

August 25, 2014

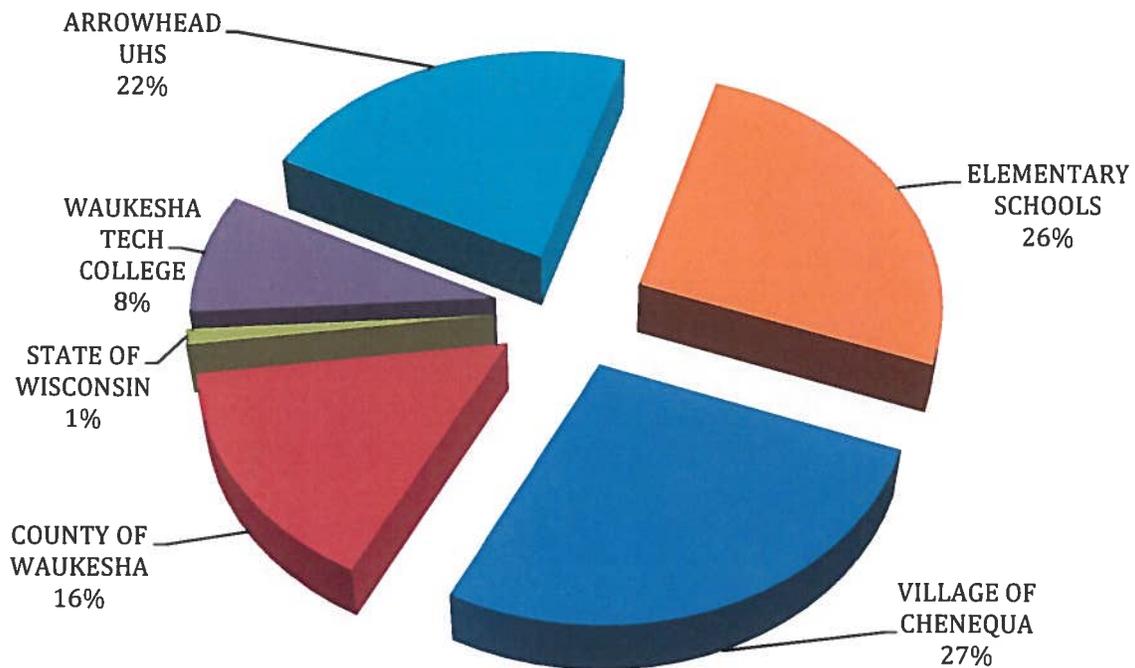
Dear Village Resident,

The Village of Chenequa will hold a special referendum in **November** for residents to approve increased Village taxes in 2015 and 2016. **The Trustees ask that you vote yes.** The following explains why we ask for your 'yes' vote:

Village Portion of Total Property Tax Bill is about 25%

The Village portion of property taxes for a Chenequa property owner historically averages about 25% of an owner's total property tax. The State of Wisconsin and Waukesha County portion is about 15%. The remainder 60% is for funding Arrowhead High School, the local elementary school, and Waukesha Technical College. The following chart shows this breakdown for a resident in the Stone Bank Elementary School district.

## WHERE DO YOUR TAX DOLLARS GO?



Recent Village Property Tax Levy Increases Have Averaged 1.22%

Property taxes for the Village of Chenequa [about 25% of the total property tax bill] from 2004 through this year have increased at a very modest rate. The following table shows the history of these revenue increases for operations, legally described as 'levy increases':

Year	Levy Increase
2004	0%
2005	1%
2006	2%
2007	2%
2008	2%
2009	2%
2010	2%
2011	0%
2012	0%
2013	0%

The Village Administration has diligently controlled operating expenses and capital equipment additions to maintain efficiently managed operations with these modest levy increases that averaged 1.22%

Choices for 2014: Increase Revenue or Cut Services

After 10 years of modest or zero revenue increases [levy increases] for operations the Village Trustees and Administration have reached the end of their ability to maintain existing services without additional revenue. Roughly eighty percent [80%] of Village expenses is for employee salaries and employee benefits. The remaining twenty percent [20%] is for building and vehicle maintenance, fuels, supplies and consumable items. After three years of near zero salary increases the Trustees authorized a 2% salary increase for employees in 2014. Other employee benefits, including health insurance have also increased. As a consequence the Village will have to either raise revenue for operations for 2015 above 0% or curtail some services.

The Trustees believe there are Village services that cannot be reduced, including police and fire protection. The choices for curtailing non-essential expenses could include snow plowing, deer population management, and some forestry management activities. These popular 'non-essential' services have been part of the Village operations for decades.

Chenequa will hold a special referendum in **November of 2014** for residents to approve increased Village taxes in 2015 and 2016 and ask that you vote **yes** to continue Village services.

## Referendum

The current state law allows municipalities and school districts to increase the levy above 0%. The choices for the Village are either by referendum or by decision of the Trustees. The latter choice in effect penalizes the village in reduced state shared revenue from future years, and does not address long-term revenue needs. So the Trustees intend to hold a referendum in November for the Village residents to approve a **village only** levy increase of 4.95% for both 2014 and 2015. **The village levy increase for a property of market value of \$1 million would be about \$187.21 in 2015 and would be ongoing.**

The question to be placed on said ballot shall read as follows:

**Under state law, the increase in the levy of the Village of Chenequa for the tax to be imposed for the next fiscal year (2015) is limited to \$26,298 or 1.55 percent, which results in a new levy amount of \$1,722,913.**

**QUESTION: *Shall the Village of Chenequa be allowed to exceed this limit and increase the levy for the next fiscal year (2015) and on an ongoing basis, by \$85,284, an additional 4.95 percent increase, for a total levy increase of 6.58 percent, which results in a levy of \$1,808,197, for the increases associated with operating costs and personnel costs?***

**A “yes” vote allows the Village Board to exceed the state imposed levy limits to provide for the increases associated with operating costs and personnel costs.**

**A “no” vote does not allow the Village Board to exceed the state imposed levy limits to provide for the increases associated with operating costs and personnel costs.**

The results of the referendum shall be binding upon the Village of Chenequa and certified to the Wisconsin Department of Revenue, as required by Wisconsin State Statutes Section 66.0602(4)(d).

Feel free to contact the Village Administrator or any of the Trustees to discuss the 2014 Referendum.

Sincerely,

Robert Foote Jr

A Note from Village President Robert Foote Jr.;

### Background: Impact of State Law Limiting Levy Increases

For the years 2011 and 2012 the Village's levy [tax revenue] increases were zero as a result of a State of Wisconsin law passed at the beginning of 2011. The zero levy increase applies to all municipalities and school districts in the State except if there is growth. And as a result of State of Wisconsin Act 10, also passed at the beginning of 2011, municipalities and schools have been able to hold steady, and in some cases reduce, operating expenses without the benefit of additional revenue. The Village of Chenequa was able to accomplish this for both years.

As you know, Village revenues and property taxes for 2013 rose by 6.9%. This levy limit adjustment allowed by law was due entirely to three components: financing of the new Village Garage debt, financing of a Village road project, and financing of replacement highway & forestry trucks. The levy increase for ongoing Village operations [non-capital additions] for 2013 remained at zero percentage [0%]. The Village Administration again has been able to control its expenses and find expense savings under the constraint of zero revenue increase.

The Village Administration and Village Trustees are fully aware that some owners' Village taxes increased more or less than 6.9%. These increases or decreases were a result of the recent law requiring new annual reassessments of property values by the Village to equal estimated market value. This reassessment process also was changed, mandated by State law in 2011, to put the burden on each state community to reassess annually using a State-wide uniform formula and process.