

Incorporation Study Committee
Public Information Forum
Salem / Silver Lake Cooperative Plan

Presented to the Town of Salem Residents
June 16th and 21st



*“The future ain’t what it
used to be.”*

– Yogi Berra

(Hall of Fame Baseball Player)



“The future is here. It’s not just widely distributed yet.”

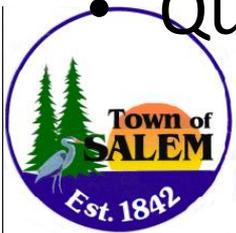
– William Gibson

(American science fiction novelist)



We will be discussing...

- Why we are here
- Why this method of incorporation
- Highlights of the draft agreement
- Why this method of incorporation
- Geography
- How services will and will not change
- Budget and levy implications
- Timeframes and next steps
- Questions



Who is here

- Town Board Members
- Town Administrator
- Town Clerk
- Town Department Heads
- Incorporation Study Committee



Why we are here

- The Boards of Salem and Silver Lake unanimously passed resolutions to explore a cooperative boundary agreement
- Town Chairperson Diann Tesar acknowledged that this agreement that could effectively merge Salem and Silver Lake into a single municipality
- The Town Board asked the Incorporation Study Committee to develop and implement a public information plan for Salem residents
 - Mailers
 - Forums



Highlights of the draft agreement (1 of 2)

- Section 66.0307 of Wisconsin Code authorizes municipalities to determine boundary lines between themselves
- Combines jurisdictional boundaries to form a village that encompasses both municipalities
- Will increase local government efficiency
- Will establish stable boundaries with surrounding villages to protect our tax base from annexation
- Effective on Feb. 14, 2017
- A Transition Committee will be established to insure that the change from 2 governing bodies to one is carried out in an orderly way



Highlights of the draft agreement (2 of 2)

- **Each municipality will budget and levy for FY2017 as though no agreement takes place**
 - FY2018 is first combined budget and levy
- **Current Village and Town employees will remain in their current jobs for one year**
- Current services of law enforcement, fire and rescue, and public works will remain the same
- The annexation of portions of Salem by Paddock Lake in 2025 will not be affected by this Plan
- The entire written agreement will be available online



Advantages of Cooperative Agreements, per DOA

- “A chance to step outside of conventional statutes governing municipal boundaries”
 - Cooperative
 - Proactive
 - Flexibility
 - Certainty
 - Save money
 - Enforceable
- “Limitless possibilities” ...can include almost anything including...
 - Annexation
 - Detachment
 - Consolidation
 - Dissolution
 - Incorporation
 - Extraterritorial zoning



This method of incorporation is better for Salem

- More cooperative
- Keeps entire town together
- No referendum required
- Takes less time
- No real standards...can take any form



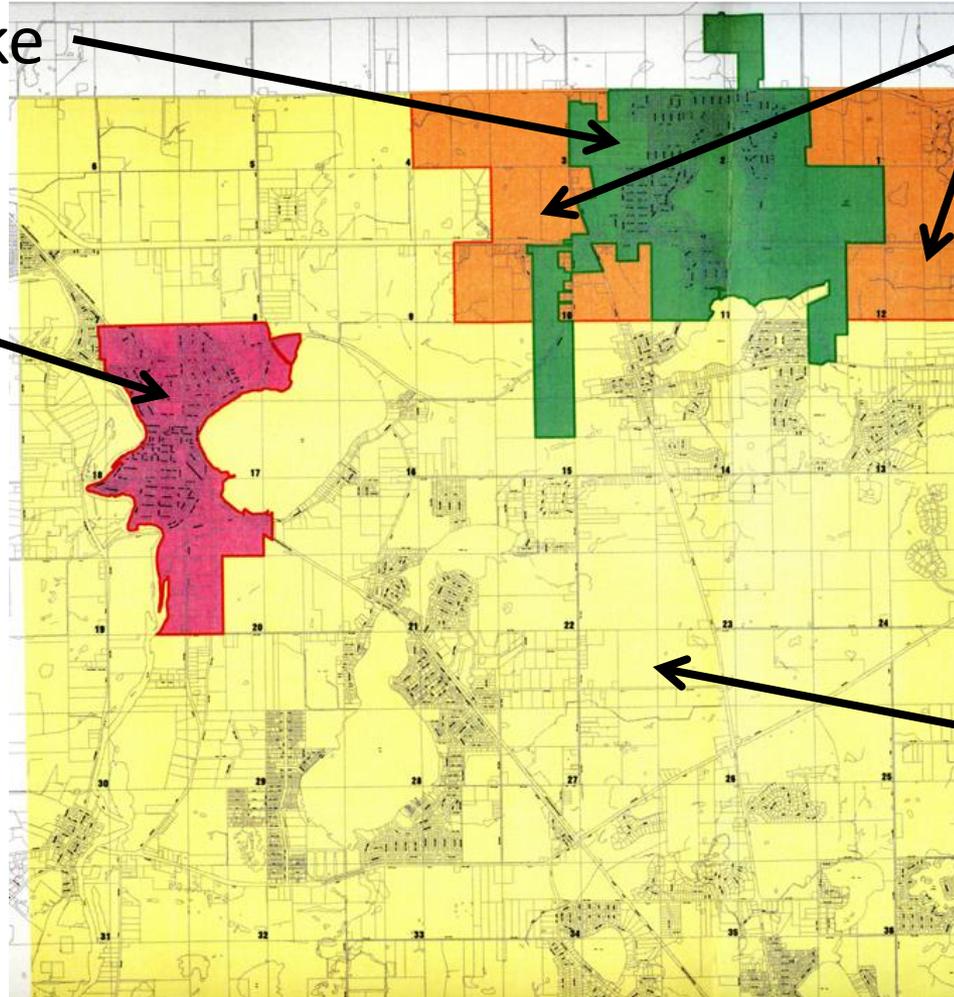
Just Where Are We Talking About?

Paddock Lake

*Paddock Lake
Growth Area*

Silver Lake

Salem



How services will and will not change (1 of 2)

Service/Function	Change from Town to Village
Highway	Responsible for street signs
Fire & Rescue	Must create fire commission (Silver Lake has one) Salem already provides Fire & Rescue Services to Silver Lake
Utility District	Nothing
Clerk	Nothing
Treasurer	Nothing
Building Inspection	Nothing
Property Valuation	Nothing
Zoning	Silver Lake already has processes in place Will contract with County for administration & enforcement services

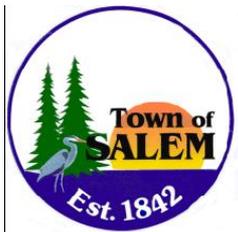


How services will and will not change (1 of 2)

Service/Function	Change from Town to Village
Library	Nothing
Public Safety	Silver Lake already has contract in place with Sheriff
Municipal Court	Nothing
Town Gov. / Admin.	2 additional board members Silver Lake already has 7-member board
Parks	Nothing
Garbage	Nothing

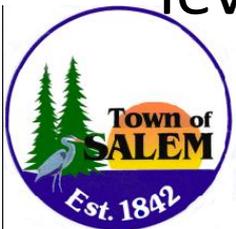


Budget and levy implications



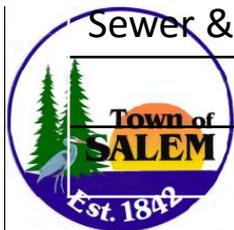
Cost & Levy Assumptions: CAUTIONS

- Cost and levy assumptions are WORST CASE
- Does **NOT** include **SCHOOLS, COUNTY, or STATE**
- Analysis done at expense code level: no actual bills were looked at
- Only OBVIOUS adjustments made
 - Per agreement
- No change in property values from 2016
- **2018** will be FIRST year with combined budget and levy



Summary of Costs of Services (FY 2016)

Functions	Salem	Silver Lake	Adjs.	Total	Notes
Highway	\$ 969	\$ 217		\$ 1,186	
Fire & Rescue	\$ 1,426	\$ 144		\$ 1,570	SL: TOS contract
Clerk	\$ 124	\$ 123		\$ 247	
Treasurer	\$ 60			\$ 60	SL: combined w/clerk
Bldg Inspection	\$ 162	\$ 29		\$ 191	
Property Val.	\$ 162	\$ 15		\$ 177	
Zoning	\$ 3	\$ 1	\$ 30	\$ 34	Outsource to County
Public Safety	\$ 143	\$ 278		\$ 421	SL: Sheriff contract
Municipal Court	\$ 21	\$ 32	(\$ 6)	\$ 47	Less TOS judge
Gov. / Admin.	\$ 622	\$ 213	(\$ 3)	\$ 832	Less TOS board, plus incr.
Parks	\$ 98	\$ 32		\$ 130	
Total	\$ 3,790	\$ 1,084	\$ 21	\$ 4,895	Part of Levy
Sewer & Storm	\$ 6,326	\$4,392		\$ 10,718	Fee supported
Library	\$ 341	\$ 59		\$ 400	Separate levy
Garbage	\$ 1,080	\$ 146		\$ 1,226	Separate levy



What exactly is a mill rate?

This is what the municipal board proposes (and the town electorate) approves. The municipality always gets what's levied – regardless of property values!

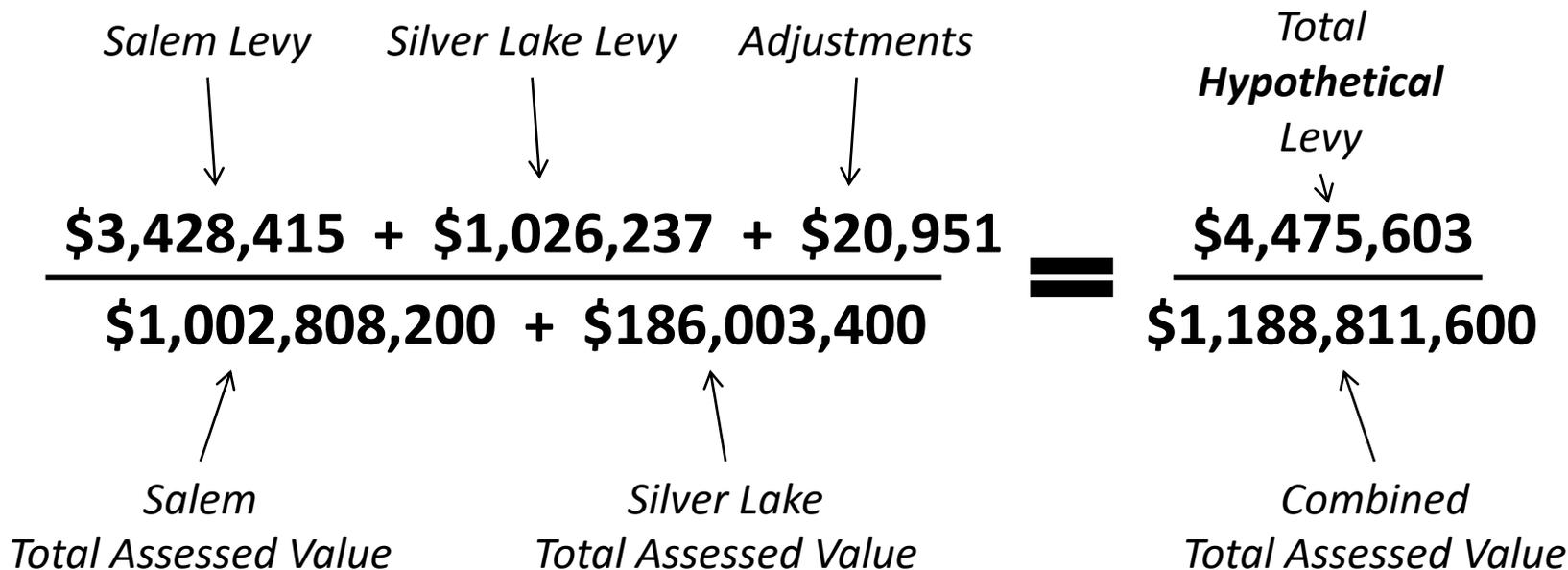
$$\frac{\text{Municipality Tax Levy}}{\text{Municipality Property Value}} = \text{Municipality Mill Rate}$$

This is the value of all of the property in the municipality 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 municipal taxes.

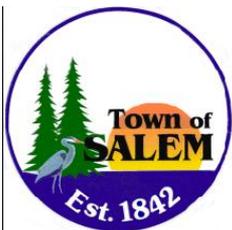


Hypothetical Combined Levy: FY2016



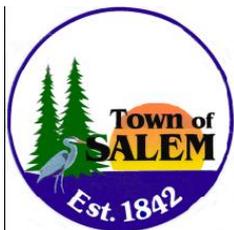
× \$1,000 = **\$3.7647706 / \$1,000**
of property value

Hypothetical Mill Rate



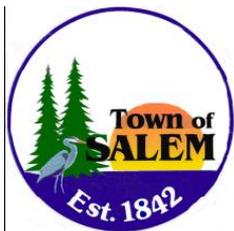
What that means on a \$200k home

	Actual 2016 Salem Mill Rate	Hypothetical 2016 Combined Mill Rate	Difference
Mill Rate	3.468924	3.764771	2.95847
Tax on \$200K home	\$ 694	\$ 754	\$60



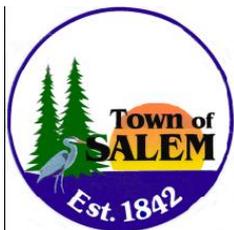
How much in cuts to keep Salem mill rate the same?

New Combined Value	\$ 1,188,811,600
Old Mill Rate	.003468924
New Levy	\$ 4,123,897
Hypothetical Combined Levy	\$ 4,475,603
Required Cuts \$	\$ 351,706
Required Cuts %	8%



Local Mill Rates, 2014-15 (comparison only)

County	Municipality		Mill Rate
Kenosha	Town	Paris	\$ (4.12)
Kenosha	Town	Randall	\$ 1.97
Kenosha	Town	Wheatland	\$ 2.37
Kenosha	Village	Bristol	\$ 3.24
Kenosha	Town	Salem	\$ 3.80
Kenosha	Village	Pleasant Prairie	\$ 4.45
Kenosha	Village	Twin Lakes	\$ 5.15
Kenosha	Village	Silver Lake	\$ 6.30
Kenosha	Village	Paddock Lake	\$ 7.10
Racine	City	Burlington	\$ 9.01
Walworth	Village	Genoa City	\$ 9.02
Kenosha	City	Kenosha	\$ 11.86

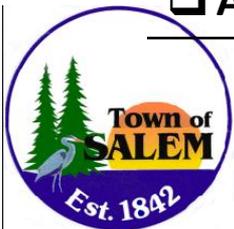


Source: Wisconsin Taxpayers Alliance, www.wistax.org

Timeframes and next steps

<input checked="" type="checkbox"/> May 2	Salem Board passed the resolution to explore a cooperative boundary agreement with Silver Lake
<input type="checkbox"/> Jun 16 & 21	Salem public information forums
<input type="checkbox"/> Jul 6	Joint Salem and Silver Lake Public Hearing
<input type="checkbox"/> Jul 27	Both Boards vote on the cooperative boundary agreement
<input type="checkbox"/> Sep 6	Cooperative agreement submitted to State
<input type="checkbox"/> Dec 5	State approval
<input type="checkbox"/> Jan 3	Deadline for nomination papers for Spring 2017 elections
<input type="checkbox"/> Feb 14	Salem and Silver Lake become one municipality
<input type="checkbox"/> Feb 21	Spring primary (if needed)
<input type="checkbox"/> Apr 4	Local elections (Village president & 3 Trustees)
<input type="checkbox"/> Apr 17	1 st Board Meeting of Combined Village

Here



“Don’t be afraid of the answers. Be afraid of not asking the questions.”

*– Jennifer Hudson
Singer & Actress*

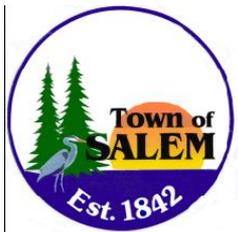


FAQ's?

Questions / Comments



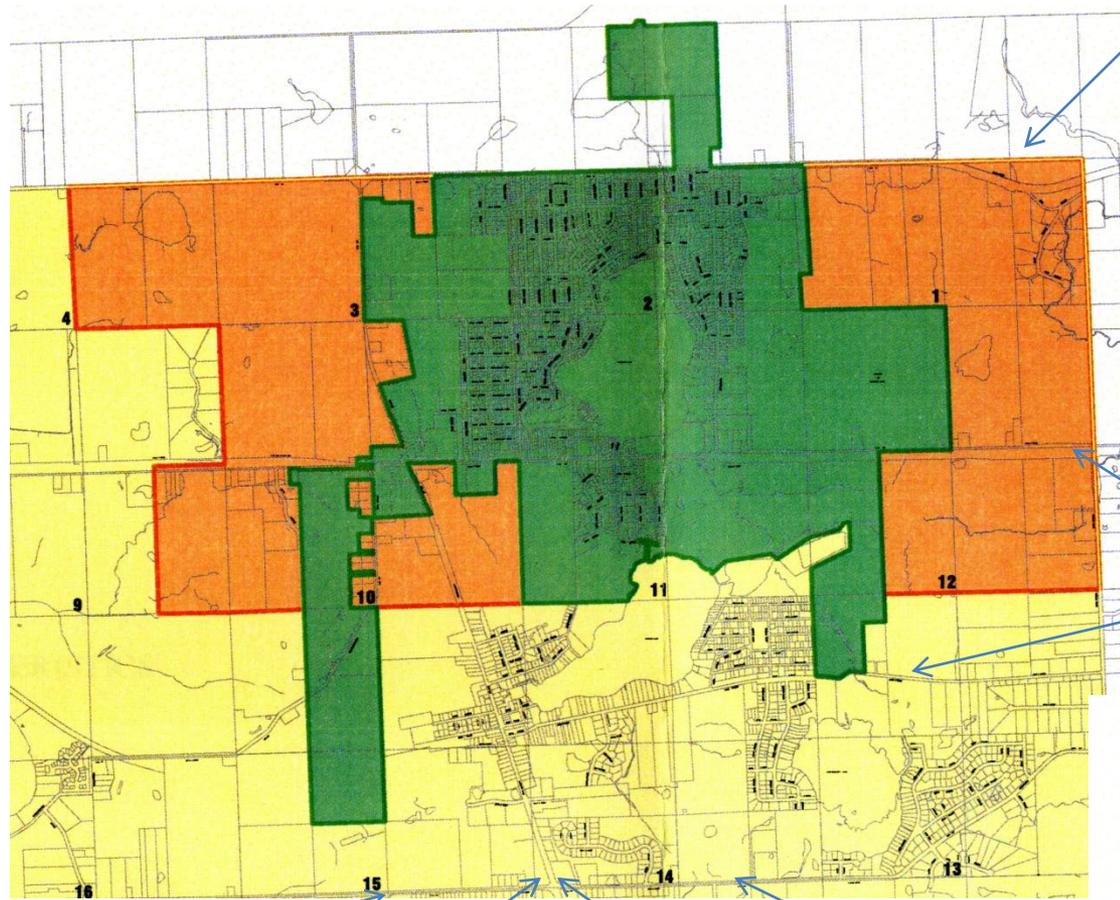
Appendix



Appendix Contents



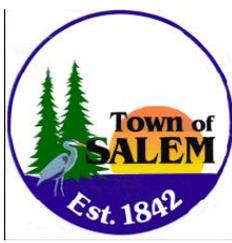
Paddock Lake Growth Area



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



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

