6:00 – 6:05 Meeting Introduction/Relocate to Lower Level Cafeteria

Workshop Format:

- ***Quick moving … start immediately after presentations!***
- ***<u>One member of each jurisdiction at a table</u>…. Groups of 4 people at a total of 3 tables***
- ***4th Table – Legal Counsel from each jurisdiction***
- ***Media is welcome to participate and can join any of the tables***
- ***Public attending may form groups and participate … diversity of municipalities encouraged***

VISIONING WORKSHOP

First order of Business … Select a Note Taker and a Spokesman for your table…

6:05 – 6:20 Table Discussion: Describe the assets/opportunities of the Brokaw area…

- ***What does this area have to offer?***
    - ***…to a resident?***
    - ***…to a business?***
    - ***…to a visitor?***
- ***What are the unique characteristics of this area?***

6:20 – 6:30 Table Presentations

6:30 – 6:45 Table Discussion: What should the Brokaw area look like in 10 years?

- ***Who lives there?***
- ***What is the economic engine?***
- ***Why might people visit this area?***

6:45 – 6:55 Table Presentations

6:55 - 7:10 Table Discussion: How do we need to make this happen?

- ***Who do we need to get involved?***
- ***What resources are available?***

7:10 – 7:20 Table Presentations

7:20 - 7:30 Prioritization – Identify 3 items in each category that are critical to Brokaw's future.

7:30 – 8:00 Reconvene in Council Chambers

- ***Comments regarding the table discussions and priorities***
- ***Brainstorming on how to accomplish these priorities***
- ***WHATS NEXT?***

Village of Brokaw
Water Utility
Docket 750-WR-103

ORIGINAL LIST FROM PSC BASED ON INITIAL NOTIFICATION

	Revenues	Staff Adjustments to Proposed Rate Increase	Adjusted Rate Increase	Percent Rate Increase Over Current Rates	Per Mgal	Usage Chage at 7,500 gal Per Quarter	Per 3/4 Inch Meter Per Quarter	PFP Per 3/4 Inch Meter Per Quarter	Residential Cost Per Quarter
Current Brokaw Water Rates Does not include sewer rates					$9.40	$70.50	$45.00	$22.50	$138.00
As Filed Charges to water customers; see note 1 (without municipal charge, PILOT will equal the municipal charge)	$85,347	$0	$158,281	185.46%	$26.83	$201.25	$128.46	$64.23	$393.93
1. Retirements, Accumulated Depreciation Retire Non-Potable Plant, Retire the 2002 Pressure Tank, Reclassify $10,000 Cost of Removal to Accumulated Depreciation, Depreciation expense decreases by $18,519 NON-POTABLE WELLS + LINE OUT		($29,007)	$129,274	151.47%	$23.64	$177.29	$113.16	$56.58	$347.03
2. Reduce Labor Expenses Labor reduced from $69,725 to $17,500, Outside services reduced from $9,000 to $5,000, pensions and benefits reduced by associated percentage		($56,204)	$73,070	85.62%	$17.45	$130.86	$83.53	$41.76	$256.15
3. Adjust Purchased Water Cost Remove wasted water for tower freezing, reduce purchased water from $38,000 to $15,000, lower electric for pumping by $2,400, capitalize mixer		($34,860)	$38,210	44.77%	$13.61	$102.06	$65.15	$32.57	$199.78 MAX
4. Reduce ROR Reduce from one percent to one quarter percent		($15,281)	$22,929	26.87%	$11.93	$89.44	$57.09	$28.54	$175.07
5. Remove Water Tower From Rate Base Reclassify water tower to plant held for future use; primarily affects depreciation expense. NO		($10,365)	$12,564	14.72%	$10.78	$80.88	$51.62	$25.81	$158.32

Note 1: Rate case application total revenues of $124,877 less municipal charge of $23,530 and less rents of $16,000.

ADJUSTMENTS RECOMMENDED BY PSC

Village of Brokaw Water Utility
750-WR-105
Impact of Staff Proposals

1. Water Tower

Staff and Brokaw differ in the treatment of the water tower. Staff removed the water tower from rate base and included the Wausau Public Fire Protection (PFP) charges. Staff then removed the cost of water that would be wasted to prevent tower freezing. The following is a summary of the total impact of this adjustment.

	Staff	Brokaw	Difference	Notes
Rate base				
Water Tower	0	404,623	-404,623	
Pressure Tank	0	0	0	Fully depreciated
Tower Mixer	0	20,000	-20,000	
Return on rate base	0	0	0	Brokaw is 6% of O&M
Depreciation				
Water Tower	0	12,229	-12,229	
Pressure Tank	0	0	0	
Tower Mixer	0	380	-380	
Total Depreciation	0	12,609	-12,609	
Expenses				
Wausau PFP	1,416	0	1,416	
Wasted Water	0	9,504	-9,504	4,800,000 gallons
Fuel for Pumping	1,800	3,600	-1,800	
Total Expense	3,216	13,104	-9,888	
Salaries and Wages				
Hours	0	192		16 hours per month
Dollars	0	3,840	-3,840	
Revenue Requirement Impact			-26,337	

2. Chlorine Boosting

In support of an overall adjustment of salaries and wages, staff forecasts mechanically boosting chlorine residuals where the pipe from Wausua enters the Brokaw distribution system. This would reduce the amount of water that is flushed because it is old and and the chlorine residual has dropped. It is hard to break down the difference between the water that is wasted to prevent tower freezing and that the is associated with this flushing. Such a change could be incorporated into an overall reevaluation of staffing levels.

Village of Brokaw Water Utility
750-WR-105
Impact of Staff Proposals

2. Chlorine boosting continued

	Staff	Brokaw	Difference	Notes
Rate base				
Chlorine Boosting Equip	100,000	0		
Return on Ratebase	250	0	250	
Depreciation	6,000	0	6,000	
Water for flushing	0	2,000	-2,000	65% sold instead of 85% sold 1,000,000 gallons
Expenses				
Chemicals	500	0	500	
Salaries and Wages				
Hours	0	132		11 hours per month
Dollars	0	2,640	-2,640	
Revenue Requirement Impact			2,110	

3. Depreciation Rates

Brokaw proposed to reduce revenue requirement by lowering the depreciation rates to the lowest life in the Commission benchmark ranges. Staff proposed to compute depreciation based on the benchmark depreciation rates that are the mid-point of the Commission's depreciation ranges.

	Staff	Brokaw	Difference	Notes
Depreciation				
Benchmark rates	41,761		41,761	
Low end of ranges		31,263	-31,263	
Revenue Requirement Impact			10,498	

Village of Brokaw Water Utility
750-WR-105
Impact of Staff Proposals

4. Further Salaries and Wages Adjustment

In addition to the specific activities described above that could be reduced through specific changes in operations, overall the staff meetings, discussions, continuing education, and other miscellaneous indirect activities could be lessened if the utility changed its staffing levels. Staff estimate is a bit more than the $17,500 which was the highest amount of salaries and wages paid by any other Wisconsin utility with 50-100 customers.

	Wages
Staff estimate	19,425
Utility estimate	38,425
Specific reductions	
Tower operation	-3,840
Flushing	-2,640
Adjusted Utility estimate	31,945
Reduced Salaries and Wages	-12,520
Reduced Pensions and Benefits	-5,500
Reduced Social Security Taxes	-782
Revenue Requirement Impact	-18,802

SUMMARY

	Impact
1. Water Tower	-26,337
2. Chlorine Boosting	2,110
3. Depreciation Rates	10,498
4. Further Salaries and Wages Adjustment	-18,802
Total Impact of Staff Proposed Additional Adjustments	-32,531

ADJUSTMENTS RECOMMENDED BY PSC 2/2015

Village of Brokaw Water Utility
750-WR-105

Explanation of Staff Adjustments in Schedules 1 and 3

Particulars		Amount
Adjustment No. 1		
To decrease the utility's estimate of Sources of Supply Expenses from the utility revised estimate of $48,620 to the 2014 Staff estimate of $22,710 as follows:		($25,910)
a. To decrease Account 601, Purchased Water, from the utility revised estimate of $29,500 to the Staff estimate of $19,590. This estimate eliminates wasted water to prevent the water tower from freezing. This estimate includes $9,724 for Wausau Public Fire Protection charges and $9,866 for 5,060 mgals of water at $1.95 per mgal. This is based on 68% of the water being purchased getting sold to customers.	($9,910)	
b. To decrease Account 600, Supply Operations Labor, to remove $16,000 of labor expense. See adjustment 2(c) for a summary of the labor included in Staff's revenue requirement.	($16,000)	
Total Decrease	($25,910)	
Adjustment No. 2		
To decrease the utility's estimate of Pumping Expenses from the utility revised estimate of $8,900 to the 2014 Staff estimate of $4,000 as follows:		($4,900)
a. To decrease Account 620, Operation Labor, from the utility revised estimate of $3,000 to the Staff estimate of none. See the further explanation in (c) below of the amount of labor costs included in Staff's revenue requirement.	($3,000)	
b. To decrease account 622, Power Purchased for Pumping, from the utility estimate of $3,800 to the 2014 Staff estimate of $1,900. This reduces costs by one half to reflect the lower volume of water that will be pumped when water is not wasted to prevent the tower from freezing.	($1,900)	
Total Decrease	($4,900)	

Village of Brokaw Water Utility
750-WR-105

Explanation of Staff Adjustments in Schedules 1 and 3

Particulars	Amount
Adjustment No. 2 Continued	
c. The following is the breakdown of the amount of labor costs that have been included in the Staff's 2014 revenue requirement.	

Acct 600 Supply Operation Labor	0
Acct 620 Pumping Operation Labor	0
Acct 901 Meter Reading Labor	650
Acct 902 Accounting and Collecting Labor	725
Acct 920 Administrative & General Labor	7,350
Labor in all other accounts	10,700
Total Labor	$19,425

The reduction to labor costs represents Staff's estimate of labor costs based on an amount of labor slightly higher than the maximum labor for other utilities of this size of $17,500.

Adjustment No. 3		
To reduce the utility's estimate of Transmission and Distribution Expenses from its revised estimate of $17,930 to the 2014 Staff estimate of $16,230. This adjustment reduces the amount of Operations Supplies and Expenses from $7,400 to $5,700. Staff estimate is based on the three year inflated average historical costs.		($1,700)
Adjustment No. 4		
To decrease the utility's estimate of Administrative and General Expenses from the utility estimate of $36,750 to the 2014 Staff estimate of $27,250 as follows:		($9,500)
a. To decrease Account 923, Outside Services, from the utility estimate of $9,000 to the Staff estimate of $5,000. Staff estimate is based on the average for other utilities of similar size.	($4,000)	
b. To decrease Account 926, Employee Pensions and Benefits, from the utility estimate of $8,100 to the 2014 Staff estimate of $2,600. Staff estimate is based on 13% of Salaries and Wages that were included in revenue requirement. This is consistent with the previous relationship of Pensions and Benefits to Labor for this utility.	($5,500)	
Total Decrease	($9,500)	

Village of Brokaw Water Utility
750-WR-105

Explanation of Staff Adjustments in Schedules 1 and 3

Particulars	Amount
Adjustment No. 5	
To decrease the utility's estimated Depreciation Expense from its revised estimate of $41,761 to the 2014 Staff estimate of $31,730 based upon the items noted below:	($10,031)
- Staff estimate of Utility Financed Plant in Service balances for the test year as detailed below - depreciation rates per Schedule 5 - an allocation of a portion of depreciation on meters to the sewer department.	
The primary reason for this adjustment was the removal of the 2004 Water Tower from rate base. The 2002 Pressure Tank is included in rate base, but no depreciation is included as the cost of that tank has been fully recovered.	
Adjustment No. 6	
To reduce the utility's estimate of Taxes and Tax Equivalent Expenses from its revised estimate of $54,118 to the 2014 Staff estmate of $53,314. This adjustment further reduces social security taxes based on the labor adjustment described in Adjustment 2(c).	($804)

Village of Brokaw Water Utility
750-WR-105

Explanation of Staff Adjustments in Schedules 1 and 3

Particulars		Amount
Adjustment No. 7		
To adjust the utility's revised estimated Net Investment Rate Base to the 2014 Staff estimate which removes the 2004 Water Tower from rate base with is associate Mixer and restores the fully recovered 2002 Pressure Tank.		($420,706)
a. To decrease the Plant in Service estimate based the following:		($392,404)
- removing the 2004 Water Tower from rate base	(488,086)	
- restoring the 2002 Pressure Tank to rate base	115,682	
- excluding the addition of the Water Tower Mixer	(20,000)	
Total adjustments to Plant in Service	(392,404)	
b. To increase the utility's estimated Accumulated Depreciation to the 2014 Staff estimate for Accumulated Provision for Depreciation based upon:		$28,302
- actual 2013 and estimated 2014 depreciation accruals using authorized rates per Schedule 5		
- reducing accumulated depreciation for the 9 years of Water Tower depreciation	(83,463)	
- restoring accumulated depreciation for 2002 Pressure Tank	115,682	
- half year impact of depreciation expense adjustments.	(3,917)	
Total increase to Accumulated Depreciation	28,302	
Total Decrease to Net Investment Rate Base		($420,706)

Summary of Brokaw Discussion of April 27, 2015

Representatives of the two Towns, the Village and Wausau met at the Town of Maine Hall to begin discussions regarding options related to a solution of Brokaw's potential default. Wausau was particularly interested in learning about the other communities' positions on the Cooperative Boundary Agreement (CBA) concept that was floated by Texas counsel at a previous meeting.

There was no substantial detail added to the CBA concept at last night's meeting. Essentially, the meeting provided the Town and Village reps an opportunity to air a number of "options" as follows:

Stated/Proposed by Brokaw:

- "Village is not viable to remain a municipality in the long term."
- Consolidation with Wausau through discussions on purchase of utility services — subject to binding referendum. This was Brokaw's preferred option, and deemed most feasible.
- Negotiate reduced or extended debt with TIF debt and Village debt bank.
- Seek state assistance to help fund TIF debt and provide for more economic development opportunities.

Proposed by Texas:

- CBA involving the Towns and Village only.
- Brokaw dissolution.
- Litigation — "many possible cases" including challenging constitutionality of related state statute.
- Possible expansion of Wausau "down the road" in a tiered plan, effective in 10 years for example.
- Wausau exercise clout with state legislators to seek a solution.

Proposed by Maine:

- Receivership model for Brokaw (no detail offered).
- Balloon and string.
- Brokaw finds ways to reduce expenses related to "overbuilt" water system.

Both Towns reiterated their reluctance to accept any loss of land, citing input from their residents regarding maintaining their lifestyle and avoiding Wausau's "high taxes." Wausau requested that the Towns calculate possible financial impact to residents if Brokaw's debt falls on the Towns, so that residents have more facts to consider in the future. The Towns stated that they have been trying to capture that data, but it is difficult. Town of Texas said they could calculate a "ballpark" figure.

Wausau repeated its willingness to be part of a solution, or to step back and let the three communities formulate one of their own. Wausau asserted that most of the suggested "options" lacked verifiable viability, with uncertain outcomes (e.g., litigation, binding referendum, constitutional challenge, etc.). Further, Wausau pointed to the reported June 2016 deadline for resolution before insolvency may occur. Wausau contended that it is time to choose a course of action, and reiterated that a CBA has been identified as the most workable, equitable solution, and the state's preferred option.

A CBA involving Wausau would need to include a significant physical connection between Wausau and Brokaw. The Town of Maine fears that their entire "panhandle" section would be taken by Wausau. Wausau stated that any cooperative solution would require give and take, with no party completely satisfied, and no party unduly harmed. Wausau stressed that "status quo" is not an option, and regardless of which action is taken, Town footprints and fiscal realities will change.

The Towns and Village expressed willingness to look further into the various options, attempt to gather financial impact data as it relates to their residents and attend the May 13 Committee of the Whole meeting in Wausau. In particular, there appeared to be a willingness to further discuss how a CBA may be pursued. Other topics which should be addressed:

- Define "Compact Design" as it relates to area affected.
- Clarify debt levels and responsibilities.
- Identify steps to reduce liabilities.
- Identify short term and long term benefits/negatives, assets, debt.
- Discuss contamination issues (DNR's position, mitigation resources).
- Water utility fiscal / physical status, maintenance, possible system changes.

Below is text of Wausau's position, delivered verbally at the meeting:

Wausau's Brokaw Position Rationale — April 27, 2015

As Wausau enters into preliminary discussions with the Towns of Maine and Texas and the Village of Brokaw, we have been asked to prepare a position statement. At this time, Wausau's position is one of open-mindedness, and basic good practices as they relate to the interests of our residents. Wausau's designated representatives have told representatives of the Towns and Village that our city welcomes the opportunity to sit down with all four communities to explore options, without preconditions. Wausau may be in a position to provide important assistance, but this would have to be within the context of considering mutual benefit and risk to all parties involved.

Following are the salient considerations for this initiation of discussions.

1. *Brokaw reports that June 2016 is their debt deadline. In the absence of any other actions by the four parties, Brokaw faces likely default and subsequent dissolution, with its assets and debts (approx. $3 million) falling to the two Towns, along with ongoing operational expenses for the two utilities. The possibility of Brokaw declaring bankruptcy has been floated, but deemed unsupportable by regional legislators.*

2. *Brokaw's TIF district would not transfer to the Towns in the event of dissolution. The TID would transfer to Wausau if the two communities merged. This is a significant consideration.*

3. *Citizens of Texas, Maine and Brokaw deserve to know how a default would impact them financially — and how that impact might compare in Wausau-Brokaw merger scenarios. Numbers should be calculated and distributed ASAP.*

4. *The Towns have stated publicly that they oppose any solution that involves loss of land to Wausau. There have been public statements that Wausau "wants Brokaw" and wants to "annex" Town lands.*

5. *Maine's representatives state that approximately 31% of their tax base lies in property that Wausau wants; Texas similarly states 20%+ of their tax base is at jeopardy. Both of those views appear based on a notion that Wausau seeks to carve a broad corridor to Brokaw.*

6. *Town representatives suggested a "balloon and string" option, but Texas counsel deemed this unworkable and borderline illegal. Wausau sees no value in such an option, which only would provide a tenuous connection to a sizable debt property.*

7. *Town of Texas counsel stated in a pubic meeting that the Towns were open to discussing a "Cooperative Boundary Agreement." The scope or details of such an agreement were not defined.*

8. *The state contends that Cooperative Boundary Agreements are the most effective and fair means of settling such issues. The details of such agreements are negotiated by all involved communities, and subject to state approval. It is a complicated process, affecting zoning, services, assets, liabilities, and land transfer.*

9. *Wausau comes to the preliminary discussions primarily to learn more about the Cooperative Boundary Agreement concept proposed by Texas counsel, and to gauge overall willingness to collaborate.*

10. *Wausau believes that the four communities can work together, with fair give and take, to arrive at a solution that optimally protects everyone's interests. Wausau knows this cannot be accomplished to everyone's 100% satisfaction. Many seek that status quo be maintained, but the prospect of a Brokaw default represents a looming, significant change in Town footprints and fiscal realities, and requires a pragmatic solution effort. Regardless of the outcome, status quo is not an option.*

M E M O R A N D U M

TO: City of Wausau

Town of Texas

Town of Maine

FROM: Dean R. Dietrich
Ruder Ware

DATE: May 6, 2015

RE: Outstanding Indebtedness of the Village of Brokaw

To All:

Questions were raised at our initial meeting regarding the outstanding indebtedness of the Village of Brokaw.

Attached are the following documents:

- Proposal Form outlining the debt repayment schedule for the $2,775,000 Community Development Authority Refunding Revenue Bonds;

- Closing and Post Sale Report regarding Community Development Refunding Revenue Bonds;

- Listing of outstanding general indebtedness of the Village of Brokaw.

We believe that this information supports the outstanding indebtedness discussions that have taken place. The outstanding indebtedness for the Community Development Authority Refunding Revenue Bonds would be paid by the tax increment that is currently dedicated for repayment based upon development in the TID. The outstanding general indebtedness of the Village is budgeted for repayment pursuant to normal repayment schedules.

We can discuss this further at our upcoming meeting.

COPY

PROPOSAL FORM

Community Development Authority of the Village of Brokaw, Wisconsin **November 11, 2014**

RE: **$2,775,000 Community Development Authority Refunding Revenue Bonds, Series 2014A**
DATED: **December 4, 2014**

For all or none of the above Bonds, we will pay you $ 2,775,000 (not less than $2,775,000) plus accrued interest to date of delivery for such Bonds maturing on June 1 in the years and amounts designated below and bearing interest at the rates as follows:

Maturity	Amount	Interest Rate	Maturity	Amount	Interest Rate
2015	$135,000	5.00%	2021	$240,000	5.00%
2016	150,000	5.00%	2022	255,000	5.00%
2017	175,000	5.00%	2023	265,000	5.00%
2018	175,000	5.00%	2024	280,000	5.00%
2019	210,000	5.00%	2025	300,000	5.00%
2020	230,000	5.00%	2026	360,000	5.00%

Interest on the Bonds will be payable on June 1, 2015 and semi-annually thereafter.

The Bonds maturing on or after June 1, 2018 will be subject to call and prior payment on any date on or after June 1, 2017 at a price of par plus accrued interest.

We agree to hold the Bonds until final maturity or prepayment by the Authority.

This proposal is for consideration and acceptance by the Authority on November 11, 2014, and is conditional upon delivery of said Bonds to us within 40 days of award. Delivery is anticipated on or about December 4, 2014.

The Bonds will be in typewritten form, registrable as to principal and interest. The Authority shall be designated as the bond registrar/paying agent. The Bonds will be "bank qualified" and tax exempt, as evidenced by a legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin, as bond counsel.

Submitted by:

Name of Institution: Peoples State Bank
Submitted By: Peter A. Kramer
Title: Vice President
Signature: Peter A. Kramer

Award will be on a interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from December 4, 2014 of the above proposal is $_____ and the interest cost () is _____%.

The foregoing offer is hereby accepted by and on behalf of the Community Development Authority of the Village of Brokaw, Wisconsin this _____ day of _____, 2014.

By: _____ By: _____

Title: _____ Title: _____

COPY

Closing and Post Sale Report

Community Development Authority of the Village of Brokaw, Wisconsin
(Marathon County)

$2,775,000 Community Development Refunding Revenue Bonds, Series 2014A

Dated: December 4, 2014

EHLERS
LEADERS IN PUBLIC FINANCE

Closing and Post Sale Report

TO: Wayne H. Utecht, Village Clerk
Rebecca Speckhard, Quarles & Brady LLP
Peter Kramer, People's State Bank of Wausau
Connie Kuck, Ehlers

FROM: Phil Cosson/Jim Mann/Sue Porter

DATE: December 2, 2014

SUBJECT: Community Development Authority of the Village of Brokaw, Wisconsin
$2,775,000 Community Development Refunding Revenue Bonds, Series 2014A (the "Bonds")

Dated Date/Closing Date: December 4, 2014

Instructions for the Purchaser

In connection with the above closing, proceeds will be transferred by the purchaser, Peoples State Bank of Wausau, as follows:

	Transfer Instructions	Amount Transferred
1)	Peoples State Bank of Wausau, for credit Village of Brokaw CDA Account Number 110-000-511	$2,775,000.00
	Total Proceeds	$2,775,000.00

Calculation of Available Funds

Par Amount of the Bonds	$2,775,000.00
ISSUE PRICE/GROSS PRODUCTION	**$2,775,000.00**
PURCHASE PRICE	**$2,775,000.00**
NET AVAILABLE FUNDS	**$2,775,000.00**

Distribution of Available Funds

	Bond Proceeds	Transferred Funds	Total
FUNDS RECEIVED BY THE AUTHORITY:			
Deposit to Current Refunding Fund	$2,583,990.42	133,887.00	
Total Deposit to Current Refunding Fund			**$2,717,877.42**
Deposit to Debt Service Reserve Fund[1]	0.00	0.00	
Total Deposit to Debt Service Reserve Fund			0.00
Costs of Issuance[2]			
Ehlers (Financial Advisor)	$31,000.00		
Quarles & Brady LLP (Bond Counsel)	15,000.00		
People's State Bank Fees (Placement/Legal)	11,122.58		
Total Costs of Issuance			**57,122.58**
TOTAL FUNDS RECEIVED BY THE AUTHORITY	**$2,641,113.00**	**$133,887.00**	
TOTAL DISTRIBUTION OF AVAILABLE FUNDS			**$2,775,000.00**

[1] The Authority will retain $277,500.00 in the Debt Service Reserve Account from funds in the prior issues Debt Service Reserve Account. The remaining balance of $133,887 will be transferred to the Current Refunding Fund and applied to the refunding.

[2] The Authority will receive invoices from each of the firms listed above. These invoices should be paid from Bonds proceeds received for this issue.

Debt Service Payments for the $1,415,000 Community Development Bonds, Dated June 7, 2006 (The "2006 Bonds")

A portion of the net proceeds of the Bonds is to be used to provide funds for a current refunding of the 2015 - 2021 maturities of the 2006 Bonds on December 19, 2014. The total amount of the principal of the 2006 Bonds currently outstanding is $855,000. The Authority has received instructions from People's State Bank on wiring the principal and accrued interest. As of December 19, 2014, the entire principal outstanding of the 2006 Bonds will have been paid in its entirety, and the Authority will have no further debt payments to be made on the 2006 Bonds.

Amount Available to Redeem the Series 2006 Bonds:	
Bond Proceeds	$817,094.87
Transfer from Series 2006 Bond Debt Service Reserve Account	40,286.72
Total Amount Available to Redeem the Series 2006 Bonds	**$857,381.59**

Amount Needed to Redeem the Series 2006 Bonds:	
Principal (2015 through 2021)	$855,000.00
Interest Payable to the Call Date	2,381.59
Total Amount Needed to Redeem the Series 2006 Bonds	**$857,381.59**

Debt Service Payments for the $2,665,000 Community Development Bonds, Dated April 29, 2008 (The "2008 Bonds")

A portion of the net proceeds of the Bonds is to be used to provide funds for a current refunding of the 2015 - 2021 maturities of the 2008 Bonds on December 19, 2014. The total amount of the principal of the 2008 Bonds currently outstanding is $1,990,000. The Authority has received instructions from People's State Bank on wiring the principal and accrued interest. As of December 19, 2014, the entire principal outstanding of the 2008 Bonds will have been paid in its entirety, and the Authority will have no further debt payments to be made on the 2008 Bonds.

Amount Available to Redeem the Series 2008 Bonds:	
Bond Proceeds	$1,900,995.89
Transfer from Series 2008 Bond Debt Service Reserve Account	93,600.28
Total Amount Available to Redeem the Series 2008 Bonds	**$1,994,596.17**
Amount Needed to Redeem the Series 2008 Bonds:	
Principal (2015 through 2021)	$1,990,000.00
Interest Payable to the Call Date	4,596.17
Total Amount Needed to Redeem the Series 2008 Bonds	**$1,994,596.17**

A schedule reflecting the economic gain/(loss) associated with the refunding is attached to this closing memo. Your auditors normally require this information be included in the audited financial statements for the fiscal year in which the refunding occurred.

Debt Service Payments for the $2,775,000 Community Development Refunding Revenue Bonds, Series 2014A

Source of Payment

The Bonds and interest thereon shall ***never*** be considered a general obligation of the Authority or the Village or an indebtedness of the Authority or the Village within the meaning of any State constitutional provision or statutory limitation and shall not constitute or give rise to a pecuniary liability of the Authority or the Village or a charge against their general credit or the Village's taxing powers.

The Bonds are limited obligations of the Authority payable by it solely from any payments received by the Authority from the Village pursuant to the Village's obligation under a resolution adopted by the Village Board ("Contribution Payments"), which payments are subject to and conditioned upon future annual appropriation by the Village Board. All such Contribution Payments shall be deposited when received into a special trust fund to be held by the Authority and expended solely for the payment of principal of and interest on the Bonds.

Bond Reserve Account: The Authority covenants to establish and maintain a Reserve Account for the Bonds in an amount equal to the least of (a) 10% of the principal amount of the Bonds, (b) maximum annual debt service on the Bonds (other than in the year of final maturity of the Bonds); or (c) 125% of average annual debt service on the Bonds (the "Reserve Requirement"). Upon issuance of the Bonds, an amount necessary to make the amount on deposit in the Reserve Account equal to the Reserve Requirement will be deposited in the Reserve Account. The new Bond Reserve Requirement will be $277,500.

Schedule of Principal and Interest Payments

The Schedule of Principal and Interest Payments follows this report.

Bond Resolution

A copy of the Bond Resolution will be included in the Bond Issue Summary which will be provided to the Authority after the closing.

Debt Service Payment Instructions

The Bond Registrar/Paying Agent/Transfer Agent for the Bonds will be the Secretary. On a semi-annual basis the Authority will pay the interest on the Bonds, and on an annual basis will pay the principal coming due on the Bonds.

If you have any questions regarding the closing, the calculation and use of proceeds, or debt service payments, you can reach us at the following phone numbers or e-mails:

Name	Phone	E-mail
Phil Cosson	262-796-6161	pcosson@ehlers-inc.com
Jim Mann	262-796-6162	jmann@ehlers-inc.com
Sue Porter	262-796-6167	sporter@ehlers-inc.com

Attachments:

A. Sources and Uses & Detailed Costs of Issuance
B. Debt Service Comparison
C. Principal & Interest Payment Schedule
D. Summary of Issue Details

ATTACHMENT A

Community Development Authority of the Village of Brokaw, WI

$2,775,000 Community Development Revenue Bonds
Issue Summary
Dated: December 4, 2014 Placed with People's State Bank

Total Issue Sources And Uses

Dated 12/04/2014 | Delivered 12/04/2014

	CR 06 CDA bonds	CR 08 CDA Bonds (no premium current call)	Issue Summary
Sources Of Funds			
Par Amount of Bonds	$835,000.00	$1,940,000.00	$2,775,000.00
Transfers from Prior Issue DSR Fun	123,786.72	287,600.28	411,387.00
Est. Interest Earnings .00175	58.34	155.00	213.34
Total Sources	**$958,845.06**	**$2,227,755.28**	**$3,186,600.34**
Uses Of Funds			
Financial Advisor	9,327.93	21,672.07	31,000.00
Bond Counsel	4,513.51	10,486.49	15,000.00
Peoples State Bank Placement Agen	1,642.64	3,816.44	5,459.08
Legal Fees paid to People's Bank	1,704.15	3,959.35	5,663.50
Deposit to Debt Service Reserve Fu	83,500.00	194,000.00	277,500.00
Deposit to Current Refunding Fund	857,030.63	1,994,577.00	2,851,607.63
Adjustment to loan payoff	350.96	19.17	370.13
Rounding Amount	775.24	(775.24)	-
Total Uses	**$958,845.06**	**$2,227,755.28**	**$3,186,600.34**

Community Development Authority of the Village of Brokaw, WI

$2,775,000 Community Development Revenue Bonds
Issue Summary
Dated: December 4, 2014 Placed with People's State Bank

Gross Debt Service Comparison -- Accrual Basis

Calendar Year	Principal	Coupon	Interest	New D/S	OLD D/S	Savings
2014	-	-	-	-	-	-
2015	135,000.00	-	134,218.75	269,218.75	400,752.50	131,533.75
2016	150,000.00	-	128,250.00	278,250.00	412,373.75	134,123.75
2017	175,000.00	-	120,125.00	295,125.00	422,833.75	127,708.75
2018	175,000.00	-	111,375.00	286,375.00	437,021.25	150,646.25
2019	210,000.00	-	101,750.00	311,750.00	449,828.75	138,078.75
2020	230,000.00	-	90,750.00	320,750.00	466,137.50	145,387.50
2021	240,000.00	-	79,000.00	319,000.00	803,193.75	484,193.75
2022	255,000.00	-	66,625.00	321,625.00	-	(321,625.00)
2023	265,000.00	-	53,625.00	318,625.00	-	(318,625.00)
2024	280,000.00	-	40,000.00	320,000.00	-	(320,000.00)
2025	300,000.00	-	25,500.00	325,500.00	-	(325,500.00)
2026	360,000.00	-	9,000.00	369,000.00	-	(369,000.00)
-	**$2,775,000.00**	-	**$960,218.75**	**$3,735,218.75**	**$3,392,141.25**	**(343,077.50)**

PV Analysis Summary (Gross to Gross)

Gross PV Debt Service Savings	34,309.85
Transfers from Prior Issue DSR Fund	(411,387.00)
Amount deposited into new DSR Fund	277,500.00
Net Present Value Loss	$(99,577.15)
Net PV Loss / $2,845,000 Refunded Principal	(3.500%)
Net PV Loss / $2,775,000 Refunding Principal	(3.588%)

Refunding Bond Information

Refunding Dated Date	12/04/2014
Refunding Delivery Date	12/04/2014

ATTACHMENT C

PRINCIPAL AND INTEREST PAYMENT SCHEDULE

Issue ID# 327584

Community Development Authority of the Village of Brokaw, Wisconsin

$2,775,000 CDA Refunding Revenue Bonds, Series 2014A

Dated Date: 12/4/2014
Call Date: 6/1/2017

Payment Due Date	Principal	Rate	Interest	Payment Notations	Total P & I	Fiscal Total	CUSIP No. Base: None
06/01/15	135,000.00	5.000	68,218.75		203,218.75		-
12/01/15	-	-	66,000.00		66,000.00	269,218.75	
06/01/16	150,000.00	5.000	66,000.00		216,000.00		-
12/01/16	-	-	62,250.00		62,250.00	278,250.00	
06/01/17	175,000.00	5.000	62,250.00		237,250.00		-
12/01/17	-	-	57,875.00		57,875.00	295,125.00	
06/01/18	175,000.00	5.000	57,875.00		232,875.00		-
12/01/18	-	-	53,500.00		53,500.00	286,375.00	
06/01/19	210,000.00	5.000	53,500.00		263,500.00		-
12/01/19	-	-	48,250.00		48,250.00	311,750.00	
06/01/20	230,000.00	5.000	48,250.00		278,250.00		-
12/01/20	-	-	42,500.00		42,500.00	320,750.00	
06/01/21	240,000.00	5.000	42,500.00		282,500.00		-
12/01/21	-	-	36,500.00		36,500.00	319,000.00	
06/01/22	255,000.00	5.000	36,500.00		291,500.00		-
12/01/22	-	-	30,125.00		30,125.00	321,625.00	
06/01/23	265,000.00	5.000	30,125.00		295,125.00		-
12/01/23	-	-	23,500.00		23,500.00	318,625.00	
06/01/24	280,000.00	5.000	23,500.00		303,500.00		-
12/01/24	-	-	16,500.00		16,500.00	320,000.00	
06/01/25	300,000.00	5.000	16,500.00		316,500.00		-
12/01/25	-	-	9,000.00		9,000.00	325,500.00	
06/01/26	360,000.00	5.000	9,000.00		369,000.00	369,000.00	-
	2,775,000.00		960,218.75		3,735,218.75	3,735,218.75	

EHLERS
LEADERS IN PUBLIC FINANCE

Summary of Bond Issue Details
Community Development Authority of the Village of Brokaw, Wisconsin
$2,775,000 CDA Refunding Revenue Bonds, Series 2014A

Date of Sale:	November 11, 2014
Date of Bonds:	December 4, 2014
Principal Due:	June 1, 2015 through June 1, 2026
Interest Payments:	June 1, 2015 and semiannually thereafter.
Optional Redemption:	Bonds maturing June 1, 2018 and thereafter are subject to call for prior redemption on June 1, 2017 and any date thereafter at par.
Purchase Price:	$2,775,000.
True Interest Rate:	5.0000%
Continuing Disclosure Type:	This issue is exempt from any continuing disclosure requirements.
Purchaser:	Peoples Bank of Wausau, Wausau, Wisconsin
Paying Agent:	The Secretary will act as paying agent/registrar for the Bonds.
Bond Counsel:	Quarles & Brady LLP in Milwaukee, Wisconsin
Financial Advisors:	Ehlers N21 W23350 Ridgeview Parkway, Suite 100 Waukesha, Wisconsin 53188 Phone: 262-785-1520 Fax: 262-785-1810 Web Site: www.ehlers-inc.com

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NOTE 6 - LONG-TERM OBLIGATIONS (CONT'D)

The Village entered into an agreement dated August 11, 1999 with the State of Wisconsin, to borrow up to $772,156, as general obligation debt, for the reconstruction of the sewer disposal plant. The actual total borrowed was $717,860. The interest rate is 2.64% and the length of the loan is 20 years. The first payment was due May 1, 2000 and the final payment is due May 1, 2019.

The annual requirements to amortize debt outstanding as of December 31, 2014 is as follows:

Year	1999 Issue Principal	Interest	Total
2015	$ 41,347	$ 5,208	$ 46,555
2016	42,438	4,102	46,540
2017	43,559	2,967	46,526
2018	44,709	1,802	46,511
2019	45,889	606	46,495
	$ 217,942	$ 14,685	$ 232,627

GENERAL FUND
SEWER SYSTEM
CLEAN WATER FUND LOAN

C. Notes Payable

	Balance 12/31/13	Increases	Decreases	Balance 12/31/14	Amounts Due Within One Yr
$257,000 General Obligation Promissory Note dated June 7, 2006, interest at 4.4%. Interest is to be paid semi-annually starting December 7, 2006, and principal payments annually starting June 7, 2007, with final payment on June 7, 2016.	$ 77,100	$	$ 25,700	$ 51,400	$ 25,700

General Fund

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NOTE 6 - LONG-TERM OBLIGATIONS (CONT'D)

general fund

(3) $290,000 General Obligation Promissory Note dated August 13, 2013, interest at 4.25%. Interest is payable monthly starting September 16, 2013. Principal is payable quarterly starting November 16, 2013, with final payment due August 16, 2016.	$ 280,000	$	$ 40,000	$ 240,000	$ 40,000
	$ 357,100	$ 0	$ 65,700	$ 291,400	$ 65,700

Debt service requirements are as follows:

Year	Principal	Interest	Total
2015	$ 65,700	$ 11,139	$ 76,839
2016	225,700	5,923	231,623
Total	$ 291,400	$ 17,062	$ 308,462

D. General Obligation Debt Limit Calculation

The 2014 equalized valuation of the Village as certified by the Wisconsin Department of Revenue is $25,458,100. The legal debt limit and margin of indebtedness as of December 31, 2014, in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt limit (5% of $25,458,100)	$ 1,272,905
Deduct debt applicable to limit:	
Village's direct G.O. debt	742,730
Margin of indebtedness	$ 530,175

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NOTE 6 - LONG-TERM OBLIGATIONS (CONT'D)

E. Water Utility Enterprise Fund Note/Bond Payable

	Balance 12/31/13	Increase	Decrease	Balance 12/31/14	Amount Due Within One Yr
$278,065 Safe Drinking Water Program general obligation bond dated April 13, 2011, with interest at 1.32%. Repayment will be by annual payments starting May 1, 2012, with final payment on May 1, 2028. Interest is payable May 1 and November 1 starting November 1, 2011.	$ 248,476	$	$ 15,088	$ 233,388	$ 15,287
Total	$ 248,476	$ 0	$ 15,088	$ 233,388	$ 15,287

Water Utility

Debt service requirements are as follows:

Year	Principal	Interest	Total
2015	$ 15,287	$ 2,980	$ 18,267
2016	15,489	2,777	18,266
2017	15,693	2,571	18,264
2018	15,901	2,362	18,263
2019	16,110	2,151	18,261
2020	16,323	1,937	18,260
2021	16,539	1,720	18,259
2022	16,757	1,500	18,257
2023	16,978	1,278	18,256
2024	17,202	1,052	18,254
2025	17,429	824	18,253
2026	17,659	592	18,251
2027	17,892	357	18,249
2028	18,129	120	18,249
Totals	$ 233,388	$ 22,221	$ 255,609

1. Does the Village own the land under City Hall? The Well building? The wastewater treatment plant? The parks and playground areas? The landfill?

   - Or is the land leased at these locations?

   - Are there currently any negotiations underway to transfer ownership of any of these lands?

   Generally speaking, the Village does not own the land under a number of the items identified in this question. The Village does not own the land under the Village Hall or under the parks and playground areas. These properties are leased without charge from TEREX and from various prior owners of the property. There are long-term leases that affect all of this property.

   I do believe that the Village owns the well building property and the wastewater treatment plant property although that is subject to further clarification.

   There is currently no negotiations to transfer ownership of these properties either to the Village or from the Village to another party.

2. Is the Village a Potentially Responsible Party or Responsible Party for any contamination in the Village?

   The Village has not received any further correspondence from the Department of Natural Resources or the EPA indicating that the Village is a potentially responsible party or responsible party. We have provided documentation to the City from various parties regarding the contamination of certain properties within the Village. That is the most current position regarding any Village responsibility.

3. How many functioning wells does the Village own?

   Well 1b currently functions as a potable standby well for emergency use on the East side of the Village, should the water line crossing USH 51/39 and the Wisconsin River require repair.

   Industrial Well 4 (had supplied untreated water to the Paper Mill) is a functioning well.

   Industrial Well 5 (had supplied untreated water to the Paper Mill) is no longer functional.

   DNR requires Well 4 and 5 to be maintained in a sanitary condition at all times.

4. Are any of the wells contaminated?

Well 1a, located in the Paper Mill sulfite liquor plume, is no longer pumped. The DNR has required this well to be abandoned although the responsible party is still in question. See attached Report dated July 14, 2014.

5. Can any of the wells be used for potable water supply?

- if so, what are the iron and manganese levels for those wells?

  Well 1b is permitted by the DNR for use as an emergency backup well as explained in Item #3 above. The iron and manganese levels require treatment; however, the DNR has approved using this well without full treatment provided it is for emergency use only. A chemical feed system has been added to this well.

6. Is the Town of Maine willing to share the engineering report or any report regarding the Village with the parties?

We are not able to respond to this question.

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State of Wisconsin
DEPARTMENT OF NATURAL RESOURCES
West Central Region Headquarters
1300 W. Clairemont Avenue
PO Box 4001
Eau Claire WI 54702-4001

Scott Walker, Governor
Cathy Stepp, Secretary
Scott Humrickhouse, Regional Director
Telephone 715-839-3700
FAX 715-839-6076
TTY Access via relay - 711

December 22, 2011

FID No's. 737067980
737009130
737106590

MR. ROBERT BAUMANN, TREASURER
TREASURER, VILLAGE OF BROKAW
5272 NORTH 28TH AVENUE
WAUSAU, WI 54401

Subject: Wausau Paper Mills, LLC Brokaw Mill Closing, 202 Second Street, Brokaw, Wisconsin

Dear Mr. Baumann:

The Wisconsin Department of Natural Resources ("WDNR") learned that Wausau Paper Mills, LLC has notified the state they are closing their paper mill facility located at 202 Second Street in the Village of Brokaw.

We understand that the closing of this facility is a significant loss for your community, and we recognize the economic and social impacts that can and may occur due to this action. The WDNR has recently started a new, state-wide effort to more effectively respond to these plant closings from an economic and environmental perspective.

The Wisconsin Plant Recovery Initiative's ("WPRI") goal is to expedite the return of these facilities to productive use, encourage economic revitalization by offering a variety of cleanup and redevelopment tools, and further protect public health and the environment.

We would like to work with you to address any environmental issues that may hinder your goals of returning this facility to a new productive use. In addition to the loss of jobs and the economic impacts, many shuttered industrial and commercial facilities create environmental pollution, which may impact the redevelopment of these properties. This letter outlines actions that the company may need to take in response to the facility closing. Though the plant is privately owned, there are actions a local government can also take to assist and encourage the cleanup and redevelopment of the property.

Health and Safety Issues

If you have knowledge of specific health and safety concerns regarding this facility, such as the presence of barrels or other industrial chemicals left behind, please contact Bill Evans with the WDNR's West Central Region at 715-839-3710. Please be aware that, in some cases, companies shut their doors and leave behind a variety of health and safety concerns, including fire hazards, barrels with unknown and/or potentially dangerous chemicals, contaminated waste and unsafe buildings or other structures. By contacting the WDNR, you may be able to more quickly access state and federal programs that will allow you to take more immediate actions to address these concerns.

Local Government Acquisition & Liability Issues

It is not necessary that the local government acquire title to a closing plant. However, in some situations it may be the best way for a community to ensure proper investigation, cleanup and eventual redevelopment of a newly closed facility.

The good news is Wisconsin law includes a liability exemption for local governments. If the local government acquires the property through certain methods as defined by state statute – e.g. condemnation and tax delinquency – the local government would be exempt from state Spills Law liability for contamination issues at that specific site. There are also ways that a local government can acquire property and obtain an exemption from federal cleanup liability under Superfund. Obtaining this federal liability exemption is one of the eligibility criteria for some financial assistance programs. Finally, if you do choose to acquire the property, there is a unique tool available under Wisconsin law that allows communities to recover cleanup costs from the companies who caused the contamination.

Please carefully consider these acquisition and liability issues along with our state brownfield tools before you acquire a closed or closing facility. For more information about acquisition and liability issues, please access the RR Program's web site at dnr.wi.gov/org/aw/rr/liability/index. htm. We can also provide liability clarification letters to assist local governments with acquisition of perceived or known contaminated properties.

Financial Assistance

There are a number of local, state and federal financial programs available to assist communities and private individuals with the investigation, cleanup and redevelopment of closed or closing facilities. For several of these programs, the local government does not need to own the property to be eligible for funding. Also, please note that many communities will combine a number of public and private funding sources to achieve a successful brownfield redevelopment. For more information about financial incentives, you can download the RR Program's *Financial Resource Guide for Cleanup and Redevelopment* (publication #RR539) at the following link: dnr.wi.gov/org/aw/rr/archives/pubs/RR539.pdf.

Working Together

As the final piece to our Wisconsin Plant Recovery Initiative, we would be happy to meet with you to discuss the environmental status of the facility, your plans for the property and any brownfield tools and resources that may available. Feel free to contact me at 715-365-8946, and I would be happy to answer any questions as well as set up a "Green Team" meeting with you to discuss these issues.

Enclosed you'll find the following three documents: a copy of the WDNR letter sent to the owners of this plant, informing them of their responsibilities, as well the resources available to assist them dealing with any environmental issues at their facility; and two fact sheets about the Wisconsin Plant Recovery Initiative ("WPRI") and WPRI Assessment Monies, which are federal dollars for assessing closed plants. Finally, in addition to these materials, all information about the Initiative is available on the WPRI web page at the following link: dnr.wi.gov/org/aw/rr/ rbrownfields/wpri.htm.

We look forward to working with you.

Sincerely,

Connie Antonuk

Connie J. Antonuk
Air and Waste Leader
Northern Region
Wisconsin Department of Natural Resources

Enclosures: Fact Sheets
Letter to Wausau Paper Mills, LLC

cc: Michael Prager/Tom Coogan - RR/5
Bill Evans/Loren Brumberg – WCR
Lisa Gutcknecht – Wausau Service Center
Lorraine I. Beyersdorff, Marathon County Treasurer, 500 Forest Street, Wausau, WI 54403
Rene Daniels, Executive Director, NCWWDB, 1121 West Grand Ave, Wisconsin Rapids, WI 54495

State of Wisconsin
DEPARTMENT OF NATURAL RESOURCES
West Central Region Headquarters
1300 W. Clairemont Avenue
PO Box 4001
Eau Claire WI 54702-4001

Scott Walker, Governor
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Telephone 715-839-3700
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TTY Access via relay - 711

December 22, 2011

FID No's. 737067980
737009130
737106590

MR. CURTIS R. SCHMIDT
VICE PRESIDENT, HUMAN RESOURCES
WAUSAU PAPER MILLS, LLC
100 PAPER PLACE
MOSINEE, WI 54455

Subject: Wisconsin Plant Recovery Initiative, Wausau Paper Mills, LLC Brokaw Mill, 202 Second Street, Brokaw, Wisconsin

Dear Mr. Schmidt:

It has come to the attention of the Wisconsin Department of Natural Resources ("WDNR") that Wausau Paper Mills, LLC ("the Company") is closing its paper mill located at 202 Second Street in Brokaw, Wisconsin. We understand this closing will have a significant impact on the Company and on the economic vitality of the community you have served. The WDNR has created the Wisconsin Plant Recovery Initiative ("WPRI") aimed at reducing the adverse effects of such closings and speeding up the return of these facilities to productive economic use. Through this initiative, we hope to proactively work with your Company and Village of Brokaw's officials to assist in managing any environmental issues that exist or may arise as you close this mill.

To that end, the WDNR has staff resources, as well as financial and liability tools to assist your Company. These tools would include assistance with any environmental issues – soil or groundwater contamination, for example – that may have arisen from the use of the property over the years. The WDNR has $1 million in federal brownfields assessment funds and contractor services to assist with soil and groundwater assessments at plant closings. We have enclosed two fact sheets that further explain the resources available and Wausau Paper's responsibilities associated with this plant closing.

Responsibilities

Closing a plant or facility does not alter a company's obligations regarding environmental, health and safety protections. This letter and enclosures should provide helpful guidelines regarding your obligations, but they are not legal advice and do not fully explain the Company's responsibilities. To assist you with your efforts, I will be contacting you in the next 10 working days to determine what assistance WDNR can provide and to answer any questions. We would be happy to meet with you to discuss how to properly close your plant with respect to your environmental obligations.

Based on WDNR's records, there are two (2) open environmental repair projects associated with the Brokaw Mill site that require further actions before the cases can be granted closure:

- Wausau Paper Sulfite Liquor Storage Tank (BRRTS No. 02-37-190994).
- Wausau Paper Mills Sulfide Lagoon (BRRTS No. 02-37-000457).

Based on the WDNR's records, it is our understanding that you have the following environmental continuing obligation concerning iron, sulfate, and manganese contamination present on the mill property:

- A Declaration of Restrictions and Covenants was recorded on the real property deed by the Marathon County Register of Deeds Office on November 21, 1996. The declaration states that, "Based on investigative and remedial documentation, iron, sulfate, and manganese contamination has been identified on a portion of the Property and remediated to the extent practicable under current site conditions. The full extent and degree of residual contamination remaining on the Property in unknown because of structural impediments. Pursuant to the requirements of s. 144.76, Stats. (renumbered s. 292.11, Stats.), any future work on the Property which removes the structural impediments which currently exist shall provide for an investigation of the degree and extent of iron, sulfate, and manganese contamination. To the extent that contamination is found at that time, the Wisconsin Department of Natural Resources shall be immediately notified and the contamination shall be properly treated or disposed in accordance with applicable laws."

Based on the WDNR's records, it is our understanding that you have the following regulatory licenses, permits, or ID numbers that may have continuing obligations or that you may want to either maintain or inactivate:

- Active Solid Waste\Recyclables Transporter License #11195 issued under the WDNR's Waste & Materials Management Program.

- Active Small Quantity Hazardous Waste Generator #WID988575601 issued under the U.S. EPA's Hazardous Waste Management Program.

- Long-term care requirements as owner of the inactive former Mosinee Paper Corporation Landfill Cells #1, #2, and #3 under the WDNR's Waste & Materials Management Program.

- Closure, long-term care, and environmental monitoring requirements as the owner and operator of the active Wausau Paper Mills, LLC Landfill Cell #4A, License #3350, under the WDNR's Waste & Materials Management Program.

- Active Federal Operations Permit ("FOP") No. 737009130-P1O under the WDNR's Air Management Program.

- Active Wisconsin Pollution Discharge Elimination System ("WPDES") Permit No. WI-0003379-06-0 – Industrial and Permit No. S067849-03-0 General Storm Water – Industrial Tier 1 under the WDNR's Watershed Management Program.

- Five active above ground petroleum storage tanks ("ASTs") registered with the Wisconsin Department of Safety and Professional Services ("DSPS") holding kerosene and diesel fuel.

Based on our records, the WDNR is not aware of any other environmental issues at your property at this time. However, given the historic uses of this property, there may be hazardous substance issues that should be assessed and cleaned up, which may help with possible sale of this property.

- **Environmental Contamination Requirements.** Wisconsin's Spill Law requires owners of properties where there is a hazardous substance discharge, and/or persons who cause such discharges, to notify the state immediately and take action regarding that discharge. If you suspect an environmental contamination situation (e.g., groundwater and soil) and need financial assistance in conducting an assessment, we may have resources available to assist you. These tools are important, as the Spill Law's obligations apply to historical discharges and to new owners, so any prospective purchaser will want to understand the environmental conditions at a property before acquisition.

- **Solid Waste and Asbestos Management Requirements.** A company should also consider all requirements regarding licensed solid waste storage and disposal and asbestos management at a closing plant. *Prior to* conducting salvage or demolition, contact the WDNR's Air Management Program to ensure proper management of asbestos issues.

- **Hazardous Waste Management Requirements.** If a company stops generating or managing hazardous waste, proper compliance is required under state and federal law. Equipment used to manage hazardous waste – such as piping, containers, tanks or secondary containment facilities – must be decontaminated. All waste and clean up residue must be shipped off-site to an approved hazardous waste management facility.

- **Other Environmental Responsibilities.** Your facility may be subject to state and federal environmental permits – air and wastewater permits and well abandonment, for example – that contain certain closure requirements, including notification of closure and paying fees to WDNR. Certain reporting obligations may also continue after plant closure.

- **Financial Reporting Disclosures/Sarbanes-Oxley Act.** Recent changes in accounting and disclosure standards may obligate a company to report cleanup costs for contamination related to a plant closure.

Resources and Assistance

The WDNR is committed to working with you to help address any environmental issues at your property. There are a number of cleanup and redevelopment tools available at the state and federal level, including Green Team meetings with experienced WDNR and other agency staff; environmental assessment grants; liability protections; cleanup loans and grants, and tax incentives.

Next Steps

While issues surrounding a closing plant or facility are often complicated, we hope your Company will work in partnership with the WDNR to address any environmental concerns and help return the property to productive use. We would be willing to schedule a meeting with you to discuss your responsibilities and any available assistance – feel free to contact me 715-365-8946, and I would be happy to answer any questions as well as set up a "Green Team" meeting with you to discuss these issues.

Finally, please complete and mail/fax the enclosed information sheet to help us better understand the issues regarding your plant closing. We look forward to working with you on this effort. In the meantime, feel free to view additional WPRI materials on our web site at the following link: dnr.wi.gov/org/aw/rr/rbrownfields/wpri.htm.

Sincerely,

Connie Antonuk

Connie J. Antonuk
Air and Waste Leader
Northern Region
Wisconsin Department of Natural Resources

Enclosures: Fact Sheets
Plant Closing Follow-up Sheet
WDNR's Air Management Program Guidance

cc: Michael Prager/Tom Coogan - RR/5
Bill Evans/Loren Brumberg – WCR
Lisa Gutcknecht – Wausau Service Center
Deb Clements, Regional Development Director, WEDC, 2400 Post Road, Plover, WI 54467
Robert Baumann, Treasurer, Village of Brokaw, 5272 North 28th Avenue, Wausau, WI 54401
Lorraine I. Beyersdorff, Marathon County Treasurer, 500 Forest Street, Wausau, WI 54403
Rene Daniels, Executive Director, NCWWDB, 1121 West Grand Ave, Wisconsin Rapids, WI 54495

State of Wisconsin
DEPARTMENT OF NATURAL RESOURCES
Wausau Service Center
5301 Rib Mountain Drive
Wausau WI 54401

Scott Walker, Governor
Cathy Stepp, Secretary
Telephone 608-266-2621
Toll Free 1-888-936-7463
TTY Access via relay - 711

WISCONSIN DEPT. OF NATURAL RESOURCES

July 14, 2014

Marathon County
PWSID: 73701078

JEFF WEISENBERGER PRESIDENT
VILLAGE OF BROKAW
PO BOX 108
BROKAW WI 54417

RECEIVED
JUL 22 2014

SUBJECT: 2014 Annual Waterworks Inspection

Dear Mr. Weisenberger:

An annual inspection of the Brokaw Waterworks was conducted on June 24, 2014. The sampling and reporting program for the preceding 12 months was also reviewed at this time.

Well 1A (Unique Well Number BG 290), located in the sulfite liquor plume, has not yet been filled and sealed as required. The department is currently reviewing purchase agreements to determine who currently maintains liability for the groundwater contamination plume under the former Wausau Papers property. Our remediation and redevelopment program staff will require abandonment of Well 1A to be completed by the party responsible for the groundwater contamination plume.

Your two industrial wells (Well 4 - BG 291 and Well 5 - BG 292) must be maintained in a sanitary condition at all times. Well 4 is being used to fill tankers for non-potable purposes and can remain as a functioning unit as long as it is serving a useful purpose. It is my understanding that Well 5 (BG 292) is no longer functional. Well 5 will not be allowed to sit unused indefinitely. Section NR 812.26 Wis. Adm. Code states in part:

> *The well owner shall permanently fill and seal a well if the well or drillhole has been taken out of service or has not been used for 3 or more years and is not needed by the owner in the immediate future as a source of water for human consumption, sanitary purposes, commercial use or for stock watering.*

Since this well is no longer functional, the village will either need to have the well properly filled and sealed, or fix the well pump and find a plausible use for this well. At this time the well does not represent a sanitary hazard to the environment and the department would consider entering into an Extended Well Abandonment Agreement (EWAA), not to exceed 5 years.

If the Village does not find a suitable use for the well before the agreement expires, the well would need to be properly filled and sealed in accordance with s. NR 812.26 Wis. Adm. Code. Without a EWAA, the Village will need to make repairs and initiate a suitable use for the well or have the well properly filled and sealed by December 15, 2014.

If the City would like to temporarily abandon Well 5 (BG 292), please sign and date two copies of the attached agreement and send both copies back to me. I will sign both copies and send one back to you for your files.

The Village continues to operate the water system at a fraction of its design capacity. This causes problems in maintaining adequate disinfection residuals in the summer and preventing the water from freezing in the winter. The Village needs to find a long term solution to this dilemma, rather than pumping large volumes of water to

waste. The severity of this past winter resulted in frozen and ruptured water mains that are still not completely repaired.

The following are intended to improve the quality of service you provide, as well as insure full compliance with applicable State regulations.

Required Actions:

1. Well 1A needs to be filled and sealed in accordance with s. NR 811.13 Wis. Adm. Code. We are working toward having the party currently responsible for the groundwater contamination impacting this well to fill and seal this well.
2. Wells 4 and 5 must be maintained in a sanitary condition at all times.
3. Sign both copies of the enclosed Extended Well Abandonment Agreement for Well 5 (BG 292) and return them to me by Aug 15, 2014.

Recommendations:

- Research alternate methods of operating the water system to insure winter freezing and summer chlorine residual losses do not occur without having to waste significant volumes of water.

I would like to thank Mr. Charlie Blarek for his time and cooperation during this inspection. If there are any questions regarding this report, please feel free to contact me at (715) 359-5284. I would also make myself available to go over this report at a meeting of the sewer and water commission or other interested parties at our mutual convenience.

Sincerely,

Glenn Falkowski, PE
Environmental Engineer

Enclosure

cc: Regional File, Wausau
June Everson, DG/5
Mike Blodgett, Eau Claire
Charlie Blarek, Brokaw

EXTENDED WELL ABANDONMENT AGREEMENT BETWEEN THE WISCONSIN DEPARTMENT OF NATURAL RESOURCES (DEPARTMENT) AND THE VILLAGE OF BROKAW (BROKAW)

PURPOSE

Section NR 812.26(2), Wisconsin Administrative Code, requires, unless otherwise approved by the Department, well owners to permanently abandon wells that have temporarily been removed from service for three (3) or more years. This Agreement between the Department and Brokaw is intended to allow the production well formally used by Wausau Papers: Well 5 - WUWN (BG 292), to be temporarily abandoned for a period not to exceed five (5) years, pursuant to s. NR 812.26, Wis. Adm. Code.

This agreement allows Brokaw to temporarily abandon the well referenced above until such time as the well is returned to service for a suitable purpose or the five year extension elapses, subject to the following conditions:

REQUIREMENTS

Brokaw agrees to comply with the following operation, maintenance and monitoring requirements, for the well to which this agreement applies:

1. The well shall continue to meet current construction and pump installation standards contained in Ch. NR 812, Wis. Adm. Code.
2. The well building will be maintained in a sanitary condition at all times.
3. The well building will be secured at all times and inspected on a routine basis to insure it has not been compromised.
4. The annual water use shall be reported as required by the department.

SIGNATURES

This agreement shall expire five years after the date of signature. Once the agreement has expired, the Village will have 120 days to have the well permanently filled and sealed in accordance with s. NR 812.26 Wis. Adm. Code.

_____

Regional Water Supply Engineer Date
For the Department

_____

Village Clerk Date
For Brokaw

wausauPAPER

March 16, 2012

REC'D MAR 19 2012

Lisa Gutknecht
Remediation & Redevelopment Program
WI Dept. of Natural Resources
5301 Rib Mountain Drive
Wausau, WI 54401

Dear Lisa:

Enclosed is the annual report with the March and September 2011 groundwater data for the wells in the vicinity of the sulfite liquor tanks, prepared by, Vladimir Wojnar of Subsurface Exploration Services. The report includes an evaluation of Well 1A which acts as a hydrologic barrier protecting the village water supply Well 1B from contamination.

If you have any questions, please contact me at 715-675-9891, ext. 5632.

Sincerely,

WAUSAU PAPER – BROKAW MILL

Laurie Olson

Laurie Olson
Sr. Environmental Technician

c: Adam Dykmen/Village of Brokaw

202 2nd Street, P.O. Box 305, Brokaw, WI 54417-0305
tel 715 675 3361 fax 715 675 5181
www.wausaupaper.com

SES
Subsurface Exploration Services, LLC

2900 Lowell Drive
Green Bay, WI 54311
D 920.544.4228 F 920.544.4228

REC'D MAR 19 2012

March 5, 2012

Ms. Laurie Olson
Wausau Paper Printing and Writing, LLC
202 2nd Street
P.O. Box 305
Brokaw, WI 54417-0305

Re: Sulfite Liquor Tank Site Annual Groundwater Update, Brokaw, Wisconsin -- SES Project No. 120210

Dear Ms. Olson,

This report documents the results of groundwater monitoring at the sulfite liquor tank site (Site) at Wausau Paper Printing and Writing, LLC in the village of Brokaw (Brokaw). Groundwater monitoring for 2011 was performed in March and September.

Groundwater in the vicinity of the mill's sulfite liquor tanks has, historically, contained elevated levels of some organic and inorganic constituents. Due to deterioration of groundwater quality, Brokaw water Well 1A was removed from the potable water supply service in 1998 and later (2002) converted into a hydraulic barrier well. Groundwater pumping from Well 1A creates groundwater depression, which interrupts the natural local groundwater flow, thus creating a hydraulic barrier protecting Brokaw potable water supply Well 1B. Both Municipal Wells 1A and 1B are screened in the deep sand and gravel aquifer. The Site is monitored semi-annually (March and September) followed by annual reporting. Table 1 provides a summary of the historical and latest groundwater elevation measurements at the Site. A summary of results of the 2011 groundwater analysis is in Table 2.

Groundwater Gradient and Flow Pattern

Piezometric head and groundwater table elevations data are summarized in Table 1. Figure 1 and 2 indicate interpolated contours of hydraulic head (deep aquifer) and water table (shallow aquifer) elevations as measured in September 2011. With only a few monitoring points and groundwater flow influenced by Wells 1A and 1B, it is difficult to exactly determine the groundwater flow pattern and locations of flow divide (location from which groundwater flows to two opposite sides). However, some general conclusions can be made.

From available data, it appears that the natural local groundwater flow in the shallow aquifer -- towards the Wisconsin River -- is interrupted by pumping in Well 1A. A major portion of the shallow groundwater under the Site flows toward Well 1A, as indicated on Figure 1.

A similar situation is indicated by data from deep aquifer piezometers. Municipal Well 1A continues to create a cone of depression and influences groundwater flow below the major portion of the Site and surrounding area. A definite downward hydraulic gradient, as exists in all three well nests (GMMW-1R/ GMMW-2, GMMW-3/GMMW-4, and MW-6/MW-7) indicates a strong vertical flow. Because vertical gradients are much stronger than horizontal gradients (Well 1A is screened in the deep sand and gravel aquifer), it is our opinion that groundwater from under the Site and adjacent area predominantly flows downward and towards Municipal Well 1A. Based on historical data, it also appears that the well nest of

MW-6 and MW-7 is near the groundwater divide between two depressions created by municipal wells. Therefore, the major portion of the groundwater below the Site is captured by Municipal Well 1A.

While the groundwater flow pattern in shallow aquifer indicates overall flow towards the river, groundwater from below the Site appears to flow to Municipal Well 1A and protecting Well 1B from impacted groundwater. Therefore, operation of Well 1A is effective in directing the groundwater flow away from Village potable water supply Well 1B.

Groundwater Chemistry

Groundwater from nine Site wells and both municipal wells were sampled semi-annually (March and September) during 2010. Samples were collected by and analyzed by the laboratory Northern Lake Service, Inc., Crandon, Wisconsin. According to the requirements (Wisconsin Department of Natural Resources [WDNR], March 9, 2007), the samples were analyzed in the laboratory for iron, manganese, chloride, sodium, and tannin & lignin. Field measurements and observations consisted of depth to groundwater, color, odor, turbidity, temperature, pH, and specific conductance.

Sampling results of 2011 were compared to the available historical data and time vs. concentration graphs reviewed for visible trends. Overall, no new or significantly different trends were noted. The 2011 monitoring results were submitted to the WDNR after each round, as required. The 2011 analyses results are summarized in Table 2.

During past analyses, it was speculated that the groundwater was impacted by historical releases at or from the spent sulfite liquor storage tanks, as indicated by the introduction of tannin & lignin into groundwater. While in Municipal Well 1B tannin & lignin are still detected at low concentrations, higher concentrations in Well 1A are noted. Presently, the highest concentration of tannin & lignin at the Site is in shallow Well GMMW-5 and deep Well P-19. Well GMMW-5, located on the opposite side of the spent sulfite storage tanks from Well 1A, continues to indicate the highest tannin & lignin concentration and largest spread of historical results. In Well P-19, the tannin & lignin concentration increased during the last several years. This would be anticipated as the piezometer is located between the tanks and Well 1A. In Well GMMW-3, the tannin & lignin concentration continues to be lower than previous years. Based on the concentration of tannin & lignin in the Site monitoring points, data agree with the conclusion based on groundwater flow that Municipal Well 1A has a considerable effect on the groundwater flow under the Site.

Iron concentration remains relatively high in all monitored wells, which is not surprising considering the variable concentration of iron through the Wisconsin River valley, often exceeding groundwater quality standards. No change in the long-term iron concentration trends was observed in any well.

Manganese concentration in deep Well P-19 continues to be the highest out of all Site wells. Also, the largest concentration fluctuations are noted at this well. In all other wells, 2011 manganese data indicated no changes in relatively stable concentrations or a decreasing concentration trend. Also, no substantial changes in the manganese concentration were noted in Municipal Wells 1A and 1B.

Overall, the highest chloride concentration appears to be monitored by Well GMMW-1R. The chloride concentration increased in deep Well GMMW-4 to its highest level (52.0 and 44.0 milligrams per liter) during 2011. Some changes (upward or downward) are also observable in the municipal wells as well as other monitoring points at the Site. Most likely, these concentration changes and fluctuations are results of the downward groundwater flow induced by a long-term groundwater pumping (Municipal Wells 1A and 1B) and other human activities in this industrial area.

The sodium concentration appears to be highest in Well GMMW-1R. This corresponds well to the chloride concentration.

Tannin & lignin concentrations and trends are the best indication of the state of the groundwater, as the long-term pumping in Municipal Wells 1A and 1B not only changed directions of the natural groundwater flow in the area but also pulled in impacted groundwater from other areas.

Summary and Conclusions

Municipal Well 1A continues to induce the groundwater flow (in the upper and deep aquifer) toward its cone of depression and captures groundwater from below the Site and other surrounding areas.

After completion of the water supply forcemain from the city of Wausau to the village of Brokaw at the end of December 2008, the use of Municipal Well 1B as a source of potable water for the village was discontinued. Since then, water supply Well 1B has been used only occasionally to flush the system of any accumulated sediments and rust.

Because water supply Well 1B has not been in use for the last three (3) years (and it is not anticipated that it will serve as the water supply well again), there is no need to maintain the hydraulic barrier between the well and spent sulfite liquor tank storage site. Discontinuation of pumping in Well 1A will restore the natural groundwater flow in which Well 1B is from sidegradient to upgradient from the spent sulfite liquor tanks site.

It is our opinion that the operation of Well 1A should be discontinued.

If you have any questions and/or comments regarding submitted information, please let us know.

Sincerely,

Subsurface Exploration Services, LLC

Vladimir Wojnar

Vladimir Wojnar, P.G
Managing Partner

Attachments:
- Table 1 - Historical Groundwater Level Elevations
- Table 2 - 2011 Groundwater Analysis Results
- Figure 1 - Groundwater Surface, Shallow Aquifer
- Figure 2 - Groundwater Piezometric Surface, Deep Aquifer

VILLAGE OF BROKAW
BROKAW, WISCONSIN

FINANCIAL STATEMENTS
December 31, 2014

VILLAGE OF BROKAW

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KRAUSE, HOWARD & COMPANY, S. C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Village Board
Village of Brokaw
Brokaw, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund, of the Village of Brokaw, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Village of Brokaw's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

618 JACKSON STREET ~ P.O. BOX 179 ~ WAUSAU, WISCONSIN 54402-0179
(715) 845-7306 ~ FAX (715) 848-5302

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund of the Village of Brokaw, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 10, the Village has going concern issues, have had ongoing decreases in and negative balances in net position/fund balance and inadequate cash flow.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2015 on our consideration of the Village of Brokaw's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering Village of Brokaw's internal control over financial reporting and compliance.

Krause Howard & Company, S.C.

Certified Public Accountants
April 28, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014

The discussion and analysis of the Village of Brokaw's financial information provides an overall review of financial activities for the fiscal year. The analysis generally focuses on the Village's financial performance as a whole. It should be read in conjunction with the Independent Auditor's Report at the front of this report and the Village's financial statements, which immediately follow this section.

The local paper mill closed during 2012. This had a significant effect on the water and sewer user charges and on future property values of the Village used for property tax computations. For 2013, the Village added a one time addition to the property taxes, for the lost water and sewer revenues due to the mill closure. During 2013, the Village designated TIF #1 to be distressed and refinanced TIF #1 debt in 2014. During 2014, the Village Water Utility filed an application for a water rate increase. The Village is looking at its operations and talking to neighboring communities about ways to cut costs.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements are comprised of 1) Village-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition, other information supplementary to the basic financial statements is provided.

Government-Wide Financial Statements

The government-wide financial statements are the *Statement of Net Position* and *Statement of Activities.* These statements present an aggregate view of the Government's finances in a manner similar to private-sector business.

The *Statement of Net Position* presents information on all of the Government's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Government is improving or deteriorating.

The *Statement of Activities* presents information showing how the Government's net position changed during the year. This statement reports the cost of government functions and how those functions were financed for the fiscal year.

The government-wide financial statements are shown on pages 10 - 12 of this report. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

The Village also produces fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The Village uses fund accounting to demonstrate compliance with finance related legal requirements. Fund statements generally report operations in more detail than the government-wide statements and provide information that may be useful in evaluating a government's short-term financing requirements. All of the funds of the Village can be divided into these categories - governmental funds, proprietary funds and fiduciary funds. The Village has no fiduciary funds.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)

Fund Financial Statements (Cont'd)

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provides a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains 2 governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, and Debt Service - Tax Incremental Financing District #1 funds, all of which are considered to be major funds. The basic governmental funds financial statements can be found on pages 13 - 17.

Proprietary Funds - The Village maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses an enterprise fund to account for its water operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water Fund since it is considered to be a major fund of the Village. The basic proprietary fund financial statements can be found on pages 18 - 20 of this report.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 - 42 of this report.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

Below is a summary of the Village's net position for the years ended December 31, 2014 and 2013.

	Condensed Statement of Net Position			
	Governmental Activities		Business-Type Activities	
	2014	2013	2014	2013
Current and other assets	$(1,452,889)	$(1,761,133)	$ 129,441	$ 254,697
Capital assets, net of depreciation	1,909,514	1,977,645	3,267,634	3,344,880
Total assets	$ 456,625	$ 216,512	$ 3,397,075	$ 3,599,577
Current liabilities	$ 1,107,246	$ 1,133,066	$ 30,954	$ 34,599
Long-term liabilities	402,295	509,342	218,101	233,388
Total liabilities	$ 1,509,541	$ 1,642,408	$ 249,055	$ 267,987
Net position:				
Invested in capital assets, net of related debt	$ 1,640,172	$ 1,642,320	$ 3,034,246	$ 3,042,652
Restricted	30,593	43,386		
Unrestricted	(2,723,681)	(3,111,602)	113,774	288,938
Total net position	$(1,052,916)	$(1,425,896)	$ 3,148,020	$ 3,331,590

The Village's governmental activities relied primarily on property taxes (80%) and general state aids (8%) to fund its operations. Combined, these account for 88% of all revenues or $913,682. Program revenues, in the form of charges for services (7%) and operating grants and contributions (1%) accounted for $85,471 of the total revenues of $1,041,193. The net position increased by $372,980, for a December 31, 2014 balance of $(1,052,916).

The Village's business-type activity relies primarily on charges for services (66%) of the total revenues, of $176,772, to fund its operations. The net position decreased by $183,570, leaving a December 31, 2014 balance of $3,148,020.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (CONT'D)

	Change in Net Position from Operating Results							
	Governmental Activities				Business-Type Activities			
	2014		2013		2014		2013	
	Amount	%	Amount	%	Amount	%	Amount	%
Revenues:								
Program revenues:								
Charges for services	$ 71,143	6.8	$ 59,835	6.1	$ 116,421	65.9	$ 115,590	38.3
Operating and capital grants and contributions	14,328	1.4	15,975	1.6				
General revenues:								
Property taxes	832,185	79.9	825,176	84.8	18,268	10.3	170,000	56.3
State formula aid	81,497	7.8	56,917	5.9				
Other	42,040	4.1	15,273	1.6	42,083	23.8	16,208	5.4
Total revenues	$1,041,193		$ 973,176		$ 176,772		$ 301,798	
Expenses:								
General government	$ 103,652	15.5	$ 235,227	30.6	$		$	
Public safety	78,496	11.7	77,034	10.0				
Transportation and sanitation	87,262	13.1	78,650	10.2				
Leisure, conservation, and development	11,502	1.7	12,932	1.7				
Interest on debt	23,298	3.5	24,024	3.1				
Other	202,357	30.3	183,227	23.9				
Water					360,342	100.0	355,193	100.0
Sewer	161,646	24.2	157,697	20.5				
Total expenses	$ 668,213		$ 768,791		$ 360,342		$ 355,193	
Increase (Decrease) in net position	$ 372,980		$ 204,385		$(183,570)		$(53,395)	

Governmental and Business-Type Activities

Below is the Village's total cost for providing the seven major governmental and the major business-type Village activities and their respective net cost. The net cost of services is the result after subtracting charges for services and operating and capital grants and contributions that the Village used to offset the program's total cost. The cost of all governmental activities this year was $523,126. Individuals and other agencies who directly participated or benefited from a program offering paid for $71,143 of costs. Federal and state governments subsidized certain programs with grants and contributions of $14,328. General revenues of the Village financed the net cost of governmental activities $437,655. The cost of all business-type activities this year was $360,342. Service users paid for $116,421 of the costs, along with other revenues of $60,351.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (CONT'D)

	Governmental Activities			
	Total Cost of Services 2014	Net Cost of Services 2014	Total Cost of Services 2013	Net Cost of Services 2013
General government	$ 103,652	$ 102,612	$ 235,227	$ 234,172
Public safety	78,496	77,490	77,034	75,861
Transportation and sanitation	87,262	73,940	78,650	63,848
Leisure, conservation, and development	11,502	11,502	12,932	12,932
Sewer system	161,646	91,543	157,697	98,917
Interest on debt	23,298	23,298	24,024	24,024
Other	57,270	57,270	33,711	33,711
Total	$ 523,126	$ 437,655	$ 619,275	$ 543,465
	Business-Type Activities			
Water	$ 360,342	$ 243,921	$ 355,193	$ 239,603
Total	$ 360,342	$ 243,921	$ 355,193	$ 239,603

FINANCIAL ASPECTS OF THE VILLAGE'S FUNDS

The Village completed the year with a total governmental fund balance (deficit) of $(2,451,561), an increase from last year's ending fund balance (deficit) of $(2,786,370).

The general fund had an increase in fund balance of $29,924.

The debt service fund had an increase in fund balance of $304,885. This was due to debt transactions with the C.D.A.

The Village completed the year with a total proprietary fund net position balance of $3,148,020, down from last year's ending balance of $3,331,590.

The water utility decrease in net position of $(183,570) was largely due to the closure of the paper mill.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2014, the Village had invested over $4.8 million in capital assets, including buildings, land improvements, and equipment (See below). The Village recognized depreciation expense of $145,377 for this fiscal year. Detailed information about capital assets can be found in Notes 1E6 and 4 to the financial statements.

	Capital Assets			
	Governmental Activities		Business-Type Activities	
	2014	2013	2014	2013
Land	$ 60,000	$ 60,000	$ 6,900	$ 6,900
Buildings and improvements	152,718	152,718		
Machinery and equipment	180,145	180,145		
Sewer system	2,017,185	2,017,185		
Parks and playgrounds	39,262	39,262		
Infrastructure	255,320	255,320		
Water system			4,161,278	4,161,278
Accumulated depreciation	(1,099,055)	(1,030,924)	(900,544)	(823,298)
Total	$ 1,605,575	$ 1,673,706	$ 3,267,634	$ 3,344,880
	Land Held For Resale			
	$ 303,939	$ 303,939	$ 0	$ 0

This land was purchased in a prior year, for future residential development, part of which is in TID #1.

Long-Term Obligations

At December 31, 2014, the Village had $742,730 in general obligation bonds and notes payable. During the 2014 year, the Village's outstanding long-term obligations decreased by $121,071. Detailed information about the Village's long-term obligations is presented in Note 6 to the financial statements. Also detailed in Note 6 is a description of the $2,775,000 long-term debt issued by the Community Development Authority, a component unit of the Village.

CAPITAL ASSET AND DEBT ADMINISTRATION (CONT'D)

	Outstanding Long-Term Obligations			
	Governmental Activities		Business-Type Activities	
	2014	2013	2014	2013
Promissory Notes	$ 291,400	$ 357,100	$	$
Safe and Clean Water Fund Loans	217,942	258,225	233,388	248,476
Total	$ 509,342	$ 615,325	$ 233,388	$ 248,476

FACTORS BEARING ON THE VILLAGE'S FUTURE

The local paper mill, owned by Wausau Paper Corp., shut down in 2012. This is having a significant effect on the Village tax base and the water and sewer billings. In late 2012 and early 2013, a substantial amount of the property was sold to three different businesses. It appears that finances will continue to be very tight. The following will help the financial condition of the Village:

1. Distressed TIF #1
2. Refinanced debt of TIF #1
3. Increase in property value due to new buildings and businesses
4. Water rate increase

Plus, the Village is talking to neighboring communities about cooperative agreements to help out with costs.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. If you have any questions about this report or need additional information, contact Wayne Utecht, Village Clerk (715-675-8712), Village of Brokaw, 311 Third Street, PO Box 108, Brokaw, WI 54417-0108.

BASIC
FINANCIAL STATEMENTS

VILLAGE OF BROKAW

STATEMENT OF NET POSITION
December 31, 2014

Exhibit A

ASSETS	Primary Government			
	Government Activities	Business-Type Activity	Total	Component Unit*
Current:				
Cash and investments	$ 42,751	$ 29,644	$ 72,395	$
Taxes receivable	969,822		969,822	
Accounts receivable		31,111	31,111	
Due from (to) other funds	72,312	(72,312)		
Restricted assets - Cash and investments	30,593	14,368	44,961	207,603
Total current assets	$ 1,115,478	$ 2,811	$ 1,118,289	$ 207,603
Noncurrent:				
Capital assets, net of depreciation	$ 1,605,575	$ 3,267,634	$ 4,873,209	$
Land held for resale	303,939		303,939	
Advance to/(from) other funds	(126,630)	126,630		
Due from/(to) other governments	(2,441,737)		(2,441,737)	2,441,737
Unamortized debt issue costs				117,838
Total noncurrent assets	$(658,853)	$ 3,394,264	$ 2,735,411	$ 2,559,575
Total Assets	$ 456,625	$ 3,397,075	$ 3,853,700	$ 2,767,178
LIABILITIES				
Current:				
Accounts payable	$ 11,040	$ 8,528	$ 19,568	$
Accrued expenses	17,810	6,626	24,436	
Due to other governments	248,089		248,089	
Accrued interest	1,527	513	2,040	11,370
Deferred revenue	721,733		721,733	
Current portion of long-term obligations	107,047	15,287	122,334	135,000
Total current liabilities	$ 1,107,246	$ 30,954	$ 1,138,200	$ 146,370
Noncurrent:				
Noncurrent portion of long-term obligations	$ 402,295	$ 218,101	$ 620,396	$ 2,640,000
Total noncurrent liabilities	$ 402,295	$ 218,101	$ 620,396	$ 2,640,000
Total Liabilities	$ 1,509,541	$ 249,055	$ 1,758,596	$ 2,786,370

*Community Development Authority (CDA)

The accompanying notes are an integral part of the financial statements

VILLAGE OF BROKAW

STATEMENT OF NET POSITION
December 31, 2014

Exhibit A (Cont'd)

NET POSITION

	Primary Government			
	Government Activities	Business-Type Activity	Total	Component Unit*
Invested in capital assets, net of related debt	$ 1,640,172	$ 3,034,246	$ 4,674,418	$
Restricted	30,593		30,593	
Unrestricted	(2,723,681)	113,774	(2,609,907)	(19,192)
Total Net Position	$(1,052,916)	$ 3,148,020	$ 2,095,104	$(19,192)

*Community Development Authority (CDA)

The accompanying notes are an integral part of the financial statements

VILLAGE OF BROKAW

STATEMENT OF ACTIVITIES
Year Ended December 31, 2014

Exhibit B

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets: Governmental Activities	Net (Expenses) Revenues and Changes in Net Assets: Business-Type Activity	Net (Expenses) Revenues and Changes in Net Assets: Total Primary Government	Net (Expenses) Revenues and Changes in Net Assets: Component Unit*
Primary government:								
Governmental activities:								
General government	$ 103,652	$ 1,040	$	$	$(102,612)	$	$(102,612)	$
Public safety	78,496		1,006		(77,490)		(77,490)	
Transportation and sanitation	87,262		13,322		(73,940)		(73,940)	
Leisure, conservation and development	11,502				(11,502)		(11,502)	
Sewer system	161,646	70,103			(91,543)		(91,543)	
Interest on debt	23,298				(23,298)		(23,298)	
Other	57,270				(57,270)		(57,270)	
Total governmental activities	$ 523,126	$ 71,143	$ 14,328	$	$(437,655)	$	$(437,655)	$
Business-type activity:								
Water	$ 360,342	$ 116,421	$	$	$	$(243,921)	$(243,921)	$
Total business-type activity	$ 360,342	$ 116,421	$	$	$	$(243,921)	$(243,921)	$
Total primary government	$ 883,468	$ 187,564	$ 14,328	$ 0	$(437,655)	$(243,921)	$(681,576)	$
Component unit:								
Community Development Authority of the Village of Brokaw, Wisconsin	$ 149,948	$	$	$	$	$	$	$(149,948)
Total component unit	$ 149,948	$ 0	$ 0	$ 0	$	$	$	$(149,948)
General revenues:								
Property taxes:								
General purposes					$ 273,071	$ 18,268	$ 291,339	$
Water property tax equivalent					102,276		102,276	
Tax incremental financing district					456,838		456,838	
State and federal aids not restricted to specific functions:								
State shared revenue					54,606		54,606	
Other					26,891		26,891	
Interest and investment earnings					726	26	752	743
Miscellaneous					41,314	42,057	83,371	
Payment from Village of Brokaw to CDA					(145,087)		(145,087)	145,087
Total general revenues					$ 810,635	$ 60,351	$ 870,986	$ 145,830
Change in net position					$ 372,980	$(183,570)	$ 189,410	$(4,118)
Net position - Beginning of year					(1,425,896)	3,331,590	1,905,694	(15,074)
Net position - End of year					$(1,052,916)	$ 3,148,020	$ 2,095,104	$(19,192)

*Community Development Authority (CDA)

The accompanying notes are an integral part of the financial statements

VILLAGE OF BROKAW

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2014

Exhibit C

ASSETS	General	Debt Service - Tax Incremental Financing Village #1	Total Governmental Funds
Cash and investments	$ 19,332	$ 23,419	$ 42,751
Taxes receivable	969,822		969,822
Due from other funds	72,312	435,877	508,189
Restricted assets - Cash and investments	30,593		30,593
Total Assets	$ 1,092,059	$ 459,296	$ 1,551,355
LIABILITIES AND FUND BALANCES (DEFICIT)			
Liabilities:			
Accounts payable	$ 11,040	$	$ 11,040
Accrued liabilities	17,810		17,810
Due to other governments	248,089	2,441,737	2,689,826
Due to other funds	435,877		435,877
Deferred revenue	721,733		721,733
Advance from other funds	126,630		126,630
Total Liabilities	$ 1,561,179	$ 2,441,737	$ 4,002,916
Fund balances (deficit):			
Restricted	$	$(1,982,441)	$(1,982,441)
Restricted for sewer system	(86,324)		(86,324)
Unassigned	(382,796)		(382,796)
Total Fund Balances (Deficit)	$(469,120)	$(1,982,441)	$(2,451,561)
Total Liabilities and Fund Balances (Deficit)	$ 1,092,059	$ 459,296	$ 1,551,355

The accompanying notes are an integral part of this financial statement

VILLAGE OF BROKAW

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET WITH THE STATEMENT OF NET POSITION
December 31, 2014

Exhibit D

Total fund balance (deficit) - Governmental funds		$(2,451,561)
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Capital assets at year end consist of:		
Capital assets	$ 3,008,569	
Accumulated depreciation	(1,099,055)	1,909,514
Long-term liabilities, including notes payable, are not due in the current period and therefore are not reported in the fund statements. Long-term liabilities at year end consist of:		
Long-term debt		(509,342)
Accrued interest on long-term debt		(1,527)
Total net position - Governmental activities		$(1,052,916)

The accompanying notes are an integral part of the financial statements

VILLAGE OF BROKAW

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2014

Exhibit E

Revenues	General	Debt Service - Tax Incremental Financing Village #1	Total Governmental Funds
Taxes	$ 375,347	$ 456,838	$ 832,185
Intergovernmental revenues	95,825		95,825
Regulation and compliance	1,040		1,040
Sewer use charges	70,103		70,103
Use of money and property	41,447	593	42,040
Total Revenues	$ 583,762	$ 457,431	$ 1,041,193
Expenditures			
Current:			
General government	$ 92,071	$ 7,459	$ 99,530
Public safety	78,496		78,496
Transportation and sanitation	71,867		71,867
Leisure, conservation and development	10,260		10,260
Sewer system	114,274		114,274
Non-departmental and general	42,182		42,182
Capital outlay	0		0
Debt service:			
Principal retirement	121,071		121,071
Interest and fiscal charges	23,617		23,617
Total Expenditures	$ 553,838	$ 7,459	$ 561,297
Excess of revenues over (under) expenditures	$ 29,924	$ 449,972	$ 479,896

The accompanying notes are an integral part of this financial statement

VILLAGE OF BROKAW

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2014

Exhibit E (Cont'd)

Other Financing Sources (Uses)	General	Debt Service - Tax Incremental Financing Village #1	Total Governmental Funds
Proceeds from long-term borrowing	$	$ 2,775,000	$ 2,775,000
Transfer to component unit		(2,920,087)	(2,920,087)
Total other financing sources (uses)	$	$(145,087)	$(145,087)
Net change in fund balances	$ 29,924	$ 304,885	$ 334,809
Fund balances (deficit), January 1	(499,044)	(2,287,326)	(2,786,370)
Fund balances (deficit), December 31	$(469,120)	$(1,982,441)	$(2,451,561)

The accompanying notes are an integral part of this financial statement

VILLAGE OF BROKAW

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2014

Exhibit F

Net change in fund balances - Total governmental funds	$	334,809
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciable expense. The following differ in their presentation in the two statements:		
Depreciation is reported in the government-wide statements	(	68,131)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of principal payments paid.		105,983
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		319
Change in net position of governmental activities	$	372,980

The accompanying notes are an integral part of the financial statements

VILLAGE OF BROKAW

STATEMENT OF NET POSITION
PROPRIETARY FUND
December 31, 2014

Exhibit G

	Business-Type Activity - Enterprise Fund
ASSETS	
Cash and investments	$ 29,644
Accounts receivable	31,111
Fixed assets (Net of accumulated depreciation)	3,267,634
Advance to other funds	126,630
Restricted assets - Cash and investments	14,368
Total Assets	$ 3,469,387
LIABILITIES	
Accounts payable	$ 8,528
Accrued expenses	7,139
Due to other funds	72,312
Long-term debt - Current portion	15,287
Long-term debt - Net of current portion	218,101
Total Liabilities	$ 321,367
NET POSITION	
Invested in capital assets, net of related debt	$ 3,034,246
Unrestricted	113,774
Total Net Position	$ 3,148,020

The accompanying notes are an integral part of this financial statement

VILLAGE OF BROKAW

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUND
Year Ended December 31, 2014

Exhibit H

	Business-Type Activity - Enterprise Fund
Operating revenues:	
Charges for services	$ 64,870
Public fire protection - General Fund	51,551
Total operating revenues	$ 116,421
Operating expenses:	
Operation and maintenance	$ 177,674
Depreciation	77,246
Taxes	102,275
Total operating expenses	$ 357,195
Income (Loss) from operations	$(240,774)
Non-operating revenue (expenses):	
Water tower rental	$ 42,057
Interest earned	26
Property taxes for debt retirement	18,268
Interest expense	(3,147)
Total non-operating revenue (expenses)	$ 57,204
Change in net position	$(183,570)
Net position, January 1	3,331,590
Net position, December 31	$ 3,148,020

The accompanying notes are an integral part of this financial statement

VILLAGE OF BROKAW

STATEMENT OF CASH FLOWS -
PROPRIETARY FUND
Year Ended December 31, 2014

Exhibit I

	Business-Type Activity - Enterprise Fund Water
Cash flows from operating activities:	
Property taxes from other fund	$ 18,268
Cash received from customers	99,515
Cash received for water tower rental	42,057
Cash payments to suppliers for goods and services	(89,024)
Cash payments to employees for services	(88,221)
Cash received from other funds	72,251
Net cash provided (used) by operating activities	$ 54,846
Cash flows from capital and related financing activities:	
Long-term debt principal paid	$(15,088)
Long-term debt interest paid	(3,180)
Net cash provided (used) by capital and related financing activities	$(18,268)
Cash flow from investing activities:	
Interest on cash and cash equivalents	$ 26
Net increase (decrease) in cash and cash equivalents	$ 36,604
Cash and cash equivalents, January 1	7,408
Cash and cash equivalents, December 31	$ 44,012
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:	
Income (Loss) from operations	$(240,774)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:	
Depreciation	77,246
Water tower rental	42,057
Property taxes	18,268
(Increase) Decrease in accounts receivable	(4,606)
(Increase) Decrease in due from other funds	128,395
Increase (Decrease) in accounts payable	(78)
Increase (Decrease) in accrued expenses	(3,732)
Increase (Decrease) in due to other funds	38,070
Net cash provided (used) by operating activities	$ 54,846

The accompanying notes are an integral part of this financial statement

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Brokaw (the "Village") is governed by an elected seven-member board. The Village's major operations include general administrative services, public safety, parks and recreation, sewer service and public works. In addition, the Village owns a water system.

The Village's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The Village elected not to report infrastructure as a fixed asset of the governmental activities on Exhibit A, on a retroactive basis. The reported amounts are for January 1, 2004 and forward, whereas long-term debt is still outstanding on infrastructure completed before January 1, 2004. The more significant accounting policies established by GAAP and used by the Village are discussed below.

A. Reporting Entity

These financial statements present the Village (the primary government). The Village has one component unit, the Community Development Authority of the Village of Brokaw, Wisconsin (the "CDA"). The purpose of the CDA is to finance the construction in the Village's Tax Incremental Financing District #1. The CDA uses the same basis of accounting as the Village Water Utility, the accrual basis. As defined by GASB No. 14, component units are legally separate entities that are included in the Village's reporting entity because of the significance of their operating or financial relationships with the Village.

B. Basic Financial Statements - Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Village's public safety, parks and recreation, sewer service, public works, and general administrative services are classified as governmental activities. The Village's water service is classified as a business-type activity.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Village's net position are reported in three parts - invested in capital assets, net of related debt; restricted and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Basic Financial Statements - Government-Wide Statements (Cont'd)

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (public safety, public works, etc.) The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (public safety, public works, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc.)

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

The Village applies restricted resources first when an expense is incurred for a purpose for which both restricted and unrestricted net position are available. Depreciation expense which can be specifically identified by function is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. The effect of interfund activity has been removed from these statements.

C. Basic Financial Statements - Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Village:

1. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

a. General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Basic Financial Statements - Fund Financial Statements (Cont'd)

1. Governmental Funds (Cont'd)

b. Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Village Tax Incremental Financing District #1 is presented as a debt service.

2. Proprietary Fund

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary fund of the Village:

a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village enterprise fund includes the water utility.

3. Major/Non-Major Funds

	Major
Governmental -	General Fund Debt Service - Tax Incremental Financing District #1 Fund
Proprietary -	Water Utility

The Village has no non-major funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

Both governmental and business-type activities in the government-wide financial statements, the proprietary fund financial statements and the discretely presented component unit are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, are recognized when due.

E. Financial Statement Amounts

1. Cash and Cash Equivalents

The Village has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agent, with an initial maturity of three months or less.

2. Investments

Investments are stated at cost, which approximates fair value, (quoted market price or the best available estimate).

3. Accounts Receivable

The Village provides credit in the normal course of business to customers located in the boundaries of the Village of Brokaw.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Financial Statement Amounts (Cont'd)

4. Allowance for Uncollectible Accounts

Accounts receivable have been adjusted for all known uncollectible accounts. No allowance is considered necessary at year end. Delinquent real estate taxes are paid in full by the county, which assumes collection thereof.

No provision for uncollectible accounts receivable has been made in the accompanying enterprise fund financial statements because the water utility has the right by law to place delinquent bills on the tax roll.

5. Restricted Assets - Cash and Investments

General Fund - Funds set aside for sewer system and plant repair and replacement. The annual required deposit for 2013 and 2014 was made in 2014.

6. Capital Assets

Governmental Activities/Funds - Capital assets purchased or acquired with an original cost of $1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20 - 50 years
Machinery and equipment	3 - 75 years
Other infrastructure	25 years

GASB No. 34 requires the Village to report and depreciate new infrastructure assets effective with the beginning of the current year. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Village. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure was subject to an extended implementation period and was first effective for fiscal years ending in 2006. The Village elected not to implement the retroactive infrastructure provisions, but rather started reporting as of January 1, 2004.

Business-Type Activities/Proprietary Funds - Additions to and replacements of utility plant are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Financial Statement Amounts (Cont'd)

6. Capital Assets (Cont'd)

Business-Type Activities/Proprietary Funds (Cont'd) - Interest is capitalized on enterprise fund property acquired with tax exempt debt. The amount of interest to be capitalized is calculated by off-setting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. Capitalized interest cost is amortized on the same basis as the related asset is depreciated. There was no capitalized interest in 2014.

The provision for depreciation shown in the financial statements results from the application of straight-line rates to original costs. The Village uses the following depreciation rates:

Water Utility	1.3 - 26.7%

7. Debt Obligations

a. Short-term liabilities are recorded as fund liabilities.

b. Long-term debt and other long-term liabilities to be repaid from Village resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds and notes payable, and capital leases. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. Debt proceeds are reported as revenue and payment of principal and interest are reported as expenditures. Governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Equity Classification

Government-Wide Statements - Equity is classified as net position and displayed in three components:

a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Financial Statement Amounts (Cont'd)

8. Equity Classification (Cont'd)

b. Restricted - Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

c. Unrestricted - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Statements - Governmental fund equity is classified as fund balance which is classified as follows:

a. Restricted fund balances represent those portions of fund equity which have been legally segregated for specific purposes or are not available to be appropriated for expenditures.

b. Unassigned fund balances represent those portions of fund equity available to finance expenditures other than those tentatively planned by the Village.

9. Revenues

Substantially all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as nonoperating revenue based on GASB No. 33. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

Property taxes are recorded in the year levied as receivables and deferred revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided. In addition to property taxes for the municipality, taxes are collected for and remitted to the state and county governments as well as the local and vocational school Villages. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as deferred revenues and due to other taxing units on the accompanying balance sheet. Taxes are levied in December on the assessed value as of the prior January 1.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Financial Statement Amounts (Cont'd)

9. Revenues (Cont'd)

Property tax calendar - 2014 tax roll:

Lien date and levy date	December, 2014
Tax bills mailed	December, 2014
Payment in full, or	January 31, 2015
First installment due	January 31, 2015
Second installment due	July 31, 2015
Personal property taxes in full	January 31, 2015
County settlement with Village	August, 2015

Governmental fund intergovernmental aids and grants are recognized as revenues in the period the related expenditures are incurred, if applicable, or when the Village is entitled to the aids.

Proprietary fund intergovernmental aids are recognized in the period they are earned and become measurable.

Special assessments are recorded as revenues when they become measurable and available as net current assets. Annual installments due in future years are reflected as receivables and deferred revenues.

Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

The Village reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the Village has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

The Village's policy is to first apply restricted resources when an expenditure/expense is incurred for purposes for which both restricted and unrestricted net position are available. This is also the policy for revenue and fund balance.

10. Expenditures

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Financial Statement Amounts (Cont'd)

11. Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

12. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments are recorded in the government-wide statements as liabilities and expenses when the related liabilities are incurred. There were no significant claims or judgments at year end. In the fund financial statements, claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the fund statements. The related expenditure is recognized when the liability is liquidated.

13. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

14. Budgets

Budgetary information presented in the required supplementary information, is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described above. Budgets were formally adopted for all funds, however a capital project fund may be adopted for a project time period. Budgetary comparisons are not required for proprietary funds.

The budgeted amounts presented include those amendments properly approved by the governing body. During the year, the Village board may authorize transfers of budgeted amounts within departments. Appropriations lapse at year end unless specifically carried over. Budgets are adopted at the departmental level of expenditure.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Financial Statement Amounts (Cont'd)

14. Budgets (Cont'd)

Expenditure amounts in excess of budget:

	General Fund	Debt Service TIF #1
Non-departmental and general	$ 3,582	$
General government		7,459
Transfer to component unit		7,228

15. Compensated Absences

The Village records compensated absences pursuant to the requirements of GASB. Compensated absences incurred by governmental fund types are recorded in the funds as they normally will be liquidated with expendable available financial resources. Compensated absences of proprietary funds are recorded as an expense and liability of those funds as the benefits are earned by the employees.

The Village does not record accrued vacation pay as all vacation time not used by year end is lost by the employee. There is no formal sick pay benefit plan sponsored by the Village and therefore, no sick pay expense to accrue at December 31, 2014.

16. Pension Plans

The Village does not contribute to a pension plan on behalf of its employees. However, it does make annual contributions to the individual retirement accounts of eligible employees. The amount contributed is treated as additional compensation and accordingly is included as part of wages on all relevant payroll reports. The Village has no unfunded past service costs.

17. Taxes

The Utility is a public entity and therefore does not pay income taxes. Pursuant to Wisconsin Statutes, Section 66.069(1)(c), the Utility can be subject to a local and school tax equivalent which would be payable to the local municipality. The compensation of the tax equivalent is pursuant to Section PSC 109.02 of the Public Service Commission Regulations. The tax equivalent is payable at the discretion of the Village of Brokaw.

18. Date of Village Management Review

Management has evaluated subsequent events thru April 28, 2015, the date the financial statements were available for issuance.

NOTE 2 - CASH AND INVESTMENTS

Investment of Village funds is restricted by state statutes. Available investments are limited to:

1) Time deposits in any credit union, bank, savings bank, trust company, maturing in three years or less,
2) Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority.
3) Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency,
4) Securities of open-end management investment companies or investment, subject to various conditions and investment options.
5) The Local Government Investment Pool,
6) Repurchase agreements with public depositories with certain conditions.

The Village has not adopted an investment policy.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

All of the cash and investments are held in insured institutions and are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 for demand deposits and $250,000 for time deposits. The accounts are also insured by the Wisconsin Guaranteed Fund in the amount of $400,000. However, due to the relatively small size of this fund in relationship to the total coverage and other legal implications, recovery of material principal losses may not be significant to individual depositors. This coverage has been considered in computing custodial credit risk.

The Village had no significant different types of investment during the year not held at year end.

The Village's deposits and investments are low risk, as to interest rate, credit quality, custodial, and market risk.

NOTE 2 - CASH AND INVESTMENTS (CONT'D)

Fluctuating cash flows during the year due to tax collections, receipt of state aids and/or proceeds from borrowing may have resulted in temporary balances exceeding insured amounts.

The Village's deposits and investments at year end were comprised of the following:

	Carrying Value	Bank Balance	Associated Risks
Bank accounts	$ 117,356	$ 117,564	Custodial credit risk - Low

Custodial Credit Risk

Deposits - Custodial credit risk is the risk that in the event of a financial institution failure, the Village's deposits may not be returned to the Village.

As of December 31, 2014, none of the Village's bank balances were exposed to custodial credit risk.

Investments - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Village does not have any investments exposed to custodial credit risk.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The Village held no such investments.

Interest Rate Risk - Interest rate risk is the risk, that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2014, the Village's investments were not exposed to significant interest rate risk.

NOTE 3 - INTERFUND BALANCES AND ACTIVITY

Individual fund interfund receivable and payable balances on December 31, 2014 are as follows:

Fund	Due From	Due To
General Fund:		
Tax Incremental Financing District #1 Fund	$	$ 435,877
Water Utility	72,312	
Debt Service Fund - Tax Incremental Financing District #1 Fund:		
General Fund	435,877	
Proprietary Fund Type - Enterprise Fund:		
Water Utility:		
General Fund		72,312
	$ 508,189	$ 508,189

The purpose for interfund receivable and payable balances, when present, is to eliminate negative cash and investments in various funds.

In the statement of net assets, any amounts reported in fund balance sheets as interfund balances would be eliminated within the governmental activities column.

There were no interfund transfers during the year ended December 31, 2014.

In addition, to the above interfund payables, the General Fund also owes the Water Utility $126,630 on a long-term advance. The advance is interest free, with no repayment plan.

NOTE 4 - CAPITAL ASSETS/LAND HELD FOR RESALE

Government Activities:

Capital activity for the year ended December 31, 2014 was as follows:

	Balance 12/31/13	Additions	Removals	Balance 12/31/14
Land for resale	$ 303,939	$	$	$ 303,939
Buildings and improvements	152,718			152,718
Machinery and equipment	180,145			180,145
Parks and playgrounds	39,262			39,262
Infrastructure:				
Industrial park streets	255,320			255,320

NOTE 4 - CAPITAL ASSETS/LAND HELD FOR RESALE (CONT'D)

Government Activities (Cont'd):

	Balance 12/31/13	Additions	Removals	Balance 12/31/14
Sewer system:				
Land	$ 60,000	$	$	$ 60,000
Equipment	16,540			16,540
Disposal plant	716,766			716,766
Mains	1,248,385			1,248,385
Services	35,494			35,494
Totals at historical cost	$ 3,008,569	$	$	$ 3,008,569

	Balance 12/31/13	Additions	Removals	Balance 12/31/14
Buildings and improvements	$ 149,323	$ 3,395	$	$ 152,718
Machinery and equipment	162,521	5,909		168,430
Parks and playgrounds	35,191	1,242		36,433
Infrastructure:				
Industrial park streets	86,808	10,213		97,021
Sewer system:				
Equipment	6,145	662		6,807
Disposal plant	387,058	28,674		415,732
Mains	196,033	17,326		213,359
Services	7,845	710		8,555
Total accumulated depreciation	$ 1,030,924	$ 68,131	$	$ 1,099,055
Net capital assets	$ 1,977,645	$(68,131)	$ 0	$ 1,909,514

NOTE 4 - CAPITAL ASSETS/LAND HELD FOR RESALE (CONT'D)

Depreciation expense was charged to Village functions as follows:

General government	$ 4,122
Public works	15,395
Leisure, conservation and development	1,242
Sewer system	47,372
Total depreciation expense	$ 68,131

Business-Type Activity/Proprietary Fund:

Fixed assets of the enterprise fund are stated at cost less accumulated depreciation. Total cost and accumulated depreciation at December 31, 2014 is shown below:

Water Utility	Balance 12/31/13	Additions	Removals	Balance 12/31/14
Wells and structures	$ 423,940	$	$	$ 423,940
Pumping equipment	46,302			46,302
Water tower	507,967			507,967
Mains	2,614,709			2,614,709
Services	59,248			59,248
Hydrants	116,160			116,160
Meters	42,508			42,508
Other equipment	1,159			1,159
Westside equipment	349,285			349,285
Westside tower land	6,900			6,900
Totals at historical cost	$ 4,168,178	$	$	$ 4,168,178

NOTE 4 - CAPITAL ASSETS/LAND HELD FOR RESALE (CONT'D)

	Balance 12/31/13	Additions	Removals	Balance 12/31/14
Wells and structures	$ 221,129	$ 12,478	$	$ 233,607
Pumping equipment	29,898	2,037		31,935
Water tower	101,531	9,651		111,182
Mains	188,091	33,991		222,082
Services	21,532	1,718		23,250
Hydrants	35,155	2,556		37,711
Meters	26,893	2,338		29,231
Other equipment	1,159			1,159
Westside equipment	197,910	12,477		210,387
Total accumulated depreciation	$ 823,298	$ 77,246	$	$ 900,544
Net capital assets	$ 3,344,880	$(77,246)	$ 0	$ 3,267,634

NOTE 5 - SHORT-TERM DEBT

The Village had no short-term debt transactions during the current fiscal year.

NOTE 6 - LONG-TERM OBLIGATIONS

A. General Obligation Debt

All general obligation debt is backed by the full faith and credit of the municipality, and will be retired by future property tax levies, except for proprietary fund debt. Proprietary fund debt is payable by revenues from user fees of that fund, or if the revenues are not sufficient, by future tax levies.

B. Bonds Payable

The following is a summary of bond payable transactions of the Village for the year ended December 31, 2014:

General Fund - Sewer System	Balance 12/31/13	Increases	Decreases	Balance 12/31/14	Amounts Due Within One Yr
1999 Wisconsin Clean Water Fund Loan (General Obligation)	$ 258,225	$	$ 40,283	$ 217,942	$ 41,347
	$ 258,225	$ 0	$ 40,283	$ 217,942	$ 41,347

NOTE 6 - LONG-TERM OBLIGATIONS (CONT'D)

The Village entered into an agreement dated August 11, 1999 with the State of Wisconsin, to borrow up to $772,156, as general obligation debt, for the reconstruction of the sewer disposal plant. The actual total borrowed was $717,860. The interest rate is 2.64% and the length of the loan is 20 years. The first payment was due May 1, 2000 and the final payment is due May 1, 2019.

The annual requirements to amortize debt outstanding as of December 31, 2014 is as follows:

	1999 Issue		
Year	Principal	Interest	Total
2015	$ 41,347	$ 5,208	$ 46,555
2016	42,438	4,102	46,540
2017	43,559	2,967	46,526
2018	44,709	1,802	46,511
2019	45,889	606	46,495
	$ 217,942	$ 14,685	$ 232,627

C. Notes Payable

	Balance 12/31/13	Increases	Decreases	Balance 12/31/14	Amounts Due Within One Yr
$257,000 General Obligation Promissory Note dated June 7, 2006, interest at 4.4%. Interest is to be paid semi-annually starting December 7, 2006, and principal payments annually starting June 7, 2007, with final payment on June 7, 2016.	$ 77,100	$	$ 25,700	$ 51,400	$ 25,700

NOTE 6 - LONG-TERM OBLIGATIONS (CONT'D)

$290,000 General Obligation Promissory Note dated August 13, 2013, interest at 4.25%. Interest is payable monthly starting September 16, 2013. Principal is payable quarterly starting November 16, 2013, with final payment due August 16, 2016.	$ 280,000	$	$ 40,000	$ 240,000	$ 40,000
	$ 357,100	$ 0	$ 65,700	$ 291,400	$ 65,700

Debt service requirements are as follows:

Year	Principal	Interest	Total
2015	$ 65,700	$ 11,139	$ 76,839
2016	225,700	5,923	231,623
Total	$ 291,400	$ 17,062	$ 308,462

D. General Obligation Debt Limit Calculation

The 2014 equalized valuation of the Village as certified by the Wisconsin Department of Revenue is $25,458,100. The legal debt limit and margin of indebtedness as of December 31, 2014, in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt limit (5% of $25,458,100)	$ 1,272,905
Deduct debt applicable to limit:	
Village's direct G.O. debt	742,730
Margin of indebtedness	$ 530,175

NOTE 6 - LONG-TERM OBLIGATIONS (CONT'D)

E. Water Utility Enterprise Fund Note/Bond Payable

	Balance 12/31/13	Increase	Decrease	Balance 12/31/14	Amount Due Within One Yr
$278,065 Safe Drinking Water Program general obligation bond dated April 13, 2011, with interest at 1.32%. Repayment will be by annual payments starting May 1, 2012, with final payment on May 1, 2028. Interest is payable May 1 and November 1 starting November 1, 2011.	$ 248,476	$	$ 15,088	$ 233,388	$ 15,287
Total	$ 248,476	$ 0	$ 15,088	$ 233,388	$ 15,287

Debt service requirements are as follows:

Year	Principal	Interest	Total
2015	$ 15,287	$ 2,980	$ 18,267
2016	15,489	2,777	18,266
2017	15,693	2,571	18,264
2018	15,901	2,362	18,263
2019	16,110	2,151	18,261
2020	16,323	1,937	18,260
2021	16,539	1,720	18,259
2022	16,757	1,500	18,257
2023	16,978	1,278	18,256
2024	17,202	1,052	18,254
2025	17,429	824	18,253
2026	17,659	592	18,251
2027	17,892	357	18,249
2028	18,129	120	18,249
Totals	$ 233,388	$ 22,221	$ 255,609

NOTE 6 - LONG-TERM OBLIGATIONS (CONT'D)

F. Interest Accrued and Paid

	Expensed	Paid
Governmental	$ 23,298	$ 23,617
Enterprise	3,147	3,180

G. Component Unit Long-Term Debt

On September 1, 2004, the Community Development Authority of the Village of Brokaw, Wisconsin issued $600,000 of Interim Community Development Revenue Bonds, at 3.05% interest. Net debt proceeds of $583,875 was advanced to the Village Tax Incremental Finance District #1 for construction. Semi-annual interest payments started on March 1, 2005, with the principal paid in full on September 1, 2006.

On June 7, 2006, the Community Development Authority of the Village of Brokaw, Wisconsin issued $1,415,000 of Community Development Revenue Bonds, at 4.75% interest. Net debt proceeds of $629,550 were advanced to the Village Tax Incremental Finance District #1 to pay off its share of the $875,000 BAN. The remaining proceeds were used to pay off the $600,000 bonds described above, plus issue costs. Semi-annual interest payments started December 1, 2006, with annual principal payments starting June 1, 2008, with final payment on June 1, 2021. This debt issue was refinanced in full in 2014.

On April 29, 2008, the Community Development Authority of the Village of Brokaw, Wisconsin issued $2,665,000 of Community Development Revenue Bonds, at 4.6% interest. Net debt proceeds of $2,325,000 were advanced to the Village Tax Incremental Finance District #1 to pay off the $2,325,000 BAN. Semi-annual interest payments started December 31, 2008, with annual principal payments starting June 1, 2009, with final payment on June 1, 2021. This debt issue was refinanced in full in 2014.

On December 4, 2014, the Community Development Authority of the Village of Brokaw, Wisconsin issued $2,775,000 of Community Development Authority of the Village of Brokaw Refunding Revenue Bonds, at 5% interest. The proceeds were advanced to the Village Tax Incremental Finance District #1 to pay off the 2006 and 2008 debt issues in full. Semi-annual interest payments start June 1, 2015, with annual principal payments starting June 1, 2015, with final payment on June 1, 2026. Future payments are as follows:

Year	Principal	Interest	Total
2015	$ 135,000	$ 134,219	$ 269,219
2016	150,000	128,250	278,250
2017	175,000	120,125	295,125
2018	175,000	111,375	286,375
2019	210,000	101,750	311,750

NOTE 6 - LONG-TERM OBLIGATIONS (CONT'D)

G. Component Unit Long-Term Debt (Cont'd)

Year	Principal	Interest	Total
2020	$ 230,000	$ 90,750	$ 320,750
2021	240,000	79,000	319,000
2022	255,000	66,625	321,625
2023	265,000	53,625	318,625
2024	280,000	40,000	320,000
2025	300,000	25,500	325,500
2026	360,000	9,000	369,000
	$ 2,775,000	$ 960,219	$ 3,735,219

The refinancing transaction was completed to extend the debit payments after TIF #1 was distressed, which lengthens the life. The refinancing resulted in a gross P.V. debt service savings of $34,310, with a net present value loss of $99,577.

The debt reserve fund for this debt issue should have a balance of $277,500. It currently has a balance of $207,603. The difference will be deposited during 2015.

NOTE 7 - NET POSITION

A. Net Position

Restricted net position at December 31, 2014 are comprised of the following:

Governmental Activities:

	Equipment Repair and Replacement
General Fund - Sewer system	$ 30,593

NOTE 8 - RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 9 - TAX INCREMENTAL FINANCING DISTRICT #1

The Village created T.I.F. District #1 on September 29, 1997. The District is a combination of existing property located in the Village and property annexed into the Village, for industrial and residential purposes. The Village started necessary infrastructure and utility improvements during 2002, with additional construction completed in 2003 and 2004. The construction period ended in September, 2004, with the original District 23 year life ending in 2020. On September 26, 2013, the Village designated the District as distressed, and amended the plan. The designation will extend the maximum life up to 10 years, until 2030.

NOTE 10 - GOING CONCERN ISSUE

During a prior year the local paper mill shut down. The water and sewer user charges and property valuation, were decreased significantly. Property taxes were affected by the valuation drop. A significant portion of the paper mill has been sold to three different companies. The companies have started operating, made improvements, and bringing in other businesses. The Village's finances are very tight (insufficient cash flows/recurring decreases in and negative net position/fund balance) and have gotten worse since the closure. The Village is looking at operations, staffing, finances, services, new businesses and future ability to remain as a Village. As part of this process, TIF #1 was distressed in 2013 and the related debt was refinanced in 2014, and a water rate increase was requested in 2014 with the Wisconsin Public Service Commission. As part of the 2016 budget process, the sewer rates will be examined and raised as considered necessary. The Village has also started discussions with the neighboring communities about sharing services, that could reduce costs. While finances are projected to remain tight, these items will help to improve the financial condition of the Village.

NOTE 11 - SUBSEQUENT EVENT/CONTINGENCY

During 2013, the Village obtained an injunction stopping salvage operations at the closed paper mill because the company had not obtained the appropriate permits, and as a result, the Village is seeking per day damages. The matter was settled in 2015.

The Village filed a water rate increase application with the Wisconsin Public Service Commission (PSC) in February of 2014. The PSC has not yet submitted formal proposed rates to the Village.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF BROKAW

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND
Year Ended December 31, 2014

Schedule 1

Revenues	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance With Final Budget Positive (Negative)
Taxes:				
General local taxes	$ 284,384	$ 284,384	$ 273,071	$(11,313)
Tax equivalent from Water Utility	68,000	68,000	102,276	34,276
Total	$ 352,384	$ 352,384	$ 375,347	$ 22,963
Intergovernmental:				
State aid exempt computer	$ 10,000	$ 10,000	$ 26,891	$ 16,891
State shared revenues	54,584	54,584	54,606	22
Local transportation - Highway aid	13,005	13,005	13,005	
2% Fire insurance	1,200	1,200	1,006	(194)
Recycling	350	350	317	(33)
Total intergovernmental	$ 79,139	$ 79,139	$ 95,825	$ 16,686
Regulation and compliance revenue:				
Permits/Licenses	$ 1,270	$ 1,270	$ 1,040	$(230)
Public charges for services:				
Sewer use charges	$ 63,200	$ 63,200	$ 70,103	$ 6,903
Use of money and property:				
Interest on general investment	$ 2,000	$ 2,000	$ 133	$(1,867)
Rental income	100	100		(100)
Miscellaneous	20,301	20,301	41,314	21,013
Sale of lots	18,000	18,000		(18,000)
Total use of money and property	$ 40,401	$ 40,401	$ 41,447	$ 1,046
Total Revenues	$ 536,394	$ 536,394	$ 583,762	$ 47,368

The accompanying notes are an integral part of the required supplementary information of this financial statement

VILLAGE OF BROKAW

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND
Year Ended December 31, 2014

Schedule 1 (Cont'd)

Expenditures	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance With Final Budget Positive (Negative)
General operations:				
General government:				
President:				
Salary	$ 4,200	$ 4,200	$ 5,110	$(910)
Expenses				
Clerk:				
Salary	16,500	16,500	18,008	(1,508)
Expenses	5,500	5,500	3,886	1,614
Trustees:				
Salary	7,150	7,150	7,191	(41)
Expenses				
Treasurer:				
Salary	2,600	2,600	2,561	39
Expenses	500	500	477	23
Assessor:				
Salary	3,800	3,800		3,800
Board of review:				
Salary	250	250	120	130
Expenses	10	10		10
Independent auditing and accounting	13,500	13,500	13,054	446
Legal	40,000	40,000		40,000
Elections:				
Salary	4,000	4,000	2,414	1,586
Expenses	1,200	1,200	1,677	(477)
Publications	350	350	156	194
Miscellaneous/Reimbursed construction and engineering	83,345	83,345	37,417	45,928
Total general government	$ 182,905	$ 182,905	$ 92,071	$ 90,834
Public safety:				
Police department:				
Salary	$ 1,800	$ 1,800	$ 1,800	$
Expenses				

The accompanying notes are an integral part of the required supplementary information of this financial statement

VILLAGE OF BROKAW

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND
Year Ended December 31, 2014

Schedule 1 (Cont'd)

Expenditures (Cont'd)	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance With Final Budget Positive (Negative)
General operations (Cont'd):				
Emergency services	$ 78,504	$ 78,504	$ 76,696	$ 1,808
Total public safety	$ 80,304	$ 80,304	$ 78,496	$ 1,808
Transportation:				
Street and highway maintenance:				
Salary	$ 2,500	$ 2,500	$ 2,906	$(406)
Expenses	13,300	13,300	6,115	7,185
Alley and local purpose road costs:				
Expenses				
Snow removal	7,000	7,000	8,035	(1,035)
Storm sewer maintenance and construction:				
Salary	500	500		500
Expenses	5,000	5,000		5,000
Street lighting maintenance and construction:				
Expenses	10,000	10,000	17,284	(7,284)
Shop and garage:				
Salary	600	600	250	350
Expenses	8,200	8,200	5,927	2,273
Trucks and sweeper	21,500	21,500	24,568	(3,068)
Total transportation	$ 68,600	$ 68,600	$ 65,085	$ 3,515
Sanitation:				
Refuse/Recycle	$ 7,080	$ 7,080	$ 6,782	$ 298

The accompanying notes are an integral part of the required supplementary information of this financial statement

VILLAGE OF BROKAW

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND
Year Ended December 31, 2014

Schedule 1 (Cont'd)

Expenditures (Cont'd)	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance With Final Budget Positive (Negative)
General operations (Cont'd):				
Leisure:				
Playgrounds:				
Salary	$ 1,000	$ 1,000	$ 117	$ 883
Expenses	1,100	1,100	218	882
Celebrations:				
Salary	700	700		700
Expenses	3,300	3,300	4,511	(1,211)
Total leisure	$ 6,100	$ 6,100	$ 4,846	$ 1,254
Conservation and development of natural resources:				
Parks:				
Salary	$ 6,000	$ 6,000	$ 4,963	$ 1,037
Expenses	2,230	2,230	451	1,779
Total conservation and development	$ 8,230	$ 8,230	$ 5,414	$ 2,816
Sewer system:				
Sanitary sewer	$ 16,700	$ 16,700	$ 5,978	$ 10,722
Disposal plant	120,320	120,320	108,296	12,024
Total sewer system	$ 137,020	$ 137,020	$ 114,274	$ 22,746
Total general operations	$ 490,239	$ 490,239	$ 366,968	$ 123,271
Non-departmental and general:				
Municipal building:				
Salary	$ 1,500	$ 1,500	$ 1,700	$(200)
Expenses	7,100	7,100	5,510	1,590
Property, liability and health insurance	21,000	21,000	26,222	(5,222)
Zoning/Planning commission	9,000	9,000	8,750	250
Total non-departmental and general	$ 38,600	$ 38,600	$ 42,182	$(3,582)

The accompanying notes are an integral part of the required supplementary information of this financial statement

VILLAGE OF BROKAW

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND
Year Ended December 31, 2014

Schedule 1 (Cont'd)

Expenditures (Cont'd)	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance With Final Budget Positive (Negative)
Capital outlay:				
Transportation and sanitation	$	$	$	$
Total capital outlay	$	$	$	$
Debt service:				
Principal retirement	$ 121,098	$ 121,098	$ 121,071	$ 27
Interest and fiscal charges	23,933	23,933	23,617	316
Total debt service	$ 145,031	$ 145,031	$ 144,688	$ 343
Total Expenditures	$ 673,870	$ 673,870	$ 553,838	$ 120,032
Net change in fund balances	$(137,476)	$(137,476)	$ 29,924	$ 167,400
Fund balance (deficit), beginning of year	(499,044)	(499,044)	(499,044)	
Fund balance (deficit), end of year	$(636,520)	$(636,520)	$(469,120)	$ 167,400

The accompanying notes are an integral part of the required supplementary information of this financial statement

OTHER REPORT

KRAUSE, HOWARD & COMPANY, S. C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Village of Brokaw
Brokaw, Wisconsin

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the blended presented component units, each major fund, of the Village of Brokaw, as of and for the year ended December 31, 2014 and the related notes to the financial statements, which collectively comprise the Village of Brokaw's basic financial statements and have issued our report thereon dated April 28, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village Brokaw's internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Brokaw's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village of Brokaw's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, see below, that we consider to be significant deficiencies.

618 JACKSON STREET ~ P.O. BOX 179 ~ WAUSAU, WISCONSIN 54402-0179
(715) 845-7306 ~ FAX (715) 848-5302

1. FINANCIAL STATEMENTS AND NOTE PREPARATION

Krause, Howard & Company, S.C. prepared the draft financial statements and notes, which were then reviewed and approved by the Village Board and management.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Brokaw's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Audit Standards*.

Purpose of This Report

The purpose of this report is intended solely for the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

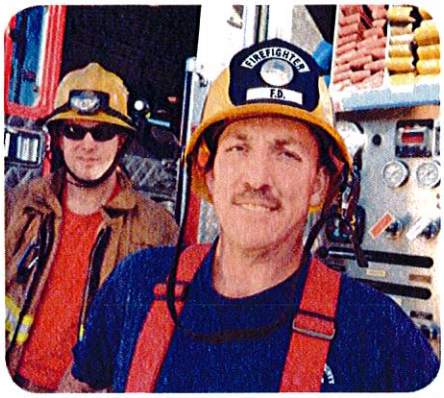
Krause Howard + Company, S.C.

Certified Public Accountants
April 28, 2015

Financial & Economic Study for

Village of Brokaw

Marathon County, Wisconsin



January 8, 2015

Prepared by:

Mike Konecny, CPA
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Schenck SC
CPAs AND SO MUCH MORE.

PB phillipsborowski, s.c.
...relationship focused

FINANCIAL AND ECONOMIC STUDY OF THE VILLAGE OF BROKAW, WISCONSIN

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Schenck SC

CPAs AND SO MUCH MORE.

TRANSMITTAL LETTER

January 8, 2015

Brad Karger, Marathon County Administrator
Marathon County
500 Forest Street
Wausau, WI 54403

Dear Brad:

In accordance with our proposal, we completed a financial and economic study of the Village of Brokaw, Wisconsin, including identifying options to consider to remedy the financial condition of the Village. Our engagement was completed with the goal of providing specific recommendations to improve the financial status of the Village's General Fund, Water Utility and Tax Incremental District and, to also recommend options for the Village to consider in identifying the best long-term solution for Village residents and businesses.

As detailed in our proposal, this was a joint effort of Schenck SC, a state-wide CPA firm and Phillips Borowski SC, a law firm that serves many Wisconsin local governments. Accordingly, our report is separated into two sections with Schenck SC completing the financial analysis and Phillips Borowski SC completing the legal analysis.

We sincerely appreciated the opportunity to assist Marathon County and the Village of Brokaw. The analysis and preparation of this report required numerous interactions with County officials, Village officials and employees, contracted consultants who have currently provide services to the Village and employees of various state departments. We received the utmost cooperation from all the individuals we contacted and want to thank them for their time and assistance.

If you have any additional questions or concerns, please do not hesitate to contact us.

Mike Konecny, CPA
Shareholder, Schenck SC

2200 Riverside Drive
Green Bay, WI 54301-1908
920-436-7800

Andrew Phillips
Principal, Phillips Borowski, SC

10140 N. Port Washington Road
Mequon, WI 53092
262-241-7788

SCHENCK SC FINANCIAL ANALYSIS

EXECUTIVE SUMMARY

For the years ending December 31, 2011, 2012 and 2013, the Village of Brokaw incurred excess expenditures in the General Fund and operating losses in the Water Utility. The excess expenditures and operating losses have continued to contribute to the deterioration of the overall financial condition of the Village. Also, review of 2014 financial results and projection of financial results to subsequent years do not disclose any substantial change in results from the prior years. Similar excess expenditures of the General Fund and operating losses of the Water Utility are projected to continue.

The Village financial condition has deteriorated significantly from 2011 to the present due primarily to the closing of a paper mill. The paper mill was the largest property tax valuation and was also the largest water customer. Because of the closing of the mill, the non-Tax Incremental District equalized valuation is currently down almost 40% from 2011 and gallons of water sold are now only 5% of the volume sold in 2011. The Water Utility and Sewer Utility (accounted for in the General Fund) currently only serve approximately 70 customers, none of which are using significant volumes of water. In general, it is very difficult, if not impossible, to support utility operations for such a small number of customers and water volumes. This is especially true when the utility systems were designed to provide higher volumes of water.

The projection of future operating results combined with the lack of available fund balances and utility reserves results in the conclusion that it is not possible for the Village to continue operating as a Village long-term. Increasing local property taxes and water utility customer charges is not a viable option because they are already some of the highest in the State of Wisconsin. The projected operating deficits are too large to be financed from increased taxes and revenues from the current residents and businesses.

Our report includes two possible options for the Village of Brokaw to pursue to remedy its current financial issues. The first option would be to propose a sale and transfer of the Water Utility to the City of Wausau along with an agreement to eventually consolidate with the City in the future when borders become contiguous. Because consolidation with Wausau will require annexation of Town property, it is recommended that the Towns be a party to the agreement to provide for an orderly and systematic process. The second option would be to dissolve as a Village and transfer all assets and liabilities to the adjacent Towns of Texas and Maine. Each of these options is explained in more detail the report.

OBSERVATIONS

As part of our engagement, we analyzed financial information of the Village of Brokaw for the past three years. Our engagement included all operations of the Village which are summarized in the report as follows:

General Fund (includes operation of Sewer Utility)
Water Utility
Tax Incremental District

Schedules of "key" financial information and other statistical information is included in the Schedules section of this document presented on pages 12 to 15.

Our observations from our review of the information is presented below:

General Fund

Deficit Unassigned Fund Balance

The Village General Fund had a deficit balance of $499,044 on December 31, 2013. The deficit is the result of expenditures exceeding revenues for a number of years. The Village has been able to provide a positive cash flow for the General Fund by advancing funds from the Water Utility and Tax Incremental District. However, repayment of these advances in the near future is unlikely, which has a direct impact on the financial position of these funds.

Sewer Utility

The Village Sewer Utility revenues and expenditures, including debt service, are currently accounted for in the General Fund. Over the past three years, the Village revenues from sewer service approximate only about one-third of the expenditures, including debt service. The balance of funds needed to finance sewer service operations totals approximately $100,000 per year and is currently funded by the general property tax levy.

Increase in Village Property Tax Levy and Local Tax Rate

From the 2012 budget to the 2015 budget, the Village's local property tax levy has increased by $19,375 or 7%. The local levy was $262,149 for 2012 compared to $281,524 for 2015. Because of a decrease in the assessed property tax values of the Village, the local property tax rate has increased 127% from the 2012 budget year to the 2015 budget year. The local property tax rate increased from $10.89 to $24.73 during that time span.

The equalized value (reduced by the Tax Incremental District increment) amounted to $22,763,600 in 2011, compared to $13,910,500 in 2014, a decrease of 39%. The primary reason for the decrease in property tax value was the closing of the paper mill. The equalized value is also expected to decrease by over $2 million on January 1, 2015 due to a decrease in reported personal property tax values of the prior paper mill.

Expenditures for Fire Protection

In 2013, the Village incurred expenditures of $74,515 for fire protection, amounting to over $300 per Village resident. In comparing the per capita amount of over $300 to other Wisconsin municipalities of similar size, the Village's per capita cost is higher than most of the other communities. Of this amount, $51,551 was for the capital and operating costs of the Water Utility and $22,964 was paid to the Town of Maine as a contracted service.

Tax Equivalent from Water Utility

Each year the Village includes in the General Fund budget a revenue from the Water Utility for a tax equivalent payment. The payment has increased the past few years as the tax rate has increased and in 2013 totaled $113,100. Because of the Water Utility's financial condition, the payment has not been able to be made. We are informed that the amount has been recorded as a receivable in the General Fund and a payable in the Water Utility the past few years.

Water Utility

Significant Operating Losses the Past Two Years

The Water Utility has incurred operating losses of $220,074 and $204,661 in 2013 and 2012, respectively. These losses compare to an operating loss of only $12,958 in 2011. The 2013 and 2012 losses have been incurred primarily due to a decrease in water sales and revenues due to the closing of the paper mill. Operation and maintenance expenses have continued to remain at approximately the same level over the past three years. The Water Utility received a non-operating revenue of $170,000 from property tax revenue in 2013 to help finance a portion of the operating loss.

Decrease in Cash Flows

From January 1, 2012 to December 31, 2013, the cash balance of the Water Utility has decreased by $83,204 from a balance of $90,612 to a balance of $7,408. The decrease is the result of negative cash flows from operations and debt service and, also, from increasing the amount due from the General Fund. On December 31, 2013, the General Fund owed the Water Utility $255,026. As discussed previously, the General Fund is not able to pay the amount due because of the deficit position of their fund balance.

Decrease in Water Sales

Water sales have decreased 95% from 2011 to 2013. Sales in 2011 totaled 69.5 million gallons compared to 3.5 million in 2013. As reported in 2013, the Water Utility has 70 customers. Because of the lower volumes of water entering the distribution system, additional water is necessary to flush mains and prevent freezing. Water used for these purposes is not being sold, but is being purchased or pumped and significantly increases the operating costs of the Water Utility. As reported in 2013, only 24% of the water entering the distribution system was sold.

High Current Water Rates

The current water rates for residential residents for are as follows:

Quarterly service charge	45.00
Quarterly public fire protection	22.50
Volume (per 1,000 gallons)	9.40

The above rates calculate to a quarterly water bill of $180 for a resident using 12,000 gallons of water. From a comparison with other small communities, the Village's rates are significantly higher. Because of current operating losses, the Village also has submitted an application to the Public Service Commission to increase water rates. The Public Service Commission has indicated to the Village that they will be finalizing the rate case within the next 30 days.

Tax Incremental District

Current Status

The status of funds of the Tax Incremental District disclosed a fund deficit of $2,287,326 on December 31, 2013. To finance the deficit, funds were advanced from the Village's Community Development Authority (CDA) which issued lease revenue bonds to finance the District projects. Outstanding advances from the CDA amounted to $2,638,850 on December 31, 2014. To finance the advances, the CDA issued revenue bonds in two issues of which $3,090,000 remained outstanding on December 31, 2013.

In November of 2014, the CDA refunded the two prior debt issues and issued $2,775,000 of refunding revenue bonds. Annual principal and interest on the new debt issue range from $269,219 to $369,000 and are due from 2015 to 2026. Projected tax increments from the District are currently estimated at $335,069 annually and are expected to be sufficient to finance the debt payments when due.

SUMMARY OF FINANCIAL PROJECTIONS

1. Projected Operating Deficits of the General Fund and Water Utility

We have prepared projections of the General Fund, Water Utility and Tax Incremental District for the years 2014 through 2018. The projections are based on 2014 actual results through October 31, 2014 and review of previous years' budgets. We prepared two projections scenarios; one with the current budget status and one with the current budget adjusted for some changes and expense reductions. The projections are presented in Schedules 5 and 6 on pages 16 and 17.

We estimate that at the current level of local taxes and sewer charges, the Village will continue to experience excess expenditures or operating deficits in the General Fund. We also project that the Water Utility will continue to experience operating losses and cash flow deficits. With the recent refunding and issuing of new debt, the Tax Incremental District is projected to be able to finance the annual principal and interest on the debt when due.

2. Financing of Utility Operations

As previously stated, the Village's Water Utility water sales have decreased 95% from 2011 to 2013 due to the closing of the paper mill. The current water infrastructure was constructed to provide water sales at a much higher level than is currently being sold. Because of the capacity of the water system and the level of operating costs associated with it, the Water Utility is not able to generate sufficient revenues to support the operations. Normally, increasing rates would be an option, but the existing water rates are extremely high already.

For at least the past three years, the Sewer Utility operation has been subsidized by a general property tax levy to support operations. In 2013, approximately $100,000 of tax levy was necessary to finance all sewer related operating costs and debt service.

Similar to the Water Utility, the Sewer Utility is not able to generate sufficient revenues to finance all costs. The small number of customers without any high wastewater volumes makes it difficult to cash flow operations. Also, supporting a utility operation with a relatively high General Fund subsidy places an undue burden on the local property tax levy. With the reduction in the Village's valuation the past two years, the burden on the individual taxpayers has significantly increased.

RECOMMENDATIONS

1. Options Available to the Village

As detailed in our Observations and Summary of Financial Projections sections of this document, the Village is experiencing operating and cash flow deficits of its General Fund and Water Utility Fund and, also, currently has a sizable deficit in the General Fund. Also, projections into the future do not indicate any substantial changes and currently predict that deficits will continue. The primary reason for the financial distress of the Village is the continuing operating deficits of the Water and Sewer Utilities. In addition, the Village local property tax rate and current water rates are at very high levels when compared to other Wisconsin municipalities.

With only 70 customers, it is evident that the Village does not have sufficient water and sewer customers to support the utility operations. In addition, because of the significant valuation decrease from the paper mill closing, any tax levy needed to support the utility operations increases the local property tax rate to unrealistically high levels. Because of that we do not believe that increasing utility rates and property taxes to the level necessary to be a feasible option for the Village. Accordingly, we believe the only two options available to the Village to remedy their financial situation would be as follows:

- Propose a sale and transfer of the Water Utility to the City of Wausau including entering into an agreement for potential consolidation with the City of Wausau.
- Dissolve as a Village and transfers all assets and liabilities to the adjacent Towns of Texas and Maine.

In our opinion, the Village should pursue the sale and transfer of the Water Utility as the first option. Since the Village is currently not able to fully utilize the capacity of the water system, we recommend the Village begin discussions with the City of Wausau to propose a transfer of ownership of the utility to the City. It is anticipated that the transfer would be under an agreement with the City to purchase the water utility plant along with other provisions that would be agreed upon by both the Village and City. The Village water system is already connected to the City and most of the water pumped into the distribution system is purchased from the City. Under this scenario, the Village water customers would become customers of the City of Wausau Water Utility and be classified as customers outside of municipal boundaries. New rates for the Village customers would be determined by the Public Service Commission, but are expected to be less than the current water rates.

We believe this possibility would best serve Village customers by lowering water rates and eventually providing a more efficient service through increased utilization of the water system infrastructure. We also believe that the City of Wausau will benefit from the transfer by creating additional water storage capacity and the ability to serve present and future water customers of the City.

We believe the second option of dissolving as a Village would decrease overall costs currently financed by the General Fund with the transfer of services to the respective Towns. The Towns would assume providing services to the respective areas of the Village while also increasing the tax base to generate property taxes to finance the services. We believe this would lower the cost of all non-utility expenses to Village tax payers. Under this scenario, it is expected that the Village utility customers would continue to receive water and sewer services (presumably through a new created entity operating as a sanitary district). Without any change in the customer base or water volume, it would continue to have high water and sewer rates and, also, a fairly large local property tax levy to support operations and debt service.

We recognize that to implement either of these options will require considerable further discussion and interaction with other local governments. We believe these discussions should be pursued to provide for a regional solution to remedy the financial issues of the Village. It is also recognized that it will take time to fully accomplish either of the options. Accordingly, we have developed additional recommendations that we believe the Village can begin to implement immediately to improve the short-term and long-term financial situations. The recommendations are set forth below as Nos.2 through 5.

2. Develop a Financial Plan to Stabilize Sewer Utility Operations

The Village Sewer Utility has not been able to generate sufficient revenues from customers to support all costs of operations. Our projections also indicate that the significant cash flow operating deficits will continue into the future.

Accordingly, we recommend that the Village develop a long-term plan for a solution to eliminate the Sewer Utility financial operating deficit. Presented below are possibilities for remedies of the financial issues of the Sewer Utility:

The Sewer Utility currently does not have a sufficient number of customers or volume of wastewater to provide sufficient revenues to support all operating and debt service costs of the utility. As explained previously, the Sewer Utility operations are being subsidized by a General Fund property tax levy. In addition, we are informed that a portion of the Sewer Utility infrastructure is old and in need of replacement.

Since it is unlikely that an increased number of customers will be added in the near future, we recommend that the Village develop a long-term plan for the financial viability of the Sewer Utility. In our opinion, the plan should include the following:

- Estimate the remaining useful lives of the major components of the Sewer Utility infrastructure.
- Estimate the year of replacement and cost of the major components.
- Review with the City of Wausau the feasibility of connecting the collection system to the City of Wausau wastewater collection system. If determined to be feasible, develop preliminary costs and a possible timetable for completion.

- Determine available assistance from the State of Wisconsin and/or the United States Department of Agriculture Rural Development in the form of grants or low-interest rate loans to finance any proposed capital costs.
- Analyze all current operating costs of the Sewer Utility and review for potential cost savings. Compare potential contracted costs to current operating costs.
- Review for potential rate increases and additional charges for any high strength users, if any.

3. Consider Revisions to General Fund Budgets and Review for Possible Cost Reductions

As previously stated the General Fund tax levy has been approximately $280,000 for the 2015 and 2014 budgets. Included in the $280,000 levy is approximately $100,000 applicable to the operation of the Sewer Utility. The remaining $180,000 is applicable to other General Fund activities of the Village.

In comparing the $180,000 portion of the tax levy to other similar size villages, the amount levied by the Village is higher than many other villages. Accordingly, we recommend the Village review in detail the current General Fund budget for possible cost reductions and consider whether any revisions to the budget are possible. In our opinion, the following items should be included in any review:

- Removal of the revenue for "payment in lieu of taxes" from the water utility. It appears that this amount should be removed from the budget because the revenues of the water utility are not sufficient to finance any such payment.
- Review amount paid for the contracted fire department. We are informed that the amount being paid has been increasing over the years reviewed. This is in comparison to the equalized valuation of the Village which has decreased by 25% over the past three years.
- Review the possibility of contracting out for additional Villages services. Compare projected costs and efficiency of contracted services to the cost of services provided by the Village.

4. Review for Possible Reimbursement to the General Fund from the Tax Incremental District

As part of our review of the Village's financial condition, we reviewed the financial transactions of the Tax Incremental District (TID). We noticed that the TID has not been reimbursing the General Fund for costs associated with administration of the TID that have been paid by the General Fund. Costs that we identified that were paid by the General Fund that potentially could be reimbursed by the TID include legal, accounting and auditing.

As a result, we recommend the Village review the project plans of the TID and determine if any other costs included in the project plan have been paid by the General Fund that are TID eligible. Any costs determined to be TID eligible, including the annual administration costs previously identified, should be scheduled to be reimbursed to the General Fund.

5. Consider Assistance from Others to Implement Recommendations

Because of the significance of the previous recommendations, we believe it would be beneficial for the Village to continue to utilize outside consultants to assist in implementing our recommendations.

The consultants could assist in the coordinating the development of long-term solutions for the Village and the Utilities. Also, the position could assist in negotiating with the City of Wausau and exploring potential assistance from federal and state government agencies.

REVIEW OF TOWN FINANCIAL STATUS

As part of our financial analyses, we were provided financial statements and reports for the Town of Maine and the Town of Texas. These two Towns are adjacent to the Village and consisted of the area that was originally incorporated by the Village of Brokaw. The financial information provided to us consisted of audited financial statements for the Town of Maine for the year ended December 31, 2013 and a financial statement for the Town of Texas for the year ended December 31, 2013.

Our analysis was limited to reviewing the financial information provided to gain an understanding of their current financial condition and the level of services provided. Detailed below is a summary of information provided by each Town:

Town of Maine for year ended December 31, 2013

Total expenditures	$	1,484,540
Fund balance	$	110,082
Percent of fund balance to expenditures		7%
Outstanding general obligation debt	$	187,064
Equalized value	$	193,159,500
Total property tax rate - all jurisdictions	$	20.45

Town of Texas for year ended December 31, 2013

Total expenditures	$	639,277
Fund balance (cash basis)	$	248,945
Percent of fund balance to expenditures		39%
Outstanding general obligation debt	$	48,036
Equalized value	$	111,352,100
Total property tax rate - all jurisdictions	$	18.71

Both Towns provide the typical services of Wisconsin Towns primarily consisting of general government, public safety and public works. In our opinion, the fund balance and outstanding debt levels are reasonable for the size of the Town and are comparable to other towns. Also, the total property tax rates are in the range of many Towns.

Schedule 1

VILLAGE OF BROKAW
General Fund
Selected Financial Information for Years 2013, 2012 and 2011

	2013	2012	2011	Increase (Decrease) 2011 to 2013	% Change
End of Year Balances (Deficits)					
Unassigned fund balance	$ (499,044)	$ (391,584)	$ (372,022)	$ (127,022)	-34%
Due to TID fund	265,797	234,550	182,789	83,008	45%
Advance due to water utility fund	255,026	201,289	141,798	113,228	80%
Long-term Debt (not including Water Utility)	615,325	720,272	824,210	(208,885)	-25%
Revenues					
General property taxes	287,375	262,149	245,360	42,015	17%
Tax equivalent from water utility	113,100	99,313	72,850	40,250	55%
State shared revenues	35,161	34,359	28,563	6,598	23%
Sewer use charges	58,780	43,813	65,520	(6,740)	-10%
All other	53,556	89,802	42,389	11,167	26%
Total Revenues	547,972	529,436	454,682	93,290	21%
Expenditures					
General government (1)	230,118	90,807	90,113	140,005	155%
Public safety					
Police	1,800	1,800	1,800	-	0%
Emergency services	75,234	74,979	75,669	(435)	-1%
Transportation	56,553	62,309	66,376	(9,823)	-15%
Refuse/recycling	6,703	8,883	9,567	(2,864)	-30%
Leisure	3,385	4,570	5,239	(1,854)	-35%
Parks	8,305	8,704	9,651	(1,346)	-14%
Sewer system	110,326	103,614	119,656	(9,330)	-8%
Non-departmental and general	33,711	30,966	29,179	4,532	16%
Capital outlay	-	30,128	-	-	0%
Debt service (includes approximately $46,500 each year applicable to sewer system)					
Principal (net of refinancing)	104,947	103,938	102,954	1,993	2%
Interest	24,350	28,300	32,237	(7,887)	-24%
Total Expenditures	655,432	548,998	542,441	112,991	21%
Excess of revenues over (under) expenditures	$ (107,460)	$ (19,562)	$ (87,759)	$ (19,701)	22%

(1) General government expenditures in 2013 include one-time additional legal costs of over $100,000 in connection with a lawsuit

Schedule 2

VILLAGE OF BROKAW
Water Utility
Selected Financial Information for Years 2013, 2012 and 2011

	2013	2012	2011	Increase (Decrease) 2011 to 2013	% Change
End of Year Balances					
Cash	$ 7,408	$ 26,172	$ 90,612	$ (83,204)	-92%
Customer accounts receivable	26,505	23,281	48,218	(21,713)	-45%
Current liabilities	(53,753)	(24,515)	(17,815)	(35,938)	-202%
Current working capital balance (deficit)	(19,840)	24,938	121,015	(140,855)	-116%
Receivable from general fund	255,026	201,289	182,789	72,237	40%
Bonds payable	(248,476)	(263,367)	(278,065)	29,589	11%
Operating Revenues					
Metered sales					
Industrial	1,395	11,237	140,506	(139,111)	-99%
All other	52,160	47,426	48,336	3,824	8%
Public fire protection	62,035	75,974	91,973	(29,938)	-33%
Rent	16,157	15,715	15,203	954	6%
Other	-	1,499	21,100	(21,100)	-100%
Total Operating Revenues	131,747	151,851	317,118	(185,371)	-58%
Operating Expenses					
Operation and Maintenance Expenses					
Purchased water	36,712	33,190	32,890	3,822	12%
Operation labor	56,288	58,572	52,557	3,731	7%
Power for pumping	11,698	7,199	12,228	(530)	-4%
Other operation and maintenance	14,652	41,476	26,691	(12,039)	-45%
Customer account expenses	1,856	1,200	1,248	608	49%
Administrative and general	34,935	31,887	48,010	(13,075)	-27%
Total Operation and Maintenance Expenses	156,141	173,524	173,624	(17,483)	-10%
Depreciation	77,245	77,245	78,005	(760)	-1%
Taxes	5,335	6,430	5,597	(262)	-5%
Tax equivalent	113,100	99,313	72,850	40,250	55%
Total Operating Expenses	351,821	356,512	330,076	21,745	7%
Operating Income (Loss)	(220,074)	(204,661)	(12,958)	(207,116)	-1598%
Nonoperating Revenues (Expenses)					
Interest income	23	78	207	(184)	-89%
Property taxes	170,000	-	-	170,000	
Contributed capital	-	-	451,289	(451,289)	-100%
Interest on debt	(3,344)	(3,541)	(2,618)	(726)	28%
Net Income (Loss)	$ (53,395)	$ (208,124)	$ 435,920	$ (489,315)	-112%

Schedule 3

VILLAGE OF BROKAW

Tax Incremental District

Sources, Uses and Status of Funds - 2011 through 2013

	Cumulative through 12/31/13	2013	2012	2011	Cumulative through 12/31/10
Sources of Funds					
Tax increments	$ 2,663,070	$ 424,701	$ 352,096	$ 343,985	$ 1,542,288
State and federal aids	974,292	-	383	590	973,319
Loan proceeds	5,500,000	-	-	-	5,500,000
Interest income	32,032	503	808	2,519	28,202
Total Sources	9,169,394	425,204	353,287	347,094	8,043,809
Use of Funds					
Planning and administration	19,747	150	178	150	19,269
Project costs	4,394,336	-	-	-	4,394,336
Principal payments	5,243,000	-	-	-	5,243,000
Interest expense (transfer to CDA)	1,110,459	149,516	159,686	170,370	630,887
Interest on debt	689,178	-	-	-	689,178
Total Uses	11,456,720	149,666	159,864	170,520	10,976,670
Excess (Deficit) of Sources Over Uses	(2,287,326)	275,538	193,423	176,573	(2,932,861)
Beginning Fund Balance (Deficit)	-	(2,562,864)	(2,756,288)	(2,932,861)	-
Ending Fund Balance (Deficit)	$ (2,287,326)	$ (2,287,326)	$ (2,562,864)	$ (2,756,288)	$ (2,932,861)
Other Information:					
Outstanding Debt of Community Development Authority		$ 3,090,000	$ 3,315,000	$ 3,520,000	

VILLAGE OF BROKAW

Other Statistical Information

	1/1/14	1/1/13	1/1/12	1/1/11	Increase (Decrease)	% Change
General						
Total equalized value	$ 25,458,100	$ 22,167,300	$ 33,425,100	$ 34,536,900	$ (9,078,800)	-26%
TID increment value	11,547,600	10,623,700	10,991,000	11,773,300	(225,700)	-2%
Equalized value reduced by TID increment	13,910,500	11,543,600	22,434,100	22,763,600	(8,853,100)	-39%

	Budget Year					
	2015	2014	2013	2012		
Local tax rate for budget year	24.73/1,000	22.52/1,000	18.29/1,000	10.89/1,000	13.84/1,000	127%
Village tax levy	281,524	284,384	457,375	262,149	19,375	7%
Tax increment levy	436,064	456,838	424,701	352,096	83,968	24%

	2013	2012	2011		
Water Utility Statistics (gallons in thousands)					
Purchased water	13,579	11,875	11,792	1,787	15%
Ground water	680	24,700	63,234	(62,554)	-99%
Total gallons entering distribution system	14,259	36,575	75,026	(60,767)	-81%
Water sold	3,473	29,767	69,517	(66,044)	-95%
Gallons used to flush mains	4,400	1,761	1,480	2,920	197%
Gallons used to prevent freezing	2,085	1,435	710	1,375	194%
Gallons used for other uses	835	365	115	720	626%
Water losses due to main and service breaks	151	2,100	420	(269)	-64%
Water losses for unknown reasons	3,315	1,147	2,784	531	19%
Percentage of water entering system sold	24%	81%	93%	-69%	-74%
Percent of real and apparent losses	24%	9%	4%	20%	469%

Schedule 5

VILLAGE OF BROKAW
Projection of Village Financial Information
Current Status with No Major Changes

Assumptions:
2014 based on review of actual thru 10/31/14; original budget used plus known variances
2015 and later - added 2% inflation annually on original 2014 budget; zero capital items of Water Utility

	Actual 2013	Projected 2014	2015	2016	2017	2018
GENERAL FUND						
Revenues	$ 547,972	$ 518,093	$ 528,455	$ 539,024	$ 549,804	$ 560,800
Expenditures	655,432	605,602	617,714	630,068	642,669	655,522
Excess of Revenues Over (Under) Expenditures	(107,460)	(87,509)	(89,259)	(91,044)	(92,865)	(94,722)
WATER UTILITY						
Revenues	301,770	259,551	123,982	126,462	128,991	131,571
Expenses	355,165	368,520	292,434	298,283	304,249	310,334
Net Income (Loss)	(53,395)	(108,969)	(168,452)	(171,821)	(175,258)	(178,763)
Add: Depreciation	77,245	77,245	77,245	77,245	77,245	77,245
Less: Principal of Debt	(14,891)	(15,008)	(15,315)	(15,517)	(15,722)	(15,929)
Less: Capital Items	-	-	-	-	-	-
Net Cash Flows from Operations	8,959	(46,732)	(106,522)	(110,093)	(113,735)	(117,447)
TAX INCREMENTAL DISTRICT						
Tax Increment Revenue	424,701	456,838	436,064	335,069	335,069	335,069
Debt Service Expenditures	373,807	382,859	269,219	278,250	295,125	286,375
Excess of Revenues Over (Under) Expenditures	$ 50,894	$ 73,979	$ 166,845	$ 56,819	$ 39,944	$ 48,694

VILLAGE OF BROKAW
Projection of Village Financial Information
Current Status with Changes

Assumptions:
2014 based on review of actual thru 10/31/14; original budget used plus known variances
2015 and later - added 2% inflation annually on original 2014 budget plus tax equivalent removed from General Fund revenue and Water Utility expense
2015 and later - deducted estimate of $50,000 of decreased expenditures for contracted services of General Fund; zero capital items of Water Utility

	Actual 2013	Projected 2014	2015	2016	2017	2018
GENERAL FUND						
Revenues	$ 547,972	$ 518,093	$ 459,095	$ 468,277	$ 477,643	$ 487,196
Expenditures	655,432	605,602	566,714	578,048	589,609	601,401
Excess of Revenues Over (Under) Expenditures	(107,460)	(87,509)	(107,619)	(109,771)	(111,966)	(114,205)
WATER UTILITY						
Revenues	301,770	259,551	123,982	126,462	128,991	131,571
Expenses	355,165	368,520	190,434	194,243	198,128	202,091
Net Income (Loss)	(53,395)	(108,969)	(66,452)	(67,781)	(69,137)	(70,520)
Add: Depreciation	77,245	77,245	77,245	77,245	77,245	77,245
Less: Principal of Debt	(14,891)	(15,008)	(15,315)	(15,517)	(15,722)	(15,929)
Less: Capital Items	-	-	-	-	-	-
Net Cash Flows from Operations	8,959	(46,732)	(4,522)	(6,053)	(7,614)	(9,204)
TAX INCREMENTAL DISTRICT						
Tax Increment Revenue	424,701	456,838	436,064	335,069	335,069	335,069
Debt Service Expenditures	373,807	382,859	269,219	278,250	295,125	286,375
Excess of Revenues Over (Under) Expenditures	$ 50,894	$ 73,979	$ 166,845	$ 56,819	$ 39,944	$ 48,694

PHILLIPS BOROWSKI SC LEGAL ANALYSIS

Provision of water & sewer is unsustainable
Utility insolvent
TID distressed. extended to 2030
Village budget strained
Viability questionable

I. INTRODUCTION

We have been asked to provide a legal analysis of the options available to the Village of Brokaw ("Brokaw") and its residents to remedy Brokaw's distressed financial condition. Brokaw's current financial condition, the causes of the condition and the long-term forecast for Brokaw's finances are discussed in the report provided by Schenck, S.C. ("Schenck Report"). In discussing available options, our analysis relies on certain assumptions based upon the material contained within the Schenck Report and the general understanding that Brokaw's current financial situation is unsustainable. The reviews and assessments contained within the Schenck Report form the foundation for the options discussed herein and are incorporated by reference.[1]

Based upon our review of the Schenck Report and applicable law, Brokaw may consider the following options as it relates to resolving its current financial difficulties. Please note that there are components associated with the options that may be explored or implemented independent of other components or even the overall option itself. Moreover, there are many aspects within the options will need additional research, review and consideration prior to implementation, particularly as it relates to the proposals herein which require intergovernmental cooperation among Brokaw, the City of Wausau (Wausau) and the towns of Maine and Texas. Each municipal entity has its own governing statutes and concerns. This memo offers no opinions as to how any of these municipalities should approach a collaborative effort other than to indicate that cooperative efforts are legally authorized and may be pursued as potential vehicles for resolving the problems faced by Brokaw.

Finally, it must be noted that no matter which option is implemented, in whole or part, we recommend that Brokaw enlist professional financial, legal and management assistance to aid in the evaluation, selection and implementation of these options. The financial, operational and budgetary issues confronting Brokaw are of sufficient complexity and the obligations so overwhelming that it is our opinion that a village board is ill-equipped on its own to address the financial condition of Brokaw and oversee analysis and implementation of the option components without professional assistance.

II. FACTORS CONSIDERED

The Schenck Report concludes that the Brokaw Water Utility and Brokaw's provision of sewer services create a negative cash flow situation for Brokaw that cannot be remedied absent some sort of divestment or consolidation. Likewise, the budgetary strain caused by the water utility and sewer services is negatively impacting the provision of other governmental services to Brokaw residents including public safety. The same financial strains do not appear to be present

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[1]As with all analyses, if the factors and assumptions associated with a particular option change, the viability of an option may also change. We do not endorse any of the options presented herein and the analysis is intended to identify possible legal issues associated with the two options discussed herein. We would need to conduct additional legal research and analysis before we can offer a legal opinion as to the proper procedure or course of conduct associated with the particular option. The analysis is not intended to, and shall not, constitute legal advice to the Village of Brokaw or any other entity as it relates to the substance of the analysis.

as it relates to the Brokaw tax incremental financing district ("TID"), but the TID is not set to dissolve until 2030. As a result, any option considered must also include consideration of what happens with the district in the event that Brokaw ceases to exist.

For these reasons, we recommend that a long-term strategy involve consideration of either merging Brokaw with another municipality or dissolving Brokaw in its entirety. However, such a strategy will impact Brokaw residents and likely residents of surrounding communities, so careful consideration must be given to the ramifications associated with the options.

III. OVERVIEW OF OPTIONS

OPTION 1: Cooperative Agreement/Intergovernmental Cooperation Agreement with City of Wausau, Town of Texas and Town of Maine

It would appear more efficient for the delivery of services that Brokaw consolidate with the Wausau. But a long-term consolidation strategy cannot be pursued solely through Brokaw and Wausau leaders because Wausau and Brokaw are prohibited by law from consolidating in the absence of contiguous borders. Instead, the strategy must actively involve leadership from the Towns of Texas and Maine, both of which currently maintain parcels that separate Brokaw from Wausau and presently prevent consolidation.

The towns have a vested interest in cooperating with Brokaw and Wausau in achieving a resolution of the financial issues facing Brokaw. This is because under Wis. Stat. § 61.187, if Brokaw dissolves, all assets and liabilities of Brokaw will become the assets and liabilities of the towns. The towns, therefore, have an interest in protecting themselves from the very real possibility that the financial problems facing Brokaw will become their problems.

For that reason, the towns would appear to benefit from an arrangement whereby Brokaw and Wausau agree on a long-term strategy ending in complete consolidation of the two municipalities. The long-term strategy would, by necessity, plan for boundary adjustments that impact the town parcels that currently separate Brokaw and Wausau until such time as the municipalities share a common border. Once Brokaw and Wausau share a common border, they are statutorily authorized to consolidate and the boundary lines for the participating municipalities can be modified to reflect the consolidation.

By pursuing consolidation in the context of an overall cooperative plan, Brokaw residents would be relieved of a significant and ongoing tax burden, the town residents would be relieved of the prospect of absorbing Brokaw's debt in the event Brokaw were to dissolve and Wausau would benefit from an enhanced tax base, increased access to properties north of Wausau[2] and existing infrastructure that may foster an environment of commercial and residential growth.

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[2] We have not reviewed any feasibility studies relating to Wausau's economic interests associated with consolidation.

A cooperative plan[3] between Brokaw, Maine, Texas and Wausau would contain many elements including, without limitation, the following:

A. Sale of Water Utility. The Brokaw Water Utility is causing significant strain on Brokaw's finances. The sale of the Water Utility pursuant to Wis. Stat. § 66.0817 should be pursued in an effort to relieve the financial burden associated with ongoing operations and, as well, provide relief to Brokaw's general fund. The sale of the water utility could be pursued separate and distinct from any cooperative agreement as Wis. Stat. § 66.0817 allows for the sale of a complete municipal utility plant provided the sale is approved through a referendum process. However, it is our understanding that the sale proceeds and resulting ongoing relief from the annual deficit associated with operating the utility will not necessarily result in Brokaw being financially sustainable. Therefore, the sale of the utility to Wausau is considered as a component of the overall strategy of reaching a cooperative agreement that benefits Brokaw as a whole, as well as the surrounding region. Conversely, if there is another potential purchaser for the water utility, Brokaw could pursue that sale as well.

B. Covenants Relating to Boundary Adjustments for Properties Currently in the Town of Texas and the Town of Maine. As noted above, Brokaw and Wausau do not share a common border, which precludes them from pursuing an annexation, detachment and consolidation strategy under current law. Several parcels of land within Texas and Maine currently separate Brokaw and Wausau. A cooperative plan involving all four municipalities would address the short-term goal of adjusting the participating municipalities' boundaries, over time, to reach the long-term goal of eventually consolidating Brokaw and Wausau (once the two entities share a common border).

C. Appointment of Professional Management. As indicated in the Schenck Report, Brokaw has a distressed financial outlook and it appears as though significant operational changes must be made to ensure Brokaw's financial viability over the short term. In addition, the analysis and implementation of a cooperative agreement would be complex. The parties to the cooperative agreement, including Brokaw, would seem to benefit from the appointment of professional management to oversee Brokaw's evaluation of its options, the operational changes need to be undertaken by Brokaw and to ensure the faithful and complete implementation of the cooperative agreement.

D. Covenants on public safety, government services, zoning and land use. The parties to the cooperative agreement will need to agree on the most efficient manner by which to provide public safety and other municipal services to Brokaw residents and, for that matter, residents of Maine and Texas. Moreover, the parties will likely need to consider covenants within the cooperative agreement

[3] As indicated below, the cooperative plan would also contain agreements on terms that are typically found in an agreement authorized by Wis. Stat. § 66.0301.

relating to land use and zoning (including extra-territorial zoning) during the transition period prior to consolidation of Brokaw and Wausau.

E. Tax Incremental Financing District ("TID"). Under current law, there is no mechanism for the transfer of Brokaw's TID to another municipality. Brokaw recently declared the TID distressed and extended the expiration date of the TID to 2030, a determination that remains under review with the Department of Revenue but appears poised for approval. Brokaw also recently refinanced the debt obligations associated with the TID and, based upon projections provided by Brokaw's financial advisor in relation to the debt, those obligations are likely to be fully satisfied in 2026. If the cooperative agreement calls for the consolidation of Brokaw with Wausau prior to termination of the TID, the parties will need to determine how to allocate the debt associated with the TID and, as well, whether there is any benefit to continuing the TID beyond the date that consolidation occurs.

Can't be transferred

As indicated below, we believe that the best and most efficient means by which to achieve the short-term and long-term goals of providing relief to Brokaw residents and ease the potential for a significant financial burden on surrounding communities is to engage in the cooperative planning process set forth in Wis. Stat. § 66.0307. We would hope that engaging in the process results in a comprehensive cooperative plan and intergovernmental agreement authorized under Wis. Stats. §§ 66.0307 and 66.0301.

1990's

OPTION 2: Dissolution of the Village

If Brokaw continues operations in the current environment, it will lack sufficient resources to meet its ongoing financial obligations. Pursuant to Wis. Stat. § 61.187, Brokaw has the authority to dissolve if the electors approve of the dissolution by referendum. If Brokaw dissolves, the properties in Brokaw revert to the towns (Texas and Maine) from which Brokaw was created. Brokaw's assets and liabilities would be apportioned between Texas and Maine according to the value of the properties reverting to each of the respective towns. In the event of dissolution, the following issues would remain:

A. What Happens to the TID? Given our understanding of the original status of the properties comprising the TID, the properties within the TID would revert to Maine in the event Brokaw dissolves. Under current law, it is our understanding that Maine is not statutorily authorized to maintain a tax incremental financing district under the circumstances. Moreover, it is our understanding that the loan covenants associated with the debt obligations relating to the TID do not allow for the transfer of the debt obligations associated with the TID.[4] For these reasons, absent amendments to the statutes to allow Maine to maintain the TID and inherit the debt associated with the TID, the TID would dissolve upon Brokaw's

[4] We have not reviewed all of the documents associated with Brokaw's issuance of bond notes related to the debt associated with the TID. However, we understand there to be certain covenants within the bond notes related to transferability of the debt.

dissolution and any debt associated with the TID would become a debt of Brokaw and, consequently, a debt of the towns from which Brokaw was formed.

B. What Happens to the Water Utility? Brokaw maintains a water utility that, as indicated in the Schenck Report, is not financially sustainable. If Brokaw dissolves, the towns would receive the assets associated with the utility as well as the debt. Unless the towns are able to sell the utility or its assets, the towns would have to either cease the provision of water services to current Brokaw residents shortly after Brokaw dissolves or create an independent town sanitary district under Wis. Stat. § 60.71. As discussed below, any newly-formed sanitary district could provide water and sewer services to Brokaw residents and, potentially, other residents of the two towns.

C. What Happens with Brokaw's Sewer Services? Brokaw currently provides wastewater collection and treatment services to Brokaw residents. Similar to the financial condition of the Brokaw Water Utility, Brokaw's provision of sewer services occurs at a financial loss. It is our understanding that neither Maine nor Texas provide sewer-related services to town residents. If Brokaw dissolves and the property comprising Brokaw reverts to the towns, the towns will likely prefer to create a town sanitary district that would assume responsibility for wastewater collection and treatment for the parcels formerly located in Brokaw. In addition to wastewater collection and treatment services, a joint town sanitary district could also assume the obligation to provide water treatment and distribution services to those same residents, as indicated above. In addition, any district formed for purposes of providing these services could have an expanded service area to include properties beyond the current borders of Brokaw.

In reviewing the options confronting Brokaw and the impact of the options on the surrounding region, it is clear that the additional passage of time only serves to worsen an already bleak financial situation for Brokaw. We would encourage Brokaw leaders and leaders from the surrounding communities to come together quickly to determine the feasibility of a cooperative plan/agreement and if there is no consensus on building such an agreement, for Brokaw to quickly move to protect its taxpayers and utility rate payers from additional financial harm.

IV. ANALYSIS

The issues confronting Brokaw are complex. Our review of options was guided by the financial review set forth in the Schenck Report and how Brokaw's current and forecasted financial difficulties could be minimized or resolved. Therefore, we focused on the issues surrounding the Brokaw Water Utility, Brokaw's sewer system, the status of Brokaw's tax incremental financing district, Brokaw's general government and public safety operations and the need to create long-term stability in the provision of government services to Brokaw residents. Our analysis follows.

OPTION 1: Cooperative Agreement/Intergovernmental Cooperation Agreement with City of Wausau, Town of Texas and Town of Maine

The issues surrounding the long-term resolution of Brokaw's financial problems and the concomitant burden those problems potentially create for Texas, Maine, Wausau and the greater region are complex. Therefore, the form of agreement reached between Brokaw, Maine, Texas and Wausau must allow for the inclusion of elements, and address issues, that are not otherwise common to a typical boundary line dispute between municipalities. As indicated below, we recommend that Brokaw and the surrounding region pursue a cooperative plan pursuant to Wis. Stat. § 66.0307, which would contain additional covenants between the parties that are authorized under Wis. Stat. § 66.0301. While other statutes allow municipalities to resolve boundary line issues, as set forth below, the limitations associated with those statutes do not afford Brokaw and the surrounding region a complete solution capable of implementation.

The terms of the resulting cooperative plan/intergovernmental agreement authorized under Wis. Stat. §§ 66.0307 and 66.0301 ("Plan and Agreement") would necessarily address the following subjects:

(1) Sale of Water Utility. As noted in the Schenck Report, the Brokaw Water Utility has operated, and is likely to continue to operate, at a significant operational loss. Pursuant to Wis. Stat. § 66.0817, Brokaw is authorized to sell the complete utility plant. The cooperative agreement must address the sale of the water utility to Wausau and a commitment from Wausau as to the long-term strategy for serving the Brokaw community.

(2) Provision of Sewer Services. Like the water utility, Brokaw's provision of sewer collection and treatment services has created, and will continue to create, a significant strain on Brokaw's finances. The cooperative agreement must address how the parties could best utilize Brokaw's existing sewer assets to efficiently collect and treat waste.

(3) Provision of Other Services. Brokaw is responsible for providing public safety and general government services to Brokaw residents. Currently, Brokaw contracts with Maine for fire protection services and does not maintain its own police force. Other governmental services are provided directly by village employees. The cooperative agreement must address how Maine, Texas and Wausau could most efficiently deliver services to the residents of the areas subject to the cooperative plan.

(4) Boundary Adjustment Agreement. The cooperative agreement should provide for the orderly transition of properties that separate the borders of Brokaw and Wausau to either Brokaw or Wausau in an effort to reach a common border such that consolidation can occur. In this context, the parties can agree as to how and when boundaries will change and, as well, determine the financial terms

associated therewith to account for any loss of tax revenues to a particular jurisdiction.[5]

(5) Tax Incremental Financing District. The TID currently in Brokaw is set to expire in 2030.[6] Pursuant to Wis. Stat. § 66.1105(3), Wausau is authorized to create a tax incremental financing district similar to how Brokaw created the TID. However, there is no statutory provision that would allow Wausau to inherit the TID and maintain the TID as a going concern. As a result, if the property comprising the TID were to become a part of Wausau, the city would need to create its own TID territory including those properties. While we have not researched the viability of Wausau creating a new TID relating to the properties, there appear to be concerns surrounding the ability of Wausau to meet the criteria associated with the creation of a new TID for properties that are subject to a pre-existing, and then terminated, TID.

Moreover, it is our understanding that Brokaw's outstanding debt obligations related to the TID may contain clauses restricting the transfer of debt associated with the TID to another entity. If the TID terminates upon Brokaw's consolidation with Wausau, the parties will need to address the impact of the underlying debt obligations and the ability of Wausau to absorb the debt absent the existence of the TID.

A potential solution to the particular problems associated with the continuation of the TID upon consolidation would be to pursue special legislation authorizing Wausau to continue the TID upon consolidation. While any potential legislation authorizing the continuation would need to be researched in further detail, the legislation could be patterned after Wis. Stat. § 66.1105(16), which was created to resolve a unique circumstance relating to the creation of a town TID when the town is subject to a cooperative plan under Wis. Stat. § 66.0307.

(6) Land Use Decisions. As with any cooperative agreement involving multiple municipalities, the parties will likely want to agree on a process for the orderly and consistent application of zoning and land use regulations. If the ultimate goal of the cooperative agreement is to ensure the successful consolidation of Brokaw and Wausau, it will be beneficial to the municipalities and their residents to have consistency in zoning and land use regulations and the enforcement of those regulations.[7]

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[5] Section 66.0305, relating to political subdivision revenue sharing, provides a statutory basis for Brokaw, Maine, Texas and Wausau to allocate revenues in an equitable fashion in support of any overall cooperative plan.

[6] It is our understanding, confirmed through conversations with the Department of Revenue, that the TID has been submitted for distressed status for extending the life of the TID to 2030. The Department of Revenue is reviewing the material. We are unaware of any circumstances suggesting that the Department will not approve the extension.

[7] There are likely many more topics and issues that should be addressed in a cooperative plan between Brokaw, Maine, Texas and Wausau and the outline of issues set forth herein should not be construed as exclusive. Any agreement negotiated should involve the appropriate officials, engineers, financial officers and counsel.

While all of these subject areas are not statutorily-mandated for inclusion in a cooperative plan entered into under Wis. Stat. § 66.0307, there would appear to be no justification for a cooperative plan absent agreement on these important issues.[8] If the municipalities are unable or unwilling to address these issues, there is very little that could be achieved by engaging in the complex cooperative planning process.

A. Legal Authority For Intergovernmental Cooperation on Boundary Matters.

There are three (3) statutes that authorize municipalities to cooperate on issues involving common boundaries and related matters: Wis. Stat. § 66.0225, Wis. Stat. § 66.0301(6) and Wis. Stat. § 66.0307. We discuss the elements of each of these statutes below and, as noted, have concluded that the cooperative plan process set forth in Wis. Stat. § 66.0307, which will include elements traditionally associated with an intergovernmental agreement under Wis. Stat. § 66.0301, is the best mechanism for achieving the comprehensive goals associated with this option.

1. Section 66.0307 Cooperative Plan

Section 66.0307, which involves the creation and execution of a long-term cooperative plan between the participating municipalities, appears to be the most appropriate statute under which to proceed. Pursuant to this statute, any combination of municipalities may determine the boundary lines between themselves under a cooperative plan that is approved by the Department of Administration ("DOA"). Wis. Stat. § 66.0307(2). The cooperative plan can specify that boundary line changes shall occur during the planning period, may occur during the planning period, or may not be changed during the planning period. Wis. Stat. § 66.0307(2)(a)-(d).

a. General Requirements of a Cooperative Plan.

The cooperative plan must be made with the general purpose of guiding and accomplishing a coordinated, adjusted and harmonious development of the territory covered by the plan which is consistent with the comprehensive plan of each participating municipality, including a description of exactly how it is consistent with each comprehensive plan. Wis. Stat. § 66.0307(3)(b)-(c).

Among other things, the cooperative plan must include (i) the identification of any boundary change, (ii) any condition that must be met before a boundary change may occur, (iii) a schedule of the period during which a boundary change shall (or may) occur, (iv) a statement explaining how the plan meets the requirement that the shape not be the result of arbitrariness and reflects considerations for compactness of area, (v) a description of services to be provided to the territory covered by the plan, including an identification of the providers of those services,

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[8] We note as well that we have been retained on this project by Marathon County and do not represent Brokaw, Maine, Texas or Wausau. It is likely that each of the parties will have different perspectives on the topics to be included within a Plan and Agreement and have different ideas on how to resolve the issues in the context of a Plan and Agreement. Therefore, we encourage all parties to discuss the issues surrounding a Plan and Agreement with counsel.

(vi) a schedule for delivery of services, and (vii) a designation of the municipalities that are participating in the cooperative plan and that are required to ratify any boundary changes by enacting an ordinance. Wis. Stat. § 66.0307(3)(d)1.-8.

Additionally, a plan must describe how it is consistent with current state and federal laws, county shoreland zoning ordinances, municipal regulations and administrative rules. Wis. Stat. § 66.0307(3)(e). It must also specify the duration of the proposed planning period, which may exceed 10 years with DOA approval. Wis. Stat. § 66.0307(3)(f). Finally, a cooperative plan may be based on, contain elements of or duplicate any existing plan for the same territory. Wis. Stat. § 66.0307(3)(h).

b. Steps for Adopting the Plan.

While the steps associated with adopting a cooperative plan may appear burdensome, it seems particularly well-suited for situations involving multiple municipalities resolving multiple inter-related issues, such as here. The first step in adopting a cooperative plan requires that each municipality that intends to participate in the preparation of a cooperative plan must adopt a resolution authorizing participation in the preparation of the plan. Wis. Stat. § 66.0307(4)(a). Thereafter, the municipalities must engage in a notice and hearing process designed to solicit input from state departments, the citizens that would be impacted by the cooperative plan process and other impacted government agencies.[9]

At least 60 days after adoption of the resolution and at least 60 days before submitting a cooperative plan to the DOA, the municipalities must hold a joint hearing on the proposed plan. Wis. Stat. § 66.0307(4)(b). Any person may comment on the plan during the hearing and may submit written comments (before, at, or within 20 days following the hearing). Wis. Stat. § 66.0307(4)(c). All comments must be considered by the participating municipalities. *Id.*[10]

After the public hearing and consideration of any comments, the plan participants may revise the plan in response to the comments and may, by resolution, adopt a final version of the plan. Wis. Stat. § 66.0307(4)(d)1. If within 30 days after the public hearing a petition opposing the plan, signed by at least 10% of the votes cast for governor in the last election, is filed with the clerk of a participating municipality, the final version of the plan may be adopted only if ¾ of the municipality's governing body approves it. Wis. Stat. § 66.0307(4)(d)2.

An advisory referendum may also be utilized. Within 30 days after adoption of a final plan (as detailed in the preceding two paragraphs), a municipality *may* adopt a resolution calling for an advisory referendum on the plan. Wis. Stat. § 66.0307(4)(e)1. However, an advisory referendum is *required* if, within 30 days after adoption of the final plan a petition, signed by at least 10% of the votes cast for governor in the last election, is filed with the clerk. *Id.* An

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[9] Notice of the resolution must be provided to the DOA, DNR, DATCP, and DOT, the clerks of any public entity within 5 miles of a participating municipality, the clerk of each county in which a participating municipality is located, and any affected zoning agency or regional planning commission. Wis. Stat. § 66.0307(4)(a)1.-4.

[10] In addition, a county zoning agency or regional planning commission must comment in writing on the plan's effect on any master plan. *Id.*

advisory referendum must then be held between 70 to 100 days after adoption of the resolution calling for the referendum. Wis. Stat. § 66.0307(4)(e)2.

If no advisory referendum is held, the plan participants may submit the final version of the plan to the DOA for approval between 60 to 180 days after the public hearing. Wis. Stat. § 66.0307(4)(f). If an advisory referendum is held, each municipality must determine, by resolution, whether to submit the final version of the plan to DOA. *Id.* The resolution must be adopted within 60 days after the last advisory referendum is held. *Id.*

If *any* of the plan participants fails or refuses to approve submittal of the cooperative plan to the DOA, the plan may not be submitted. *Id.* Any written comment received by a municipality on any version of the cooperative plan must be submitted to the DOA at the time that the plan is submitted. *Id.* If the plan is not submitted to and approved by the DOA, it may not be implemented. *Id.*[11]

Following receipt and review of a proposed plan, the DOA must make a written determination of whether to approve a cooperative plan within 90 days after receipt. Wis. Stat. § 66.0307(5)(a). The DOA must consider written comments. *Id.* It may request information relating to the cooperative plan, including any related comprehensive plans. *Id.* It may seek and consider comments from any state agency. *Id.* It must issue its determination of whether to approve in writing and supported by specific finding. *Id.*

These findings include, among other things, that a plan is consistent with each participating municipality's comprehensive plan and with current state laws, that adequate provision is made for the delivery of necessary municipal services, and that the shape of any boundary is not the result of arbitrariness and reflects due consideration for compactness of area. Wis. Stat. § 66.0307(5)(c)1.-6. In addition to written comments, any person may request a public hearing before the DOA on a cooperative plan. Wis. Stat. § 66.0307(5)(b). Such a request must be in writing and submitted to the DOA within 10 days after the plan is received by the DOA. *Id.*

The DOA may return a plan, with comments, if it determines that the plan, if revised, may constitute a plan that can be approved by the DOA.[12] Wis. Stat. § 66.0307(5)(d). Each participating municipality then has 90 days to revise, adopt, and resubmit. *Id.*

c. Status of Annexation/Detachment Processes in Context of Cooperative Plan

Typically, municipal boundaries are modified through either the detachment process set forth in Wis. Stat. § 66.0227 or the annexation processes set forth in Wis. Stat. §§ 66.0217,

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[11] The statute also provides for a mediation procedure in the event a municipality proposed to be a party to a cooperative plan does not voluntarily agree to the cooperative planning process. That process is contained in Wis. Stat. § 66.0307(4m)(a).

[12] We also note that the Wisconsin Department of Administration is a helpful resource to assist parties in the negotiation and drafting of agreements under Wis. Stat. §66.0307.

66.0219 and 66.0223. Detachment entails a petition process initiated by the property owners seeking detachment, followed by municipal action approving the change in boundaries. Annexation may take various forms in terms of the party(ies) that may initiate and the process for approving, but is available as an option only in situations involving the transfer of unincorporated (town) territory to an incorporated municipality.

In the context of a cooperative plan, the detachment and annexation processes become irrelevant provided the plan specifies that all property within Brokaw is subject to the plan and, as well, the Maine and/or Texas parcels that separate Brokaw and Wausau are subject to the plan. As noted above, the cooperative plan will provide for the orderly transition of properties from the town(s) to Brokaw and/or Wausau until such time as Brokaw and Wausau share a border, at which point the municipalities may consolidate.

d. Status of Consolidation Process in Context of Cooperative Plan

The final stage of the long-term strategy associated with a cooperative agreement would involve consolidation of Brokaw and Wausau. Generally, a town, village or city may be consolidated with a *contiguous* town, village or city. Wausau and Brokaw are currently not contiguous and, therefore, the cooperative plan should provide for consolidation once Wausau and Brokaw share a border.

Under the statute relating specifically to municipal consolidation, and without regard to the statute governing cooperative plans, municipalities consolidate by adopting ordinances, passed by a 2/3 vote of all the members of each board or council, fixing the terms of the consolidation and ratified by the electors at a referendum in each municipality. Wis. Stat. § 66.0229(1). If the majority of the votes cast in each municipality are for consolidation, the ordinances shall take effect and have the force of a contract. *Id.* Consolidation does not affect the preexisting rights or liabilities of any municipality. *Id.*

A consolidation ordinance proposing the consolidation of a town and a city or village shall, within 10 days after its adoption and prior to its submission to the voters for ratification at a referendum, be submitted to the circuit court and the Wisconsin Department of Administration for a determination of whether the proposed consolidation is in the public interest. *Id.*

It is anticipated that the entire process for consolidating Brokaw and Wausau would be accomplished under the Plan and Agreement. There appears to be no statutory barrier to making consolidation of Brokaw and Wausau automatic once they share a common border. However, it is unclear as to whether the formal consolidation process contained within Wis. Stat. § 66.0229 must still be followed even if a cooperative plan under Wis. Stat. § 66.0307 provides for consolidation upon the satisfaction of certain prerequisites. Moreover, depending upon the negotiations between the parties, there may be merit to pursuing a large scale detachment or annexation strategy that would eventually result in Brokaw's dissolution. In that instance, it is presumed that only the small portion of Brokaw remaining following implementation of the large

scale detachment or annexation strategy would revert to the town or towns from which Brokaw was formed.[13]

e. Benefits of Proceeding with a Cooperative Plan.

Section 66.0307(6) provides that the parties to a cooperative plan may agree to maintenance of existing boundaries, boundary changes, schedule for the boundary changes, plan for delivery of services and schedule for those services. Moreover, Wis. Stat. § 66.0307(6) provides that "provisions in [an approved cooperative plan] to maintain existing boundaries, the boundary changes in the plan, the schedule for those changes, the plan for delivery of services and the schedule for those services are binding on the parties to the plan and have the force and effect of a contract."

This statutory procedure appears well suited for achieving ultimate consolidation of Wausau and Brokaw. The statutory provisions in Wis. Stat. § 66.0307(6) appear, on their face, as a means of bypassing any requirement that Wausau annex the towns in order to consolidate with Brokaw. Moreover, a cooperative agreement under Wis. Stat. § 66.0307(6) constitutes an enforceable contract between the parties. Therefore, if the parties are able to achieve a written agreement to cooperate along the lines outline above, the parties are legally obligated to perform and technically cannot change directions because of a political power shift or a desire to abandon the ultimate consolidation of Brokaw and Wausau.

The comprehensive nature of the statute, together with our review of similar cooperative plans involving other Wisconsin municipalities, leads to our recommendation of the cooperative plan process as the preferred option for Brokaw to pursue. There are elements associated with the overall strategy for resolving the issues confronting Brokaw that fall outside the traditional boundary line dispute resolution mechanisms found in other statutes. As noted below, combining the cooperative plan with an intergovernmental agreement to form the Plan and Agreement provides certainty to the future of all impacted municipalities including Brokaw, Maine, Texas and Wausau.

2. Section 66.0225 Boundary Line Resolution Process

Section 66.0225 relates to the modification of boundary lines between municipalities in settlement of a contested boundary action. The statute provides that any two municipalities whose boundaries are immediately adjacent at any point and who are parties to an action, proceeding, or appeal in court for the purpose of testing the validity of an annexation may enter into a written stipulation, compromising and settling the litigation and determining the portion of the common boundary line between the municipalities that is the subject of the annexation. Wis. Stat. § 66.0225(2). The court may then enter a final judgment incorporating the provisions of the stipulation and fixing the common boundary lines between the municipalities involved. *Id.*

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[13] We recommend thorough research and analysis of the consolidation, annexation and detachment options in the context of a cooperative plan.

A stipulation changing boundaries of municipalities must be approved by the governing body of each municipality. The filing and appeal procedures contained within Wis. Stat. 66.0217(9) and (11) related to annexations instituted by electors and property owners apply to the change in boundaries. *Id.* Further, a change of municipal boundaries under the section is still subject to a referendum of the electors residing within the territory whose jurisdiction is subject to change under the stipulation, if within 30 days after the publication of the stipulation to change boundaries, a petition for a referendum signed by at least 20% of the electors residing within the territory is filed with clerk. *Id.* If the referendum election fails, all proceedings under the section are void. *Id.*

The procedures contained in Wis. Stat. § 66.0225 are inapplicable unless the parties to the statutory stipulation contemplated thereunder are "parties to an action, proceeding, or appeal in court for the purpose of testing the validity of an annexation." Wis. Stat. § 66.0225(2). Therefore, to implement this option would require Brokaw to engage in a two-part strategy in order to establish a common border with Wausau, which would then authorize consolidation of Brokaw and Wausau. First, Brokaw would need to annex property from Maine and Texas pursuant to the procedures set forth in Wis. Stat. §§ 66.0217 or 66.0219, which would require either a referendum related to the annexations or annexations to be instituted by the property owners. Thereafter, there must be some sort of dispute related to the annexations that leads to a court proceeding. None of these required elements are currently present and it would take a significant amount of time for Brokaw to reach the point where the statute provides an opportunity for a stipulated boundary line adjustment.

Utilization of the boundary line dispute resolution process in Wis. Stat. § 66.0225 would require Brokaw and several other parties to "manufacture" a series of disputes related to what could be considered stipulated annexations. Moreover, implementation of the strategy would rely upon the full cooperation of all parties for an extended period of time. In short, the statute is ill-suited for purposes of resolving Brokaw's current issues.

3. Section 66.0301(6) Intergovernmental Agreement

Section 66.0301(6) authorizes two municipalities to agree to the boundary lines between the municipalities. The statute provides that any two municipalities whose boundaries are immediately adjacent at any point may enter into a written agreement determining all or a portion of the common boundary line between the municipalities. Wis. Stat. § 66.0301(6)(a). The maximum term of an agreement addressing boundaries is 10 years. Wis. Stat. § 66.0301(6)(b). However, before such an agreement may take effect, it must be approved by the governing body of each municipality by the adoption of a resolution. Wis. Stat. § 66.0301(6)(c)1. Before each municipality may adopt a resolution, each must hold a public hearing on the agreement or both municipalities must hold a joint public hearing on the agreement. *Id.* Notice must be given out 20 days before the public hearing. *Id.*

An agreement relating to boundaries is further subject to a referendum of the electors residing within the territory. Wis. Stat. § 66.0301(6)(c)2. A referendum must be held if, within 30 days after the publication of the agreement, a petition for referendum signed by at least 20% of the electors residing within the territory is filed with the clerk of each municipality that is a

party to the agreement. *Id.* If the agreement is approved by referendum, it may take effect. *Id.* If the agreement is not approved in the referendum, it may not take effect. *Id.*

Section 66.0301(6) is more appropriately suited to resolving a boundary line dispute between two entities rather than a large-scale strategy such as that contemplated here. The maximum term of any agreement entered into under Wis. Stat. § 66.0301(6) is ten (10) years. Given the complexity of the issues surrounding an agreement between Brokaw, Maine, Texas and Wausau, coupled with the need for a permanent solution to Brokaw's issues, the process under Wis. Stat. § 66.0301(6) is not well- suited for the current situation.

B. Combination of Cooperative Plan with Intergovernmental Agreement

As noted above, many of the elements set forth above associated with the overall strategy for coordination between Brokaw, Maine, Texas and Wausau, resulting in the consolidation of Wausau and Brokaw, are more commonly considered topics that extend beyond the standard topics included in a cooperative plan under Wis. Stat. § 66.0307.[14] Instead, the topics would typically be considered for inclusion in an intergovernmental agreement under Wis. Stat. § 66.0301(2), which provides (in relevant part):

> **66.0301 Intergovernmental cooperation.**
>
> ***
>
> **(2)** ... in addition to the provisions of any other statutes specifically authorizing cooperation between municipalities, unless those statutes specifically exclude action under this section, any municipality may contract with other municipalities and with federally recognized Indian tribes and bands in this state, for the receipt or furnishing of services or the joint exercise of any power or duty required or authorized by law. If municipal or tribal parties to a contract have varying powers or duties under the law, each may act under the contract to the extent of its lawful powers and duties. A contract under this subsection may bind the contracting parties for the length of time specified in the contract. This section shall be interpreted liberally in favor of cooperative action between municipalities and between municipalities and Indian tribes and bands in this state.

Like Wis. Stat. § 66.0307(6), an agreement under Wis. Stat. § 66.0301(2) is enforced as a contract between the parties. As a result, these statutes, Wis. Stat. §§ 66.0301 and 66.0307, together provide a foundation upon which Brokaw, Maine, Texas and Wausau could build a

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[14] Discussions with representatives of DOA confirmed that elements not meeting the definition of statutorily-required elements in a Wis. Stat. § 66.0307 cooperative plan are nonetheless able to be included in the plan. Moreover, review of cooperative plans involving other Wisconsin municipalities revealed inclusion of additional elements. Nonetheless, we recommend reference to Wis. Stat. § 66.0301 in the creation of the cooperative plan to avoid doubt as to the legal basis for inclusion of any topics that are not explicitly referenced in Wis. Stat. § 66.0307.

long-term contractual relationship. As noted above, there are many topics that will likely need to be included in the Plan and Agreement, but it should, at the least, address: (1) sale of the Brokaw Water Utility; (2) provision of sewer services to Brokaw residents; (3) provision of other governmental and public safety services; (4) resolution of issues surrounding the Brokaw TID; (5) boundary adjustment between the municipalities; and (6) future land use and zoning issues.

OPTION 2: Dissolution of the Village of Brokaw

A second option would be for Brokaw to pursue statutory dissolution. While there is a statute that governs the dissolution process, the statute leaves many unanswered questions as to the process and its ramifications.

A. The Dissolution Process Under Wis. Stat. § 61.187

Whenever a petition is signed by at least 1/3 as many electors of any village as voted for village officers at the next preceding election for village officers in that village and is presented to the village board, seeking dissolution of the village, the village board must submit to the electors of the village the question of whether or not the village shall be dissolved. Wis. Stat. § 61.187(1). If 2/3 of the ballots cast at the election are in favor of dissolution, after six months from the date of the election, the village shall cease to be a village. Wis. Stat. § 61.187(2)(a).

Upon dissolution, the territory reverts to and becomes a part of the town or towns from which it was taken or in which it is then located. Wis. Stat. § 61.187(2)(c). The assets and liabilities of the village also become the assets and liabilities of the town or towns to which the village territory reverts. *Id.*

It is our understanding that Brokaw was originally a part of the Town of Texas and incorporated as such. Thereafter, following a series of annexations or detachments, Brokaw grew by obtaining property that was formerly located in the Town of Maine. The Town of Maine and the Town of Texas continue to exist. Therefore, in the event that Brokaw is dissolved, the properties in Brokaw would revert back to Maine and Texas according to the boundaries that were established between the two towns prior to the time that Brokaw was incorporated.[15]

Once the properties have been appropriately divided between Maine and Texas, the towns would apportion the assets and liabilities of Brokaw consistent with Wis. Stat. § 66.0235(2)(a), which provides:

> Except as otherwise provided in this section or in s. 60.79(2)(c)[16] when territory is transferred, in any manner provided by law, from

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[15] We have not researched or reviewed property records to determine what properties in Brokaw would revert to Maine and Texas. Moreover, we are not aware, and have not researched, whether the boundaries of Maine or Texas have changed since the time that Brokaw incorporated to determine if there will be any dispute as to what properties appropriately belong in each town in the event of Brokaw's dissolution.

[16] This section relates to disposition of the assets of a town sanitary district and is inapplicable here.

> one local governmental unit to another, there shall be assigned to the latter local governmental unit such proportion of the assets and liabilities of the first local governmental unit as the assessed valuation of all taxable property in the territory transferred bears to the assessed valuation of all the taxable property of the entire local governmental unit from which the territory is taken according to the last assessment roll of the local governmental unit. The clerk of a local governmental unit to which territory is transferred, within 30 days of the effective date of the transfer, shall certify to the clerk of the local governmental unit from which territory was transferred and to the clerk of the school district in which the territory is located a metes and bounds description of the land area involved. Upon receipt of the description the clerk of the local governmental unit from which the territory was transferred shall certify to the department of revenue and to the clerk of the school district in which the territory is located the latest assessed value of the real and personal property located within the transferred territory, and shall make any further reports as needed by the department of revenue in the performance of duties required by law.

Accordingly, Maine and Texas would divide Brokaw's assets and liabilities in proportion to the assessed value of the property that reverts to each town as a result of Brokaw's dissolution. However, the statute does not address peculiar issues that confront Brokaw, Maine and Texas that would impact the division of assets and liabilities upon dissolution of Brokaw. Specifically, the statute contains no guidance on what would happen to the TID upon Brokaw's dissolution, nor is there any guidance as to how the Brokaw Water Utility's assets and liabilities are divided.[17]

1. Status of the Water Utility

The Brokaw Water Utility is not an entity separate and distinct from Brokaw. While there are likely procedural matters to be addressed, in relation to the Public Service Commission and otherwise,[18] in the context of Brokaw's dissolution and its impact on the Brokaw Water Utility, the utility would be dissolved upon Brokaw's dissolution.

By inheriting Brokaw's assets and liabilities, Maine and Texas would inherit the assets of a water utility that would be equipped to serve only a portion of each of the two towns. The towns would be faced with the prospect of either creating a sanitary district, likely a joint sanitary district, pursuant to Wis. Stat. § 60.71(1) or transitioning Brokaw residents to a private

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[17] There are no published cases that discuss application of Wis. Stat. § 61.187.

[18] We have not reviewed applicable law relating to dissolution of a municipal public utility upon dissolution of the underlying municipality.

water system.[19] In either event, there is no statutory guidance as to the preferred option or procedure for the Brokaw Water Utility upon Brokaw's dissolution.

2. Status of the Sewer System

Similar to the water utility, the sewer system serving Brokaw does maintain an existence separate and distinct from Brokaw. As a result, upon Brokaw's dissolution, the assets and liabilities associated with the sewer system would revert to Maine and Texas. Again, Maine and Texas would inherit a system that serves only a portion of each of the two towns. The options available to the towns in such a situation parallel the options presented by inheritance of the water utility. In simple terms, the towns could continue operation of the sewer system through a sanitary district or they could transition Brokaw residents to a private system.[20]

3. Status of the Tax Incremental Financing District

It is our understanding that Brokaw has created a community development authority known as the Village of Brokaw Community Development Authority ("Brokaw CDA") pursuant to Wis. Stat. § 66.1335. It is our further understanding that the Brokaw CDA has created accounts required under law to fund the development obligations incurred in relation to the District and further issued debt in order to pay for the obligations.[21] We have not reviewed the debt instruments associated with either the original financing or the recent refinancing.

It appears that all of the real property currently within the Brokaw TID would revert to Maine in the event of Brokaw's dissolution. While we have not researched the impact of Wis. Stat. § 60.85 (statute governing town authority to create a tax incremental financing district) and Maine's ability to create a tax incremental financing district relating to the properties currently in the Brokaw TID in great detail, there appear to be significant barriers to Maine maintaining the TID status for those properties. Moreover, there is no provision in statute that would allow Maine to inherit the Brokaw TID. While we have not researched the question in detail, there is significant concern surrounding the ability of Maine to create a TID, relating both to the fundamental authority of a Wisconsin town to create a TID and, in addition, questions surrounding a municipality's ability to create a new TID comprised of properties that were formerly part of a terminated TID from another municipality where the development associated with the TID is completed.

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[19] We found no statute that compels Maine and Texas to create a sanitary district. However, we note that all water utilities are regulated by the Public Service Commission, which may have regulations related to how the Brokaw rate payers are treated in the event of Brokaw's dissolution. Exploration of those issues is beyond the scope of our review.

[20] See fn. 19 above.

[21] See Wis. Stat. § 66.1105 relating to the fund requirements and procedure for issuing debt obligations in relation to the debt associated with a TID. For purposes of our analysis, we assume that Brokaw and the Brokaw CDA created the TID, funded the accounts and issued debt in compliance with Wis. Stat. § 66.1105 and applicable law.

While there is no statute that addresses the peculiar situation of what happens to a TID in the event of dissolution of the underlying village, it appears likely, confirmed through conversations with the Department of Revenue that the Brokaw TID would terminate upon Brokaw's dissolution. Termination of the TID does not relieve the Brokaw CDA or Brokaw from the obligations related to the debt associated with the TID in the event that the debt instruments provide for the Brokaw CDA and Brokaw to guaranty the obligations. While we have not reviewed the bond documents related to the debt, it is our understanding that the Brokaw CDA and Brokaw made certain representations and agreed to certain covenants relating to the debt associated with the TID. It is likely that the representations and covenants contained within the debt instruments would continue even in the event the TID is terminated. As a result, the debt associated with the TID is likely to continue as a debt of the Brokaw CDA and Brokaw, which would then require assumption from either Maine or Texas pursuant to Wis. Stat. § 61.187.

B. Orderly Resolution of Brokaw Liabilities

It is common for entities in financial distress to seek protection from creditors by filing for relief under the Federal Bankruptcy Code. Bankruptcies of municipal entities are governed by Chapter 9 of the Federal Bankruptcy Code. In this case, there is no provision in Wisconsin law that allows a Wisconsin municipality, such as Brokaw, to file for protection under Chapter 9 of the Federal Bankruptcy Code.[22] As a result, Brokaw is unable to provide for the resolution of any issues associated with its debts and creditors in the context of a bankruptcy proceeding.

Nonetheless, as indicated above, application of the village dissolution mechanism set forth in Wis. Stat. § 61.187 leaves the questions surrounding the status of the Brokaw Water Utility, the sewer utility and the TID unanswered. Given the lack of definitive statutory guidance, it may be appropriate for Brokaw to seek a judicial declaration as to its rights and responsibilities in the event of dissolution pursuant to Wis. Stat. § 806.04, which provides (in relevant part):

> Any person[23] interested under a deed, will, written contract or other writings constituting a contract, or whose rights, status or other legal relations are affected by a statute, municipal ordinance, contract or franchise, may have determined any question of construction or validity arising under the instrument, statute, ordinance, contract or franchise and obtain a declaration of rights, status or other legal relations thereunder.

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[22] Chapter 9 of the Bankruptcy Code is a special section relating to the bankruptcy of municipal entities. The Bankruptcy Code specifically provides that "a municipality must be specifically authorized, in its capacity as a municipality or by name, to be a debtor under chapter 9 by state law, or by a governmental officer or organization empowered by state law to authorize such entity to be a debtor under such chapter." 11 U.S.C. § 109(c)(2).

[23] Section 990.01(26) defines "person" to include "bodies politic or corporate."

Under this section, Brokaw could obtain a judicial declaration as to how its limited assets should be utilized to pay outstanding obligations and, as well, how any remaining unsatisfied liabilities should be apportioned among Maine and Texas.[24]

Moreover, it may be appropriate for Brokaw to petition the court, in the context of the declaratory relief claim, for the appointment of a receiver to administer Brokaw's affairs while the lawsuit is pending. Section 813.06 recognizes that a receiver may be appointed to administer the property and affairs of a party to a lawsuit in the following circumstances:

> (1) On the application of either party, when the applying party establishes an apparent right to or interest in property which is the subject of the action and which is in the possession of an adverse party, and the property or its rents and profits are in danger of being lost or materially impaired.
>
> ***
>
> (4) When a corporation has been dissolved or is insolvent or in imminent danger of insolvency, or has forfeited its corporate rights.
>
> (5) In accordance with the practice which obtained when the code of 1856 took effect except as otherwise provided in this chapter.

If appointed by a court, the receiver "is an officer of court, whose business it is to administer his trust impartially for the benefit of all concerned." *Bartelt v. Smith*, 145 Wis. 31, 129 N.W. 782, 784 (1911). In other words, a receiver appointed to administer the dissolution of Brokaw would be empowered by the court, with court oversight, to exercise control over all affairs relating to the disposition of Brokaw's assets and liabilities.

Additional research and review of Wis. Stat. §§ 806.04 and 813.06 should be conducted relating to the ability of Brokaw to seek declaratory relief and petition for the appointment of a receiver prior to authorizing such an action. Our review of these statutes has been limited and we have not reached any definitive conclusion as to the viability of any such claim.

---

[24] There are additional elements necessary to maintain a claim under Wis. Stat. § 806.04 including, without limitation, the requirement that Brokaw be involved in a justiciable controversy that is ripe for judicial resolution. *Olson v. Town of Cottage Grove*, 309 Wis.2d 365, 749 N.W.2d 211 (2008).These elements are not discussed here, but it appears that Brokaw's position in the context of dissolution would likely be sufficiently adverse to the interests of Maine, Texas and the Brokaw CDA bondholders such that the elements can be met.

M E M O R A N D U M

TO: Town of Maine

Town of Texas

City of Wausau

FROM: Dean R. Dietrich
Ruder Ware

DATE: May 6, 2015

RE: Revenue Projections for Village of Brokaw Water Utility

To All:

Attached to this e-mail is a document from the Study regarding the projected revenues of the Village of Brokaw Water Utility. Several questions have been raised regarding these projected revenues.

I have reviewed this matter further with the Village Auditor. It is generally our understanding that the revenues of the Brokaw Water Utility will remain flat unless a water rate increase is approved by the Public Service Commission. The Consultant used both actual and budget amounts when developing an analysis of the projected revenues for the Water Utility. The Consultant did not include property tax equivalent revenue charges and apparently used a two percent (2%) inflation factor when analyzing the projected revenues going forward. I believe the difference between the 2014 number and the 2015 number is the removal of payments made by the Village to help fund the expenses of the Water Utility. I also believe that expenses were reduced as well.

Also attached is the Balance Sheet for the Water Utility showing operational revenues and operational expenses for calendar year 2014. This information shows an operating loss of $240, 774.00.

We are providing this information as requested. This can be a topic of further discussion at our upcoming meeting.

Schedule 6

VILLAGE OF BROKAW

Projection of Village Financial Information
Current Status with Changes

Assumptions:
- 2014 based on review of actual thru 10/31/14; original budget used plus known variances
- 2015 and later - added 2% inflation annually on original 2014 budget plus tax equivalent removed from General Fund revenue and Water Utility expense
- 2015 and later - deducted estimate of $50,000 of decreased expenditures for contracted services of General Fund; zero capital items of Water Utility

	Actual 2013	Projected 2014	2015	2016	2017	2018
GENERAL FUND						
Revenues	$ 547,972	$ 518,093	$ 459,095	$ 468,277	$ 477,643	$ 487,196
Expenditures	655,432	605,602	566,714	578,048	589,609	601,401
Excess of Revenues Over (Under) Expenditures	(107,460)	(87,509)	(107,619)	(109,771)	(111,966)	(114,205)
WATER UTILITY						
Revenues	301,770	259,551	123,982	126,462	128,991	131,571
Expenses	355,165	368,520	190,434	194,243	198,128	202,091
Net Income (Loss)	(53,395)	(108,969)	(66,452)	(67,781)	(69,137)	(70,520)
Add: Depreciation	77,245	77,245	77,245	77,245	77,245	77,245
Less: Principal of Debt	(14,891)	(15,008)	(15,315)	(15,517)	(15,722)	(15,929)
Less: Capital Items	-	-	-	-	-	-
Net Cash Flows from Operations	8,959	(46,732)	(4,522)	(6,053)	(7,614)	(9,204)
TAX INCREMENTAL DISTRICT						
Tax Increment Revenue	424,701	456,838	436,064	335,069	335,069	335,069
Debt Service Expenditures	373,807	382,859	269,219	278,250	295,125	286,375
Excess of Revenues Over (Under) Expenditures	$ 50,894	$ 73,979	$ 166,845	$ 56,819	$ 39,944	$ 48,694

VILLAGE OF BROKAW

DRAFT

STATEMENT OF NET POSITION
PROPRIETARY FUND
December 31, 2014

Exhibit G

	Business-Type Activity - Enterprise Fund
ASSETS	
Cash and investments	$ 29,644
Accounts receivable	31,111
Fixed assets (Net of accumulated depreciation)	3,267,634
Advance to other funds	126,630
Restricted assets - Cash and investments	14,368
Total Assets	$ 3,469,387
LIABILITIES	
Accounts payable	$ 8,528
Accrued expenses	7,139
Due to other funds	72,312
Long-term debt - Current portion	15,287
Long-term debt - Net of current portion	218,101
Total Liabilities	$ 321,367
NET POSITION	
Invested in capital assets, net of related debt	$ 3,034,246
Unrestricted	113,774
Total Net Position	$ 3,148,020

Water Utility

The accompanying notes are an integral part of this financial statement

VILLAGE OF BROKAW

DRAFT

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUND
Year Ended December 31, 2014

Exhibit H

	Business-Type Activity - Enterprise Fund
Operating revenues:	
Charges for services	$ 64,870
Public fire protection - General Fund	51,551
Total operating revenues	$ 116,421
Operating expenses:	
Operation and maintenance	$ 177,674
Depreciation	77,246
Taxes	102,275
Total operating expenses	$ 357,195
Income (Loss) from operations	$(240,774)
Non-operating revenue (expenses):	
Water tower rental	$ 42,057
Interest earned	26
Property taxes for debt retirement	18,268
Interest expense	(3,147)
Total non-operating revenue (expenses)	$ 57,204
Change in net position	$(183,570)
Net position, January 1	3,331,590
Net position, December 31	$ 3,148,020

Water Utility

The accompanying notes are an integral part of this financial statement

M E M O R A N D U M

TO: Town of Texas

Town of Maine

City of Wausau

FROM: Dean R. Dietrich
Ruder Ware

DATE: May 4, 2015

RE: Consolidation Statutes

To All:

At our initial meeting, there was discussion regarding the Consolidation Statute, Section 66.0229 of the Wisconsin Statutes. This discussion concerned the position of the Village to seek a consolidation with the City of Wausau that was discussed as part of the presentation from the Village of Brokaw. We also note that Section 66.0230 provides for consolidation between a town and a village which is another alternative to be considered.

Attached are the following documents for consideration:

- Copy of Section 66.0229 and Section 66.0230 of the Wisconsin Statutes;
- Summary of procedures to be followed if Village of Brokaw were to consolidate with City of Wausau.
- Summary of Statutes Annotated reflecting cases under Section 66.0229, Wis. Stats. The relevant cases only speak to the authority of a municipality to adopt an ordinance regarding consolidation. There are no cases that address what is meant by "contiguous."

We have verified that there are no cases interpreting Section 66.0230, Wis. Stats.

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a. 301; 1999 a. 150 s. 66; Stats. 1999 s. 66.0227; 1999 a. 182 s. 198; 2001 a. 30; 2007 a. 43; 2011 a. 75.

Cross-reference: See s. 62.075 for special provision for detachment of farm lands from cities.

66.0229 Consolidation. (1) GENERAL PROCEDURES. Subject to ss. 66.0301 (6) (d) and 66.0307 (7), a town, village or city may be consolidated with a contiguous town, village or city, by ordinance, passed by a two-thirds vote of all the members of each board or council, fixing the terms of the consolidation and ratified by the electors at a referendum held in each municipality. The ballots shall bear the words, "for consolidation", and "against consolidation", and if a majority of the votes cast in each municipality are for consolidation, the ordinances shall take effect and have the force of a contract. The ordinance and the result of the referendum shall be certified as provided in s. 66.0211 (5); if a town the certification shall be preserved as provided in ss. 66.0211 (5) and 66.0235, respectively. Consolidation does not affect the preexisting rights or liabilities of any municipality and actions on those rights or liabilities may be commenced or completed as if there were no consolidation. A consolidation ordinance proposing the consolidation of a town and a city or village shall, within 10 days after its adoption and prior to its submission to the voters for ratification at a referendum, be submitted to the circuit court and the department of administration for a determination of whether the proposed consolidation is in the public interest. The circuit court shall determine whether the proposed ordinance meets the formal requirements of this section and shall then refer the matter to the department of administration, which shall find as prescribed in s. 66.0203 whether the proposed consolidation is in the public interest in accordance with the standards in s. 66.0207. The department's findings have the same status as incorporation findings under ss. 66.0203 to 66.0213.

(2) TOWN OF ROCHESTER IN RACINE COUNTY AND THE VILLAGE OF ROCHESTER MAY CONSOLIDATE. The town of Rochester, in Racine County, and the village of Rochester may consolidate if all of the procedures contained sub. (1) are fulfilled, except that the consolidation ordinance need not be submitted to the circuit court for a determination and the department of administration for a public interest finding, as otherwise required, and the consolidation may be completed without any circuit court determination or department of administration findings.

History: 1977 c. 29; 1979 c. 361 s. 112; 1983 a. 532 s. 36; 1991 a. 39, 269; 1995 a. 27, ss. 3307 and 9116 (5); 1995 a. 216; 1997 a. 27; 1999 a. 150 s. 42; Stats. 1999 s. 66.0229; 2003 a. 93; 2007 a. 20, 43.

66.0230 Town consolidation with a city or village. (1) (a) In addition to the method described in s. 66.0229 (1) and subject to subs. (2), (3), and (4) and to ss. 66.0301 (6) (d) and 66.0307 (7), all or part of a town may consolidate with a contiguous city or village by ordinance passed by a two-thirds vote of all of the members of each board or council and ratified by the electors at a referendum held in each municipality.

(b) With regard to the referendum, the ballots shall bear the words "for consolidation," and "against consolidation," and if a majority of the votes cast in each municipality are for consolidation the ordinances shall take effect and have the force of a contract. The ordinance and the result of the referendum shall be certified as provided in s. 66.0211 (5).

(c) Consolidation does not affect the preexisting rights or liabilities of any municipality and actions on those rights or liabilities may be commenced or completed as if there were no consolidation.

(2) All or part of a town may consolidate with a city or village under sub. (1) if all of the following apply:

(a) The town, and the city or village, adopt identical resolutions that describe the level of services that residents of the proposed city or village will receive, or have access to, in at least all of the following areas:

1. Public parks services.
2. Public health services.
3. Animal control services.
4. Library services.
5. Fire and emergency rescue services.
6. Law enforcement services.

(b) The town, and the city or village, adopt identical resolutions that relate to the ownership or leasing of government buildings.

(c) The city or village with which the town wishes to consolidate enters into a separate boundary agreement, subject to approval of the town board of the town to be consolidated, with every city, village, and town that borders the proposed consolidated city or village. Each boundary agreement shall determine the boundaries between the parties to the agreement. The boundary agreement shall state the term of the agreement and shall contain the procedures under which the agreement may be amended during its term. A boundary agreement entered into under this paragraph is a binding contract upon the parties.

(d) The consolidating town, and city or village, agree to adopt a comprehensive plan under s. 66.1001 for the consolidated city or village, and the comprehensive plan takes effect on the effective date of the consolidation.

(e) At least some part of the consolidated city or village receives sewage disposal services.

(3) If less than an entire town consolidates with a city or village under sub. (1), the consolidation may not take effect unless the town enters into an agreement with a city, village, or town that has a common boundary with the remnant of the town that is not consolidated under which the town remnant becomes part of the city, village, or town with the common boundary. If a town remnant becomes part of a city or village, an agreement described under this subsection shall be included in each boundary agreement under sub. (2) (c) that is entered into by a city, village, or town that borders the remnant. An agreement entered into under this subsection is a binding contract upon the parties.

(4) In this section, a municipality that borders or has a common boundary with another municipality includes municipalities that intersect at only one point.

History: 2003 a. 93; 2007 a. 20, 43; 2009 a. 180.

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CONSOLIDATION STATUTE
SECTION 66.0229

- Village may be consolidated with contiguous City by ordinance passed by a two-thirds vote of all the members of each Village Board and Common Council, fixing the terms of the consolidation and ratified by the electors at a Referendum held in each municipality.

- The ballot shall bear the words "for consolidation" and "against consolidation".

- If a majority of the votes cast in each municipality are for consolidation, the ordinances shall take effect and have the force of a contract.

- The ordinance and the result of the Referendum shall be certified as provided in Section 66.0211(5).

- Consolidation does not affect the pre-existing rights and liabilities of any municipality and actions on those rights or liabilities may be commenced or completed as if there were no consolidation.

- There is no requirement that a consolidation of a Village and a City be submitted to the Circuit Court and the Department of Administration for a determination of whether the consolidation is in the public interest.

- Statutes to be looked at
    - 66.0301(6)(d)
    - 66.0307(7)
    - 66.0211(5)

Historical and Statutory Notes

Source:

L.1873, c. 234.
L.1874, c. 242, § 6.
Ann.St.1889, § 928.
St.1898, § 928.
L.1921, c. 396, § 3.
St.1921, § 66.02.
L.1959, c. 261, § 6.
L.1959, c. 641, § 18.
L.1967, c. 211, § 21, eff. Dec. 8, 1967.
L.1977, c. 29, § 697, eff. July 1, 1977.
L.1979, c. 361, § 112(1)(a), eff. Sept. 1, 1980.
1983 Act 532, § 36, eff. Jan. 1, 1985.
1991 Act 39, § 1660v, eff. Aug. 15, 1991.
1991 Act 269, § 474p, eff. Oct. 1, 1992.
1995 Act 27, §§ 3307, 9116(5)(a), eff. July 1, 1996.
1997 Act 27, § 2187, eff. Oct. 14, 1997.
St.1997, § 66.02.
1999 Act 150, § 42, eff. Jan. 1, 2001.
2003 Act 93, § 1, eff. Dec. 18, 2003.
2007 Act 20, §§ 1875p to 1875s, eff. Oct. 27, 2007.
2007 Act 43, § 14, eff. Jan. 19, 2008.

2007 Act 43 amended the section text, now renumbered as subsec. (1) by 2007 Act 20.

2007 Act 20 renumbered the section text as subsec. (1) and created subsec. (2) and a title for subsec. (1).

Law Review and Journal Commentaries

Annexation—Wisconsin municipal law, 1947 to 1953. Robert J. Cunningham. 1954 Wis. L.Rev. 222.

Annexations. Richard F. Maruszewski. 17 Gavel 6 (1956).

Municipal incorporations, consolidations and annexations, experience with state-level review. Walter K. Johnson. 1965 Wis.L.Rev. 462.

Overlooked linkages between municipal incorporation and annexation laws: An in-depth look at Wisconsin's experience. Robert D. Zeinemann. 39 Urb.Law. 257 (Spring 2007).

The rule of reason as applied to annexations. 50 Marq.L.Rev. 149 (1966).

Library References

Municipal Corporations ⟹31.
Westlaw Topic No. 268.
C.J.S. Municipal Corporations § 58.

Research References

ALR Library

17 ALR 5th 195, Right of One Governmental Subdivision to Challenge Annexation Proceedings by Another Such Subdivision.

Notes of Decisions

Annexation proceedings 7
Ballot 6
Effect of consolidation 2
Ordinances 4
Parties 9
Referendum 5
School districts 8
Towns 3
Validity 1

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1. Validity

It was not beyond power of legislature to authorize town-city consolidation, and this section sufficiently authorized that type of combination. Village of Brown Deer v. City of Milwaukee (1957) 86 N.W.2d 487, 2 Wis.2d 441. Municipal Corporations ⟹ 31

Power may be validly delegated to municipal corporations to extend their boundaries, and, when so conferred, must be exercised in strict accordance with statute conferring it. Town of Madison v. City of Madison (1955) 70 N.W.2d 249, 269 Wis. 609. Municipal Corporations ⟹ 28

There is no constitutional limitation prohibiting the Legislature from creating, enlarging, diminishing or abolishing towns, nor restricting authorization of consolidation of cities, towns and villages, and such matters are entirely within the realm of the Legislature's power and discretion. City of Milwaukee v. Sewerage Commission of City of Milwaukee (1954) 67 N.W.2d 624, 268 Wis. 342. Municipal Corporations ⟹ 24; Municipal Corporations ⟹ 31; Municipal Corporations ⟹ 51; Towns ⟹ 3; Towns ⟹ 6; Towns ⟹ 7; Towns ⟹ 14

St.1953, § 66.02 which provided for consolidation of state subdivisions laid down adequate standards and conditions. City of Milwaukee v. Sewerage Commission of City of Milwaukee (1954) 67 N.W.2d 624, 268 Wis. 342. Municipal Corporations ⟹ 31

2. Effect of consolidation

In view of severability provisions in consolidation ordinances, alleged invalidity of provisions therein for dissolution of town incorporated into city would not invalidate remainder of ordinances or the consolidation. Village of Brown Deer v. City of Milwaukee (1957) 86 N.W.2d 487, 2 Wis.2d 441. Municipal Corporations ⚷ 111(4)

Consolidation merges two or more political units, and involves surrender of all power of one unit to the other, or to a new consolidated government, on basis of terms agreeable to both, and, as a result of consolidation, government of one unit is disbanded, its assets and liabilities taken over by the other, and citizens of the disbanded unit are thereafter eligible for all of the rights and duties of the remaining consolidated government. City of Milwaukee v. Sewerage Commission of City of Milwaukee (1954) 67 N.W.2d 624, 268 Wis. 342. Municipal Corporations ⚷ 31

3. Towns

Under this section, even an unincorporated town was authorized to consolidate with a city. Village of Brown Deer v. City of Milwaukee (1957) 86 N.W.2d 487, 2 Wis.2d 441. Municipal Corporations ⚷ 31

Nothing in this section or constitution limited authority and privilege of consolidation to towns existing in their pristine rural status, untouched by incorporation into villages, and court would not read into this section any such limitation. Village of Brown Deer v. City of Milwaukee (1957) 86 N.W.2d 487, 2 Wis.2d 441. Municipal Corporations ⚷ 31

In this section providing that any town could be consolidated with a contiguous city by ordinance ratified by electors at a referendum held in each "municipality", quoted word had reference to only that portion of original town which was still operating as a town government at time of referendum and which would be directly incorporated into city by consolidation, and did not include those areas within original boundaries of town which were then governed by cities or villages into which they had been previously incorporated or annexed. Village of Brown Deer v. City of Milwaukee (1957) 86 N.W.2d 487, 2 Wis.2d 441. Municipal Corporations ⚷ 34

Quoted word, in this section providing for consolidation of contiguous "town" with city, included that portion of an original town remaining as an operative and actively functioning unit of local government after prior annexation or incorporation of portions of its original territory. Village of Brown Deer v. City of Milwaukee (1957) 86 N.W.2d 487, 2 Wis.2d 441. Municipal Corporations ⚷ 31

4. Ordinances

The consolidation ordinances contemplated by St.1953, § 66.02 relating to consolidation are local legislation of administrative character, and within the purview of legislative power conferred upon all cities, villages and towns. City of Milwaukee v. Sewerage Commission of City of Milwaukee (1954) 67 N.W.2d 624, 268 Wis. 342. Municipal Corporations ⚷ 31

St.1953, § 66.02 which conferred power upon state subdivisions to consolidate with one another was a complete law by which the Legislature had fully exercised its own power in relation to consolidation. City of Milwaukee v. Sewerage Commission of City of Milwaukee (1954) 67 N.W.2d 624, 268 Wis. 342. Municipal Corporations ⚷ 31

5. Referendum

Where city annexes only a part of territory (within one town) attached to city for school purposes, annexation referendum is not held throughout territory attached but only in the part sought to be annexed. State ex rel. Polar Ware Co. v. Muuss (1963) 118 N.W.2d 853, 18 Wis.2d 521. Municipal Corporations ⚷ 34

Referenda upon consolidation ordinances, relating to proposed consolidation of town with city, were properly held in conformity with the general election laws. City of Milwaukee v. Sewerage Commission of City of Milwaukee (1954) 67 N.W.2d 624, 268 Wis. 342. Municipal Corporations ⚷ 34

It would be assumed that the general election laws of state were intended to apply to St.1953, § 66.02 providing for referenda on consolidation, and, as so interpreted, said section sufficiently declared time for holding of referendum and election procedure. City of Milwaukee v. Sewerage Commission of City of Milwaukee (1954) 67 N.W.2d 624, 268 Wis. 342. Municipal Corporations ⚷ 34

6. Ballot

Where copies of consolidation ordinances had been distributed to every occupied premise in town, which it was proposed to consolidate with city, prior to election, there had been publication of ordinances in newspapers of general circulation in the respective communities affected, and it appeared that no voter could have been misled by the procedure employed in submission of questions, submission, at election, of alternatives "for consolidation" and "against consolidation," without setting forth ordinances, was sufficient. City of Milwaukee v. Sewerage Commission of City of Milwaukee (1954) 67 N.W.2d 624, 268 Wis. 342. Municipal Corporations ⚷ 34

7. Annexation proceedings

Because consolidation procedure was available to village and town in attempt to merge

into one municipality it did not follow that the alternative, annexation, was not proper for the same purpose. Village of Elmwood Park v. City of Racine (1966) 139 N.W.2d 66, 29 Wis.2d 400. Municipal Corporations ⟹ 29(3)

City-town consolidation would not affect town territory with respect to which annexations to village had priority, and hence village would have no standing to object to consolidation on ground that it purported to create city ward in violation of law. Village of Brown Deer v. City of Milwaukee (1957) 86 N.W.2d 487, 2 Wis.2d 441. Municipal Corporations ⟹ 31

Consolidation of town into city was not wholly invalidated by the mere fact that prior annexation proceedings by village prevented the consolidation from becoming fully or permanently effective with respect to portions of the town. Village of Brown Deer v. City of Milwaukee (1956) 79 N.W.2d 340, 274 Wis. 50. Municipal Corporations ⟹ 31

Consolidation by a municipality does not have a preferred status over annexation or incorporation, and consolidation is not exempted from rule that in case of conflict between competing annexations, or between an annexation and a proceeding for the incorporation of a city or village, the proceeding first instituted has precedence, and the later one must yield. Village of Brown Deer v. City of Milwaukee (1956) 79 N.W.2d 340, 274 Wis. 50. Municipal Corporations ⟹ 33(1)

Where proceeding for annexation of certain area by village was instituted prior to proceeding by city for consolidation, annexation was effective and had priority over consolidation, though, at time of action by village for declaratory judgment, no annexation ordinance had been adopted, if the annexation should be pressed in good faith and completed within reasonable time. Village of Brown Deer v. City of Milwaukee (1956) 79 N.W.2d 340, 274 Wis. 50. Municipal Corporations ⟹ 33(1)

Where statutory notices of circulation of annexation petitions by village for annexation of four areas were posted October 4, 1955, January 23, 1956, October 5, 1955, and February 9, 1956, annexation proceedings were "instituted" on those dates, and annexations had priority over and were not nullified by city's consolidation ordinance, which was adopted March 12, 1956, and town's consolidation ordinance, which was adopted on March 14, 1956, for consolidation of town into city, since consolidation proceedings were not "instituted" until dates of consolidation ordinances. Village of Brown Deer v. City of Milwaukee (1956) 79 N.W.2d 340, 274 Wis. 50. Municipal Corporations ⟹ 33(1)

A territory cannot be exempted for long from a competing consolidation by a municipality by irresponsible posting of annexation notices, since, in order to hold priority, annexation must be completed within a reasonable time. Village of Brown Deer v. City of Milwaukee (1956) 79 N.W.2d 340, 274 Wis. 50. Municipal Corporations ⟹ 33(1)

That several proceedings were pending for annexation of parts of a town to a city did not preclude consolidation of the same area with city. City of Milwaukee v. Sewerage Commission of City of Milwaukee (1954) 67 N.W.2d 624, 268 Wis. 342. Municipal Corporations ⟹ 31

Where the posting of part of a town for annexation to first city was void and of no legal effect, the annexation proceeding and the posting did not destroy contiguity of town and second city for purposes of consolidation of town and second city. City of Milwaukee v. Sewerage Commission of City of Milwaukee (1954) 67 N.W.2d 624, 268 Wis. 342. Municipal Corporations ⟹ 31

8. School districts NA?

Where taxpayers' lands lay within joint high school district of town and village and consolidation of town with city did not detach territory from high school district, taxpayers' lands were subject to taxes properly voted by high school district. Foscato v. Byrne (1958) 87 N.W.2d 512, 2 Wis.2d 520. Education ⟹ 290

Where taxpayers' lands were in common school district which lay entirely within town which was consolidated with city, but village had begun annexation proceedings prior to consolidation so that city took territory by consolidation subject to defeasance when annexation became effective, annexation, if valid, prevented any automatic destruction of separate existence of school district and taxpayers' lands were subject to tax levied by school district for school purposes. Foscato v. Byrne (1958) 87 N.W.2d 512, 2 Wis.2d 520. Education ⟹ 290

Where city had proceeded on theory that consolidation of town with city had brought town into city for all purposes, including schools, but consolidation did not operate to detach territory from high school district and common school district in which taxpayers' lands lay, and it was mechanically difficult to erase from taxpayers' tax bills the tax rate applied for support of city schools and to show separate rate for common school district and high school district, but total of two rates actually shown for school purposes equalled total of the two separate rates which would properly have been applied, taxpayers were not in a position to attack validity of resulting taxes. Foscato v. Byrne (1958) 87 N.W.2d 512, 2 Wis.2d 520. Education ⟹ 290

Consolidation of town into city did not operate to detach territory from high school district, which had territory in village and town, and which had school building in village. Village of Brown Deer v. City of Milwaukee (1956) 79 N.W.2d 340, 274 Wis. 50. Education ⟹ 59

9. Parties

Where town was consolidated with city, former town no longer existed for any purpose, and therefore could not be party defendant in suit attacking validity of proceedings whereby such consolidation was effected. Toman v. Town of Lake (1954) 67 N.W.2d 356, 268 Wis. 239. Municipal Corporations ⚷ 33(9)

66.023. Renumbered 66.0307 and amended by 1999 Act 150, § 67, eff. Jan. 1, 2001

Historical and Statutory Notes

Former Sections:

St.1983, § 66.023, relating to transfer for school purposes of territory consolidated or annexed to a city operating under a city school plan, and repealed by 1985 Act 225, § 31, eff. April 22, 1986, was derived from:

L.1959, c. 130.
L.1959, c. 199.
L.1961, c. 304.
L.1967, c. 92, § 22, eff. Jan. 1, 1968.
L.1969, c. 331, § 40, eff. Jan. 23, 1970.
L.1977, c. 187, § 52, eff. Aug. 1, 1978.

66.0230. Town consolidation with a city or village

(1)(a) In addition to the method described in s. 66.0229(1) and subject to subs. (2), (3), and (4) and to ss. 66.0301(6)(d) and 66.0307(7), all or part of a town may consolidate with a contiguous city or village by ordinance passed by a two-thirds vote of all of the members of each board or council and ratified by the electors at a referendum held in each municipality.

(b) With regard to the referendum, the ballots shall bear the words "for consolidation," and "against consolidation," and if a majority of the votes cast in each municipality are for consolidation the ordinances shall take effect and have the force of a contract. The ordinance and the result of the referendum shall be certified as provided in s. 66.0211(5).

(c) Consolidation does not affect the preexisting rights or liabilities of any municipality and actions on those rights or liabilities may be commenced or completed as if there were no consolidation.

(2) All or part of a town may consolidate with a city or village under sub. (1) if all of the following apply:

(a) The town, and the city or village, adopt identical resolutions that describe the level of services that residents of the proposed city or village will receive, or have access to, in at least all of the following areas:

1. Public parks services.
2. Public health services.
3. Animal control services.
4. Library services.
5. Fire and emergency rescue services.
6. Law enforcement services.

(b) The town, and the city or village, adopt identical resolutions that relate to the ownership or leasing of government buildings.

(c) The city or village with which the town wishes to consolidate enters into a separate boundary agreement, subject to approval of the town board of the

Anne Jacobson Copy

Coooperative Boundary Plan Factsheet

Cooperative boundary plans are authorized under s. 66.0307, Wis.Stats., and are the most thorough and complete method for developing boundary plans in Wisconsin. They are a valuable tool for local communities and a welcome alternative to protracted conflicts and litigation over municipal boundary and land use issues.

Cooperative Boundary Plans feature:

▶ Broad notice to area residents and jurisdictions.

▶ A public hearing and comment period.

▶ Possible referendum. Residents may petition for an advisory referendum on the plan.

TIP: For more information, see the Department of Administration's Cooperative Boundary Plan website at:

doa.wi.gov/MunicipalBoundaryReview

WISCONSIN DEPARTMENT OF ADMINISTRATION

▶ A jointly developed cooperative plan for the territory that is consistent with each community's comprehensive plan and that may address future streets, sidewalks and trails, layout of neighborhoods, design standards, zoning, and public facilities such as parks, municipal buildings, stormwater management, and utilities.

▶ Review by the Department of Administration. The Department may approve, deny, or recommend changes. The Department also defends the plan against appeal.

Benefits to Cooperative Boundary Plans:

Cooperative – while annexation and incorporation tend to pit neighboring communities against one another, boundary plans provide a chance to focus on shared values, points of agreement, and solutions that can benefit everyone.

Proactive – while annexation and incorporation put area communities in a reactive mode, cooperative boundary plans enable communities to proactively guide their future.

Flexibility – while statutory boundary change mechanisms such as annexation are rigid in their scope and process, cooperative boundary plans provide communities with tremendous flexibility. Communities may determine the issues to be resolved, the size of plan area, whether municipal boundaries will change or not change over time, the duration of the plan, what services will be provided and by whom, the timing and financing of capital improvements, and

how the area will regulated and by whom. Communities have the discretion to creatively craft their own solutions to their issues.

Certainty – while annexations, consolidations, and incorporations are unpredictable, cooperative boundary plans put communities in charge of their future. This certainty also benefits landowners, developers, businesses, and other community stakeholders.

Broad participation – the public notice, public hearing, public comment, and advisory referendum features of the cooperative boundary plan process ensure that a wide range of affected residents and stakeholder groups participates in developing the plan. Because they helped create it, these participants are more likely to support the plan's adoption and implementation.

Save money $$$ – a cooperative boundary plan can save money by avoiding costly litigation. Also, the plan can identify service sharing opportunities and avoid costly duplication of services and capital facilities. Finally, towns with an adopted cooperative boundary plan are authorized to utilize TIF districts.

Long term – cooperative boundary plans must be a minimum of 10 years' duration, but are usually considerably longer. They allow for a much longer duration than the 10 year maximum permitted by boundary agreements entered into under s. 66.0301 Wis. Stats. – Wisconsin's general intergovernmental agreement statute.

Enforceable – cooperative boundary plans safeguard community and landowner interests by providing a written contract that is approved by the state. The state is also responsible for defending the plan against appeal.

State & regional issues are addressed up front – state agencies, regional planning commissions, and counties are required to review and comment on proposed cooperative boundary plans. This provides a great opportunity to coordinate state and regional plans, projects, and programs with local community activities and desires. For example, it helps to ensure that the state and regional permits and approvals necessary for development will be available when needed.

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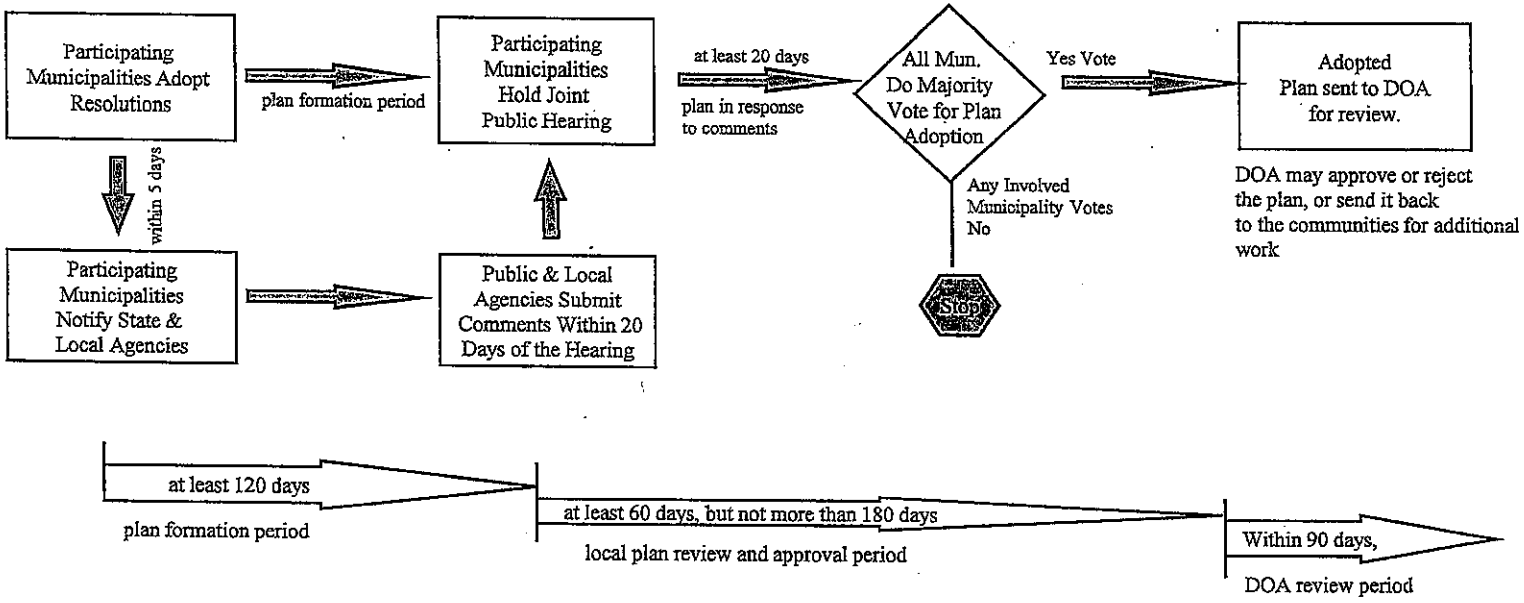
Cooperative Boundary Plan Process

Section 66.0307 Wis. Stats.



NOTE:

To keep this flow chart simple, a number of procedures were not included that are nonetheless authorized by s. 66.0307 Wis.Stats. These include residents petitioning for an advisory referendum, residents petitioning for the plan be adopted by a super-majority vote of the governing body, the possibility of a public hearing by DOA, and the possibility that DOA sends the plan back to the communities with comments on additional work that is needed for approval.

http://doa.wi.gov/municipalboundaryreview/

Cooperative Boundary Plan Approval Checklist

The checklist below is used to quickly assess whether a cooperative boundary plan submitted to the Department for its review under s. 66.0307 Wis. Stats. is complete and meets the statutory criteria. This checklist by itself is not definitive or legally significant. However, Municipal Boundary Review staff use it to determine whether to approve the proposed plan, recommend that it be resubmitted with changes, or deny it. For more information, see the Department of Administration's Cooperative Boundary Plan website at: doa.wi.gov/MunicipalBoundaryReview

Authorizing/Approving Resolutions

Present	Not Present	Not Applicable	
☐	☐	☐	Town(s) Authorizing Resolution *s. 66.0307(4)(a) Wis. Stats.*
☐	☐	☐	City or Village(s) Authorizing Resolution *s. 66.0307(4)(a) Wis. Stats.*
☐	☐	☐	Affidavit that authorizing resolutions were sent to DOA, DNR, DOT, DATCP, County Clerk, County Planning, RPC, and other jurisdictions within 5 miles such as municipalities, school districts, vocational districts, sewer or sanitary districts. *s. 66.0307(4)(a) Wis. Stats.*
☐	☐	☐	Town(s) Approval Resolution *s. 66.0307(4)(d) Wis. Stats.*
☐	☐	☐	City/Village(s) Approval Resolution *s. 66.0307(4)(d) Wis. Stats.*

Public Hearing

Present	Not Present	Not Applicable	
☐	☐	☐	Evidence that class 3 notice was published *s. 66.0307(4)(b) Wis. Stats.*
☐	☐	☐	Summary or transcript of public comments *s. 66.0307(4)(c) Wis. Stats.*
☐	☐	☐	List of any changes made in response to public comments *s. 66.0307(4)(d) Wis. Stats.*
☐	☐	☐	Comment letters from the county and RPC *s. 66.0307(4)(c) Wis. Stats.*

Extraordinary activities

Present	Not Present	Not Applicable	
☐	☐	☐	Request for super-majority vote *s. 66.0307(4)(d)2 Wis. Stats.*
☐	☐	☐	Request for advisory referendum *s. 66.0307(4)(e) Wis. Stats.*

Cooperative Plan

Present	Not Present	Not Applicable	
☐	☐	☐	Do either one or both of the participating municipalities have an adopted comprehensive or master plan? *s. 66.0307(3)(c) Wis. Stats.*
☐	☐	☐	Does the cooperative plan describe how it is consistent with participating municipality's comprehensive or master plan? (note: cooperative plans may be based on, or duplicate, existing plans). *s. 66.0307(3)(c), Wis. Stats.*
☐	☐	☐	Does the cooperative plan identify boundaries that may, or may not, be changed? If certain boundaries shall or may change, are any conditions that must be met clearly identified? Is there a schedule for when changes will or may occur? *s. 66.0307(3)(d)1,2,3, Wis. Stats.*
☐	☐	☐	Does the cooperative plan describe how the proposed boundaries are compact? *s. 66.0307(3)(d)4, Wis. Stats.*
☐	☐	☐	Does the cooperative plan describe how services will be provided to the plan territory, who will provide them, and when? *s. 66.0307(3)(d)5,6,7 Wis. Stats.*
☐	☐	☐	Does the cooperative plan describe how it is consistent with current state and federal laws, county shoreland zoning ordinances, and any local ordinances or rules that apply to the plan territory? *s. 66.0307(3)(e), Wis. Stats.*
☐	☐	☐	Does the cooperative plan specify the planning period? If over 10 years, is justification given? *s. 66.0307(3)(f), Wis. Stats.*
☐	☐	☐	Does the cooperative plan include a zoning ordinance specifically developed for the territory? *s. 66.0307(3)(g), Wis. Stats.*

Department Approval Criteria

Present	Not Present	Not Applicable	
☐	☐	☐	Is the cooperative plan sufficiently detailed for the Department to make a finding that the criteria have been met? *s. 66.0307(5)(c)1 Wis. Stats.*
☐	☐	☐	Is the cooperative plan consistent with each participating municipality's comprehensive plan and with current state laws, municipal ordinances and rules that apply to the territory affected by the plan? *s. 66.0307(5)(c)2 Wis. Stats.*
☐	☐	☐	Does the cooperative plan adequately provide for service delivery to the territory? s. 66.0307(5)(c)3 Wis. Stats.
☐	☐	☐	Are the proposed plan boundaries compact, and not the result of arbitrariness? *s. 66.0307(5)(c)5, Wis. Stats.*
☐	☐	☐	If the cooperative plan exceeds 10 years in duration, is there justification provided? *s. 66.0307(5)(c)6, Wis. Stats.*

Cooperative

	Municipalities	County	Approval Date	Planning Period End Date*	Territory to Transfer?	Re Sh
13	C. Madison, C. Fitchburg, T. Madison	Dane	2003	October 30, 2022	Yes	
12	C. Marshfield, T. McMillan	Marathon	2003	March 5, 2013	Yes	
11	C. Mauston, T. Lemonweir	Juneau	2002	September 10, 2012. Thereafter, either party may terminate.	Yes	
10	C. West Bend, T. West Bend	Washington	2002	May 22, 2022	Yes	
9	V. Oconomowoc Lake, T. Summit	Waukesha	2000	July 1, 2010	Yes	
8	C. Kenosha, T. Bristol	Kenosha	2000	October 20, 2030	Yes	
7	C. Marshfield, T. Cameron	Wood	2000	August 27, 2012 August 23, 2015	Yes	
6	C. Oconomowoc, T. Summit	Waukesha	2000	December 31, 2019	Yes	
5	C. Beloit, T. Turtle	Rock	1999	December 31, 2021	Yes	
4	C. Dodgeville, T. Dodgeville	Iowa	1998	May 26, 2018	Yes	
3	C. Waukesha, T. Pewaukee	Waukesha	1998	December 31, 2022	Yes	
2	C. Janesville, T. Rock	Rock	1996	May 16, 2016	Yes	
1	C. Stevens Point, T. Plover	Portage	1996	10 years after 'Phase 2' completion	Yes	

Amendments

5	C. Kenosha, T. Bristol	Kenosha	2010	June 28, 2010	Yes	
4	T. Summit, C. Oconomowoc	Waukesha	2007	Department approval	Yes	
3	C. Madison, T. Madison, C. Fitchburg	Dane	2007	October 30, 2022	Yes	
2	C. Beloit, T. Turtle	Rock	2001	December 31, 2021	No	
1	C. Dodgeville, T. Dodgeville	Iowa	2000	May 26, 2018	No	

*** For many of the plans, the resulting boundary changes are intended to be permanent. Therefore, the term 'Pla**

This list of cooperative boundary plans is created and maintained by the Department of Administration. The Department

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undary Plans

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nue ng?	Comments	
s	An update to the communities' previous cooperative boundary plan which had expired. Includes essentially the same plan territory, this update primarily serves to extend the previous plan's provisions for another 10 years.	
s	Designates growth areas for the City and protected areas for the Town. Establishes a commission to oversee the transfering of territory and revenue sharing. Includes detailed arrangements for service provision.	X
	Simplifies the City and Village's extraterritorial review boundary lines inside the Town, protect the Token Creek Watershed and prime farmland, establish City growth areas and Town protected areas, incorporate a previous highway corridor plan.	
	Resolves problematic irregular and fragmented boundaries between the communities. Creates a City Expansion Area where City growth will be allowed and a Nekimi Protected Area where City growth is prohibited. Limits City extra-territorial authority in certain Town areas.	
	Resolves problematic irregular and fragmented boundaries between the communities. Creates a City Expansion Area where City growth will be allowed. Limits City extra-territorial authority in certain Town areas.	
	Transfers certain territory from the Town to Village, and Village to Town in order to clean up existing islands, peninsulas, and other muncipal boundary irregularities. Creates a Town area protected for agricultural land uses. Establishes joint planning, police protection standards, and coordinated services.	
	Establishes planning, design, and regulatory arrangements for a 2-mile wide band running along either side of I-94 in the village and town.	
	A compilation of plans between Summit and its municipal neighbors. Summit's plans with Delafield, Oconomowoc, and Ottawa are primarily designed to preserve the status quo. The plan with Dousman transfers territory and establishes detailed planning and service sharing arrangements. The plan with Oconomowoc Lake is an amendment to an existing cooperative plan and transfers road right-of-way.	
	Establishes an ultimate growth boundary for the City within the Town that may be reached in three stages. City expansion into stages two and three occurs only if previous stages are substantially developed and served by full urban services. Resolves an annexation conflict.	
	Builds on previous service sharing between Village and Town and a shared vision of preserving rural and agricultural land uses in the Town. Maintains the current boundary, and limits extraterritorial zoning, land division, condominium platting, and official mapping by the Village inside the Town. The Village also will not oppose future Town incorporation efforts.	
	Establishes future boundaries and resolves an annexation conflict. Allows for joint planning of land use and utilities, including sewer service provided by the Town to a Village Growth Area. Village agrees not to oppose any Town incorporation effort.	X
	Provides for eventual dissolution of the Town over 30 years to the Cities of Madison and Sun Prairie, and Village of DeForest. Ensures solvency of the Town until dissolution, and job continuity for Town employees. Permits early attachment for willing landowners. Establishes joint planning areas and revenue sharing. Clarifies existing intergovernmental plans. Consolidates parcels split across multiple jurisdictions.	
	Provides for eventual dissolution of the Town of Blooming Grove over a period of 21 years to the City of Madison and Village of McFarland. Ensures the solvency of the Town until dissolution and job continuity for Town employees. Implements existing intergovernmental plans among Blooming Grove, Madison, and McFarland, and establishes a joint planning area between the City and Town.	
	Integrates and consolidates prior sanitary sewer and water agreements. Provides for revenue sharing from the Town to the City. Limits the City's exercise of extraterritorial authority. Requires City support of possible future Town incorporation.	
	Resolves an incorporation dispute by establishing protected areas for the Town and growth areas for the City. Resolves Town islands and coordinates municipal services.	
	Developed to facilitate the Town's incorporation. The Town and Village exchanged territory to make their boundaries square and compact. Coordinates municipal services and integrates a regional sewer service agreement.	
	Establishes the permanent westerly boundary of the City and transfers long peninsulas and Town islands that resulted from annexations to the City. Sets conditions for municipal services and attachment to the City, and limits City exercise of extraterritorial platting and .	

Cooperative Boundary Plans

	Municipalities	County	Approval Date	Planning Period End Date*	Territory to Transfer?	Revenue Sharing?	Comments
30	C. Marshfield, T. McMillan	Marathon	2013	October 23, 2023	Yes	Yes	An update to the communities' previous cooperative boundary plan which had expired. Includes essentially the same plan territory, this update primarily serves to extend the previous plan's provisions for another 10 years.
29	C. New Richmond, T. Star Prairie	St. Croix	2012	Complete transfer of Urban Reserve Area	Yes	Yes	Designates growth areas for the City and protected areas for the Town. Establishes a commission to oversee the transfering of territory and revenue sharing. Includes detailed arrangements for service provision.
28	C. Sun Prairie, T. Windsor, V. DeForest	Dane	2012	December 31, 2037	Yes	No	Simplifies the City and Village's extraterritorial review boundary lines inside the Town, protect the Token Creek Watershed and prime farmland, establish City growth areas and Town protected areas, incorporate a previous highway corridor plan.
27	C. Oshkosh, T. Nekimi	Winnebago	2012	June 30, 2052	Yes	No	Resolves problematic irregular and fragmented boundaries between the communities. Creates a City Expansion Area where City growth will be allowed and a Nekimi Protected Area where City growth is prohibited. Limits City extra-territorial authority in certain Town areas.
26	C. Oshkosh, T. Black Wolf	Winnebago	2012	June 15, 2052	Yes	No	Resolves problematic irregular and fragmented boundaries between the communities. Creates a City Expansion Area where City growth will be allowed. Limits City extra-territorial authority in certain Town areas.
25	V. DeForest, T. Windsor	Dane	2010	May 12, 2030	Yes	No	Transfers certain territory from the Town to Village, and Village to Town in order to clean up existing islands, peninsulas, and other muncipal boundary irregularities. Creates a Town area protected for agricultural land uses. Establishes joint planning, police protection standards, and coordinated services.
24	V. Caledonia, T. Raymond	Racine	2009	Duration of *I-94 Plan*	No	No	Establishes planning, design, and regulatory arrangements for a 2-mile wide band running along either side of I-94 in the village and town.
23	T. Summit, T. Delafield, T. Ottawa, T. Oconomowoc, V. Dousman, V. Oconomowoc Lake	Waukesha	2009	December 31, 2048	Yes	No	A compilation of plans between Summit and its municipal neighbors. Summit's plans with Delafield, Oconomowoc, and Ottawa are primarily designed to preserve the status quo. The plan with Dousman transfers territory and establishes detailed planning and service sharing arrangements. The plan with Oconomowoc Lake is an amendment to an existing cooperative plan and transfers road right-of-way.
22	C. Baraboo, T. Greenfield	Sauk	2008	Substantial Development of Phase 3	Yes	Yes	Establishes an ultimate growth boundary for the City within the Town that may be reached in three stages. City expansion into stages two and three occurs only if previous stages are substantially developed and served by full urban services. Resolves an annexation conflict.
21	V. Paddock Lake, T. Bristol	Kenosha	2008	May 9, 2038	No	No	Builds on previous service sharing between Village and Town and a shared vision of preserving rural and agricultural land uses in the Town. Maintains the current boundary, and limits extraterritorial zoning, land division, condominium platting, and official mapping by the Village inside the Town. The Village also will not oppose future Town incorporation efforts.
20	V. Paddock Lake, T. Salem	Kenosha	2007	January 21, 2025	Yes	No	Establishes future boundaries and resolves an annexation conflict. Allows for joint planning of land use and utilities, including sewer service provided by the Town to a Village Growth Area. Village agrees not to oppose any Town incorporation effort.
19	C. Madison, V. DeForest, T. Burke, C. Sun Prairie	Dane	2007	October 27, 2036	Yes	Yes	Provides for eventual dissolution of the Town over 30 years to the Cities of Madison and Sun Prairie, and Village of DeForest. Ensures solvency of the Town until dissolution, and job continuity for Town employees. Permits early attachment for willing landowners. Establishes joint planning areas and revenue sharing. Clarifies existing intergovernmental plans. Consolidates parcels split across multiple jurisdictions.
18	C. Madison, T. Blooming Grove	Dane	2006	October 31, 2027	Yes	No	Provides for eventual dissolution of the Town of Blooming Grove over a period of 21 years to the City of Madison and Village of McFarland. Ensures the solvency of the Town until dissolution and job continuity for Town employees. Implements existing intergovernmental plans among Blooming Grove, Madison, and McFarland, and establishes a joint planning area between the City and Town.
17	C. Kenosha, T. Somers	Kenosha	2005	August 8, 2035	Yes	Yes	Integrates and consolidates prior sanitary sewer and water agreements. Provides for revenue sharing from the Town to the City. Limits the City's exercise of extraterritorial authority. Requires City support of possible future Town incorporation.
16	C. Oshkosh, T. Algoma	Winnebago	2004	February 28, 2063	Yes	No	Resolves an incorporation dispute by establishing protected areas for the Town and growth areas for the City. Resolves Town islands and coordinates municipal services.
15	V. Sturtevant, T. (now village) Mount Pleasant	Racine	2003	Completion of TID #3, likely 2011	Yes	No	Developed to facilitate the Town's incorporation. The Town and Village exchanged territory to make their boundaries square and compact. Coordinates municipal services and integrates a regional sewer service agreement.
14	C. Madison, T. Middleton	Dane	2003	December 31, 2060	Yes	No	Establishes the permanent westerly boundary of the City and transfers long peninsulas and Town islands that resulted from annexations to the City. Sets conditions for municipal services and attachment to the City, and limits City exercise of extraterritorial platting and .

Cooperative Boundary Plans

	Municipalities	County	Approval Date	Planning Period End Date*	Territory to Transfer?	Revenue Sharing?	Comments
13	C. Madison, C. Fitchburg, T. Madison	Dane	2003	October 30, 2022	Yes	Yes	Provides for eventual dissolution of the Town, transfers Town territory to the Cities of Madison and Fitchburg, transfers territory between the Cities of Madison and Fitchburg, provides protection for Town of Madison employees, ensures services for Town residents.
12	C. Marshfield, T. McMillan	Marathon	2003	March 5, 2013	Yes	Yes	Defines a city growth area, creates joint planning, and resolves scattered site development problems and highway corridor development.
11	C. Mauston, T. Lemonweir	Juneau	2002	September 10, 2012. Thereafter, either party may terminate.	Yes	Yes	Creates alternatives for transferring territory from the Town to the City with property tax sharing. Development in the town consistent with the ETZ ordinance may occur, and may ultimately transfer to the City if the boundary becomes contiguous.
10	C. West Bend, T. West Bend	Washington	2002	May 22, 2022	Yes	No	Defines a permanent boundary between the town and city, transfers town territory lying within the City, creates joint planning, and establishes conditions for provision of City services.
9	V. Oconomowoc Lake, T. Summit	Waukesha	2000	July 1, 2010	Yes	Yes	Related to the Town of Summit - City of Oconomowoc cooperative boundary plan, this plan transfers an old subdivision to the Village, and addresses Town concerns.
8	C. Kenosha, T. Bristol	Kenosha	2000	October 20, 2030	Yes	Yes	Integrates other plans. Describes the service and regulatory roles of the county, town, and city as attachments occur.
7	C. Marshfield, T. Cameron	Wood	2000	August 27, 2012 August 23, 2015	Yes	Yes	Establishes a joint planning committee and protects the city's planned industrial park from incompatible Town development.
6	C. Oconomowoc, T. Summit	Waukesha	2000	December 31, 2019	Yes	No	Integrates other plans. Designates areas to transfer from the town to the city. Designates town areas that will receive utility services from the city without annexation.
5	C. Beloit, T. Turtle	Rock	1999	December 31, 2021	Yes	Yes	Resolved disagreements about residential and commercial development triggered by highway improvements in Illinois.
4	C. Dodgeville, T. Dodgeville	Iowa	1998	May 26, 2018	Yes	No	Enables cooperative development of housing areas adjacent to City, served with public utilities, and which may eventually attach to City. Eliminates sprawl and loss of farmland.
3	C. Waukesha, T. Pewaukee	Waukesha	1998	December 31, 2022	Yes	No	Resolves irregular boundaries, settles current litigation, determines service provision, and allows for incorporation of the Town.
2	C. Janesville, T. Rock	Rock	1996	May 16, 2016	Yes	Yes	Purpose is to implement a highway bypass plan.
1	C. Stevens Point, T. Plover	Portage	1996	10 years after 'Phase 2' completion	Yes	No	Purpose is to replace failing private wells and septic systems in Town by installing and paying for public sewer and water lines before attaching them to the City.

Amendments

5	C. Kenosha, T. Bristol	Kenosha	2010	June 28, 2010	Yes	No	Clarifies that the new Village of Bristol is bound by the terrms of the original Cooperative Plan adopted by the City and Town in 2000, including the provision that the City Growth Area will ultimately transfer to Kenosha.
4	T. Summit, C. Oconomowoc	Waukesha	2007	Department approval	Yes	No	Transfers town territory.
3	C. Madison, T. Madison, C. Fitchburg	Dane	2007	October 30, 2022	Yes	No	Identifies two areas that may attach sooner than 2022 if certain defined types of redevelopment is proposed. Also describes the building code enforcement the Town is to provide, and requires the City and Town to discuss redevelopment proposals.
2	C. Beloit, T. Turtle	Rock	2001	December 31, 2021	No	No	Changes the terms of financial compensation to the Town, adds 80 acres to the nearly 3-square mile plan territory, and extends the duration of the agreement by one year to December 31, 2021.
1	C. Dodgeville, T. Dodgeville	Iowa	2000	May 26, 2018	No	No	Changes the conditions for how territory may transfer, obligates the two communities to develop a park within the plan territory, and changes review of land divisions.

*** For many of the plans, the resulting boundary changes are intended to be permanent. Therefore, the term 'Planning Period End Date' instead refers to the time when the plan's action are completed.**

This list of cooperative boundary plans is created and maintained by the Department of Administration. The Department has reviewed and approved these plans pursuant to s. 66.0307 Wis. Stats. if you have questions, please contact:

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Village of Brokaw Discussions – May 13, 2015

As the City of Wausau is being led in a series of discussions with Dr. Steve Hintz about budgeting and other subjects, and has been looking at outcomes, it is suggested that this group, with the fairly recent entrance of the City of Wausau (officially), engage in a similar exercise.

Suggestions:

6:00-7:00 – Workshop (Downstairs)

Discuss goals for the future of Brokaw: Envisioning/Strategic Planning (20 mins.)

- Address debt, water usage, operational deficiencies, undevelopable areas
- Address positives: assets, areas developable

Knowing the assets, what can this area look like in 5 years? 10 years? (20 mins.)

(knowing that change brings about opportunity)

Identify Resources available to the overall community (20 mins.)

- Identify steps necessary to get to the shared goals/vision for the area
- How to get people involved
- How to reach common ground to achieve this vision as 4 municipalities working together

*This discussion could occur in our lower level cafeteria, sitting at 4 round tables, with one member from each jurisdiction occupying 3 tables, and the 4 legal counsel sitting at the 4th table. Media could be asked to participate in this visioning exercise as well.

7-8:00 p.m.

We would go back up to the Council Chambers, where the representatives would be seated at each Council seat, equipped with a microphone. We have the capacity to audiotape, videotape, use an overhead projector with a screen to share documents to avoid making multiple copies. We intend to have aerial maps available.

Open Discussion – what's next? (30 mins.)

- Think about what heard from groups
- 15 mins. spent prioritizing goals
- 15 mins. spent brainstorming how to accomplish these priorities