VILLAGE OF PLEASANT PRAIRIE
PLEASANT PRAIRIE VILLAGE BOARD
PLEASANT PRAIRIE WATER UTILITY
LAKE MICHIGAN SEWER UTILITY DISTRICT
SEWER UTILITY DISTRICT "D"
9915 39th Avenue
Pleasant Prairie, WI
October 16, 2006
6:30 p.m.

A Regular Meeting of the Pleasant Prairie Village Board was held on Monday, October 16, 2006. Meeting called to order at 6:30 p.m. Present were Village Board members John Steinbrink, Alex Tiahnybok, Steve Kumorkiewicz, Jeff Lauer and Mike Serpe. Also present were Mike Pollocoff, Village Administrator; Jean Werbie, Community Development Director; Kathy Goessl, Finance Director; and Jane Romanowski, Village Clerk.

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. MINUTES OF MEETINGS - SEPTEMBER 18, 2006

TIAHNYBOK MOVED TO APPROVE THE MINUTES OF THE SEPTEMBER 18, 2006 VILLAGE BOARD MEETING AS PRESENTED IN THEIR WRITTEN FORM; SECONDED BY KUMORKIEWICZ; MOTION CARRIED 5-0.

5. CITIZEN COMMENTS

Jane Romanowski:

> We have quite a list tonight so please keep to the three minute time limit. The first speaker is Dick Ginkowski:

Dick Ginkowski:

> I hope I can be brief. Dick Ginkowski, 7022 51st Avenue. Two points. First, unfortunately, the cancer of the Pay Day Loan Store has spread beyond the City limits. We now have two in the Village. That's two too many. Unfortunately, the City Council was asleep at the switch. We didn't do any better. We don't need, we do not need to have these businesses moving across the boundary line into the Village. They are certainly not a positive thing for a community. There are limitations, but the Village or any other municipality is not powerless. And toward that end I encourage the Village Board to declare, and quite frankly it should have been acted upon sooner, an emergency and declare a moratorium on these establishments before we lose control like the City has and develop appropriate zoning and other regulations for their operation and it needs to be done now. Not next month, way down the road or in December but at the next meeting. This is something that reaches an emergency proportion.

And in studying these establishments, one of the things, and they're variously referred to in different ways is new age loan sharking, one of the things they do is they proliferate in groups. In other words, when one opens up, two, three, four, five, six more open up in the same general vicinity. That's how that industry operates. It's not like there's not one place. You wind up with a half dozen or more of them. We've seen it in Kenosha. You've seen it in other communities. It needs to be stopped and it should have been stopped sooner. Toward that end I will do whatever I can to cooperate with the Board and anyone else who wants to visit this issue. But it definitely needs to be arrested now so that it can be planned for and dealt with more appropriately in the future.

On the second point, I would like to just bear in mind tonight is budget hearing, and as I mentioned last year there's certain things we need to be look at and that's the infrastructure of the Village. We need to have appropriate budgeting so that we don't go to the voters with a bake sale for the Fire Department or the Street Department. We don't need to be asking people to approve buying an ambulance or a snowplow. Those are things that hopefully would have been and should have been and will be in the future appropriately placed in the capital improvements budget and dealt with.

Nobody likes tax increases. Nobody likes to deal with them, but these are things that we need to have under control and properly deal with and I think it's the right way to go. By the way, I hope one of the things is done when the referendum for the new ambulances passes is that we keep the ambulance that is the oldest in the fleet. That would make a great not only backup ambulance but for special events such as the polar bear plunge and other things. What a great thing to have so that we don't tie up the newer ambulances to be able to use that particular piece of equipment. So I would hope that we would give some consideration to keeping that. I don't think the residual value of trading that in would be significant enough in terms of the benefit that it might provide the Village by retention. Thank you.

Larry Casperson:

Larry Casperson, 11220 11th Avenue, Pleasant Prairie. I don't really think that your tax system is working very well here. I own a tri-level on 11th Avenue and I found out this last month that for the last 11 years you've been taxing me on the same square footage on my basement as my house and I own a tri-level. I don't know anywhere in Kenosha County where a basement would be the same square footage as a bi- or tri-level house. I'm hoping that you can fix it but I was told that even this year I'll be taxed the same. Thank you.

Karen Gustafson:

I just had a comment about the tax assessments.

Jane Romanowski:

Could I have your name and address for the record please.

Karen Gustafson:

Karen Gustafson, 8603 Lakeshore, Pleasant Prairie. Just here addressing the tax assessments which we felt were out of line. Ours on Lakeshore, unfortunately I guess we live on the east side, the wrong side of the lake, our assessment went up almost 50 percent this year which is probably– we have a very modest property. We came to the citizens' Board of Appeals. We felt that they sort of listened but unanimously just upheld the Village appraiser. Our property has not been improved on the lakeshore with the proper kind of revetment and we just felt it was way out of line. It was probably pretty close to the point where we will have to sell because we don't have the pocketbook for those kinds of taxes that our tax bill is going to come to.

We went from about $350,000 up to $468,000 on a 70 foot wide property. I just don't think that's going to be in line. You look up and down the lake, the last time I counted between our house, we're the far north end of Lakeshore Drive, and 116th Street three miles down there were 29 properties for sale just on Lakeshore Drive and that's more than there were this summer. You saw in the paper today the housing market is soft. Things aren't selling. And yet we're told that we can put it on the market for these high, inflated prices but they're not selling. I'd like to see the assessor kind of rethink that or at least the Village Board rethink it and see if you can't give some relief to some of us there. Thank you.

Eric Gustafson:

I'm Eric Gustafson also at 8603 Lakeshore. I really don't have too much to add other than the fact that I thought that when we came to this meeting to appeal our assessment and we were told actually contacted by a piece of paper saying that this was going to be a verbal thing, going to be for discussion only. So we came up and we didn't do a lot or preparation in advance. All of a sudden we come up here and we've got the assessors and we've got a whole bunch of people obviously who were very well prepared for this with a lot of paper throwing numbers around with things that we had no way to prepare for to even assess whether the numbers were correct. I guess my sore spot here is the way the Appeal Board or the appeal was handled. Thank you.

Marie DeVito:

My name is Marie DeVito. I live at 8608 Lakeshore Drive. There's two issues that I'd like to address. The first one is I'd like to address the manner in which Carol Beach Estates property has been reassessed. According to the Village, the north side of Lakeshore Drive was reassessed and increased by 55 percent, and the south shore was increased by 35 percent. Nothing in most peoples' lives have been increased 55 percent, not salaries, not Social Security, not investments, not even healthcare premiums. To expect homeowners to accept this percentage increase is unacceptable, and even with the outrageous increases we still need a referendum to pay for the jaws of life?

Why is upgrades on an IT system more important than life saving equipment? Why? Because Pleasant Prairie seems to feel they can have it all, just increase taxes. It seems a shame that the very people who were responsible for starting this community and now should be able to reap the benefits of their commitment to the community are the very people who are now being forced to move.

The second thing I would like to address is the two public access areas on Lakeshore Drive, the one at 98th Street and the one at 102nd Street. These two accesses are totally inaccessible. Last year we were told that just as soon as the summer demand slowed down, probably October or November, these two accesses would be cleared. It's now a year later. Nothing has been done. The residents of Carol Beach cannot use and enjoy these public accesses at all.

The main purpose of a public access is to ensure that emergency vehicles could get to the lake in an emergency. Should a boating or swimming accident occur there is no way that any vehicle, let alone a fire truck or an ambulance, could reach the lakefront. This matter has been brought up several times, one of the last times being at a Park Commission meeting. What is the problem? Are we waiting for a possible lawsuit before these two areas are accessible? They need to be cleared and it needs to be done ASAP, and I ask the Board to take whatever measures are necessary to get this done. Waiting a year I think we've been really patient. Thank you.

Robert Clarke:

Good evening. I'm Robert Clarke from 209 86th Place. I want to speak about the property tax in principle and in history, as well as the impact it is having on me at my home. My assessed valuation has gone up $76,000 in the last three years, which is almost as much as I paid for the place in '83. I know that it's mandated by State constitution that we can have property tax, but I think in reviewing these things that a consideration really needs to be made for the people who are in trouble in keeping their homes. I've been fortunate. I'm 76 years old and I'm still working full time and I'm very happy for that. It's allowed me to stay in our home.

About the history of this thing, our founders knew that freedom is measured in one thing really, and that is the ability to own property, both real property and intellectual property. Intellectual property is covered by patent laws and copyrights, but real property is obviously our homes and this sort of thing. I have a book here that was written by a spoiled rich kid names Karl Marx in the 1840s. One of the things, he has ten commandments to make a country Communist. One of them is that all land should pay rents to government. In my case I'm paying as much as I should be paying to my church I'm paying to the government in terms of property tax. My property tax is ten percent of my income. And also centralization of credit and income tax as well.

So what I'm proposing for everyone here to think about is amending our Constitution to eliminate property tax. This country got by for centuries without it. There are other ways to tax that will not impose limitations on freedom and also to eliminate an income tax as well. The income tax is another thing, graduated income tax, proposed by Communism. The whole idea is to level people down. I can tell you that my inability to really get my own business going could be solved if these taxes were done other ways.

So I know that we need taxes for schools and fire departments and streets and all those things, but in the past they've been in entirely different ways. Biblically speaking a head tax. You could still have a tax for schools and have a tax for roads and fire departments and we pay for our water and sewer and things like that as well. And so I think I'm in the mood to start a move to amend the Constitution of the State of Wisconsin to solve that problem. Because, literally, in our last Carol Beach meeting we're talking about 20 properties for sale because people can't afford to stay in their homes. And eliminating inheritance is one of the things in the Communist manifesto also.

The whole idea to make government own the property. Today no one owns their own property. If you don't pay your rent to the government just try that for a while and see who gets your property. Government takes it from you. And who is government supposed to be? It's supposed to be us.

Jane Romanowski:

Mr. Clarke, could you finish up please.

Robert Clarke:

I'm done? Okay. I hope you all heard that loud and clear. Thank you.

Ken Tibor:

Ken Tibor, 8612 3rd Avenue. I just want to read something that was in the paper here recently. It's not always how we perceive ourselves, it's how others perceive us. This is from the *Kenosha News* on the opinion page. There's pluses and minuses. The plus is it says to the Pleasant Prairie Village Board for deciding to refrain from naming roads and facilities after current Village officials and employees. There are plenty of former employees and elected officials deserving of recognition and thus no need to continue the current dicey practice of honoring people before their tenure with the Village is completed. That's a plus.

Now the minus. To the Pleasant Prairie Village Board for devoting too much valuable meeting time to the naming policy with so many other important issues in need of attention. Employee healthcare costs are skyrocketing, and a growing number of residents are grumbling about the Village's fascination with special fees including a new one proposed for cable television subscribers. Budget problems prompted the Board to schedule a November referendum to raise money for several pieces of equipment, an ambulance, a snowplow and some rescue and squad devices which, if truly essential, should have been financed through a long-range planning and saving process, not left to the whims of the tax weary public. Very important. Then it goes on to say that Trustee Steve put it best by simply saying we have more important things to deal with. Indeed, such as rethinking budget priorities.

Now, we had a group in the last election called COPS that raised all kinds of money for hypothetical, hysteric situations. We've got a real issue here. If they were so concerned about the welfare of Pleasant Prairie let's see if Mr. Cooley will dedicated $12,500 towards the ambulance. That's all.

Fred White:

Fred White, 8730 Lakeshore Drive. I'm sorry I didn't hear my name because of the thunderous applause. Two years ago my assessment went up 40 percent. My taxes went up 25 percent. This year my assessment went up 23 percent and I assume that my taxes will go up in a proportionate manner. I, like the 29 other people up and down the street, am preparing to sell my house because I can't afford the taxes any longer. I talked to three real estate people and none of them were very encouraging about me having the possibility of selling my house for what it was assessed for. That's not very encouraging. But if you guys continue this I guess I won't be up here anymore. Thank you.

Gus Hauser:

Gus Hauser, 143 113th Street. I'm also here to speak up on the property taxes. I think it's outrageous to raise our property taxes as much as you folks do. I have my lot in the back of my house that got raised 40 percent. It's an empty lot. I have a vegetable garden on it. For that lot I'm paying over $700 property taxes. That's the same lot I'm trying to sell for the assessed value for three quarters of a year already and cannot find any takers. And you think it's that much money worth.

In addition, to add insult to injury, Pleasant Prairie years ago . . . paved roads on 1st Court and on 113th and throughout Carol Beach promised us they're going to repair the roads. Nothing happened. Now we had to pay for our own replacement of the road again. I think that is something that never should happen. The roads are for all of the people in Pleasant Prairie not only for me. I don't even have a house over there.

Another thing, what I would like to address is capital equipment spending. You folks budget for IT equipment and all kinds of other garbage in the capital budget and yet you come to the people with a referendum for jaws of life, an ambulance and stuff like that. I think it's cynical, it's unbelievable what you do. That never should happen. Thank you.

Joe Horvath:

Joe Horvath, 9047 Lakeshore Drive. I am one of the people who objected to the property taxes and also came to a hearing. There's three things I really would like to state to the Board tonight. First of all, I'm in agreement with all these people. My valuation went up 47 percent, my taxes almost 31 percent which I think is extremely steep. But the one main area that I questioned during the meeting, and I think the tax people do a good job and they worked with us well and I'm not discrediting them, but during the meeting it was my understanding that the process we use is mandated by the State of Wisconsin. So I'm here to ask the Board if in fact that's true, of taking the two or three highest sales and applying it across the entire board. I'm not seen anything in State statutes that tell me that that's the process that's mandated by the State of Wisconsin. So I would like to get an answer as to whether or not that, in fact, is a mandate or whether or not that process is simply a choice that's being used by this Board.

Secondly, relative to that process, I had stated during that meeting, and I'd like to state publicly that not enough information is being divulged to everybody. As I researched some of the property comparisons that were closest to my home, while the numbers themselves work out according to the process used, what wasn't revealed was that one of the properties was so completely furnished with quite an extensive home security system and things that normally wouldn't be a part of a sales process. The fact that a home gets attributed with maybe another $100,000 to $150,000 worth of valuation with articles that would normally not be in a home, and then to take that and apply that against all of the property owners I think is a misstep on our part.

The other one is one of the other properties that was sold and was purchased by a realtor there was actually a cash take back of over $200,000 which is financing the improvements and sale, but they only take the sale price. So not knowing these things and not having these things disclosed creates a very unfair practice I believe for the people who are being taxed in that sense.

So, in closing, if this continues I'm sure there will be more people going to these hearings, I think that we need to have some sort of a disclosure back to anyone objecting to their taxes relative to all the information and all the property comparisons that they're going to come in here to view before we walk in the door and get hit this. You really can't defend yourself because you don't have this information or time to research it. Thank you.

John Steinbrink:

Anybody else wishing to speak under citizens' comments? Hearing none, I'll close citizens' comments and open it up to Village Board comments.

6. VILLAGE BOARD COMMENTS

Alex Tiahnybok:

I'm going to hold off my comments on the specific Carol Beach issue until we get to that item because that's on the agenda. Commenting on a few things that aren't related to that, first off I appreciate the historical perspective of history from Mr. Clarke. I thought that was really good. Mr. Tibor brought up a couple interesting points about the cable TV franchise fee potential, the need to put certain items on referendums, and not properly budget for them. I said that before and I still stand behind that comment. I'm glad other people–he's one of those smarter than average people from Carol Beach.

As I commented last time, the referendum was designed to put the public safety issues on a referendum so citizens could never say no, and yet we have capital items that Mr. Hauser referred to such as IT spending that essentially is buried in the capital budget so it's not as visible as a referendum item certainly is.

One thing I'd like to follow up on is the request from Mr. Driscoll from last meeting to see if we can put our proposed budget and final budget on the website so people can look at it. The County of Kenosha has their proposed 2007 budget on line. It's a 470 page pdf document that anybody that can get on line can go and look at. If Kenosha can put a 470 page document on line I think we should, too.

Jeff Lauer:

Regarding the comments about assessments, I know that it is obviously a touchy subject even for me when I got mine. Rocco, I see you sitting out there. I'm going to have to sit with you again to go over how that's done. But assessment to me what I've learned over the years is a very complicated thing. Not only I believe the people in the Village I believe the whole State of Wisconsin, Country, they get so confused about how the process works they give up and say, oh, well. Trust me I feel everybody when the assessments go up 47 percent some say and beyond that and I do think it might be a good idea to think about those who want to come before the review Board that maybe you do get the necessary documents in advance. Because in my opinion you are at a disadvantage if you don't have the information what the Board of Review has and you don't have it so that might be something we can look at doing for the folks in the future for that purpose.

So hopefully maybe some of the Board comments I don't know if Rocco is going to speak on it if anybody wants him to regarding assessments, but one option might be able to make an appointment with Rocco to see how it works. But I understand where you're coming from. Trust me. I remember after my first eval years ago I came down to the Village and said you could buy it for that price and I'll leave. It is very frustrating. On Lakeshore I was amazed how many homes are for sale down there and it is not a buying market right now. That puts those who are selling at a way disadvantage. It's a complicated issue and I hope in the future it will be able to get better as time goes by.

Mike Serpe:

A couple things just came to mind as the citizens were speaking tonight. One that hit the hardest were the people that live in Carol Beach and have been there for a long period of time. People no different than myself, maybe worked at an average job and made a living and just paid their taxes and lived and kept their property nice. A lot of people on Lakeshore Drive purchased the property for an investment to make a lot of money. They saw that there was doing to be a big return on the dollar. Unfortunately I don't have an answer on how you juggle those differences, because there are people who have turned a good profit on Carol Beach and there's people down there who are hoping to turn a large profit. And there's people down there that don't want to leave, that have been there for 30 and 40 years that really maybe can't afford the taxes that are going to be on that property. For those people I feel for.

Unfortunately, we're governed by State law that we have to assess a certain way. And Believe me I don't know how that is done because I'm not an assessor and it's very complicated for me. Is Rocco going to talk tonight? Rocco, were you going to address the group tonight?

–:

He should.

Mike Serpe:

Then I'll let Rocco try to explain and maybe people can understand it better. There was one other thing I was going to say but being almost 62 years old I've got a senior moment so I'm going to quit.

John Steinbrink:

Hearing no other comments I'll close Village Board comments.

7. ADMINISTRATOR REPORT

Mike Pollocoff:

Mr. President, I have just a few things. One is I was asked by Trustee Tiahnybok to provide information regarding the exemption of agricultural land from the clean water fees that we're charging. As we prepared the ordinance, as our attorney prepared that ordinance and we looked at the nature of how we wanted this ordinance to work in order for it to be defensible, to have a rational nexus between the type of land that's draining storm water and what it would take to comply with the ordinance, we put together what I think is a very comprehensive ordinance and the attorney agrees with us.
With respect to assessing farmland there's two rules that apply. The first would be the Wisconsin Statute 91.15 which exempts a municipality from imposing a special assessment for improvements including non farm drainage on lands owned exclusively for agricultural use. Section 91 os the statutes is to provide for preservation of agricultural land. While a special assessment is not a user charge with our ordinance one of the components and purposes of the storm water fee is to apply resources to projects to reduce special assessments. Counsel believes that represents a conflict with Statute 91.

The other one is Chapter 216 of the Department of Natural Resources Code which in and of itself is not a statute but carries the power of a statute. It's enabled under, it's with Wisconsin State Statute 283. In that it indicates that NR 216.42, which is the statute or the code that's requiring us to monitor and evaluate storm water, it specifically includes agricultural storm water discharges from planting, growing, cultivating and harvesting of crops for human or livestock consumption and pasturing or yarding of livestock including sod farms, tree nurseries are not regulated by this chapter. All other activities in the barnyard, the barn, the structures, the home, the yards around the home are subject to regulation and are subject to the Village's ordinance.

So the State requires us to monitor those activities that would go on in a farmer's yard where if you have manure that's coming down into the drainage system or anything whether it's fertilizers or anything like that, that counts towards our numbers for what we have to produce as far as results and that's regulated and charged.

I think in as much as that's where ours is at, if the Village Board wishes to retain legal counsel to rewrite the ordinances to place a charge on all agricultural land, we'd need to look at, one, if you could make land zoned ag preservation, if you could find a way to have the State exempt that, and if you could change NR 116 and eliminate those exclusions that we don't have authority over. Farmland right now is regulated by Soil Conservation. That's a whole separate set of rules under the best management practices for managing agricultural activities and is not something we could regulate. Included with those is two sites from the statutes that we're using.

The next item I have is Trustee Tiahnybok, again, requested information on assessing for the minutes from the Board of Review. The minutes that are prepared for the Board of Review are summary minutes because the Board of Review, as a couple of people have indicated tonight, is a quasi-judicial hearing. The participants are sworn in, evidence is entered and recorded, and testimony is given. Typically, and I think it's pretty true from most Board of Reviews I'm familiar with, the proceedings are not transcribed unless someone, one, wishes a copy of it, or secondly if they want to appeal the decision of the Board of Review. And at that point it is.

If the Board wishes to have a transcription recorded of all the Board of Review cases, we can do that. In the intervening time, there is as with anybody, the documents that are submitted by the petitioner appealing the assessment as well as the assessor's file which shows how he came about with his findings are available for public review at any time. It's a fairly large file. It's way too big to put on the website and some of it to have any meaning for it, but it is available for public review.

Another item I have just for comment, on October 13, 1986, the Village was fortunate to hire a new Fire Chief, Paul Guilbert. Paul has been with us 20 years. And he's shepherded a fire department that was largely a fire department that took care of a semi-rural community with some subdivisions to the department that it is today. We have a myriad of exposures between the numerous housing, multi-family dwellings, three paint factories, a very diverse and intense industrial base that requires different types of uses. The Chief was able to do that, one, with some good staff, but we have probably one of the most rigorous training programs to make sure that the people who work for us, and that's the full-time people and the paid-on-call people are well trained. There's not too many fire departments of our size that deliver the services we do that are a mix where you have paid-on-call and a full-time fire department. Typically that's not even possible because of a union environment, and even though our full-time people are organized in the union that hasn't been a problem. The Chief in working with both sides has made sure that what's important first is delivering services and those other things fall by the wayside.

We were the first department to be a community the size we are to deliver paramedic service. So a lot of people who haven't been here for a while don't realize what a challenge that was. But early on a lot of licensing people with the State said that we're not going to let you be paramedics because you probably don't have enough calls to warrant the experience you have. The Chief made a case before them. Maybe we don't have as many calls as Kenosha, that's for sure, but the kinds of calls we see especially on the rescue side are pretty intense. You've got to remember we have four major highways running through the Village. When we have car accidents they're typically a mess. So as a small community we put together a paramedic program and the Chief and all his people went through a significant amount of training. It was a whole year out of some of those guy's lives for three nights a week. A good chunk of them did it at no cost to the

Village. Volunteers did it at no expense. Tom Terwall was one of those guys that gave up his evenings with no reimbursement to be a paramedic. Paul Guilbert was no different.

So in 20 years if you look at the impact a person has had on this community, and it's been quiet and it's been subtle, but we as a community and the people that live here are far better off having Paul Guilbert here and the work he's done to make the most out of this department, the work he's done on an intergovernmental basis to develop MABIS is recognized Statewide. For a small community to have the resources we have and have recognized qualified people goes back to Paul and his staff. It's been 20 good years. Paul is the first department that I hired or I talked the Police and Fire Commission into and it was one of my best first moves. As a professional I'm really glad that I've had him here for that amount of time

Irrespective of what people might think about what's on a referendum or what's not on a referendum, the people in that department are going to deliver the best service they can and have done that and we should be glad. If it wouldn't make him too old it would be nice to have another 20 years out of him but I don't think that's happening. Chief, my hat is off to you. You've done us all proud and you've made this a lot better place to live. That's all I have, Mr. President.

8. CORRESPONDENCE

A. Receive correspondence from Carol Beach Property Owners Association protesting assessments for the Carol Beach property owners.

Alex Tiahnybok:

Should I read this into the minutes?

Mike Pollocoff:

It's your letter.

Alex Tiahnybok:

Should I? Alright. First off I want it to be absolutely transparent to everyone that in addition to being a Trustee on this Board I'm also active in the Carol Beach Property Owners Association and I'm serving my second term as President of that Association. I think it's pretty clear to everyone that a lot of people were motivated to come here tonight. I think there would probably be about ten people here if it was just the budget. Clearly, everyone didn't speak, but there's people sitting here that are probably motivated by the same issues that haven't.

I'll read the letter now. It's addressed to President John Steinbrink, Trustee Alex Tiahnybok, Trustee Steve Kumorkiewicz, Trustee #3 Jeff Lauer, Trustee #4 Mike Serpe, Village Assessor Rocco Vita and Finance Director Kathy Goessl. "Village Board Members and Staff, Please consider this letter a forma protest against the methods being used by the Village of Pleasant Prairie for ever-increasing assessments for Carol Beach property owners.

"Although one or two homes in Carol Beach have sold in excess of $1,000,000, and one lot sold for $450,000, the majority of home in Carol Beach are NOT in this price range. If you will check the records, you will see one home on Lakeshore Drive sold for $279,000 and one home on 87th Place sold for $184,000 approximately a month ago. Furthermore, how does one benefit if a neighboring property is sold for an over-inflated price? It appears the mindset of 'sell and get out' is part of the neighborly model that you believe is right.

"It has been 'explained' that YOU have no choice to do this since the 'state' requires this method of re-evaluation. We say NO – reviewing Wis. Statute 70.05 reveals that (b) this is not required any more frequently than 5 years, and (d), (f), and (g) suggest that this could be stretched to up to 6 years without the state doing their own re-evaluation. And this is ALL within current law.

"In the larger sense, though, what is happening in Carol Beach is symptomatic of what is happening to many areas in the State of Wisconsin. Appreciating areas are being forced to carry a larger share of the burden and getting less back due to the fact that they are 'rich' areas. This sounds like SOCIALISM, and is not the American way. We reject the notion that 'nothing can be done' about this, and demand that you as our representatives get a little creative.

"Carol Beach is a unique area and there is no cookie cutter way to increase assessments. Residents who have lived in Carol Beach for years are considering moving as they can no longer afford the taxes. There are presently approximately 20 homes 'For Sale' on Lakeshore Drive alone – increased and unfair assessments are undoubtedly part or all of the reason.

"We formally petition that the increased assessments for Carol Beach be re-evaluated in keeping values consistent with the majority of homes rather than the exceptions." This was signed by Patrick Ginnaty-Moore, Secretary, by direction of the Board of Directors of the Association.

A lot of what I was planning on saying has been said already tonight so I appreciate those that spoke up. As I mentioned before I read the letter, Carol Beach has a lot of issues, and I fight for Carol Beach. I don't think anyone can accuse me of only being interested in Carol Beach. That's where I live. That's what I know. But we had recent issues like crossing the bike path at Prairie Trails West that I fought hard for and in the end I think there's a solution that can be worked out that will work out to everyone's satisfaction and not disadvantage the people that have lived there for a long time being residents of Prairie Trails West.
Another aspect that I think is worthwhile throwing in is this is a perfect example of where the notion that was brought before the Board a couple of times now, the idea of dividing the district into wards, representative districts, actually allows somebody to be a champion for a neighborhood. So I think that's something that needs to be considered in the future also.

Carol Beach has taken higher than average increases in past re-evaluations. This is a trend that continues obviously with this last round. Again, a lot of things have been mentioned, but property values have increased in ranges of 55 percent in the north end of Carol Beach, 35 percent in the south. There are some exceptions to that rule. All of Pleasant Prairie was quoted in a recent *Kenosha News* article as having increased twenty and a half percent. So it's pretty simple math. But the burden of carrying our government is shifting in a greater magnitude towards the east. I guess it comes down to a definition of what you consider fair or not fair, but I think the people that have spoken here tonight some of them are being forced out of their homes. I don't think it's fair.

It was mentioned that if your income, meaning your salary, wages, pension, Social Security has gone up, great, but I doubt it's gone up 55 percent or 20 percent or whatever. This is, of course, going to be partially mitigated by the mill rate change that will be coming for Pleasant Prairie and that's a good thing. The proposal in the budget is to reduce the mill rate from 3.54 to 3.11. That's a 12 percent decrease, but the Village is going up twenty and a half, so any way you look at it everyone is going to be paying more.

My concern, and I've repeated this over and over again and it seems like nobody is interested in listening, is even if our mill rate goes down, I think there was a recently announcement by Kenosha Unified that their mill rate is going to go up 11 percent. So if Pleasant Prairie as a whole goes up 20 percent and Kenosha Unified goes up 11 percent you do the math. It's not going to be a fixed freeze or a fixed budget or fixed free or whatever you want to call it. Everyone is going to be paying more.

I did my homework. I have stacks of examples. Some of the most excessive examples are properties that went up $240,000. I have another one that went up $180,000. Another one went up $145,000. Another went up $203,000. Another went up $58,000. Another one went up $218,000 and another one went up $180,000 and that's just many of the few, but those are the ones that came before the Board of Review and were shot down. The feedback that I got from the people that I had a chance to talk to that went to the Board of Review was that it was a rather unpleasant experience. I think people alluded to that tonight. It goes back to the basic question, and I've stated this openly before, I think if you happen to be more fortunate, have a more expensive residence, have a higher income, you should pay more. But I think the idea of fairness has crumbled.

I challenge anyone here to explain to me how plowing the streets or police service or fire service or any other programs that we offer to a resident paying on the basis of $600,000 or $700,000 or $800,000 evaluation how they're getting more for their money. They're not. They're probably actually costing the government less.

There's a strange imbalance because of these increases to land valuations that's occurring. There are examples in Carol Beach now where land value is something in the range of $500,000 and the house that's sitting on it is $100,000. That's kind of strange. I think most people expect when they go to look at real estate listings and consider buying property they expect at least a 50/50 split or more typically I think people expect the improvement to be more valuable than the land. Now you have many cases where it's a magnitude of five. That's unfair.

The absurd example that I've sort of developed, and I think it's very simple but I think it illustrates the problem very well, what you have is a few over inflated properties driving the changes in assessments. What if let's say you had a $200,000 property assessed value, what happened if Bill Gates decided to buy the neighboring property and paid $1 million for it or $2 million? It's nothing to Bill Gates. But courtesy of the Village of Pleasant Prairie your assessment is going to go up within two years probably something to reflect Bill Gates price. That means everyone in the neighborhood gets to move out because they can't afford to pay their property taxes.

Some of the sentiment that I've heard that people have been told, and I'm very concerned about this is, well, you know, you live in Carol Beach, you've got your retirement plan there, enjoy the appreciation and get out. Well, that's nice, but I'd like to know the other Board members how they would feel if Bill Gates bought a lot next to their house and escalated the price and essentially forced you to move because you couldn't afford to pay the property taxes either. I don't think anyone would like it.

Again, a couple of things were brought up. One of the examples that I was going to bring up that I think illustrates this fact very well is Mr. White brought up an example he had three realtors visit his home. Independently they all told him your assessed valuation is too high, and as a result you're going to have a hard time finding a buyer because that buyer first off is going to look at the property, is going to say first off the number is high, the taxes as a result of it are high, and there are comparables elsewhere now that make it a bad deal. I think the evidence is there. For sale signs are popping up and it's not just for Mr. White but for a lot of other residents in Carol Beach that are having the same experience.

Getting to the statutes, I think it was Mr. Horvath that brought it up, but I'm not a lawyer and we had no lawyers from Carol Beach Property Owners Association review the letter that we wrote, but I don't see anywhere where the State statutes require the process that's used. I think that's a very important point. What the State statutes appear to require is a re-evaluation every five years if the property is more than ten percent out of whack. And then possibly with the warning shots and the extensions and the second warning shots I think that process could be up to eight years really.

One thing I think a five year re-evaluation process–of course, if the State Constitution requires everyone gets to get re-evaluated eventually in our current taxation method it's going to catch up with everything but it's going to take five years rather than two years. One of the things a five year window, and this is a comment that that was brought to my attention today, is that if you wait five years you're going to eliminate oddballs. The get rich quick person that decides to move in and cash out and take off, you're going to eliminate that variable. You're also going to have a bigger pool of comparables to compare to.

If you have a neighborhood where you have two houses or three houses sold and you're going to make your re-evaluations on the basis of those two or three houses, if those sales are out of whack that means the re-evaluations for every property is going to be out of whack. Five years is a much longer window. It allows for more actual solid data to be gathered, and I think it allows for sounder decision making. It also eliminates the possibility of people pulling fast ones and selling properties undervalued or overvalued for whatever motivations they have. A five year window would level off those bumps.

Carol Beach in my opinion and all of Pleasant Prairie is a real interesting microcosm of the State of Wisconsin. We've got high real estate values. We've got low real estate values. We've got industrial areas. We've got commercial retail areas. We have higher income areas. We have lower income areas. We have preserves. We have farmland. We have high density housing. We have low density housing. It's really an interesting example. Really a perfect example of what Wisconsin looks like. One of the points that was brought up tonight, and I was quoted in the *Kenosha News* over the course of the last week or so, I think it's time. I think the people are tired. I think t here are some disconnects that have been created by basing our local government costs on property taxes.

I think there are people who would be willing to pay more if it wasn't balanced on their backs. But you have cases where you have grandparents actually having opposing interests to their grandkids. They've been living in the community for years. They see their property taxes spiraling up, and they also recognize that Kenosha Unified could probably use some more money. But it's those very same grandparents that are saying enough is enough. I can't take this anymore. I agree to or I support the idea of more taxation and I have to leave my house because I can't afford to live there. It's wrong.

A novel idea that popped into my head as I was hearing people talk is if we're so confident the evaluations are correct maybe the Village should guarantee a purchase. If somebody feels their house is overvalued maybe we should buy it if we're so confident. I think it's time for a movement to start and I think Pleasant Prairie is the perfect place for it to start. Who says State statutes can't be changed. Who says the Constitution can't be changed. Things like that get started somewhere and I think the time is to get it started.

Mike Pollocoff:

I guess I have a few comments I'd like to make, but I'd like to have Rocco go through and address some of the issues that have been brought up.

Rocco Vita:

Good evening. I'm Rocco Vita. I am the Village assessor. Everybody at the dias knows me. People behind me, hello. There was a letter presented to the Board, myself and Kathy Goessl, our Finance Director, regarding the property taxes in Carol Beach. In fact, really it's a formal protest against the methods used by the Village of Pleasant Prairie for ever-increasing assessments for Carol Beach property owners. And if it's a formal protest against the Village it's actually a formal protest against myself and the methods my office uses to determine the assessed values in the Village of Pleasant Prairie, as well as Alex clearly pointed out it's a formal protest against the method of funding local services throughout the State of Wisconsin and, for the most part, the vast majority of the 50 states in the United States.

The issue is caustic. The issue is ever deepening, and from conversations I've had with policy makers and legislators I've had in the past few weeks, few months and years, people are trying to discuss different ways to address this 150 year old philosophy that a person's ability to support local services is based upon the value of the real estate they own. This isn't new in Wisconsin. It's been with us since 1848. And through the years there's always been sectors of the population, different property types, that because of this legislation depending upon the appreciation for those property types begin to show a greater portion of the funding for local services.

Wisconsin is considered and has been considered what's called a market value State in that the assessed values are based upon market evidence or the sales of properties that occur within generally defined geographic or regional areas of similar environments. That's all driven by what Alex had earlier said the Wisconsin Constitution which guarantees uniformity, the State statutes which try to provide the set of laws that assessors in Wisconsin use in the assessing process, and something published by the Wisconsin Department of Revenue called the Wisconsin Property Assessment Manual. All three of those references really direct and shape the methods used by Wisconsin assessors in determining assessed values throughout Wisconsin.

The deviation from the uniformity clause really has been rare in Wisconsin unlike other states where they have begun to deviate from the uniformity. In Wisconsin in the '70s manufacturing had a very strong lobby. Manufacturing and commerce. There were exemptions granted to machinery used in the manufacturing process, and there were exemptions granted to the stock and trade that merchants had in their stores. A number of you from Wisconsin years ago, all stores in the State would close down on January 1st and take an accounting of what they had on site so they could pay a personal property tax on their stock and trade. At that same time in the '70s when the Constitution was changed to allow for some non uniformity, it was for manufacturing, the exemption of the merchant stock. And additionally at that time they allowed for a change in agricultural land values. That never really took place until 1996 with the advent of what's called used value assessment. In this instance owners of property used for the agricultural property have a preferential treatment or differential treatment in their property tax status.

What I was intending to do is kind of go through the letter and comment as best as I could on the points made in the letter. If you want me to do that I could do that. But maybe first off I could comment on some of the points brought up from the people here that went to the Board of Review this year and Alex's comments on people going to the Board of Review. Every two years when we have performed revaluations and even prior to that when revaluations were done on an annual basis, there have always been hearings of people at the local or County Board of Review and this year was no different than prior years.

We as an assessor's office understand that this is a quasi-judicial setting and it's a difficult road for a property owner to come in and prove two basic facts. These facts are spelled out in the assessment notice that we provide when we give the property owner an indication on how best to deal with their assessment notice and what to do regarding their opinions if they feel the assessment is too high. The first thing to do always is call our office and verify with us that the information we're using to determine the value is still up to date and accurate. And, secondly, find information from us or gather information from us regarding the processes of the valuation, the sales that have occurred in your residential area or your environment that gives us and the property owner an indication of what went into that change in value. Every two years when we perform a revaluation that change is really a restatement of the market value of the property or in essence it's an appreciation for that property over a certain period of time.

This year there were eight cases on the lakefront that had signed up. Three people decided not to appeal but there were five people that did appeal. Because of that I presented to the Board of Review a good deal of evidence this year and because the increases were as dramatic as they were, I presented to them the entire slate of evidence gone and starting with how the assessor's plate is set at the beginning of the process, going through the analysis and coming down to the determination of those value benchmarks and applying it to the properties on the lake.

Mr. Horvath was there and he's still here. He was very appreciative of that information, and Mr. Horvath, like the majority of the property owners, after that presentation didn't necessarily disagree with the assessed value. In fact, for the most part almost all the people that appealed the lakefront properties indicated to the Board of Review they didn't have a large objection with the value of the property. Their concerns, like what Mr. Tiahnybok had indicated earlier, is what the impact would be on their taxes. They feel that high values lead to high taxes and in Wisconsin that's the case. In fact, one of the property owners that presented to the Board suggested that the Village treat the people on the lake differently in that we provide an assessment freeze to the property owners on the lake. I think that goes to the fact that people in Wisconsin that have values that are appreciating greater than the community as a whole feel they're becoming overburdened with the tax shift going from the community as a whole to those properties that appreciate greater.

But, under Wisconsin's Constitution and Wisconsin statutes that's the method in place. I shouldn't say method. That's the tax procedures in place. Discussion is good. There are a lot of people much brighter than I or many people in this room that deal with tax issues on a macro broader basis for their livelihood, and they're struggling with how best to find a coalesce tax effort for State, local and county governments in the State of Wisconsin including sales tax, income tax and the property tax.

What we do provide people is Jeff had mentioned maybe we could provide information to the public. He's called our office. He's received some information. We have and we do publish a book. It's called the Revaluation Handbook. It's something we have at the counter. It's information we make copies for people. We don't make a large number of them but we copy pages they need that provides improved sales within their neighborhood by style of home, of vacant land sales. It has a hierarchy of the values by neighborhood. It gives the unit values, the land unit value basis, the acreage basis. It provides quite a bit of information. It gives the overall increases. And most of the people that come to the Board of Review generally come in and pick up that information prior to going there.

But it still is a tough benchmark in that property owners need to provide tangible evidence to the Board of Review that does two things. One, it needs to show that the assessor's value is incorrect. And, secondly, they need to provide evidence that clearly supports their opinion of value. This year those five property owners from the lakefront that appeared before the Board of Review, I know distinctly four of those property owners provided absolutely no sales evidence to support not only their opinion of value, they really didn't have a good opinion of value. In fact, two of the property owners indicated that the assessed value was accurate and in one instance lower than what they thought they could sell the property for.

So it is a daunting task. I think the process this year of me going through with the Board of Review and the property owners of that process of revaluation helped gel in a lot of peoples' minds the methods used and the plate that's set for assessors throughout the State of Wisconsin on properties that appreciate faster than the communities at large.

The first paragraph here indicates it's a formal protest against the methods being used by the Village of Pleasant Prairie for ever-increasing assessments for Carol Beach property owners. As I indicated, it's a protest against methods dictated by the State Constitution, the State statutes and the assessor's manual. There's not much we as assessors can do. I'm not going to sit here and say that I fully believe in the methods or the Constitution at that time saying that that philosophy of the value of the real estate you own is solely the best method used to fund local services, and I think there are a lot of other assessors in the State, too, that have seen over time, here I've been working in Kenosha County for 22 years, I've seen what's occurring now on Lake Michigan, has occurred twice in my tenure on Twin Lakes, Lake Mary, Lake Elizabeth and on Powers Lake. Where at one point in time because of economics a certain sector of the economy is able to come in and afford properties. They're coming in an affording properties and they're buying from people that can't afford to pay the prices that the new people are paying. Time passes. Another change in the economy and generally in this area the economic agent is metro Chicago.

There's another sector of the economy that has come into the ability to purchase properties for even greater amounts. And because lakefront property has a certain amount of rarity and scarcity and always a greater than average desirability, people with the means gravitate to those types of properties and continue to pay ever more. We all know based on the Constitution and the statutes, the assessments reflect what those properties pay. There weren't one or two outlandishly high properties that colored all the sales. In fact, in the analysis there were 13 sales we used to value lakefront properties, improved properties, and since then there's been an additional sale nonetheless.

The second paragraph it says although one or two homes in Carol Beach have sold in excess of $1,000,000 and one lot sold for $450,000, the majority of homes in Carol Beach are not in this price range. If you will check the records, you will see that one home on Lakeshore Drive sold for $279,000 and one home on 87th Place sold for $184,000 approximately one month ago. Furthermore, how does one benefit if a neighboring property is sold for an over-inflated price? It appears the mind set of sell and get out is part of the neighborly model that you believe is right.

This slide gives you an indication of the Carol Beach neighborhood rankings. I have here the predominant neighborhoods in the Carol Beach area. Let me set the table first. Carol Beach encompasses a rather large geographic area. In fact, there are 1,033 improved properties in what we call Carol Beach. Carol Beach Property Owners Association represents a portion of these two neighborhoods, Carol Beach north and Carol Beach south, essentially the properties east of the railroad tracks north of 116th Street I believe when I provided the mailing list. But in reality Carol Beach is generally everything east of Sheridan Road. There's a large number of properties that we call west, the two west neighborhoods west of the railroad tracks, and there are properties south of 116th Street which generally is in the Chiwaukee Prairie neighborhood.

So this homeowners association represents a portion of the 509 properties that lie east of the railroad tracks, and there are 524 properties lying west of the railroad tracks but east of Sheridan Road. You can see when we rank the value of the neighborhoods, the number one ranked value is on the lakefront as most people expect, and the average value of $847,000 north of 97th Street and the average value of $752,000 south of 97th Street. We began 11 years ago in this assessor's office there was one neighborhood for all the lakefront, and there was really at that time a large disparity in value between the south and the north. Over time, because of some of those lots in the south are much larger than those to the north, some of them are more level and have beachfront, there is a merging of value, shall we say, between the two. And the distinction isn't nearly as great as had been in the past.

While there were three sales in excess of $1 million, and I think five sales in that range between $400,000 and $600,000 and five sales between $600,000 and $800,000 and one sale between $800,000 and $1 million, you can see that the average value is $847,000 and $752,000. This doesn't really reflect that we use two high sales or three high sales and increased everybody's value. But, there was clear evidence, and I think I can go through that. When we looked at this last year at the Board of Review hearing, this is the way the plate was set on the sales occurring from January through September of 2005. The people at the dias remember this, the people at the audience this is the first time you've probably seen this slide. It indicated that the first nine months of September 2005 there were six lakefront sales, average sale price was $767,000, but on average the sale prices far outweigh the assessments. And in order for us to address that situation and modify the assessments so that they better reflected the sale prices, and average increase of 41 percent was necessary just on the lakefront properties.

This also provides the different neighborhood groups within Pleasant Prairie, and each one of these neighborhood groups contains a number of other neighborhoods, but you can see here Carol Beach east which as a neighborhood group refers to the properties east of the railroad tracks but west of Lakeshore drive on average would have required at 20.57 percent increase such that the assessments did a better job of reflecting the sales that occurred.

Going back here, the other neighborhoods in Carol Beach, you can see lakefront neighborhood is the highest valued neighborhood in the Village. The southern portion of the lakefront is the third highest valued neighborhood in the Village. The number two neighborhood is Tobin Woods, and the number four neighborhood is Meadowdale Estates. The next Carol Beach neighborhood in the ranking out of 79 ranked residential neighborhoods is Carol Beach West No. 2. Now, for those of you who don't know it has an average value of close to $300,000. That's a pocket of homes along Sheridan Road just west or by the RV Motel. It's distinctly different when you drive there in their lot size than the rest of the properties on the west side of Carol Beach.

Further, number 37, in these 79 neighborhoods or almost half way through in average value is Carol Beach north. These are the properties west of Lakeshore Drive and north of essentially 97th Street or the LUSA line. Carol Beach south are those properties south of that. It used to include Unit 2 but they are ranked 58th out of 79 neighborhoods in average value at $220,000. Carol Beach Unit 2, something we created this year, is ranked 65th out of those 79 neighborhoods, and Carol Beach West is ranked 66th out of the 79 neighborhoods with something just under $200,000 of value.

I want to reassure the Board I don't have Carol Beach in my scope. I don't intend to overly inflate the values from an assessment perspective of Carol Beach. It's a lot easier on me and my staff if I don't create values that we can't defend. So for the most part what we try to do in our analysis is create a value that we have an easy job of defending, otherwise we don't even go through the process of throwing out those kind of numbers. But the fact does remain that of the four top neighborhoods the water frontage has a place at number one and number three.

The sale of $279,000 on Lakeshore Drive as much as I could I could not locate that specific sale. I tried on the MLS. It wasn't listed there, and in my records I didn't have something. Maybe it wasn't exactly $279,000. I'm not exactly sure. The $184,000 sale there was a property at 121 87th Street that sold for $184,000 in 8/86. For $184,000 this was a 1952 1,000 square foot two bedroom no basement lower quality ranch with a 16 by 22 foot detached garage on a 70 foot lot. It's 2006 assessment was at $160,200, or that $184,000 of sale price sold for $15,000 more than its new assessment. The new assessment had increased 18 percent from the old assessment of $135,200.

The paragraph suggests or refers to over inflated price. I don't know if the $184,000 is an over inflated price. I think if it's an over inflated price or if it's a reasonable reflection of that particular type of property additional sales evidence that will occur through the year and next year will provide us with a clearer picture. If it's an outlier, the additional sales that occur will point that fact out.

The sell out or get out. It appears the mind set of sell and get out is a part of the neighborly model that you believe in. It's not particularly the model that we use. We use a different model when we value properties. Sell out and get out is kind of a one sided perspective of the situation. For every property that sells there's also a buyer. Someone is looking to sell and the property is purchased by someone to buy and get in. Today we do have quite a few properties on the market for sale, and apparently we have more for sale than we have purchasers and it leads to some sort of imbalance in the marketplace. Part of the neighborly model that I believe in, what I believe is really of little consequence. In fact it's less than tertiary into what the Constitution and the statutes and the Wisconsin Property Assessor's Manual guides and directs assessors to do in the State of Wisconsin.

It has been explained that you have no choice, meaning you the Village has no choice but to do this since the state requires this method of re-evaluation. We say no, reviewing Wisconsin Statute 70.05 reveals that (b) this is not required any more frequently than five years, and (d), (f) and (g) suggest that that this could be stretched up to six years without the state doing their own revaluation. This is all within current law and that's absolutely correct. We talked about that again last year at our budget hearing that the frequency of revaluations are dictated by the appreciation of the community. Once a certain benchmark is attained, a clock at the Department of Revenue says that sometime within the next four years you have to come back into compliance. This law was enacted in the early '80s. Beginning in the middle and late '80s, we've had appreciation that's been pretty strong and appreciation that's been pretty consistent. We haven't gone through the recession from the early '80s.

The time it takes to go from a revaluation and out of compliance depends on the appreciation. This kind of appreciation it's that second year that we're going to be out of compliance. With that as a guide it could be six years before you–every six years you could do a revaluation. If the market really does subside and cool down and the Village overall, and we have two major classes that revenue looks at, one the residential class and secondly the commercial class. If either one of those two classes falls below 90 percent it starts that eternal clock, whether the residences do or not and the commercial does it depends on which class falls out first. If it takes four years to go below 90 percent, you then have four more years to get to 100 percent. If it takes 10 years to get below 90 percent you'd have four more years. Just simply in this market the numbers work to five years or to six years because that's been the prevailing mark in Wisconsin for the last 10 or 12 years.

But the frequency, again, pretty much goes to Wisconsin's progressive tax philosophy. We know Wisconsin is number 7 in income taxes, we're number 8 in property taxes, and we have a progressive thought saying that people with the wealth shall shoulder a larger burden of supporting local services and State and local governments and schools than people with lesser wealth. That's just one of the progressive tax philosophies in Wisconsin that is framed by the Constitution and the statutes. That fair and equitable taxes are based on market derived assessed values.

Interestingly, when you look at Wisconsin and those two benchmarks we certainly are a high tax State and I don't think anybody can deny that. But if you look on an operational or an expenditure side Wisconsin is mid pack. We're 24th in the union on the total amount of expenditures and operations. But why the disconnect between being so high in property taxes and income taxes? One of the issues is lower fees. We have lower fees but it's not the biggest portion.

The biggest factor forcing Wisconsin to collect more taxes to support operations and expenditures is the fact that we get very little money back from the federal government. Much like Pleasant Prairie here, people in the Village send a great deal of money through their income taxes to the State of Wisconsin that gets redistributed through the State, not necessarily coming back to the Kenosha Unified School District. Here in Wisconsin we send a great deal of our income taxes to the federal government and we as a State get less than what we send out. It goes to other States that have different programs. So if we're not getting money from the federal government we end up having to pay more in income taxes, income taxes go to provide some relief in property taxes, but what doesn't get provided we have to pay for the property tax. Wisconsin has a reliance on income and the property tax because of its progressive nature.

Paragraph four says that in a larger sense, though, what is happening in Carol Beach is symptomatic of what is happening to many areas in the State of Wisconsin. Appreciating areas are being forced to carry a larger share of the burden and getting less back due to the fact that they are rich areas. This sounds like Socialism, something Mr. Clarke brought up, and is not the American Way. We reject the notion that nothing can be done about this and demand that you as our representatives become or get a little creative.

I think here this is true, the same is happening through Wisconsin. When I go and listen to other assessors, when I talk to policy makers and legislators, I know when I talk to the people at the Department of Revenue this is an issue throughout the State. That's why it's become a gubernatorial issue in Wisconsin. But getting creative, the assessment methods and procedures are governed by the dictates of the facts of the Constitution and the facts of the Wisconsin Property Assessment Manual. They require assessors to perform a certain way and that way is to use sales evidence. Facts are stubborn things. Whatever may be our wishes, our inclinations or the dictates of our passion they cannot alter the state of facts and evidence.

So what I was saying before, not all people that are employed in government may truly believe that property tax currently as it exists is the best way but right now it is the way, and we do our best to try to make sure that if it's perceived to be unfair to the public then the least we can do it try to make it as fair as possible. In an attempt to show that, these are the sales of property that have occurred this year after the revaluation through September of 2006. Again, I apologize, this is a lot of numbers but this does point out–the amount of numbers are important because it points out exactly what has happened in the Village since January 1, 2006, and it gives you an indication of how well our assessments as of January 2006 have performed with the sales occurring subsequent to that.

Much like last year, when we went through this last year, this is the assessment ration and the inverse gives us the approximate increase in value based on the neighborhood type. For instance, condominiums last year going into the revaluation condominiums on average needed to increase 10 percent in order for the assessments to become more aligned with what the gross sales were. Again, the example always of the lakefront property increases of 41 percent were in order. When we look now at 2006 we can see, and I use these bright lines because it gives us kind of a stratification, it helps kind of stratify the data easier. But here there were 23 sales in what's called the rural and highway neighborhood that after January 1st have sold for an average of 11 percent more than this new assessment. Now, this is probably one of the most diverse neighborhoods in the Village. It consists of Highway 31, 116th Street, 104th Street, 39th Avenue, generally the main arterials going through the Village with a mixture of home types, property types, some acres, some small lots.

But when you look here, even in Carol Beach, there's been 27 sales in what we generally refer to as the two neighborhood groups, and this excludes the lakefront. Carol Beach east of the tracks, even though the residents feel very passionate that their values are too high as they exist right now, those 11 sales on average have occurred for 9 percent more than their current assessed value, and the average sale price east of the track is $242,000. Now, this is just an average of 11 sales. And the gentleman here who indicated that he's looking to sell his property but is somewhat dissuaded because of all the properties that are listed for sale, and Alex had indicated he had three realtors told him it's assessed too much, too high. Well, this evidence indicates that the assessments in Carol Beach east of the railroad tracks are 9 percent or low. Out west of the railroad track there were 16 sale that have occurred since the first of the year for an average of 8 percent more than the new assessed value. And, again, the average sale price there was $234,600.

When you look at the lakefront property, this is the waterfront and I apologize because this color looked better on my screen than on the wall, there were three sales. The average sale price was

$1 million which is somewhat misleading, but on average the sale prices were for four percent more than our new assessments. So if we go through these neighborhood groups, for instance, condominiums, the 28 sales since the first of the year indicated they've sold for 2 1/4 percent more than this new assessment, all the way down to these non aligned and some of them odd descriptor, but this is essentially Pleasant Homes, Green Tree Estates and Timber Ridge, three small subdivisions of modest housing stock in the southern part of Pleasant Prairie that really aren't aligned with much else in that area. Here 17 sales indicate the modest increase or appreciation of two percent since the first of the year.

Overall, you can see that the 211 sales that occurred in Pleasant Prairie since January 1st occurred for about on average five percent more than their new assessed value. And the average sale price is $272,159. Well, this is all fine and dandy, but it does give a sense that our assessments as of January 1st based on sales evidence from 2005 and 2004 adjusted for time up until January 1st have performed very well based on the sales that have occurred. Our assessments are on average lower than what the properties are selling for.

Now, if we contrast that with a year ago, the sales in the first nine months a year ago, we have 211 sales that occurred in the first nine months in '06 and an average sale price of $272,000. If we look at this slide that I resurrected from last year's budget discussion, there were 249 sales compared to 211. That's a decrease in sales by 15 percent. So as you read in the paper there is a lower volume. Aggravating that there is a greater supply. One would lead you to believe it's a buyer's market and the sale prices are less. But if we look at the sales that are occurring during those first nine months of 2005, the average sale price is $255,400. In 2006 the average sale price is $272,200. So while the volume of sales in the Village of Pleasant Prairie are down 15 percent, and some of that could be due to the condominiums. Actually, in fact, I think we have more condominium–oh, no, last year we had 29. What isn't available out there. Even though there's a volume lowering or 15 percent fewer properties that have sold, the average sale price is up by 7 percent from last year at this point.

So from my perspective, from other assessors' perspectives, and really from the perspective of the Department of Revenue, this would indicate a 5 percent overall appreciation from the assessment benchmark of January 1st through September, .05 divided by .75 would mean appreciation of about 7 percent and that is pretty much in line with what we've seen in the past year to year, 7 to 8 percent in Pleasant Prairie and the rest of Kenosha County.

Socialism, I don't know if I could comment on Socialism, but that progressive philosophy in the State of Wisconsin has been here since the State was founded in 1848, and really is the basis for property assessments and the way taxes are collected to fund local services throughout the country. Whether it's the American Way–I think it was the American Way when the State Constitutions across the country were set. That's what was used. Whether it's the proper way today to do it, whether a lot of thought is going into deciding whether it's appropriate today or not, that will be decided, again, by policy makers and tax policy think tank people in the months to come.

The fifth paragraph, Carol Beach is a unique area and there is no cookie cutter way to increase assessments. Residents who have lived in Carol Beach for years are considering moving as they can no longer afford the taxes. There are presently approximately 20 homes for sale on Lakeshore Drive along - increased and unfair assessments are undoubtedly part or all of the reason. I think someone indicated they took a quick count and there were 29 properties for sale now. So just in 16 days there was a 50 percent increase in homes for sale.

Carol Beach certainly is a unique area. My office recognizes that. Even though we have essentially three neighborhood groups here, when we inherited the job of assessing properties in Carol Beach in 1995 there were two neighborhoods, on the lakefront, off the lakefront. Today we've done what we can to try to address the different micro location aspects of value to identify what really creates value in this large geographic area that we commonly know as Carol Beach and that the Property Owners Association identifies as east of the tracks and north of 116th Street. We have 12 neighborhoods to help us do that.

Even this year we created our 12th neighborhood in that we sliced out Unit 2 from what was referred to before as Carol Beach south. If I go back here, Unit 2 was created this year from Carol Beach south. You can see it was something appropriate and it was the time to do that where the average value in Unit 2 is now $203,000, and the average value in Carol Beach south was at $221,000. The significance of this is that when I set out to value these properties in Carol Beach Unit 2 I'm going to use the sales from Carol Beach Unit 2 to give me the best indication to what the appreciation has been, what those one story or two story homes have sold for.

In the past we pretty much dealt with Carol Beach south, including Unit 2, as a group. We did this this year and surprisingly there were still increases but the increases were somewhat less in Unit 2. We had fewer calls and fewer complaints about the people that are in Carol Beach Unit 2 than in years past. Which kind of leads to how many calls do we get? This year we received 274 calls from the people in Pleasant Prairie. When we perform a revaluation like this we expect calls, and certainly my appraisers and I talked to a number of people that have waterfront property.

It says increase in unfair assessments are undoubtedly part or all the reason. I guess I take issue to that. The assessments increase. There's no question about that. Whether they're unfair that's a matter of opinion on how you believe the tax structure in Wisconsin whether it's a fair structure or not. Right now, like I said, people support services based on the values of the property they own. I do know that there are many neighborhoods in Pleasant Prairie that have average values greater than these five neighborhoods in Carol Beach, specifically these three. But there is no question that the lakefront properties do show a large portion.

It isn't necessarily the assessments. Alex had alluded to this and I'm glad you did. I talked to John recently on the phone, and there's always a story in the paper, but I think it always go under-reported to a degree. I have read in the paper, and I've listened tonight about people that are upset about values in the Village of Pleasant Prairie, and they're upset with the amount of taxes that they pay here in the Village. I know the Board struggles every time at budget time to really determine how much more to levy because that shows up on the property tax bills.

Alex mentioned earlier that the Unified District is increasing their levy 11 percent. That's not an insignificant amount on two respects. One, it's 11 percent. That's a large portion. Now, if we keep in mind the consequences of that, though, always more illustrative and I apologize I don't have a slide illustrating that, and don't quote me on this, but I believe the tax rate for the Kenosha Unified School District is somewhere approaching $9 per thousand. It was $9 per thousand last year. An 11 percent increase in that levy kind of reflects $1 per thousand increase, something in that neighborhood. Whether it's 90 cents or $1 it's going to be something like that. The implications on that on a $100,000 home is $100. The implication on a $1 million home is $1,000. Now, here in the Village, the Village Board has the responsibility to oversee the Village tax, the Village levy. Right now the Village levy we're going to about $3.11, but from last year's equalized rate we're talking an increase of 4.7 percent, which is a significant increase, and based on the new construction we're allowed to do that.

But even something less than 5 percent on $3.50 when it comes down to it, it's about 15 cents per thousand. So there's a large outcry, people here in the press, about the people in Pleasant Prairie spending too much money. And yet 15 cent per thousand on a $100,000 home is $15. 15 cents a thousand on a $1 million home is $150. And there's a large outcry. Yet there really has been no outcry in the press and no outcry to the fact that the school budget is going to cost a $1 million home $1,000 and the school budget is going to cost a $100,000 at $100. So I'm glad Alex had brought that up. Because I think it really is the taxes rather than the assessments that people are concerned with.

In the sixth paragraph, we formally petition that the increased assessments for Carol Beach be re-evaluated in keeping the values consistent with the majority of homes rather than the exceptions. I think this shows the neighborhoods in Carol Beach. This shows the average value of the properties. I really don't know what that last one is really requesting of me to do, but I can say to the Board and for the people present here that the assessed values in Carol Beach were based on the majority of the sales, the majority of the sales that occurred in Carol Beach rather than the exceptions and that these average values really point that out.

I hope I touched on most of the points. I'm not sitting here as an expert in global tax policy, but I do have a pretty good background in property assessments, and because of the years and experience I've dealt with revenue and other people with their concerns regarding the statutes we live under in doing this for a number of years.

John Steinbrink:

Questions for Rocco or comments? We have questions, but if I open this up again then I've got to open it up to everybody.

Rocco Vita:

Specifics are very difficult for me to deal with because I don't have information about a specific property. I would encourage people with specific questions to give me a call.

(Inaudible)

Rocco Vita:

As Alex pointed out, some of the information, there were different increases on different properties because there's different specifics regarding each property type.

(Inaudible)

Rocco Vita:

I don't know exactly where you live to know–

John Steinbrink:

These are specific questions, and we ask that you call Rocco with these specifics.

(Inaudible)

Rocco Vita:

This gives you, and I indicated at the time there were three sales and that could be misleading.

(Inaudible)

Rocco Vita:

When you have a bulk of sales it's a lot more relevant. These three sales, average total is $3 million so they average to $1 million. When personal property is included in the sale price, it's noticed on the real estate transfer form and we don't use that in the valuation process. As for other kind of financing, it's pretty clear from the Department of Revenue's opinion that a property sells for what it's worth, any creative financing included in the sale price goes to the sale of the property. But it is important for us to understand some of the aspect of the sales and try to ferret out as much as the property owners, buyers and sellers, are willing to share with us. And sometimes for legal reasons they aren't willing to share with us because we have too close of an affiliation with the Department of Revenue.

(Inaudible)

John Steinbrink:

I can't open this up to questions.

Mike Pollocoff:

Point of order, Mr. President. None of this is going on the record.

John Steinbrink:

Rocco, I can't open this up to questions like this. This enters into another forum. If you have specific issues call Rocco's office. He's more than willing to discuss your questions with you. Comments or questions from the Board?

Jeff Lauer:

Rocco, just a couple questions and a comment. For values, be it Carol Beach where I live, that let's say sell for an extravagant amount, during the evaluation process if you know that to be true can you exclude that from part of it from affecting other surrounding things? I like Alex's comment with Bill Gates. If he wants to buy I want first dibs on him. But is that done or is that able to be done if that's the case? Like they said a lot of properties down there at $1 million may or may not be worth that can we–

Rocco Vita:

I think when you find in the analysis process when we do set the values that there are sale that we don't let enter the analysis because of that. If becomes much clearer when you, for instance, look at sales in a geographically or environmentally defined neighborhood of similar desirability, and you see that the amount of proposed increase is similar on many of them. And our method is a method of means and we're going to gravitate to the average, but there's always going to be outliers high and low. We certainly do in some instances eliminate those very high sales and eliminate some of the very low sales simply because we just don't understand what transpired, whether stress or whether compulsion on one part.

On the lakefront it's a diverse community. There are different economics packed in the sale of properties on the lakefront property than in Mission Hills, for instance. In Mission Hills they're all owner occupied homes. This could be someone's second home. It could be purchased by somebody that has a great deal of wealth, and generally people with a great deal of wealth are pretty bright people. And the question then becomes why are they willing to pay more than the property's worth. And if they are for any intrinsic reason such as location, such as quality of the lake or the quality of the home, that needs to be reflected in our assessment or our description and have that reflected in the assessed value.

Now, what you termed the absurd example, $2 million for a property worth $200,000, certainly we have that going on today and we don't let our sales enter our–not on the lakefront, we don't let those sales enter our analysis when someone purchases a property for a different use, for example.

Mike Serpe:

I think I know the answer to my own question here. But the market being flat as we're experiencing right now and 29 homes for sale on Lakeshore Drive, my guess is that the asking prices are going to be probably coming down if the indicators are that the market is going to remain flat for a while. That being the case and when the prices do come down, the sale price of that home is going to reflect the next assessment in a downward way.

Rocco Vita:

Correct. Much like last year when we had this tier here. Like I said, the condominium increase they were performing less than the community as a whole. And last year the community as a whole was 16 percent. That's right in here. So these properties really were performing a little better than the community and this less than. People in condominiums that had a 10 percent increase this year will have a decrease in their taxes. Again, last year, this nonaligned neighborhood comes in again. Again, this is Pleasant Homes, Green Tree and Timber Ridge. They weren't performing the same. And if we look at this year, again, they are performing in the bottom tier. So we're really using the sales of these neighborhoods to value these properties.

If the waterfront properties that will sell in the next year and a half or four years or however many years indicate a stabilization, that's my job to create assessments that reflect that. Like I said, it's a lot more work if I generate assessments that I can't defend versus assessments that I can defend.

Jeff Lauer:

The other question I had regarding the chart there, the inverse, like the total sales amount excess is the assessed value. I think I know the answer, but is it because the State says you have to, I don't want to use but I think you used the word to inflate the property, is that a must because the sales price was higher?

Rocco Vita:

When we perform a revaluation we use one benchmark and that bench mark is market value. So this is simply an example saying that the 23 sales in . . . this was their total assessment and this was the total sale price of those 23 properties. The Department of Revenue uses this column. They call it the assessment ratio which is very difficult for the public and most people to understand. It is saying that the assessments are 89 percent of what the property sold for. The more realistic way of looking at it and how it really impact people that they understand is that if we were to do our job adequately as a result of these 23 sales and adjust our assessment so that they better reflect what they sold for, it would mean on average an 11 ½ percent increase in the assessed values for the properties in that neighborhood.

Now, we do further stratification. This is a gross look at 79 neighborhoods. So within each neighborhood we have different styles of homes created at different times of history, but this on average gives us a benchmark. The Department of Revenue is looking here and saying, oh, Pleasant Prairie is five percent low. We say, well, that might be overall but there are some neighborhoods that are one percent off and other neighborhoods that are nine percent off. We do our analysis in a more specific mode.

Jeff Lauer:

And I think that's where the issue comes and it's not obviously the assessors. It think the two things citizens don't like are tax guys and assessors. But this is where I think it comes at the State level where we have to follow a certain procedure and where I agree with Alex that maybe there has to be a movement started somewhere. If you look at the total sales, because certain property owners sell for more of a market value that is their money. That is their investment. It is not the government's money and that's where I think the State of Wisconsin screws it up because somebody makes more money they should pay more. I don't necessarily agree with that because the people are taking a risk on these properties in hoping to sell. Now we've got 29 houses down there that they're probably hoping to make some money or more than what they probably are going to make.

So it's not necessarily and I'm not saying it's Rocco's fault. We have to deal with what the State says but that's the problem with government. They want to keep taking and taking an taking. So maybe we should do something. Maybe Wisconsin has to change their constitution and how they do assess the homes in the State here.

Mike Serpe:

Rocco, Alex mentioned the fact that if we had a five year revaluation maybe it would take some of the bumps out of the road with some of the speculators out there trying to make a big buck on a quick sale. Is that your opinion as well? Do you agree with that?

Rocco Vita:

Again, if we had a revaluation every five years it would change the frequency that people got assessment notices. If the market continues, let's say it continues at six or seven percent a year on average, then the average increase would be 30 percent instead of what it was this year. It doesn't mean, though, that we'd use a five year sales base. It would mean that we use the most recent sales base. If we were to use a five year sale base it does present some statistical issues in that the value established is as of January 1st. If we use a sale that's five years old, it needs to be adjusted up to January 1st. Now we're assuming appreciation over a five year period which is more dicey than simply saying if we have enough sales let's use these sales from the last two years to give us the best indication of the most recent market value.

I can understand the concern. In the past we have had the issues. The people on the lakefront don't want to see their values increase 41 percent. People in Carol Beach east don't want to see their values increase 20 percent, and right now that's the majority of the people sitting in this audience. Conversely, the people in the condominiums and these people in the bottom tier aren't having the appreciation that the people up here in rural character one or the City associated or south Kenosha have experienced. And it goes to that progressive philosophy of Wisconsin government that you pay taxes based on the value of your property. The reason the Legislature required assessors to make more frequent revaluations is because going too long of a period this dichotomy or this split becomes too exaggerated. So all a more frequent revaluation does is really just reset that market value benchmark because the Constitution says that's fair and equitable. But there's a lot of passion and a lot of emotion involved in that as you know.

Mike Serpe:

I have just one last comment. There isn't a person in this room that wouldn't sell their home for as much as they could possibly get and me included. Unfortunately, when you have a desirable area as we do on Lakeshore Drive, there's a certain amount of greed that came into play here with a lot of people that picked up properties and sold it for huge amounts of money. And to those of us that want to stay in our homes and remain where we're at and continue our life the way we've known it for years, you get caught up in that greed because now we're going to be paying a higher assessment and more taxes because of somebody else's profit that they wanted to make.

All you people here are probably long-term residents. Some of the people, your neighbors, were here for a short period of time, made the big buck and they're gone and we're paying the piper for it. Unfortunately I don't know how until the State law changes that we can do it any other way. It's just like everything that's happening in America right now it seems everything is based on greed, how much more can we rip the people off for, oil, gas, property, bread and butter. You name it and everybody is making a big profit and now they're making a big profit on where you live.

Steve Kumorkiewicz:

My comment is everybody complains here about the assessments over and over again but it comes more from the State level. . . . change of assessment back in 1970, we have to remember in 1970 the resident paid 50 percent of the taxes. Now they pay 69 percent of the taxes. Now, where did the difference come? The difference came because manufacturers used to pay 17.6 percent of the taxes. Now they pay only 4.1. So who pays the difference - we're the ones who are paying for that. So nobody complains to Madison - we have the mandates here and not the money. They get the money and we keep trying to run the community. I live in one of the cheapest houses in the Village for 43 years in Pleasant Homes. I have a 28 by 38 house framed one floor and my assessment is $118,000. Can I compare my assessment with Alex? No. His assessment is going to go this way and my assessment is going to go this way because nobody wants to buy my house. And the property taxes . . . for five years . . .paying a premium tax. I'm going to be paying the . . . because when my property is going down, should be going down, I want to pay the taxes right here for five years. Consequently it should be going this way. But the Lakeshore is prime property . . . going up and that's exactly what the State . . . proportionate of the value of your property.

. . . fixed income you're going to hear me . . . I think two years is more fair because it's keeping up with the value of the properties. I don't think that the . . . we've got right now is . . . is going to last. I think it's going to eventually bottom. Right now we're on the bottom. . . . going up again and I think we're going to talk a little bit different two years from now. That's all I can say. Let's not forget - complain to Madison. They don't get the complaints.

Alex Tiahnybok:

Well, Steve, I knew you couldn't resist so I have to comment now. My assessment is 12 times as much as yours. I'm going to pay 12 times as much taxes. There are people whose assessment increases are double your assessment. You're worried about your little tiny tweaks while people are being increased twice your value. I'm sorry. You have a $100,000 house. But that doesn't mean that somebody who has a home somewhere else should get double the increase of your value and be happy about it. You're not subsidizing anyone. Let's face it.

Steve Kumorkiewicz:

I do. I live on a fixed income . . . 70 years old . . . .

John Steinbrink:

I'm going to return this more to the agenda item.

Alex Tiahnybok:

Okay, I have more. Rocco, again, I wouldn't have done that if he hadn't brought that up. The internal clock, you said on the five year process once the valuation is more than 10 percent out of whack then the four year clock starts from that point forward? That's what I heard you say. I'm not sure.

Rocco Vita:

Right. As the letter stated, once in every five year period the community has to be in compliance. In Pleasant Prairie we have two classes of property we need to be concerned about, the residential class and the commercial class because they're both predominant classes. Once the sales on average are 10 percent more than the assessments or the assessed value drops below 90 percent of what they're selling for, they have four years to get back to compliance because the year before they were in compliance, even though it might have been 91 percent, the next year they're out of compliance in every five year period.

Now, there are exceptions in that they give you a warning, but that means the year of the warning my staff and I have to go to assessor school and waste a day or two or a week because we weren't good assessors. And, furthermore, if we don't do it the next year the Department of Revenue puts it out for bid and they supervise the revaluation.

Alex Tiahnybok:

But the honest to goodness minimum period of time in which you have to do a revaluation is five years? You can't be forced to do it any more often than that, right?

Rocco Vita:

Yes.

Alex Tiahnybok:

And we opt to do it to keep everything in balance.

Rocco Vita:

We opt to do it every two years because it keeps updating the neighborhoods.

Alex Tiahnybok:

Fair enough.

John Steinbrink:

I think if you look at this you'll see that our values change quite a bit. If we did not do this within two years it would be such a fluctuation in there. I don't think you want to be locked into five years just as an the example stated when if you get caught at the high end and prices go down you're locked in at the high end and you're going to be one unhappy camper if you're not going down with the rest of the market. Then there's adjustments made for that within the statutes.

Alex Tiahnybok:

There's an incredibly simple solution to account for that and that is if an actual sale occurs that becomes true market value. So if in the course of the five years people leave that's the new market value. Another comment is if you do it in small time increments really there's a number, it's actual sales of 211 properties, right?

Rocco Vita:

In the first nine months, correct.

Alex Tiahnybok:

Out of about 5,000?

Rocco Vita:

I think it's like 5,800 now. I don't recall what percentage it is now. I did calculate it out.

Alex Tiahnybok:

It's about four percent. We're basically taking the risk of driving people out of their homes because we're making our guesses on the basis of four percent data. I've got a problem with that.

Rocco Vita:

But that's four percent in nine months of one year. If we go over two years we've got ten percent sales and really that's quite a luxury. It's not a guess at that point. Sincerely, it's not a guess.

Alex Tiahnybok:

I still think the time horizon is too short and we're not capturing enough real data and we're just extrapolating it. Again, there's a stretch of properties that went up $180,000 based on land value. Again, I don't see how they benefit from a sale that actually occurred two blocks away from them. They're not impacting the Village's expenses any more than they used to and they're paying close to $200,000 more.

My last comment is the concept of taxes going in and out of the State of Wisconsin or in and out of Pleasant Prairie. If you look at the federal level you said that Wisconsin sends a lot more taxes than we get back from the federal government. Well, shame on our representatives. If Kohl and Feingold and Ryan even, I'm a Ryan supporter, but if Ryan isn't bringing the cash back shame on him, too. State level you know exactly where I'm going with this. We have a State Senator and a State Representative that sits right here, and if we have $20 million or so of revenue leaving Pleasant Prairie in the form of taxes and less than $1 million coming back that's a big problem, too. I'm done.

John Steinbrink:

Well, for the rest of the story, Alex, we all know that property tax is probably the most regressive form of taxation we have and it's clear by the people here today. It would be nice to change it. Unfortunately Madison, the folks that Alex and Jeff support, have decided that gods, guns and gays seem to take priority over Wisconsin and Wisconsin families. We don't want to address issues affecting Wisconsin families such as taxes. The big cry was tax freeze. That's all you heard for the last years, TABOR, tax freeze. That doesn't lower your taxes. That doesn't change the system. That locks the system in place and that's where we're at now.

Some people brought up the question why is the Village going to referendum to pay for items such as an ambulance, fire truck, dump trucks. Well, whenever items such a fire trucks, dump trucks, ambulances came up before, the Village Board had the wherewithal to raise the mill rate accordingly, bond for the fire truck, ambulance, dump truck and pay it off. But under the tax freeze we don't have that anymore, and the law states we go to referendum.

Now, if you go back to Alex a couple weeks ago said, well, I sat down with the Village of Silver Lake President and he said he doesn't have a problem stashing money away and paying for fire trucks and ambulances and dump trucks. But then we pointed out your mill rate is $3.54. Silver

Lake is $6.49. If you think your taxes are too high now try paying that. If you want to pay the City's rate that's $9 plus. Try paying that. This Village is the lowest and second lowest in the State as far as taxation. We probably have the lowest cost of services probably in the State also for police and fire protection.

So if you want us to stash your money away at higher rates and then pay for these things that's fine, but we can't do that either. If you want to pay all the costs, we're a growing Village so we say how do we spread this out to new development so they pay their fair share? We tried something called the impact fee but that got turned over pretty fast and that's where new development paid their share. But a lot of that was taken away from us, too. So when we go back to just our mill rate if you want to be socking money away for things and all of this new development comes in and they haven't paid their fair share for this and you're paying an unequal proportion that can be done, too, I guess. But then you're going to be paying more.

The other question was why all the fees in Pleasant Prairie? Because under the tax system there's tax exempt properties like the power plant. We don't get our fare share out of the power plant. That's one of those that you give but you don't get it back and we've tried. But unfortunately there's a lot of people out there getting a good deal out of our money and we're not in the majority as far as getting that back. But when you do a fee you're able to assess those people for the services you're providing them. Under a tax you cannot assess them so you would be paying an disproportionate share of the services in this Village if it was put on the tax roll because we couldn't be charging those. If there's a fee we can pick those up.

So there's a lot of little things with this as far as how it comes out. But if you look at the bottom line, the total cost, you pay less here for your services than probably anywhere else in the State for a community of our size and for the services we provide. Everybody has a take on this as to what's this, what's that. Rocco, do we assess any differently than anybody else? Is there any special thing we do different?

Rocco Vita:

No.

John Steinbrink:

So nobody is getting railroaded by the assessor's department. And if you do feel you were railroaded, there's a channel to address that issue. Mr. Horvath had a lot of questions back. Unfortunately I can't get a dialogue going back and forth here because then Mr. Hauser wants to speak, Mr. White wants to speak and the main topic tonight's meeting is actually to work on the budget for next year. This was addressing the correspondence received. I hope we addressed a lot of the issues brought forward. Rocco has laid it out pretty clear that the values they set really aren't exorbitant. In fact, the properties then in turn sell for more than what their assessed values are. So he's within a range of being can I call it competent, fair, reasonable. But if you do have questions I urge you to call his office, come in, sit down with him, discuss the issue and hopefully you'll get an answer that's satisfactory to your question.

Unfortunately in this forum we cannot provide a lot of those answers to specific questions because you need to be comparing apples to apples here. If we start taking the broad look at everything it's not going to be a just comparison. So if there are no further Board comments.

Steve Kumorkiewicz:

One last question for Rocco.

John Steinbrink:

Okay. I don't encourage it.

Steve Kumorkiewicz:

Rocco, what is the total assessed value of the Village right now, total?

Rocco Vita:

Based on the level of assessment which is 1.013 that modifies the manufacturing assessments up 1.3 percent, the total assessed value is very close to $2.5 billion.

Steve Kumorkiewicz:

From that how much is exempt?

Rocco Vita:

About $1 billion is exempt. A little north of $1 billion.

Steve Kumorkiewicz:

Not for the record, for the newspaper so the people have an idea of how much tax exempt we've got in this Village. Thank you, Rocco.

John Steinbrink:

This is Item 8, correspondence. Motion to receive?

Jeff Lauer:

I just had a comment. You brought my name up, John, about Alex and I supporting in Madison. I'll tell you who I support. I support those who have the guts and the cannoolies to do what is right and to be able to stand up and fight for people and not be on party lines. You have put the position of locally here over the years you've been on the Board in a bad position. The Fire Department should not or any other services that we provide should not be going to referendum for an ambulance if you in the past would have budgeted for it properly and put money aside.

Silver Lake their mill rate might be $6 and something but you know what they don't have the taxing base as Pleasant Prairie does. They don't have the industrial park as Pleasant Prairie does. That's who I support, people who are going to take the lead at the State.

I don't remember reading you over the history of being up there doing or fighting something. I remember one man, and I grew to admire him, was Mark Newman back in '94 when he went to Washington he turned 500 people upside down because he had character–

John Steinbrink:

You also . . . Great Lakes Composite Center out of Kenosha–

Jeff Lauer:

Don't interrupt when I'm talking, John.

John Steinbrink:

–and sent it to South Carolina–

Jeff Lauer:

John, don't interrupt when I'm talking, okay. Be an adult if you can, John. So that's who I support. Don't be throwing my name around. I support people who have got the guts and the character. That's something that a few people lack up here.

John Steinbrink:

Then you're pretty proud of the job that's done in Wisconsin right now.

Jeff Lauer:

I'm not proud of what you've done.

John Steinbrink:

I need a motion on Item 8.

SERPE MOVED TO RECEIVE AND FILE THE CORRESPONDENCE FROM THE CAROL BEACH PROPERTY OWNERS ASSOCIATION; SECONDED BY KUMORKIEWICZ; MOTION CARRIED 5-0.

9. UNFINISHED BUSINESS

A. Consider Ordinance #06-51 – Ordinance to Amend Chapter 68 of the Municipal Code relating to Naming Village Facilities and Streets.

John Steinbrink:

Jeff, this one is yours.

Jeff Lauer:

In the packet which is stapled there's three pages, and on the last one of it is Mike Serpe's amendment on it along with Alex's as it was agreed to at the last Board meeting. Also, I do have a handout and for the record a handout. There was stapled to this not the appropriate document, so I do have for the Board even though I did e-mail it to you for the record. I've got one for Jane, too, the final copies that were done. So that mine with this ordinance which was noted last month with the updates by Mike Serpe and Alex I would vote for approval of it.

Mike Serpe:

I'll second that for the purpose of conversation. John, I'll second this motion and I would also call it to question. I think we've spent enough time on this. I don't know why it came up in the first place, but as long as it did come up we discussed it and we came to consensus last meeting. I call the question on it now.

John Steinbrink:

We have a motion. Do we have a second? Okay. Discussion?

Alex Tiahnybok:

I haven't gone through it with a fine tooth comb. But is the version of 06-51 is the top copy now the–the second copy is the revised version?

Jeff Lauer:

It's actually–

Alex Tiahnybok:

Because at the last meeting we agreed to insert the last paragraph.

Steve Kumorkiewicz:

So now which one are we at? We have another change? We're going to spend more time on this?

Jeff Lauer:

It's the third one. For the record if you want I can read 68.20 so at least there's a reference in the minutes for it. The reference 68.20 A., "If the Village Board of Trustees finds it necessary to have a road, street, park, natural area, building or room bear the name of a Pleasant Prairie Trustee, official, or an employee for extraordinary service, this honor shall only be conferred after they are retired or not an elected official."

Steve Kumorkiewicz:

Which one are we talking about?

Alex Tiahnybok:

The third version back at page 2.

John Steinbrink:

I'm going to be voting against this simply because of the fact . . . won't worry about trying to fix it. You go back, Terwall Terrace came up as one of the examples. It was 1995, supplement to the *Kenosha News*. I can go through here and just about every business, hospital thought it was a good idea recognizing these two gentlemen for their accomplishments on what they've done for this community. I don't see where it's such a sin to recognize people for the fine work they've done, whether they're dead, alive, retired, still working. They've made a contribution to this community.

I've sat here and sometimes it gets a little heated around here, and I've heard Board members say this is the worse job I've ever had. It came up. This job doesn't pay enough. It came up. But I never once heard Wruck, Terwall, Prange say those words. It wasn't about money. It wasn't about prestige. It was about their communities. They cared about the community. They worked hard for the community, and I think they went above and beyond for their community. If you look at Mr. Terwall his dedication, and this was even done after he had retired, for his service not only on this Board but as a fire fighter, EMT, paramedic, all the other things he volunteered and donated his time to. It's not a sin to recognize the gentleman for that caliber of work and dedication.

So if it isn't broke I don't think we should be screwing with it. But that's what this does. I think Board members have the common sense to make the right decision if they choose to name something in honor of a person that has done exemplary service or work for their community and that's what these gentlemen have done. This is more or less a slap in the face to these gentlemen saying we don't think you're really worthy, but we'll tone this down and say, hey, we'll clean it up a little. But never once did they say it was the worse job I've ever had, this job doesn't pay enough, and what don't I have to do today. They volunteered. They took a lot out of their private lives and time away from their families to make sure everybody here had a better community, better place to live, a better family, safe environment and something we can all be proud of. So that's why I'm going to vote no on this resolution. Other comments or questions?

Steve Kumorkiewicz:

It looks to me like it's taking revenge in people that create a Village by people that didn't even live in this Village when the Village was created, and we're wasting our time, big time, with this. I'm going to vote no because I don't accept this. If it works don't fix it.

(Inaudible)

John Steinbrink:

I think this Board would be open to that if you brought that forward, ma'am.

–:

I'm going to next week.

John Steinbrink:

Other Board comments or questions?

Jeff Lauer:

Just a comment. Notice on the ordinance 68.20 it says deceased Trustees. It should probably just say Trustees and not deceased. Mike just caught that. It should say retired. So change deceased to retired.

Jane Romanowski:

There's a motion and a second.

LAUER MOVED TO ADOPT ORDINANCE #06-51 – ORDINANCE TO AMEND CHAPTER 68 OF THE MUNICIPAL CODE RELATING TO NAMING VILLAGE FACILITIES AND STREETS; SECONDED BY SERPE; MOTION FAILS 2-3 WITH STEINBRINK, KURMORKIEWICZ AND SERPE DISSENTING.

B. Consider Underground Facilities Locating and Marking Service Agreement.

Mike Pollocoff:

Mr. President, we received proposals for providing underground facility marking services to the Village. It's something we used to do ourselves. Legislation this last year changed the requirements on what we have to do and we don't have the personnel or the equipment to do that. We received two proposals, one from Precise Underground Marking Corporation and the second from SM&P. At first blush the prices for Precise look a little bit higher than SM&P, but SM&P for every locate we do or request, so if we have sewer, water, storm sewer and in some places we have power lines, that would be four locates. And for SM&P they charge for each individual locate. Under the Precise one they have a specific schedule where the fourth would be the price. So under a Precise quote it would be $17 to do all four. Under SM&P it would be $12.25 times four to do it. So I'd recommend that we authorize the Village President and Clerk to enter into an agreement with Precise to provide underground marking services for the Village.

SERPE MOVED TO APPROVE AN UNDERGROUND FACILITIES LOCATING AND MARKING SERVICE AGREEMENT; SECONDED BY TIAHNYBOK; MOTION CARRIED 5-0.

10. NEW BUSINESS

A. Receive Presentation of the final pre-referendum 2007 General Fund Budget.

Mike Pollocoff:

Mr. President, I'm going to start off with this and then Kathy is going to finish off with it. There's been a lot of discussion. In effect, I heard some troubling discussion tonight from the dias about what brings us to the referendum and how we get to this point. I think that there's a number of things from a budgetary standpoint that clearly has happened, from a community standpoint that puts in the position we're at. We are a growing community. We have more and more services and requests placed upon us each year but our budget hasn't kept up with that.

Our Village population has gone from 17,675 to 18,990. We're almost 19,000 people. 2003 was when the Village Board decided to participate or voluntarily put a freeze on the budget in alignment with what the State of Wisconsin was looking for at that time. So at 2003 is when this began. At that time we had 17,000 people.

Next slide. In that same intervening period we had 112 miles worth of roads in 2003, and we're anticipating in 2007 we'll have 122 miles of roads. In 2006 we have 119 miles of road. That's roads that we plow, we put salt on, we sweep, we clean, there's storm sewers associated with each of those roads that we take care of. All that has happened over the four year period that the freeze has been in place.

Housing starts in the Village. A little bit different. You have two lines there. That top line is the total family units. You've got a big bubble in 2002 of multi-family that came into the Village. That's dropped off as housing has. Basically housing starts, although they've starting to come back, they haven't been that significant. But it what's really hard to get your hands across and it shows up in the population numbers there's a lot of in migration in the Village into existing housing stock. So not only do you have new homes being built, but the people that are moving to Pleasant Prairie are replacing smaller families where you have two people with no kids or retired people being replaced with the families with children. That's why our population is increasing.

Fire and rescue calls. Over the 2000 to 2006 period, in 2002, you can see the calls steadily climbing. Chief Guilbert will be the first one to tell you if you know how to predict when somebody is going to have a structure fire or have an MI and need a heart defibrillator, there's very few people who can project that, but we do know as we get larger we get more people and we go on more calls and that's the case over this period. We have more demand for services in rescue by over 200, 200 additional calls a year, and for fire another 200 additional calls for service.

Here's the Village property tax. 2003 to this last year you go from $770 to $796. That's the freeze that Governor McCallum and eventually Governor Doyle wanted. This is where we are. The $796 that we had last year was the first year of the mandated freeze. Did we have to freeze the budget in 2003, 2004, 2005? In 2005 we did. But it was the decision of the Board at that time based on the hue and outcry similar to what we heard tonight, my taxes are too high, freeze them. We've got to stop runaway spending. So as every indicator for demands for service that we have is rising, the amount of money that we're collecting from the average rural resident, now, Alex, I understand you live in a big house and you have big taxes and Steve has a small house and he has small taxes, but this is the average. All I'm doing is the average. If I could lump all the big houses together there would be some kind of high average for them. If I could lump the small houses together we'd have a small average, but this is the average home. It goes up roughly 3.2 percent inflation. Just the things we buy have gone up 8 percent in that same period.

What drives this? The Village Board doesn't operate in a vacuum. You talk to people. People talk to you. Alex has a whole room full of neighbors that are upset about their spending. I can tell you just from conversations with the other guys it's no different. In 2003 when we started this project, the Village Board at that time made a significant effort to cut the budget. If you look at that, and you can't read the whole thing, but Pleasant Prairie proposes cutting ten jobs and that still got us a slight levy hike. Ten people at that time out of 120. We still had to have a levy increase.

It keeps going. Proposed elimination. The editors at the *Kenosha News* were happy we're responding to the taxpayers' needs. 2003 we're proposing budgets that keep the tax rate levy. But to get that tax rate level we had to cut positions and we had to limit capital spending. So early on everybody is happy that taxes are being frozen. The Village tax levy is the lowest in the State in 2003. I have to tell you that hasn't changed. But the levy isn't low enough. You heard people tonight tell you the levy is not low enough. You guys need to–you're spending too much money. Why do we have to have a referendum to buy some things we need?

Next. Even though our levy is the lowest, property taxes rise in Pleasant Prairie. They went up I think at that point it was $6. But this is the environment we're working in. Again, we're in 2003. Hit the next one, Kathy. The Village budget needs a few finishing touches. We're going to be doing some finishing touches tonight. This is in 2005. So we sat here as a group in 2005 and I sat here for almost 80 hours worth of budget meetings with you gentlemen, and we were touching up our budget. I think that at that time I didn't hear one request for adding stuff into the general fund budget. And I also didn't hear any requests for more things to cut.

Alex, he felt as Lisa indicated in the paper that we kept this budget low just because he was here. His mere presence kept us to keep the budget down. We need to get you up in Madison and have you circulate around there for a bit. And Lauer felt–Jeff said we're using scare tactics to scare people out of what we need. But nonetheless, we voted on a budget that had no capital as it did in

2003, 2004, 2005 and each one of those years we indicated that we were passing budgets that we're not funding capital. In 2005 I think at that point Serpe said you've got $2.7 million worth of work and we've been frugal and now we don't have any money to pay for it. Here's where we're at. We ended up voting on the budget. That was a split vote. It was a 3-2 vote. The budget was still too rich for two of the Trustees and Jeff was trying to find a way to cut the levy even more, not fund capital, and cut the levy even more.

My problem with that is that–and then we're talking tonight about that we didn't plan for this. And now why do we have to have a referendum for ambulance and for rescue equipment? My goodness, I really rely on you guys if there's something in this budget you don't want that you think needs to come out so that we can fund up something else I didn't hear it. I haven't heard it up until tonight. I'm hearing taxes are high and the government is evil and we shouldn't be spending money. I'm hearing a lot of rhetoric but I'm not hearing any specifics.

So now we're at the point where we as a Board and myself as Administrator and what I recommend to you doesn't really matter. Because anything you're going to spend beyond the levy that you have has to be voted on by the voters. Either that or you have to gut operations to do that. You've got two places to go. You can't change debt. You're legally bound to pay debt, so your other option is to go into operations. So this is where we kind of run. This is how the news views it. And, to be honest with you, this is how it's come. There hasn't been any substantive recommendations on anything to cut operations.

Next slide. This is a little difficult to see, but this is for 2005 and 2006. Net property in taxes in Village's above 7,000 in population. This is prepared by the Department of Revenue and it's put out by the Wisconsin Taxpayers. Pleasant Prairie is highlighted there and I'll read that to you. Our municipal rate, equalized rate, is $3.31. Pleasant Prairie has the lowest tax rate. This didn't make the *Kenosha News*. The fact that we were raising taxes 3 percent made it, but we had the lowest tax rate in the State. Now, if we need to make it lower so that we can fund stuff in capital, okay, but how much lower do you want for a community of 19,000 people that takes care of 35,000 people a year that's growing every single year, how much lower do you want to go? And then come back and say now we're going to fund ambulances, defibrillators, jaws of life and snowplows to clear the roads?

I heard tonight that we could take tonight–we're funding the IT servers and other things. You want to take the IT servers out? That's fine. That doesn't get you any single one of those items back on the list. You can take the pickup trucks out and we'll drive our dump trucks around, and you can pay for the Hurst tool. The budget is choices, but unless people start recognizing we're at the bottom end of the scale. We're not average. We're not even below average. We're at the bottom of the scale and it's not low enough. It's not low enough for you, but we shouldn't have to have a referendum to pass for funds for the equipment we need. That referendum isn't even going to bring us to 7/8th of the bottom. So we're at the bottom. Why are we having a referendum? Because we're at the bottom. There's no more money. There's no capital left.

If somebody wants to know what freeze legislation is going to do and we've been under a freeze for two years, Pleasant Prairie has been under a freeze for four years. Everybody was happy and dancing when the taxes were low. People were running for the Board in 2004 because the people in 2003 and 2004 were spending like drunken sailors. In 2003 we were the lowest and we're still the lowest so where do we come up with the money? I've given you some cuts, but you've got to be wiling to cut operations significantly or raise fees significantly. What are fees? Fees are just what Alex talked about when he was indicating that we need to go on a per capita basis. You use for what you charge. We try to make as much of our budget be specific to what you're getting for your money and you pay for it but we can't do that with the general fund. You can't do that. I can't do that. Rocco can't do that. Nobody can do that. The general fund is our general tax budget and that's how we fund through the tax levy.

So we're at the point as you consider, as we go through this budget and you want to fund some stuff, I thought when we adopted the resolutions that called for a referendum, I'm professionally not happy about doing that. That's like saying we don't have enough money, we haven't collected enough money so we need more money from the taxpayers. Well, we're at the bottom. How much lower do you want to make the levy go? That's why we're going out to referendum because we're at the very bottom. There's no more money. We can cut a deal in Carol Beach and freeze some taxes there, we can raise some taxes here, we can't do that. We can't do any of that kind of funny stuff. Our options are to increase fees where we can raise them or go to the referendum.

This referendum that we're talking about tonight and Kathy will show you this is scratching the surface. You think back to the document I gave you you're still leaving out some significant public works equipment that's off the table. The road program is off the table. So if you want to cover an ambulance, a snowplow, defibrillators and a Hurst tool within the budget you need to cut that much money out of the budget. I didn't and I'm disappointed that I'm hearing it out of you I didn't take public safety and stick it out for referendum. There's a snowplow out there. I believe that's part of public safety. We put $100,000 of squad cars. That was the first thing that got funded in the base for capital. If you don't like the fact that there's three pickups funded, take it out. We'll take those trucks off the road and we'll use dump trucks. If you don't like the fact that there's servers in there take them out and we'll run these things into the ground. But those are the same servers that are providing the information to the people that use it. I think it's penny wise and pound foolish. But if you want that out, take it out. None of those things that are in that funded capital are going to completely fund what we have to go to referendum for.

You can cut salaries–well, you really can't cut salaries because the majority of your personnel costs are covered by union agreements unless you want to breach those. And your employees aren't overly paid. Our raises are running between 2.5 and 3.5 percent at the tops, and that's in line with every other local government. In fact the 3.5 percent is the group that mirrors Kenosha County. Our police officers and fire fighters renegotiated last year, we got them to renegotiate down to 2.5 percent. They gave you money last year. The employees accepted an extra $1,000 deductible last year on their health insurance plan and they agreed to pay some. You won't find another municipal government that has much of an insurance participation by the employees as you have in Pleasant Prairie.

So as we go through this budget tonight I've given you my recommendations, but I'm telling you right now you're as low as you can go. If there's things you want to cut in this budget speak up. This stuff of going back and forth and saying we're throwing out things in referendum we shouldn't have I can't believe that. Frankly, Mr. Lauer, when you talked about being honest and straight forward, last year you sat there and you wanted the levy lower and now you're telling me that we didn't plan well enough. Well, what the hell. Either we adopt the levy that funds what we're going to do or you stand up and say, listen, I shouldn't have argued for a lower levy because we had things to buy. Those same things were on the list last year. That ambulance, that plow, everything was on the list last year. Now you're saying–

Jeff Lauer:

Watch how you talk to me. I am the Trustee. Don't get sarcastic with me.

Mike Pollocoff:

You're a Trustee because you were elected.

Jeff Lauer:

That's right and I supervise you.

Mike Pollocoff:

But I'm telling you you're saying that it wasn't planned. You were part of that. Accept some responsibility.

Jeff Lauer:

I was part of it? You plan for an ambulance not a year out. You should do it four or five or six years out.

Mike Pollocoff:

Well, you couldn't even plan for it last year, right?

Jeff Lauer:

We went by your things that you've done in the past, Mike. Evidently you didn't plan properly though you're going to make over $111,000 this year.

Mike Pollocoff:

My comment is it's time for those games to stop. If you really want to support this stuff you've got to put it in there now. Because now you have one option, cut or go to referendum. Kathy, why don't you start with the budget document you have, and I encourage you to look through this and see if there are things you'd like to change or modify. We haven't put this on the website yet for one reason, you guys aren't done with it. You're not done with it. I haven't heard a consensus from this Board as to what your proposed levy is pre-referendum. We're going to have the referendum. We won't have our budget hearing until the referendum is done. So when the referendum is done we'll have from that date going forward we'll set a hearing for what's going to be in the budget. You can still change it at that point, but until we have a document that's been accepted by the Board I don't know what to put out there.

Alex Tiahnybok:

The Kenosha County budget is proposed. It's not a final document. It gives people a change to–

Mike Pollocoff:

But that's a different document. That's proposed by the County Exec. He's a statutory officer and that's what he's supposed to do. In municipal government the Board is supposed to establish their budget that's going to be proposed and then from there you set up a hearing. Kathy, why don't you start.

Kathy Goessl:

Mr. President and the Village Board, this is the presentation for the current working budget for the 2007 general fund. The Village has a number of different funds within it's organizational structure. Tonight at this agenda item we're only talking about the general government. This shows the whole structure of the Village. In the yellow is what we're talking about this evening. We'll talk about operating as well as debt and capital for the general fund.

The first point I want to talk about is the State levy limit and how it affects our Village mill rate. The Village's mill rate last year was almost $7 million. The State has sent us a worksheet showing us that our net new construction percent is 4.758 percent. Therefore, our levy limit is now about $7.3 million. This budget is based on levying the $7.3 million. With this levy limit, because of the revaluation, our mill rate will actually decrease from $3.54 down to $3.10, and this graph shows that decrease in the mill rate.

The question was asked earlier what's our assessed value. Currently our assessed value that Rocco point out is going to be around $2.5 billion. Last year our assessed value was a little over $2 billion. This is a 20 percent increase between the two years with overall dollar increase of $42.2 million of assessed value.

How does this affect this budget that we're looking and affect the average residential home? The average residential home last year before revaluation was $225,200. Revaluated this average residential home is now $270,700. That's a $45,500 increase which is the 20 percent that has been talked about in the past. The Village property tax, as Mike pointed out, the last couple years, in the middle column, $796. With this mill rate at the limit we're looking at $840 for an average home, therefore we're looking at an increase of $44 in the Village property tax on the average home. If the referendum does pass, we're looking at another $50 if all items pass, therefore a total increase of $94. And the budget we're looking at and presenting tonight reflects this type of tax bill for an average residential home.

The levy is actually broken into three parts, the biggest part being our operating which accounts for a little over $4.7 million which accounts for 63 percent of the levy goes towards operating the Village. The next big chunk at 34 percent is our debt service at $2.5 million. And the smallest chunk, as we were saying, capital has actually shrunk over the last number of years. We're only going a little less than $200,000 to capital for 2.5 percent of our total levy going towards capital.

Mike Pollocoff:

I think this chart points out what those other ones did before. Operating is our response to demands for services. As we get more roads, more people, more call for services, we respond to those and our operating budget is what's been increased at the expense of capital because we've capped how much we're going to raise altogether. So that's why that capital number has gotten smaller and smaller. It's not bad planning. What it is is we've decided to have a frozen tax rate and we can't stop our operational costs, our request for service from increasing. There's more and more people coming here wanting more and more things.

Kathy Goessl:

So this does not reflect, of course, the referendum amount for capital. This just reflects the levy based on the levy limits. The first section I'm going to go into is the operating, the biggest chunk of the pie, which accounts for 63 percent. These are the recommended new programs. We've gone over these before in some meetings prior to this. These are the six items that are actually built into our budget that we're presenting.

The first one is fire and rescue, the addition of one part-time firemedic for $23,761. The next three items are park related. We have a zero dollar value on here, but they actually net out in the general fund as a zero dollar value. But these are items that are charged to our recreational enterprise, so at this point they're on the list to be approved by general government but we're not finished with the recreational budget yet. It determines whether the recreational budget can handle some of these new program requests.

The first one is basically already built into the RecPlex budget. It was just that our parks department was using base staff instead of additional hours to staff special events. So that one is a little over $9,000 charged to the recreational enterprise. The other one is these are actual additional hours that because our baseball program has expanded over the last couple of years, there's an additional $7,000 of salary and benefits that's being used to prep the fields for our recreational enterprise. Currently our recreational enterprise is paying $16,000 which was a calculation done a couple years ago calculating the time it took to prep the ball diamonds as well as stripe the soccer fields. But our programs have increased out there and an additional $7,000 of labor is currently being used and needs to be transferred to the recreational enterprise.

The third one currently we would like to expand the number of hours currently being spent on the RecPlex landscaping. The estimate that we're looking at is about $2,400 charged to the rec center. The other one is the PC replacements. These are replacing PCs that are four years or older throughout the Village. That's $21,700. The last one is the Village calendar. This is a new program that's being put together–actually the calendar for this year as well. In the initial budget presentation by our IT department they were estimating a revenue of $20,000. We want to be conservative so, therefore, we're asking to approve this program but we're not putting a dollar estimate in because we're uncertain of how this is going to materialize. Are people willing to pay to obtain a calendar that has coupons and also Village events and dates in it? So at this point we are doing the calendar this year and see what happens and maybe for 2008 we might have some revenue projections to put in there. But for now we want to be conservative and leave that part out.

These are new programs that we're not recommending because we're not able to fund these programs. These were also talked about in the department heads' presentations. We're looking at the two park ones, the first one is to improve Lake Michigan Park Beach. This is basically just marking the no wake areas and the parking areas and putting a porta potty type at that location. This includes material like buoys and stuff as well as labor of about $2,500. This is all park type labor.

The other one is actually to staff that beach with lifeguards. This is mainly personnel for a little over $53,000. The next one is the community development to prepare and adopt a tree preservation ordinance. The $2,000 is mainly a consultant fee for a consultant to put together that ordinance. For information technology a full-time database administrator that's all salaries and benefits for a position in that department. Roger Prange, epoxy seal wash bay floor, actually that $2,500 is 50 percent of what it would actually cost to epoxy seal the floor, but 50 percent of it is being picked up by other users, our solid waste utility as well as our sewer and water utilities.

Parks is to create team leader positions in the parks area to create more supervision at all times in the parks. Fire and rescue is to repaint Station 2 and human resources to upgrade a part-time HR clerk to full time. These are all programs that were brought forward to the Village Administrator and the Board but we're not able to fund in the tax levy limit budget.

These are recommended program reductions. None of these are new. These have all been presented during the budget process when the departments came forward. The first one is actually to eliminate the Village newsletter for a cost of a little over $19,000. In the IT department to actually implement a franchise fee to support our current operations of channel 25. This is mainly salaries for our video tech and sound tech people that put together the channel 25 presentations. This is a 1 percent fee on current cable subscribers which account for about 2,000 Village residents.

The HR, this com psych is a service where our employees can go onto a web and also phone system and ask questions and get advice, so we're looking at eliminating that because the actual usage is pretty low. Assessing, to create a parcel creation and record maintenance fee, this is a fee that assessing would charge when there's a parcel split to do the necessary work to create the separate parcels. Fire and rescue to charge for reinspections. This is a revenue enhancer. And then also an inspection to eliminate attorney fees. This $3,000 is attorney fees for violations, and we haven't had that in a number of years so we would take the risk to eliminate that expense.

Program reductions which we do not recommend, the first one is to increase the franchise fee to broadcast meetings. The $143,000 is not the total cost to broadcast meetings, but that's the total maximum amount that we can actually charge a franchise fee for. This is the amount between 1 percent and 5 percent. Administration wise, elimination of the verbatim minutes for $4,000. For the finance department elimination of a part-time clerk, clerical employees for a little over $5,000. Municipal court reducing the part-time clerk's hours. In the parks eliminate landscaping costs. In the parks eliminate two part-time seasonal employees for a little over $11,000.

Public works reduction in salt. This is shown at zero right now because the contracts actually have to be let prior to the budgets for the following year being adopted. So this is more of a decision for the following 2008 budget if we wanted to reduce the amount of salt being used on our roads. Public works eliminate snowplowing on overtime or double time in subdivisions. That would be a little over $47,000 of savings. Public safety communications eliminating a dispatcher; police, eliminating a police officer. These are all not being recommended as reductions.

Operating revenues, these are the four main operating revenue categories. You can see the light blue bars are last year's and the dark blue is this year's proposed. We have ups and downs in this area. For intergovernmental it's actually going up 2 percent by $33,000. License and permits are actually going down about $7,000. You can look at public charges down $21,000. And other taxes are up $5,000. So I'll go into these categories in a little more detail to let you know what's in each of these categories and how each of those components affect that total.

This is intergovernmental the first major category we have. These are the areas that make up that category. These are all mainly from the State, income tax from the State. Our shared revenue is actually going down $500. Road grants from the State going up slightly. Fire insurance dues is payments from the State for inspections. Those are going up based on the number of inspections. Exempt computer aid, this is given to us by the State. A number of years ago they had actually exempted business computers from personal property tax or from property tax, but the State pays us back. The reason that one is going up is because our actual computers, the exempt computers, went up about $4 million from 2005 to 2006. That's the increase there. In others, the main increase in the other category is due to law enforcement grants. We're looking at an additional $11,000 in DOT training reimbursements. So overall 2 percent is what this intergovernmental revenue category is being proposed to go up.

Our second major category was license and permits. You can see along the left hand side all the different categories that make this one up. We have licenses, building permits, zoning permits, fire department permits and property record maintenance which is the assessment department's fee. Overall these are actually going down when we look at them mainly due to building permits and our projections for the future in terms of what we're anticipating for future building permits being pulled in the Village. So mainly all this is based on growth and we're looking at a slight decrease here of about minus 1 percent or less than $7,000. The new program reductions that would fit in this category if approved would be the parcel creation and record maintenance fee and also the implementation of the franchise fee would go in this category as a revenue source.

This is the third category which is public charges for services. These are all the fees that we charge. Our rescue squad earnings, our engineering department charges developments and developers. Co-location services, this is a space that we have in our rec center that was initially built for us to terminate our own internet type services, but now that Time Warner has done that this room was still in the process so they finished it off and will be leasing it out to one company or a number of companies for data backup. That we're looking at going up slightly in the budget.

Street lighting, that's charging our street lighting districts, WisPark, Town and Country and Prairie Ridge commercial areas for street lighting cost. The fire department earnings, administrative fees are fees that we charge developers for administrating developments and letters of credits and the paperwork that is associated with development. Other things are going down mainly due to in this category is public works compliance. This is if a developer is not in compliance like if we have to go out and street sweep then we would charge them money to do that. Or, if they do other violations we would have to go out and do the work and then charge them for that. That's kind of an iffy type area so we budgeted it a little bit more conservatively this year. Also, special assessment letters are in this category and right of way permits. The program reduction that would fit into this category would be fire charge for re-inspections. That's going back out and re-inspecting buildings because they did not pass the first and second inspection.

Other taxes is the other category that is shown on the initial graph. This includes mobile home taxes, utility tax equivalent which is paid by the water utility to the general fund. Hotel taxes, property tax penalty, and then others include mainly the ag use penalty and the DNR payment of taxes in lieu of so this category is going up only slight by 1 percent, a little over $500.

Other operating revenues include intergovernmental charges. That's actually going up $7,000. That's our school liaison officer and also our assessing contracts with our communities out to the west. Fines are just the municipal courts. That's going down $20,000. Basically that's trending our past history with the courts so that went down $20,000. Miscellaneous is mainly interest and our tower leases. This category went up $55,000 which is mainly interest. Interests are higher in the past in terms of what we get on our investments. Others is a $16,000 a transfer from our recreational fund for baseball field maintenance and lining the soccer fields. So these are the different other revenue categories.

Now I'm going to switch to operating expenses. These are our five categories which we group our expenses together when we present the budget. We're looking at public safety, and all these categories are up. Public safety is up $243,000, a 4 percent increase. We have public works up $89,000. Administration is up $134,000, CDF $19,000 and parks up $6,000. So that's the graph showing the light colored last year and the dark blue is the proposed for this year.

I'll go over each of the five categories to show you what departments are included in each. You can see the different increases for each department overall. The first category is public safety. It shows the 2006 budget and then also shows the 2007 proposed budget and the change from one year to the other percent wise as well as dollar wise. This budget is going up 4 percent before you consider new programs or any program reductions. And the majority of this is due to personnel costs. A little over $219,000 is personnel related, either wages or benefits. The majority of these departments are under contract. The police department and the fire department as Mike mentioned earlier have a contract for a 2.5 percent raise as of January 1st. Also, we have built in here a 10 percent increase for health insurance. So that's the majority of the increase in this budget area for all these departments listed which are police, fire and rescue, inspection, public safety communication and the Roger Prange building maintenance. The new programs that would fall in this category would be the firemedic for $23,761 and the program reduction that would fall in this category would be eliminate attorney fees which are for the zoning violations.

The second category is public works. Public works is increasing 6 percent or $88,000. The majority, again, in this category is personnel related. $81,000 of that $88,000 is personnel related. This department is mainly covered by the Kenosha County contract, and their contract states as of January 1st a 2 percent increase and as of April 1st a 1 percent increase, so this increase is budgeted into this. Health insurance, again, 10 percent for these departments also. And throughout these budgets management increases at 3 percent. There's no new programs or program reductions related to the public works area that's being proposed.

This is our administrative category. Administration is going up 9 percent, $134,000. Again, because we're service related it's personnel related expenses including wages and benefits of $88,000 increase in this area. The other major increase I was able to pick out of this budget was in the IT department software maintenance agreements. There's a major increase. We're actually off our agreement with Microsoft and we need to pay an addition $30,000 to stay on the Microsoft products which is being used by all departments within the Village. IT software maintenance agreements in general is increasing $44,000. There's other software maintenance agreements that are also increasing besides the Microsoft agreement that we have.

Again, this budget mainly falls underneath the Kenosha County contract with a 2 percent on January 1st and in April a 1 percent for a total overall lift of 3 percent. The new programs within this area are PC replacements and then the program reduction is the com psych services to our employees. This administrative category includes the Village Board, Municipal Court, administration, human resources, IT, finance, assessing and Village Hall.

Community development is the fourth area that's separated off. Community development is going up 4 percent or $19,000, again, the majority being personnel at $16,000 of that $19,000. Within this category the Village newsletter is included in this community development budget and that's the reduction we're proposing for a little over $19,000. So if that reduction is taken this budget actually decreases slightly to zero percent increase.

And last and final department or category is parks. Parks is increasing about 2 percent. In this budget personnel is actually increasing about $11,000. That includes wages and benefits. It's offset by a decrease in building maintenance at the park of about $6,000. The new programs associated with this department are the three that I mentioned before that are related to our recreational fund, the special events staff, the RecPlex softball and soccer fields, additional hours being spent and expand the number of hours spent on RecPlex landscaping for a total new program request expense wise of $18,588, which would all be transferred in, you'll see on the summary, the transfer increases by $18,588 for a net effect on our general fund of zero for these three new programs.

This is a total budget rolled up. All of the revenues that I've been talking about are first and then the expenses. You can see the different categories. It starts out with revenues, property tax number that was talked about in terms of just the operating portion of the property tax. Other revenues is all the other revenues I was talking about, those eight different categories of revenues increasing just 1 percent. And then the new program requests that are revenue enhancers type new programs which we talked about earlier accounting for about $60,000. Then I list the different expenses by category. We have public safety, and those are all detailed on the previous slides, public works, administration, community development and parks.

The next category down is contingency. Last year we had a contingency of $63,000. That was due to our health insurance uncertainty. Again, this year we have health insurance uncertainty of $52,000. So that's what we're proposing for the contingency. We currently have a quote from our current carrier which actually would use that whole $52,000. We are out for bid right now to try to get that lowered, but for now this is the worst case scenario hopefully that we will realize with our current carrier.

New programs and program reductions these are the ones affecting the expense line items that were talked about earlier on the slides. The transfer in before was $16,000 as I mentioned from our recreational fund into our general fund to pay for baseball fields and soccer lining. We're increasing that $18,000 for those three things I was talking about before in the parks department, landscaping, ball fields, increased hours and also special events.
We're proposing a balanced budget. Last year we did have a balanced budget, but we approved the Clean Water Utility so we actually pulled the Clean Water Utility out of this 2006 budget and now it's a separate utility which will be presented in the upcoming month. When we pulled that utility out of there we were slightly off in terms of balancing the general fund by $5,000. That's why you see that $5,000 gain here in terms of 2006 budget.

The next category we're looking at on the pie was capital which was the smallest slice of the pie. These items were talked about a couple times already. We're looking at the referendum being the four items, Hurst tool, replacement heart monitors and defibrillators and the ambulance and also the plow truck with side wings. The other recommended capital purchases that will fit within our levy limit is vehicle fleet replacement for the police department, $100,000; inspection vehicles, park vehicle, pickup truck and public works pickup truck; and then the replacement servers in the IT department which are four year or older servers that need to be replaced.

These are things that cannot be funded based on the levy limit. They're in priority order toward the top. The loader from public works, the redesign and re-equip of the dispatch center, a couple items for IT is a data warehouse, business intelligent phase 2. Then there's a couple other projects from IT. Public works we have a wash bay pressure washer; fire department replacing a converted grass truck and trailer; IT multimedia update for the Village Hall auditorium. That would be connected with televising the Village Board meetings; parks to purchase property to expand the Pleasant Prairie Park. The next three are parks, bike and pedestrian trail plan, increase north ball field parking lot size, and also a rescue boat and AED which are associated with staffing the beach at Carol Beach. Public works, truck with dump body and also the Wausau Snow Bear, for a total of not being funded of $670,000.

This summarizes our capital fund in terms of revenue and expenditures. The first line you can see is our levy limits, the $185,000 we talked about earlier as proposed. Last year we had $271,000, the tax levy actually used for the capital fund, therefore we have a decrease of $85,000. The tax levy referendum those referendum items total $433,722, and of other revenue sources, interest, sale of items, that type of thing, account for a little over $29,000.

Our capital outlay a little over $600,000 with a net gain of $48,000 to be used in the future to fund our first item on the list that we didn't fund, the loader. So that or whatever you guys choose in terms of items you want to fund, but we have $48,000 here to start saving for next year. So our fund balances actually increases. It starts out at an estimate $240,000 and ends the proposed year of 2007 with $288,000 about.

The last and final category of our general government is debt service. This is our debt service over the last five or six years up to 2010. You can see our principal payments and our debt payments. They had gone up until the topped out around 2005 and now they're on the down swing or leveled off a little bit and they're down swinging in terms of our current debt that's outstanding for just general government.

This shows you our principal balances and our borrowing in the debt service fund. We haven't borrowed in the general government since 2002. Because we haven't borrowed and we're making principal payments on an annual basis you can see our principal balance is going down very steadily over the next–it has gone down very steadily and it continues to go down through 2010.

This is our proposed summary for debt service. We have the tax levy as our major revenue source for this area at $2.5 million for 2007 proposed, up $42,000 from last year. Another revenue source in this area is special assessments for road projects that we have done that have been special assessed. We're looking at an estimated $41,000 of revenue in that category and then interest income of about $20,000 for a total revenue of almost $2.6 million. Principal payments and interest payments for next year total $2.5, almost $2.6, million also, therefore we are balancing this budget to get revenue matching expenditures leaving our beginning and ending fund balance the same at almost $313,000.

Important issues is our health insurance uncertainty. All budgets currently in the budget in all the sheets I have are reflected at 10 percent. 64 percent of our health insurance costs are for general government employees. They're offered to all full-time employees of the Village including our utilities and rec center, but the majority of the full-time employees are in our general government. In the general government our original budget proposal which is presented here is a little bit over $1.2 million, but the revised number as we have the new bid in for principal actually went up $52,000, almost $53,000. So in this budget you saw that line for contingency, that's the contingency number that is in that line item on earlier slides.

Road maintenance was an issue we talked about. This just shows our five year road plan which totals over $14 million over the next five years, which in 2007 at $3.6 million will not be done on the proposed plan. It will be pushed off for the future so we have that sitting out there.

Equipment purchases, this list was on an earlier slide. This is everything that is not being funded because we can't fit it underneath the levy limit. It totals $670,802. This is the same list as we had earlier. This gives our five year capital plan which is in the binders that were given to you also listed by major areas. We have fire and rescue with future plans for the next five years of almost $2.9 million. We have fire station #3 coming up in the future at $1.3 million. IT requests for the next five years of $1.1 million. We have parks request of $1.9 million to redevelop Pleasant Prairie Park of a little over $1 million. The police department is $733,000, public works $1.6 million, the Roger Prange addition a little over $1 million, and other departments grouped together of $335,000, almost $336,000 dollars.

Of the 2007 amounts that were requested, the $1.3 million we're proposing to fund $600,000 or $601,000 leaving the $670,000 which is that list on the previous slide unfunded. You can see the other years being unfunded at this point for almost $11 million.

These are the recommended levies we're recommending or that we are pretty much under the levy limit cap. It's the highest we can go is $7.3 million, and this is the different categories we're recommending it to be spread across. This would give a mill rate before referendum of $3.10 per thousand. Mike went over some of the history of the mill rate, but this shows our mill rate and our levy since 2002. You can see for 2003 and '04 it stayed the same at $4.07. For 2005 and 2006 $3.54, and this year right now at $3.10 without the referendum. So you can see the freeze happening there in terms of each year we get revaled and then it drops down.

This is our calendar that we need to follow to get the tax bills out on time. We have the referendum on the ballot for November 7th. We need to be prepared on Wednesday on how the actual referendum turns out to send our budget directly to the *Kenosha News* by five o'clock that day in order for it to be published in the *Kenosha News* on that Sunday to give us a two week notice for our budget hearing which we'll be scheduling for November 27th which is a Monday.

Tax bills are printed by Kenosha County. In the past they've asked for 15 full working days after we submit in order to be promised to get the tax bills out. The State statute says that the tax bills may not go out any later than the third Monday in December, so this pretty much–if we get it to them by that Tuesday after then we'll be able to meet the deadline of the third Monday, just make it. But in the past they've been very good in terms of turning it around faster than 15 days, but they've given us a 15 day in their documentation.

That's the presentation of what we're proposing in terms of the general fund budget.

Mike Pollocoff:

With that, any modifications? Anything that you would like to do from a strategy standpoint or planning for additional capital? If you don't want to ask for an ambulance and rescue equipment this year, we need to remove–we need to move that capital out of the operating budget if you want to fund that within the base. The budget presented has $48,000 that's our surplus out of existing operations to fund for capital next year.

I guess my comment in saying I guess I take issue with the fact that we haven't planned for it. We planned for exactly what the Board wanted which was to freeze the budget. So if we want to freeze the budget and then put in a capital improvement program and fund it, I guess I need some input as to where you want to make those cuts.

Jeff Lauer:

I just have a few questions. John, I think one is for you and just out of curiosity. What's a Snow Bear. I never heard of that before.

John Steinbrink, Jr.:

A Snow Bear is a snow plow that will go in front of our road mower. It's just a brand name.

Jeff Lauer:

Okay, I just thought I just wanted to check on that. Some questions and thought I have so far given some information here. Ruth, this might be a question for you. I see in the Microsoft licensing it's over $250,000. Does that include Microsoft Office, Excel and all that software type of stuff?

Ruth Otto:

It's an enterprise agreement that covers everything, all our licenses for our servers, our desktops, office, sequence server, all of our software for Microsoft.

Kathy Goessl:

But that wasn't $200,000. It was like $30,000 and some.

Ruth Otto:

$30,000 was for Microsoft.

Kathy Goessl:

It wasn't $200,000.

Jeff Lauer:

Okay, I must have looked at the wrong field. One thought I have on this obviously would be some training involved and I know you've heard of it, Open Office is free. That might be an option that the Village can look at in the future where you don't have to pay all these licensees and you can have as many as you want on it. I've used it. What Open Office is is just free software. Where like if you sent me a Word document or Excel, anything dealing with Microsoft, I can open it. I don't need Microsoft on my computer and it's all free software. But that's an idea to throw out there possibly in the future to save Microsoft charges.

Ruth Otto:

That would cover our desktops, Jeff, but that wouldn't handle our server licenses or our e-mail or any of that, but you're right.

Jeff Lauer:

Yeah, I know that's a separate one. The other item I have for the servers that have got to be replaced, are we going to clean the hard drives and sell the old ones and get some money or are we going to use them?

Ruth Otto:

They're positioned to go up into out hot site for disaster recovery, the old ones.

Jeff Lauer:

The only other item I have at this time, and I would recommend this. I know we're looking for capital and saving expenses. I don't believe we need channel 25. I know in the budget here it's implement a franchise fee. I'm totally against that. I don't watch the bad channels on cable now that I have and I can't get rid of them. But I don't think we should delve down the area of charging a franchise fee where a resident has no control over that channel. It's being forced into their household. They're not asking for it. Whereas, for example, if you're taking ten showers a day you're asking to pay a higher water bill than me. I don't think that's right. Last meeting I was told it cost about $39,000 a year for us as an expense to have it. There's $39,000 right there we can free up. I know Mike said it many times nobody would watch Board meetings or they'd be boring or dull. If that's the case how many people are going to actually watch it now?

It's just one of those issues that we're looking for funds and we want to cut the expenses to get more capital there's $39,000 right there. It almost buys a heart defib or something like that. So that's one idea I have off the top of my head that can go. But I think we've got to be very careful if the Board isn't going to remove channel 25 not to have a franchise fee on it.

Mike Serpe:

I think, Jeff, the reason we put the 1 percent franchise fee for channel 25 was to take it off the general fund, to fund it through a franchise fee that comes at 16 cents–I don't know what it is. It's not very much.

Mike Pollocoff:

It's 1 percent of whatever you pay for cable.

Mike Serpe:

One percent. That's the only reason–it's either going to be funded through a franchise fee or it's going to be funded through the general fund.

Mike Pollocoff:

I think Jeff is saying just take the channel off.

Jeff Lauer:

Yes, we don't need the channel.

Mike Serpe:

Oh, take it off?

Jeff Lauer:

Yeah.

Mike Serpe:

Oh, no, I don't agree with that at all. We just agreed to eliminate the newsletter and to get other information or the information out in other ways and channel 25 was one of them and the *Sun* was another and whatever.

Jeff Lauer:

But if you look at that, if we keep the newsletter that's only $19,000 so you're still saving money by not having channel 25 so we can go that route, too. I mean we're asking for ideas and suggestions on how to save money and there's one.

Mike Serpe:

I understand. I understand what you're saying. No matter what we do we're going to be criticized even if we do nothing. Just one little note here. Right now we're the lowest and I think we'll remain the lowest at $3.11 per thousand. If the referendum passes I still think we'll be one of the lowest. Like I said, no matter what happens tonight or next month we're going to be criticized anyway by some. We're rolling the dice on the referendum, I understand that, but this is as Mike has said all along this is what the State wants and this is what we're doing.

Alex Tiahnybok:

Obviously a lot of data. I think the suggestion that last year Jeff and I didn't exactly contribute a lot to the budgeting process, well, we didn't. I'll accept that blame. That's one of the things that comes along with being a freshman and uninformed. I think there's potential to look at items. I'm assuming we're going to have another open forum like this to bring suggestions after reviewing all the data? And I don't think it should be just Jeff and myself that should be expected to bring ideas. Right now we've got a presentation by the administration of the Village, and I don't think it should be just Jeff and myself for bringing ideas and suggestions for where we might save dollars and where we might free up dollars to spend on other important things. I'm assuming it's not going to be just Jeff and myself bringing ideas.

The other thing is pulling back from the budget itself, we just had one hell of a pissing match a few minutes ago before the budget presentation. We give lip service to working together but it obviously doesn't work. I'd recommend to the Village President that our constitution and by-laws calls for exercising Robert's Rules of Order and that requires being recognized like I always do. When a person is recognized they have the floor until they stop talking. And I think it's absolutely inappropriate for anyone to interrupt and start talking when they feel as though their interests are being tread on. There's a five member Board here. Sometimes it doesn't look that way if you ask me and that needs to be recognized. There's five elected members here and the five elected members have the right to the floor and anyone else that speaks has to be recognized by the five members, not just whenever they feel like talking.

Mike Pollocoff:

My comments were addressed to everybody, but in particular Trustee Tiahnybok and Trustee Lauer I'm asking for you to provide some information because you've indicated that there was improper planning and there was no strategic plan. In as much as you've been here a couple years, I guess that's why I'm directing that comment from you and I haven't heard it from the other ones. But I do think you as a group need to come up with–if you want to have it both ways and say we shouldn't have to have a referendum and we don't want to raise taxes you're not leaving anybody any room.

I really, to be honest with you, given the amount of information that's been provided to the Board to date, and you've had a lot and I'm not saying it's not a lot to digest, I frankly expected more than the comments of we should be able to fund this within the base without coming back–we shouldn't have to go to referendum without coming back and saying because there's $300,000 of fat in the budget to cut out. I'm just not sure that that's responsible or conducive to the discussions in an important issue that the citizens are going to be voting on to kind of leave it dangling out there, well, we shouldn't have to have it or we shouldn't have to have the referendum and these items should be covered in the base.

Well, you saw the budget last year and that was too expensive for you. You couldn't support that. You've seen the budget now for over a month and it hasn't changed because it's under a freeze. At some point that rhetoric has to follow up with some action and there's got to be some concrete recommendations. Those comments are directed towards you, but you're right, everybody needs to come up with a plan. Or, if everybody feels that the budget is too lean come up with a referendum proposal to say, listen, Kathy Goessl just showed us charts that show that we're going to be short $11 million over five years not counting roads and equipment and facilities. After you ferret out in that list what you don't want to have that stuff is stacking up.

The things we didn't fund this year, the 2008 list is going to get even bigger. If you talk about a strategy, at some point I think we're going to have to tell the Village voters that you've had a pretty good deal for four years. You've had the lowest tax rate in the State for four years. And God bless you that was good, but we've got some needs we need to address, these are what they are, we believe in them, some we don't and some we do, and we have to have a referendum because you have no other choice but to have a referendum. That's what the law is to fund those up.

But I don't think we get anywhere by just saying this shouldn't have happened and we shouldn't have to have a referendum on it because if you look back that's what we said last year. Anything that we don't cover this year next year has to go to referendum. That was on the table. Whatever we didn't take care of last year, and last year we didn't use all the money. In order to have a frozen levy, which again only three of you could support, we had to turn some money back that we could have had that we could have put into capital. At some point that spin has to stop and we've got to come to grips with the problems and the things that we've got to buy in order to do business. I don't get any extra enjoyment out of saying, Alex, let's plow another $150,000 or $200,000 in equipment but it's there and it's needed.

If we want to come up with is a plan where we say, listen, we don't need to plow the roads in four hours, let's start cutting off the trucks. We won't buy trucks as often. We'll catch those roads in six or eight hours, whatever you think is acceptable, then you don't have to buy so many trucks. And down the road you won't have to have a garage addition. If you're willing to let the ambulance go, we only have one ambulance that's staffed for paramedics. When that paramedic squad is busy the other ones get EMT load and go services. There's choices that you have to make, but all of them, if you look at the budget and listen to what Kathy said, they all relate to service cuts. You have to be willing at some point say we're going to cut services.

The debt is going down but you can't say we're not going to pay our debt. We have to pay that debt. So every year while this has been going on capital has been cutting. Those newspaper articles I flashed up there everybody was still complaining that at our level taxes were going up. The only atta boy you got is when you cut ten people. You know what, some of those ten people got added back because no matter what you do, gosh darn it, those people still call for an ambulance and they still call for a fireman and they still call for a policeman. And that road just shows up. We've got more roads to plow. It just keeps happening. We can't stop that. But everybody wants more service. So until we come to grips with that, that's why I pointed out to two of you not to single you out but I mean you're the ones that said we didn't have a strategic plan. Well, then tell me what you want. All five of you have to come up with the answer.

Mike Serpe:

I'll tell you the hardest thing for all five of us including Mike to admit to is our mill rate should not be at $3.11 a thousand. I'll tell you what. You want to get voted out of office like in about a week and a half tell everybody in the Village where this mill rate should be and realistically it should be around $5. We're experiencing exactly what we were bowing to on all the political campaigns that have taken place in a number of years, our taxes are too high so hold the line, hold the line, so we held the line, and now admittedly we're screwed. Our mill rate for the size of this

Village and what we're doing and what we offer should not be at $3.11 a thousand. There's just no way you can continue to offer the services the way we are expected to offer them and the way the people are custom to receive them at $3.11 a thousand. It's not going to continue to happen. You might get by with it this year. You may be able to get by with it next year. After that you're starting to fall off. It's not going to happen. It's not going to continue.

So if people want to slap us in the face about this fee and that fee and this and everything else, don't sit there and complain about them. Tell us how we can make it better and continue the services that we are known to give and we're not going to do it for $3.11 a thousand. There's no way I'm recommending tonight that we go to $5 a thousand because, number one, I can't, and number two I'll wait until I get out of office before I say anything.

Alex Tiahnybok:

Mike, there you go again, I agree with you.

Jeff Lauer:

That it should be $5 and something?

Alex Tiahnybok:

Dick Ginkowski was here. He's not here anymore. I think he's held in relatively high esteem. It's not just two of us here on the Board that thing something happened in the past that wasn't good planning. I'm not budging from that opinion. The reality, though, is here we are in 2006 getting ready for the 2007 budget and we have no choice but to deal with it. Again, I'm not budging on the notion, and I think Mike you in a certain way alluded to it just now. You said there was political pressure. Instead of doing the so-called right thing and making the hard decisions for political reasons or whatever you guys bowed to that pressure. There's three of you here that did that. The other two of us we're new.

I'll acknowledge it again and I've said it before and I'll say it again I don't the Village spending is out of control. I think people don't look at their tax bill and say those son of a guns at the Village they're really screwing me. They look at their entire tax bill. People don't segment things out and say what percentage is that. They're looking at the entire thing. And any complaints I've made about taxes have been the big picture. I acknowledged it last year and I'm doing it again right now that I don't think the Village is out of control but we've got a problem. And you can't in one moment say everything is great and then in the next sentence say that we need to go to the citizens for a referendum to finance some items that we desperately need. There's some disconnect there and if Dick Ginkowski was here he'd say it again.

That's the problem. There were some bad decisions made in the past. There was bad planning. These are not unexpected expenses. I don't think the right way to do it is to wake up one moment and say, oh, my goodness we need all this stuff. That needs to be planned for. I don't know what happened to that process if it ever occurred in the past. Maybe we had enough cash to get by with those things before but we don't now. We are to a certain extent artificially suppressed because we started out with a low number and now we can't increase it. I know nobody here has a crystal ball, but there were some things that frankly I think we should have seen coming. And for whatever reason, again, we wanted to say we had a $3.5 per thousand mill rate and now we're paying for it. Yeah, we've got a serious problem.

I certainly am not going to object to the budget at whatever maximum we're nailed down to now. I don't see how we can avoid it. It's frankly impossible to do less. But I think there's some creative thinking that maybe we can do within the budget as it is now that can maybe free up some money to buy things that we think we need. All of us need to look at that. If it's just Jeff and me then I question what you guys are doing here, too.

John Steinbrink:

I'll do this one more time real slow, Alex, because I know there's this learning curve yet. You say we didn't make the right decisions. What you seem to forget is the word tax freeze. When you and other people said, wow, this is what we deserve, this is what–we need to protect the taxpayers. Protect them from what? We used to have the ability to make the hard decisions. When we needed a fire truck, when we needed an ambulance, we needed a dump truck, we raised the mill rate to pay for it. We bonded for it and we did it. But we don't have that ability anymore. That's why we're here today asking for a referendum. Because as you folks so plainly say all the time the citizens need to make this decision, not us. We can't make the decision on the big ticket items. It should be in the hands of the citizens. So that's where it's going now, to the citizens, to the voters, so that you don't have to make the hard decision on raising taxes to pay for a fire truck, ambulance or dump truck.

We determined what we needed, we did it by need, we bonded for it, we paid for it. There's nothing new here except the tax freeze which pretty much takes us out of the equation unfortunately. So you can put the spin on it any way you want. That's why we're here today. You among other people said taxes were too high. Mr. Terwall when the time came had the guts to say we need to raise taxes, we need to pay for this. Boy, we got chastised. Go beyond Mike's papers and you look at those little percentages, they like percentage games. That looks good in the paper all the time. The unfortunate thing is when you've got a small number and you raise it, it's a big percentage. But when you've got a big number and you raise it, it's a smaller percentage. So you're playing this little game. That's always worked well for everybody who has had criticism. But now reality is here.

So you get a choice today on what you want to do. Or, you can spin it and say, wow, should have done that different before. After you spun it before and said, wow, we're spending too much. But this is today and you're here and these are the rules we're playing by.

Mike Serpe:

Okay, here's our choices. And, Mike, you correct me if I'm wrong. If you want to fund some of these things, the ambulance and jaws of life and snow plow you reduce personnel and you come up with the money that way. Do we want to do that? I for one don't because I don't think we can cut any more than what we have already. So that's one factor that I think is out.

The other one is we go to the debt. We borrow to buy these things. Is that a wise move? I don't know. We might be forced to do that if the referendum fails if we need these items that bad. I don't think that's the right move.

Or, we go to referendum like the State wants us to do and we all supported that last year that we said we'd have to do this year and now we're here and we're ready to do it. At least that's how I view it. What choice do we have, guys? We're going to roll the dice. Three weeks we're going to find out.

John Steinbrink:

Mike, what does it raise us tax wise? What is the mill on that?

Mike Pollocoff:

On the referendum?

John Steinbrink:

Yes.

Mike Pollocoff:

16 cents.

John Steinbrink:

16 cents. You can't justify 16 cents?

Alex Tiahnybok:

I'm going to speak more slowly, too. I am not against the referendum. I wanted to see the road referendum go on, too, if you recall. The references that I've made are not to today. I think we all understand the problem we have today. The references are made to the decisions that were made in the past. We didn't plan forward. If you can show me that you did, I'll buy it, but it doesn't look like we did. I am not against the referendum. I hope the citizens pass it because there's demonstrated need that we need to go above and beyond the growth.

In a lot of other worlds when there's any kind of increase in manufacturing, if there's an increasing in output, generally the costs climb with it, or generally the costs lag behind the demand for output because it becomes more efficient. Apparently government doesn't work like that. I can accept that. So our 4.7 percent that we're limited to in the increase I'm okay with that, and if the citizens say yes on the referendum I'm okay with that, too. I don't know how more clearly I'll need to make that for you and I'll speak more slowly from now on, too.

Mike Serpe:

One more comment. I totally understand that as well. The only thing I'm going to ask right now is let's not keep on bringing up what we may have errored in the past because when we made those decisions we never realized we were going to be at this point in the future. So those were decisions that this Board made at the time and obviously we're backed by the people. We can make reference to the past and it's probably not going to do us any good by keeping on doing that. So my recommendation is let's deal with what we have tonight and let's move on to the future. I agree with you 100 percent. If the referendum passes, hey, I live with that. I'm going to vote for it. I'm going to push it. I think Mike's offer of the budget tonight is reasonable. It's acceptable. I would love to see it be a lot better. Obviously that boat sailed so let's not get into the past again. What are we looking for tonight? A motion to–

Mike Pollocoff:

At some point if the Board is comfortable with the budget so that we can put it out because the election is in three weeks as you said, it's going on channel 25 an explanation of what we're getting on the referendum and why we're doing it. It's up to the Board, but if you guys aren't sold on the budget and you aren't sold on the referendum, we've got to be at a point where we've agreed upon the base that this budget is–everything we need in here is what we actually need and we can't add anything and we don't want to take more out. If you want to take something out to create more of a capital base you can do that, but you have to make those service choices.

But I think the public needs to know the Village budget is $3.11 or $3.10 and we're adding to that, and the sooner we come to that realization that that's what we're having or the sooner we're telling the public it's $3.10 but right now we can say we have $48,000 saved for capital for next year, if you want to make that number bigger, again, you've got to cut into capital. But we need to be able to tell the public what's the base that we're working from so when they vote they know what they're getting for it and what's going to go. The other thing that our slide shows is the capital needs from deferral are climbing. We deferred a chunk with this referendum and then we have another group we're going to have to meet.

Mike Serpe:

I'm good to go with this the way it is including the referendum. If we're looking for a motion to that effect I so move.

Steve Kumorkiewicz:

We don't have too much of a choice.

Alex Tiahnybok:

I'll second it with comments. I would like to see another chance for us to discuss this and I mean all five of us. Right now unless I'm missing something this is Mike Pollocoff's recommendation to the Board. If the three of you are absolutely convinced that this is the best we can do and there's no room for improvement, then let's vote on it now. I'm okay with that. But if you think there's something to look at, if you think there's room for improvement, maybe swapping some things to accomplish some of the items that we were so sad to see go away on the capital requests, I say let's look at it again. There may be items on the budget that we could add up to paying for the loader. I think that was important, wasn't it?

The agenda says receive the final pre-referendum budget. It doesn't say receive and approve tonight for sure. If there's no time I can accept that, but if there is time I want to look at it again. That's what I thought today was about was to receive it and not to act on it. But if we have to act on it and if the three of you are convinced it's perfect and there's no tweaking that can be done then let's vote on it because it's a done deal anyway.

Mike Serpe:

I don't think anything is really ever perfect. Not something like this is going to be perfect. I don't know where I was going with this thing. It's getting late. I think it's as good as it's going to get and still going to be able to offer the services that we have to offer. That's what we're all about. Yeah, I would like to see a new front end loader. What are those things, $100,000 and some?

Mike Pollocoff:

$140,000.

Mike Serpe:

What do you want to do? You looked at it. I looked at it. I've been talking to Mike on this thing for the last couple weeks. Where's it going to go? I don't know, Alex. I really don't.

Alex Tiahnybok:

Let's just approve it then.

Mike Serpe:

That was my motion.

Steve Kumorkiewicz:

The issue is . . . to pay for all this. From 1987 to . . . we've got no problem. Everything was planned and went properly and suddenly we've got a tax freeze and everything went haywire. For 15 years we went with no problems and suddenly we have problems. . . . but the State stopped us. Now, look at the budget . . . I don't see what we can eliminate.

John Steinbrink:

Because tax freezes hurt communities . . . to hold the line on spending. That's what happened.

Mike Pollocoff:

If the Board wants to schedule a meeting next Monday, do you have a big agenda? Do you want to meet after Plan Commission? It would give you a week to look at it and cut some more stuff out of it. But I really think at that point in order for the election that's the latest possible moment because they need to know what it is we're doing with the budget we have. Right now that's no out there.

Mike Serpe:

I think we're going to be hurting our–if we are in agreement that we want the referendum to pass and I hope we are, I think we're hurting ourselves by putting this off for another whole week where we can be educating the people the best we can on channel 25.

Alex Tiahnybok:

I'm prepared to vote for the referendum items to do the educating right now. I'm not against that. It's the general budget. The referendum items I'm fine with.

Jeff Lauer:

I'm fine with having the referendums out there. However, I don't feel comfortable voting on the budget especially when I've been asked to give input. And if I give input I would hope just because my name is Jeff Lauer it's not going to be approved or considered or discussed. I still say you free up $39,434 by not having channel 25. $39,000, that's close to buying the Hurst tool, $1,144 short. But if you're looking for capital for the future maybe you stock away for a future trucks, capital. Capital, as I think I mentioned at the last Board meeting, capital is the kicker.

It's not services. As I explained before, I take a shower, I flush the toilet, whatever, I pay for it. It doesn't cost the Village technically anything because it's being paid for by the taxpayers who are using that service. The problem is capital. And channel 25, it's not against anybody, it is what it is. I won't say I agree or disagree with you, Mike, if people aren't going to watch Board meetings on 25 who is going to sit there and watch things scroll across it. Who is going to watch it? I mean really. I'm not.

Mike Serpe:

I do.

Jeff Lauer:

Well, it might put you to sleep, but there's a creative way where you free up $39,000. I haven't thumbed through every single page of this, but I can't technically say I'd vote in favor of it because, you know what, I haven't done the due diligence in looking at every single page.

Mike Serpe:

I hear what you're saying and I think your offer is probably okay, but I think there's a bigger benefit by us keeping channel 25. It broadcasts our meetings, it broadcasts our agendas, it broadcasts a lot of information that people just normally would not get. And even if you're channel surfing and there's five guys on this Board I'm willing to bet that probably go to sleep with that remote in their hand, and maybe I'm wrong, but I'm probably right, you're going to come across this information as every family does. I think there's a bigger benefit to having channel 25 on there and being funded by the 1 percent franchise fee than there is to get rid of it. I think it's a big plus for us to have that. I wouldn't be in favor of getting rid of that.

Jeff Lauer:

But you're not in favor of broadcasting the Board meetings. How about this then, if you want to save money you could save $20,000 by we keep the Village newsletter and not have channel 25. I know it sounds like I'm hounding on it, but you know what, you want ideas and I'm throwing it out there. Why not–there's more money.

Mike Serpe:

You want to do one more meeting after the Plan Commission? What's the plan look like next week, Jean?

(Inaudible)

Mike Serpe:

Okay, early Board.

Alex Tiahnybok:

I'll vote with you guys today if you say you're satisfied and there's no tweaking done, but if we can buy a week for all of us to look at this and come prepared with recommendations next Monday, that's what I would prefer.

Steve Kumorkiewicz:

That's okay with me. I don't think it's going to change, but it's okay . . . .

Alex Tiahnybok:

Monday after Plan.

Mike Serpe:

One item agenda next week, right?

Mike Pollocoff:

Yes.

Mike Serpe:

Just the final budget review. I can go with that.

John Steinbrink:

That gives you how much time for preparation, Mike?

Mike Pollocoff:

We're done.

John Steinbrink:

It's pretty much done on the referendum?

Mike Pollocoff:

We'll have to hustle fast. The referendum packets and what we're going to be putting out as information is done. But the only question that I don't know if any of us can answer is what's the base budget of the Village and how much you're setting aside for capital. Today we have $48,000 and that's all we have. But my sense in giving all the discussion I'm hearing is people believe there's more or less to put in there. So if there is more let's figure out what you want to put in and let's discuss it and put it in. If there isn't, there isn't. Otherwise we're going to be sending mixed messages out to people about how much money we have available for capital. We're doing that now.

Alex Tiahnybok:

I don't think it's a matter of the dollars of the referendum. That's pretty much set. I don't think we have any disputes on the amount of the levy, it's just how we spend those dollars. That's what I would like to have another pass at. And the way I see the process the Administrator has presented his proposed final budget and that's generally the way things work in business.

Underlings give their recommendations to their bosses and then the bosses look at it and think about it. They don't do everything in one minute. I think this is the way it should go.

John Steinbrink:

How long have we had this, Mike?

Mike Pollocoff:

This budget here?

John Steinbrink:

Right. When did we get these books?

Mike Pollocoff:

Thursday. But these books are a culmination of the binder you got last month.

John Steinbrink:

What we went through last month.

Mike Serpe:

Okay, we're done.

B. Receive Presentation of the 2007 Solid Waste Fund Budget and Consider Resolution #06-50 relating to Adoption of the 2007 Solid Waste Fund Budget.

John Steinbrink, Jr.:

Good evening. My name is John Steinbrink, Jr., Superintendent of Street, Parks and Sanitation. This evening I'll be going over with you the Department of Public Works solid Waste Fund 2007 Budget. It's the first of the enterprise funds to go over. The sanitation or the solid waste fund is composed into three different components. It's the sanitation department which includes the recycling, garbage collection, the leaf collection which is one round in the spring and three rounds in the fall, and our compost division which has our compost drop off site and also our maintenance that we perform at the compost site.

Our recycling collection has the automated arms that's shown in the picture here. And this is a picture of our recycling transfer site which is housed at the Prange Center. One of the advantages to having this is that it saves us time from driving up to north Racine everyday. We're averaging about three truckloads a day and about an hour and a half per load. We're saving about four and a half hours by having this transfer site on staff.

Next is the leaf collection. Here's a picture of the spring leaf collection that we do. We generally do about 10 percent of our collection in the spring and the other 90 percent is in the fall. So, as you can picture, our images of fall collection are quite a bit larger than this.

Then we have our compost drop off site which is located at 8600 Green Bay Road, the Prange Center. Here's a picture of our actual compost site which is located over by State Line and Delaney Road. This is where we do the process of turning and watering and actually turning it into compost.

The solid waste department started January '05. We took it over from a privatized division. We added four sanitation staff but we did not add any supervision by any new personnel. Our DPW foreman takes care of the streets and the clean water and the sanitation. We have one part-time clerical staff that enters work orders, answers phone calls. One-third of our shop mechanics are shared with public works and utilities.

We have 2.4 garbage routes. And as that number grows to 2.5 and 2.6 we actually have three people that staff on the garbage routes and then that .6 of the route that person spends over on the highway department. We also collect the large containers and we do bulk pickups on Wednesdays. We are able to get by with just one recycling route at this time because we do pick up every other week.

Some of the challenges that we had in 2006 were increased recycling volumes were up to almost 30 percent of our general diversion out of the mainstream. And that actually by having the more stops it gives us less time to load the semis at the transfer station which I showed you earlier. We also spend a lot of time with our new residential customers, dropping them off containers on a weekly basis as they move into the Village. And any time that any of our four sanitation division workers take off on vacation or they're sick and they take off someone in the street department has to be pulled out of the street department and actually work on one of those sanitation or recycling routes.

This is our organizational chart that we have. It's very similar to last year. We are going to be asking for one new program which is a part-time solid waste employee which I'll go over in a few minutes. We do exercise a five week cross-training program that kind of keeps the guys from being stale and our ultimate goal is to reduce injuries where the guys will be throwing garbage one week, working the automated recycling route, throwing garbage a week, working on the street then back to throwing garbage versus just throwing garbage every week throughout the year.

Our trends have been very positive where we're up to 29 percent of the recycling is pulled out of the mainstream up from 18.1 percent in 2003. And that's directly correlated to a reduction in our solid waste that we are putting in the landfill which is down just over 11 percent. We are projecting about 200 new homes a year based on information that we receive from planning and development. And each of those homes are averaging just about 62 tons a year in recycling and 179 tons a year in garbage.

One of the advantages to having a high diversion rate in recycling is that there is no tipping fee in the recycling. The tipping fee is the amount that you have to pay to actually have that product handled or taken off your hands at the end of the day. There is a tipping fee of just about $28 per ton for the garbage which is an added amount just under $5,000. As you can see, the red line is the recycling that we have for 2006, and we've been hovering just around the 30 percent diversion rate. As staff are trying to find ways to bring that number up over 30 percent or 35 percent, and whether that's more public education that we need to get out to the public by some of the items that are recyclable, or exchanging out some larger containers are things that we're working on for the future. So this pie chart just demonstrates how many tons that we've collected just from January through September 2006 of garbage in the darker blue and recycling in the lighter blue.

The revenues that we have, 95 percent of our revenues come from user fees, and just 5 percent comes from a recycling grant that we get from the State. Our expenses that we're looking for is very minor increases. The depreciation is an increase that we have in there just so we have enough money to replace our trucks on a six year rotation. Office expenses is a minor increase, compost expenses. We're really not asking for any large expenses in operations. Any expenses that we do have it's just because that our trucks are getting one year older and a lot of the services that we require to operate are increasing.

This is a breakdown of our solid waste fund in our garbage division that shows where 40 percent of our operations are tipping fees, so that's why it's very important to have a really active recycling program and use whatever avenues we have available to staff to get that information out to the people to keep our tipping fees down. About 10 percent that we have is fuel, and labor is 43 percent.

Our tipping fee per contract increases somewhere between 3 and 5 percent per year, and so we're going from January 1st. We were at the $23 a ton with a Wisconsin generator tax of $3.80, and now we're as of August 16th at $24.88 per ton with a $3.80 increase. So that's an increase of just over $11,000.

The one new program that we are asking for is to have a part-time solid waste employee for 20 hours a week at a cost of just over $10,000. Some of the duties that will be included in there will be assisting the recycling route and loading the trucks at the recycling station. As we have more and more homes involved, the person that's driving the recycling truck has less time to work at this transfer station where he's almost spending his entire eight hours just doing the collection. Our staff also spends a lot of time dropping off new residential containers to the 200 people that move into the Village on a weekly basis. And then also when we have any staff time when the full-time employees take off right now it's taking away from operations and our goals and objectives that we have on the street department, so we're hoping to gain those hours back on the street department and we are asking for 20 hours a week of a part-time person on the solid waste division.

Some of the program reductions that we have are eliminating the spring leaf collection that we have. It's two weeks where we go through the entire Village one time. It will save us just over $9,000 in labor. We normally collect about 138 cubic yard of leaves, and so those leaves would either have to be burnt on site or brought up to the compost site that we have at 8600 Green Bay Road. One of the nice things that we have with our leaf collection program is that it really has eliminated a large majority of the amount of leaf burning that we've had to do. The other reduction that I'm proposing is not going through the leaf collection one of the three rounds in the fall. So we'll still go through two times in the fall but just not that third time. It looks like we're going to save about another just over $9,000 in labor, but then about 1,500 cubic yard of leaves that would have to be either burnt or brought to the compost site.

This is a list of our equipment that we have. We have four garbage trucks. Two of them have the automated arms for collection and then we have one rear loading truck that we use for our bulk pickups if someone has a couch or any large item like that. And we also use it for our multi-family large container collection.

We are not recommending any rate increase for this year. We will cover all of our 2000 in net cash expenses and we will begin to add for the capital fund for the purchases to replace the trucks in the future. So we are recommending to keep the rate at $13 for a single family home and a $12.50 for the multi-family that we have.

This charge shows that if we keep the rate where we're at, we will be able to cover operations through 2011. We will have to eventually increase the rates a small amount to be able to replace our four sanitation vehicles in 2011. That is my presentation. If there's any questions I'll be free to answer them.

John Steinbrink:

What is the cost to the resident of those . . . ? What is the savings?

John Steinbrink, Jr.:

What is the savings by going with one of the reductions that we have? At the $9,000 it would probably be a couple of pennies per resident per month maybe if even that. Our entire operating revenue is probably $1.1 million, so if you take out $9,000 it's probably a tenth or a hundredth of a percent so a very small amount. You really won't even notice it in your utility bill.

John Steinbrink:

But you've got to explain to somebody that we're not going to pick up that last batch of leaves.

John Steinbrink, Jr.:

You would definitely notice it in the amount of service that we are providing. And you would also notice it where right now everyone is going out and collecting leaves you would see a lot more burning. You would probably see those same piles that are being sucked up right now by the staff and the leaf collector as big piles of smoke blowing through everyone's neighborhood over about a month period.

John Steinbrink:

> Or, worse case scenario, they get dumped on the roadside in the bags and then we still have to send somebody out to pick them up.

John Steinbrink, Jr.:

> And then our staff would have to go out on collection. One of the nice things about having the leaf collection is that it's really almost eliminated any roadside dumping of compost or leaves on a regular basis.

John Steinbrink:

> I think a lot of it we're seeing is coming from outside our municipality. Unfortunately, they don't have a convenient program for the residents.

John Steinbrink, Jr.:

> That's correct, and it's a very user friendly program where all you do is rake up the leaves. There's no bagging involved. Our crews do a very efficient job and they rake up afterwards. They provide a very valuable service to all the residents in the Village.

John Steinbrink:

> Other comments or questions?

Steve Kumorkiewicz:

> Yeah, I've got a comment. I talk to many people from other communities, and they can't believe that we can pick up the garbage and the recycling for $13 a month and get the compost, the chips and the mulch . . . they can't believe it. How do you do it with $13. Some people are complaining it's too high. I used to pay more than that 15 years ago. One question I've got for you, John, I see many times people move out and they don't have the recycling cart because the previous owner took it with them. What do you do in that case? Do we provide them a new one or they should be–

John Steinbrink, Jr.:

> The recycling cart is the property of the Village so if somebody loses their recycling cart or somebody need another one they are required to purchase it.

Steve Kumorkiewicz:

> So they've got to purchase. If somebody moves into the Village and the other guy took it they've got to purchase it.

John Steinbrink, Jr.:

> If somebody takes a cart of if it's stolen they can probably file a claim against their property owner's insurance if their deductible is more than $50 I guess.

Jeff Lauer:

> John, I have one question on page 4 where it states as part of getting into the automatic solid waste service there will be an initial substantial investment of $350,000. Do you know when that would be, what year?

John Steinbrink, Jr.:

> I guess it's kind of a long-term program. We really don't have a year. I think a lot of it depends on how fast we can build up our capital fund. I would like to see it in 2007, but unfortunately we don't have the funds established because we are a new enterprise fund and we don't bond anymore for it. We're kind of limited. And so hopefully by the time that we purchase our new trucks in 2011 we can be to that stage where we can do that.
>
> One of the goals of the program overall was that our diversion rate was down to 18 percent but our garbage diversion was very high. So we had to take a lot of that recycling material that was going into the landfill and somehow pull that out into the recycling. One of the issues that we're going to face with going to containers or collection in garbage is that right now the Village is at an unlimited volume of collection, and once you start containers you go to a limited volume. For probably 95 percent of everyone they can fit their garbage within a 95 gallon container. But then it's working out some of the provisions we have for the other few percent that generate more garbage on a regular basis. And some of the ideas that Mike and staff have brought out is go to a fee where if you have one container you pay a set rate. If you have two containers you pay a higher rate. So it really encourages people to recycle and pull as much of that recycling out of the waste stream as possible.

Jeff Lauer:

> Okay. It looks like this generated capital each year is going to be good. Also, I don't know if I said this last year, but I like the idea how staff can do different things each week like you mentioned.

John Steinbrink, Jr.:

> It's very positive with the staff.

Jeff Lauer:

> I think that's good. I wish I had a job like that.

John Steinbrink, Jr.:

We’re always looking for good people, Jeff.

Mike Pollocoff:

Speaking of strategic budgeting, if you look at your budget books under solid waste, this book here, we can do a $13 rate with no increase, but when you get to 2011 and you’ve purchased your trucks you’ll be $162,000 in the hole. This is an opportunity where you can build some reserves up so that in 2011 you’re not going to have a big increase then to fill that gap for the $162,000. We increased the fees last year by $2 from $11 and there was a lot of angst over that. We can do $13 a month and that chart shows it for you, but at 2011 you’re going to be in the hole. If you really do want to modify and go to all automated you’re going to have to put more in that. But we’d have to be willing to say we’re going to $13.50, and assuming John’s trends hold up and he’s able to get more diversion into the recycling stream, that ends up being gravy. If he stays at 30 percent, which is high, that’s high, but if he stays at 30 percent then the 50 cents ensures by the time you roll around you’re not going to be in the hole. It means you have to raise rates this year.

Mike Serpe:

I have to agree with you, Mike. I think it would be wise for us to consider that right now in light of everything we just got done talking about in the last couple weeks and couple months about planning for the future and this is a good indication. Fifty cents in today’s market with what we’re getting, for the services we’re getting from this group, I don’t think it’s much money. Sure, we’re going to get gigged on it by some people but these are the decisions we’re expected to make. I would recommend a 50 cent increase on the solid waste.

Alex Tiahnybok:

Would the $350,000 applied for 2007 accumulate the necessary dollars to balance the–because we’re putting money aside now for the capital replacements in 2011.

John Steinbrink, Jr.:

I believe the 50 cent increase would generate just over $40,000 per year annually. So in four years that would cover our shortfall.

Alex Tiahnybok:

I support that, too. I don’t think we should be looking at a negative in the future because there’s unexpected changes that will probably tweak that number up anyway. The other alternative perspective would be instead of going .50 now for the following four years, we could graduate that. Start lower than $13.50 and have even increments to get us in even slices to that final number. That’s another way of looking at it, but either way I think that’s a good idea.

The comments I was going to make prior was in 2011 we have a plan to spend $1.1 million to replace equipment–

John Steinbrink, Jr.:

That is correct.

Alex Tiahnybok:

–and we're putting money away for that, the depreciation part of our budget. That's exactly what I'm talking about, saving for the future. The other thing is I just want to compliment you for what appears to be a well run department.

John Steinbrink, Jr.:

Thank you.

Alex Tiahnybok:

I sent you an e-mail today and I don't know if you got it.

John Steinbrink, Jr.:

Yes, I did.

Alex Tiahnybok:

But I just happened to be looking out my window when they recycle truck came by. We did some cleaning so our recycle bin was pretty full and when the lid opened a good chunk of stuff fell out onto the pavement. Instead of driving away, which I've seen in the past, that particular driver on my route this morning, got out of the truck, put on his gloves and collected everything. I think that's an excellent sign.

John Steinbrink, Jr.:

Thank you.

Jeff Lauer:

I think that would be a good idea as well because we're putting it away for the future. I have no problem with that. It's better being positive a few years down the road.

Mike Serpe:

Mr. Chairman, I'd move approval of Resolution 06-50 with the increase of 50 cents on the solid waste and no other changes in the operations.

Jane Romanowski:

We have to bring that by ordinance.

Mike Pollocoff:

Once the resolution is adopted we'll prepare the ordinance before the year end.

SERPE MOVED TO ADOPT RESOLUTION #06-50 RELATING TO ADOPTION OF THE 2007 SOLID WASTE FUND BUDGET; SECONDED BY KUMORKIEWICZ; MOTION CARRIED 5-0.

Mike Serpe:

Mr. Chairman, before you go onto Item C, Mike we need some advice here. Both C and D were heard at the Plan Commission meeting and there was virtually no opposition to either one of those items. Matter of fact the neighborhood on Item C was in total favor. Could we include those in the consent agenda.

Mike Pollocoff:

You can make a motion to do that.

Mike Serpe:

I so move.

Alex Tiahnybok:

Second.

John Steinbrink:

Motion and a second to include Items C and D in the consent agenda. Further discussion?

SERPE MOVED TO ADD NEW BUSINESS ITEMS C & D TO THE CONSENT AGENDA; SECONDED BY TIAHNYBOK; MOTION CARRIED 5-0.

E. Consent Agenda

C. Receive Plan Commission Recommendation and Consider a Zoning Map Amendment Ord. #06-52 to rezone several properties generally located on the west side of 39th Avenue between 93rd and 97th Streets from the R-2, Urban Single Family Residential District to R-3, Urban Single Family Residential District.

D. Receive Plan Commission Recommendation and Consider the request of Chad Navis, Director of Development of WisPark LLC, property owner, for a Certified Survey Map to re-divide Tax Parcel Numbers 92-4-122-283-0121, 92-4-122-283-0126, 92-4-122-283-0130 and 92-4-122-283-0215, generally located between 80th Avenue and 88th Avenue, south of 109th Street and north of Deluxe Media Services and Volkswagen, into four (4) reconfigured parcels, one of which is to accommodate the LakeView Speculative XI Building.

1) Approve Bartender License on file.
2) Approve Letter of Credit Reduction for Meadowdale Estates Addition #1.
3) Approve Letter of Credit Reduction for Village Green Development LLC.

SERPE MOVED TO APPROVE CONSENT AGENDA ITEMS C, D AND 1-3; SECONDED BY TIAHNYBOK; MOTION CARRIED 5-0.

11. ADJOURNMENT.

SERPE MOVED TO ADJOURN THE MEETING; SECONDED BY KUMORKIEWICZ; MOTION CARRIED 5-0 AND MEETING ADJOURNED AT 11:05 P.M.