

Letter to Elector's
Nov 05, 2009

**TOWN OF GULL LAKE
WASHBURN COUNTY, WISCONSIN**

November 4, 2009

Dear Tax Payer and Elector:

I am writing to property owners and electors concerning a special electors meeting to be held November 10th at 6:30 p.m., at the town hall. The purpose of the special electors meeting is to decide if the mill rate can be increased beyond the percentage increase allowed by Wisconsin Statutes. State law allows the Town of Gull Lake to increase its taxes collected by 3% this year, this amounts to \$ 1,207.11. The State of Wisconsin is reducing our shared revenue by \$1,282.35, so with the amount we can increase the town's mill rate we are already \$75.24 behind. Why do we need to increase our mill rate beyond the amount allowed by state law? To blacktop roads, the gravel portion of Hay Lake Road and Western Lake Road. The reason for blacktopping roads is based on petitions by property owners who live or use these roads. This letter will be long but hopefully it will be informative. The budget as proposed would require the mill rate to be increased by .25 mills, this would equate to an increase in town taxes of \$25.00 per \$100,000 of assessed value. The budget includes borrowing money to do the roads and pay it back in 5 years.

Some history:

This year many residents who use Western Lake Road submitted a petition to the Town Board to blacktop Western Lake Road. Last year was the first time I heard there was a desire by residents that use Western Lake Road to blacktop it. Several years ago the Town Board received a petition from residents on Hay Lake Road to blacktop the gravel portion of that road. We could not blacktop Hay Lake Road until the culverts were fixed where Hay Creek goes under the road. The culverts are now built to a 25 year flood standard, which is the highest standard the Department of Natural Resources will allow us to build. Last year I stated that the Town was going to try to set aside \$25,000 per year for major road projects such as blacktopping, the costs of the 2 projects would take 10 years to complete at this pace. Some residents may have an issue that money was spent on Hall Road, north of Gull Creek Road and Taylor Lake Road this year and last. We have two issues; the town is required by law to keep all roads up to minimum standards or we could lose road aid for them and the other issue is the amount of money that is generated by the county forest. I calculate that 29.20% of our roads are in the county forest. This means that \$16,825.00 (total \$57,608.85 received in 2009) of our road aid money is for Hall Road, north of Gull Creek Road and Taylor Lake Road. Also the town receives money from timber sales and for the last three years the town has received on average over \$32,000 in timber sales. This is money the county pays the town based on the percent of county forest in the town, 9.35% of the county forest is in the Town of Gull Lake, and so we get 9.35% of the Town's share of timber sales. For the last several years the county has paid the towns 15% of the timber sales.

Some facts:

The Town's share of the property taxes you paid was 8.412% in 2009 prior to any lottery credit or first dollar credit.

The town has spent on an average of \$92,852.83 in the last six years and \$100,226.67 in the last 3 years on roads. The state uses a three year average to determine road aid to a town. For 2010 our 3 year average spent on roads must be at least \$69,120.61 to obtain maximum road aid. The state reimburses the town 85% of the amount spent on roads up to \$69,120.61; our road aid in 2010 will be \$58,752.45. Because state aid is based on a three year average we must make sure that our average does not go below the minimum to obtain maximum state road aid.

Less than 30% of the town's revenue is from property taxes.

For 2010; I estimate that 42.30% of the town's property taxes will be paid by town residents.

Town residents will pay approximately 12.5% of the town's total revenue in 2010.

The town has 28.59 miles of road.

Nine households are occupied by residents on the gravel portion of Hay Lake Rd, 1 household is owned by a non-resident. There are children that are picked up by the school bus at 3 households on Hay Lake Road. Walt's Drive and Western Lake road has 3 households owned by residents and 9 by non-residents. Western Lake Road is used by people who use the boat landing on the western side of Gull Lake.

The State of Wisconsin grants Trip funds to the County to be distributed to Towns every other year, this year it is the Town of Gull Lake's turn to receive part of the funding, we will receive \$11,621.00. This money is not used when calculating the 3 year average.

Our population is small, 2009 estimated population is 184. Only Frog Creek Township has a smaller population.

The county forest takes up 60.25% of our Town. Including the county forest; 89% of our town's land use is in woodlands, 4.3% is in agriculture, 4.3% is in water and only .9% is residential land use.

Our old 1974 grader bit the dust; we have purchased a 1985 Dresser grader for \$23,200.00. This grader has hydraulics and an enclosed cab that is not all rusted out, all the dials work and there is a heater.

Western Lake Road has on average 6.5 inches of gravel; we require 7 inches of gravel before we blacktop to provide a good base. The graded width of several sections of Western Lake Road is only 19 feet wide. This would have to be expanded to 20 feet, with a 2 foot shoulder on each side.

Hay Lake Road has on average only 4 inches of gravel; 3 inches of gravel would have to be added prior to blacktopping. A small section of Hay Lake Road has a graded width less than 20 feet wide. Again this section of the road would have a 2 foot shoulder on each side.

The Town electors will set the mill rate; the Board approves the budget and approves the highway expenditures.

Only electors (a permanent resident of the town) may vote at this meeting, as in the past we will allow non-resident property owners to speak. An elector must be present to vote. You do not have to be a property owner to be an elector. You have to live in the town and be eligible to vote in elections to be an elector.

Observations

There is no road in our town that has enough traffic to justify blacktopping. Blacktop roads require

maintenance to keep them in good shape. Driving blacktop roads is much nicer than gravel roads. Our gravel roads are often in very rough shape. Blacktop roads should increase the marketability of one's property.

I have heard the statement why blacktop a road such as Western Lake Road that goes nowhere; it ends up at a town boat landing.

I have heard why hold this special electors meeting for increasing the mill rate now since many of our snow birds have left for warmer weather. We can only hold this meeting at budget time; 2 months ago I was not aware of the need for a special electors meeting.

The Town cannot spend all its Highway money for 4 years to blacktop these 2 roads. The Town will still have to maintain its other roads; this may include seal coating, chip sealing, overlays, gravel, etc.

If leveraging our funds by borrowing works; at some point in the future this could be used to fix the high cost repairs on Haddick Road, sections of Hall Road and Gull Creek Road.

Some may think why not set up a special assessment for the property owners who live along the roads that will be blacktopped to pay for it. If this is legal, we would be setting a precedent for future road projects to be paid for by special assessment. Some Roads like the lower half of Hay Lake Road, Haddick Road and Gull Creek Road have very few property owners to share the cost of any improvement.

We have put some money into the town hall, paint, new wiring and new windows. If we are going to keep the current town hall for use we have to keep it up. In a few years we will have to paint the outside and put on a new roof.

You might ask why not cut costs enough so the mill rate does not have to be increased. We already operate on a very lean budget. The Town Chair earns \$1,000 per year plus a per diem of \$25.00 per meeting; the Supervisors earn \$540.00 per year plus the same per diem. The clerk earns \$600 per month, plus per diems when she attends certain meetings. Because we have the clerk and treasurer combined we need to have an annual audit that costs about \$3,100 per year. We could separate these two jobs and save the cost of the audit. We could not do this until the next election. Our clerk has the county input new voter information into the state data base. We could do that and maybe save a few hundred dollars. We already do several things that save the town money, I do the bi-annual passer report, instead of farming it out (saves at least \$500); when we purchased the computer and election software we purchased one that allowed us to do the programming (saves several hundred dollars a year). The clerk does most of the work of keeping up the web site. Town board members volunteer their time for the town clean up. We could save a few hundred dollars by not having a web site, but that is a service wanted by many property owners. We cannot eliminate our insurance, fire protection, ambulance, assessor, or how we handle elections. We budget a few dollars each year for boat landing maintenance, humane society, library and economic development, these programs benefit all residents. This year I added the Earl Cemetery, we have received several requests to help with the cost of maintenance. They requested \$1,000; I put \$500 in the budget that the board will decide upon on the 10th. I was told that half of our town has relatives buried at the Earl Cemetery. We have budgeted \$1,500 for the plan commission, this commission is important to our town, starting in 2010 any zoning decisions must be based on our plan. The only way to get any real cost reductions would be to merge our town with another town. The savings could be as high as \$25,000 as I look at the numbers, but then we would be in a minority in whatever new town we

joined and the new town may not have much interest in improving our roads. I am not advocating abolishing our town; I am just exploring all options as it relates to cost savings. Also, I am not aware of any current law that would allow two towns to merge.

2009 mill rate for taxes paid in 2010, based on information I have as on 11/03/2009, this may be subject to change.

The school board levy is: \$318,778.94

The WITC levy is \$ 40,033.78

The County Levy is \$151,209.00 (estimate)

The Town levy would be based on the budget \$ 50,705.86

State Tax \$ 9,400.00 (estimate)

For a total of \$570,127.58 assuming the same school tax credit as last year our net tax would be \$526,106.61

With the increases of all taxing jurisdictions I estimate the property taxes will go up by \$98.74 per \$100,000, prior to any lottery credit or first dollar credit. Of the \$98.74 increase, \$24.42 would be the result of the increase mill rate if it is approved. Your taxes will be going up about \$74.32 per \$100,000 because of the increases by other taxing districts.

Since the Town of Gull Lake is in several different taxing districts, the State tells the town what its equalized value is and it is up to the assessor to allocate that amongst the different property owners fairly. Land used for agriculture is valued based on use, not market value, so agriculture land is being assessed as low as \$100.00 per acre. Land in Managed Forest Crop provides a significant tax break to the property owner; this tax break comes with some restrictions. Our portion of taxes for the county, WITC and school district will be higher this year because the state says our value has increased, but the county as a whole has decreased in value.

If we have an over flow crowd we will hold the meeting in the grader shed, bring a lawn chair just in case.

Sincerely,

Katherine Berndt, Town Chair

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