

Incorporation Study Committee *Findings Report*

Presented to the
Town of Salem Board and Electors
06/29/15



Contents

- How we got here
- How the committee got started
- The committee's approach
- What and with whom the committee consulted
- The findings and report
- Appendix



How We Got Here



Lots of talk for a long time

- How much of a threat are Paddock Lake, Silver Lake, and Twin Lakes to Salem's borders?
- What's the difference between a town and village?
 - What do we gain? What do we lose?
 - What does it buy us?
 - What do we risk by leaving things the same?
- What would being a village cost us?
- How will it cost to make the change?



Previous Referendum

- Advisory referendum of 9/14/2010 to study incorporation failed
- Generally assumed that voters were concerned about costs of becoming and being a village



Elector's Motion

- At 2014 Annual Electors Meeting, a motion was approved to study incorporation

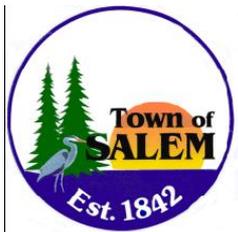
“MOTION BY Elector Kyle Christensen, second by Tim Squier to request that the Town Board form a committee to investigate the possibility of incorporation.”

- from minutes of 2014 Annual Electors Meeting



How the committee got started

The Project Charter



Charter Purpose

- A project charter provides...
 - Project vision, objectives, scope, and deliverables
 - Project organization
 - Project implementation
 - Risks and Issues



(Per LinkedIn.com The Project Manager Network)

Project Overview

Team Name	Town of Salem Incorporation Study Committee (emphasis on “ <i>STUDY</i> ”!)
Charter Date	10/13/14
Stakeholders	<ul style="list-style-type: none">•Project Sponsor: Town Board•Customer: Town residents & Town Board
Background	<ul style="list-style-type: none">•Previous advisory referendum failed•Motion approved at 2014 Annual Electors Meeting for Board to appoint a committee to investigate incorporation



Project Goal & Objectives

Goal Statement •Address elector’s motion at 2014 Annual Electors Meeting

“MOTION BY Elector Kyle Christensen, second by Tim Squier to request that the Town Board form a committee to investigate the possibility of incorporation.”

Objectives

- Determine the differences of a town form of municipal government versus the village form based on state statute and regulation
- Overlay how well the Town of Salem satisfies those statutes and regulations
- Understand the costs associated with each



Project Schedule

Schedule/ Milestones

- ✓ Appointments to Committee: 9/8/14
- ✓ 1st committee meeting: 9/17/14
- ✓ Charter approved by Board: 10/13/14
- ✓ Workplan developed by Committee: 10/22/14
- ✓ First findings by Committee, plan for gaps developed:
11/15/14
- ✓ Current State Analysis completed: 01/11/15
 - ✓ Feedback from Board: 1/26/15
- ✓ Future Possibilities completed: 2/10/15
 - ✓ Feedback from Board: 2/23/15
- ✓ Effecting the Change completed: 4/5/15
 - ✓ Feedback from Board: 4/20/15
- ✓ Recommended Next Steps: 4/18/15
 - ✓ Feedback from Board: 4/20/15
- ✓ Presentation to residents: Special Electors Meeting



Project Resources

Project Manager

Mike Ullstrup

Project Team

- Carrie Fisher
- Darren Hull
- Geraldine Myers-Witkowski (resigned)
- John Roberts
- Melanie Rudd
- James Woodke

Cost Estimate

- No cash costs
- Will require...
 - Time from various town officials and employees
 - Office supplies
 - Copying



Project Communication

Customer Involvement

- Meeting agendas posted and meetings open to the public

Communication Plan

- Monthly updates to Board
- Meeting agendas posted
- Meetings open to public
- Results to be presented to residents at a special electors meeting



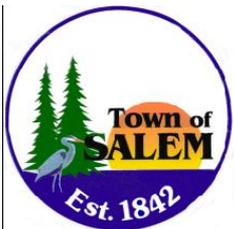
Risks & Issues

Type	Specifics	Mitigation
Team	We are volunteers!	Since the committee's job is mostly research and its documentation, the bulk of the work will be done outside of meetings at the convenience of the members
Communication	Unscripted or well-meaning off-the-cuff comments to the media and others could be misinterpreted by residents <ul style="list-style-type: none"> • It only takes a Facebook post to start a brushfire! 	Committee members will refer <u>all</u> inquiries to the Board
Communication	Committee meetings will not provide for citizens' comments	Special Town email address provided for residents Meetings are open to public



Deliverable Outline

	Town of Salem		Village	
Responsibilities Required by State	1.	1. \$	1.	1. \$
	2.	2. \$	2.	2. \$
	3.	3. \$	3.	3. \$
	4.	4. \$	4.	4. \$
		5. \$		
Provided by TOS Beyond State Statute	1.	1. \$		
	2.	2. \$		
	3.	3. \$		
	4.	4. \$		
		5. \$		



Deliverables, cont.

- Questions to be addressed
 - Annexation
 - Relationship with DNR
 - DNR authorities
 - Public Safety vs. Police vs. Sheriff
 - Incorporation Process & Costs



The committee's approach



A “Re-engineering” Approach

Understand where we are...

“Current State”



Determine where we (may) want to go...

“Future Possibilities”



Determine how to get from where we are
to where we (may) want to go...

“Making the Change”



Report: 3 Main Sections + Recommendations

1. Current State Analysis

- A study of the services that the Town of Salem presently provides including service levels, their determinants, and the ensuing costs

2. Future Possibilities

- A study of the potential paths forward for the Town of Salem

3. Making the Change

- The processes to go from where we are to where we might want to be

4. Recommended Next Steps



Organizations and documents consulted

- Town of Somers
- Village of Bristol: Randy Kerkman
- Village of Bloomfield: Ken Munroe
- Department of Natural Resources
- Towns Association
- Department of Administration: Erich Schmidtke & Renee Powers
- Kenosha County Sheriff: Dave Beth
- Kenosha County Planning & Development: Andy Buehler
- Kenosha County GIS: Al Brokmeier
- Town of Menasha
- Paddock Lake/Salem Cooperative Plan
- Salem Utility District: Brad Zaulke
- Southeast Wisconsin Regional Planning Council
- State Statutes
- Salem Highway Dept: Mike Murdoch
- Salem Fire & Rescue: Mike Slover
- Salem Building Inspection: Jack Rowland
- Salem Town Clerk: Cindi Ernest
- Salem Town Treasurer: Kris Lamb
- Salem Town Assessor: Rocco Vita
- State Representative to the Assembly (Staff)
- Community Library Board Member: Gail Peckler-Dziki
- Community Library Director: LeeAnn Briese
- League of Wisconsin Municipalities: Claire Silverman, Legal Counsel



“One half of knowing what you want is knowing what you must give up before you get it.”

- Sidney Howard, author & screenwriter

Current State Analysis

A study of the functions and services that the Town of Salem presently provides including service levels, their determinants, and the ensuing costs



3-Pronged Approach

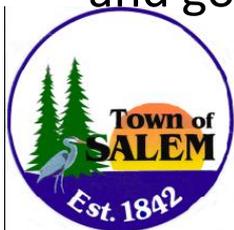
- Top-Down: Study of State Statutes
- Bottom-Up: Interviewing Department Heads
- Follow-the-Money: Analysis of the Town of Salem budget



Town of Salem Background

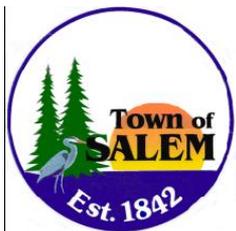
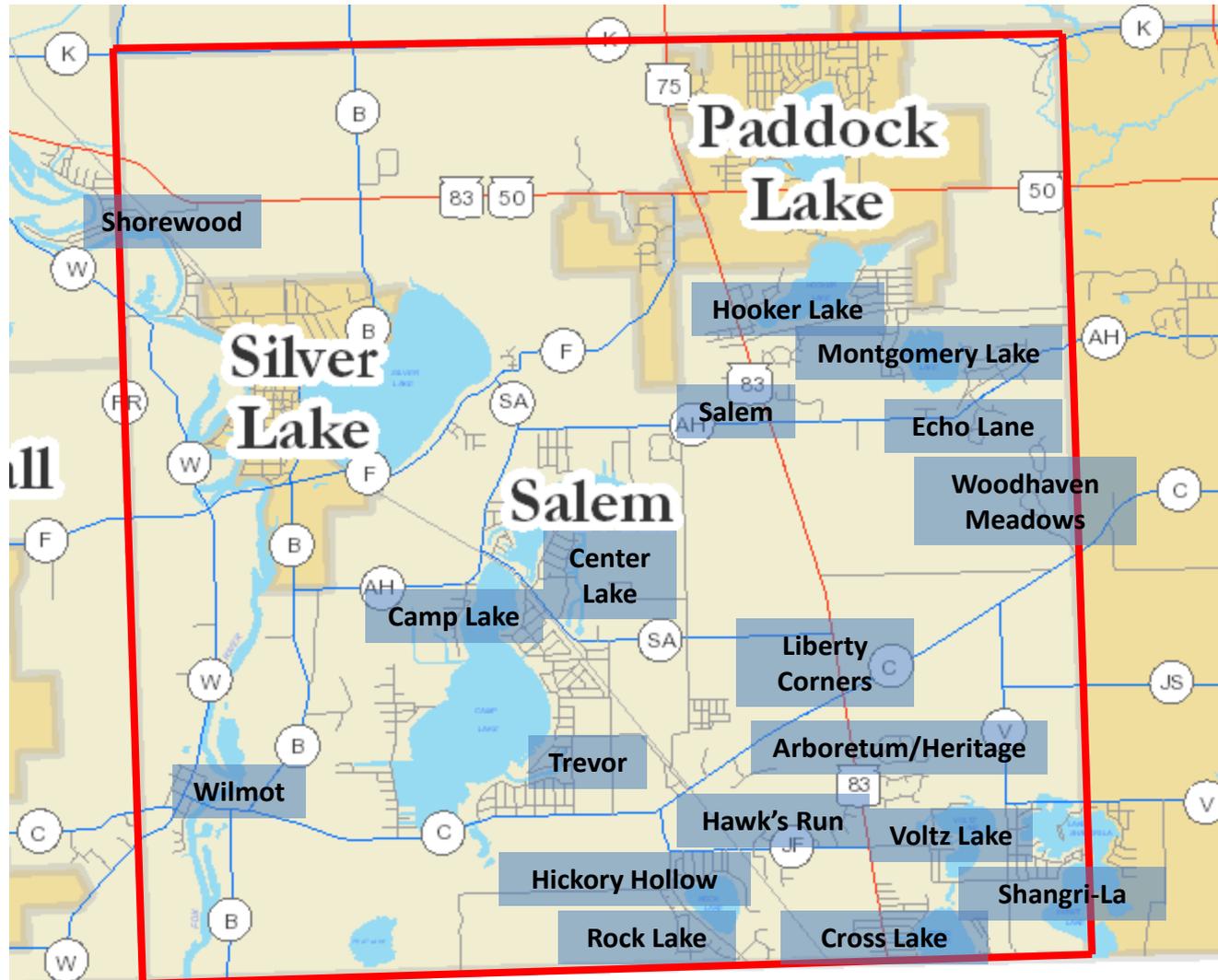
“Established in 1842, the Town of Salem is a small, rural community, with a population of 12,036, located in southeast Wisconsin. Its location, west of I-94 in Kenosha County, between Chicago and Milwaukee, allows the town to evoke a quiet and comfortable charm and a rural quality of life while still being able to access quality entertainment, business, and industry.

“It boasts nine beautiful and scenic lakes offering plenty of recreational activities while still maintaining respite from life's pressures and a place to seek solitude. Some of these bodies of water were once home to ice harvesting operations, but now provide a place for year round recreational activities including fishing, hunting, trapping, boating, camping, biking, hiking, and golf courses.”



- from www.TownofSalem.net

Town of Salem Hamlets and Communities



And just what is a “hamlet”?

- Area that contains a small cluster of houses, a church, or local businesses such as a store or tavern.
- Administered by the town or municipality in which they exist.
- Serves as useful local reference to specific places and are important references and sometimes included in vital records.
- Does not have any governmental function but most are recognized for the common usage and are marked with official green informational highway signs listing the place name with the word 'Unincorporated' underneath.

- from Wisconsin Blue Book 2011 – 2012



What is a “town”? (1 of 2)

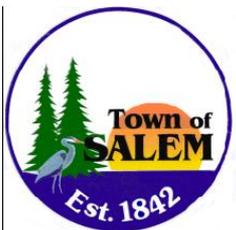
- One of three types of municipal government in the State of Wisconsin, the three being towns, villages, and cities
- Town governments govern those areas that are not included inside the corporate boundaries of either a city or a village
- Towns have only those powers granted by the Wisconsin Statutes
- In addition to their traditional responsibility for local road maintenance, town governments carry out a variety of functions and, in some instances, even undertake urban-type services
- The town board is usually composed of 3 supervisors, but if a board is authorized to exercise village powers or if the town population is 2,500 or more it may have up to 5 members



- From Wisconsin Blue Book 2011 – 2012

What is a “town”? (2 of 2)

- Town supervisors are elected for 2-year terms in the spring nonpartisan election
- They perform a number of administrative functions and the town board chairperson has certain executive powers and duties
- A town board may also create the position of town administrator
- Supervisors are expected to carry out the policies set at the annual town meeting
- The annual meeting is held on the second Tuesday of April (or another date set by the electors), and during the meeting all qualified voters of the town are entitled to discuss and vote on matters specified by state law



- From Wisconsin Blue Book 2011 – 2012

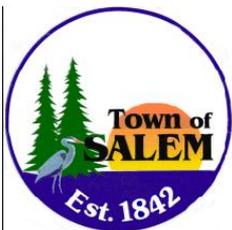
Functions & Services Provided by Salem (“TOS”)

- Highway
- Fire & Rescue
- Sewer & Storm Water
- Clerk
- Treasurer
- Building Inspection
- Property Valuation
- Zoning
- Library
- Public Safety
- Municipal Court
- Town Governance and Administration
- Parks
- Garbage & Recycling



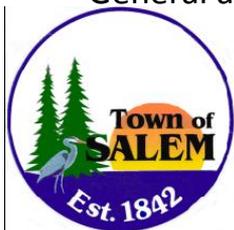
TOS: Highway (p. 1 of 2)

Service	Description	Comments	Who Determines Service Level
Paving town roads	<ul style="list-style-type: none"> Laying brand new pavement 	<ul style="list-style-type: none"> 69 miles in Town of Salem 	<ul style="list-style-type: none"> Town Board determines quantity of work State determines work standards
Repairing/Maintaining Town Roads	<ul style="list-style-type: none"> Crack filling Shoulder work Culvert clearing Tree removal Signage <ul style="list-style-type: none"> House address signs Traffic signs Street signs done by County 	<ul style="list-style-type: none"> Bulk of funding from Town Eligible for WI Town Road Improvement Program funds <ul style="list-style-type: none"> Coordinated by County Work must meet state standards State requires all roads be rated every 2 years <ul style="list-style-type: none"> "1" = dirt "10" = brand new About 2 years ago, TOS at 4-5 Currently at 6-7 A village would take care of its own street signs 	<ul style="list-style-type: none"> Town Board determines quantity of work State determines work standards



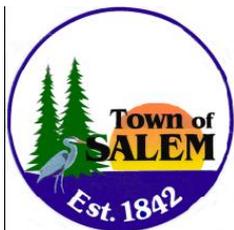
TOS: Highway (p. 2 of 2)

Service	Description	Comments	Who Determines Service Level
Mow and maintain town buildings, parks, and other property,	<ul style="list-style-type: none"> Cleaning, mowing, and equipment maintenance of all buildings, parklands, firehouses, and lift stations 		<ul style="list-style-type: none"> Town Board
Plowing and Sanding	<ul style="list-style-type: none"> Keep town roads clear of snow and ice 	<ul style="list-style-type: none"> Salem takes advantage of State-bid contracts for salt Priority for plowing <ul style="list-style-type: none"> #1 = main roads #2 = school bus routes #3 = remaining Some coordination with other municipalities, based on handshake No coordination with County 	<ul style="list-style-type: none"> Town Board determines quantity of work (which determines some aspects of quality) State and DNR determine standards for quantity of salt and usage of sand
Equipment Maintenance	<ul style="list-style-type: none"> Fix and maintain all town equipment and vehicles 	<ul style="list-style-type: none"> Includes oil changes on all vehicles 	<ul style="list-style-type: none"> Town Board
General assistance	<ul style="list-style-type: none"> Highway personnel able to drive fire trucks Pumpkin Daze prep and clean-up Election equipment set-up and tear-down 		<ul style="list-style-type: none"> Town Board Fire and Rescue Town Clerk



TOS: Fire & Rescue

Service	Description	Comments	Who Determines Service Level
Fire services		Chiefs are deputized by the Department of Administration for fire inspection	<ul style="list-style-type: none"> • State requires a “fire department” <ul style="list-style-type: none"> • Engine with water • So much hose • So many people • Training • State and federal mandates provide specific requirements (like so much training). Some requirements come from nationally recognized standards such as NFPA while other requirements come from DOL, OSHA and NIOSH and are adopted by Administrative Rule which is enforced by WI statute. • Town board determines service level beyond that
Rescue services	<ul style="list-style-type: none"> • Salem is at paramedic level 	<ul style="list-style-type: none"> • 3 levels of service <ul style="list-style-type: none"> • EMT (care & transport) • Advanced EMT • Paramedic 	<ul style="list-style-type: none"> • State requires at least lowest level of service • State and federal mandates provide specific requirements (like so much training). Some requirements come from nationally recognized standards such as NFPA while other requirements come from DOL, OSHA and NIOSH and are adopted by Administrative Rule which is enforced by WI statute. • Town board determines level beyond that (though the current paramedic level was determined by volunteers)



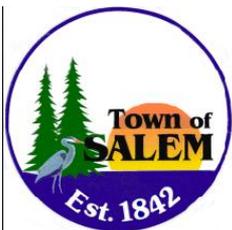
TOS: Utility District

Service	Description	Comments	Who Determines Service Level
Sewer Service	Collection of sewer water from all residences and businesses through a Town-owned system of sewer mains and lines and treatment through a filtration and chemical process at the Town's wastewater treatment plant		<ul style="list-style-type: none"> • Town board determines to create utility district • State (DNR) determines minimum standards of discharge quality



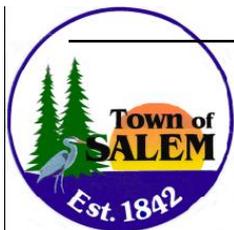
TOS: Town Clerk (p. 1 of 2)

Service	Description	Comments	Who Determines Service Level
Records custodian	<ul style="list-style-type: none"> • Issues, catalogs, and certifies all town records and documents (ordinances, resolutions, contracts, easements, deeds, bonds, et al) • Documents minutes of meetings • Prepares and issues agendas • Prepares and advertises bids and legal notices 		<ul style="list-style-type: none"> • State determines some license requirements • Town Board approves based on state law and regulation and town policy
Administers oaths of office			<ul style="list-style-type: none"> • State
Direct all elections held in town	<ul style="list-style-type: none"> • Post election notices • Design and implement polling place plans • Recruits election workers • Conducts public tests • Maintains State Voter Registration System 		<ul style="list-style-type: none"> • State determines overall standards based on law, regulation, and policy • Town Board determines level of spending on elections • Town Board determines polling locations



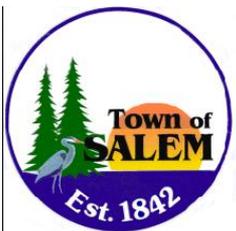
TOS: Town Clerk (p. 2 of 2)

Service	Description	Comments	Who Determines Service Level
Issuing licenses	<ul style="list-style-type: none"> Alcohol, operator, amusement machine, animal, and other regulatory licenses 	<ul style="list-style-type: none"> Issued based on approval of town board 	<ul style="list-style-type: none"> State determines some license requirements Town Board approves based on state law and regulation and town policy
Maintains town personnel records	<ul style="list-style-type: none"> Payroll Employee insurance and worker's comp 		<ul style="list-style-type: none"> Town board Employment law
Prepares and maintains financial accounts and records	<ul style="list-style-type: none"> Keeps books (shared with Treasurer) Counter-signs checks Tracks claims 		<ul style="list-style-type: none"> Accounting standards
Clerk of Board of Review	<ul style="list-style-type: none"> Examine and correct assessment roll Prepare tax roll 		<ul style="list-style-type: none"> State
Maintains town website and issues press releases			<ul style="list-style-type: none"> Town board
Other duties			<ul style="list-style-type: none"> Although the state requires the clerk to perform certain duties, the town board may assign additional duties to the clerk



TOS: Treasurer

Service	Description	Comments	Who Determines Service Level
Account for all monies coming into and going out of Town	<ul style="list-style-type: none"> Keeps books (shared with Clerk) Reconciles bank accounts 	<ul style="list-style-type: none"> If a municipality separates the treasurer from the clerk, the state does not require annual audits. If the functions are combined, annual audits are required by the state 	<ul style="list-style-type: none"> The State only No other duties may be assigned to the treasurer beyond state law.



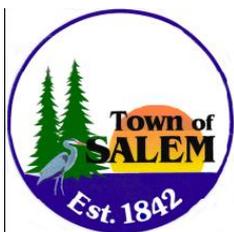
TOS: Building Inspection

Service	Description	Comments	Who Determines Service Level
Inspection of residential & commercial properties		<ul style="list-style-type: none"> • Salem is not certified to <u>review</u> commercial building plans. All commercial building plans go to the state for review and approval. • Once the plan is approved, Salem does inspection for both residential and commercial buildings. • Similar to residential buildings: <u>county</u> reviews and approves zoning related issues plans and Salem inspects. (Salem does structural grading and erosion control plan reviews.) 	<ul style="list-style-type: none"> • State requirement to have building inspection • Does not have to be in-house, though.



TOS: Property Valuation

Service	Description	Comments	Who Determines Service Level
Assess all property	Set the value of all real property in municipality	<ul style="list-style-type: none"> • Outsourced to Pleasant Prairie assessor • State may change back to county valuation instead of current municipal valuation 	<ul style="list-style-type: none"> • State <ul style="list-style-type: none"> • A re-valuation is required if the market value changes by $\pm 10\%$ for either residential or commercial property • Then, municipality has 5 years to get back into compliance • Town <ul style="list-style-type: none"> • Because of the diversity of residential property types in Salem, the board re-values all property every two years



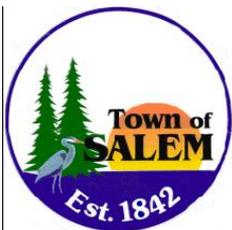
TOS: Planning & Zoning, Functions

Landowner Needs

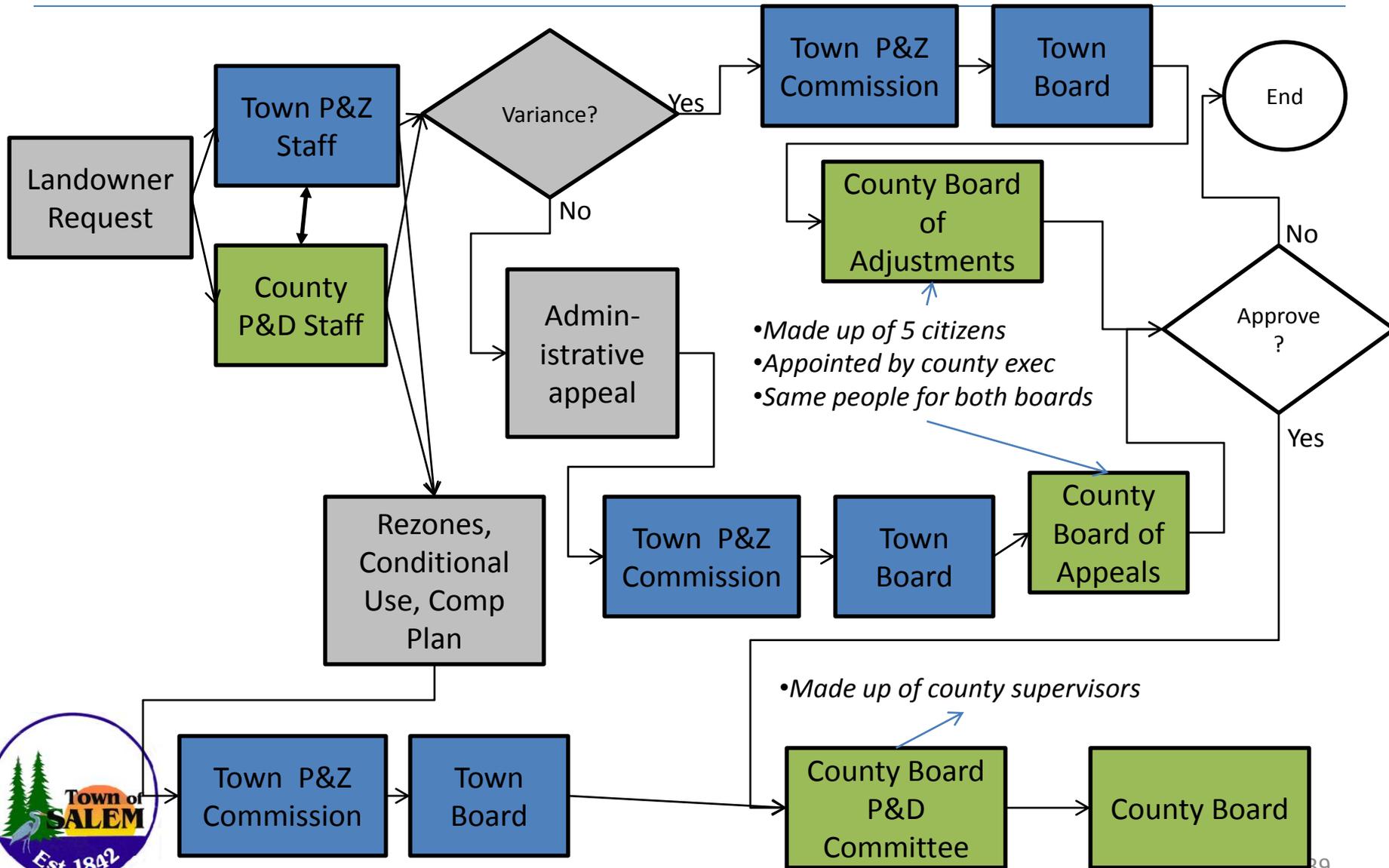
- Re-zone
- Variance
- Addition to existing structure
- New residential structure and/or accessory
- Conditional Use Permit
- Temporary Use Permit
- Building Permit
- Land division
- Shoreland Permit
- Comprehensive (“2035”) Plan Amendment

County P&D Dept

- Set-backs and code verification
- Site-plan Review
- Conditional Use
- Zoning Permit
- Zoning Compliance (code violations)
- Variance and Re-zoning
- Shoreland Permit
- Temporary Use Permit
- Plat & Certified Survey Map
- Comprehensive Plan Amendments (“2035”)
- Buildability letters
- Zoning verification letters
- Floodplain verification letters
- Wetland delineation processing
- Stormwater review



TOS: Planning & Zoning, Processes



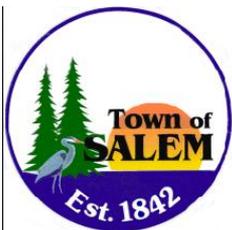
TOS: Planning & Zoning, Files

Town of Salem property files held at Kenosha County



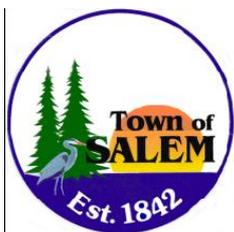
TOS: Library

Service	Description	Comments	Who Determines Service Level
Part of Community Library group	<ul style="list-style-type: none"> Joint agreement among Salem, Paddock Lake, Silver Lake, Twin Lakes, and Randall 	<ul style="list-style-type: none"> Kenosha County has two systems <ul style="list-style-type: none"> City of Kenosha Community Library Libraries fall under state Department of Public Instruction 	<ul style="list-style-type: none"> State (43.52 & 43.53) <ul style="list-style-type: none"> Counties must per State provide some kind of library services With county, determines library tax Community gets this money but would stay with county if Community Library did not exist Town <ul style="list-style-type: none"> Decision to enter agreement with Community Library Purchase of any buildings



TOS: Public Safety

Service	Description	Comments	Who Determines Service Level
Enforce town ordinances		<ul style="list-style-type: none"> • Per State, no difference between “police” and “public safety” 	<ul style="list-style-type: none"> • Per statute, a town MAY provide law enforcement by creating its own police force or join with another municipality
Enforce traffic ordinances	<ul style="list-style-type: none"> • Town , county, and state roads 	<ul style="list-style-type: none"> • All officers are “certified law enforcement officers” 	<ul style="list-style-type: none"> • Town board on scope of jurisdiction
Handle quality-of-life issues	<ul style="list-style-type: none"> • Disputes between neighbors • Barking dogs • Sidewalk shoveling • Property Maintenance • License premises checks • Burning violations • Extra attention to town-owned property and parks 	<ul style="list-style-type: none"> • Can arrest and charge with a crime • Can testify in court as a sworn law enforcement officer • Public safety policies of Salem are in place like any other policies in county • Have access to state computer files for tickets, DUI, sex offender, probation • Town has evidence lockers 	<ul style="list-style-type: none"> • State on certification criteria and definitions • No state mandate for type of vehicle but state does have certain equipment requirements <ul style="list-style-type: none"> • TOS vehicles equipped with basics
Lake patrol		<ul style="list-style-type: none"> • Water patrol sponsored by DNR • All expenses turned into DNR (labor, gas, etc), reimbursed at 70% 	



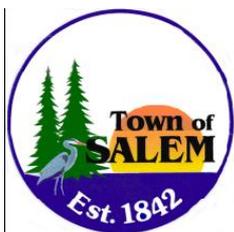
TOS: Municipal Court

Service	Description	Comments	Who Determines Service Level
Municipal court	<ul style="list-style-type: none"> Adjudicates people accused of violating town ordinances 		<ul style="list-style-type: none"> Town board may provide for the election of a municipal judge and municipal court Town board determines court budget State determines court procedures



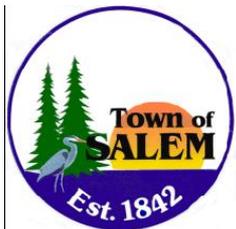
TOS: Governance/Administration

Service	Description	Comments	Who Determines Service Level
Elected officials	<ul style="list-style-type: none"> Chairperson and 4 supervisors 	<ul style="list-style-type: none"> Electors determine board salaries 	<ul style="list-style-type: none"> State
Town Administrator	<ul style="list-style-type: none"> Manages town functions and services on a daily basis as determined by the board 		<ul style="list-style-type: none"> Town board State statute has little to say
Information Services	<ul style="list-style-type: none"> All information technology in town 		<ul style="list-style-type: none"> Town board
Village Powers	<ul style="list-style-type: none"> Same powers as a village except those powers which conflict with statutes relating to towns and town boards (60.22) 		<ul style="list-style-type: none"> Town meeting electors (60.10)
Town electors meetings	<ul style="list-style-type: none"> Annual meeting Tax levy meeting Special electors meetings 	<ul style="list-style-type: none"> Residents approve overall levy, board determines budget 	<ul style="list-style-type: none"> State



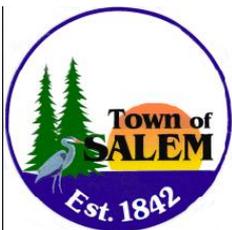
TOS: Parks

Service	Description	Comments	Who Determines Service Level
Provide and maintain public parks		<ul style="list-style-type: none"> • “A governmental unit may... provide funds for the establishment, operation and maintenance of a department of public recreation. “ 66.0123(2) • May appoint board, purchase equipment and supplies, hire supervisor, conduct activities 	<ul style="list-style-type: none"> • Town Board



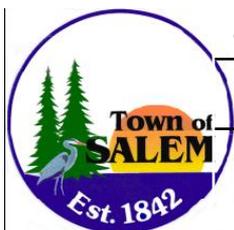
TOS: Garbage & Recycling

Service	Description	Comments	Who Determines Service Level
Garbage removal	Collection of solid waste	<p>“Cities, villages and towns may remove ashes, garbage, and rubbish from such classes of places in the city, village or town as the board or council directs. The removal may be from all of the places or from those whose owners or occupants desire the service.”</p> <p>remove ashes, garbage, and rubbish (66.0405)</p>	<ul style="list-style-type: none"> • Town Board • State statute • DNR
Recycling	<p>Reduction of the amount of solid waste generated, the reuse, recycling and composting of solid waste and resource recovery from solid waste (287.05)</p>	<p>“Each responsible unit shall do all of the following: (a) Develop and implement a recycling or other program to manage the solid waste generated within its region...”</p> <p>287.09(2)</p> <p>“Responsible Unit” defined as municipality unless county decides otherwise</p>	<ul style="list-style-type: none"> • State statute • DNR • County/Town



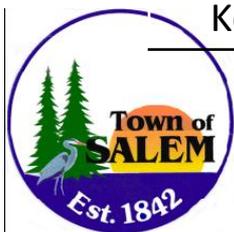
Summary of Costs of Services (FY 2015)

Functions / Services	Budget (000)	Notes
Highway	\$ 959	
Fire & Rescue	\$ 1,266	
Clerk	\$ 119	
Treasurer	\$ 59	
Building Inspection	\$ 161	
Property Valuation	\$ 159	
Zoning	\$ 3	
Public Safety	\$ 144	
Municipal Court	\$ 21	
Town Governance / Administration	\$ 617	See Appendix for reconciliation to levy
Parks	\$ 96	
Total	\$ 3,604	Part of Town Levy
Sewer & Storm Water	\$ 6,326	Fee supported
Library	\$ 339	Separate levy
Garbage & Recycling	\$ 1,061	Separate levy



Local Mill Rates, 2013-14 (*comparison only*)

County	Municipality		Mill Rate
Kenosha	Town	Paris	\$ (4.13)
Kenosha	Town	Randall	\$ 1.98
Kenosha	Town	Wheatland	\$ 2.28
Kenosha	Village	Bristol	\$ 3.29
Kenosha	Town	Salem	\$ 3.75
Kenosha	Village	Pleasant Prairie	\$ 4.46
Kenosha	Town	Somers	\$ 4.92
Kenosha	Village	Twin Lakes	\$ 5.15
Kenosha	Village	Silver Lake	\$ 6.22
Kenosha	Village	Paddock Lake	\$ 7.23
Racine	City	Burlington	\$ 8.70
Walworth	Village	Genoa City	\$ 9.78
Kenosha	City	Kenosha	\$ 12.03



Source: Wisconsin Taxpayers Alliance, www.wistax.org

And what exactly is a mill rate?

This is what the town board proposes and the residents approve. The Town always gets what's levied – regardless of property values!

$$\frac{\text{Municipality Tax Levy}}{\text{Municipality Property Value}} = \text{Municipality Mill Rate}$$

This is the value of all of the property in the town based on the last valuation.

This is the calculated number that is multiplied with the value of an individual property value to determine the property owner's town taxes.



This is Salem's 2014/2015 mill rate calculation

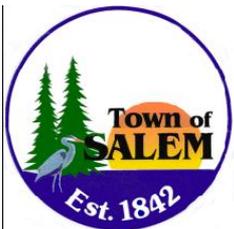
This is what the town board proposed in November, 2014 and the residents in attendance at the meeting approved.

See Appendix for reconciliation to expenses

$$\frac{\$3,428,415}{\$940,628,800} \times \$1,000 = \$3.64 / \$1,000 \text{ of property value}$$

This is the value of all of the property in the town based on the last valuation.

This is the calculated number that is multiplied with the value of an individual property value to determine the property owner's town taxes.



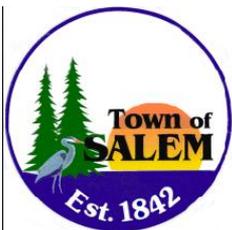
Other Issues

- Boundary Agreements
- Limits on Board Power
- Risks to Towns & Annexation

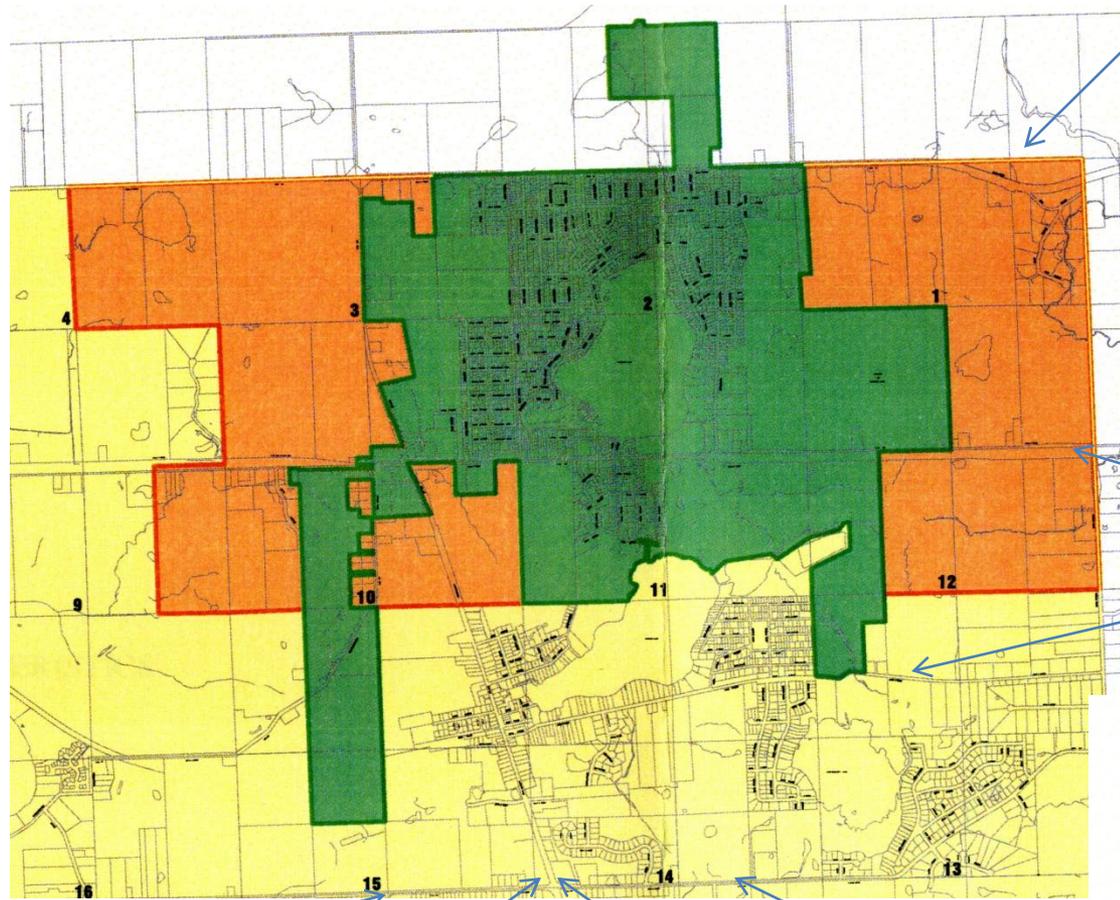


Boundary Agreements: Paddock Lake

- A boundary agreement exists with the Village of Paddock Lake
 - Agreement approved Department of Administration in October, 2007
 - Salem got...
 - End of Extra-Territorial Zoning of Paddock Lake over Salem
 - Paddock Lake would not accept any petitions for annexation from Salem landowners
 - Paddock Lake got...
 - Sewer agreement
 - TOS takes sewage from along F at retail price
 - VOPL pays for installation and full retail for service
 - VOPL pays for any new needed plant capacity
 - Guaranteed annexation of the “Village Growth Area” (see next slide)
 - Paddock Lake would not come to table without this provision
 - **This annexation happens regardless of any incorporation of the Town of Salem**
 - In effect for 20 years from date of DOA approval (VOPL/TOS Cooperative Plan, paragraph 7.01)...or October 2027
 - **Value**
 - **Assessed value of Growth Area = \$ 19,192,800**
 - **Revenue to Town @ 2014/5 mill rate of \$ 3.64 = \$ 69,862 will be lost to Town**



Paddock Lake Growth Area

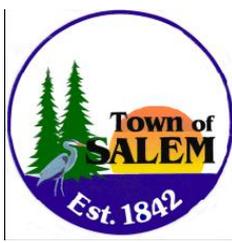


CURRENT Assessed value of Growth Area = **\$ 19,192,800**

Revenue to Town @ 2014/5 mill rate of **\$3.64 = \$ 69,862** will be lost to Town ... **AT CURRENT RATES AND VALUES**

LEGEND

-  VILLAGE OF PADDOCK LAKE
-  TOWN OF SALEM
-  VILLAGE OF PADDOCK LAKE GROWTH AREA



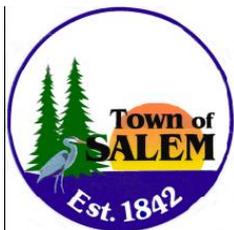
Other Boundary Agreements

- An agreement is in place with the Village of Bristol that maintains the existing boundaries
- No boundary agreement exists with the Village of Silver Lake
- No boundary agreement exists with the Village of Twin Lakes (not contiguous)



Limits on Board

	Town
Levy Approval	By electors at special electors meeting
Planning and Zoning	County has final approval
Public Safety	Sheriff is responsible for law enforcement
Board Salaries	Approved by electors



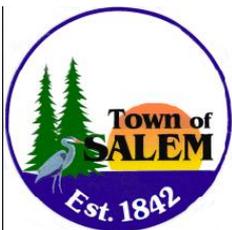
Risk to towns

- As a town, Salem is at risk of having parts of its territory annexed by neighboring villages.
 - Paddock Lake
 - Silver Lake
 - Bristol
 - Twin Lakes (but not now contiguous)
- Wisconsin provides for 6 methods of annexation...



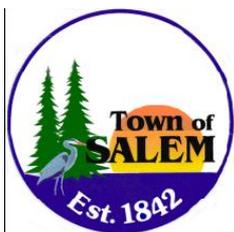
6 Methods of Annexation in Wisconsin

Method	Who Initiates	Who Approves	Additionally
1) Unanimous Approval (66.0217(2))	All electors and all owners of real property in the affected territory sign petition	<ul style="list-style-type: none"> • 2/3 of board of city or village • Dept of Administration 	<ul style="list-style-type: none"> • City or village must pay to the territory's town an amount equal to the property taxes that the town would have received
2) One-Half Approval (66.0217(3)(a))	<p>Either...</p> <ul style="list-style-type: none"> • Majority of electors in territory, AND... • Owners of ½ of the land in area, OR... • Owners of ½ of the real property in assessed value <p>Or...</p> <ul style="list-style-type: none"> • Owners of ½ of the land in area, OR, • Owners of ½ of the real property in assessed value 	<ul style="list-style-type: none"> • Dept of Administration • Board of city or village 	<ul style="list-style-type: none"> • City or village must pay to the territory's town an amount equal to the property taxes that the town would have received • Territory must be within same county as city or village unless territory's town board and county board approve



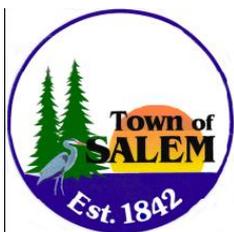
6 Methods of Annexation in Wisconsin

Method	Who Initiates	Who Approves	Additionally
3) Referendum (66.0217(7))	Petition to city or village for referendum signed by... <ul style="list-style-type: none"> • 20% of electors of affected territory sign petition, AND, • Owners of 50% of the real property in affected territory 	<ul style="list-style-type: none"> • Dept of Administration • Board of city or village • Referendum of petitioning territory 	<ul style="list-style-type: none"> • City or village must pay to the territory's town an amount equal to the property taxes that the town would have received • Territory must be within same county as city or village unless territory's town board and county board approve
4) City or Village Initiated Referendum (66.0219)	2/3 of city or village board declare intention to circuit court to annex territory	1. Circuit court <ul style="list-style-type: none"> • Dismiss if... <ul style="list-style-type: none"> • Majority of electors, OR, • Owners of more than ½ of assessed value of territory • Town may be heard 2. Majority of electors in territory in referendum	<ul style="list-style-type: none"> • City or village must pay to the territory's town an amount equal to the property taxes that the town would have received • Territory must be in same county as city or village unless board of of the territory's town and county approve



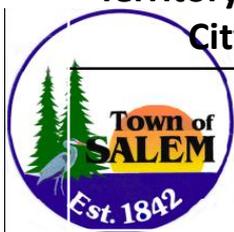
6 Methods of Annexation in Wisconsin

Method	Who Initiates	Who Approves	Additionally
5) Town Islands (66.0221)	2/3 of city or village board	2/3 of city or village board	<ul style="list-style-type: none"> • Where a part of the town is completely surrounded by city or village • Islands cannot be created by city or village after 12/2/1973
6) Territory Owned by City or Village (66.0223)	City or village board	<ul style="list-style-type: none"> • City or village board • If not contiguous, city or village may not be contrary to the town and county zoning regulations 	<ul style="list-style-type: none"> • Territory must be within same county as city or village unless territory's town board and county board approve



Estimation of Annexation Risk

Annexation Method	Paddock Lake	Silver Lake	Bristol	Twin Lakes	Comment
Unanimous Approval of a Salem Territory	Low (mil rate)	Low (mil rate)	Low (VOB board 2/3 vote)	Low (mil rate)	Bristol could be pursued if Paddock Lake comes in
One-Half Approval of a Salem Territory	Low (mil rate)	Low (mil rate)	Low (VOB board 2/3 vote)	Low (mil rate)	Bristol could be pursued if Paddock Lake comes in
Referendum Requested by a Salem Territory	Low (mil rate)	Low (mil rate)	Low	Low (mil rate)	Bristol could be pursued if Paddock Lake comes in
City or Village Initiated Referendum	High	Medium	Low (I-94 focus)	Low	
Town Islands	None	None	None	None	Cannot be created as of 12/2/1973
Territory Owned by City or Village	None now	None now	None now	None now	
Comment	Agreement until 2027	Own issues but gets mentioned	Agreement	Distance	



Current State Summary

- The Town of Salem provides functions and services that meet and in most cases exceed State statute and regulation
- Salem provides functions and services that exceed adjacent villages.
- Salem's mill rate is one of the lower ones in the area
- The risks to Salem's borders will grow over time
- The county board still controls planning and development decisions
 - Could affect development in TIF district



*“I look to the future because
that's where I'm going to
spend the rest of my life.”
- George Burns*

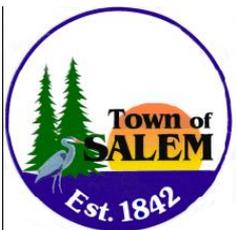
Future Possibilities

*A study of the potential governance paths
forward for the Town of Salem.*



Consequences of town governance

- Strengths
 - Electors have more direct governance
 - Annual meeting
 - Levy approval
- Weaknesses
 - As a town, Salem is at risk of having parts of its territory annexed by neighboring villages
 - Paddock Lake
 - Silver Lake
 - Bristol
 - Twin Lakes
 - The county has control over zoning and land use
 - Means a longer approval cycle for any changes
 - Could be an issue for investors and developers



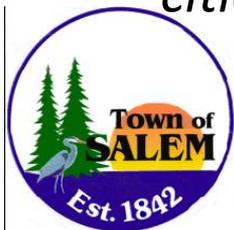
Wisconsin Municipality Options

- In addition to towns, Wisconsin statutes establishes 2 other forms of municipalities
 - Villages
 - Cities



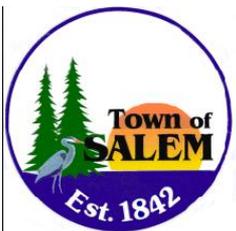
Municipality Options: Cities (1 of 2)

- An autonomous incorporated area within one or more counties
- As of 2009, Wisconsin had 190 cities
- Provides almost all services to its residents
- Has the highest degree of home rule and taxing jurisdiction of all municipalities
- Home rule authority allows cities to make their own decisions about their affairs, administration, and much of their public policy, subject to state law
- Cities in Wisconsin are divided into 4 classes
 - First class: Cities with 150,000 or more residents
 - Second class: Cities with 39,000 to 149,999 residents
 - Third class: Cities with 10,000 to 38,999 residents
 - Fourth class: Cities with 9,999 or fewer residents
- ***Cities must detach farms to nearest towns if possible (but there are cities that have farms! Very much up to the judge!)***



Municipality Options: Cities (2 of 2)

- Governance
 - Governed by Common or City Councils consisting of the mayor or city manager and elected aldermen or council members.
 - Mayors have veto power
 - Can choose to hire a city administrator or city manager, instead of electing a mayor
 - In cities with city administrators, the head of the common council may be referred to as “mayor”
 - Alderman elected to represent specific areas or districts within the city
 - Officers include mayor or city manager, treasurer, clerk, attorney, and health officials
 - May also, by their discretion, have an engineer, comptroller, assessors, street commissioner, and a board of public works
- To incorporate as a city, a community must have at least 1,000 citizens if it is in a rural area or 5,000 if it is in an urban area
- Able to expand their area by annexing land from towns when land owners request local service



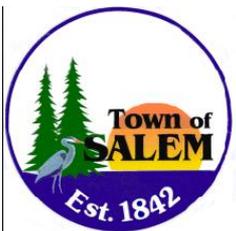
Municipality Options: Villages (1 of 2)

- An autonomous incorporated area within one or more counties
- As of 2009, Wisconsin had 403 villages
- Provides various services to its residents
- Has a degree of home rule and taxing jurisdiction
 - Allows them to make their own decisions about their affairs, administration, and much of their public policy, subject to state law.
- To incorporate as a village, a community must have at least 150 citizens if it is in a rural area or 2,500 if it is in an urban area.
- Able to expand their area by annexing land from towns when land owners request local service



Municipality Options: Villages (2 of 2)

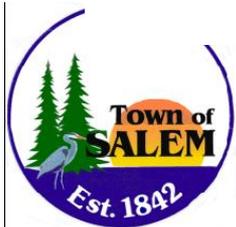
- Governance
 - Governed by a Village President and a Board of Trustees
 - Village presidents do NOT have veto power
 - Villages may also elect to hire a village manager to oversee day-to-day operations instead of an elected village president
 - Village officers include a president, clerk, treasurer, and assessor
 - NO annual electors meeting or elector approval of levy
 - Trustees are elected at large by the electors of the village though 2 Wisconsin villages do have voting districts
 - Howard (Green Bay)
 - Germantown (Milwaukee)



City vs. Village

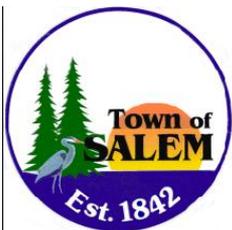
- Powers between the two are similar
- Differences are more in organization

City	Village
<p><u>Mayor</u></p> <ul style="list-style-type: none"> • Elected at large • Only votes in case of tie • Veto power • Officer of the peace: may suppress riotous or disorderly conduct in public areas 	<p><u>Village President</u></p> <ul style="list-style-type: none"> • Elected at large • May vote • No veto power • Officer of the peace: may suppress riotous or disorderly conduct in public areas
<p><u>Common Council</u></p> <ul style="list-style-type: none"> • Made up of alderman • Each represents the electors in aldermanic districts • NOT officers of the peace since 1983 	<p><u>Board of Trustees</u></p> <ul style="list-style-type: none"> • Made up of trustees • Usually voted at large but 2 villages have districts <ul style="list-style-type: none"> • Howard (Green Bay) • Germantown (Milwaukee) • Officers of the peace
<p>Cities are required to have an official newspaper</p>	<p>Villages not required to have an official newspaper but may need to publish certain items in a newspaper</p>



What is “home rule”?

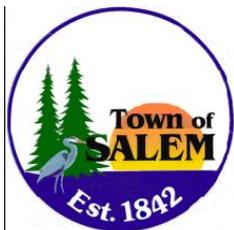
- Constitutional amendment of 1924 permits cities and villages to determine their local affairs and government, subject only to other provisions of the Wisconsin Constitution and to legislative enactments of statewide concern that uniformly affect every city and village.
 - (Wisconsin Legislative Reference Bureau,
<http://legis.wisconsin.gov/lrb/pubs/consthi/04consthiIV3.htm>)
- In other words, cities and villages can do anything they want unless prohibited by the State
- Towns can only do what is permitted by the State



Other forms considered by State

- Charter towns
 - If proclaimed by the town board and approved by the electors, town territory not subject to extra-territorial zoning or annexation by cities or villages unless approved by the town board
 - Last attempt by legislature failed in 2007
- Urban towns
 - If proclaimed by the town board and approved by the electors, town territory not subject to extra-territorial zoning or annexation by cities or villages unless approved by the town board
 - Last attempt by legislature failed in 2001

Difficulty in passage of these forms is with the larger representation of villages and cities in the legislature

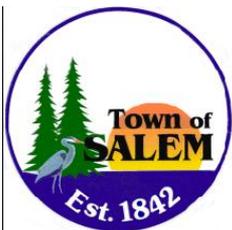


Options for Salem

Options	Considerations
Stay as is	<ul style="list-style-type: none"> • Border risks • Paddock Lake annexation possibility after 2027 • County controls zoning & development
City	<ul style="list-style-type: none"> • No farms, but could be pursued
Village	<ul style="list-style-type: none"> • Tends to be the preference in area
Variations <ul style="list-style-type: none"> • Urban towns • Charter towns 	<ul style="list-style-type: none"> • Currently, no law permitting either

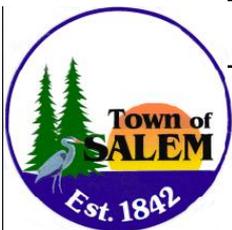
• Village form will be assumed although city form is possible

• Implications are essentially the same



What Changes with Incorporation

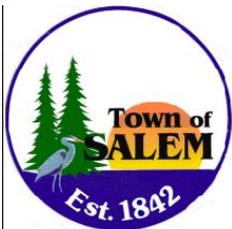
Service/Function	Change from Town to Village
Highway	Responsible for street signs
Fire & Rescue	Must create fire commission
Utility District	Nothing
Clerk	Nothing
Treasurer	Nothing
Building Inspection	Nothing
Property Valuation	Nothing
Zoning	Responsibility for zoning and land use
Library	Nothing
Public Safety	Need a full-time police force & police commission (Requirement for villages over 5,000)
Municipal Court	Nothing
Town Gov. / Admin.	2 additional board members (at incorporation)
Parks	Nothing
Garbage & Recycling	Nothing



Need for Police...

Wisconsin Law Enforcement (1 of 2)

- Hierarchy of law enforcement
 - Constable
 - Elected by a town
 - Few are left in state
 - No law enforcement requirements to hold position
 - Local police
 - Reports to municipal board
 - County sheriff
 - Top law enforcement in a county
 - Position established in the Wisconsin constitution
 - Only reports to the electorate
 - Can only be fired by the coroner (but this position does not always exist!)
 - » Process exists for the governor to remove a sheriff
 - Sheriff can step in and take any call away from local authorities

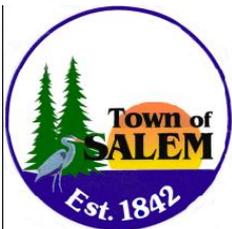


- per meeting with Sheriff David Beth

Need for Police...

Wisconsin Law Enforcement (1 of 2)

- Law enforcement in a town is conducted by the county sheriff
- Sheriff's office responsible for...
 - Law enforcement processes and procedures
 - Servicing the courts
 - Investigation
 - Managing the county jail
 - The county jail is the only jail in the county
 - Municipalities might have holding cells
- A village needs to fund police services **ONLY IF** its population exceeds 5,000 people.
- A local police force is defined as one car staffed at all times (24/7) with one officer
 - Results in needing about 5 FTE's to cover shifts and weekends

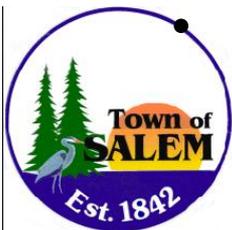


- per meeting with Sheriff David Beth

Need for Police...

Kenosha County Sheriff (1 of 5)

- Coordinates with state patrol, DNR, other local authorities
 - FYI, Wisconsin does not have state troopers (meaning state police)
- Special services
 - A 12-person marine patrol for Lake Michigan
 - Co-jurisdiction on lakes with DNR
 - The DNR only enforces its own rules
 - The DNR may enter a premises without a warrant if looking for illegally procured game...the sheriff may not
 - 1 of 6 bomb units in state
 - Drug unit
 - Mental health transfers



- per meeting with Sheriff David Beth

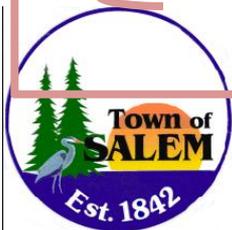
Need for Police...

Kenosha County Sheriff Shared Services (2 of 5)

- Local municipalities may contract with the county sheriff to provide law enforcement services
- Can be contracted at any service level desired by the local board
- Included in the services are...

- Recruitment, hiring, management, training, and dismissal of deputies
- Equipment procurement and maintenance
 - Vehicles
 - Communication
 - Fire arms
 - Compliance with state laws and regulations
- Insurance
- Procedure and policy development, annual review, and state compliance
 - Ensures consistency across county
- Evidence retention
- Court appearances

- per meeting with Sheriff David Beth



**These are all part of having a full-time police force:
either a Village of Salem does them or the sheriff**

Need for Police...

Kenosha County Sheriff Shared Services (3 of 5)

- Challenges facing small local police forces
 - High officer turnover
 - New officers take positions as stepping stone to larger forces
 - Providing state mandate of 24 hours of training / year / officer
 - Administration
 - Start-up
 - Recruitment
 - Policy development
 - Major crime situations
 - Sheriff winds up getting called in anyway
 - Inconsistency of procedures can be impediment to situation resolution
 - Providing officers for court appearance AND still maintain local service levels

A caution about outsourcing...outsourcing does not remove the responsibility from the board: the outsourcing contract must be well-constructed and managed on an ongoing basis.

- per meeting with Sheriff David Beth



Need for Police...

Kenosha County Sheriff Shared Services (4 of 5)

- With a shared service contract...
 - Revenue from regular traffic citations ticketed by dedicated car go to municipality
 - All hours are patrol hours
 - No administration
 - Costs are for officer at an average deputy salary plus mileage charged at the IRS rate
 - Average daily patrol is about 50 miles per officer
- Can include...
 - Lake patrol
 - Local ordinance enforcement
- The Town of Salem, being a town, could contract with sheriff now for whatever service level it wants



- per meeting with Sheriff David Beth

Need for Police...

Kenosha County Sheriff Shared Services (5 of 5)

- Financial impact (based on 2014 Village of Bristol actual expenditure)...
 - **\$411,896** for full-time police coverage furnished through Kenosha County Sheriff
 - (see appendix for math)
 - Left the current Public Safety budget as is
 - Negotiating / savings opportunity



Need for Planning & Zoning Functions

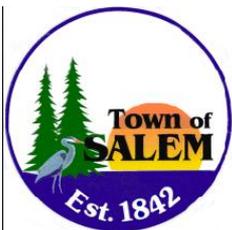
Landowner Needs

- Re-zone
- Variance
- Addition to existing structure
- New residential structure and/or accessory
- Conditional Use Permit
- Temporary Use Permit
- Building Permit
- Land division
- Shoreland Permit
- Comprehensive (“2035”) Plan Amendment

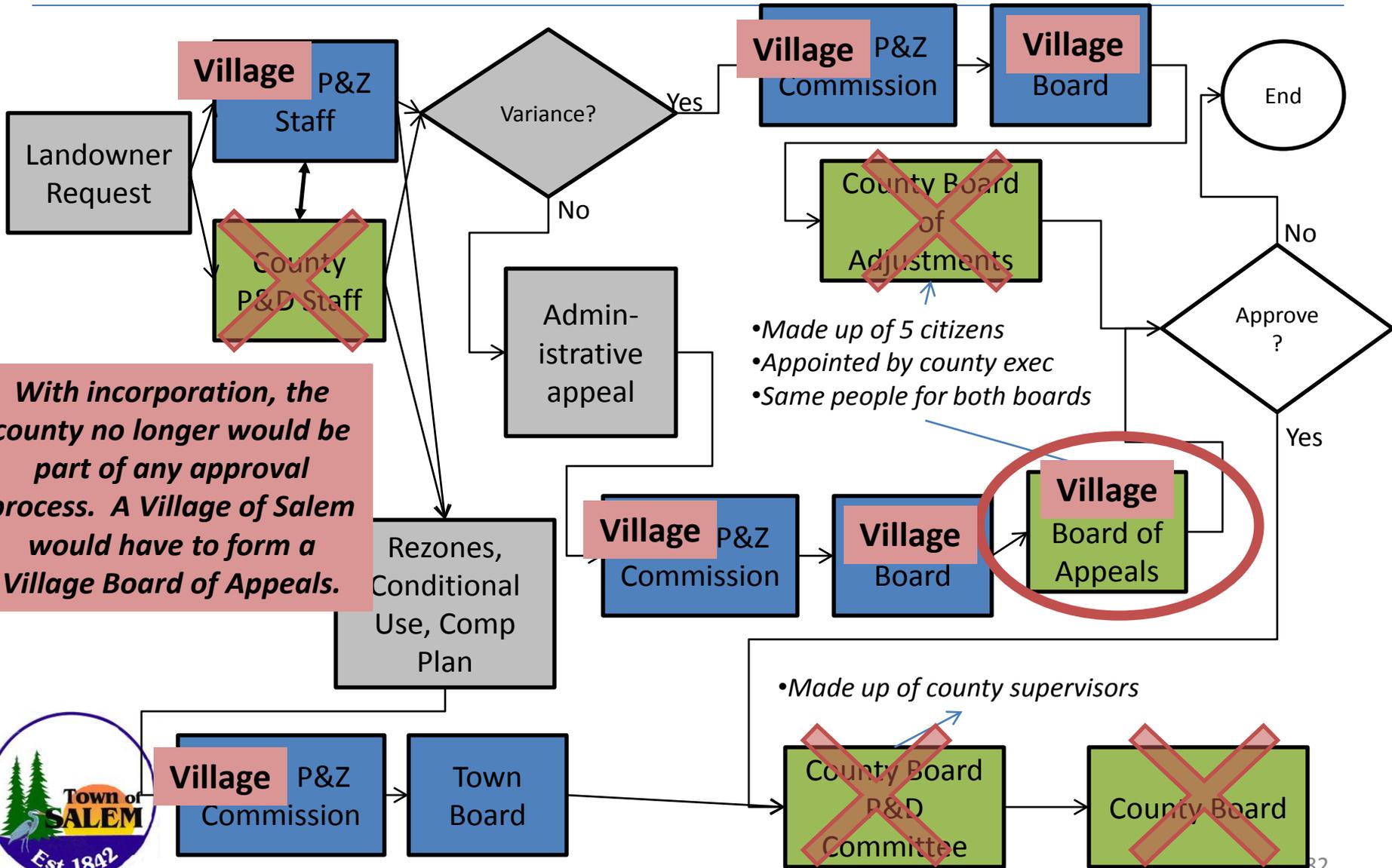
County P&D Dept

- Set-backs and code verification
- Site-plan Review
- Conditional Use
- Zoning Permit
- Zoning Compliance (cc)
- Variance and Re-zoning
- Shoreland Permit
- Temporary Use Permit
- Plat & Certified Survey Map
- Comprehensive Plan Amendments (“2035”)
- Buildability letters
- Zoning verification letters
- Floodplain verification letters
- Wetland delineation processing
- Stormwater review

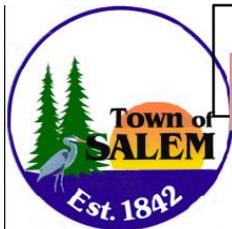
***These functions
would become the
responsibility of a
Village of Salem***



Need for Planning & Zoning Processes



With incorporation, the county no longer would be part of any approval process. A Village of Salem would have to form a Village Board of Appeals.



Need for Planning and Zoning... Files Taken from County

Town of Salem property files held at Kenosha County. With incorporation, they would be moved to a Village of Salem



Need for Planning and Zoning...

Costs

- The functions of planning zoning can be outsourced to the county
- Would provide same level of full-time service that Salem receives today
- Can take advantage of county efforts at providing more services online.
- Assuming a **\$30,000** cost based on Village of Somers experience



Governance Changes

Need for Additional Board Members

- The Town of Salem has 5 board members...
 - 1 town chairman
 - 4 board members
- Wisconsin requires villages to have 7 board members (at incorporation)...
 - 1 village president
 - 6 trustees
- Financial impact (assuming current compensation)...
 - **\$18,748** total annually for 2 additional board members
 - (see appendix for math)



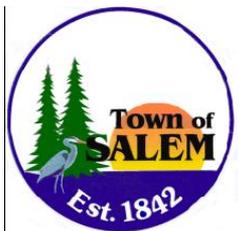
Note about DNR

- Per Tim Andryk, DNR Chief Legal Consul
 - In 25 years, he does not remember where a Town vs Village was treated differently for grants or regulations.
 - Generally treated in the same category...just a municipality



Limits on Board

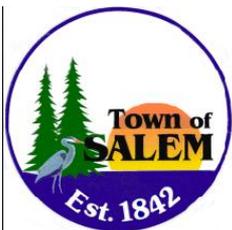
	Town	Village	Ways to Check Village Board
Levy Approval	By electors at special electors meeting	By village board	<ul style="list-style-type: none"> • Trustee elections
Planning and Zoning	County has final approval	Village board considers all requests, county not involved	<ul style="list-style-type: none"> • Outsource P&Z functions to county to help prevent circumventing of processes • Trustee elections
Public Safety	Sheriff is responsible for law enforcement	Village board must establish full-time police force	<ul style="list-style-type: none"> • Outsource policing to sheriff • Sheriff is ultimate authority anyway • Trustee elections
Board Salaries	Approved by electors	Approved by board	<ul style="list-style-type: none"> • Trustee elections



Note: even with outsourcing, the village board is still responsible and can “un-outsource” at any time

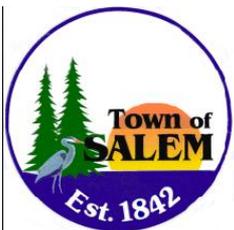
Village Cost Assumptions: **CAUTIONS**

- Cost and levy assumptions are **WORST CASE**
 - No savings opportunities in Public Safety costs
 - Full 7-seat board of trustees
 - **ALL** additional village costs are added to levy
 - No change in property values from 2014
 - But does include loss of value of Paddock Lake Growth Area
 - Assumes a straight conversion from “town” to “village”
 - Reality could be very different and could occur in a variety of ways (see “Making the Change” section)



Village Costs & Levy (FY 2015) (\$000)

Category	Current Budget	Add'l for Village	Total Village
Unaffected Functions	\$2,840		\$2,840
Affected Functions			
•Zoning	\$3	\$30	\$33
•Public Safety	\$144	\$412	\$556
•Town Gov. / Admin.	\$617	\$19	\$636
<u>Total</u>	<u>\$3,604</u>	<u>\$461</u>	<u>\$4,065</u>
Levy (SEE "CAUTIONS")	\$3,428	\$461	\$3,889



Adjusted Property Value (FY 2015) (\$000)

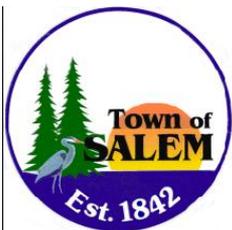
Property Value, Current	\$940,629
- VoPL Growth Area Value	\$19,193
= Adjusted Salem Value	\$921,436



New Mill Rate and Tax (FY 2015)

Category	Current Budget	Add'l for Village	Total Village
Levy (<i>SEE "CAUTIONS"</i>)	\$3,428	\$461	\$3,889
Property Value, Current (\$000)	\$940,629	\$940,629	\$940,629
- VoPL Growth Area Value (\$000)	\$19,193	\$19,193	\$19,193
= Adjusted Salem Value (\$000)	\$921,436	\$921,436	\$921,436
Mill Rate, Current	\$3.64	\$0.49	\$4.13
Mill Rate, Less VoPL Growth Area	\$3.72	\$0.50	\$4.22

<i>Tax on \$200K home, Current</i>	\$729	\$98	\$827
<i>Tax on \$200K home, Adjusted</i>	\$744	\$100	\$844



Would there be additional Shared Revenue?

- In general, no
- Utility Aid would be impacted as some utility aid components pay Villages and Cities more than what is allocated to Towns
 - Example: the allocation of some payments include the Village/City getting 2/3 and County 1/3, and Towns getting 1/3 and Counties 2/3
- See Appendix for email from Department of Revenue



Analysis: Stay As Town

Strengths

- The Town of Salem provides functions and services that meet and in most cases exceed State statute and regulation – incorporating will add little ability to provide more
- Electors much more involved in governance
- Salem’s mill rate is one of the lower ones in the area

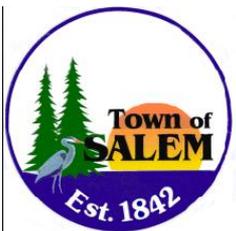
Weaknesses

- Length of time to get zoning approvals from County
 - Could affect development in TIF district
- Territory can be annexed away by neighboring villages.
 - Results in less property value and higher mill rate.



Analysis: Become Village

Strengths	Weaknesses
<ul style="list-style-type: none">• Borders are secure• Investors/Developers may be more interested to deal with a village rather than a town because zoning and permitting would be faster with a village rather than having to go through both town and county• Can take full advantage of “home rule”	<ul style="list-style-type: none">• Electors are no longer part of governance. With electors no longer in control of levy, no check on board on tax increases• With County no longer involved in zoning and development decisions, village board alone controls decisions and relationships with developers, could lead to cronyism and corruption



Future Possibilities Summary

- The village and city forms of governance both are options if the town wishes to incorporate
- If incorporated, Salem would need to add...
 - Responsibility for a full-time police force (\$411K)
 - Responsibility for planning and zoning (\$30K)
 - 2 more board members (\$19K)
- Borders would be secure
- Planning and zoning would be under Salem control
 - A consideration with new business park
- Only checks on a village board are elections
 - No electors' annual meeting
 - No levy approval by electors



“If you want to make enemies, try to change something.”

- Woodrow Wilson

Making the Change

The process to go from where we are to where we might want to be



To become incorporated, there are 3 ways to do so...

- Incorporation
 - Salem could follow a traditional incorporation process
- Annexation
 - Salem could petition a neighboring village to be annexed
- Boundary Agreements
 - Salem could enter a boundary agreement with a neighboring village that would eventually call for the annexation of the entire town into that village



Method 1: Incorporation Process

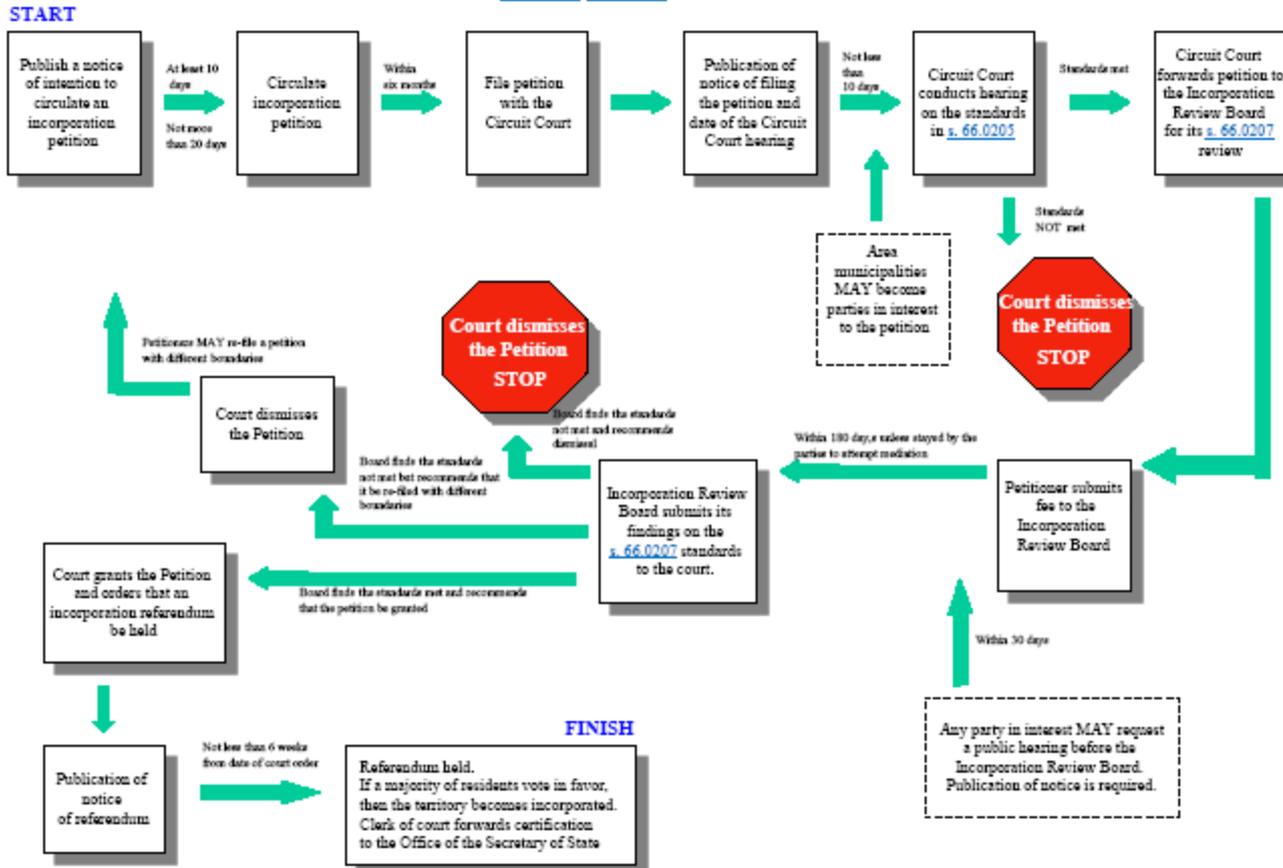
- Petition signed by area residents
- Circuit court review
- Incorporation Review Board review
- Potential involvement of neighboring municipalities who may support or oppose the proposed incorporation
- Potential referendum vote by residents
- Incorporation certificate from the Secretary of State's Office, if the above steps in the process are met



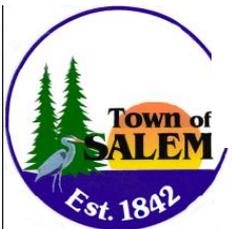
Incorporation Process

Municipal Incorporation Process

See sections [66.0203-66.0213](#) of the Wisconsin Statutes



<http://dos.wi.gov/municipalboundaryreview/>



Incorporation Standards, per Statute

- Compactness and homogeneity
 - Urban and cohesive
- Territory beyond the core
 - Development of vacant territory within three years
- Tax revenue
 - Can raise sufficient revenue to provide village services
- Level of services
 - Can any neighboring municipalities provide services better?
- Impact on the remainder of the town
 - Can any remaining town territory operate as a community?
- Impact on the metropolitan community
 - Will incorporation harm the larger region?



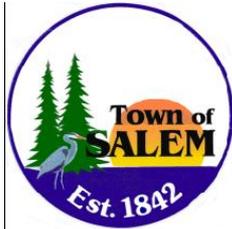
Incorporation Feasibility

Standard	Definition	Considerations
<p>Compactness and homogeneity</p> <p>(There are different density requirements for villages and the different classes of cities.)</p>	<p>Urban and cohesive</p>	<p><u>Homogeneity</u></p> <ul style="list-style-type: none"> • Town of Summit approach: “Lake Country” • Rename/brand as “Village of Salem <u>Lakes</u>” • Hamlets et al become “Communities of Salem” • Blue signs • Consolidated Fire and Rescue • Highway budget priorities across all of town • Town-wide events <ul style="list-style-type: none"> • Christmas • Easter • PumpkinDaze • Townhall and highway buildings used as activity centers for entire town <p><u>Compactness</u></p> <ul style="list-style-type: none"> • Large areas of farm land (low density) in northwest and east central area of town • But, area of lakes and undevelopable land (e.g., lakes) NOT included in density calculations



Incorporation Feasibility

Standard	Definition	Considerations
Territory beyond the core	Development of vacant territory within three years	<ul style="list-style-type: none">• Per 2035 plan• Per trends<ul style="list-style-type: none">• New building permits• Hwy C business district<ul style="list-style-type: none">• TIF• Metra station potential



Incorporation Feasibility

Standard	Definition	Considerations
Tax revenue	Can raise sufficient revenue to provide village services?	<ul style="list-style-type: none">• Very likely
Level of services	Can any neighboring municipalities provide services better?	<ul style="list-style-type: none">• Only an issue if a neighboring village offers better• Unlikely
Impact on the remainder of the town	Can any remaining town territory operate as a community?	<ul style="list-style-type: none">• If only NW corner left, doubtful• Can this be attached to Brighton or Wheatland?
Impact on the metropolitan community	Will incorporation harm the larger region?	<ul style="list-style-type: none">• None



Method 2: Annexation

- A territory of a town, or the entire town, could petition an adjacent city or village to annex it
- A petition to the city or village for referendum needs to be signed by...
 - 20% of electors of affected territory sign petition, AND,
 - Owners of 50% of the real property in affected territory
- Must be approved by...
 - Wisconsin Department of Administration
 - The board of the city or village
- The territory must be within the same county as the city or village unless the territory's town board and county board approve



Annexation Feasibility

Standard	Considerations
<p>A territory of a town, or the entire town, could petition an adjacent city or village to annex it.</p> <hr/> <p>A petition to the city or village for referendum needs to be signed by...</p> <ul style="list-style-type: none"> • 20% of electors of affected territory sign petition, AND, • Owners of 50% of the real property in affected territory 	<ul style="list-style-type: none"> • For the entire town to petition annexation, the town board would have to take action to secure the petition signatures of needed electors and property owners • Would require public information meetings and communications similar to those for incorporation
<p>Must be approved by...</p> <ul style="list-style-type: none"> • Wisconsin Department of Administration • The board of the city or village 	<ul style="list-style-type: none"> • If requirements are satisfied, DOA approval is likely • Approval by a neighboring village for straight annexation is unlikely • Ag land not considered in the DOA decision
<p>The territory must be within the same county as the city or village unless the territory's town board and county board approve</p>	<ul style="list-style-type: none"> • Requirement satisfied



Method 3: Boundary Agreements

- Per DOA, “a chance to step outside of conventional statutes governing municipal boundaries”
- “Limitless possibilities” ...can include almost anything including...
 - Annexation
 - Detachment
 - Consolidation
 - Dissolution
 - Incorporation
 - Extraterritorial plat review
 - Extraterritorial zoning
- Can cover any length of time
- Example: a boundary agreement can be negotiated between two municipalities that has stipulations for shorter-term annexations and longer term consolidation/incorporation



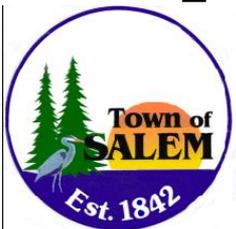
Boundary Agreement Methods

- **Cooperative Boundary Plans**
 - Long-term or permanent agreements between two or more communities
 - DOA review and approval required
- **General Agreements**
 - Short-term agreements no longer than 10 years between 2 or more communities
- **Stipulations and Orders**
 - Agreements to settle annexation disputed being litigated in court
 - Agreements using state statutes to settle other boundary actions



Boundary Agreement Benefits (per DOA)

- **Cooperative**
 - Provide a chance for communities to focus on shared values, points of agreement, and solutions benefitting everyone
- **Proactive**
 - Enable communities to be proactive about their future rather than reactive
- **Flexibility**
 - Enable communities to address and resolve the issues that are important to them
- **Certainty**
 - Enable communities are better able to plan for their future
- **Save money**
 - Avoids costly litigation and identify service sharing opportunities to avoid costly duplication of services and capital facilities
- **Enforceable**
 - Safeguard community and landowners interests via a written contract



Boundary Agreement Feasibility

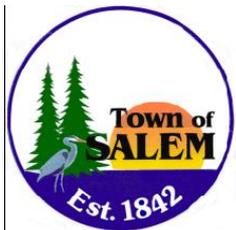
Considerations

- No real standards, the features of any boundary agreement are up to the parties
- Ag land not considered in the DOA decision
- Negotiating strategy would need to be developed to address short- and long-term issues of both parties
 - Shorter term financial needs
 - Fire and rescue services and infrastructure
 - Sewer infrastructure
 - Business development
 - Boundary security
 - Mill rate guarantees
 - Inclusion of entire town in any future incorporation
 - Commercial development
 - Current business areas
 - Future potentials



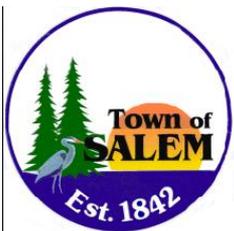
Transition Considerations: Costs

Incorporation	Annexation	Boundary Agreement
<ul style="list-style-type: none"> • Fee to state: \$25K • Attorneys for circuit court • Attorneys for possible litigation • Consultants/attorneys for prep of documents 	<ul style="list-style-type: none"> • Attorneys • Negotiators 	<ul style="list-style-type: none"> • Attorneys • Negotiators



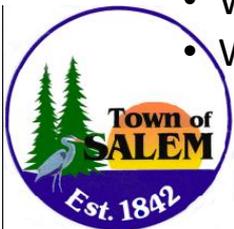
Transition Considerations: Time

Incorporation	Annexation	Boundary Agreement
<ul style="list-style-type: none"> • Average of about 2 years • Can easily go longer depending on litigation 	<ul style="list-style-type: none"> • Dependent on time for negotiation, board meetings and approvals, possible litigation, and referenda 	<ul style="list-style-type: none"> • Dependent on time for negotiation, board meetings and approvals, and possible litigation • No referendum required <ul style="list-style-type: none"> • Just approval of the two boards



Transition Considerations: Challenges

Incorporation	Annexation	Boundary Agreement
<ul style="list-style-type: none"> • Litigation possible with Silver Lake and Paddock Lake over northwest corner of Salem • To prepare for referendum, plan for informational forums and communication to town residents would be required to explain the benefits of incorporating and the risks of not • Possible that entire town might NOT be included in village due to density requirements • Could create contention <ul style="list-style-type: none"> • With neighbors • Within town 	<ul style="list-style-type: none"> • Cooperation required • Potential for neighbors to do this is unknown • To prepare for petition signatures, plan for informational forums and communication to town residents would be required to explain the benefits of incorporating and the risks of not 	<ul style="list-style-type: none"> • Cooperation required • Potential for neighbors to do this is unknown



Considerations based on other local efforts

- Bristol Incorporation

(per Village Administrator Randy Kerkman)

- \$350-400k approximate total costs
 - \$25K state filing flat fee
 - \$30-40K planning fees
 - Remainder were attorney fees
- Held an initial hearing and then a public hearing every 3-4 months to which public was invited
- Provided a lot of education, even met one-on-one with skeptics
- Final referendum occurred in 2010
- Attorneys were present at all 8 public meetings and then on a one-on-one basis to ease concerns



Considerations based on other local efforts

- Somers Incorporation Costs

(per Town Clerk Tim Kitzman)

- \$25K state filing flat fee
- \$37K planner and attorney fees combined
- Police will be contracted through County Sheriff
- Began the incorporation process in summer of 2013, final referendum April, 2015
- Hearings
 - 2 hearings began in Madison (1 resident attended who was opposed)
 - 1 hearing at Somers town hall w/Review Board
 - 1 at the courthouse



Considerations based on other local efforts

- Bloomfield Incorporation Costs

(per Village President Ken Munroe)

- \$300K to \$500K

- \$25K state filing flat fee
- Remainder: legal fees

- Took about 5 years

- Major roadblocks and court fights with Genoa City and Lake Geneva
- Boundaries were determined by Genoa City and Lake Geneva
- Density was issue but they did have enough density to incorporate whole town
 - Genoa City and Lake Geneva stood in way



Analysis: Method of Incorporation

Strengths

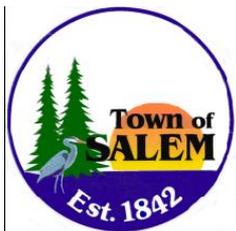
Incorporation	Annexation	Boundary Agreement
<ul style="list-style-type: none"> • Not dependent on other municipalities • Referendum required 	<ul style="list-style-type: none"> • More cooperative • Would keep entire town together • Referendum required • Would take less time than standalone incorporation 	<ul style="list-style-type: none"> • More cooperative • Would keep entire town together • NO referendum required • Would take less time • No real standards...can take any form



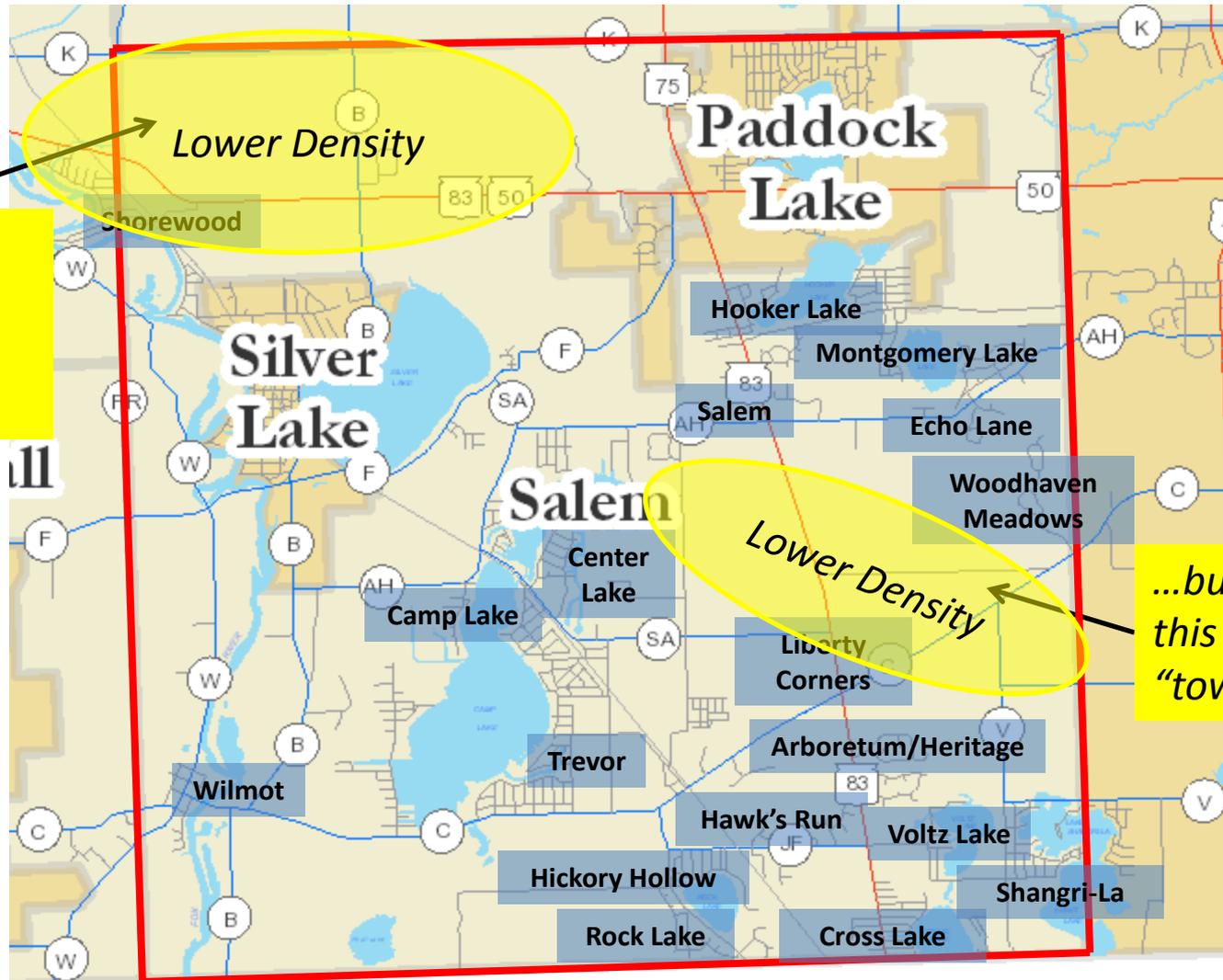
Analysis: Method of Incorporation

Weaknesses

Incorporation	Annexation	Boundary Agreement
<ul style="list-style-type: none"> • Could be contentious with neighboring villages • Going to court is a requirement • Referendum required • Town could be split like Somers 	<ul style="list-style-type: none"> • More cooperative • Would keep entire town together • Referendum required 	<ul style="list-style-type: none"> • More cooperative • Would keep entire town together • NO referendum required



Incorporation Inclusion Risks



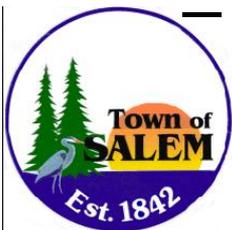
Could this be attached to Brighton or Wheatland?

...but would this become a "town island"?



What if entire Town is NOT included?

- Would have **TWO** municipalities
 - A Village of Salem **AND** a Town of Salem
 - Separate and distinct
 - **Both** would have to provide services
 - One could contract with the other
- Possible alternatives
 - Remaining town could be attached to adjacent town(s) with approval by DOA
 - A Village of Salem, once incorporated, could annex remaining Town of Salem...IF it hasn't been annexed by another village in the meantime
 - Residents of Town may petition to be annexed into Village



What triggers incorporation?

- Traditional incorporation process
 - Expiration of boundary agreements versus time need to incorporate
 - Paddock Lake expires in 2027
 - Litigation with Silver Lake and Paddock Lake highly likely and will lengthen the process
 - Silver Lake candidates discussed annexation options during 2015 election campaign
- Annexation and boundary agreements
 - Receptiveness of village boards
 - Silver Lake has new members many of whom led dissolution campaign
 - Majority of Silver Lake voted for dissolution
 - Opportunity for cost savings between Salem and Silver Lake merger
 - Paddock Lake unknown although agreements for boundaries, fire, and sewer do now exist



Once incorporated, what then?

- Assign village as successor to town in contracts
- Determine policing approach (county contract vs. internal)
- Determine zoning approach (county contract vs. internal)
- Create new voting wards
- If separate town and village...
 - Separate/adopt ordinances
 - Determine who owns what and who will contract with whom
 - Buildings
 - Vehicles
 - Equipment
 - Utility district
 - Lands
 - Determine staffing needs for each
 - Determine if and where new boundary agreements should be put in place



*“If you want to do something, do it!”
- Plautus (Roman playwright)*

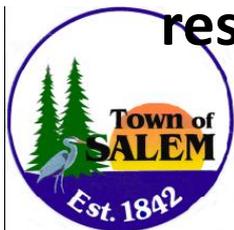
Recommended Next Steps

The Incorporation Study Committee
recommends these next steps...



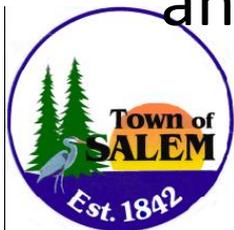
1) Decide if becoming incorporated is desired at this time, understanding the following...

- A village incurs higher operational costs
 - Police
 - Planning and zoning
 - Governance
- Transition costs will be incurred
 - Wisconsin Department of Administration (for traditional incorporation)
 - Attorneys/consultants
 - Town personnel will be focused on the incorporation
- A village's borders are secure
- A village controls its own planning and zoning and can react more quickly to the needs of residents and businesses
- A village's electors only control the village board through elections and referenda: annual meetings and electors' approvals would no longer exist
- Some of the current Town of Salem could be left behind (depending on incorporation method)
- Are there timing opportunities/threats that need to be considered?
- **Are we willing to start spending money and focusing resources on this effort?**



2) Work through the density question

- Avoiding leaving a part of the town out of any incorporation effort is a large concern for the committee and many others in Salem
- Determining if a regular incorporation process would indeed risk splitting the town would help decide the method of incorporation
- The town can work with the County GIS office and (to some extent) with the DOA to address this question
- Need to understand the density standards of villages and the 4 classes of cities (see appendix)



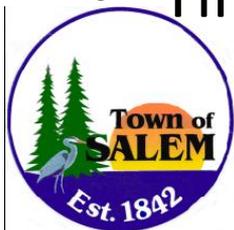
3) Determine the best method to incorporate

- Petition a neighboring village to annex the town, or,
- Enter into a boundary agreement that would result in an eventual annexation/attachment of the town with a neighboring village, or,
- Follow the state incorporation process.



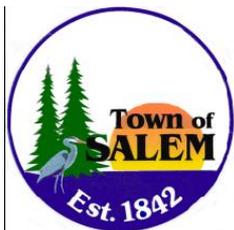
4) Develop a high-level project plan

- Staffing
 - All attorneys? (Like Bristol)
 - Minimal? (Like Somers)
 - Need for special negotiators
 - For annexation and boundary agreement methods
 - Involvement of residents
- Resident information plan
- Leadership
 - Day-to-day project manager/point-person
 - Involvement of town board
 - Roles for administrator and staff
- Time-line



5) Establish a transition budget

- Based on incorporation method and project plan
- Determine over what time period this budget should extend
- Determine where the money should come from
 - Diverted from other town funds and projects
 - Increase in levy



Appendix



Appendix Contents

- Additional Board Members
- Kenosha County Sheriff Contract
- Reconciliation of Town Expenses to Levy
- Village Voting Districts
- WI Statutory Standards for Incorporation Petitions



Additional Board Members Calculations

- Per each additional board member, at 2015 budget rates, annually...
 - \$7,500 compensation
 - \$574 taxes (7.0651%)
 - \$600 supplies & expense
 - \$700 dues
 - \$9,374 total each
 - **\$18,748 total for 2 additional board members**



Kenosha County Sheriff Contract (1 of 2)

- Based on 2014 Village of Bristol actual expense...
 - Includes labor, car, fuel
 - Total Bristol expenditure for 2 shifts over 7 days = \$274,597, or \$137,299 for 1 shift
 - A Village of Salem will require a full 24/7 coverage because population is over 5,000
 - Therefore...
 - \$274,597 for 2 shifts over 7 days
 - \$137,299 for 1 shift over 7 days
 - **\$411,896 estimated expense for a Village of Salem**
 - Some costs could be offset by fine revenue
 - Overtime billed about \$55.00 / hr if needed



Kenosha County Sheriff Contract (2 of 2)

- Based on 2014 Village of Bristol contract...

EXHIBIT A
VILLAGE OF BRISTOL CONTRACT 2014 Prepared 7/24/13

(figures include benefits: FICA, WRS Prot. Retirement, Health Ins (F), Life Ins., Clothing Allowance)
 NOTE: Deputy Sheriff Labor Contract is not settled for year 2014. (assumption .50% increase 1/1/14)

3 deputies (top, middle, & bottom of scale per KCDSA labor contract)		
Step 9	Top:	\$101,170.94 (1st shift)
Step 5	Middle:	\$87,533.84 (w/ 2nd shift diff.)
Step 3	Bottom:	\$82,849.09 (w/ 2nd shift diff.)
		\$271,553.87 Total

/ _____ 3 divide by

\$90,517.96 Average annual salary/benefits

/ _____ 2,088 hours/year (2014) **365 days/year x 24 hours/day = 8,760**

\$43.35 average hourly rate

x _____ ~~6,023~~ **8,760** hours of coverage in village/year

\$379,746 ~~\$261,097.00~~ projected cost of labor - 2014 contract

\$20,250 ~~18,500.00~~ * Mileage @ .25 to cover Fuel/Maintenance/Repair (est. 54,000 miles yr)

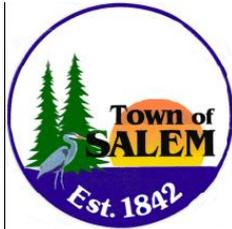
\$399,996 ~~\$274,597.00~~ **Proposed: Total of 2014 contract**

\$33,333 ~~\$22,683.08~~ *Due per month*

Labor Calculations
16.5 hrs/day
 x 365 day/year
 6023
 x \$43.35
 \$261,097.00

2014 Top O/T Rate: \$ 55.00 1st shift

*Note: Mileage is tracked monthly. At year end the actual mileage cost is compared to the contract and a credit or charge is issued to settle the difference.



Reconciliation of Town Expenses to Levy (1 of 2)

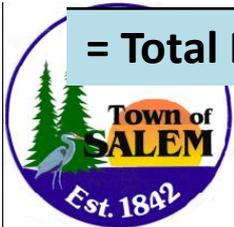
Expense Item	Amount (000)	
General Levy Supported Expenses	\$ 3,604	In "Current State" slide
+ Library Expenses	\$ 339	Per 2015 Budget
+ Garbage & Recycling Expenses	\$ 1061	Per 2015 Budget
= General Fund Expenditures	\$ 5,004	✓ Balances to 2015 Budget

Levy Composition	Amount	
<u>General</u> Property Taxes	\$ 2,075	
+ <u>Capital Project</u> Property Taxes	\$ 173	
+ <u>Debt Service</u> Property Taxes	\$ 1,180	
= Total Property Tax Levy	\$ 3,428	✓ Balances to 2015 Budget



Reconciliation of Town Expenses to Levy (2 of 2)

Income Item	Amount	
<u>General</u> Property Taxes	\$ 2,075	In "Current State" slide
+ <u>Library</u> Property Taxes	\$ 339	Per 2015 Budget
+ Other Local Taxes	\$ <u>49</u>	Per 2015 Budget
= Local Revenue	\$ 2,463	✓ Balances to 2015 Budget
+ Intergovernmental Revenues	\$ 394	Highway aids, DNR
+ Licenses & Permits Revenue	\$ 235	Cable TV, building permits
+ Fire Department Revenue	\$ 588	EMS charges, Paddock Lake
+ Fines, Forfeitures, & Penalties	\$ 32	
+ Public Charges for Services	\$ 1,115	<u>Garbage/Recycling</u> charges
+ Miscellaneous	\$ 40	Purchase card rebates
+ Other Financing Sources	\$ 137	From Surplus
= Total Revenues	\$ 5,004	✓ Balances to 2015 Budget



Village Voting Districts

“Constitutional home rule powers allow villages to enact charter ordinances governing matters of “local affairs and government.” Opting to have trustees represent districts instead of serving at large would, in my opinion, be a matter of local affairs and government. Charter ordinances are ordinances adopted pursuant to sec. 66.0101. They require an extraordinary vote and don’t become effective for 60 days. During that 60-day window, electors can put together a petition which, if sufficient, would require a referendum on the question. If there is a sufficient petition and electors don’t approve the charter ordinance, it does not take effect. If it does take effect, it modifies the village charter. The village charter is chapter 61 of the statutes since the legislature repealed all special (i.e., individual) municipal charters many years ago and replaced them with a general statutory charter. Chapter 61 does not provide for district representation so it would have to be provided for by a charter ordinance.”

-- Claire Silverman, Legal Counsel, League of Wisconsin Municipalities



Town vs Village Shared Revenue

“ For County and Municipal Aid, there would be no impact as the payment has been "frozen" for a number of years.

For Expenditure Restraint, all municipalities may qualify and it's based on each municipality's tax rate exceeding 5 mills and restriction of budget growth. Therefore, there is no impact on the basis of a Town versus a Village.

For Exempt Computer Aid, there would be no impact, as it is based on the value of exempt computers in your municipality.

For Utility Aid, this would be impacted as some utility aid components pay Villages and Cities more than what is allocated to Towns. For example, the allocation of some payments include the Village/City getting 2/3 and County 1/3, and Towns getting 1/3 and Counties 2/3. If your Town receives utility aid, it's possible your utility aid would increase once incorporated into a Village.

In addition, please copy the following web address into your browser to view Chapter 79 of the Wisconsin Statutes.

<https://docs.legis.wisconsin.gov/statutes/statutes/79>

I hope you find this information helpful.

If you should have any additional questions, please let me know.

Thank you,

Andrea Newman Wilfong

Revenue Auditor

Wisconsin Department of Revenue

Local Government Services Bureau

608-266-8618

608-264-6887 (fax)”



WI Statutory Standards for Incorporation Petitions

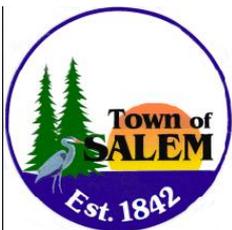


Statutory Standards for Incorporation Petitions Section 66.0207, Wis. Stats.

Municipal Boundary Review
PO Box 1645, Madison WI 53701
Voice (608) 264-6102 Fax (608) 264-6104
wimunicipalboundaryreview@wi.gov
<http://doa.wi.gov/municipalboundaryreview>

Type	Minimum Requirement to Be Met (reviewed by Circuit Court)		
	Area	Resident Population	Population Density
Isolated Village ¹	½ Sq. Mile	150	
Isolated City	1 Sq. Mile	1,000	500 in any 1 Sq. Mile
Metropolitan Village ²	2 Sq. Miles	2,500	500 in any 1 Sq. Mile
Metropolitan City	3 Sq. Miles	5,000	750 in any 1 Sq. Mile
Metropolitan Village Within 10 miles of 1 st Class City, or 5 miles within 2 nd 3 rd or 4 th Class City	4 Sq. Miles	2,500	500 in any 1 Sq. Mile
Metropolitan City Within 10 miles of 1 st Class City, or 5 miles within 2 nd 3 rd or 4 th Class City	6 Sq. Miles	5,000	750 in any 1 Sq. Mile
Characteristics of Territory 66.0207 (a) (reviewed by Department)			
Metropolitan Village or City	Entire territory shall be reasonably homogeneous and compact, taking into consideration natural boundaries, natural drainage basin, soil conditions, present and potential transportation facilities, previous political boundaries, boundaries of school district, shopping and social customs.		
Isolated Municipality	Must have a reasonably developed community center, including some or all features such as retail stores, churches, post office, telecommunications exchange and similar centers of community activity		
Territory beyond the Core 66.0207 (b) (reviewed by Department)			
Isolated City or Village	Territory beyond the most densely populated ½ sq. mile (village) or 1 sq. mile (city) shall have an average of more than 30 housing units per quarter section or an assessed value more than 25% is attributable to existing or potential mercantile, manufacturing or public utility uses.		
Metropolitan City or Village	Must have the potential for residential or other urban land use development on a substantial scale within the next 3 years. Department may waive these requirements to the extent that water, terrain or geography prevents the development.		
Tax Revenue 66.0207 2(a) (reviewed by Department)			
Both Isolated and Metropolitan City or Village	The territory has the potential tax revenue to support the anticipated cost of governmental services at a tax rate that compares favorably with the tax rate in a similar area for the same level of services.		
Level of Services 66.0207 2(b) (reviewed by Department)³			
Both Isolated and Metropolitan City or Village	A comparison of the level of governmental services desired or needed by the residents of the territory compared to the level of services offered by the contiguous village or city that is willing to annex and serve the territory.		
Impact on Remainder of the Town 66.0207 2(c) (reviewed by Department)⁴			
Both Isolated and Metropolitan City or Village	The impact, financial and otherwise, on the remaining part of the town from which the territory is to be incorporated.		
Impact on Metropolitan Community 66.0207(2)(d) (reviewed by Department)			
Metropolitan City or Village	Incorporation of the territory will not make resolving metropolitan problems substantially more difficult.		

See “Zip” folder for pdf of this document



¹ 'Isolated municipality' means any existing or proposed village or city entirely outside any metropolitan community at the time of its incorporation.

² 'Metropolitan community' means the territory of any City having a population of 25,000 or more, or any 2 incorporated municipalities whose boundaries are within 5 miles of each other whose populations aggregate to 25,000 persons, plus all the contiguous area which as a population density of 100 persons per square mile, or which the Department has determined on the basis of population trends and other pertinent facts will have a minimum density of 100 persons per square mile within 3 years.

³ 'Metropolitan municipality' means any existing or proposed village or city entirely or partly within a metropolitan community.

⁴ The 'Level of Services' standard only applies if a contiguous municipality files a resolution expressing a willingness to annex and serve the territory that is petitioned for incorporation.

⁵ The 'Impact on the Remainder of the Town' standard does not apply if the entire Town territory is petitioned for incorporation.