, 2010	VA & EDAS	<ul style="list-style-type: none"> • Disbursal of Final Budget Document

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.

VILLAGE OF HOWARD, WISCONSIN BUDGET POLICY

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.

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.

VILLAGE OF HOWARD, WISCONSIN BUDGET POLICY

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 were transferred from the General Fund into a capital project fund titled Redevelopment Fund in 2007.

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.

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.

VILLAGE OF HOWARD, WISCONSIN BUDGET POLICY

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 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.

During the 1993 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.

VILLAGE OF HOWARD, WISCONSIN BUDGET POLICY

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 both the department head and administrator.

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 a year are eligible to participate in the Wisconsin Retirement System. In 2011, covered employees will be required by statute to contribute 6.5% of their salary (5.8% for Protective Occupations with Social Security) to

VILLAGE OF HOWARD, WISCONSIN BUDGET POLICY

the plan. The Village is making these contributions to the plan on behalf of the employees. 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 5.1% (10.8% 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, 2010 but both unions have ratified new three year contracts with the Village.

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.

Tax Incremental Districts

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

VILLAGE OF HOWARD, WISCONSIN BUDGET POLICY

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

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

TIF 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 TIF district. All of the TIFs are subject to reporting and audit requirement outlined in state statutes. It is possible additional TIFs will be created in the near future to fund other redevelopment.

TIF 5 and 6 were both created in 2008; substantial tax incremental revenues are not expected in these TIFs until development occurs. TIF 5 is located mainly in an area along Velp Avenue between US Highway 41 and Military. TIF 6 is located along US Highway 41 near Lineville Road. Neither of these TIFs 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
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

VILLAGE OF HOWARD, WISCONSIN BUDGET POLICY

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

VILLAGE OF HOWARD, WISCONSIN BUDGET POLICY

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 three operating wells and three water towers. 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, restaurant operations (primarily a Friday night fish fry and beverage sales), merchandise sales and cart rental revenues. The Village Board has adopted a policy to fund Capital Projects with annual \$100,000 golf course transfers.

Internal Service Fund

This fund accounted for the fees charged to the general fund, enterprise funds and capital project funds for self-funded insurance programs. This fund will no longer account for self-funded insurance as all funds are being transferred out of this fund in 2011.

VILLAGE OF HOWARD, WISCONSIN BUDGET POLICY

Long-term Planning

In conjunction with the preparation of the 2011 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 costs, 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.

VILLAGE OF HOWARD, WISCONSIN BUDGET POLICY

Rest of the Budget

The remaining pages of this budget document represent the financial and narrative information related to this 2011 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.

Strategic Planning

During the years 2008, 2009 and 2010, the Village Board produced a Strategic Plan for village staff to utilize in focusing resources. The process took one full day for the Village Board and several days throughout the early part of each year for staff to create the overall plan. The following page gives a summary of the strategic planning analysis from 2010.

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 2010 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 2008 and 2009. The 2008 amounts are actual results while 2009 reports both the budget for 2009 and estimated actual amounts.

Strategic Planning Analysis



Strong, Balanced Local Economy

- 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

2010 Accomplishments:

- Worked with Small Biz Partnership to approve two \$10,000 interest free loans.
- Worked with the CDA to approve three revolving loans ranging from \$35,000 to \$225,000.
- Approved agreement with WisDOT to share in improvement costs highway construction improvements along US 41/STH 29.
- Purchased site selection software for online use for new businesses as a resource information.
- Approved three apartment developments totaling over 300 unit; approved building permits for over 70 new single family homes and 3 commercial sites.



Accountable, Efficient Government

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

2010 Accomplishments:

- Received three awards from the Government Finance Officers' Association for financial reporting of the Budget, Comprehensive Annual Financial Report & Popular Annual Financial Report.
- Continued use of the E-notify system that allows (at a minimum) weekly emails to Howard residents.
- Purchased Eagl-i online software service to enhance information available to public.
- Received ICMA CPM Certificate of Achievement for Performance Measurement tracking and reporting.



Enhance Government Partnerships

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

2010 Accomplishments:

- Completed construction of sidewalks through partnering with Village of Suamico and the Howard-Suamico School District on Safe Routes to School Grant totaling \$410,000.
- Worked with WisDOT to enhance the Velp Avenue corridor design in conjunction with the road reconstruction project scheduled for 2011.
- Worked with the GBMSD to relocate interceptors through Howard.
- Met with WisDOT staff between 15-20 times to discuss various cooperative construction projects.



Create Vibrant & Environmentally Friendly Village

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

2010 Accomplishments:

- Following suggestions from energy audit, continued utilizing lowered temperature settings in building during non-use times and experienced lower emissions and lower costs.
- Agreed to purchase the next DEO vehicle as a hybrid vehicle which will reduce carbon footprint.
- Worked with HYSAs and other area sports associations on suggestions for continued improvements in Howard's park system.
- Evaluated the previously purchased an E-85 flex fuel squad car and found saving on carbon footprint the but performance lacking.