

AN EVALUATION OF ALTERNATIVE MEANS FOR THE GOVERNANCE OF THE DELAVAN LAKE AREA

WALWORTH COUNTY
WISCONSIN

NP
2005
-86
CAPK
174
C-2

**SOUTHEASTERN WISCONSIN
REGIONAL PLANNING COMMISSION**

KENOSHA COUNTY

Leon T. Dreger
Francis J. Pitts
Sheila M. Siegler

RACINE COUNTY

David B. Falstad
Jean M. Jacobson
Earl G. Skagen

MILWAUKEE COUNTY

Irene M. Brown,
Secretary
Harout O. Sanasarian,
Vice-Chairman
Jean B. Tyler

WALWORTH COUNTY

John D. Ames
Anthony F. Balestrieri
Allen L. Morrison

OZAUKEE COUNTY

Allen F. Bruederle
Alfred G. Raetz
Elroy J. Schreiner

WASHINGTON COUNTY

Daniel S. Schmidt
Patricia A. Strachota
Frank F. Uttech
Chairman

WAUKESHA COUNTY

Richard A. Congdon
Robert F. Hamilton
William D. Rogan,
Treasurer

**ADVISORY COMMITTEE ON THE
GOVERNANCE OF THE DELAVAN LAKE AREA**

Jane BohnCitizen Member and
Chairperson President, Delavan Lake
Improvement Association
Peter F. DantoneMayor, City of Delavan
Co-Vice-Chairperson
Nicholas F. MarsicanoPresident, Delavan Lake
Co-Vice-Chairperson Sanitary District
Kurt W. Bauer, SecretaryExecutive Director,
Southeastern Wisconsin
Regional Planning Commission
Richard J. BrownCitizen Member, Town of Delavan
Robin SargentSupervisor, Town of Delavan
James E. SullivanCitizen Member and Commissioner,
Delavan Lake Sanitary District
Miller UptonCitizen Member and Chairman,
Greater Delavan Development Council
James L. Van DreserChairman, Town of Walworth;
Supervisor, Walworth County

The following local staff members participated actively in the work of the Committee: Kevin L. MacKinnon, Administrator, Delavan Lake Sanitary District; John Rudd, Administrator, City of Delavan; and Lyle A. Smith, Director of Public Works, City of Delavan.

**SOUTHEASTERN WISCONSIN REGIONAL
PLANNING COMMISSION STAFF**

Kurt W. Bauer, PE, AICP, RLSExecutive Director
Philip C. Evenson, AICPAssistant Director
Kenneth R. Yunker, PEAssistant Director
Robert P. Biebel, PEChief Environmental Engineer
John W. ErnstInformation Systems Manager
Gordon M. KacalaChief Economic Development Planner
Leland H. Kreblin, RLSChief Planning Illustrator
Donald R. MartinsonChief Transportation Engineer
Bruce P. RubinChief Land Use Planner
Roland O. Tonn, AICPChief Community Assistance Planner
Joan A. ZenkAdministrative Officer

Special acknowledgement is due Mr. Richard A. Lehmann, Attorney, Lawton & Cates, S.C., Madison, and SEWRPC Senior Specialist Donald G. Dittmar for their contributions to this report.

**COMMUNITY ASSISTANCE PLANNING REPORT
NUMBER 174**

**AN EVALUATION OF ALTERNATIVE MEANS FOR
THE GOVERNANCE OF THE DELAVAN LAKE AREA
WALWORTH COUNTY, WISCONSIN**

Prepared by the
Southeastern Wisconsin Regional Planning Commission
P. O. Box 1607
Old Courthouse
916 N. East Avenue
Waukesha, Wisconsin 53187-1607

March 1989

Inside Region \$10.00
Outside Region \$20.00

(This page intentionally left blank)

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION

916 N. EAST AVENUE

P.O. BOX 1607

WAUKESHA, WISCONSIN 53187-1607

TELEPHONE (414) 547-6721

Serving the Counties of:

KENOSHA
MILWAUKEE
OZAUKEE
RACINE
WALWORTH
WASHINGTON
WAUKESHA

March 23, 1989

Mr. Peter F. Dantone
Mayor, City of Delavan

Mr. Wayne K. Polzin
Chairman, Town of Delavan

Mr. James L. Van Dreser
Chairman, Town of Walworth

Mr. Nicholas F. Marsicano, President
Delavan Lake Sanitary District

Gentlemen:

On October 10, 1988, the Regional Planning Commission entered into a cooperative agreement with the local units of government in the Delavan area to conduct an evaluation of potential changes in the governance of the Delavan Lake Sanitary District. The Commission is pleased to present herein the results of that evaluation.

Included in this report are descriptions of the legal processes under Wisconsin law attendant to municipal merger and incorporation, particularly as they pertain to the Delavan area; pertinent related information about the Delavan area, including data on population and economic activity levels, on the land use and supporting natural resource base, on the street and highway system, on public utility systems, and on the current governmental structure and levels of public services, including the costs of those services; information identifying the probable impacts on the corporate bodies and residents of the Delavan area should the Sanitary District either be merged with the City of Delavan through the process of annexation or incorporate as an independent village; and information attendant to the probable legal feasibility of such a merger or incorporation given statutory standards and Wisconsin case law attendant to such matters.

The basic conclusions of the evaluation are: 1) that the Delavan Lake Sanitary District could be merged with the City of Delavan; 2) that in the alternative, the Sanitary District could be incorporated as an independent municipality; and 3) that the Towns of Delavan and Walworth, in either case, could survive as functioning entities with minimal impact on the residents of those residual Towns. These conclusions are valid, however, only to the extent that any merger or incorporation actions that may take place involve the entire Sanitary District and do not occur in a piecemeal manner.

The Delavan Lake area governance evaluation was conducted under the guidance of a nine-member Advisory Committee. The Commission gratefully acknowledges the contributions of the local elected public officials and knowledgeable citizens that served on the Committee. In addition, the Commission acknowledges the assistance readily provided by the staffs of the local units of government in the Delavan area. The help provided by the local clerks, treasurers, administrators, public works directors, and school superintendents was invaluable and contributed immeasurably to the conduct of the evaluation.

It was not the Commission's responsibility to provide a recommendation as to whether or not a change in the governance of the Delavan Lake area should be made. Rather, it was the Commission's responsibility to provide the information required for the public officials and citizens of the area to consider in a rational and objective manner potential changes in the governance of the area. It is our hope that the information contained in this report will provide the basis upon which a consensus on this matter can be reached.

Sincerely,



Kurt W. Bauer
Executive Director

(This page intentionally left blank)

TABLE OF CONTENTS

| | Page | | Page |
|---|------|--|------|
| Chapter I—INTRODUCTION | 1 | Introduction | 63 |
| Background | 1 | Annexation—The Merger Process | 63 |
| Study Purpose | 1 | Characteristics of Areas to be | |
| Overview of Study Area | 2 | Merged and of the Merged Entity | 65 |
| Advisory Committee | | Probable Effects of | |
| and Staff Structure | 2 | Merger on Governmental | |
| Report Structure | 2 | Structure and Functions | 66 |
| Chapter II—INVENTORY | | Governmental Structure | 66 |
| FINDINGS | 5 | Public Works Functions | 69 |
| Introduction | 5 | Sanitary Sewers | 69 |
| Areal Extent of Civil Divisions | 5 | Water Supply | 71 |
| Population and Households | 5 | Drainage, Streets, and Roads | 71 |
| Population | 5 | Solid Waste Collection | |
| Housing Units | 8 | and Disposal | 72 |
| Households | 8 | Public Safety Functions | 72 |
| Special Census of the Delavan | | Law Enforcement | 72 |
| Lake Sanitary District | 11 | Fire Suppression | 72 |
| Employment | 13 | Rescue Services | 73 |
| Land Use | 14 | Park and Recreation, Library, | |
| Historic Urban Growth | 14 | and Planning Functions | 74 |
| Existing Land Use | 14 | Current Projects and Programs | 75 |
| Planned Urban | | School District Representation | 76 |
| Development Limits | 15 | Potential Effects of Merger on | |
| Natural Resource Base | 17 | Governmental Finances, Property | |
| Surface Water Drainage System | 17 | Taxes, and Service Charges | 77 |
| Soils | 17 | Budget Scenario No. 1: Expenditures | |
| Floodlands and Shorelands | 23 | at City Per Capita Rates | 77 |
| Environmental Corridors | 23 | Budget Scenario No. 2: Expenditures | |
| Streets and Highways | 29 | at Differential Per Capita Rates | 81 |
| Structure and Functions of | | Budget Scenario No. 3: Expenditures | |
| Local Units of Government | 35 | at Reduced Per Capita Rates | 84 |
| Postal Service Delivery Areas | 35 | Estimated Fiscal Impacts | |
| Private Utility Service Areas | 35 | of Alternative Budget Scenarios | 85 |
| Municipal Projects That | | Legal Considerations | |
| Could be Impacted by a | | Attendant to the Merger Process | 96 |
| Change in Governance | 39 | Wisconsin Department | |
| Municipal Finances | 44 | of Development Review | 96 |
| Expenditures and Revenues | 50 | Circuit Court Review | 97 |
| Indebtedness | 51 | Concluding Remarks | |
| Tax Base and Rates | 51 | Concerning Legal Feasibility | 98 |
| Per Capita Analysis | 51 | Summary and Conclusions | 98 |
| Summary | 51 | | |
| Chapter III—MERGER OF | | Chapter IV—INCORPORATION | |
| THE DELAVAN LAKE | | OF THE DELAVAN LAKE | |
| SANITARY DISTRICT WITH | | SANITARY DISTRICT | 103 |
| THE CITY OF DELAVAN | 63 | Introduction | 103 |
| | | The Incorporation Process | 103 |

| | Page | | Page |
|---|------|---|------|
| Characteristics of the Area to be Incorporated | 106 | Chapter V—IMPACTS OF EITHER MERGER OR INCORPORATION OF THE DELAVAN LAKE SANITARY DISTRICT ON THE TOWNS OF DELAVAN AND WALWORTH | 127 |
| Structure and Functions of an Incorporated Municipality of Delavan Lake | 107 | Introduction | 127 |
| Governmental Structure | 107 | Characteristics of Remaining Town Areas | 127 |
| Municipal Services | 108 | Probable Impacts on Remaining Towns | 129 |
| Impacts of Incorporation | 109 | Service Level Impacts | 129 |
| Impacts on City of Delavan | 109 | Budgetary Impacts | 130 |
| Current Projects and Programs | 109 | Fiscal Impacts | 131 |
| School District Representation | 110 | Governance Alternatives for Residual Towns | 138 |
| Probable Budget for the Village of Delavan Lake | 110 | Summary and Conclusions | 139 |
| Budget Scenario No. 1: Portion of Sewerage Costs Recovered Through Property Taxes | 110 | | |
| Budget Scenario No. 2: Recovery of All Sewerage Costs Through Service Charges | 111 | Chapter VI—SUMMARY AND CONCLUSIONS | 141 |
| Estimated Fiscal Impacts of Alternative Budget Scenarios | 114 | Introduction | 141 |
| Legal Considerations Attendant to the Incorporation Process | 117 | Inventory Findings | 141 |
| Application of Standards by Circuit Court | 118 | Merger of the Delavan Lake Sanitary District with the City of Delavan | 144 |
| Application of Standards by the Wisconsin Department of Development | 119 | Incorporation of the Delavan Lake Sanitary District | 149 |
| Concluding Remarks Concerning Legal Feasibility | 123 | Impacts of Either Merger or Incorporation on the Towns of Delavan and Walworth | 152 |
| Summary and Conclusions | 123 | Concluding Remarks | 155 |

LIST OF APPENDICES

| Appendix | | Page |
|----------|---|------|
| A | Revenue and Expenditure Trends in the City of Delavan, the Towns of Delavan and Walworth, and the Delavan Lake Sanitary District | 159 |
| | Table A-1 Revenues and Expenditures in the City of Delavan: 1983-1989 | 161 |
| | Table A-2 Revenues and Expenditures in the Town of Delavan: 1983-1989 | 161 |
| | Table A-3 Revenues and Expenditures in the Town of Walworth: 1983-1989 | 163 |
| | Table A-4 Revenues and Expenditures in the Delavan Lake Sanitary District: 1983-1989 | 163 |
| | Figure A-1 Revenues and Expenditures in the City of Delavan: 1983-1989 | 160 |

| | | |
|------------|---|-----|
| Figure A-2 | Revenues and Expenditures in the Town of Delavan: 1983-1989 | 160 |
| Figure A-3 | Revenues and Expenditures in the Town of Walworth: 1983-1989 | 162 |
| Figure A-4 | Revenues and Expenditures in the Delavan Lake Sanitary District: 1983-1989 | 162 |
| B | Potential Implications Attendant to a Position of Maintaining the Status Quo with Respect to the Delavan Lake Sanitary District | 165 |
| Map B-1 | Lake Lawn Lodge and Related Lands Assumed to be Annexed to the City of Delavan | 166 |

LIST OF TABLES

Chapter II

| | | |
|----|---|----|
| 1 | Areal Extent of Civil Divisions in the Delavan Lake Governance Study Area: 1988 | 5 |
| 2 | Resident Population in the Delavan Lake Governance Study Area and in Walworth County: 1960-1985 | 6 |
| 3 | Resident Population in the Delavan Lake Governance Study Area and in Walworth County: Existing 1985 and Planned Year 2000 | 8 |
| 4 | Total Housing Units in the Delavan Lake Governance Study Area and in Walworth County: 1960-1985 | 9 |
| 5 | Resident Households in the Delavan Lake Governance Study Area and in Walworth County: 1960-1985 | 9 |
| 6 | Resident Households in the Delavan Lake Governance Study Area: 1985 and Planned Year 2010 | 11 |
| 7 | Resident Household Size in the Delavan Lake Governance Study Area and in Walworth County: 1960, 1970, 1980, and Planned Year 2010 | 12 |
| 8 | Resident and Seasonal or Periodic Population and Housing Units in the Delavan Lake Sanitary District: 1988 | 13 |
| 9 | Employment in the Delavan Lake Governance Study Area and in Walworth County: 1972-1985 | 14 |
| 10 | Employment in the Delavan Lake Governance Study Area and in Walworth County: 1985 and Planned Year 2010 | 15 |
| 11 | Historic Urban Development in the Delavan Lake Governance Study Area: 1950, 1963, 1975, and 1985 | 17 |
| 12 | Land Use in the Delavan Lake Governance Study Area: 1985 | 19 |
| 13 | Areal Extent of Civil Divisions in the Delavan Lake Governance Study Area by Subwatershed | 22 |
| 14 | Environmentally Sensitive Lands in the Delavan Lake Governance Study Area: 1985 | 29 |
| 15 | Arterial Streets and Highways in the Delavan Lake Governance Study Area: 1988 | 31 |

| Table | | Page |
|-------|---|------|
| 16 | Streets and Highways in the Delavan Lake Governance Study Area by Jurisdiction: 1988 | 34 |
| 17 | Structure and Functions of the General-Purpose Local Units of Government Comprising the Delavan Lake Governance Study Area | 36 |
| 18 | Comparison of Zoning District Regulations in the City of Delavan and Walworth County: 1988 | 41 |
| 19 | Comparison of Land Subdivision Ordinance Provisions in the City of Delavan and Walworth County: 1988 | 43 |
| 20 | Structure and Functions of the Special-Purpose Local Units of Government Serving the Delavan Lake Governance Study Area | 44 |
| 21 | Proposed Municipal Projects That Could be Affected by a Change in the Governance Structure of the Delavan Lake Area | 49 |
| 22 | Summary of Municipal Expenditures in the Delavan Lake Governance Study Area: 1983-1987 | 50 |
| 23 | Revenues and Expenditures in the City of Delavan: 1983-1987 | 52 |
| 24 | Revenues and Expenditures in the Town of Delavan: 1983-1987 | 54 |
| 25 | Revenues and Expenditures in the Town of Walworth: 1983-1987 | 55 |
| 26 | Revenues and Expenditures in the Delavan Lake Sanitary District: 1983-1987 | 56 |
| 27 | Revenues and Expenditures in the Lake Comus Protection and Rehabilitation District: 1983-1987 | 57 |
| 28 | Summary of Municipal Revenues in the Delavan Lake Governance Study Area: 1983-1987 | 58 |
| 29 | Annual Level of Long-Term Municipal Debt in the Delavan Lake Governance Study Area: 1983-1987 | 58 |
| 30 | Bonding Capacities and Indebtedness by Taxing Jurisdiction in the Delavan Lake Governance Study Area: 1983-1987 | 59 |
| 31 | Total Equalized Real Property Value in the Delavan Lake Governance Study Area: 1983-1987 | 60 |
| 32 | Property Tax Rates in the Delavan Lake Governance Study Area by Taxing Jurisdiction: 1988 | 61 |
| 33 | Expenditures, Revenues, Debt, and Equalized Value Per Capita by Taxing Jurisdiction in the Delavan Lake Governance Study Area | 62 |

Chapter III

| | | |
|----|---|----|
| 34 | Selected Characteristics of the City of Delavan, the Delavan Lake Sanitary District, and a Merged Municipal Entity Consisting of the City of Delavan and the District | 67 |
| 35 | Probable Effects on the Governmental Structure of the City of Delavan Assuming a Merger with the Delavan Lake Sanitary District | 68 |
| 36 | Probable Effects on Public Works Functions in the City of Delavan Assuming a Merger with the Delavan Lake Sanitary District | 70 |
| 37 | Probable Effects on Public Safety Functions in the City of Delavan Assuming a Merger with the Delavan Lake Sanitary District | 73 |
| 38 | Probable Effects on Park and Recreation, Library, and Planning Functions in the City of Delavan Assuming a Merger with the Delavan Lake Sanitary District | 74 |
| 39 | Merged Delavan Entity Budget Scenario No. 1: Overall Expenditures at Existing City of Delavan Per Capita Rates | 78 |
| 40 | Merged Delavan Entity Budget Scenario No. 2: Combined Expenditures Derived from Differential Per Capita Rates for City of Delavan and Delavan Lake Area | 82 |

| Table | | Page |
|-------------------|---|------|
| 41 | Merged Delavan Entity Budget Scenario No. 3: Expenditures Based Upon Assumed Reduction in Per Capita Rates Following Merger | 86 |
| 42 | Estimated Fiscal Impacts on Average Households in the City of Delavan and the Delavan Lake Sanitary District Assuming a Merger Between the City and District: 1987 | 88 |
| 43 | Distribution of Fiscal Burden to City of Delavan and Delavan Lake Sanitary District Residents: Existing and Alternative Merger Budget Scenarios | 94 |
| Chapter IV | | |
| 44 | Selected Characteristics of a New Delavan Lake Municipality Assuming Incorporation of the Delavan Lake Sanitary District | 107 |
| 45 | Alternative Budget Scenarios for the Village of Delavan Lake | 112 |
| 46 | Estimated Fiscal Impacts on Average Households in the Delavan Lake Sanitary District Assuming Incorporation of the District as a Village: Existing 1987 and Alternative Budget Scenarios | 115 |
| Chapter V | | |
| 47 | Selected Characteristics of the Residual Towns of Delavan and Walworth Assuming Either the Incorporation of the Delavan Lake Sanitary District or the Merger of the District with the City of Delavan | 128 |
| 48 | Land Use Distribution in the Remainders of the Towns of Delavan and Walworth Assuming Either the Incorporation of the Delavan Lake Sanitary District or the Merger of the District with the City of Delavan: 1985 | 129 |
| 49 | Probable Initial Budget for the Residual Town of Delavan Assuming That the Delavan Sanitary District Either Incorporates or is Annexed to the City of Delavan | 132 |
| 50 | Probable Budget for the Residual Town of Walworth Assuming That the Delavan Sanitary District Either Incorporates or is Annexed to the City of Delavan | 134 |
| 51 | Estimated Fiscal Impacts on Average Households in the Residual Towns of Delavan and Walworth Assuming That the Delavan Lake Sanitary District (DLSD) Either Incorporates or is Annexed to the City of Delavan | 136 |
| Chapter VI | | |
| 52 | Selected Characteristics of the City of Delavan Assuming a Merger with the Delavan Lake Sanitary District | 145 |
| 53 | Estimated Costs of Installing a Public Water Supply System and an Urban Street System in the Delavan Lake Area | 145 |
| 54 | Summary Comparison of Alternative City of Delavan-Delavan Lake Sanitary District Merger Budget Scenarios | 148 |
| 55 | Selected Characteristics of the Village of Delavan Lake Assuming Incorporation of the Delavan Lake Sanitary District | 150 |
| 56 | Summary Comparison of Alternative Village of Delavan Lake Incorporation Budget Scenarios | 153 |
| 57 | Selected Characteristics of the Residual Towns of Delavan and Walworth Assuming the Loss of the Delavan Lake Sanitary District Through Either Merger or Incorporation | 154 |

LIST OF FIGURES

| Figure | | Page |
|--------------------|---|------|
| Chapter II | | |
| 1 | Revenues and Expenditures in the City of Delavan: 1983-1987 | 53 |
| 2 | Revenues and Expenditures in the Town of Delavan: 1983-1987 | 54 |
| 3 | Revenues and Expenditures in the Town of Walworth: 1983-1987 | 55 |
| 4 | Revenues and Expenditures in the Delavan Lake Sanitary District: 1983-1987 | 56 |
| 5 | Revenues and Expenditures in the Lake Comus Protection and Rehabilitation District: 1983-1987 | 57 |
| Chapter III | | |
| 6 | Methods for Annexation Provided in Section 66.021 of the Wisconsin Statutes | 64 |
| 7 | Estimated Local Property Taxes per Average Household in the City of Delavan and the Delavan Lake Sanitary District Assuming a Merger Between the City and the District: Existing 1987 and Alternative Budget Scenarios | 90 |
| 8 | Estimated Monthly Utility Service Charges per Average Household in the City of Delavan and the Delavan Lake Sanitary District Assuming a Merger Between the City and the District: Existing and Alternative Budget Scenarios | 91 |
| 9 | Estimated Total Annual Cost per Average Household in the City of Delavan and the Delavan Lake Sanitary District Assuming a Merger Between the City and the District: Existing 1987 and Alternative Budget Scenarios | 92 |
| 10 | Comparison of Collective Fiscal Impacts Upon City of Delavan and Delavan Lake Sanitary District Residents and Property Owners: Existing 1987 and Alternative Merger Budget Scenarios | 95 |
| Chapter IV | | |
| 11 | Procedural Steps to Incorporate a New City or Village Pursuant to Sections 66.013 Through 66.019 of the Wisconsin Statutes | 104 |
| 12 | Estimated Local Property Taxes per Average Household in the Delavan Lake Sanitary District Assuming Incorporation of the District as a Village and with Comparisons to the Merger Alternative: Existing 1987 and Alternative Budget Scenarios | 116 |
| 13 | Estimated Monthly Utility Service Charges per Average Household in the Delavan Lake Sanitary District Assuming Incorporation of the District as a Village and with Comparisons to the Merger Alternative: Existing 1987 and Alternative Budget Scenarios | 117 |
| 14 | Estimated Total Annual Cost per Average Household in the Delavan Lake Sanitary District Assuming Incorporation of the District as a Village and with Comparisons to the Merger Alternative: Existing 1987 and Alternative Budget Scenarios | 118 |
| Chapter V | | |
| 15 | Estimated Local Property Taxes per Average Household in the Residual Towns of Delavan and Walworth Assuming That the Delavan Lake Sanitary District Either Incorporates or is Merged with the City of Delavan | 137 |

LIST OF MAPS

| Map | | Page |
|-------------------|--|------|
| Chapter I | | |
| 1 | Delavan Lake Governance Study Area | 3 |
| Chapter II | | |
| 2 | Population Density Within the Delavan Lake Governance Study Area: 1985 | 7 |
| 3 | U. S. Public Land Survey One-Quarter Sections Within the Delavan Lake Governance Study Area with More than 30 Housing Units: 1985 | 10 |
| 4 | Historic Urban Growth in the Delavan Lake Governance Study Area: 1980-1985 | 16 |
| 5 | Existing Land Use in the Delavan Lake Governance Study Area: 1985 | 18 |
| 6 | Planned Land Use in the Delavan Lake Governance Study Area | 20 |
| 7 | Subwatersheds in the Delavan Lake Governance Study Area | 21 |
| 8 | Suitability of Soils for Agriculture in the Delavan Lake Governance Study Area | 24 |
| 9 | Suitability of Soils for the Proper Operation of Septic Tank Absorption Fields in the Delavan Lake Governance Study Area | 25 |
| 10 | Suitability of Soils for Dwelling Units with Basements in the Delavan Lake Governance Study Area | 26 |
| 11 | Floodlands and Shorelands in the Delavan Lake Governance Study Area | 27 |
| 12 | Environmental Corridors in the Delavan Lake Governance Study Area | 28 |
| 13 | Existing Arterial Streets and Highways in the Delavan Lake Governance Study Area: 1988 | 30 |
| 14 | Planned Arterial Streets and Highways in the Delavan Lake Governance Study Area | 32 |
| 15 | Federal Aid Highway System in the Delavan Lake Governance Study Area: 1988 | 33 |
| 16 | Aldermanic Districts in the City of Delavan: 1988 | 39 |
| 17 | Parks and Municipal Buildings and Facilities in the Delavan Lake Governance Study Area: 1988 | 40 |
| 18 | Jurisdictional Limits of the Special-Purpose Local Units of Government Serving the Delavan Lake Governance Study Area | 45 |
| 19 | Jurisdictional Limits of the School Districts Serving the Delavan Lake Governance Study Area | 46 |
| 20 | U. S. Postal Service Delivery Areas in the Delavan Lake Governance Study Area | 47 |
| 21 | Electric Utility Service Jurisdictions Within the Delavan Lake Governance Study Area | 48 |

(This page intentionally left blank)

Chapter I

INTRODUCTION

BACKGROUND

On August 9, 1988, the Mayor of the City of Delavan, the Chairman of the Town of Delavan, and the President of the Delavan Lake Sanitary District formally requested the Southeastern Wisconsin Regional Planning Commission to conduct a study that would evaluate potential changes in the governance of the Delavan Lake Sanitary District. This request followed a series of meetings of governmental and citizen leaders in the Delavan area of Walworth County held for the purpose of exploring the possibility of either merging the Delavan Lake Sanitary District with the adjacent City of Delavan through the process of annexation, or incorporating the Delavan Lake Sanitary District as an independent municipality.

On August 22, 1988, the Regional Planning Commission responded favorably to the request and directed that its staff work with governmental officials and citizen leaders in the Delavan area to conduct the requested evaluation. The Commission also acted to create an Advisory Committee under Section 66.945(7) of the Wisconsin Statutes to provide policy guidance for the conduct of the study.

STUDY PURPOSE

The basic purpose of the evaluation is to develop the information required to permit residents of the greater Delavan area and their elected officials to cooperatively identify the advantages and disadvantages that may be associated with a change in governance of the Delavan Lake Sanitary District. More particularly, the evaluation is intended to:

1. Provide pertinent basic information on the public planning, public works and public services, and public finances attendant to the existing governmental structure of the four local units of government that would most directly be involved in a change in the governance of the Delavan Lake area: the City of Delavan, the Towns of Delavan and Walworth, and the Delavan Lake Sanitary District.
2. Define the legal processes under the Wisconsin Statutes relating to annexation and to incorporation so that all parties concerned gain an understanding of the steps entailed in changing the governance of the Delavan Lake Sanitary District should that be desired.
3. Identify the probable impacts on the corporate bodies and residents of the City of Delavan, the Towns of Delavan and Walworth, and the Delavan Lake Sanitary District should a merger of the Delavan Lake Sanitary District with the City of Delavan be accomplished through annexation, such impacts being broadly defined in terms of the types and levels of services to be provided to the merged entity and the impact upon municipal finances—in particular, property taxes—of such a merger on the residents of the City, the two Towns, and the Sanitary District.
4. Identify the probable impacts on the corporate bodies and residents of the City of Delavan, the Towns of Delavan and Walworth, and the Delavan Lake Sanitary District should the Delavan Lake Sanitary District incorporate as an independent municipality, such impacts being broadly defined in terms of the types and levels of services to be provided to the new municipality and the impacts upon municipal finances—in particular, property taxes—of such an incorporation on the residents of the City, the two Towns, and the Sanitary District.
5. Develop information pertinent to a possible incorporation of the Delavan Lake Sanitary District as a city or village with a view toward meeting the standards set forth in Section 66.016 of the Wisconsin Statutes that are applied to municipal incorporations by the Wisconsin Department of Development.
6. Determine the probability of successfully incorporating the Delavan Lake Sanitary District as an independent municipality,

given the standards that need to be applied under the Wisconsin Statutes.

7. Determine the probability of successfully merging the Delavan Lake Sanitary District with the City of Delavan through the annexation process given Wisconsin law attendant to annexation.

OVERVIEW OF STUDY AREA

The geographic area selected for the evaluation consists of the combined area of the City of Delavan, the Town of Delavan, and the Town of Walworth (see Map 1). Together, these three local units of government encompass an area of about 72 square miles and house a resident population of about 11,400 persons.

Throughout this report, data are presented not only with respect to the three general-purpose local units of government involved, but also with respect to the Delavan Lake Sanitary District. That District, and the planned sanitary sewer service area that has been defined for that District in the adopted regional water quality management plan, are also identified on Map 1.

The Delavan Lake Sanitary District is a special-purpose local unit of government created under Section 60.71 of the Wisconsin Statutes for the purpose of providing centralized sanitary sewer service to urban development along the shoreline of Delavan Lake. The Delavan Lake Sanitary District encompasses portions of the Towns of Delavan and Walworth. The planned sanitary sewer service area for the Delavan Lake Sanitary District basically consists of the District as it is currently legally configured, together with adjacent undeveloped lands to which sanitary sewer service can be readily extended.

Should the Delavan Lake Sanitary District, either in its present form or in an expanded form as represented by the planned sanitary sewer service area, be merged with the City of Delavan through an annexation process or incorporated as an independent municipality, such lands would no longer be part of the Towns of Delavan and Walworth. Accordingly, throughout this report, data will be presented also for the

residual Towns of Delavan and Walworth should an annexation or incorporation of the Delavan Lake Sanitary District occur.

ADVISORY COMMITTEE AND STAFF STRUCTURE

The evaluation of possible changes in the governance of the Delavan Lake area was guided by a nine-member Advisory Committee. The membership of that Committee is reproduced on the inside front cover of this report. The Committee included elected officials from the City of Delavan, the Towns of Delavan and Walworth, the Delavan Lake Sanitary District, and Walworth County. In addition, there were a number of citizen leaders represented on the Committee, individuals drawn from such concerned organizations as the Delavan Lake Improvement Association and the Greater Delavan Development Council.

Staff work for the evaluation was conducted by an interagency team consisting of individuals drawn from the Regional Planning Commission staff and the staffs of the local units of government concerned, including the City of Delavan, the Towns of Delavan and Walworth, and the Delavan Lake Sanitary District. Legal guidance in the conduct of the study was provided by Attorney Richard A. Lehmann of the firm of Lawton and Cates, S.C., Madison, Wisconsin.

REPORT STRUCTURE

Following this introductory chapter, the results of the evaluation are presented in five additional chapters. Chapter II summarizes the findings of the inventories conducted for the study area. Chapter III presents information attendant to an alternative that would merge the Delavan Lake Sanitary District with the City of Delavan through an annexation process. Chapter IV presents information attendant to an alternative that would incorporate the Delavan Lake Sanitary District as an independent municipality. Chapter V identifies the impacts of either a merger or an incorporation of the Sanitary District on the remainders of the Towns of Delavan and Walworth. Chapter VI provides a summary and conclusions.

The map displays the following areas and features:

- STUDY AREA BOUNDARY**: The outermost boundary of the map.
- TOWN OF DELAVAN**: The northern portion of the map.
- CITY OF DELAVAN**: A shaded area within the Town of Delavan.
- DELAVAN LAKE PLANNED SANITARY SEWER SERVICE AREA**: An area outlined with a dashed line, indicated by an arrow.
- DELAVAN LAKE SANITARY DISTRICT**: An area outlined with a solid line, indicated by an arrow.
- TOWN OF WALWORTH**: The southern portion of the map.
- WALWORTH**: A specific area within the Town of Walworth.
- ELKHORN**: Located to the northeast.
- GENEVA**: Located to the east.
- WALWORTH CO. BOUNDARY**: The boundary between Walworth County and other counties.
- WISCONSIN BOUNDARY**: The boundary between Wisconsin and Illinois.
- Other labels**: SUGAR CREEK, TURTLE CREEK, DELAVAN LAKE, DELAVAN CREEK, EAST DELAVAN, WILLIAMS BAY, PONTANA ON GENEVA LAKE, and WALWORTH CO. are also present.

A graphic scale bar is shown below the map. It has two units: feet and miles. The top scale is in miles, with markings at 0 and 1. The bottom scale is in feet, with markings at 0, 2000, 4000, 6000, and 8000.

(This page intentionally left blank)

Chapter II

INVENTORY FINDINGS

INTRODUCTION

Proper consideration of a potential change in the governance of the Delavan Lake area requires that a base of pertinent information be assembled. That base of information must relate not only to the specific statutory standards relating to annexation and incorporation, but also more generally to the potential concerns that area residents may be expected to express at such time as a governance change may be proposed. Accordingly, certain inventories were conducted to provide the necessary information base. This chapter is intended to summarize the findings of those inventories and thereby contribute to achieving the study purposes as set forth in Chapter I of this report.

More specifically, this chapter provides information on the existing civil division structure within the study area; on resident population and economic activity levels; on the land use and natural resource base; on the street and highway system; on the utility systems; on governmental services; and on proposed public improvement projects that might be impacted by a change in the governance structure. The chapter concludes with information concerning the finances of the municipalities comprising the study area, including data on expenditures, revenues, property tax base, tax levies and rates, and indebtedness.

AREAL EXTENT OF CIVIL DIVISIONS

As defined in Chapter I of this report, the geographic area considered in the Delavan Lake governance study consists of the City of Delavan, the Town of Delavan, and the Town of Walworth. As shown in Table 1, together these three local units of government comprise an area nearly 65 square miles in extent. Of this total, the City of Delavan approximates four square miles, or about 6 percent; the Town of Delavan about 31 square miles, or nearly 48 percent; and the Town of Walworth the remaining 30 square miles, or about 46 percent.

The Delavan Lake Sanitary District, a special-purpose unit of government which is comprised of portions of the Towns of Delavan and Wal-

Table 1

**AREAL EXTENT OF CIVIL DIVISIONS IN THE
DELAVAN LAKE GOVERNANCE STUDY AREA: 1988**

| Geographic Area | Area (square miles) | Percent of Total | Percent of Study Area |
|---------------------------------------|---------------------------|---------------------|--------------------------|
| Study Area | | | |
| City of Delavan | 3.9 | 6.0 | -- |
| Town of Delavan | 31.1 | 47.9 | -- |
| Town of Walworth | 29.9 | 46.1 | -- |
| Total | 64.9 | 100.0 | -- |
| Delavan Lake Sanitary District | | | |
| Town of Delavan Portion | 6.7 | 97.1 | 10.3 |
| Town of Walworth Portion | 0.2 | 2.9 | 0.3 |
| Total | 6.9 | 100.0 | 10.6 |
| Town of Delavan | | | |
| Sanitary District Portion | 6.7 | 21.5 | 10.3 |
| Remainder | 24.4 | 78.5 | 37.6 |
| Total | 31.1 | 100.0 | 47.9 |
| Town of Walworth | | | |
| Sanitary District Portion | 0.2 | 0.7 | 0.3 |
| Remainder | 29.7 | 99.3 | 45.8 |
| Total | 29.9 | 100.0 | 46.1 |

Source: SEWRPC.

worth, approximates an area nearly seven square miles in extent. Of this total, the surface water area of the lake comprises about three square miles, or 42 percent. About 97 percent of the District lies within the Town of Delavan. As shown in Table 1, the Delavan Lake Sanitary District comprises nearly 22 percent of the area of the Town of Delavan and slightly under 1 percent of the area of the Town of Walworth.

POPULATION AND HOUSEHOLDS

Population

Trends in the resident population of the study area and of Walworth County are shown in Table 2. Over the 25-year period 1960 through 1985, the population of the study area increased from about 9,050 persons in 1960 to nearly 11,400 persons in 1985, an increase of nearly 26 percent. Since 1980, however, there has been little population growth in the study area. Slightly over one-half of the population of the study area, representing nearly 5,900 persons, resides in the

Table 2

**RESIDENT POPULATION IN THE DELAVAN LAKE
GOVERNANCE STUDY AREA AND IN WALWORTH COUNTY: 1960-1985**

| Geographic Area | Year | | | | | | | | Change | | | | | |
|---|---------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|-------------|--------------|-------------|---------------|-------------|
| | 1960 | | 1970 | | 1980 | | 1985 | | 1960-1970 | | 1970-1985 | | 1960-1985 | |
| | Number | Percent of Total | Number | Percent of Total | Number | Percent of Total | Number | Percent of Total | Number | Percent | Number | Percent | Number | Percent |
| Study Area | | | | | | | | | | | | | | |
| City of Delavan | 4,846 | 53.5 | 5,526 | 51.7 | 5,684 | 50.2 | 5,887 | 51.7 | 680 | 14.0 | 361 | 6.5 | 1,041 | 21.5 |
| Town of Delavan | 3,138 | 34.7 | 3,798 | 35.5 | 4,182 | 37.0 | 4,061 | 35.7 | 660 | 21.0 | 263 | 6.9 | 923 | 29.4 |
| Town of Walworth | 1,064 | 11.8 | 1,370 | 12.8 | 1,443 | 12.8 | 1,430 | 12.6 | 306 | 28.8 | 60 | 4.4 | 366 | 34.4 |
| Total | 9,048 | 100.0 | 10,694 | 100.0 | 11,309 | 100.0 | 11,378 | 100.0 | 1,646 | 18.2 | 684 | 6.4 | 2,330 | 25.8 |
| Delavan Lake Sanitary District^a | | | | | | | | | | | | | | |
| Town of Delavan Portion | -- | -- | 2,333 | 92.0 | 2,792 | 96.3 | 2,708 | 96.2 | -- | -- | 375 | 16.1 | -- | -- |
| Town of Walworth Portion | -- | -- | 204 | 8.0 | 106 | 3.7 | 108 | 3.8 | -- | -- | -96 | -47.1 | -- | -- |
| Total | -- | -- | 2,537 | 100.0 | 2,898 | 100.0 | 2,816 | 100.0 | -- | -- | 279 | 11.0 | -- | -- |
| Town of Delavan | | | | | | | | | | | | | | |
| Sanitary District Portion | -- | -- | 2,333 | 61.4 | 2,792 | 66.8 | 2,708 | 66.7 | -- | -- | 375 | 16.1 | -- | -- |
| Remainder | -- | -- | 1,465 | 38.6 | 1,390 | 33.2 | 1,353 | 33.3 | -- | -- | -112 | -7.6 | -- | -- |
| Total | -- | -- | 3,798 | 100.0 | 4,182 | 100.0 | 4,061 | 100.0 | -- | -- | 263 | 6.9 | -- | -- |
| Town of Walworth | | | | | | | | | | | | | | |
| Sanitary District Portion | -- | -- | 204 | 14.9 | 106 | 7.3 | 108 | 7.6 | -- | -- | -96 | -47.1 | -- | -- |
| Remainder | -- | -- | 1,166 | 85.1 | 1,337 | 92.7 | 1,322 | 92.4 | -- | -- | 156 | 13.4 | -- | -- |
| Total | -- | -- | 1,370 | 100.0 | 1,443 | 100.0 | 1,430 | 100.0 | -- | -- | 60 | 4.4 | -- | -- |
| Walworth County | 52,368 | -- | 63,444 | -- | 71,507 | -- | 72,203 | -- | 11,076 | 21.2 | 8,759 | 13.8 | 19,835 | 37.9 |

^aThe Delavan Lake Sanitary District was created in November 1969.

Source: U. S. Bureau of the Census, Wisconsin Department of Administration, and SEWRPC.

City of Delavan. The Town of Delavan, with nearly 4,100 persons, constitutes about 36 percent of the study area population. The Town of Walworth, with a population of about 1,400 persons, comprises the remaining 13 percent. These proportions have been relatively stable over the 25-year period reflected in Table 2.¹

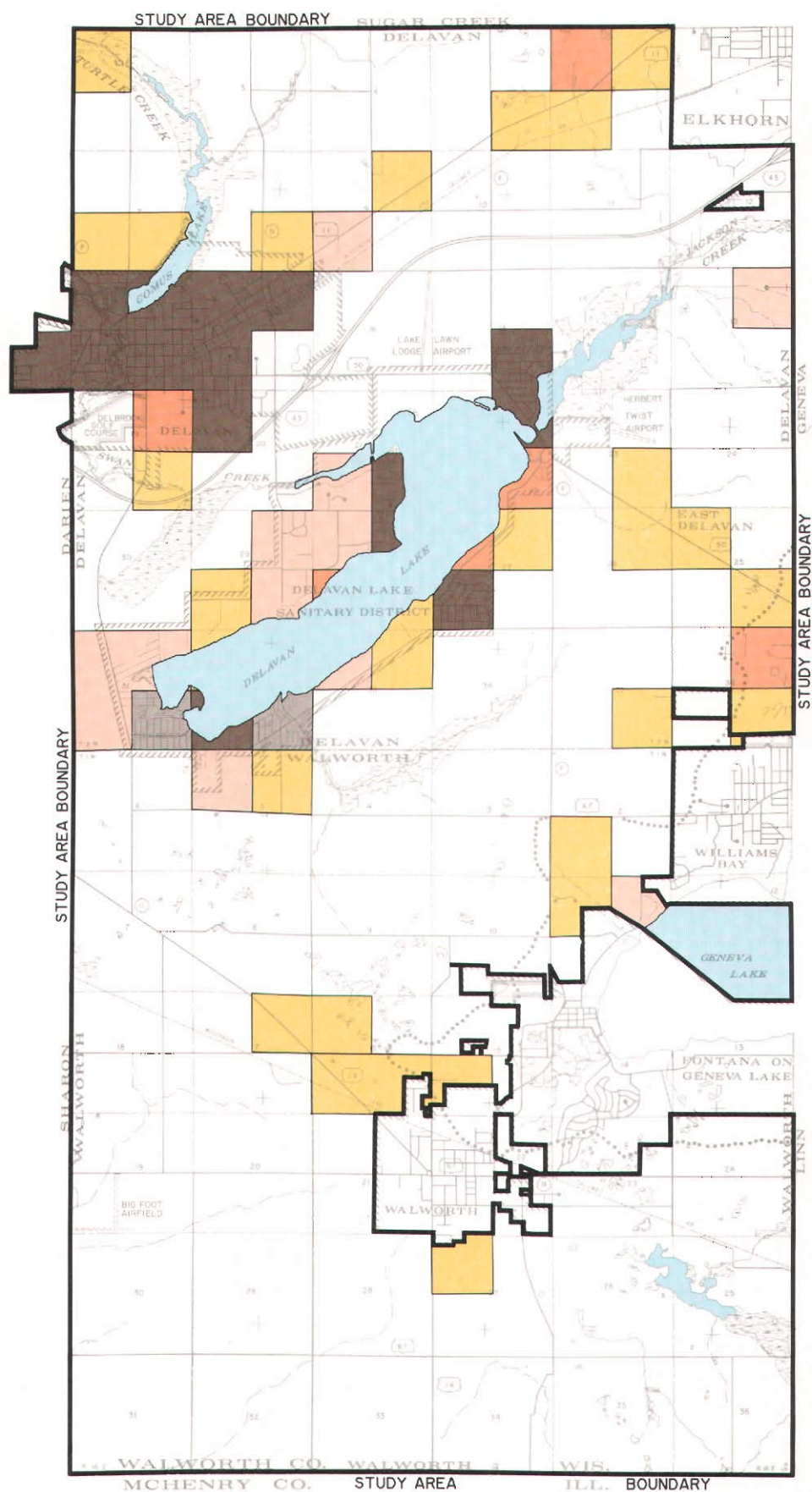
The Delavan Lake Sanitary District had an estimated resident population in 1985 of slightly over 2,800 persons. About 96 percent of the Sanitary District's population resides in the Town of Delavan portion of the District, with the remaining 4 percent residing in the Town of Walworth portion of the District. Also as shown

in Table 2, nearly two-thirds of the population of the Town of Delavan resides in the Sanitary District. About 8 percent of the population of the Town of Walworth resides in the Sanitary District.

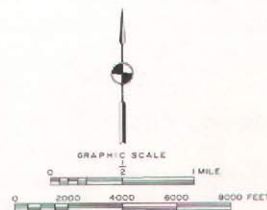
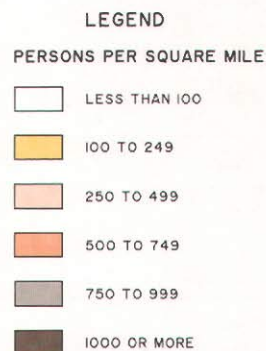
One of the statutory standards attendant to the incorporation of municipalities relates to population density. The number of persons per square mile by U. S. Public Land Survey one-quarter section within the study area in 1985 is shown on Map 2. As can be seen from this map, some areas of the Delavan Lake Sanitary District are as densely populated as areas within the City of Delavan.

Probable future population levels within the study area are set forth in Table 3. These data are taken from the preliminary regional land use plan for the year 2010 now under preparation by the Regional Planning Commission. The resident population of the study area is anticipated to increase over the 25-year period 1985 through 2010 by about 28 percent, from about 11,400 in 1985 to about 14,600 in 2010. The distribution of the planned incremental population by civil division within the study area reflected in

¹According to the Wisconsin Department of Administration estimates, 1988 population levels in the City of Delavan and Towns of Delavan and Walworth were 6,062 persons, 4,121 persons, and 1,484 persons, respectively—resulting in a 1988 total study area population of 11,667 persons, an increase of 2.5 percent over the 1985 estimated population of 11,378.



Map 2
POPULATION DENSITY WITHIN
THE DELAVAN LAKE GOVERNANCE
STUDY AREA: 1985



Source: SEWRPC.

Table 3

**RESIDENT POPULATION IN THE DELAVAN LAKE GOVERNANCE STUDY AREA
AND IN WALWORTH COUNTY: EXISTING 1985 AND PLANNED YEAR 2000**

| Geographic Area | Year | | | | Change | |
|---------------------------------------|---------------|------------------|---------------|------------------|---------------|-------------|
| | 1985 | | 2010 | | 1985-2010 | |
| | Number | Percent of Total | Number | Percent of Total | Number | Percent |
| Study Area | | | | | | |
| City of Delavan | 5,887 | 51.7 | 6,745 | 46.2 | 858 | 14.6 |
| Town of Delavan | 4,061 | 35.7 | 5,477 | 37.5 | 1,416 | 34.9 |
| Town of Walworth | 1,430 | 12.6 | 2,387 | 16.3 | 957 | 66.9 |
| Total | 11,378 | 100.0 | 14,609 | 100.0 | 3,231 | 28.4 |
| Delavan Lake Sanitary District | | | | | | |
| Town of Delavan Portion | 2,708 | 96.2 | 2,917 | 94.3 | 209 | 7.7 |
| Town of Walworth Portion . . . | 108 | 3.8 | 176 | 5.7 | 68 | 63.0 |
| Total | 2,816 | 100.0 | 3,093 | 100.0 | 277 | 9.8 |
| Town of Delavan | | | | | | |
| Sanitary District Portion | 2,708 | 66.7 | 2,917 | 53.3 | 209 | 7.7 |
| Remainder | 1,353 | 33.3 | 2,560 | 46.7 | 1,207 | 89.2 |
| Total | 4,061 | 100.0 | 5,477 | 100.0 | 1,416 | 34.9 |
| Town of Walworth | | | | | | |
| Sanitary District Portion | 108 | 7.6 | 176 | 7.4 | 68 | 63.0 |
| Remainder | 1,322 | 92.4 | 2,211 | 92.6 | 889 | 67.2 |
| Total | 1,430 | 100.0 | 2,387 | 100.0 | 957 | 66.9 |
| Walworth County | 72,203 | -- | 87,300 | -- | 15,097 | 20.9 |

Source: Wisconsin Department of Administration and SEWRPC.

Table 3 is based upon current civil division limits. Should those limits change, of course, the distribution by civil division would also change.

Housing Units

The number of housing units in the Delavan Lake governance study area and in Walworth County over the period 1960 through 1985 is shown in Table 4. These data reflect total housing units in the study area, including those units that are occupied on a seasonal or part-time basis. These data indicate that a higher percentage of the total housing stock of both the Town of Delavan and Town of Walworth are located in the Delavan Lake Sanitary District when compared to resident population levels.

Another statutory standard relating to municipal incorporation pertains to housing unit density. Map 3 identifies those U. S. Public Land

Survey one-quarter sections within the study area having more than 30 housing units. As can be seen from this map, most of the Delavan Lake Sanitary District, like most of the City of Delavan, has more than 30 housing units per one-quarter section.

Households

The number of households—defined as year-round occupied housing units—in the Delavan Lake governance study area and in Walworth County over the period 1960 through 1985 is shown in Table 5. These data reflect resident households in the study area, and do not account for population residing in the area on a seasonal basis. Household growth in the study area over the 25-year period has been greater than population growth, reflecting a decline in average household size. As shown in Table 5, the distri-

Table 4

**TOTAL HOUSING UNITS IN THE DELAVAN LAKE
GOVERNANCE STUDY AREA AND IN WALWORTH COUNTY: 1960-1985**

| Geographic Area | Year | | | | | | | | Change | | | |
|---|---------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|--------------|-------------|------------|------------|
| | 1960 | | 1970 | | 1980 | | 1985 | | 1960-1980 | | 1980-1985 | |
| | Number | Percent of Total | Number | Percent of Total | Number | Percent of Total | Number | Percent of Total | Number | Percent | Number | Percent |
| Study Area | | | | | | | | | | | | |
| City of Delavan | 1,528 | 36.1 | 1,837 | 39.0 | 2,143 | 40.5 | 2,251 | 41.4 | 615 | 40.2 | 108 | 5.0 |
| Town of Delavan | 2,327 | 54.9 | 2,442 | 51.7 | 2,661 | 50.4 | 2,700 | 49.6 | 334 | 14.4 | 39 | 1.5 |
| Town of Walworth | 380 | 9.0 | 437 | 9.3 | 483 | 9.1 | 489 | 9.0 | 103 | 27.1 | 6 | 1.2 |
| Total | 4,235 | 100.0 | 4,716 | 100.0 | 5,287 | 100.0 | 5,440 | 100.0 | 1,052 | 24.8 | 153 | 2.9 |
| Delavan Lake Sanitary District^a | | | | | | | | | | | | |
| Town of Delavan Portion | -- | -- | -- | -- | 2,126 | 97.9 | 2,159 | 98.0 | -- | -- | 33 | 1.6 |
| Town of Walworth Portion | -- | -- | -- | -- | 45 | 2.1 | 45 | 2.0 | -- | -- | 0 | -- |
| Total | -- | -- | -- | -- | 2,171 | 100.0 | 2,204 | 100.0 | -- | -- | 33 | 1.5 |
| Town of Delavan | | | | | | | | | | | | |
| Sanitary District Portion | -- | -- | -- | -- | 2,126 | 79.9 | 2,159 | 80.0 | -- | -- | 33 | 1.6 |
| Remainder | -- | -- | -- | -- | 535 | 20.1 | 541 | 20.0 | -- | -- | 6 | 1.1 |
| Total | -- | -- | -- | -- | 2,661 | 100.0 | 2,700 | 100.0 | -- | -- | 39 | 1.5 |
| Town of Walworth | | | | | | | | | | | | |
| Sanitary District Portion | -- | -- | -- | -- | 45 | 9.3 | 45 | 9.2 | -- | -- | 0 | -- |
| Remainder | -- | -- | -- | -- | 438 | 90.7 | 444 | 90.8 | -- | -- | 6 | 1.4 |
| Total | -- | -- | -- | -- | 483 | 100.0 | 489 | 100.0 | -- | -- | 6 | 1.2 |
| Walworth County | 22,539 | -- | 25,773 | -- | 33,397 | -- | 34,338 | -- | 3,234 | 14.3 | 941 | 2.8 |

^aThe Delavan Lake Sanitary District was created in November 1969.

Source: U. S. Bureau of the Census, Wisconsin Department of Administration, and SEWRPC.

Table 5

**RESIDENT HOUSEHOLDS IN THE DELAVAN LAKE
GOVERNANCE STUDY AREA AND IN WALWORTH COUNTY: 1960-1985**

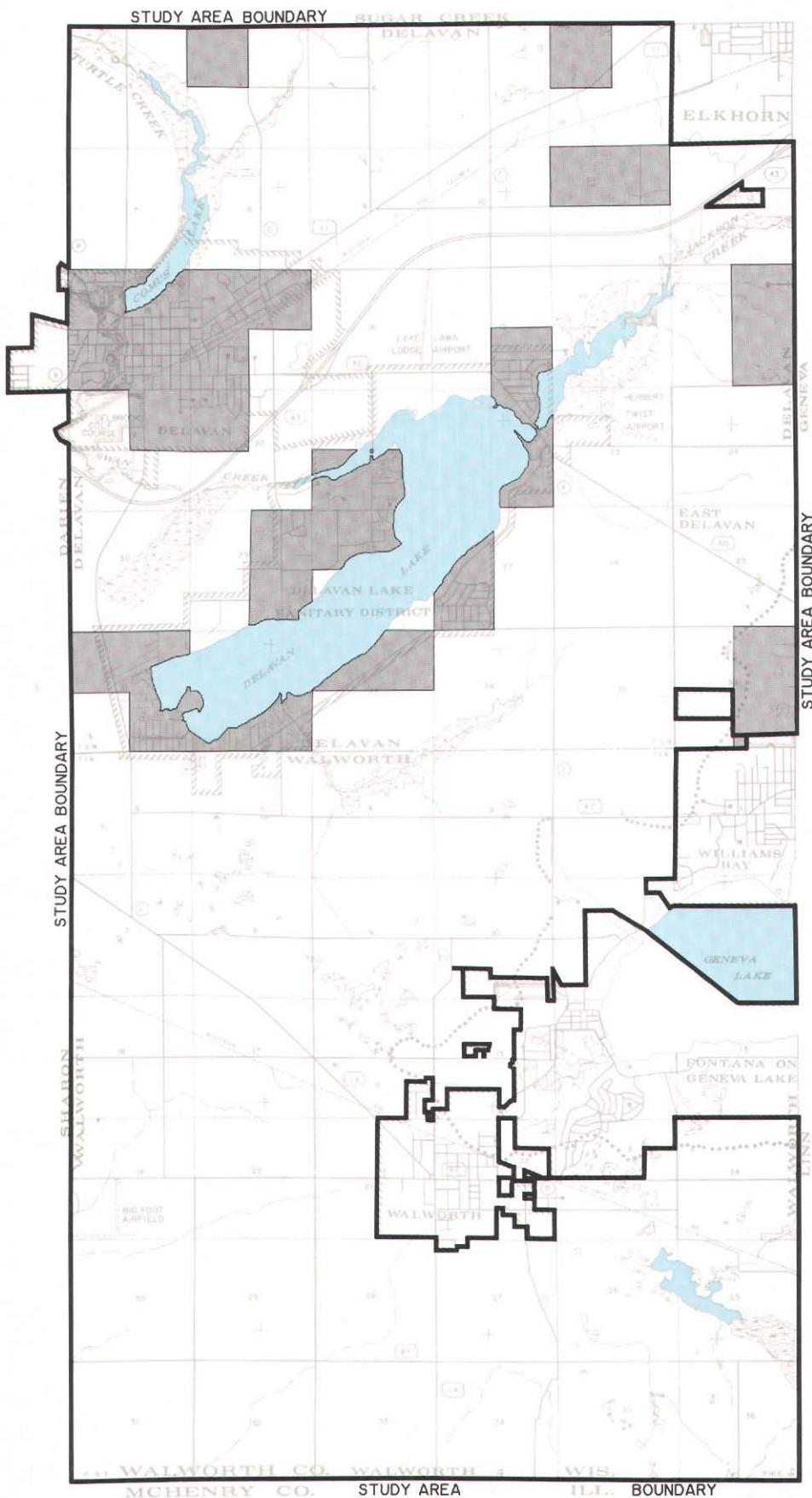
| Geographic Area | Year | | | | | | | | Change | | | | | |
|---|---------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|--------------|-------------|--------------|-------------|---------------|-------------|
| | 1960 | | 1970 | | 1980 | | 1985 | | 1960-1970 | | 1970-1985 | | 1960-1985 | |
| | Number | Percent of Total | Number | Percent of Total | Number | Percent of Total | Number | Percent of Total | Number | Percent | Number | Percent | Number | Percent |
| Study Area | | | | | | | | | | | | | | |
| City of Delavan | 1,482 | 53.8 | 1,733 | 52.4 | 2,060 | 51.8 | 2,162 | 52.5 | 251 | 16.9 | 429 | 24.8 | 680 | 45.9 |
| Town of Delavan | 972 | 35.3 | 1,187 | 35.9 | 1,494 | 37.5 | 1,524 | 37.0 | 215 | 22.1 | 337 | 28.4 | 552 | 56.8 |
| Town of Walworth | 300 | 10.9 | 386 | 11.7 | 427 | 10.7 | 433 | 10.5 | 86 | 28.7 | 47 | 12.2 | 133 | 44.3 |
| Total | 2,754 | 100.0 | 3,306 | 100.0 | 3,981 | 100.0 | 4,119 | 100.0 | 552 | 20.0 | 813 | 24.6 | 1,365 | 49.6 |
| Delavan Lake Sanitary District^a | | | | | | | | | | | | | | |
| Town of Delavan Portion | -- | -- | 706 | 93.8 | 1,018 | 96.3 | 1,039 | 96.4 | -- | -- | 333 | 47.2 | -- | -- |
| Town of Walworth Portion | -- | -- | 47 | 6.2 | 39 | 3.7 | 39 | 3.6 | -- | -- | -8 | -17.0 | -- | -- |
| Total | -- | -- | 753 | 100.0 | 1,057 | 100.0 | 1,078 | 100.0 | -- | -- | 325 | 43.2 | -- | -- |
| Town of Delavan | | | | | | | | | | | | | | |
| Sanitary District Portion | -- | -- | 706 | 59.5 | 1,018 | 68.1 | 1,039 | 68.2 | -- | -- | 333 | 47.2 | -- | -- |
| Remainder | -- | -- | 481 | 40.5 | 476 | 31.9 | 485 | 31.8 | -- | -- | 4 | 0.8 | -- | -- |
| Total | -- | -- | 1,187 | 100.0 | 1,494 | 100.0 | 1,524 | 100.0 | -- | -- | 337 | 28.4 | -- | -- |
| Town of Walworth | | | | | | | | | | | | | | |
| Sanitary District Portion | -- | -- | 47 | 12.2 | 39 | 9.1 | 39 | 9.0 | -- | -- | -8 | -17.0 | -- | -- |
| Remainder | -- | -- | 339 | 87.8 | 388 | 90.9 | 394 | 91.0 | -- | -- | 55 | 16.2 | -- | -- |
| Total | -- | -- | 386 | 100.0 | 427 | 100.0 | 433 | 100.0 | -- | -- | 47 | 12.2 | -- | -- |
| Walworth County | 15,414 | -- | 18,544 | -- | 24,790 | -- | 25,615 | -- | 3,130 | 20.3 | 7,071 | 38.1 | 10,201 | 66.2 |

^aThe Delavan Lake Sanitary District was created in November 1969.

Source: U. S. Bureau of the Census, Wisconsin Department of Administration, and SEWRPC.

Map 3

**U. S. PUBLIC LAND SURVEY
ONE-QUARTER SECTIONS WITHIN
THE DELAVAN LAKE GOVERNANCE
STUDY AREA WITH MORE THAN
30 HOUSING UNITS: 1985**



LEGEND

U.S. PUBLIC LAND SURVEY ONE-QUARTER SECTION
WITH MORE THAN 30 HOUSING UNITS

Source: SEWRPC.

Table 6

**RESIDENT HOUSEHOLDS IN THE DELAVAN LAKE
GOVERNANCE STUDY AREA: 1985 AND PLANNED YEAR 2010**

| Geographic Area | 1985 | | 2010 | | 1985-2010 Change | |
|---------------------------------------|--------------|------------------|--------------|------------------|------------------|--------------|
| | Number | Percent of Total | Number | Percent of Total | Number | Percent |
| Study Area | | | | | | |
| City of Delavan | 2,162 | 52.5 | 2,792 | 45.5 | 630 | 29.1 |
| Town of Delavan | 1,524 | 37.0 | 2,341 | 38.2 | 817 | 53.6 |
| Town of Walworth | 433 | 10.5 | 1,001 | 16.3 | 568 | 131.2 |
| Total | 4,119 | 100.0 | 6,134 | 100.0 | 2,015 | 48.9 |
| Delavan Lake Sanitary District | | | | | | |
| Town of Delavan Portion | 1,039 | 96.4 | 1,270 | 94.3 | 231 | 22.2 |
| Town of Walworth Portion . . . | 39 | 3.6 | 77 | 5.7 | 38 | 97.4 |
| Total | 1,078 | 100.0 | 1,347 | 100.0 | 269 | 25.0 |
| Town of Delavan | | | | | | |
| Sanitary District Portion | 1,039 | 68.2 | 1,270 | 54.3 | 231 | 22.2 |
| Remainder | 485 | 31.8 | 1,071 | 45.7 | 586 | 120.8 |
| Total | 1,524 | 100.0 | 2,341 | 100.0 | 817 | 53.6 |
| Town of Walworth | | | | | | |
| Sanitary District Portion | 39 | 9.0 | 77 | 7.7 | 38 | 97.4 |
| Remainder | 394 | 91.0 | 924 | 92.3 | 530 | 134.5 |
| Total | 433 | 100.0 | 1,001 | 100.0 | 568 | 131.2 |

Source: U. S. Bureau of the Census, Wisconsin Department of Administration, and SEWRPC.

bution of households within the study area essentially mirrors the pattern of the distribution of the resident population.

Probable future household levels within the study area are set forth in Table 6. Again, these data are drawn from the year 2010 regional land use plan now under preparation by the Commission. Table 7 sets forth historic average household size data by civil division for the period 1960 through 1985 and projected data for the year 2010. The average household size is expected to continue to decline within the study area, from a current level of about 2.7 persons per household to a year 2010 level of about 2.3 persons per household. Accordingly, the rate of growth in households within the study area over the next 25 years is expected to exceed the rate of growth in population.

Special Census of the Delavan Lake Sanitary District

As part of the Delavan Lake area governance feasibility study, a special census of housing units within the Delavan Lake Sanitary District was conducted during the months of October and November 1988. The Delavan Lake Sanitary District developed from its files a list of all housing units within the District. This list contained the address of each housing unit believed to be occupied on a year-round basis either by an owner or by a renter, as well as the address of the owner of each unit believed to be used either seasonally during warm weather months, or on a periodic basis throughout the year. A cover letter and postal response card was mailed to each address. The recipient was asked to indicate on the card the total number of persons—if any—claiming that address as their

Table 7

**RESIDENT HOUSEHOLD SIZE IN THE DELAVAN LAKE GOVERNANCE STUDY
AREA AND IN WALWORTH COUNTY: 1960, 1970, 1980, AND PLANNED YEAR 2010**

| Geographic Area | Historic | | | Existing 1985 | Planned 2010 |
|---|------------|------------|------------|------------------|-----------------|
| | 1960 | 1970 | 1980 | | |
| Study Area | | | | | |
| City of Delavan | 3.1 | 3.0 | 2.6 | 2.6 | 2.3 |
| Town of Delavan | 3.2 | 3.2 | 2.8 | 2.7 | 2.3 |
| Town of Walworth | 3.6 | 3.4 | 3.1 | 3.1 | 2.3 |
| Total | 3.2 | 3.1 | 2.7 | 2.7 | 2.3 |
| Delavan Lake Sanitary District^a | | | | | |
| Town of Delavan Portion | -- | 3.3 | 2.7 | 2.6 | 2.3 |
| Town of Walworth Portion | -- | 3.4 | 2.7 | 2.8 | 2.3 |
| Total | -- | 3.3 | 2.7 | 2.6 | 2.3 |
| Town of Delavan | | | | | |
| Sanitary District Portion | -- | 3.3 | 2.7 | 2.6 | 2.3 |
| Remainder | -- | 3.3 | 2.9 | 2.8 | 2.4 |
| Total | -- | 3.2 | 2.8 | 2.7 | 2.3 |
| Town of Walworth | | | | | |
| Sanitary District Portion | -- | 3.4 | 2.7 | 2.8 | 2.3 |
| Remainder | -- | 3.4 | 3.1 | 3.1 | 2.3 |
| Total | -- | 3.4 | 3.1 | 3.1 | 2.3 |
| Walworth County | 3.3 | 3.2 | 2.7 | 2.7 | 2.3 |

^aThe Delavan Lake Sanitary District was created in November 1969.

Source: U. S. Bureau of the Census, Wisconsin Department of Administration, and SEWRPC.

permanent legal residence, defined as the place of residence used for voter registration; the number of persons claiming permanent legal residence who were 18 years of age or older, and thereby eligible to vote; and the number of persons with a "usual place of residence elsewhere" and who occupy the housing unit only seasonally or periodically.

The results of this special census are summarized in Table 8. Responses were received from about 75 percent of the occupants of those housing units believed to be year-round in character and about 63 percent of those housing

units believed to be seasonal in character. The data in Table 8 were expanded from the sample returns to represent the universe.

Based upon the survey results, the current estimated resident population of the Delavan Lake Sanitary District is 2,098 persons. Of this total, 1,678 persons, or about 80 percent, are 18 years of age or older. The number of persons who reside in the Delavan Lake Sanitary District on a seasonal basis is estimated at 4,182. Accordingly, with a total population estimated at 6,280, those residing in the District on a seasonal basis outnumber those who reside at the lake on a

Table 8

**RESIDENT AND SEASONAL OR PERIODIC POPULATION AND
HOUSING UNITS IN THE DELAVAN LAKE SANITARY DISTRICT: 1988**

| Delavan Lake Sanitary District | Population ^a | | | | | Housing Units | | | Persons per Household | | |
|------------------------------------|-----------------------------|-------------------------------|-------|-------------------------|-------|---------------|-------------------------|-------|-----------------------|-------------------------|-------|
| | Resident | | | Seasonal or Periodic | Total | | | | | | |
| | Under 18 Years of Age | 18 Years of Age or Over | Total | | | Resident | Seasonal or Periodic | Total | Resident | Seasonal or Periodic | Total |
| Town of Delavan Portion | 395 | 1,629 | 2,024 | 4,085 | 6,109 | 928 | 1,267 | 2,195 | 2.2 | 3.2 | 2.8 |
| Town of Walworth Portion | 25 | 49 | 74 | 97 | 171 | 31 | 27 | 58 | 2.4 | 3.6 | 2.9 |
| Total | 420 | 1,678 | 2,098 | 4,182 | 6,280 | 959 | 1,294 | 2,253 | 2.2 | 3.2 | 2.8 |

^aAssumes an 8 percent housing unit vacancy rate.

Source: Delavan Lake Sanitary District and SEWRPC.

year-round basis by a factor of about two to one. Those residing in the District on a seasonal basis also have larger household sizes, with about 3.5 persons per household, as opposed to 2.4 persons per household for those residing year-round in the District.

It should be noted that the total 1988 resident population of the Delavan Lake Sanitary District as determined by the survey is about 700 persons less than the total 1985 resident population as estimated by the Wisconsin Department of Administration and as set forth in Table 2. The data presented in Table 2 are based upon 1980 Census of Population and Housing data for the Delavan Lake area, updated to 1985 using symptomatic indicators such as births and deaths, school enrollment, motor vehicle registrations, and number of filers and dollar value of exemptions from state income tax returns. Review of the 1980 census data indicates an unusually high number of vacant, year-round housing units and a relatively low number of seasonal housing units when compared to the file data maintained by the Delavan Lake Sanitary District. Accordingly, either there has been a substantial change in the distribution of seasonal and year-round housing units at Delavan Lake since the 1980 Census, or the number of seasonal units at the lake was significantly under-estimated in the 1980 Census. If the latter is true, the methodology used by the State to prepare 1985 population estimates would convert any 1980 overstatement of year-round housing units into a higher than expected 1985 resident population estimate.

EMPLOYMENT

The level of economic activity within a given geographic area is perhaps best measured in terms of the number of jobs provided. Employment levels within the Delavan Lake governance study area and in Walworth County for the years 1972, 1980, and 1985 are shown in Table 9. The number of jobs within the study area has increased steadily from nearly 5,300 in 1972 to about 6,700 in 1985, a nearly 27 percent increase. Currently, about 71 percent of the jobs in the study area are located in the City of Delavan, about 15 percent in the Town of Delavan, and the remaining 14 percent in the Town of Walworth.

About 700 jobs are located within the Delavan Lake Sanitary District. Of this total, nearly 98 percent are located in the Town of Delavan portion of the District. As shown in Table 9, about 69 percent of all jobs within the Town of Delavan are located within the Sanitary District portion of the Town. In contrast, slightly less than 2 percent of all jobs in the Town of Walworth are located within the portion of that Town in the Sanitary District.

Probable future employment levels in the study area are set forth in Table 10. These projected employment levels are derived from the year 2010 land use plan now under preparation by the Regional Planning Commission. As shown in this table, the number of jobs within the study area is anticipated to increase from the current level of nearly 6,700 jobs to slightly over 8,500 jobs by the year 2010, an increase over the 25-year period of about 27 percent.

Table 9

**EMPLOYMENT IN THE DELAVAN LAKE GOVERNANCE
STUDY AREA AND IN WALWORTH COUNTY: 1972-1985**

| Geographic Area | Year | | | | | | Change | | | | | |
|---------------------------------------|---------------|------------------|---------------|------------------|---------------|------------------|--------------|-------------|---------------|--------------|--------------|--------------|
| | 1972 | | 1980 | | 1985 | | 1972-1980 | | 1980-1985 | | 1972-1985 | |
| | Number | Percent of Total | Number | Percent of Total | Number | Percent of Total | Number | Percent | Number | Percent | Number | Percent |
| Study Area | | | | | | | | | | | | |
| City of Delavan | 3,996 | 75.6 | 4,478 | 71.2 | 4,784 | 71.4 | 482 | 12.1 | 306 | 6.8 | 788 | 19.7 |
| Town of Delavan | 971 | 18.4 | 1,189 | 18.9 | 997 | 14.9 | 218 | 22.5 | -192 | -16.1 | 26 | 2.7 |
| Town of Walworth | 315 | 6.0 | 625 | 9.9 | 914 | 13.7 | 310 | 98.4 | 289 | 46.2 | 599 | 190.2 |
| Total | 5,282 | 100.0 | 6,292 | 100.0 | 6,695 | 100.0 | 1,010 | 19.1 | 403 | 6.4 | 1,413 | 26.8 |
| Delavan Lake Sanitary District | | | | | | | | | | | | |
| Town of Delavan Portion | 440 | 95.4 | 687 | 97.9 | 684 | 97.7 | 247 | 56.1 | -3 | -0.4 | 244 | 55.5 |
| Town of Walworth Portion | 21 | 4.6 | 15 | 2.1 | 16 | 2.3 | -6 | -28.6 | 1 | 6.7 | -5 | -23.8 |
| Total | 461 | 100.0 | 702 | 100.0 | 700 | 100.0 | 241 | 52.3 | -2 | -0.3 | 239 | 51.8 |
| Town of Delavan | | | | | | | | | | | | |
| Sanitary District Portion | 440 | 45.3 | 687 | 57.8 | 684 | 68.6 | 247 | 56.1 | -3 | -0.4 | 244 | 55.5 |
| Remainder | 531 | 54.7 | 502 | 42.2 | 313 | 31.4 | -29 | -5.5 | -189 | -37.6 | -218 | -41.1 |
| Total | 971 | 100.0 | 1,189 | 100.0 | 997 | 100.0 | 218 | 22.5 | -192 | -16.1 | 26 | 2.7 |
| Town of Walworth | | | | | | | | | | | | |
| Sanitary District Portion | 21 | 6.7 | 15 | 2.4 | 16 | 1.8 | -6 | -28.6 | 1 | 6.7 | -5 | -23.8 |
| Remainder | 294 | 93.3 | 610 | 97.6 | 898 | 98.2 | 316 | 107.5 | 288 | 47.2 | 604 | 205.4 |
| Total | 315 | 100.0 | 625 | 100.0 | 914 | 100.0 | 310 | 98.4 | 289 | 46.2 | 599 | 190.2 |
| Walworth County | 24,159 | -- | 31,100 | -- | 28,100 | -- | 6,941 | 28.7 | -3,000 | -9.6 | 3,941 | 16.3 |

Source: Wisconsin Department of Industry, Labor and Human Relations, and SEWRPC.

LAND USE

Historic Urban Growth

Drawing from historic maps and photographs, the Commission has assembled information that documents the historic pattern of urban development in the Region, including the Delavan Lake governance study area. The results of that inventory effort over the period 1950 through 1985 are shown on Map 4. The number of acres devoted to urban development within the study area during the years 1950, 1963, 1975, and 1985 is shown in Table 11.

These data indicate that by 1950, about one-half of the total land devoted to urban use in the study area was already in place. The extent of urban development in 1950 included a major portion of the existing City of Delavan, plus much of the development along the shoreline of Delavan Lake. While much of the new urban growth that occurred after 1950 occurred by accretion around the City of Delavan, some scattered urban development occurred in the more rural areas of the study area in the Towns of Delavan and Walworth.

It should be noted that in 1974, the Walworth County Board adopted—and the Town Boards of the Towns of Delavan and Walworth ratified—a new zoning ordinance governing the development of the rural areas in the County. In order to preserve the environmentally sensitive and prime agricultural lands in the County, the new ordinance effectively prohibited the random development of small, scattered site subdivisions.

Existing Land Use

The Regional Planning Commission conducts periodic inventories to determine the type, amount, and spatial location of urban land uses and concomitant reductions and changes in rural land uses. The results of the most recent such regional land use inventory, concluded in 1985, as it pertains to the Delavan Lake governance study area are summarized in Table 12 and are shown on Map 5.

Nearly 13 percent of the entire study area, representing about 5,300 acres, is currently devoted to urban land uses. The two most significant urban land use categories are residential, comprising about 2,400 acres, and

Table 10

**EMPLOYMENT IN THE DELAVAN LAKE GOVERNANCE STUDY AREA
AND IN WALWORTH COUNTY: 1985 AND PLANNED YEAR 2010**

| Geographic Area | Year | | | | 1985-2010 Change | |
|-------------------------------------|--------|------------------|--------|------------------|------------------|---------|
| | 1985 | | 2010 | | | |
| | Number | Percent of Total | Number | Percent of Total | Number | Percent |
| Study Area | | | | | | |
| City of Delavan | 4,784 | 71.4 | 6,033 | 70.8 | 1,249 | 26.1 |
| Town of Delavan | 997 | 14.9 | 1,254 | 14.7 | 257 | 25.8 |
| Town of Walworth | 914 | 13.7 | 1,236 | 14.5 | 322 | 35.2 |
| Total | 6,695 | 100.0 | 8,523 | 100.0 | 1,828 | 27.3 |
| Delavan Lake Sanitary District | | | | | | |
| Town of Delavan Portion | 684 | 97.7 | 799 | 97.4 | 115 | 16.8 |
| Town of Walworth Portion | 16 | 2.3 | 21 | 2.6 | 5 | 31.3 |
| Total | 700 | 100.0 | 820 | 100.0 | 120 | 17.1 |
| Town of Delavan | | | | | | |
| Sanitary District Portion | 684 | 68.6 | 799 | 63.7 | 115 | 16.8 |
| Remainder | 313 | 31.4 | 455 | 36.3 | 142 | 45.4 |
| Total | 997 | 100.0 | 1,254 | 100.0 | 257 | 25.8 |
| Town of Walworth | | | | | | |
| Sanitary District Portion | 16 | 1.8 | 21 | 1.7 | 5 | 31.3 |
| Remainder | 898 | 98.2 | 1,215 | 98.3 | 317 | 35.3 |
| Total | 914 | 100.0 | 1,236 | 100.0 | 322 | 35.2 |
| Walworth County | 28,100 | -- | 36,513 | -- | 8,413 | 29.9 |

Source: Wisconsin Department of Industry, Labor and Human Relations, and SEWRPC.

transportation and utilities, comprising about 1,850 acres. The remaining approximately 87 percent of the study area is still in rural land uses. Of the approximately 36,200 acres of rural land uses, nearly 25,000 acres are classified as prime agricultural land. Other rural categories include water, comprising nearly 2,700 acres; wetlands, comprising about 1,700 acres; woodlands, comprising about 1,800 acres; and other agricultural and open lands, comprising about 5,100 acres.

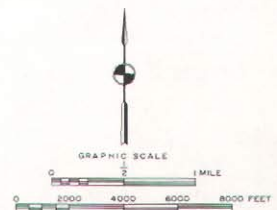
With respect to the Delavan Lake Sanitary District, urban land uses total about 1,500 acres, or about 34 percent of the entire District. Of the nearly 2,900 acres of rural lands within the District, about 1,850 acres, or about 64 percent, is represented by surface water area. As shown

in Table 12, about one-half of all urban lands within the Town of Delavan lie within the Sanitary District portion of that Town. In contrast, only about 36 acres of urban development, representing less than 1 percent of such development in the Town of Walworth, lie within the Sanitary District portion of that Town.

Planned Urban Development Limits

The limits of planned future urban growth within the Delavan Lake governance study area are shown on Map 6. These limits reflect the state-approved sanitary sewer service areas attendant to the Walworth County Metropolitan Sewerage District and the Fontana-Walworth sewage treatment facilities, the two public sewage treatment facilities providing service within the study area. Regional Planning Com-

HISTORIC URBAN GROWTH IN THE DEHAVAN LAKE GOVERNANCE STUDY AREA: 1980-1985



16

Table 11

**HISTORIC URBAN DEVELOPMENT IN THE DELAVAN LAKE
GOVERNANCE STUDY AREA: 1950, 1963, 1975, AND 1985**

| Geographic Area | Year | | | | | | | | Change | | | | | |
|---------------------------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|--------------|------------|-------------|--------------|----------------|
| | 1950 | | 1963 | | 1975 | | 1985 | | 1950-1975 | | 1975-1985 | | 1950-1985 | |
| | Acres | Percent of Total | Acres | Percent of Total | Acres | Percent of Total | Acres | Percent of Total | Acres | Percent | Acres | Percent | Acres | Percent |
| Study Area | | | | | | | | | | | | | | |
| City of Delavan | 539 | 35.4 | 767 | 36.9 | 925 | 35.8 | 1,076 | 35.0 | 386 | 71.6 | 151 | 16.3 | 537 | 99.6 |
| Town of Delavan | 960 | 63.1 | 1,258 | 60.5 | 1,451 | 56.3 | 1,640 | 53.4 | 491 | 51.1 | 189 | 13.0 | 680 | 70.8 |
| Town of Walworth | 23 | 1.5 | 55 | 2.6 | 205 | 7.9 | 356 | 11.6 | 182 | 791.3 | 151 | 73.7 | 333 | 1,447.8 |
| Total | 1,522 | 100.0 | 2,080 | 100.0 | 2,581 | 100.0 | 3,072 | 100.0 | 1,059 | 69.6 | 491 | 19.0 | 1,550 | 101.8 |
| Delavan Lake Sanitary District | | | | | | | | | | | | | | |
| Town of Delavan Portion | 861 | 98.7 | 973 | 98.9 | 1,074 | 98.0 | 1,133 | 98.1 | 213 | 24.7 | 59 | 5.5 | 272 | 31.6 |
| Town of Walworth Portion | 11 | 1.3 | 11 | 1.1 | 22 | 2.0 | 22 | 1.9 | 11 | 100.0 | 0 | 0.0 | 11 | 100.0 |
| Total | 872 | 100.0 | 984 | 100.0 | 1,096 | 100.0 | 1,155 | 100.0 | 224 | 25.7 | 59 | 5.4 | 283 | 32.5 |
| Town of Delavan | | | | | | | | | | | | | | |
| Sanitary District Portion | 861 | 89.7 | 973 | 77.3 | 1,074 | 74.0 | 1,133 | 69.1 | 213 | 24.7 | 59 | 5.5 | 272 | 31.6 |
| Remainder | 99 | 10.3 | 285 | 22.7 | 377 | 26.0 | 507 | 30.9 | 278 | 280.8 | 130 | 34.5 | 408 | 412.1 |
| Total | 960 | 100.0 | 1,258 | 100.0 | 1,451 | 100.0 | 1,640 | 100.0 | 491 | 51.1 | 189 | 13.0 | 680 | 70.8 |
| Town of Walworth | | | | | | | | | | | | | | |
| Sanitary District Portion | 11 | 47.8 | 11 | 20.0 | 22 | 10.7 | 22 | 6.2 | 11 | 100.0 | 0 | 0.0 | 11 | 100.0 |
| Remainder | 12 | 52.2 | 44 | 80.0 | 183 | 89.3 | 334 | 93.8 | 171 | 1,425.0 | 151 | 82.5 | 322 | 2,683.3 |
| Total | 23 | 100.0 | 55 | 100.0 | 205 | 100.0 | 356 | 100.0 | 182 | 791.3 | 151 | 73.7 | 333 | 1,447.8 |

Source: SEWRPC.

mission analyses conducted under the regional water quality management planning effort indicate that there is ample room within these planned sewer service areas to accommodate the probable growth in population, households, and jobs to the year 2010.

NATURAL RESOURCE BASE

One of the important considerations in annexation or incorporation efforts involves the natural resource base of the areas concerned. The proper management of that resource base is essential to the sound physical, social, and economic development of the area and to the ability of that area to provide a pleasant, habitable environment for life. For the purposes of the Delavan Lake governance feasibility study, the principal elements of the natural resource base were defined as the surface water drainage system, the soils, the floodlands and shorelands, and the environmental corridors.

Surface Water Drainage System

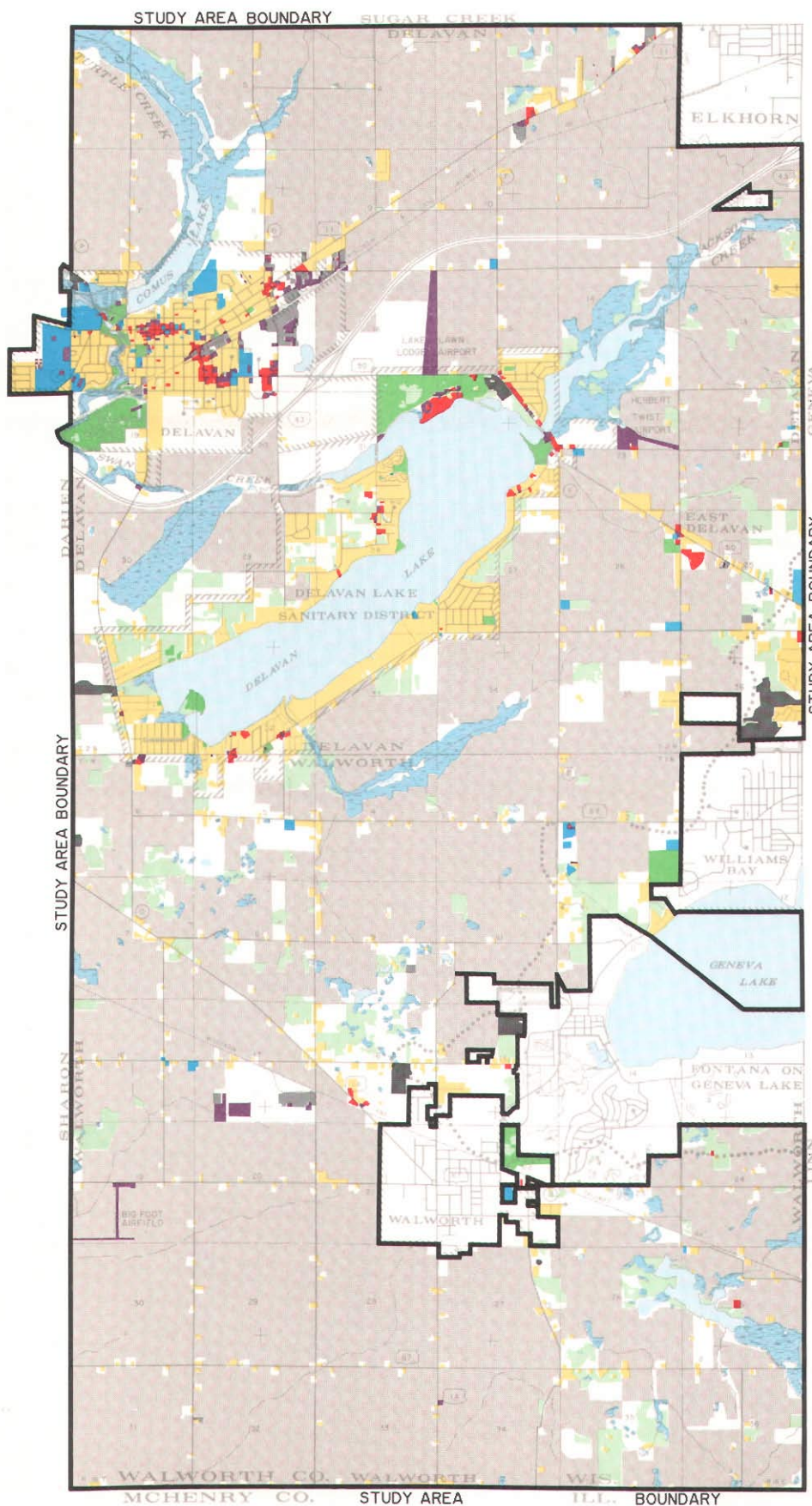
The surface water drainage system within the Delavan Lake governance study area is shown on Map 7. The proportion of the study area lying within each subwatershed is set forth in

Table 13. A major watershed divide—that between the Fox River and Rock River watersheds—traverses the study area. About 3.0 square miles, or about 5 percent of the total study area, drains to Geneva Lake and lies within the Fox River watershed. The remaining 61.9 square miles, or about 95 percent of the total study area, lies within the Rock River watershed.

Within the Rock River watershed, lands within the study area are drained by six different streams: Jackson Creek, which drains an area of about 33.2 square miles; Piscasaw Creek, which drains an area of 15.8 square miles; Turtle Creek, which drains a small area of 0.5 square mile; Upper Turtle Creek, which drains an area of 8.4 square miles; Warner Creek, which drains a small area of 0.6 square mile; and Lawrence Creek, which drains an area of 3.5 square miles. As shown on Map 7, all of the Delavan Lake Sanitary District lies within the Jackson Creek subwatershed.

Soils

In the early 1960's, the Regional Planning Commission contracted with the U. S. Soil Conservation Service to complete detailed operational soil surveys of the entire seven-county

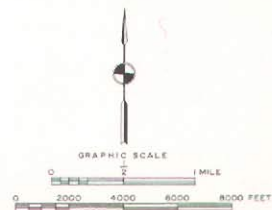


Map 5

**EXISTING LAND USE IN THE
DELAVAN LAKE GOVERNANCE
STUDY AREA: 1985**

LEGEND

- RESIDENTIAL
- COMMERCIAL
- INDUSTRIAL
- TRANSPORTATION, COMMUNICATION, AND UTILITIES
- GOVERNMENTAL AND INSTITUTIONAL
- RECREATIONAL
- EXTRACTIVE AND LANDFILL
- WETLANDS
- WOODLANDS
- WATER
- PRIME AGRICULTURAL LAND
- AGRICULTURAL AND OTHER OPEN LANDS



Source: SEWRPC.

Table 12

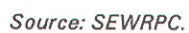
LAND USE IN THE DELAVAN LAKE GOVERNANCE STUDY AREA: 1985

| Land Use Category | Study Area | | | | | | | | Delavan Lake Sanitary District | | | | | |
|-----------------------------------|-----------------|------------------|-----------------|------------------|------------------|------------------|-----------------|------------------|--------------------------------|------------------|--------------------------|------------------|----------------|------------------|
| | City of Delavan | | Town of Delavan | | Town of Walworth | | Total | | Town of Delavan Portion | | Town of Walworth Portion | | Total | |
| | Acres | Percent of Total | Acres | Percent of Total | Acres | Percent of Total | Acres | Percent of Total | Acres | Percent of Total | Acres | Percent of Total | Acres | Percent of Total |
| Urban | | | | | | | | | | | | | | |
| Residential | 519.4 | 20.7 | 1,481.2 | 7.4 | 411.5 | 2.1 | 2,412.1 | 5.8 | 953.8 | 22.4 | 20.3 | 16.9 | 974.1 | 22.2 |
| Commercial | 54.2 | 2.2 | 76.2 | 0.4 | 12.8 | 0.1 | 143.2 | 0.3 | 49.7 | 1.2 | 2.7 | 2.2 | 52.4 | 1.2 |
| Industrial | 68.9 | 2.7 | 27.5 | 0.1 | 28.8 | 0.1 | 125.2 | 0.3 | 1.1 | 0.0 | 0.0 | -- | 1.1 | 0.0 |
| Governmental and Institutional | 173.2 | 6.9 | 35.3 | 0.2 | 36.7 | 0.2 | 245.2 | 0.6 | 4.3 | 0.1 | 0.0 | -- | 4.3 | 0.1 |
| Parks and Recreational | 143.9 | 5.7 | 189.8 | 1.0 | 76.9 | 0.4 | 410.6 | 1.0 | 178.8 | 4.2 | 0.0 | -- | 178.8 | 4.1 |
| Transportation and Utilities | 354.9 | 14.2 | 960.8 | 4.8 | 533.9 | 2.8 | 1,849.6 | 4.5 | 261.3 | 6.1 | 12.8 | 10.7 | 274.1 | 6.3 |
| Extractive and Landfill | 6.4 | 0.3 | 94.7 | 0.5 | 49.3 | 0.3 | 150.4 | 0.4 | 16.7 | 0.4 | 0.0 | -- | 16.7 | 0.4 |
| Subtotal | 1,320.9 | 52.7 | 2,865.5 | 14.4 | 1,149.9 | 6.0 | 5,336.3 | 12.9 | 1,465.7 | 34.4 | 35.8 | 29.8 | 1,501.5 | 34.3 |
| Rural | | | | | | | | | | | | | | |
| Prime Agricultural | 196.7 | 7.8 | 10,742.3 | 53.9 | 13,928.9 | 72.8 | 24,867.9 | 59.8 | 166.3 | 3.9 | 2.2 | 1.8 | 168.5 | 3.8 |
| Other Agricultural and Open Lands | 719.5 | 28.7 | 2,298.4 | 11.5 | 2,096.9 | 11.0 | 5,114.8 | 12.3 | 421.0 | 9.9 | 69.0 | 57.4 | 490.0 | 11.2 |
| Water | 122.0 | 4.9 | 2,009.4 | 10.1 | 553.0 | 2.9 | 2,684.4 | 6.5 | 1,846.7 | 43.3 | 0.0 | -- | 1,846.7 | 42.2 |
| Wetlands | 125.9 | 5.0 | 1,169.7 | 5.9 | 450.3 | 2.3 | 1,745.9 | 4.2 | 47.7 | 1.1 | 5.8 | 4.8 | 53.5 | 1.2 |
| Woodlands | 21.7 | 0.9 | 827.4 | 4.2 | 951.3 | 5.0 | 1,800.4 | 4.3 | 314.1 | 7.4 | 7.5 | 6.2 | 321.6 | 7.3 |
| Subtotal | 1,185.8 | 47.3 | 17,047.2 | 85.6 | 17,980.4 | 94.0 | 36,213.4 | 87.1 | 2,795.8 | 65.6 | 84.5 | 70.2 | 2,880.3 | 65.7 |
| Total | 2,506.7 | 100.0 | 19,912.7 | 100.0 | 19,130.3 | 100.0 | 41,549.7 | 100.0 | 4,261.5 | 100.0 | 120.3 | 100.0 | 4,381.8 | 100.0 |

| Land Use Category | Town of Delavan | | | | | | Town of Walworth | | | | | |
|-----------------------------------|---------------------------|------------------|-----------------|------------------|-----------------|------------------|---------------------------|------------------|-----------------|------------------|-----------------|------------------|
| | Sanitary District Portion | | Remainder | | Total | | Sanitary District Portion | | Remainder | | Total | |
| | Acres | Percent of Total | Acres | Percent of Total | Acres | Percent of Total | Acres | Percent of Total | Acres | Percent of Total | Acres | Percent of Total |
| Urban | | | | | | | | | | | | |
| Residential | 953.8 | 22.4 | 527.4 | 3.4 | 1,481.2 | 7.4 | 20.3 | 16.9 | 391.2 | 2.1 | 411.5 | 2.1 |
| Commercial | 49.7 | 1.2 | 26.5 | 0.2 | 76.2 | 0.4 | 2.7 | 2.2 | 10.1 | 0.1 | 12.8 | 0.1 |
| Industrial | 1.1 | 0.0 | 26.4 | 0.2 | 27.5 | 0.1 | 0.0 | -- | 28.8 | 0.1 | 28.8 | 0.1 |
| Governmental and Institutional | 4.3 | 0.1 | 31.0 | 0.2 | 35.3 | 0.2 | 0.0 | -- | 36.7 | 0.2 | 36.7 | 0.2 |
| Parks and Recreational | 178.8 | 4.2 | 10.9 | 0.1 | 189.7 | 1.0 | 0.0 | -- | 76.9 | 0.4 | 76.9 | 0.4 |
| Transportation and Utilities | 261.3 | 6.1 | 699.4 | 4.4 | 960.7 | 4.8 | 12.8 | 10.6 | 521.1 | 2.7 | 533.9 | 2.8 |
| Extractive and Landfill | 16.7 | 0.4 | 78.0 | 0.5 | 94.7 | 0.5 | 0.0 | -- | 49.3 | 0.3 | 49.3 | 0.3 |
| Subtotal | 1,465.7 | 34.4 | 1,399.6 | 9.0 | 2,865.3 | 14.4 | 35.8 | 29.7 | 1,114.1 | 5.9 | 1,149.9 | 6.0 |
| Rural | | | | | | | | | | | | |
| Prime Agricultural | 166.3 | 3.9 | 10,576.0 | 67.5 | 10,742.3 | 53.9 | 2.2 | 1.8 | 13,926.6 | 73.2 | 13,928.8 | 72.8 |
| Other Agricultural and Open Lands | 421.0 | 9.9 | 1,877.4 | 12.0 | 2,298.4 | 11.5 | 69.0 | 57.5 | 2,027.9 | 10.7 | 2,096.9 | 11.0 |
| Water | 1,846.7 | 43.3 | 162.8 | 1.0 | 2,009.5 | 10.1 | 0.0 | -- | 553.0 | 2.9 | 553.0 | 2.9 |
| Wetlands | 47.7 | 1.1 | 1,122.0 | 7.2 | 1,169.7 | 5.9 | 5.8 | 4.8 | 444.4 | 2.3 | 450.2 | 2.3 |
| Woodlands | 314.1 | 7.4 | 513.3 | 3.3 | 827.4 | 4.2 | 7.5 | 6.2 | 943.8 | 5.0 | 951.3 | 5.0 |
| Subtotal | 2,795.8 | 65.6 | 14,251.5 | 91.0 | 17,047.3 | 85.6 | 84.5 | 70.3 | 17,895.7 | 94.1 | 17,980.2 | 94.0 |
| Total | 4,261.5 | 100.0 | 15,651.1 | 100.0 | 19,912.6 | 100.0 | 120.3 | 100.0 | 19,009.8 | 100.0 | 19,130.1 | 100.0 |

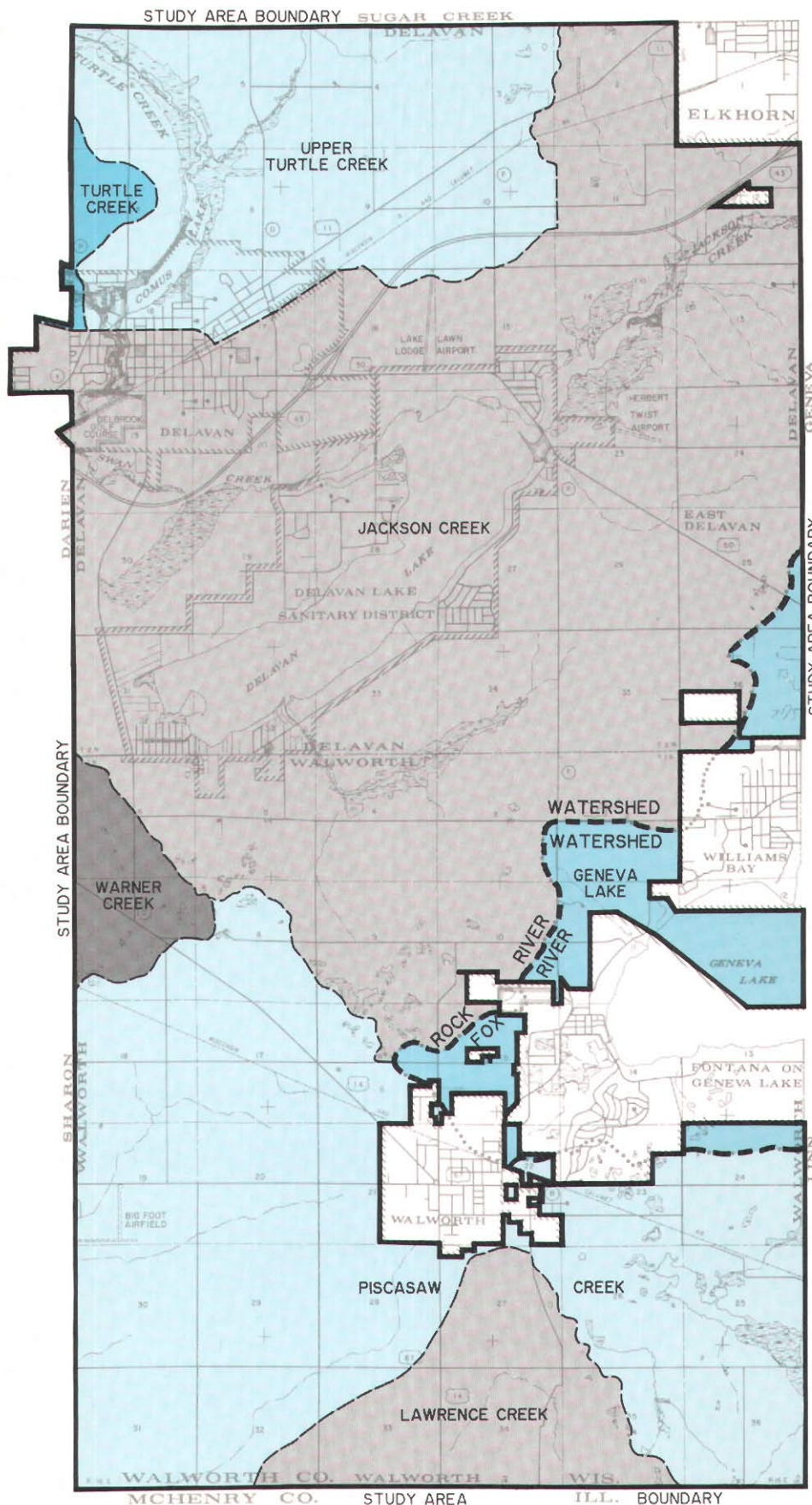
Source: SEWRPC.

PLANNED LAND USE IN THE DELAVAN LAKE GOVERNANCE STUDY AREA



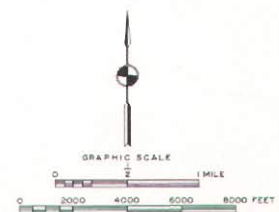
Map 7

SUBWATERSHEDS IN THE DELAVAN LAKE GOVERNANCE STUDY AREA



LEGEND

- WATERSHED BOUNDARY
- SUBWATERSHED BOUNDARY



Source: SEWRPC.

Table 13

**AREAL EXTENT OF CIVIL DIVISIONS IN THE DELAVAN
LAKE GOVERNANCE STUDY AREA BY SUBWATERSHED**

| Geographic Area | Jackson Creek | | Geneva Lake | | Piscasaw Creek | | Turtle Creek | |
|---------------------------------------|---------------------------|--|---------------------------|--|---------------------------|--|---------------------------|--|
| | Area (square miles) | Percent of Geographic Area Total | Area (square miles) | Percent of Geographic Area Total | Area (square miles) | Percent of Geographic Area Total | Area (square miles) | Percent of Geographic Area Total |
| Study Area | | | | | | | | |
| City of Delavan | 2.8 | 071.8 | 0.0 | -- | 0.0 | -- | 0.0 | -- |
| Town of Delavan | 22.8 | 73.2 | 0.6 | 1.8 | 0.0 | -- | 0.5 | 1.6 |
| Town of Walworth | 7.6 | 25.4 | 2.4 | 8.0 | 15.8 | 52.9 | 0.0 | -- |
| Total | 33.2 | 51.1 | 3.0 | 4.6 | 15.8 | 24.3 | 0.5 | 0.8 |
| Delavan Lake Sanitary District | | | | | | | | |
| Town of Delavan Portion | 6.7 | 100.0 | 0.0 | -- | 0.0 | -- | 0.0 | -- |
| Town of Walworth Portion . . . | 0.2 | 100.0 | 0.0 | -- | 0.0 | -- | 0.0 | -- |
| Total | 6.9 | 100.0 | 0.0 | -- | 0.0 | -- | 0.0 | -- |
| Town of Delavan | | | | | | | | |
| Sanitary District Portion | 6.7 | 100.0 | 0.0 | -- | 0.0 | -- | 0.0 | -- |
| Remainder | 16.1 | 65.8 | 0.6 | 2.4 | 0.0 | -- | 0.5 | 2.0 |
| Total | 22.8 | 73.1 | 0.6 | 1.9 | 0.0 | -- | 0.5 | 1.6 |
| Town of Walworth | | | | | | | | |
| Sanitary District Portion | 0.2 | 100.0 | 0.0 | -- | 0.0 | -- | 0.0 | -- |
| Remainder | 7.4 | 24.9 | 2.4 | 8.1 | 15.8 | 53.2 | 0.0 | -- |
| Total | 7.6 | 25.4 | 2.4 | 8.0 | 15.8 | 52.9 | 0.0 | -- |

| Geographic Area | Lawrence Creek | | Upper Turtle Creek | | Warner Creek | | Total | |
|---------------------------------------|---------------------------|--|---------------------------|--|---------------------------|--|---------------------------|--|
| | Area (square miles) | Percent of Geographic Area Total | Area (square miles) | Percent of Geographic Area Total | Area (square miles) | Percent of Geographic Area Total | Area (square miles) | Percent of Geographic Area Total |
| Study Area | | | | | | | | |
| City of Delavan | 0.0 | -- | 1.1 | 28.2 | 0.0 | -- | 3.9 | 100.0 |
| Town of Delavan | 0.0 | -- | 7.3 | 23.4 | 0.0 | -- | 31.1 | 100.0 |
| Town of Walworth | 3.5 | 11.7 | 0.0 | 0.0 | 0.6 | 2.0 | 29.9 | 100.0 |
| Total | 3.5 | 5.4 | 8.4 | 12.9 | 0.6 | 0.9 | 64.9 | 100.0 |
| Delavan Lake Sanitary District | | | | | | | | |
| Town of Delavan Portion | 0.0 | -- | 0.0 | -- | 0.0 | -- | 6.7 | 100.0 |
| Town of Walworth Portion . . . | 0.0 | -- | 0.0 | -- | 0.0 | -- | 0.2 | 100.0 |
| Total | 0.0 | -- | 0.0 | -- | 0.0 | -- | 6.9 | 100.0 |
| Town of Delavan | | | | | | | | |
| Sanitary District Portion | 0.0 | -- | 0.0 | -- | 0.0 | -- | 6.7 | 100.0 |
| Remainder | 0.0 | -- | 7.3 | 29.8 | 0.0 | -- | 24.5 | 100.0 |
| Total | 0.0 | -- | 7.3 | 23.4 | 0.0 | -- | 31.2 | 100.0 |
| Town of Walworth | | | | | | | | |
| Sanitary District Portion | 0.0 | -- | 0.0 | -- | 0.0 | -- | 0.2 | 100.0 |
| Remainder | 3.5 | 11.8 | 0.0 | -- | 0.6 | 2.0 | 29.7 | 100.0 |
| Total | 3.5 | 11.7 | 0.0 | -- | 0.6 | 2.0 | 29.9 | 100.0 |

Source: SEWRPC.

Region. This work effort mapped the geographic locations of the various kinds of soils; identified their physical, chemical, and biological properties; and interpreted those properties for land use and public facility planning. Of significance to the Delavan Lake governance feasibility study effort are soil interpretations with respect to three types of land uses: 1) agriculture; 2) dwelling units served by conventional onsite sewage disposal systems; and 3) dwelling units with basements.

The suitability of soils in the study area for agriculture is summarized on Map 8. As can be seen from this map, the great majority of land within the study area is very well suited for agricultural use. These soil properties account for the fact that nearly 39 square miles of the study area, or about 60 percent, remains classified in regional land use inventories as prime agricultural land. These prime agricultural lands are shown on Map 5.

The suitability of soils for urban development served by conventional onsite sewage disposal systems is summarized on Map 9. As shown on this map, much of the study area is covered by soils that are very poorly suited for the proper operation of septic tank absorption fields. Limitations in this respect are largely due to such soil properties as high water table, slope, and permeability.

Soil suitability for dwelling units with basements is indicated on Map 10. As shown on this map, soil types with severe limitations for this type of urban use are found scattered throughout the study area, with concentrations occurring in riverine areas. Limitations in this respect are largely due to such soil properties as high water table, low bearing strength, and high shrink-swell potential.

Floodlands and Shorelands

The floodlands and shorelands within the study area are shown on Map 11. The floodlands shown on this map consist of surface water plus those areas which may be expected to be inundated by a flood having a 100-year recurrence—that is, a flood having a 1 percent chance of occurring in any given year. This flood is recognized nationally as the appropriate flood for floodplain regulation purposes. Floodplains in the area have been defined along Jackson Creek, Turtle Creek, Piscasaw Creek, and the Delavan Lake shoreline.

Shorelands have been defined by the Wisconsin Legislature as all lands lying within 1,000 feet of a navigable lake, pond, or flowage, or within 300 feet of a navigable river or stream, or to the landward side of the floodplain, whichever is greater. Thus, by definition, shorelands include floodplains. The shorelands within the study area are also shown on Map 11.

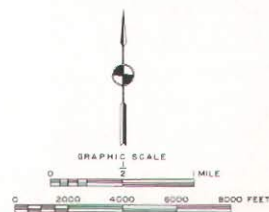
Environmental Corridors

Studies conducted by the Regional Planning Commission have found that the most sensitive elements of the natural resource base of the Region occur in linear concentrations. These sensitive elements include the lakes, rivers, and streams and their associated shorelands and floodlands; wetlands; woodlands; prairies; wildlife habitat; wet, poorly drained, and organic soils; and rugged terrain and high-relief topography. In addition, certain natural resource-related elements are considered valuable, including existing and potential park and open space sites; sites of historic and archaeological importance; significant scenic overlooks and related vistas; and areas of natural and scientific importance.

The delineation of these various natural resource and related elements on a map results in an essentially linear pattern of relatively narrow elongated areas which have been termed environmental corridors by the Commission. Primary environmental corridors include a wide variety of the natural resource and related elements concerned, and are by definition at least 400 acres in area, two miles in length, and 200 feet in width. Secondary environmental corridors generally connect with primary environmental corridors and are at least 100 acres in area and one mile in length.

The delineated environmental corridors in the Delavan Lake study area are shown on Map 12, and the areas concerned quantified in Table 14. The primary environmental corridors, which comprise a total of about 12.2 square miles of the study area, or about 19 percent of the total study area, are generally found along the shorelines of Delavan and Comus Lakes, along Jackson Creek, and along Turtle Creek. The secondary environmental corridors comprise only an additional 0.8 square mile, or about 1 percent of the study area. Finally, isolated natural resource areas, consisting of scattered woodlands and wetlands, total about 1.4 square miles, or an additional 2 percent of the study area.

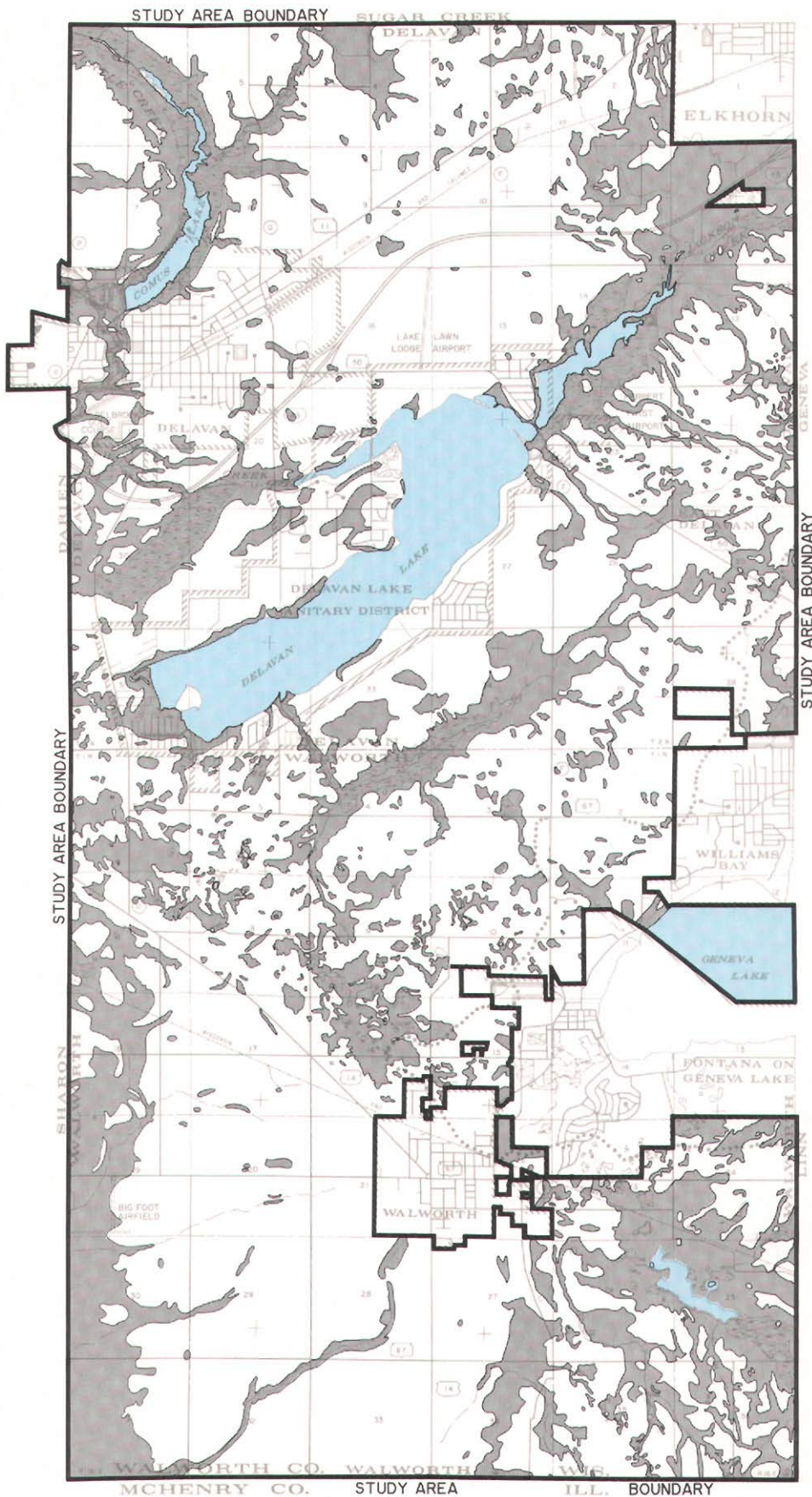
SUITABILITY OF SOILS FOR AGRICULTURE IN THE DELAVAN LAKE GOVERNANCE STUDY AREA



24

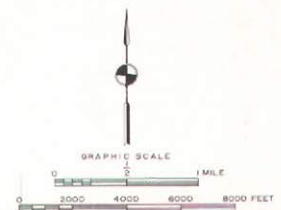
Map 9

**SUITABILITY OF SOILS FOR
THE PROPER OPERATION OF
SEPTIC TANK ABSORPTION
FIELDS IN THE DELAVAN LAKE
GOVERNANCE STUDY AREA**



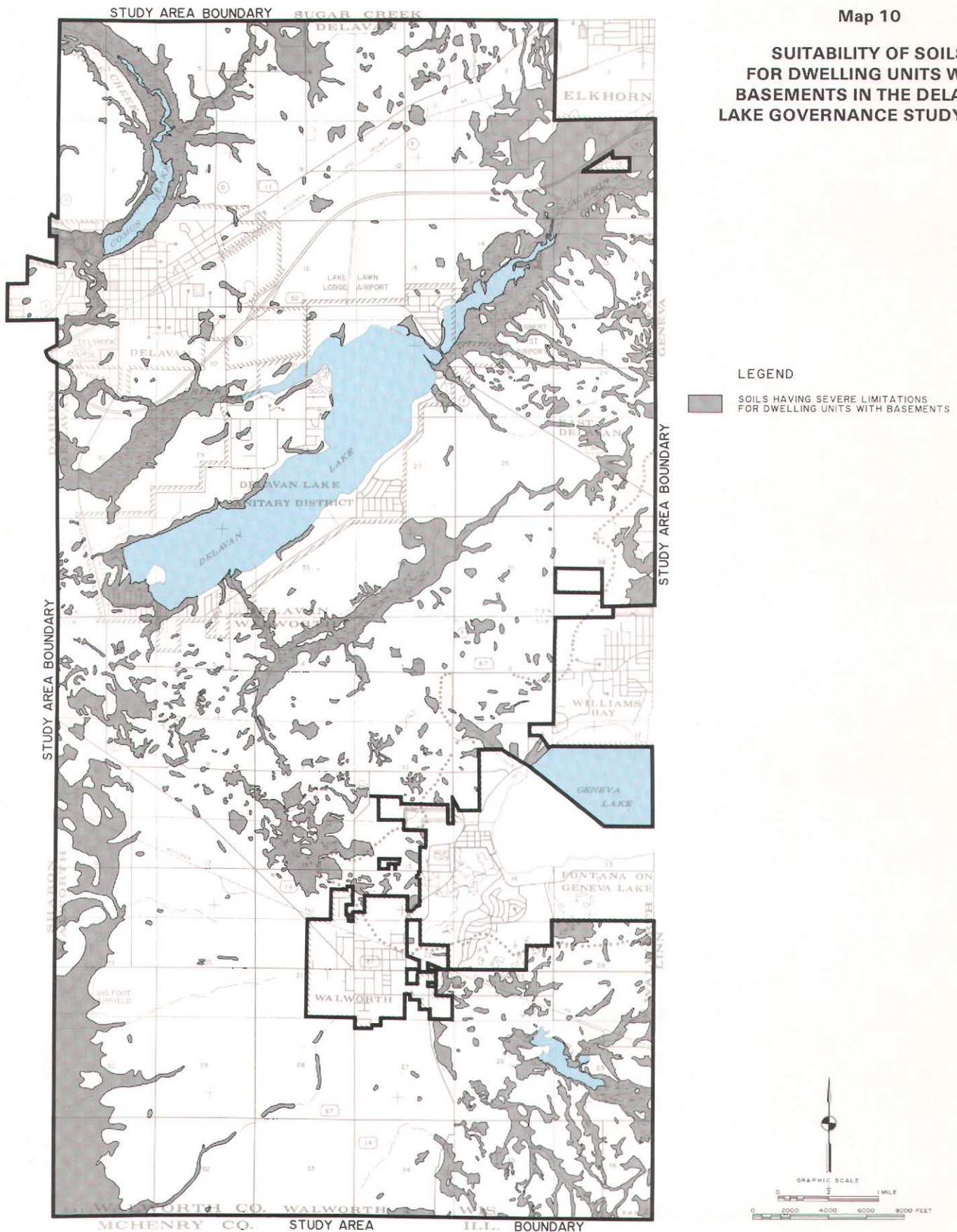
LEGEND

SOILS HAVING SEVERE LIMITATIONS
FOR SEPTIC TANK ABSORPTION
FIELD OPERATION



Source: SEWRPC.

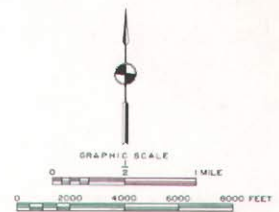
SUITABILITY OF SOILS FOR DWELLING UNITS WITH BASEMENTS IN THE DELAVAN LAKE GOVERNANCE STUDY AREA



FLOODLANDS AND SHORELANDS IN THE DELAVAN LAKE GOVERNANCE STUDY AREA



ENVIRONMENTAL CORRIDORS IN THE DELAVAN LAKE GOVERNANCE STUDY AREA



28

Table 14

ENVIRONMENTALLY SENSITIVE LANDS IN THE DELAVAN LAKE GOVERNANCE STUDY AREA: 1985

| Geographic Area | Primary Environmental Corridors | | Secondary Environmental Corridors | | Isolated Natural Areas | |
|---------------------------------------|---------------------------------|------------------|-----------------------------------|------------------|------------------------|------------------|
| | Area (acres) | Percent of Total | Area (acres) | Percent of Total | Area (acres) | Percent of Total |
| Study Area | | | | | | |
| City of Delavan | 230 | 3.0 | 35 | 6.5 | 18 | 2.0 |
| Town of Delavan | 6,331 | 81.3 | 33 | 6.1 | 463 | 50.3 |
| Town of Walworth | 1,222 | 15.7 | 474 | 87.4 | 439 | 47.7 |
| Total | 7,783 | 100.0 | 542 | 100.0 | 920 | 100.0 |
| Delavan Lake Sanitary District | | | | | | |
| Town of Delavan Portion | 2,341 | 100.0 | 0 | -- | 61 | 91.0 |
| Town of Walworth Portion | 0 | -- | 0 | -- | 6 | 9.0 |
| Total | 2,341 | 100.0 | 0 | -- | 67 | 100.0 |
| Town of Delavan | | | | | | |
| Sanitary District Portion | 2,341 | 37.0 | 0 | -- | 61 | 13.2 |
| Remainder | 3,990 | 63.0 | 33 | 100.0 | 402 | 86.8 |
| Total | 6,331 | 100.0 | 33 | 100.0 | 463 | 100.0 |
| Town of Walworth | | | | | | |
| Sanitary District Portion | 0 | -- | 0 | -- | 6 | 1.5 |
| Remainder | 1,222 | 100.0 | 474 | 100.0 | 397 | 98.5 |
| Total | 1,222 | 100.0 | 474 | 100.0 | 403 | 100.0 |

Source: SEWRPC.

STREETS AND HIGHWAYS

Information pertaining to the extent and location of streets and highways by functional and jurisdictional type is an important consideration in any study relating to the governance of an area. The number of miles of streets by functional and jurisdictional class is also an important determinant for federal highway aid eligibility.²

²Before 1987, the functional classification of streets and highways was also an important determinant of local highway aids provided by the State of Wisconsin. Beginning in 1987, however, functional classification was dropped from the formula applied by the State to determine local highway aids.

The existing arterial street and highway system serving the Delavan Lake governance study area is shown on Map 13. The number of miles of arterial streets and highways by civil division and by jurisdiction is identified in Table 15. Arterial streets are intended to provide for the safe and efficient movement of through traffic. Of the nearly 47 miles of arterial streets and highways in the study area in 1988, about 32 miles, or 69 percent, were state trunk highways; about 12 miles, or 26 percent, were county trunk highways; and about 2 miles, or 5 percent, were local arterials.

In 1973, the Walworth County Board of Supervisors adopted a jurisdictional highway system plan for Walworth County. This plan proposes certain changes in the jurisdiction of the arterial street and highway system to better reflect

EXISTING ARTERIAL STREETS AND HIGHWAYS IN THE DELAVAN LAKE GOVERNANCE STUDY AREA: 1988



Table 15

ARTERIAL STREETS AND HIGHWAYS IN THE DELAVAN LAKE GOVERNANCE STUDY AREA: 1988

| Geographic Area | State Trunk Highways | | County Trunk Highways | | Local Streets and Roads | | Total | |
|---------------------------------------|----------------------|------------------|-----------------------|------------------|-------------------------|------------------|-----------------|------------------|
| | Number of Miles | Percent of Total | Number of Miles | Percent of Total | Number of Miles | Percent of Total | Number of Miles | Percent of Total |
| Study Area | | | | | | | | |
| City of Delavan | 3.6 | 11.1 | 0.6 | 4.9 | 1.6 | 18.8 | 5.8 | 10.9 |
| Town of Delavan | 18.1 | 55.9 | 7.9 | 64.2 | 3.2 | 37.6 | 29.2 | 54.9 |
| Town of Walworth | 10.7 | 33.0 | 3.8 | 30.9 | 3.7 | 43.6 | 18.2 | 34.2 |
| Total | 32.4 | 100.0 | 12.3 | 100.0 | 8.5 | 100.0 | 53.2 | 100.0 |
| Delavan Lake Sanitary District | | | | | | | | |
| Town of Delavan Portion | 2.0 | 100.0 | 1.2 | 92.3 | 0.4 | 80.0 | 3.6 | 94.7 |
| Town of Walworth Portion . . . | 0.0 | -- | 0.1 | 7.7 | 0.1 | 20.0 | 0.2 | 5.3 |
| Total | 2.0 | 100.0 | 1.3 | 100.0 | 0.5 | 100.0 | 3.8 | 100.0 |
| Town of Delavan | | | | | | | | |
| Sanitary District Portion | 2.0 | 11.0 | 1.2 | 15.2 | 0.4 | 12.5 | 3.6 | 12.3 |
| Remainder | 16.1 | 89.0 | 6.7 | 84.8 | 2.8 | 87.5 | 25.6 | 87.7 |
| Total | 18.1 | 100.0 | 7.9 | 100.0 | 3.2 | 100.0 | 29.2 | 100.0 |
| Town of Walworth | | | | | | | | |
| Sanitary District Portion | 0.0 | -- | 0.1 | 2.6 | 0.1 | 2.6 | 0.2 | 1.1 |
| Remainder | 10.7 | 100.0 | 3.7 | 97.4 | 3.7 | 97.4 | 18.1 | 98.9 |
| Total | 10.7 | 100.0 | 3.8 | 100.0 | 3.8 | 100.0 | 18.3 | 100.0 |

Source: Wisconsin Department of Transportation and SEWRPC.

changing travel patterns and urban development within the County. That plan as it pertains to the Delavan Lake governance study area is shown on Map 14. The major changes from the existing jurisdictional system recommended in the plan include: the reversion of STH 11 east of STH 50 to the county trunk highway system; the placement of three town roads—Town Hall Road in the Town of Delavan, N. Walworth Road in the Town of Walworth, and Town Line Road west of CTH O—on the county trunk highway system; and the placement of the extensions of CTH O and CTH P through the City of Delavan on the county trunk highway system. In addition, the plan envisions new local arterial streets near the Villages of Walworth and Williams Bay.

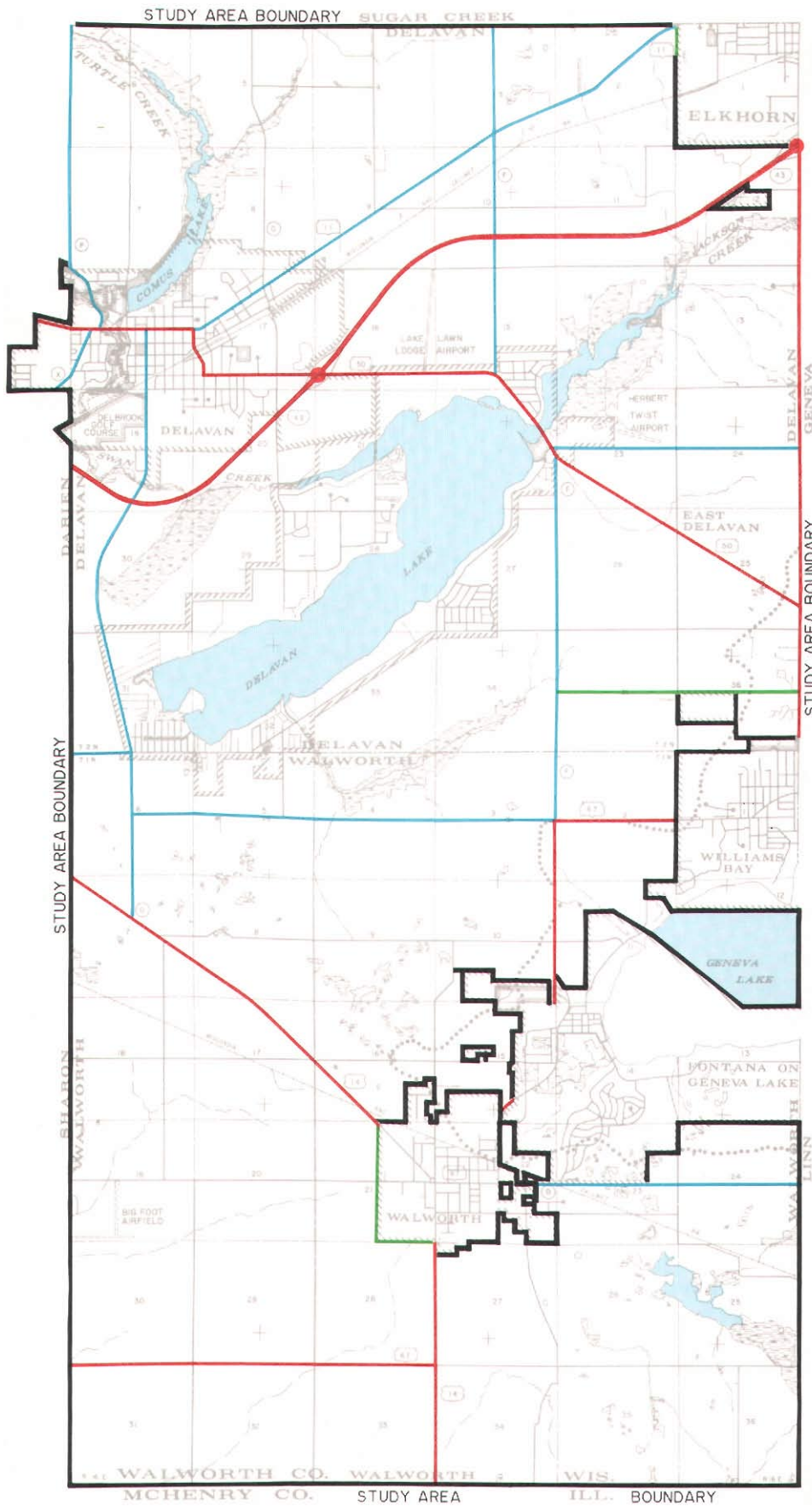
There is a relationship between the existing arterial street and highway system as shown on Map 13 and the federal aid highway system

shown on Map 15. All state trunk highways in the study area are either on the federal aid interstate system or on the federal aid primary system, the only exception being STH 67 west of USH 14 in the Town of Walworth. Existing county trunk arterial highways and those local arterial roads in rural areas envisioned for future placement on the county trunk highway system are on the federal aid secondary system. Existing local arterial streets within the Delavan urban area are on the federal aid urban system. Placement of these arterial streets on the federal aid system assures that improvement projects programmed for such facilities will be eligible for available federal aid funds.

The number of miles of all streets, highways, and roads—whether public or private—in the study area as of 1988 is identified in Table 16. In that year there were a total of 175 miles of highways, streets, and roads within the study

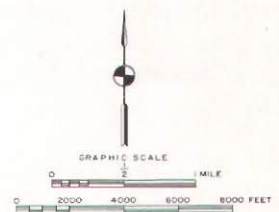
Map 14

**PLANNED ARTERIAL STREETS AND
HIGHWAYS IN THE DELAVAN LAKE
GOVERNANCE STUDY AREA**

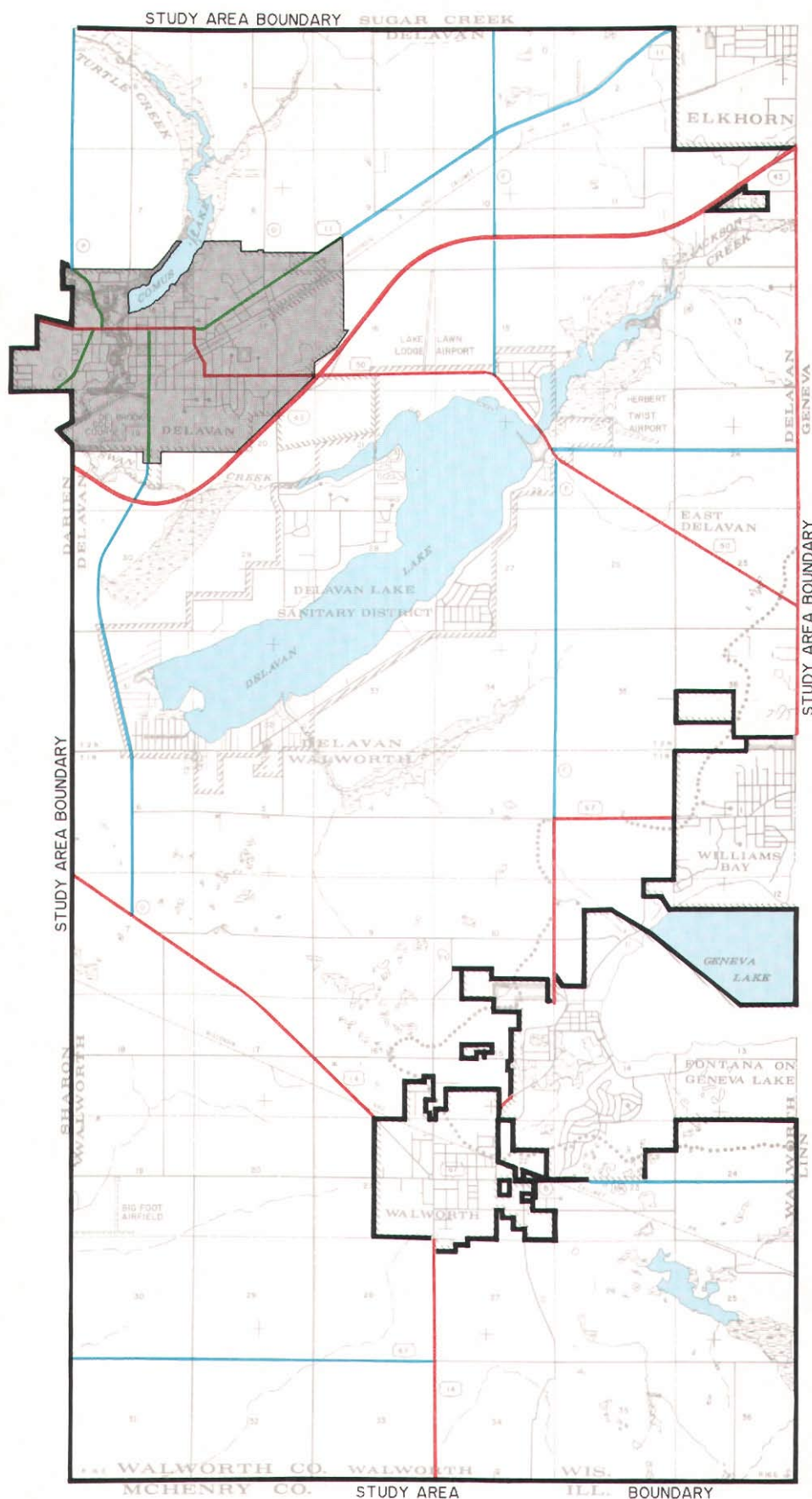


LEGEND

- STATE TRUNK - FREEWAY
- STATE TRUNK - NONFREEWAY
- COUNTY TRUNK
- LOCAL TRUNK
- FREEWAY - NONFREEWAY INTERCHANGE



Source: SEWRPC.

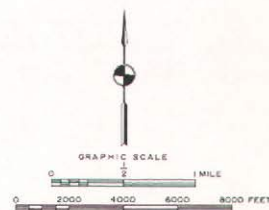


Map 15

**FEDERAL AID HIGHWAY
SYSTEM IN THE DELAVAN LAKE
GOVERNANCE STUDY AREA: 1988**

LEGEND

- INTERSTATE
- PRIMARY
- SECONDARY
- URBAN
- LIMITS OF DELAVAN URBAN AREA



Source: SEWRPC.

Table 16

STREETS AND HIGHWAYS IN THE DELAVAN LAKE GOVERNANCE STUDY AREA BY JURISDICTION: 1988

| Geographic Area | Public | | | | | | | |
|---------------------------------------|----------------------|----------------------------|-----------------------|----------------------------|-----------------|----------------------------|-----------------|----------------------------|
| | State Trunk Highways | | County Trunk Highways | | | | | |
| | | | Arterial | | Nonarterial | | Subtotal | |
| | Number of Miles | Percent of Geographic Area | Number of Miles | Percent of Geographic Area | Number of Miles | Percent of Geographic Area | Number of Miles | Percent of Geographic Area |
| Study Area | | | | | | | | |
| City of Delavan | 3.6 | 11.8 | 0.6 | 2.0 | 0.3 | 1.0 | 0.9 | 3.0 |
| Town of Delavan | 18.1 | 20.3 | 7.9 | 8.9 | 1.9 | 2.1 | 9.8 | 11.0 |
| Town of Walworth | 10.7 | 19.2 | 3.8 | 6.8 | 0.0 | -- | 3.8 | 6.8 |
| Total | 32.4 | 18.5 | 12.3 | 7.0 | 2.2 | 1.3 | 14.5 | 8.3 |
| Delavan Lake Sanitary District | | | | | | | | |
| Town of Delavan Portion | 2.0 | 6.6 | 1.2 | 4.0 | 0.0 | -- | 1.2 | 4.0 |
| Town of Walworth Portion | 0.0 | -- | 0.1 | 7.1 | 0.0 | -- | 0.1 | 7.1 |
| Total | 2.0 | 6.3 | 1.3 | 4.1 | 0.0 | -- | 1.3 | 4.1 |
| Town of Delavan | | | | | | | | |
| Sanitary District Portion | 2.0 | 6.6 | 1.2 | 4.0 | 0.0 | -- | 1.2 | 4.0 |
| Remainder | 16.1 | 27.3 | 6.7 | 11.4 | 1.9 | 3.2 | 8.6 | 14.6 |
| Total | 18.1 | 20.3 | 7.9 | 8.9 | 1.9 | 2.1 | 9.8 | 11.0 |
| Town of Walworth | | | | | | | | |
| Sanitary District Portion | 0.0 | -- | 0.1 | 7.1 | 0.0 | -- | 0.1 | 7.1 |
| Remainder | 10.7 | 19.7 | 3.7 | 6.8 | 0.0 | -- | 3.7 | 6.8 |
| Total | 10.7 | 19.2 | 3.8 | 6.8 | 0.0 | -- | 3.8 | 6.8 |

| Geographic Area | Public | | | | | | | | | | | |
|-------------------------------------|-------------------------|----------------------------|-----------------|----------------------------|-----------------|----------------------------|-----------------|----------------------------|-----------------|----------------------------|-----------------|----------------------------|
| | Local Streets and Roads | | | | | | | | | | | |
| | Arterial | | Nonarterial | | Subtotal | | | | Subtotal | | Private Roads | |
| | Number of Miles | Percent of Geographic Area | Number of Miles | Percent of Geographic Area | Number of Miles | Percent of Geographic Area | Number of Miles | Percent of Geographic Area | Number of Miles | Percent of Geographic Area | Number of Miles | Percent of Geographic Area |
| Study Area | | | | | | | | | | | | |
| City of Delavan | 1.6 | 5.2 | 24.4 | 80.0 | 26.0 | 85.2 | 30.5 | 100.0 | 0.0 | -- | 30.5 | 100.0 |
| Town of Delavan | 3.2 | 3.6 | 46.3 | 52.0 | 49.5 | 55.6 | 77.4 | 86.9 | 11.7 | 13.1 | 89.1 | 100.0 |
| Town of Walworth | 3.7 | 6.6 | 36.2 | 65.0 | 39.9 | 71.7 | 54.4 | 97.7 | 1.3 | 2.3 | 55.7 | 100.0 |
| Total | 8.5 | 4.8 | 106.9 | 61.0 | 115.4 | 65.8 | 162.3 | 92.6 | 13.0 | 7.4 | 175.3 | 100.0 |
| Delavan Lake Sanitary District | | | | | | | | | | | | |
| Town of Delavan Portion | 0.4 | 1.3 | 16.9 | 56.1 | 17.3 | 57.5 | 20.5 | 68.1 | 9.6 | 31.9 | 30.1 | 100.0 |
| Town of Walworth Portion | 0.1 | 7.1 | 0.6 | 42.9 | 0.7 | 50.0 | 0.8 | 57.1 | 0.6 | 42.9 | 1.4 | 100.0 |
| Total | 0.5 | 1.6 | 17.5 | 55.6 | 18.0 | 57.1 | 21.3 | 67.5 | 10.2 | 32.5 | 31.5 | 100.0 |
| Town of Delavan | | | | | | | | | | | | |
| Sanitary District Portion | 0.4 | 1.3 | 16.9 | 56.1 | 17.3 | 57.5 | 20.5 | 68.1 | 9.6 | 31.9 | 30.1 | 100.0 |
| Remainder | 2.8 | 4.7 | 29.4 | 49.8 | 32.2 | 54.5 | 56.9 | 96.4 | 2.1 | 3.6 | 59.0 | 100.0 |
| Total | 3.2 | 3.6 | 46.3 | 52.0 | 49.5 | 55.6 | 77.4 | 86.9 | 11.7 | 13.1 | 89.1 | 100.0 |
| Town of Walworth | | | | | | | | | | | | |
| Sanitary District Portion | 0.1 | 7.1 | 0.6 | 42.9 | 0.7 | 50.0 | 0.8 | 57.1 | 0.6 | 42.9 | 1.4 | 100.0 |
| Remainder | 3.7 | 6.8 | 35.6 | 65.4 | 39.3 | 72.2 | 53.7 | 98.7 | 0.7 | 1.3 | 54.4 | 100.0 |
| Total | 3.8 | 6.8 | 36.2 | 64.9 | 40.0 | 71.7 | 54.5 | 97.7 | 1.3 | 2.3 | 55.8 | 100.0 |

Source: Wisconsin Department of Transportation and SEWRPC.

area, of which about 13 miles, or about 7 percent, were private ways. The remaining 162 miles were public roads consisting of about 32 miles of state trunk highways, about 15 miles of county trunk highways, and about 115 miles of local streets and roads.

Within the Delavan Lake Sanitary District there were about 32 miles of streets and roads, of which about 10 miles, or about 33 percent, were private ways. Of the approximately 89 miles of streets and roads within the Town of Delavan, about 30 miles, or about 34 percent, were located within the Sanitary District portion of the Town. Of the nearly 56 miles of streets and roads in the Town of Walworth, only about 1 mile, or about 3 percent, was located within the Sanitary District portion of the Town.

STRUCTURE AND FUNCTIONS OF LOCAL UNITS OF GOVERNMENT

The basic structure of, and the primary functions performed by, the three general-purpose local units of government—the City and Town of Delavan and the Town of Walworth—comprising the Delavan Lake governance study area are summarized in Table 17. The information set forth in this table pertains to the form of government; the number of elected officials and their terms of office; the number of full- and part-time personnel employed; the commissions and boards created by the governing body to assist in the performance of municipal functions; descriptions of the administrative structure; descriptions of the public works functions performed; descriptions of the ways in which the public safety functions are performed; descriptions of the park and recreation and library functions performed; and descriptions of the way in which the planning, land use regulation, and building inspection functions are performed. The aldermanic districts in the City of Delavan are set forth on Map 16, and the locations of parks, municipal buildings, and other municipal facilities within the Delavan Lake governance study area are displayed on Map 17. Detailed comparisons of the provisions contained in the zoning district and land subdivision regulations applicable in the City of Delavan and in the Towns of Delavan and Walworth are set forth in Tables 18 and 19.

The basic structure of, and the primary functions performed by, four special local units of

government serving the Delavan Lake governance study area—the Walworth County Metropolitan Sewerage District, the Delavan Lake Sanitary District, the Town of Walworth Utility District No. 1, and the Lake Comus Protection and Rehabilitation District—are summarized in Table 20. The information set forth in this table pertains to the statutory authorization for each special-purpose unit of government, the composition of the governing body, the jurisdictional area served, the personnel employed, the functions provided, and funding sources. The jurisdictional areas for the four special-purpose local units of government are delineated on Map 18.

The Delavan Lake governance study area also encompasses all or portions of seven school districts, including three K-12 Districts—Elkhorn, Williams Bay, and Delavan-Darien; three K-8 Districts—Walworth, Fontana, and Reek; and one Union High School District—Walworth (Big Foot)—which overlays the three K-8 Districts.

The jurisdictional area of each of these school districts is shown on Map 19. The Delavan Lake Sanitary District lies predominantly within the Delavan-Darien K-12 District. All of that portion of the Delavan Lake Sanitary District within the Town of Walworth and a small portion within the Town of Delavan, however, is located within the Fontana K-8 District and the Walworth Union High School District.

POSTAL SERVICE DELIVERY AREAS

The delivery areas established by the U. S. Postal Service can demonstrate a community of interest within a given area, and therefore can be a factor in annexation and incorporation decision-making. As shown on Map 20, there are a total of four U. S. postal service delivery areas affecting the Delavan Lake governance study area. Of the four, however, only three—Elkhorn, Delavan, and Walworth—serve substantial portions of the study area. The remaining post office—Fontana—serves a very small portion of the area. The entire Delavan Lake Sanitary District is included within the Delavan postal service area.

PRIVATE UTILITY SERVICE AREAS

The service areas established for private utility service can also have a bearing upon decisions

Table 17

**STRUCTURE AND FUNCTIONS OF THE GENERAL-PURPOSE LOCAL UNITS OF
GOVERNMENT COMPRISING THE DELAVAN LAKE GOVERNANCE STUDY AREA**

| Item | City of Delavan | Town of Delavan | Town of Walworth |
|---|--|--|--|
| Form of Government | Mayor-Council | Chairman-Board | Chairman-Board |
| Elected Officials and Terms | Mayor: two-year term Six Aldermen: two-year staggered term—elected by District (see Map 16) Municipal Judge: two-year term | Town Chairman: two-year term Four Supervisors: two-year staggered term—elected at large Town Clerk: two-year term Town Treasurer: two-year term Municipal Judge: two-year term | Town Chairman: two-year term Two Supervisors: two-year term—elected at large Town Clerk: two-year term Town Treasurer: two-year term Town Constable: two-year term |
| Commissions and Boards | <u>Plan Commission</u> consisting of Mayor, one council member, Park and Recreation Commission Chair, and four citizens <u>Park and Recreation Commission</u> consisting of one council member and six citizens <u>Board of Police and Fire Commissioners</u> consisting of five citizens <u>Water and Sewerage Commission</u> consisting of Mayor, one council member, and three citizens <u>Common Council Committees</u> Finance Public Works General Operations <u>Other Boards and Commissions</u> Board of Review Emergency Government Personnel Commission Board of Appeals Delbrook Golf Course Commission Library Board of Trustees | <u>Plan Commission</u> consisting of Town Chairman, one supervisor, and five citizens <u>Park Committee</u> consisting of two supervisors and four citizens <u>Police and Fire Commission</u> consisting of six citizens <u>Committees</u> Police and Water Safety Committee Highway Committee Fire Committee Lake Committee Tourism Committee License Committee Judicial Committee Insurance Emergency Government Labor Relations Finance Committee | <u>Building Board</u> for architectural review and approval of all structures <u>Board of Review</u> |
| Personnel | 43 full-time 15 part-time | 8 full-time 13 part-time | 1 full-time 5 part-time |
| Administrative Structure | City Administrator—appointed by City Council—handles day-to-day administration of City; administrative personnel, total five full-time and two part-time | General administration provided by Town Clerk and Treasurer, with Town Chairman available for consultation | General administration provided by Town Chairman, Clerk, and Treasurer |
| Public Works Functions Sanitary Sewers | Local collection system maintained by city forces, service universally provided; treatment services provided by WALCOMET | Local collection service provided to portion of Town by Delavan Lake Sanitary District, a special-purpose unit of government; treatment services provided by WALCOMET | Local collection service provided to portion of Town by Delavan Lake Sanitary District; in addition, Utility District No. 1 provides collection service to the Christian League for the Handicapped; treatment services provided by WALCOMET |

Table 17 (continued)

| Item | City of Delavan | Town of Delavan | Town of Walworth |
|--|---|---|--|
| Public Works Functions (continued) | | | |
| Water Supply | Four wells and distribution system maintained by city forces; service universally provided | Function not provided | Function not provided |
| Drainage | Storm sewer system maintained by city forces; storm sewers required for all new development | Roadside ditches and roadway culverts maintained by town forces; driveway culvert maintenance responsibility of landowner or resident | Roadside ditches and roadway culverts maintained by town forces; driveway culvert maintenance responsibility of landowner or resident |
| Streets and Roads | Streets maintained and plowed by city forces; street lighting universally provided | Roads maintained and plowed by town forces; most private roads plowed by town forces; street lighting not required | Roads maintained and plowed by town forces supplemented by contract forces on an as-needed basis; street lighting not required |
| Solid Waste Collection and Disposal | Function not provided; residents must contract with private firm for solid waste collection and disposal services | Function not provided; residents must contract with private firm for solid waste collection and disposal services | Function not provided; residents must contract with private firm for solid waste collection and disposal services |
| Public Works Personnel | 23 full-time 2 part-time | 4 full-time 3 part-time | 1 full-time 5 part-time |
| Public Safety Functions | | | |
| Law Enforcement | Full-time personnel—a chief, one captain, one lieutenant, three sergeants, five officers, and three dispatchers; part-time personnel—four officers | Full-time personnel—a chief, one sergeant, two officers; part-time personnel—five officers; summer lake patrol—five part-time officers | Town constable; primary reliance on County Sheriff |
| Fire Suppression | Volunteer fire department with 40 members; City provides all buildings, trucks, and equipment; fire chief paid \$1,500 annually, assistant chief paid \$1,236 annually, all other firefighters paid \$5.00 per call plus \$5.00 per hour after the first hour; dispatching by City Police Department | Volunteer fire department with 30 members; Town provides all buildings, trucks, and equipment; fire chief paid \$4,000 annually, firefighters paid \$5.00 per call plus \$4.00 per hour after first hour; dispatching by County Sheriff's Department at no cost to Town | Town pays one-half of cost of supporting volunteer fire department in cooperation with Village of Walworth, comprised of 32 members; Town and Village provide all buildings, trucks, and equipment; fire chief paid \$200 annually; firefighters paid \$4.00 per call plus \$4.00 per hour after first hour; dispatching by Christian League for the Handicapped |
| Rescue | Rescue services provided by Delavan Rescue Squad, Inc., with 22 unpaid volunteers, of which seven are advanced life support nurses and 15 are emergency medical technicians; City provides all buildings, ambulances, and equipment; dispatching by City Police Department; Rescue Services, Inc., provides training and supplies | Rescue services provided by volunteer fire department utilizing 20 emergency medical technicians (10 of whom are volunteer firefighters); paid same as firefighters | Rescue services provided by volunteer fire department utilizing 18 emergency medical technicians (15 of whom are volunteer firefighters); no pay for volunteer rescue services |

Table 17 (continued)

| Item | City of Delavan | Town of Delavan | Town of Walworth |
|--|---|--|--|
| Park and Recreation | City maintains system of 14 parks totaling about 113 acres and one golf course, and is responsible for dam operation and lake level control on Lake Comus; year-round organized activities provided to all age groups, including swim lessons, basketball, softball, and volleyball; one full-time recreation director employed; park maintenance by city public works forces | Town maintains system of two parks and is responsible for the operation of a boat launch site and for dam operation and lake level maintenance on Delavan Lake; tourism council sponsors summer and winter events; part-time park manager employed to organize recreation activities | Limited summer recreation activities provided by Town |
| Library | City operates and maintains a public library; that library is part of the Walworth-Racine County Federated Library System. There are one full-time and seven part-time employees | Function not provided; residents access all libraries in federated system via a tax levied by Walworth County | Function not provided; residents access all libraries in federated system via a tax levied by Walworth County |
| Planning, Land Use Regulation, Building Inspection, and Sanitation | City Plan Commission; regulation provided under local zoning ordinance, land division ordinance, and building code. Director of Public Works serves as Zoning Code Administrator; Building Inspector enforces Wisconsin state uniform dwelling code for one- and two-family structures as adopted by the City | Town Plan Commission; regulation provided under county zoning ordinance, local land division ordinance, and state uniform dwelling code for one- and two-family dwellings as adopted by Town Board. Town contracts with private firm for building inspection/zoning administration services; County reviews building permits for compliance with zoning and sanitation codes | No Town Plan Commission; regulation provided under county zoning ordinance, local land division ordinance, and state uniform dwelling code for one- and two-family dwellings as adopted by Town Board; building code administered by appointed Building Inspector; County reviews building permits for compliance with zoning and sanitation codes |

NOTE: The locations of parks, municipal buildings, and other municipal facilities within the Delavan Lake Governance study area are displayed on Map 17.

Source: SEWRPC.

attendant to municipal governance. The following summarizes the provision of natural gas, electric power, telephone, and cable television services to the communities within the study area:

1. Natural Gas

The entire study area lies within the franchise jurisdiction of the Wisconsin Southern Gas Company.

2. Electric Power

Two companies provide electric power service to the study area. The Wisconsin Electric Power Company provides service

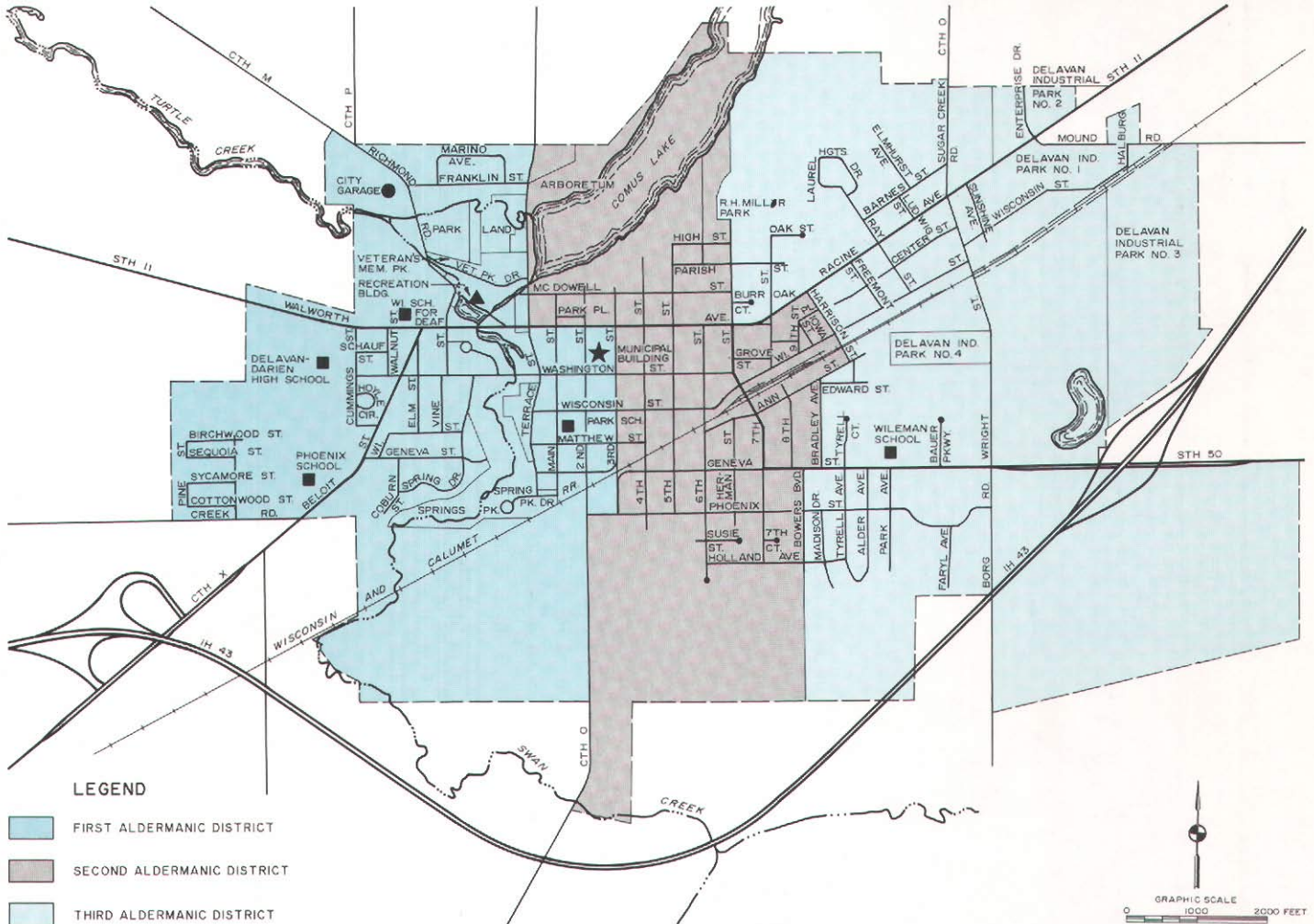
to that portion of the study area lying generally north of STH 50. The Wisconsin Power and Light Company provides service to the remaining portion of the study area. The jurisdictional dividing line between these two companies is shown on Map 21. All of the Delavan Lake Sanitary District, like the entire City of Delavan, is served by the Wisconsin Power and Light Company.

3. Local Telephone

Local telephone service within the entire study area is provided by Wisconsin Bell.

Map 16

ALDERMANIC DISTRICTS IN THE CITY OF DELAVAN: 1988



Source: SEWRPC.

Furthermore, the entire study area lies within a single local calling area; i.e., telephone calls can be made throughout the study area without long distance charges.

4. Cable Television

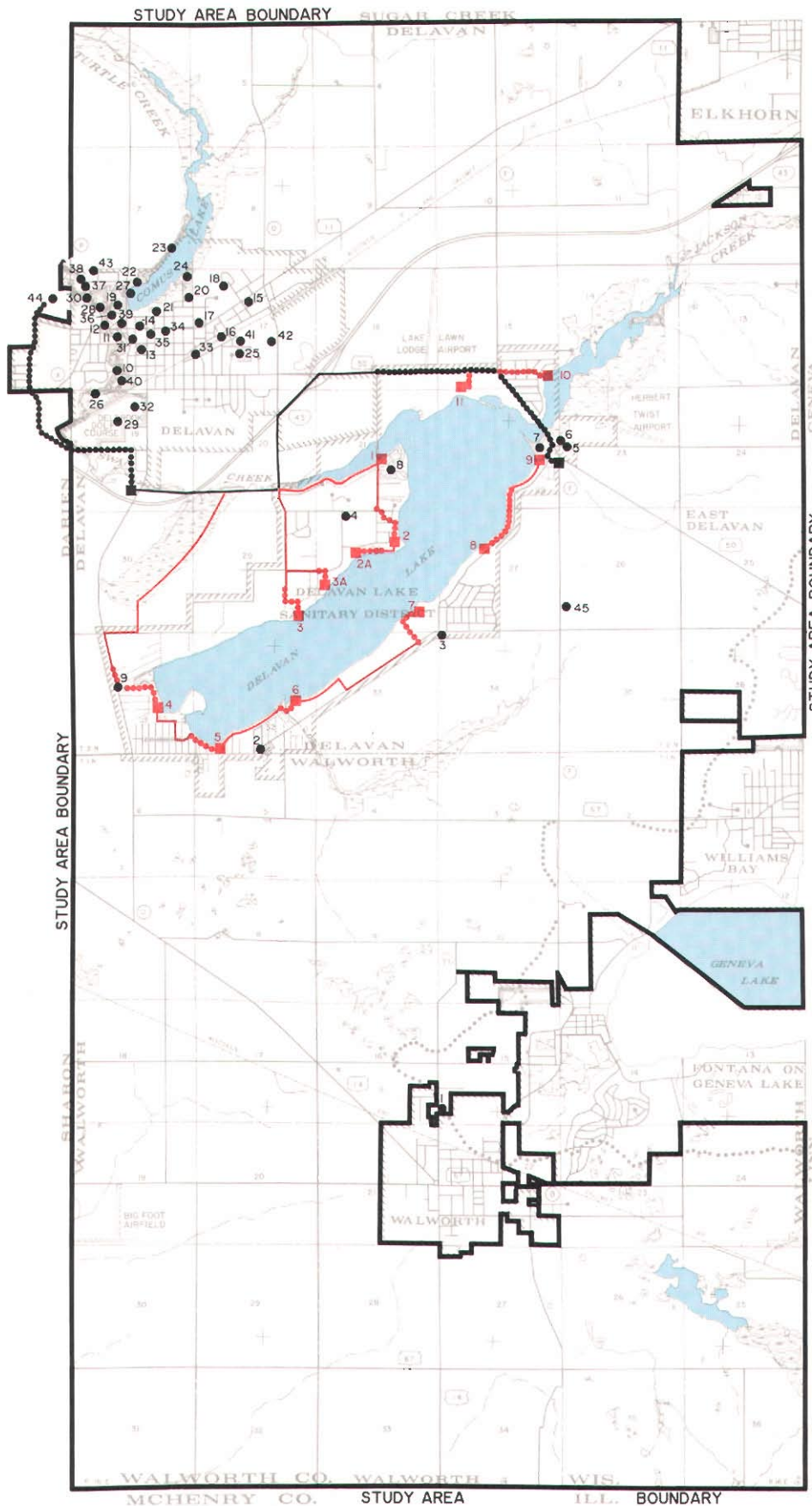
Cable television is provided to the City and Town of Delavan by Star Cablevision, Inc., of Burlington, Wisconsin. Local access channels are provided to the Delavan-Darien School District and the Wisconsin School for the Deaf. The Town of Walworth has not issued a cable television franchise.

MUNICIPAL PROJECTS THAT COULD BE IMPACTED BY A CHANGE IN GOVERNANCE

Each local community in the study area was asked to identify municipal projects and programs that have a potential to be impacted by a change in the governance of the Delavan Lake Sanitary District. The results of this inventory are summarized in Table 21. Four such projects were identified by local officials: the Delavan Lake Improvement Program, now nearing initiation by the Town of Delavan; the Lake Comus Management Project, now underway by the

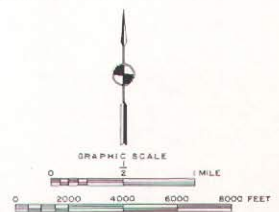
Map 17

**PARKS AND MUNICIPAL
BUILDINGS AND FACILITIES IN
THE DELAVAN LAKE GOVERNANCE
STUDY AREA: 1988**



LEGEND

- LOCATION OF PARK OR OTHER FACILITY
- TOWN PARKS AND OTHER FACILITIES**
 - 1 WALWORTH TOWN HALL AND MAINTENANCE BUILDING
 - 2 KIRKPATRICK PARK
 - 3 FIRE STATION AND RESCUE
 - 4 PROPOSED FIRE STATION SITE
 - 5 DELAVAN TOWN HALL, MAINTENANCE GARAGE, AND POLICE DEPARTMENT
 - 6 MAIN FIRE STATION AND RESCUE
 - 7 TOWN PARK
 - 8 FIRE STATION (ASSEMBLY PARK BUILDING) (FIRE STATION TO BE ABANDONED)
 - 9 FIRE STATION
- CITY OF DELAVAN PARKS AND OTHER FACILITIES**
 - 10 SPRINGS PARK
 - 11 TERRACE PARK
 - 12 HORTON PARK
 - 13 PHOENIX PARK
 - 14 TOWER PARK
 - 15 DECKERT PARK
 - 16 LATIMER PARK
 - 17 GORMLEY PARK
 - 18 RAY COURT PARK
 - 19 VETERANS MEMORIAL PARK
 - 20 MILLER PARK
 - 21 OLD SETTLERS CEMETERY
 - 22 LANGE ARBORETUM
 - 23 DIBBLE NATURE TRAIL
 - 24 NED HOLISTER CONSERVANCY
 - 25 WILEMAN SCHOOL PARK
 - 26 SWAN CREEK FLOODPLAIN
 - 27 COMUS LAKE DAM
 - 28 VETERANS PARK WETLANDS
 - 29 DELBROOK GOLF COURSE
 - 30 WASTEWATER TREATMENT PLANT DRIVE
 - 31 RUDY LANGE SLEDDING HILL
 - 32 DELBROOK CLUB HOUSE
 - 33 POLICE, RESCUE SQUAD, AND FIRE DEPARTMENT
 - 34 ARAM PUBLIC LIBRARY
 - 35 CITY HALL, POLICE, AND MUNICIPAL BUILDING
 - 36 RECREATION BUILDING
 - 37 WATER DEPARTMENT
 - 38 CITY GARAGE
 - 39 PARK MAINTENANCE GARAGE
- CITY OF DELAVAN WELLS**
 - 40 WELL NO. 2
 - 41 WELL NO. 3
 - 42 WELL NO. 4
 - 43 WELL NO. 5
- WALCOMET FACILITIES DOWNSTREAM OF DELAVAN LAKE SANITARY DISTRICT**
 - 44 WALCOMET SEWAGE TREATMENT PLANT
- DELAVAN LAKE SANITARY DISTRICT FACILITIES**
 - 45 OFFICE OF DELAVAN LAKE SANITARY DISTRICT
- TRUNK SEWER
- FORCE MAIN
- PUMPING STATION
- DELAVAN LAKE SANITARY DISTRICT FACILITIES
- 45 OFFICE OF DELAVAN LAKE SANITARY DISTRICT
- TRUNK SEWER
- FORCE MAIN
- 3 PUMPING STATION AND NUMBER



Source: SEWRPC.

Table 18

**COMPARISON OF ZONING DISTRICT REGULATIONS IN
THE CITY OF DELAVAN AND WALWORTH COUNTY: 1988**

| City of Delavan ^a | | | | Walworth County ^b | | | |
|---|------------------------------------|---|--------------------------------|---|------------------------------------|---|--------------------------------|
| Zoning District | Density (dwellings per acre) | Minimum Lot Area (square feet except where otherwise noted) | Minimum Lot Width (feet) | Zoning District | Density (dwellings per acre) | Minimum Lot Area (square feet except where otherwise noted) | Minimum Lot Width (feet) |
| A-1 Exclusive Agricultural District | 0.03 | 35 acres | 330 | A-1 Prime Agricultural Land District | 0.03 | 35 acres | -- |
| A-2 Agricultural/Holding District | 0.2 | 5 acres | 300 | A-2 Agricultural Land District | 0.05 | 20 acres | 300 |
| | | | | A-3 Agricultural Land Holding District | 0.03 | 35 acres | -- |
| | | | | A-4 Ag-Related Manufacturing, Warehousing and Marketing District | -- | Sufficient area | -- |
| | | | | A-5 Agricultural Rural Residential District | 1.1 | 40,000 | 150 |
| | | | | R-1 Single-Family Residence District (unsewered) ^c | 2.2 or 1.1 | 20,000 or 40,000 | 100 or 150 |
| Rs-1 Single-Family Residence District | 5.4 | 8,000 | 66 | R-2 Single-Family Residence District (sewered) | 2.9 | 15,000 | 100 |
| Rd-1 Two-Family Residence District | 8.7 | 10,000 | 70 | R-3 Two-Family Residence District | 5.8 | 15,000 | 100 |
| Rm-1 Multi-Family Residence District | 11.6 | 12,000 | 100 | R-8 Multiple-Family Residence District | 4.0 | 10,890 | 85 |
| Rm-2 Multi-Family Residence District | 12.4 | 12,000 | 120 | R-4 Multiple-Family Residence District | 6.0 | 15,000 | 100 |
| Rm-3 Mobile Home Subdivision Residence District | 8.7 | 5,000 | 50 | R-7 Mobile Home Subdivision Residence District | 2.9 | 15,000 | 100 |
| | | | | R-6 Planned Mobile Home Park Residence District | 5.0 | 10 acres | 450 |
| | | | | R-5 Planned Residential Development District | 8.0 (sewered) | -- | -- |
| B-1 Central Business District | None permitted | 2,400 | 25 | B-1 Local Business District | None permitted | 7,500 | 75 |
| B-2 Professional Office District | None permitted | 10,000 | 80 | B-2 General Business District | None permitted | 7,500 | 75 |
| B-3 Community/Neighborhood Business District | None permitted | 5,000 | 50 | B-3 Waterfront Business District | None permitted | Sufficient area | -- |
| B-4 Highway Business District | None permitted | 16,000 | 120 | B-4 Highway Business District | None permitted | Sufficient area | -- |
| B-5 Shopping District | None permitted | 3 acres | 250 | B-5 Planned Commercial- Recreational Business District | 10.0 | -- | -- |

Table 18 (continued)

| City of Delavan ^a | | | | Walworth County ^b | | | |
|--|------------------------------------|---|--------------------------------|--|------------------------------------|---|--------------------------------|
| Zoning District | Density (dwellings per acre) | Minimum Lot Area (square feet except where otherwise noted) | Minimum Lot Width (feet) | Zoning District | Density (dwellings per acre) | Minimum Lot Area (square feet except where otherwise noted) | Minimum Lot Width (feet) |
| WR-1 Wholesale/Retail District | None permitted | 10,000 | 80 | | | | |
| M-1 Limited Manufacturing District | None permitted | 4,800 | 40 | M-1 Industrial District | None permitted | Sufficient area | -- |
| M-2 General Manufacturing District | None permitted | 40,000 | 150 | M-2 Heavy Industrial District | None permitted | Sufficient area | -- |
| Q-1 Quarrying/Extractive District | None permitted | Sufficient area | 80 | M-3 Mineral Extraction District | None permitted | -- | -- |
| | | | | M-4 Sanitary Landfill District | None permitted | -- | -- |
| I-1 Institutional District | 4.4 | 10,000 | 80 | P-2 Institutional Park District | None permitted | 10,000 | 100 |
| P-1 Park District | None permitted | Sufficient area | Sufficient width | P-1 Recreation Park District | None permitted | Sufficient area | -- |
| C-1 Conservancy District | None permitted | -- | -- | C-1 and C-4 Lowland Resource Conservation District | None permitted | -- | -- |
| | | | | C-2 Upland Resource Conservation District | 0.2 | 5 acres | 300 |
| | | | | C-3 Conservancy/Residential District | 0.4 | 100,000 | 200 |
| FW Floodway District | None permitted | -- | -- | Floodplains are regulated as a "general provision" in the Walworth County Zoning Ordinance. There is no specific floodplain zoning district. No urban uses are permitted in the floodplain | | | |
| FC Floodplain Conservancy District | None permitted | -- | -- | | | | |
| FFO Floodplain Fringe Overlay District | Conditional use | -- | -- | | | | |

^aCity of Delavan Zoning Code, adopted March 22, 1983.

^bWalworth County Shoreland Zoning Ordinance, amended January 14, 1986. This Ordinance applies to the Towns of Delavan and Walworth.

^cLot area and width in the R-1 Single-Family Residential District is determined by soil type.

Source: SEWRPC.

Table 19

**COMPARISON OF LAND SUBDIVISION ORDINANCE PROVISIONS
IN THE CITY OF DELAVAN AND WALWORTH COUNTY: 1988**

| City of Delavan ^a | Walworth County ^b | Town of Delavan ^c |
|---|---|---|
| <p>"Subdivision" is defined as the division of land into five or more parcels 1-1/2 acres or less in area or the division of five or more parcels 1-1/2 acres or less in area by successive divisions in a five-year period</p> <p>Requires a preliminary and final plat for all subdivisions</p> <p>Requires a certified survey map for all other divisions</p> <p>Preliminary plat review period is 40 days</p> <p>The Wisconsin Statutes require that preliminary plats be acted upon within 90 days</p> <p>The final plat must be submitted within six months of preliminary approval and the Common Council shall act upon the final plat within 60 days</p> <p>Certified survey maps shall be acted upon within 40 days</p> <p>Survey accuracy shall comply with Section 236.15, Wisconsin Statutes</p> <p>Ordinance contains design standards related to streets, intersections, easements, blocks, and lots</p> <p>Open space of one acre per 100 dwelling units required, or fee-in-lieu payment of \$200 per dwelling unit</p> <p>Improvements required include street paving, curb and gutter, sidewalks where required, street lights, street signs, street trees, traffic signs, water mains, sewer mains, and provisions for storm water. Subdivider may elect to have City install improvements and have costs assessed to lots in not by more than five equal annual payments</p> | <p>"Subdivision" is defined as the division of land into five or more parcels 35 acres or less in area or the division of five or more parcels 35 acres or less in area by successive divisions in a five-year period</p> <p>Requires a preliminary and final plat for all subdivisions</p> <p>Requires a certified survey map for the division of four or fewer parcels, any one of which is less than 35 acres</p> <p>Preliminary plat review period is 40 days</p> <p>The Wisconsin Statutes require that preliminary plats be acted upon within 90 days</p> <p>The final plat must be submitted within six months of preliminary approval and the County Park and Planning Commission shall act upon the final plat within 60 days</p> <p>Certified survey maps shall be acted upon within 45 days</p> <p>Survey accuracy shall comply with Section 236.15, Wisconsin Statutes. The plat shall be tied to State Plane Coordinate System if corners have been monumented</p> <p>Ordinance contains design standards related to streets, intersections, blocks, lots, setback lines, and easements</p> <p>Open space required if shown on the comprehensive plan, official map, or neighborhood plan. No fee-in-lieu provision is provided</p> <p>Improvements required include street paving to town standards, curb and gutter if required by Town, sidewalks if required by Town, sanitary sewer if available, adequate stormwater drainage, water if available, electric power and telephone, street lights if required by Town, street signs if required by Town, and at least one street tree for each 50 feet of street frontage</p> | <p>"Subdivision" is defined as the division of land into five or more parcels 35 acres or less in area or the division of five or more parcels 35 acres or less in area by successive divisions in a five-year period</p> <p>Requires a preliminary and final plat for all subdivisions</p> <p>Requires a certified survey map for the division of four or fewer parcels, any one of which is less than 35 acres</p> <p>Preliminary plat review period is 40 days</p> <p>The Wisconsin Statutes require that preliminary plats be acted upon within 90 days</p> <p>The final plat must be submitted within six months of preliminary approval and the Town Plan Commission shall act upon the final plat within 60 days</p> <p>Certified survey maps shall be acted upon within 45 days</p> <p>Town requires the filing of a condominium plat. The Town Plan Commission must act upon the condominium plat within 60 days</p> <p>Town requires the filing of a Planned Unit Development Plan and any such plan is treated as a "subdivision"</p> <p>Survey accuracy shall comply with Section 236.15, Wisconsin Statutes. The plat shall be tied to State Plane Coordinate System if corners have been monumented</p> <p>Ordinance contains design standards related to streets, intersections, easements, blocks, and lots</p> <p>Open space of one acre per 100 dwelling units required, or fee-in-lieu payment of \$200 per dwelling unit</p> <p>Improvements required include street paving to town standards, curb and gutter if required by Town, sidewalks if required by Town, sanitary sewer if available, water if available, adequate stormwater drainage, electric power and telephone, street lights, street signs, and at least one street tree for each 50 feet of street frontage</p> |

^aChapter 19 of the City of Delavan Municipal Code, Subdivisions, amended 1980.

^bWalworth County Subdivision Control Ordinance, adopted January 12, 1971. This Ordinance applies to the Towns of Delavan and Walworth.

^cChapter 18 of the Town of Delavan Municipal Code, Land Division, adopted November 20, 1984.

Table 20

**STRUCTURE AND FUNCTIONS OF THE SPECIAL-PURPOSE LOCAL UNITS
OF GOVERNMENT SERVING THE DELAVAN LAKE GOVERNANCE STUDY AREA^a**

| Item | Walworth County Metropolitan Sewerage District | Delavan Lake Sanitary District | Town of Walworth Utility District No. 1 | Lake Comus Protection and Rehabilitation District |
|---|---|--|---|---|
| Wisconsin Statutory Authorization | Sections 66.20 to 66.26 | Sections 60.71 to 60.79 | Section 66.072 | Sections 33.21 to 33.37 |
| Governing Body | Five Commissioners; five-year staggered terms, appointed by County Board; must be residents of District | Three Commissioners; six-year staggered terms; elected at large | Walworth Town Board | Five Commissioners: one member of County Land Conservation Committee or nominee; one member from City of Delavan Council appointed by City Council; three citizens elected from district for staggered three-year terms |
| Jurisdictional Area (also see Map 18) | City of Delavan; City of Elkhorn; Village of Williams Bay; Walworth County Institutions Complex in the Town of Geneva; portions of the Towns of Delavan and Walworth comprising the Delavan Lake Sanitary District; Town of Walworth Utility District No. 1 | Portions of Towns of Delavan and Walworth | Coterminous with 160-acre Christian League for the Handicapped property | The City of Delavan and that part of the Town of Delavan north of the city limits, east of Dam Road, south of the north town limits, and west of CTH O |
| Personnel | Administrative: one administrator and two full-time Laboratory: two full-time and two part-time Operations: nine full-time | Administrative: one administrator and two full-time Operations: three full-time | No staff; maintenance by staff of Christian League for the Handicapped | No staff; administrative work for District completed by Commissioners |
| Functions Provided | Provision of wastewater treatment and disposal; maintenance of main trunk sewer system | Provision of wastewater collection system; aquatic nuisance control | Provision of wastewater collection system | Provision of a range of lake rehabilitation programs, including dredging and land conservation measures |
| Funding Sources | User charges, state and federal grants, state trust fund loans | User charges, special assessments, property taxes, federal grants | Special assessments | Property taxes, state and federal grants |

^aDoes not include school districts.

Source: SEWRPC.

Lake Comus Protection and Rehabilitation District; a new fire station proposed by the Town of Delavan, for which land has been purchased and building planning is currently underway; and a five-year capital improvements program for the period 1989-1993 established by the Delavan Lake Sanitary District. Each of these projects is briefly described in Table 21.

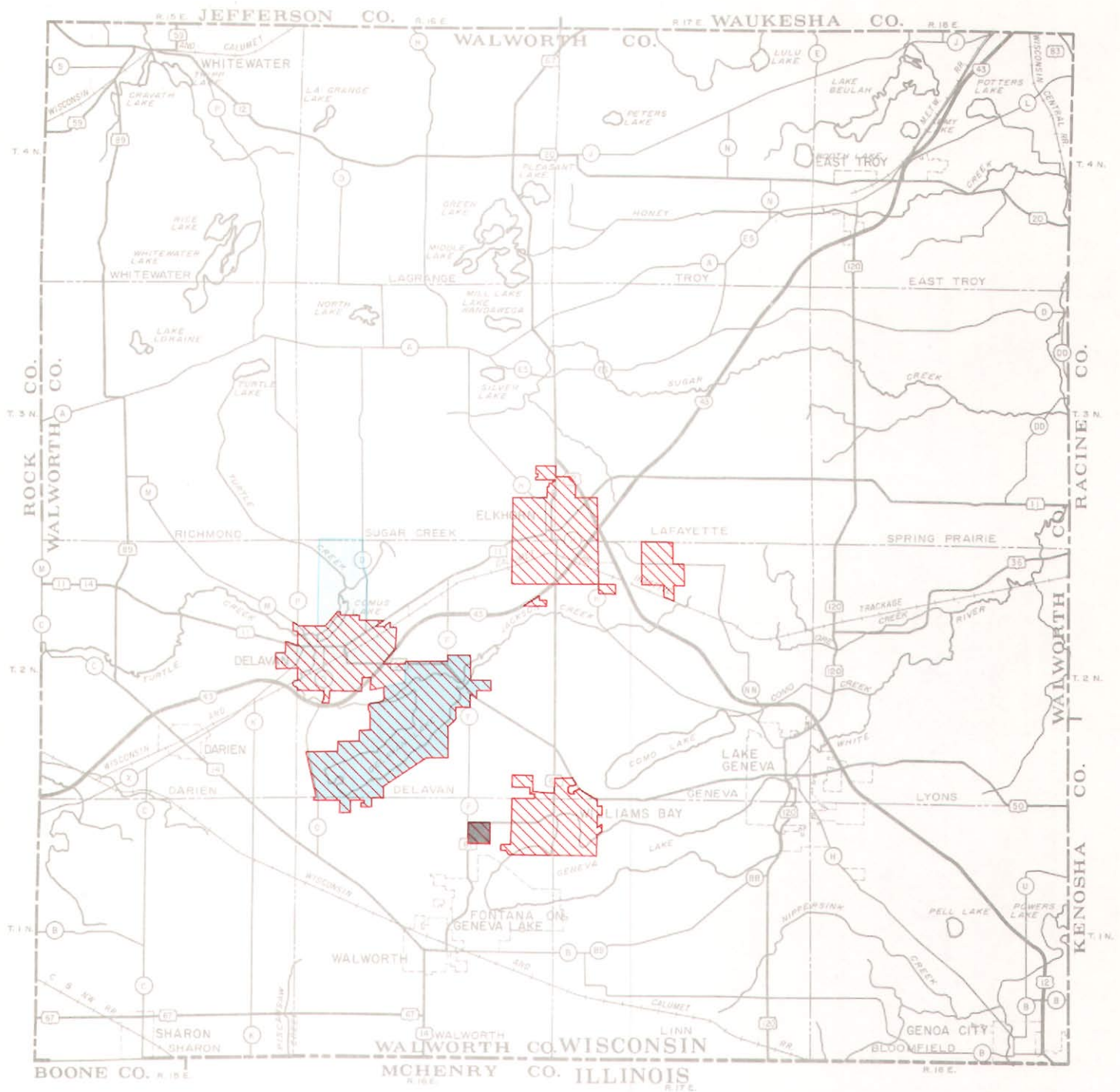
MUNICIPAL FINANCES

Data pertaining to the municipal finances of each of the three general-purpose local units of

government—the City and Town of Delavan and the Town of Walworth—and two of the special-purpose local units of government—the Delavan Lake Sanitary District and the Lake Comus Protection and Rehabilitation District—were collated as part of the Delavan Lake governance study. Financial data were not obtained for any of the school districts serving the study area, nor for the two other special-purpose units of government previously discussed—the Walworth County Metropolitan Sewerage District (WAL-COMET) and the Town of Walworth Utility District No. 1. The school districts were excluded from the analysis because any change in municipi-

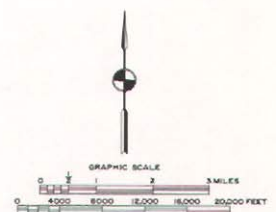
Map 18

**JURISDICTIONAL LIMITS OF THE SPECIAL-PURPOSE LOCAL UNITS OF
GOVERNMENT SERVING THE DELAVAN LAKE GOVERNANCE STUDY AREA**



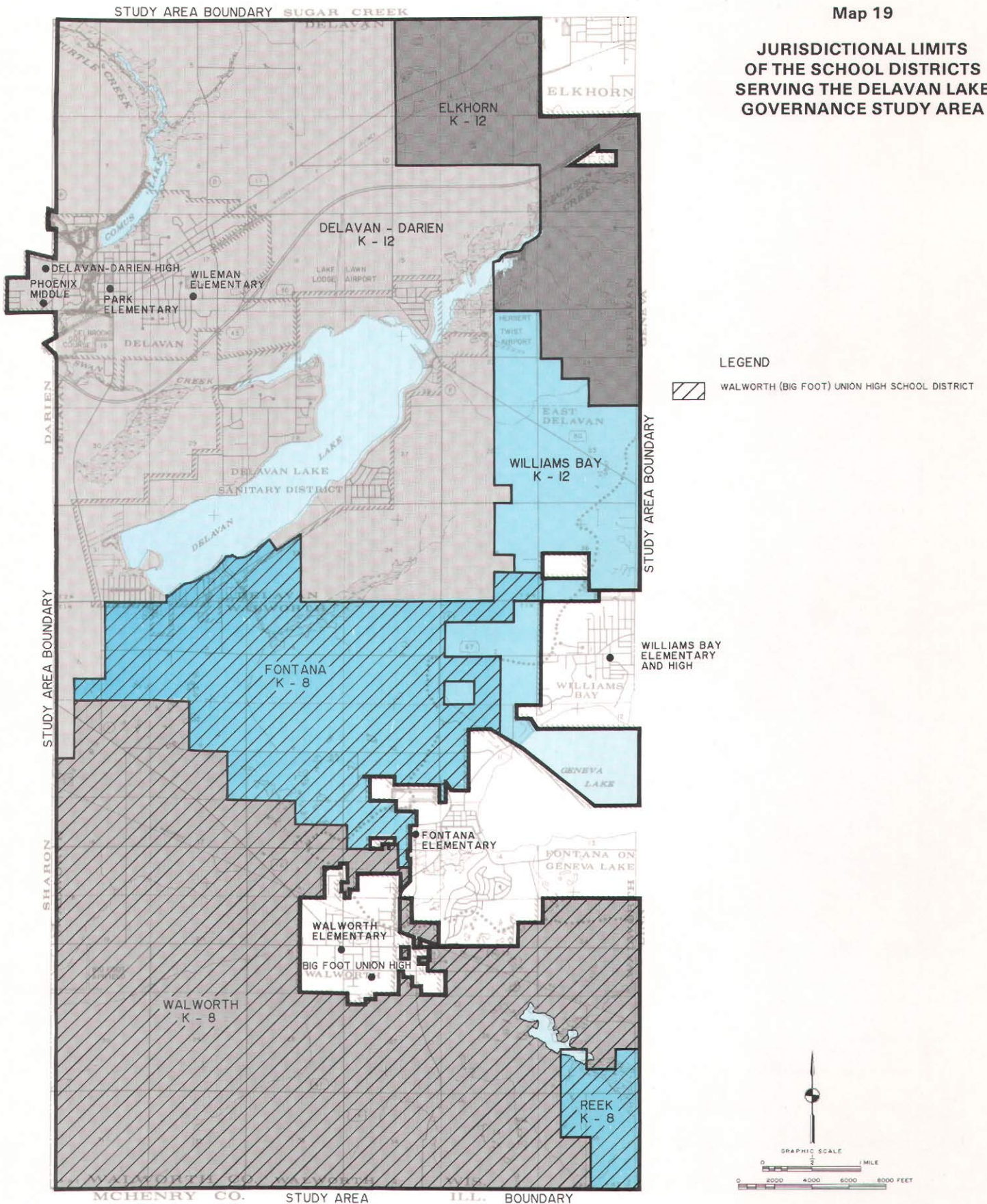
LEGEND

- DELAVAN LAKE SANITARY DISTRICT
- COMUS LAKE REHABILITATION PROTECTION DISTRICT
- TOWN OF WALWORTH UTILITY DISTRICT NO. 1
- WALWORTH COUNTY METROPOLITAN SEWERAGE DISTRICT



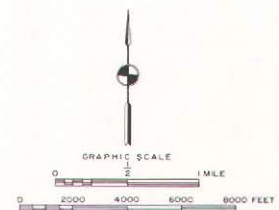
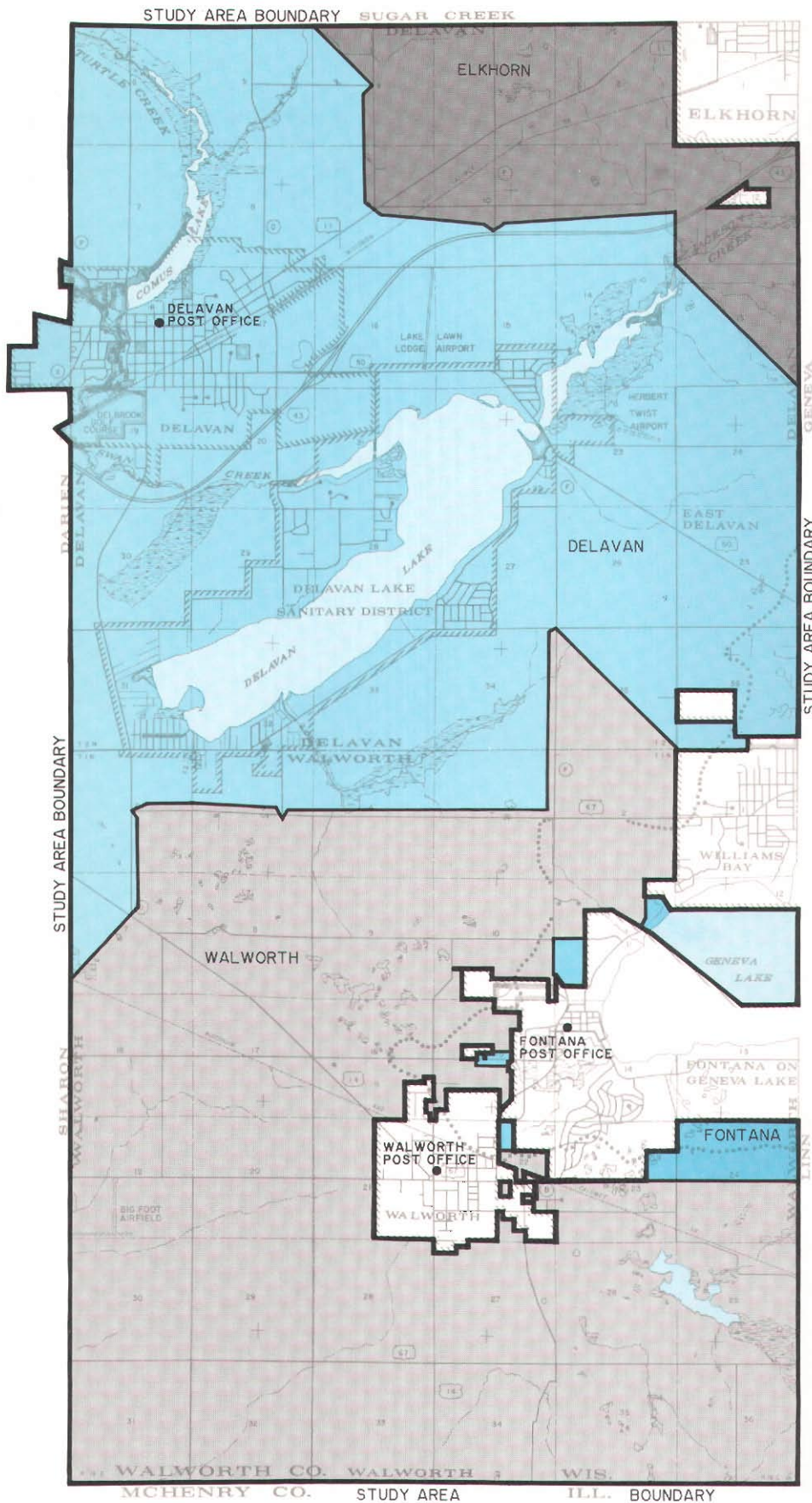
Map 19

**JURISDICTIONAL LIMITS
OF THE SCHOOL DISTRICTS
SERVING THE DELAVAN LAKE
GOVERNANCE STUDY AREA**

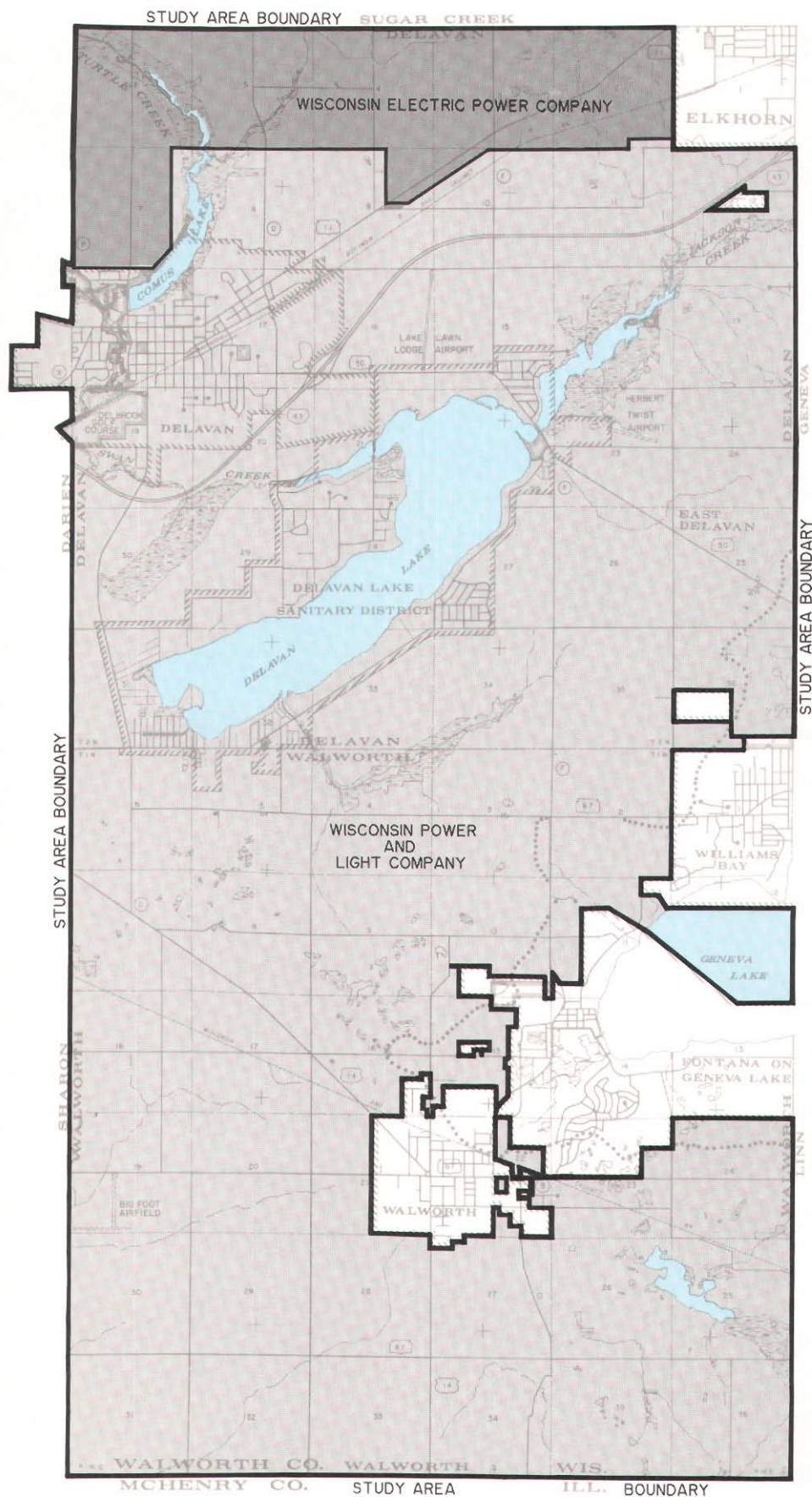


Map 20

**U. S. POSTAL SERVICE
DELIVERY AREAS IN THE DELAVAN
LAKE GOVERNANCE STUDY AREA**

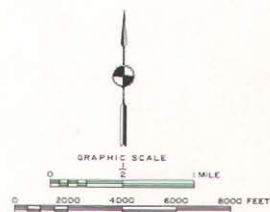


Source: SEWRPC.



Map 21

**ELECTRIC UTILITY
SERVICE JURISDICTIONS
WITHIN THE DELAVAN LAKE
GOVERNANCE STUDY AREA**



Source: SEWRPC.

Table 21

**PROPOSED MUNICIPAL PROJECTS THAT COULD BE AFFECTED BY A
CHANGE IN THE GOVERNANCE STRUCTURE OF THE DELAVAN LAKE AREA**

| Project Name | Sponsoring Unit of Government | Project Description |
|----------------------------------|---|--|
| Delavan Lake Improvement Program | Town of Delavan | <p>The lake management project, which is proposed to begin in 1989, would include:</p> <ol style="list-style-type: none"> 1. Modification of the dam located on the Delavan Lake outlet upstream of Swan Creek, with the installation of one new sluice gate, a new outlet pipe, and an automated control system designed to minimize lake level fluctuations. The control system would be automated to operate based on the lake level and the inflow to the lake, as continuously measured at the USGS gaging station on the Delavan Lake inlet at STH 50 2. Application to the lake surface of aluminum sulfate to provide for in-lake nutrient level reductions 3. A temporary lake drawdown of about 10 feet and an accompanying rough fish eradication program. This drawdown will require dredging from the deep part of the lake to the bridge at North Shore Drive and a pumping system at North Shore Drive 4. The dredging of a channel through the Delavan Lake inlet to reduce sedimentation buildup and flushing during the winter and spring 5. The construction of three sedimentation ponds on the three inlets to the lake and the development of an additional 60 acres of wetland in the vicinity of the Delavan Lake inlet on low-lying farmland 6. A 2,000-foot extension of the peninsula extending from the Town Park northerly and westerly. The first 1,000 feet would be above the water level and the second 1,000 feet would be below. This peninsula is proposed to provide for the direct routing of the influent to the lake to the Delavan Lake outlet 7. Implementation of a nonpoint source pollution control program including a public education effort, implementation of construction site erosion control practices, and implementation of land management practices in both the rural and urban areas tributary to Delavan Lake 8. Continued monitoring of water quality, sediment, and the fishery |
| Lake Comus Management Program | Lake Comus Protection and Rehabilitation District | <p>The proposed comprehensive lake management project, which has been largely carried out over the past two years, includes:</p> <ol style="list-style-type: none"> 1. Removal of about 400,000 cubic yards of in-lake sediments by hydraulic dredging (completed) 2. Development of a sediment containment facility upstream of the lake on Turtle Creek (completed) 3. A temporary drawdown of the lake and an accompanying rough fish removal project (completed) 4. Continued monitoring of water quality, sediment, and the fishery 5. A program to provide supplementary funding by the Lake District for non-point source control measures on land lying upstream of Lake Comus inlet impoundment |
| Fire Station Building Program | Town of Delavan | <p>Building a new fire station at the southeast corner of the intersection of Linn Road and Sage Road to house the fire equipment currently located in the Assembly Park building. The Town has purchased this site, and development of building plans is currently underway</p> |
| Capital Improvements Program | Delavan Lake Sanitary District | <p>The District has adopted a five-year (1989-1993) capital improvements program calling for total expenditures of \$847,480. This program includes the following:</p> <ol style="list-style-type: none"> 1. Replacement items, including the Lake Lawn lift station, vehicles, and office equipment 2. Administration building improvements 3. Installation of flow meters 4. Sanitary sewer extensions to unserved existing development |

Source: SEWRPC.

Table 22

**SUMMARY OF MUNICIPAL EXPENDITURES IN THE
DELAVAN LAKE GOVERNANCE STUDY AREA: 1983-1987**

| Unit of Government | 1983 | 1984 | 1985 | 1986 | 1987 | 1983-1987 Change | |
|--|--------------------|--------------------|---------------------|--------------------|--------------------|--------------------|-------------|
| | | | | | | Number | Percent |
| General Purpose | | | | | | | |
| City of Delavan | \$3,949,583 | \$4,023,828 | \$ 8,001,701 | \$4,167,074 | \$5,143,999 | \$1,194,416 | 30.2 |
| Town of Delavan | 782,531 | 775,674 | 981,964 | 1,078,393 | 1,314,101 | 531,570 | 67.9 |
| Town of Walworth | 151,004 | 152,248 | 144,179 | 182,246 | 189,339 | 38,335 | 25.4 |
| Subtotal | \$4,883,118 | \$4,951,750 | \$ 9,127,844 | \$5,427,713 | 6,647,439 | \$1,764,321 | 36.1 |
| Special Purpose | | | | | | | |
| Delavan Lake | | | | | | | |
| Sanitary District | \$1,344,720 | \$1,361,030 | \$ 1,262,378 | \$1,141,380 | \$1,231,058 | \$ -113,662 | -8.5 |
| Lake Comus Protection and Rehabilitation District | 30,185 | 28,230 | 1,300,853 | 545,560 | 911,765 | 881,580 | 2,920.6 |
| Subtotal | \$1,374,905 | \$1,389,260 | \$ 2,563,231 | \$1,686,940 | \$2,142,823 | \$ 767,918 | 55.9 |
| Total | \$6,258,023 | \$6,341,010 | \$11,691,075 | \$7,114,653 | \$8,790,262 | \$2,532,239 | 40.5 |

Source: City of Delavan, Towns of Delavan and Walworth, Delavan Lake Sanitary District, Lake Comus Protection and Rehabilitation District, and SEWRPC.

pal governance in the area would have no effect on school district boundaries and finances. The WALCOMET was excluded from the analysis because that agency serves an area larger than the study area, because expenditures for WALCOMET services are included in the municipal expenditures for the City of Delavan and the Delavan Lake Sanitary District, and because any change in governance at the local level within the study area would not affect WALCOMET functions or financing. The Town of Walworth Utility District No. 1 was excluded from the analysis because, although it is a formal public entity, that entity was created to serve only a single private landowner—the Christian League for the Handicapped. Thus, any expenditures by the Utility District are in reality the expenditures of a single landowner.

Expenditures and Revenues

Municipal expenditures in the Delavan Lake governance study area over the five-year period 1983 through 1987 are summarized in Table 22. Over that five-year period, total expenditures for the three general-purpose local units of government increased from about \$4.88 million in 1983 to about \$6.65 million in 1987, an increase of about \$1.76 million, or about 36 percent. The rate

of general price inflation over that same five-year period was about 20 percent. Over this period, expenditures grew more rapidly in the Town of Delavan than in the City of Delavan and Town of Walworth, with the Town of Walworth expenditure rise over the period most closely approximating the general price inflation rate.

More detailed expenditure data for each local unit of government over the five-year period are set forth in Tables 23 through 27. These tables also identify a fund balance at the end of each year. The amount of revenues and expenditures attributable to tax incremental financing districts in the City of Delavan is identified in Table 23. The expenditure data in these tables have been used to create the graphs shown in Figures 1 through 5. These figures not only identify the total level of expenditure for each local unit of government, but also graphically illustrate the relative amount spent for major municipal functions.

Municipal revenues in the Delavan Lake governance study area over the same five-year period are summarized in Table 28. More detail regarding the sources of revenues in each case is provided in Tables 23 through 27. The relative

importance of each revenue source over the five-year period is graphically illustrated in Figures 1 through 5.

Indebtedness

The annual level of long-term municipal debt for each of the five local units of government in the Delavan Lake governance study area for the period 1983 through 1987 is shown in Table 29. The debt is categorized as either general obligation, special assessment, or mortgage revenue in nature. The relationship of that annual debt level to the permitted general obligation bonding capacity under State law for each of the five local units of government is shown in Table 30. Also identified in Table 30 is the amount of debt in 1987 in the City of Delavan attributable to tax incremental financing district projects.

Indebtedness as a percent of bonding capacity for the City of Delavan has ranged from about 51 to about 75 percent over the five-year period; for the Town of Delavan from about 0.6 to 1.3 percent; for the Town of Walworth from about 0.4 to 1.2 percent; for the Delavan Lake Sanitary District from about 41 to 53 percent; and for the Lake Comus Protection and Rehabilitation District from about 12.8 to 13.0 percent.

Tax Base and Rates

The total equalized real property value in the Delavan Lake governance study area over the period 1983 through 1987 is shown in Table 31. For the study area as a whole, equalized value has declined over the five-year period by slightly over 1 percent. Equalized values have increased by nearly 7 percent in the City of Delavan and by about 2 percent in the Town of Delavan. The equalized value of the Town of Walworth declined by nearly 23 percent. Stable or declining land values in rural areas have been the norm in recent years because of the depressed values of farmland.

Total equalized property values in the Delavan Lake Sanitary District are also shown in Table 31. About 98 percent of all equalized value in the District lies within the Town of Delavan part of the District. Over the five-year period studied, equalized property values within the District increased by nearly 8 percent. The 1987 equalized property value within the Delavan Lake Sanitary District comprises nearly 74 per-

cent of the total equalized value in the Town of Delavan and nearly 5 percent of the total equalized value in the Town of Walworth.

The 1988 property tax rates in the Delavan Lake governance study area by taxing jurisdiction are set forth in Table 32. There are 14 different combinations of taxing jurisdictions within the study area. These rates are expressed in terms of full equalized value. The property tax rates in the study area range from a low of \$15.75 per \$1,000 of equalized property valuation in that portion of the Town of Walworth outside the Delavan Lake Sanitary District and within the Fontana Elementary and Walworth Union High School Districts, to a high of \$27.68 per \$1,000 of equalized property valuation in the City of Delavan and the Delavan-Darien School District. The total property tax on a single-family home having an equalized value of \$70,000 is also shown in Table 32.

Per Capita Analysis

Using 1987 financial data and 1988 population data, expenditures and revenues by taxing jurisdiction for municipal government purposes were calculated on a per capita basis. The results of this calculation are shown in Table 33. This table also identifies the amount of equalized property tax base and the outstanding debt per capita at the end of 1987.

SUMMARY

The material presented in this chapter is intended to comprise an information base that will be helpful to all parties concerned in considering any potential change in the governance of the Delavan Lake area. The specific information included in the chapter pertains to: the areal extent of civil divisions within the Delavan Lake governance study area; population and households, including trends and projected future growth and the results of a special census of the Delavan Lake Sanitary District to determine the number of resident and nonresident population and households in that District; employment trends and projections; land use information, including historic urban growth, detailed existing land use, and planned future development; natural resource base information, including data attendant to the surface

Table 23

REVENUES AND EXPENDITURES IN THE CITY OF DELAVAN: 1983-1987

| Category | 1983 | 1984 | 1985 | 1986 | 1987 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenues^a | | | | | |
| Property Taxes | \$ 703,243 | \$ 779,352 | \$ 875,541 | \$1,085,929 | \$1,146,653 |
| Intergovernmental | 1,016,306 | 1,066,313 | 1,154,546 | 1,155,522 | 1,184,086 |
| Regulation and Compliance | 103,214 | 110,304 | 101,231 | 106,042 | 92,698 |
| Public Charges for Services | 246,350 | 257,357 | 294,868 | 286,627 | 309,702 |
| Intergovernmental Charges for Services | 52,800 | 55,036 | 66,318 | 76,415 | 82,949 |
| Water and Sewer Utility | 1,031,825 | 1,018,936 | 975,662 | 974,014 | 1,049,238 |
| Special Assessments | 66,379 | 16,077 | 47,332 | 31,232 | 58,998 |
| Interest | 42,790 | 69,382 | 87,138 | 99,599 | 80,589 |
| Miscellaneous | 49,912 | 59,071 | 89,235 | 162,014 | 74,912 |
| Other ^b | 636,764 | 592,000 | 4,309,830 | 189,680 | 1,064,174 |
| Total | \$3,949,583 | \$4,023,828 | \$8,001,701 | \$4,167,074 | \$5,143,999 |
| Expenditures^a | | | | | |
| General Government | \$ 324,175 | \$ 347,785 | \$ 386,315 | \$ 457,609 | \$ 484,118 |
| Public Safety | 680,450 | 727,487 | 778,377 | 799,422 | 807,085 |
| Health and Social Services | 3,987 | 2,965 | 4,739 | 2,312 | 1,451 |
| Water and Sewer Utility | 893,199 | 895,443 | 876,336 | 936,876 | 950,840 |
| Public Works | 371,380 | 370,895 | 390,892 | 420,433 | 475,853 |
| Recreation and Culture | 375,873 | 388,260 | 433,402 | 416,765 | 533,921 |
| Conservation and Development | 42,726 | 69,431 | 38,768 | 0 | 60,720 |
| Capital Projects | 733,863 | 566,307 | 1,423,175 | 394,039 | 94,949 |
| Debt Retirement | 413,877 | 445,003 | 3,048,600 | 709,082 | 1,637,953 |
| Other ^b | 110,053 | 210,252 | 621,097 | 30,536 | 97,109 |
| Total | \$3,949,583 | \$4,023,828 | \$8,001,701 | \$4,167,074 | \$5,143,999 |
| Fund Balance at End of Year | \$ 289,888 | \$ 443,142 | \$ 903,326 | \$ 655,784 | \$ 441,108 |

^aThe revenues and expenditures shown in this table include those revenues and expenditures associated with tax incremental financing districts. The data below provide detail with respect to the tax incremental financing districts.

Tax Incremental Financing Districts

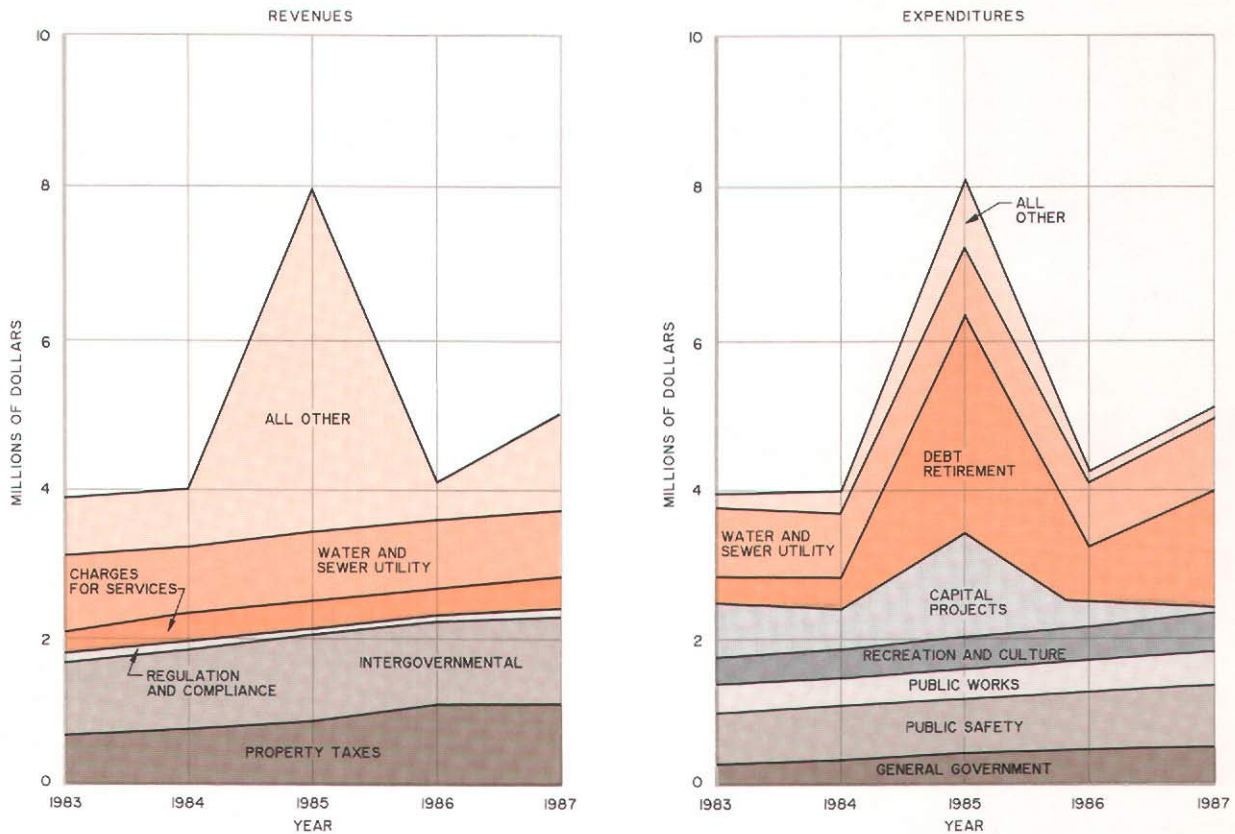
| | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|
| Total Revenues | \$194,101 | \$237,481 | \$331,392 | \$468,975 | \$410,899 |
| Proceeds from Long-Term Debt | 219,709 | 300,000 | 505,000 | 0 | 0 |
| Total Expenditures | 687,507 | 481,724 | 986,381 | 315,895 | 423,924 |
| Principal Paid on Long-Term Debt | 37,350 | 25,900 | 5,900 | 28,350 | 151,600 |
| Fund Balance at End of Year | 4,937 | 60,694 | -89,295 | 63,785 | 50,760 |

^bIncludes proceeds from long-term debt, transfers from and to other funds, and sale of assets. Data for 1985 reflect the refinancing of about \$3,000,000 of long-term debt.

Source: City of Delavan and SEWRPC.

Figure 1

REVENUES AND EXPENDITURES IN THE CITY OF DELAVAN: 1983-1987



Source: City of Delavan and SEWRPC.

water drainage system, soil suitability, floodlands and shorelands, and environmentally significant lands; streets and highways, including the existing and planned arterial street and highway system, the federal aid highway system, and data pertaining to all public and private streets, highways, and roads within the

study area; the structure and functions of all of the general- and special-purpose local units of government in the area; postal service delivery areas; private utility service areas; and municipal finances, including revenue and expenditure level, indebtedness, and property tax bases and rates.

Table 24

REVENUES AND EXPENDITURES IN THE TOWN OF DELAVAN: 1983-1987

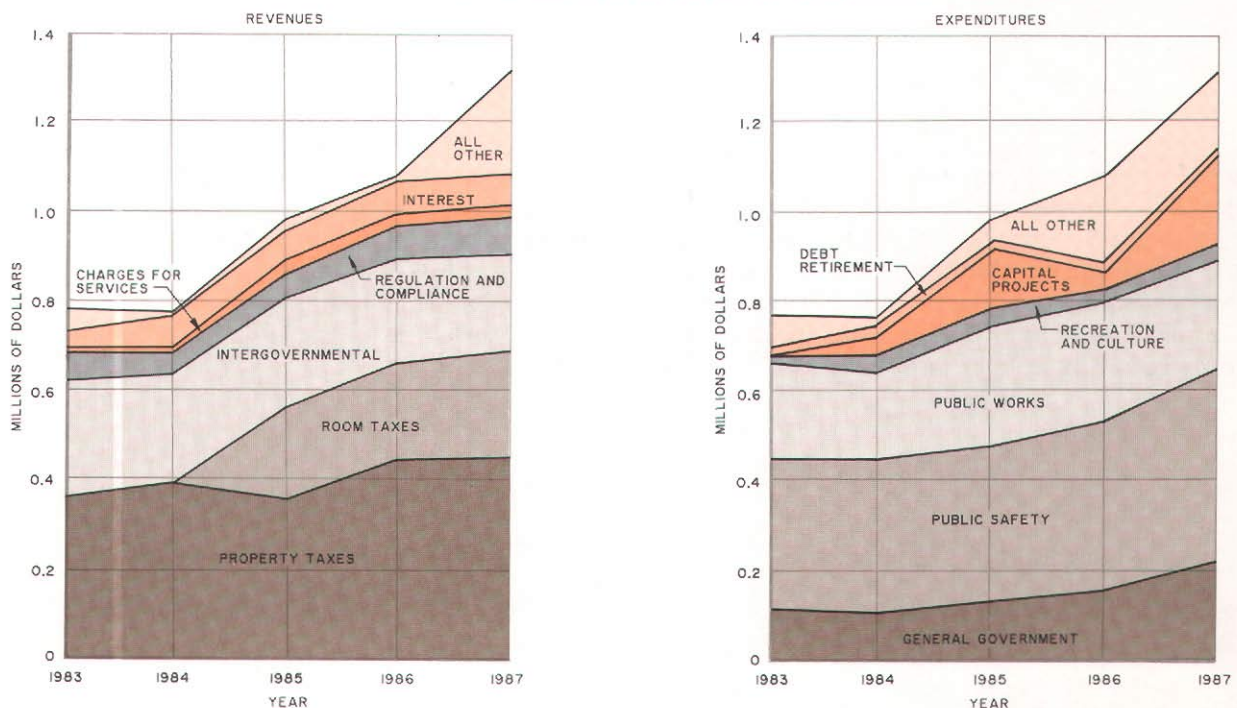
| Category | 1983 | 1984 | 1985 | 1986 | 1987 |
|---|------------------|------------------|------------------|--------------------|--------------------|
| Revenues | | | | | |
| Property Taxes | \$366,846 | \$396,366 | \$360,122 | \$ 449,345 | \$ 450,530 |
| Room Tax | 0 | 0 | 206,815 | 212,547 | 238,945 |
| Intergovernmental | 255,774 | 243,307 | 240,709 | 231,637 | 212,515 |
| Regulation and Compliance | 62,974 | 48,010 | 52,942 | 76,921 | 84,764 |
| Public Charges for Services | 8,603 | 11,428 | 28,998 | 29,073 | 29,332 |
| Intergovernmental Charges for Services | 0 | 0 | 0 | 0 | 0 |
| Special Assessments | 0 | 0 | 0 | 0 | 0 |
| Interest | 39,932 | 69,855 | 69,658 | 68,072 | 67,997 |
| Miscellaneous | 48,402 | 2,800 | 22,720 | 10,798 | 13,334 |
| Other ^a | 0 | 3,908 | 0 | 0 | 216,684 |
| Total | \$782,531 | \$775,674 | \$981,964 | \$1,078,393 | \$1,314,101 |
| Expenditures | | | | | |
| General Government | \$121,773 | \$115,746 | \$136,431 | \$ 155,842 | \$ 218,832 |
| Public Safety | 339,396 | 338,496 | 343,961 | 372,053 | 435,941 |
| Health and Social Services | 1,360 | 1,879 | 3,653 | 2,978 | 1,946 |
| Public Works | 213,629 | 207,367 | 273,421 | 276,292 | 253,637 |
| Recreation and Culture | 19,792 | 37,809 | 32,114 | 22,647 | 22,522 |
| Conservation and Development | 2,998 | 11,708 | 11,975 | 2,631 | 5,034 |
| Capital Projects | 0 | 40,980 | 141,113 | 38,841 | 196,651 |
| Debt Retirement | 14,354 | 21,689 | 19,231 | 18,432 | 17,632 |
| Miscellaneous | 20,020 | 0 | 18,247 | 51,147 | 161,906 |
| Other ^a | 49,209 | 0 | 1,818 | 137,530 | 0 |
| Total | \$782,531 | \$775,674 | \$981,964 | \$1,078,393 | \$1,314,101 |
| Fund Balance at End of Year | \$165,002 | \$161,094 | \$162,912 | \$ 336,452 | \$ 149,693 |

^aIncludes proceeds from long-term debt, transfers from and to other funds, and sale of assets.

Source: Town of Delavan and SEWRPC.

Figure 2

REVENUES AND EXPENDITURES IN THE TOWN OF DELAVAN: 1983-1987



Source: Town of Delavan and SEWRPC.

Table 25

REVENUES AND EXPENDITURES IN THE TOWN OF WALWORTH: 1983-1987

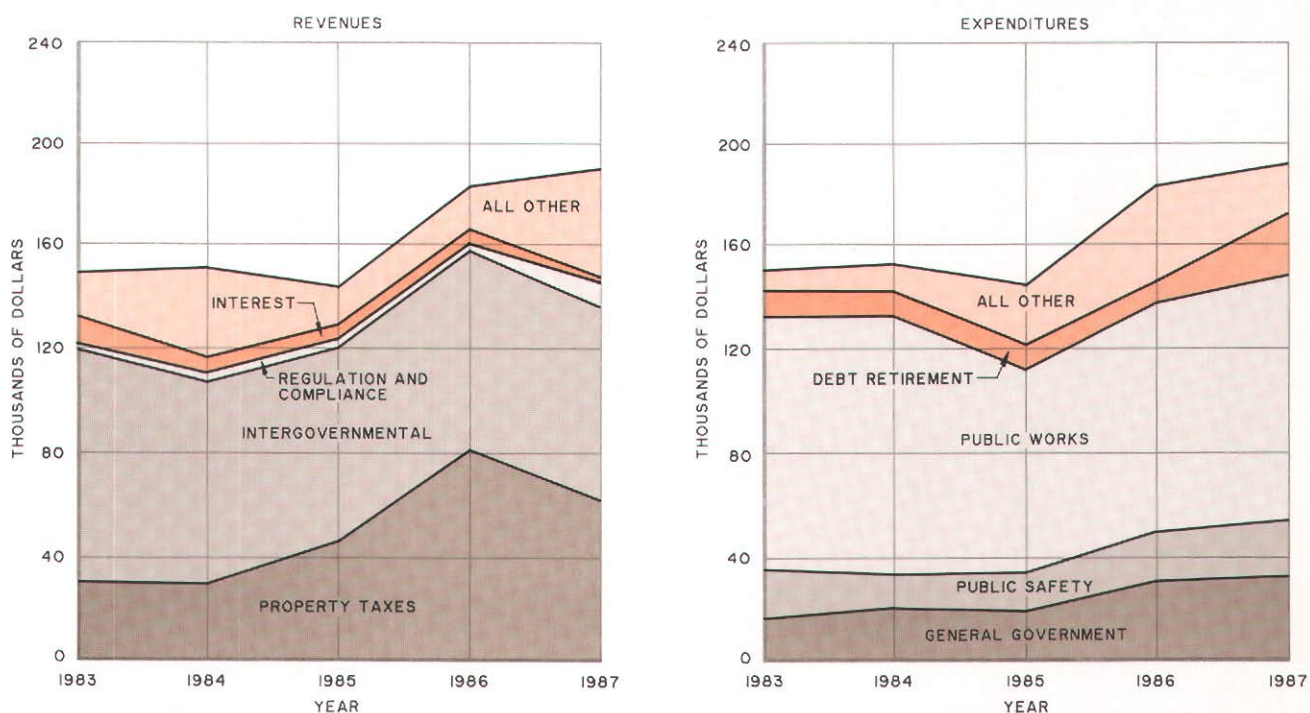
| Category | 1983 | 1984 | 1985 | 1986 | 1987 |
|---|------------------|------------------|------------------|------------------|------------------|
| Revenues | | | | | |
| Property Taxes | \$ 32,419 | \$ 30,195 | \$ 46,126 | \$ 80,839 | \$ 62,115 |
| Intergovernmental | 88,302 | 78,117 | 74,591 | 76,943 | 73,807 |
| Regulation and Compliance | 3,095 | 2,992 | 3,476 | 2,818 | 9,227 |
| Public Charges for Services | 285 | 0 | 0 | 0 | 0 |
| Intergovernmental Charges for Services | 0 | 0 | 0 | 0 | 0 |
| Special Assessments | 0 | 0 | 0 | 0 | 0 |
| Interest | 10,610 | 5,554 | 5,145 | 5,181 | 2,245 |
| Miscellaneous | 0 | 0 | 0 | 1,965 | 937 |
| Other ^a | 16,293 | 35,390 | 14,839 | 14,500 | 41,008 |
| Total | \$151,004 | \$152,248 | \$144,177 | \$182,246 | \$189,339 |
| Expenditures | | | | | |
| General Government | \$ 17,601 | \$ 21,066 | \$ 18,451 | \$ 30,277 | \$ 31,040 |
| Public Safety | 18,369 | 12,687 | 15,645 | 19,676 | 22,981 |
| Health and Social Services | 0 | 0 | 83 | 300 | 300 |
| Public Works | 97,826 | 100,077 | 78,121 | 87,570 | 93,458 |
| Recreation and Culture | 572 | 700 | 785 | 790 | 648 |
| Conservation and Development | 0 | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 | 16,064 |
| Debt Retirement | 9,458 | 9,035 | 8,613 | 8,190 | 23,733 |
| Miscellaneous | 7,178 | 8,683 | 22,481 | 0 | 1,115 |
| Other ^a | 0 | 0 | 0 | 35,443 | 0 |
| Total | \$151,004 | \$152,248 | \$144,179 | \$182,246 | \$189,339 |
| Fund Balance at End of Year | \$ 50,994 | \$ 15,604 | \$ 765 | \$ 36,208 | \$ -4,800 |

^aIncludes proceeds from long-term debt, transfers from and to other funds, and sale of assets.

Source: Town of Walworth and SEWRPC.

Figure 3

REVENUES AND EXPENDITURES IN THE TOWN OF WALWORTH: 1983-1987



Source: Town of Walworth and SEWRPC.

Table 26

REVENUES AND EXPENDITURES IN THE DELAVAN LAKE SANITARY DISTRICT: 1983-1987

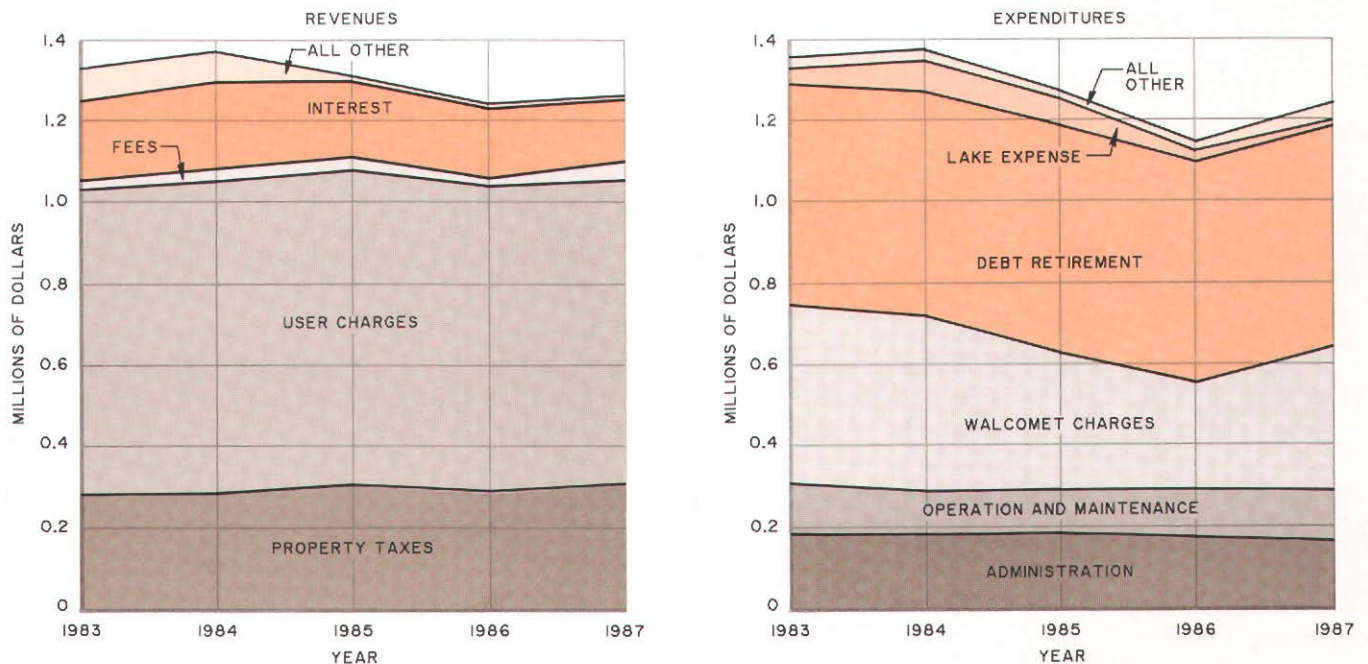
| Category | 1983 | 1984 | 1985 | 1986 | 1987 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenues | | | | | |
| Property Taxes | \$ 285,000 | \$ 285,000 | \$ 297,000 | \$ 285,000 | \$ 297,000 |
| User Charges | 746,628 | 765,111 | 776,521 | 748,928 | 747,815 |
| Fees | 15,577 | 23,442 | 28,870 | 24,541 | 46,634 |
| Interest | 199,716 | 215,859 | 182,892 | 161,791 | 147,871 |
| Miscellaneous | 3,957 | 2,898 | 2,773 | 4,135 | 8,483 |
| Other ^a | 93,842 | 68,720 | 0 | 0 | 0 |
| Total | \$1,344,720 | \$1,361,030 | \$1,288,056 | \$1,224,395 | \$1,247,803 |
| Expenditures | | | | | |
| Administration | \$ 183,638 | \$ 174,582 | \$ 180,911 | \$ 165,635 | \$ 161,243 |
| Operation and Maintenance | 119,836 | 110,374 | 108,294 | 118,217 | 115,233 |
| WALCOMET Charges | 438,228 | 431,515 | 335,305 | 261,269 | 357,284 |
| Debt Retirement | 545,763 | 551,939 | 552,129 | 546,860 | 551,134 |
| Lake Expense | 37,402 | 71,521 | 64,911 | 26,477 | 2,274 |
| Miscellaneous | 19,853 | 21,099 | 20,828 | 22,922 | 43,890 |
| Total | \$1,344,720 | \$1,361,030 | \$1,262,378 | \$1,141,380 | \$1,231,058 |
| Excess Revenues Over Expenditures | \$ 0 | \$ 0 | \$ 25,678 | \$ 83,015 | \$ 16,745 |

^aIncludes proceeds from long-term debt, transfers from and to other funds, and sale of assets.

Source: Delavan Lake Sanitary District and SEWRPC.

Figure 4

REVENUES AND EXPENDITURES IN THE DELAVAN LAKE SANITARY DISTRICT: 1983-1987



Source: Delavan Lake Sanitary District and SEWRPC.

Table 27

**REVENUES AND EXPENDITURES IN THE LAKE COMUS
PROTECTION AND REHABILITATION DISTRICT: 1983-1987**

| Category | 1983 | 1984 | 1985 | 1986 | 1987 |
|------------------------------------|------------------|-----------------|--------------------|------------------|------------------|
| Revenues | | | | | |
| Property taxes | \$ 0 | \$ 0 | \$ 107,000 | \$101,796 | \$127,317 |
| Intergovernmental | 0 | 0 | 0 | 50,880 | 503,344 |
| Interest | 9,355 | 10,778 | 48,753 | 35,782 | 17,378 |
| Miscellaneous | 0 | 0 | 4,100 | 3,110 | 2,250 |
| Other ^a | 20,830 | 17,452 | 1,141,000 | 353,992 | 261,476 |
| Total | \$ 30,185 | \$28,230 | \$1,300,853 | \$545,560 | \$911,765 |
| Expenditures | | | | | |
| Land Purchase | \$ 0 | \$ 0 | \$ 180,000 | \$ 0 | \$ 0 |
| Engineering Fees | 2,693 | 3,334 | 0 | 41,075 | 25,035 |
| Legal Fees | 0 | 4,286 | 8,742 | 8,616 | 3,783 |
| Dredging Project | 25,172 | 18,760 | 0 | 383,425 | 769,537 |
| Bond Issue | 0 | 0 | 74,150 | 0 | 0 |
| Debt Retirement | 0 | 0 | 41,567 | 103,590 | 101,674 |
| Miscellaneous | 2,320 | 1,850 | 9,271 | 8,854 | 11,736 |
| Other ^a | 0 | 0 | 987,123 | 0 | 0 |
| Total | \$ 30,185 | \$28,230 | \$1,300,853 | \$545,560 | \$911,765 |
| Fund Balance at End of Year | \$111,372 | \$93,920 | \$ 931,043 | \$577,051 | \$355,575 |

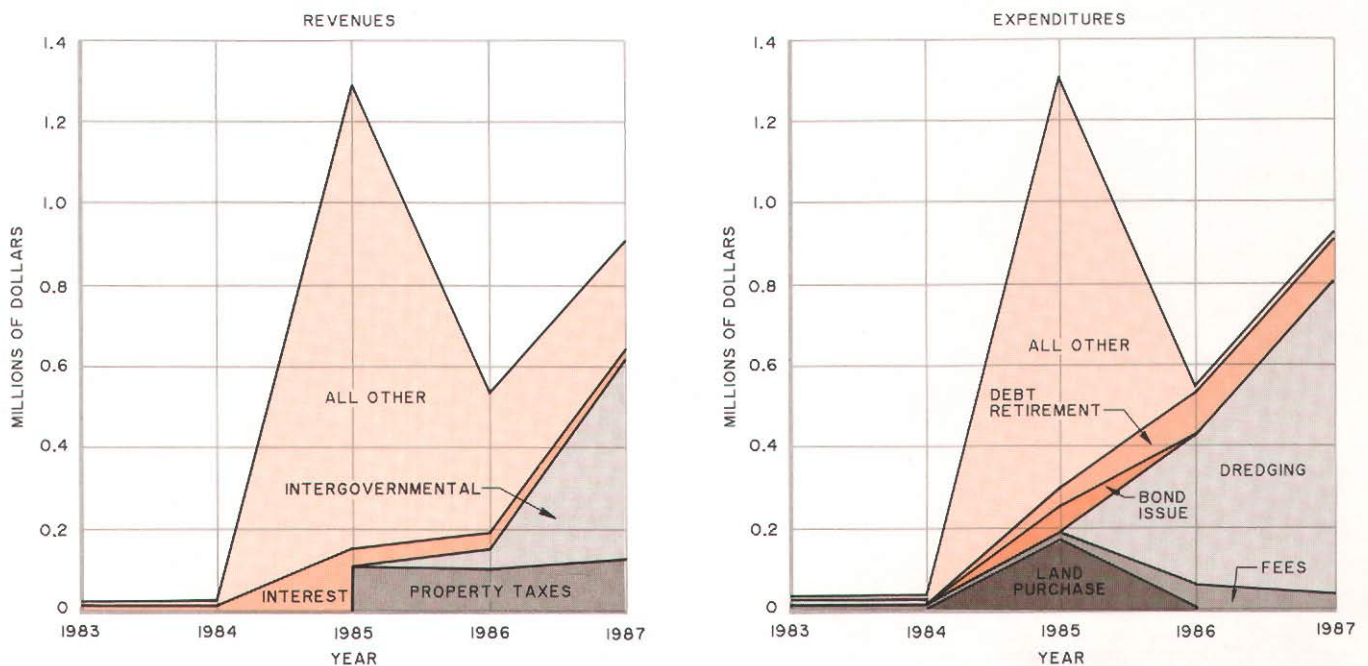
NOTE: Table represents data for fiscal year beginning July 1 of year indicated.

^aIncludes proceeds from long-term debt, transfers from and to other funds, and sale of assets.

Source: Lake Comus Protection and Rehabilitation District and SEWRPC.

Figure 5

**REVENUES AND EXPENDITURES IN THE LAKE COMUS
PROTECTION AND REHABILITATION DISTRICT: 1983-1987**



Source: Lake Comus Protection and Rehabilitation District and SEWRPC.

Table 28

**SUMMARY OF MUNICIPAL REVENUES IN THE
DELAVAN LAKE GOVERNANCE STUDY AREA: 1983-1987**

| Unit of Government | 1983 | 1984 | 1985 | 1986 | 1987 | 1983-1987 Change | |
|--|--------------------|--------------------|---------------------|--------------------|--------------------|--------------------|-------------|
| | | | | | | Number | Percent |
| General Purpose | | | | | | | |
| City of Delavan | \$3,949,583 | \$4,023,828 | \$ 8,001,701 | \$4,167,074 | \$5,143,999 | \$1,194,416 | 30.2 |
| Town of Delavan | 782,531 | 775,674 | 981,964 | 1,078,393 | 1,314,101 | 531,570 | 67.9 |
| Town of Walworth | 151,004 | 152,248 | 144,177 | 182,246 | 189,339 | 38,335 | 25.4 |
| Subtotal | \$4,883,118 | \$4,951,750 | \$ 9,127,842 | \$5,427,713 | \$6,647,439 | \$1,764,321 | 36.1 |
| Special Purpose | | | | | | | |
| Delavan Lake | | | | | | | |
| Sanitary District | \$1,344,720 | \$1,361,030 | \$ 1,288,056 | \$1,224,395 | \$1,247,803 | \$ -96,917 | -7.2 |
| Lake Comus Protection and Rehabilitation District | 30,185 | 28,230 | 1,300,853 | 545,560 | 911,765 | 881,580 | 2,921 |
| Subtotal | \$1,374,905 | \$1,389,260 | \$ 2,588,909 | \$1,769,955 | \$2,159,568 | \$ 784,663 | 57.1 |
| Total | \$6,258,023 | \$6,341,010 | \$11,716,751 | \$7,197,668 | \$8,807,007 | \$2,548,984 | 40.7 |

Source: City of Delavan, Towns of Delavan and Walworth, Delavan Lake Sanitary District, Lake Comus Protection and Rehabilitation District, and SEWRPC.

Table 29

**ANNUAL LEVEL OF LONG-TERM MUNICIPAL DEBT IN
THE DELAVAN LAKE GOVERNANCE STUDY AREA: 1983-1987**

| Unit of Government | 1983 | 1984 | 1985 | 1986 | 1987 | 1983-1987 Change | |
|--|--------------------|--------------------|---------------------|---------------------|---------------------|--------------------|--------------|
| | | | | | | Number | Percent |
| General Purpose | | | | | | | |
| City of Delavan | | | | | | | |
| General Obligation Bonds | \$2,918,700 | \$3,373,380 | \$ 5,088,325 | \$ 4,825,325 | \$ 4,424,325 | \$1,505,625 | 51.6 |
| Special Assessment | 157,200 | 133,200 | 109,200 | 44,600 | 42,450 | -114,750 | -73.0 |
| Water Utility | 372,336 | 372,669 | 359,602 | 349,935 | 288,600 | -83,736 | -22.5 |
| Total | \$3,448,236 | \$3,879,249 | \$ 5,557,127 | \$ 5,219,860 | \$ 4,755,375 | \$1,307,139 | 37.9 |
| Town of Delavan | | | | | | | |
| General Obligation Bonds | \$ 111,656 | \$ 98,324 | \$ 84,992 | \$ 71,660 | \$ 58,328 | \$ -53,328 | -47.8 |
| Town of Walworth | | | | | | | |
| General Obligation Bonds | \$ 39,000 | \$ 32,500 | \$ 26,000 | \$ 34,000 | \$ 13,000 | \$ -26,000 | -66.7 |
| Subtotal | \$3,598,892 | \$4,010,073 | \$ 5,668,119 | \$ 5,325,520 | \$ 4,826,703 | \$1,227,811 | 34.1 |
| Special Purpose | | | | | | | |
| Delavan Lake Sanitary District | | | | | | | |
| General Obligation Bonds | \$3,375,000 | \$3,250,000 | \$ 3,115,000 | \$ 2,975,000 | \$ 2,825,000 | \$ -550,000 | -16.3 |
| Mortgage Revenue Bonds | 2,610,000 | 2,585,000 | 2,560,000 | 2,535,000 | 2,505,000 | -105,000 | -4.0 |
| Total | \$5,985,000 | \$5,835,000 | \$ 5,675,000 | \$ 5,510,000 | \$ 5,330,000 | \$ -655,000 | -10.9 |
| Lake Comus Protection and Rehabilitation District | | | | | | | |
| General Obligation Bonds | \$ 0 | \$ 0 | \$ 1,000,000 | \$ 975,000 | \$ 950,000 | -- | -- |
| Subtotal | \$5,985,000 | \$5,835,000 | \$ 6,675,000 | \$ 6,485,000 | \$ 6,280,000 | \$ 295,000 | 4.9 |
| Total | \$9,583,892 | \$9,845,073 | \$12,343,119 | \$11,810,520 | \$11,106,703 | \$1,522,811 | 15.9 |

Source: City of Delavan, Towns of Delavan and Walworth, Delavan Lake Sanitary District, Lake Comus Protection and Rehabilitation District, and SEWRPC.

Table 30

**BONDING CAPACITIES AND INDEBTEDNESS BY TAXING
JURISDICTION IN THE DELAVAN LAKE GOVERNANCE STUDY AREA: 1983-1987**

| Civil Division and Year | Equalized Valuation | Available Bonding Capacity ^a | General Obligation Indebtedness | Indebtedness as a Percent of Bonding Capacity |
|--|------------------------|---|---------------------------------------|--|
| City of Delavan^b | | | | |
| 1983 | \$134,223,200 | \$6,711,160 | \$3,448,236 | 51.4 |
| 1984 | 139,855,300 | 6,992,765 | 3,879,249 | 55.5 |
| 1985 | 148,734,900 | 7,436,745 | 5,557,127 | 74.7 |
| 1986 | 148,583,700 | 7,429,185 | 5,219,860 | 70.3 |
| 1987 | 143,324,200 | 7,166,210 | 4,755,375 | 66.4 |
| Town of Delavan | | | | |
| 1983 | \$178,175,800 | \$8,908,790 | \$ 111,656 | 1.3 |
| 1984 | 193,158,400 | 9,657,920 | 98,324 | 1.0 |
| 1985 | 190,942,000 | 9,547,100 | 84,992 | 0.9 |
| 1986 | 190,073,300 | 9,503,665 | 71,660 | 0.8 |
| 1987 | 181,854,200 | 9,092,710 | 58,328 | 0.6 |
| Town of Walworth | | | | |
| 1983 | \$ 76,503,600 | \$3,825,180 | \$ 39,000 | 1.0 |
| 1984 | 81,741,000 | 4,087,050 | 32,500 | 0.8 |
| 1985 | 70,022,700 | 3,501,135 | 26,000 | 0.7 |
| 1986 | 56,374,000 | 2,818,700 | 34,000 | 1.2 |
| 1987 | 59,116,000 | 2,955,800 | 13,000 | 0.4 |
| Delavan Lake Sanitary District | | | | |
| 1983 | \$128,230,060 | \$6,411,503 | \$3,375,000 | 52.6 |
| 1984 | 132,394,030 | 6,619,702 | 3,250,000 | 49.1 |
| 1985 | 136,557,990 | 6,827,900 | 3,115,000 | 45.6 |
| 1986 | 135,652,663 | 6,782,633 | 2,975,000 | 43.9 |
| 1987 | 136,343,418 | 6,817,171 | 2,825,000 | 41.4 |
| Lake Comus Protection and Rehabilitation District | | | | |
| 1983 | \$ -- | \$ -- | \$ -- | -- |
| 1984 | -- | -- | -- | -- |
| 1985 | 153,262,586 | 7,663,129 | 1,000,000 | 13.0 |
| 1986 | 152,107,782 | 7,605,389 | 975,000 | 12.8 |
| 1987 | 146,327,838 | 7,316,392 | 950,000 | 13.0 |

^aLimited by State law to 5 percent of total equalized valuation.

^bIncludes funds borrowed for tax incremental financing districts, which totaled \$2,564,700 in 1987.

Source: Wisconsin Department of Revenue, City of Delavan, Towns of Delavan and Walworth, Delavan Lake Sanitary District, Lake Comus Protection and Rehabilitation District, and SEWRPC.

Table 31

TOTAL EQUALIZED REAL PROPERTY VALUE IN THE DELAVAN LAKE GOVERNANCE STUDY AREA: 1983-1987

| Geographic Area | Year | | | | | | | | | | 1983-1987 Average Annual Equalized Value | | 1983-1987 Change | |
|---|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|--|---------------------|------------------|---------|
| | 1983 | | 1984 | | 1985 | | 1986 | | 1987 | | Number | Percent of Total | Number | Percent |
| | Number | Percent of Total | Number | Percent of Total | Number | Percent of Total | Number | Percent of Total | Number | Percent of Total | | | | |
| Study Area | | | | | | | | | | | | | | |
| City of Delavan | \$134,223,200 | 34.5 | \$139,855,300 | 33.7 | \$148,734,900 | 36.3 | \$148,583,700 | 37.6 | \$143,324,200 | 37.3 | \$142,944,300 | 35.9 | \$ 9,101,000 | 6.8 |
| Town of Delavan | 178,175,800 | 45.8 | 193,158,400 | 46.6 | 190,942,000 | 46.6 | 190,073,300 | 48.1 | 181,854,200 | 47.3 | 186,840,700 | 46.8 | 3,678,400 | 2.1 |
| Town of Walworth | 76,503,600 | 19.7 | 81,741,000 | 19.7 | 70,022,700 | 17.1 | 56,374,000 | 14.3 | 59,116,000 | 15.4 | 68,751,500 | 17.3 | -17,387,600 | -22.7 |
| Total | \$388,902,600 | 100.0 | \$414,754,700 | 100.0 | \$409,699,600 | 100.0 | \$395,031,000 | 100.0 | \$384,294,400 | 100.0 | \$398,536,500 | 100.0 | \$ -4,608,200 | -1.2 |
| Delavan Lake Sanitary District | | | | | | | | | | | | | | |
| Town of Delavan Portion | \$124,356,640 | 97.0 | \$129,049,420 | 97.5 | \$133,742,190 | 97.9 | \$133,150,090 | 98.2 | \$133,707,920 | 98.1 | \$130,801,300 | 97.7 | \$ 9,351,280 | 7.5 |
| Town of Walworth Portion | 3,873,420 | 3.0 | \$3,344,610 | 2.5 | 2,815,800 | 2.1 | 2,502,573 | 1.8 | 2,635,498 | 1.9 | 3,034,400 | 2.3 | -1,237,922 | -32.0 |
| Total | \$128,230,060 | 100.0 | \$132,394,030 | 100.0 | \$136,557,990 | 100.0 | \$135,652,663 | 100.0 | \$136,343,418 | 100.0 | \$133,835,700 | 100.0 | \$ 8,113,358 | 6.3 |
| Town of Delavan | | | | | | | | | | | | | | |
| Sanitary District Portion | \$124,356,640 | 69.8 | \$129,049,420 | 66.8 | \$133,742,190 | 70.0 | \$133,150,090 | 70.1 | \$133,707,920 | 73.5 | \$130,801,300 | 70.0 | \$ 9,351,280 | 7.5 |
| Remainder | 53,819,160 | 30.2 | 64,108,980 | 33.2 | 57,199,810 | 30.0 | 56,923,210 | 29.9 | 48,146,280 | 26.5 | 56,039,500 | 30.0 | -5,672,880 | -10.5 |
| Total | \$178,175,800 | 100.0 | \$193,158,400 | 100.0 | \$190,942,000 | 100.0 | \$190,073,300 | 100.0 | \$181,854,200 | 100.0 | \$186,840,800 | 100.0 | \$ 3,678,400 | 2.1 |
| Town of Walworth | | | | | | | | | | | | | | |
| Sanitary District Portion | \$ 3,873,420 | 5.1 | \$ 3,344,610 | 4.1 | \$ 2,815,800 | 4.0 | \$ 2,502,573 | 4.4 | \$ 2,635,498 | 4.5 | \$ 3,034,400 | 4.4 | \$ -1,237,922 | -32.0 |
| Remainder | 72,630,180 | 94.9 | 78,396,390 | 95.9 | 67,206,900 | 96.0 | 53,871,427 | 95.6 | 56,480,502 | 95.5 | 65,717,100 | 95.6 | -16,149,678 | -22.2 |
| Total | \$ 76,503,600 | 100.0 | \$ 81,741,000 | 100.0 | \$ 70,022,700 | 100.0 | \$ 56,374,000 | 100.0 | \$ 59,116,000 | 100.0 | \$ 68,751,500 | 100.0 | \$-17,387,600 | -22.7 |
| Lake Comus Protection and Rehabilitation District ^a | | | | | | | | | | | | | | |
| City of Delavan Portion | -- | -- | -- | -- | \$148,734,900 | 97.0 | \$148,583,700 | 97.7 | \$143,324,200 | 97.9 | \$142,944,300 | 97.4 | \$143,324,200 | -- |
| Town of Delavan | -- | -- | -- | -- | 4,527,686 | 3.0 | 3,524,082 | 2.3 | 3,003,638 | 2.1 | 3,879,673 | 2.6 | 3,003,638 | -- |
| Total | -- | -- | -- | -- | \$153,262,586 | 100.0 | \$152,107,782 | 100.0 | \$146,327,838 | 100.0 | \$146,823,973 | 100.0 | \$146,327,838 | -- |

^aLake Comus Protection and Rehabilitation District did not levy a tax in 1983 and 1984, so the equalized value of the area was not computed.

Source: Wisconsin Department of Revenue, Delavan Lake Sanitary District, and SEWRPC.

Table 32

**PROPERTY TAX RATES IN THE DELAVAN LAKE
GOVERNANCE STUDY AREA BY TAXING JURISDICTION: 1988^a**

| Taxing Jurisdiction | City of Delavan | Town of Delavan | | | | | | |
|--|--|--|--|--|-------------------------------|--|--|---------------------------------------|
| | | Lake Comus Protection and Rehabilitation District | Delavan Lake Sanitary District | | Remainder | | | |
| | Delavan- Darien School District | Delavan- Darien School District | Delavan- Darien School District | Fontana Elementary, Walworth Union High School District | Elkhorn School District | Delavan- Darien School District | Fontana Elementary, Walworth Union High School District | Williams Bay School District |
| State | \$ 0.20 | \$ 0.20 | \$ 0.20 | \$ 0.20 | \$ 0.20 | \$ 0.20 | \$ 0.20 | \$ 0.20 |
| VTAE | 1.47 | 1.47 | 1.47 | 1.47 | 1.47 | 1.47 | 1.47 | 1.47 |
| County | 3.85 | 3.98 | 3.98 | 3.98 | 3.98 | 3.98 | 3.98 | 3.98 |
| Municipal | 6.13 | 2.87 | 2.87 | 2.87 | 2.87 | 2.87 | 2.87 | 2.87 |
| Lake Comus Protection and Rehabilitation District | 0.94 | 0.94 | -- | -- | -- | -- | -- | -- |
| Delavan Lake Sanitary District | -- | -- | 1.97 | 1.97 | -- | -- | -- | -- |
| School K-12 | 15.09 | 15.09 | 15.09 | -- | 15.12 | 15.09 | -- | 10.56 |
| School K-8 | -- | -- | -- | 4.65 | -- | -- | 4.65 | -- |
| School 9-12 | -- | -- | -- | 4.18 | -- | -- | 4.18 | -- |
| Total | \$27.68 | \$24.55 | \$25.58 | \$19.32 | \$23.64 | \$23.61 | \$17.35 | \$19.08 |
| Total Property Tax on a \$70,000 Home | \$1,938 | \$1,719 | \$1,791 | \$1,352 | \$1,655 | \$1,653 | \$1,215 | \$1,336 |

| Taxing Jurisdiction | Town of Walworth | | | | | |
|--|---|--|---------------------------------------|--|---|---|
| | Delavan Lake Sanitary District | Remainder | | | | |
| | Walworth Elementary, Walworth Union High School District | Delavan- Darien School District | Williams Bay School District | Fontana Elementary, Walworth Union High School District | Walworth Elementary, Walworth Union High School District | Reek Elementary, Walworth Union High School District |
| State | \$ 0.20 | \$ 0.20 | \$ 0.20 | \$ 0.20 | \$ 0.20 | \$ 0.20 |
| VTAE | 1.47 | 1.47 | 1.47 | 1.47 | 1.47 | 1.47 |
| County | 3.98 | 3.98 | 3.98 | 3.98 | 3.98 | 3.98 |
| Municipal | 1.27 | 1.27 | 1.27 | 1.27 | 1.27 | 1.27 |
| Lake Comus Protection and Rehabilitation District | -- | -- | -- | -- | -- | -- |
| Delavan Lake Sanitary District | 1.97 | -- | -- | -- | -- | -- |
| School K-12 | -- | 15.09 | 10.56 | -- | -- | -- |
| School K-8 | 11.54 | -- | -- | 4.65 | 11.54 | 5.99 |
| School 9-12 | 4.18 | -- | -- | 4.18 | 4.18 | 4.18 |
| Total | \$24.61 | \$22.01 | \$17.48 | \$15.75 | \$22.64 | \$17.09 |
| Total Property Tax on a \$70,000 Home | \$1,723 | \$1,541 | \$1,224 | \$1,103 | \$1,585 | \$1,196 |

^aRates expressed as the number of dollars per \$1,000 of equalized property valuation.

Source: Walworth County Treasurer, City of Delavan, Towns of Delavan and Walworth, and SEWRPC.

Table 33

**EXPENDITURES, REVENUES, DEBT, AND EQUALIZED VALUE PER CAPITA
BY TAXING JURISDICTION IN THE DELAVAN LAKE GOVERNANCE STUDY AREA**

| Taxing Jurisdiction | Property Tax Base Per Capita | Revenues Per Capita ^a | | | | Expenditures Per Capita ^a | | | | | | | | Outstanding Debt Per Capita |
|--|------------------------------------|----------------------------------|-------------------|--------------|-------|--|-----------------|------------------|---------------------------|---------------------|--------------------|--------------|-------|-----------------------------------|
| | | Local Property Tax | Intergovernmental | All Other | Total | General Government/ Administration | Public Works | Public Safety | Recreation and Culture | Capital Projects | Debt Retirement | All Other | Total | |
| General Purpose | | | | | | | | | | | | | | |
| City of Delavan | \$24,511 | \$189 | \$195 | \$465 | \$849 | \$80 | \$235 | \$133 | \$88 | \$16 | \$271 | \$26 | \$849 | \$ 784 |
| Town of Delavan | 46,123 | 109 | 52 | 158 | 319 | 53 | 62 | 106 | 5 | 48 | 4 | 41 | 319 | 14 |
| Town of Walworth | 37,988 | 42 | 50 | 36 | 128 | 21 | 64 | 15 | -- ^b | 11 | 16 | 1 | 128 | 9 |
| Special Purpose | | | | | | | | | | | | | | |
| Delavan Lake Sanitary District (resident population) | \$64,658 | \$142 | -- | \$453 | \$595 | \$77 | \$225 | -- | -- | -- | \$263 | \$22 | \$587 | \$2,541 |
| Delavan Lake Sanitary District (resident and nonresident population) | 21,601 | 47 | -- | 152 | 199 | 26 | 75 | -- | -- | -- | 88 | 7 | 196 | 849 |
| Lake Comus Protection and Rehabilitation District | 24,685 | 21 | 81 | 46 | 148 | -- | 128 | -- | -- | -- | 17 | 3 | 148 | 154 |

^aThis information calculated using 1988 population, 1987 financial data, and 1986 equalized valuation data.

^bLess than \$1.00.

Source: City of Delavan, Towns of Delavan and Walworth, Delavan Lake Sanitary District, Lake Comus Protection and Rehabilitation District, and SEWRPC.

Chapter III

MERGER OF THE DELAVAN LAKE SANITARY DISTRICT WITH THE CITY OF DELAVAN

INTRODUCTION

One of the governance alternatives for the Delavan Lake area consists of the merger of the Delavan Lake Sanitary District with the City of Delavan. Because the Delavan Lake Sanitary District comprises portions of civil towns, under Wisconsin law the only way in which a merger could take place would be through the process of annexation. This chapter presents a description of the annexation process; a description of the area that might be merged and of the merged municipal entity; information intended to identify the probable effects of such a merger on the City of Delavan and its residents and on the Delavan Lake Sanitary District and its residents in terms of the governmental functions and services that would be performed and provided in the merged municipality; and information attendant to governmental finances that would be associated with a merged municipality. The chapter concludes with a discussion of the probable legal feasibility of the merger approach to changing the governance of the Delavan Lake area. The probable impacts of a merger on the remnant Towns of Delavan and Walworth and on the residents of those Towns are set forth in Chapter V.

ANNEXATION—THE MERGER PROCESS

Wisconsin law provides for three methods of annexing lands to an existing city or village: the referendum method, the direct annexation method, and the unanimous petition method. The procedures involved in each of these three methods are summarized in Figure 6. As a practical matter, neither the direct annexation method nor the unanimous petition method likely would be applicable to a situation whereby the Delavan Lake Sanitary District would be merged with the City of Delavan via the process of annexation. In the case of the direct annexation method, the annexation petition must be signed by a majority of the number of electors who cast votes for governor in the last gubernatorial election and at least 50 percent of the owners of land in the area calculated on the basis of either assessed valuation or area. Even

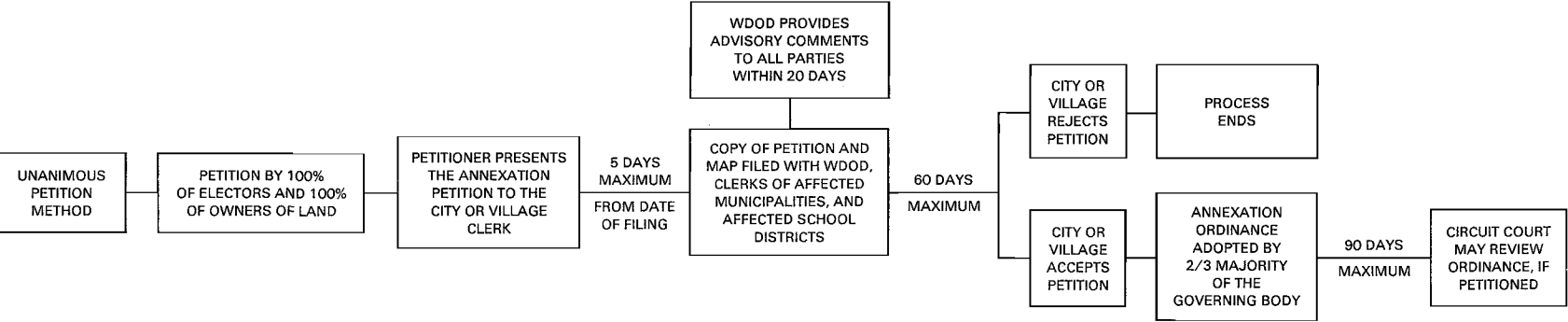
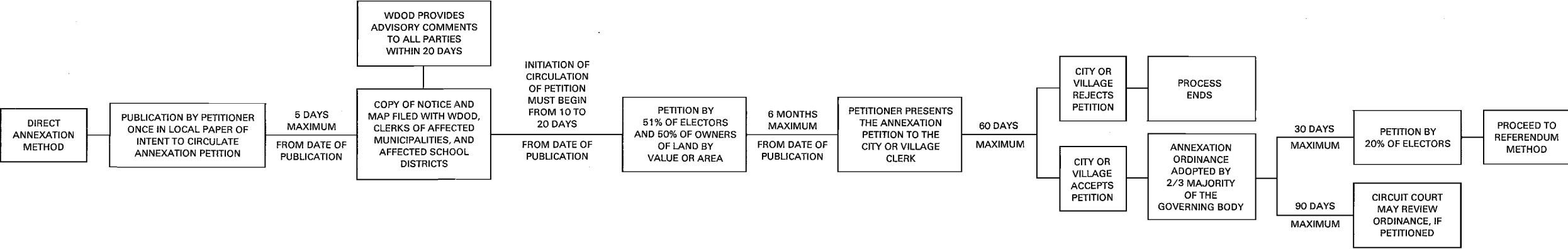
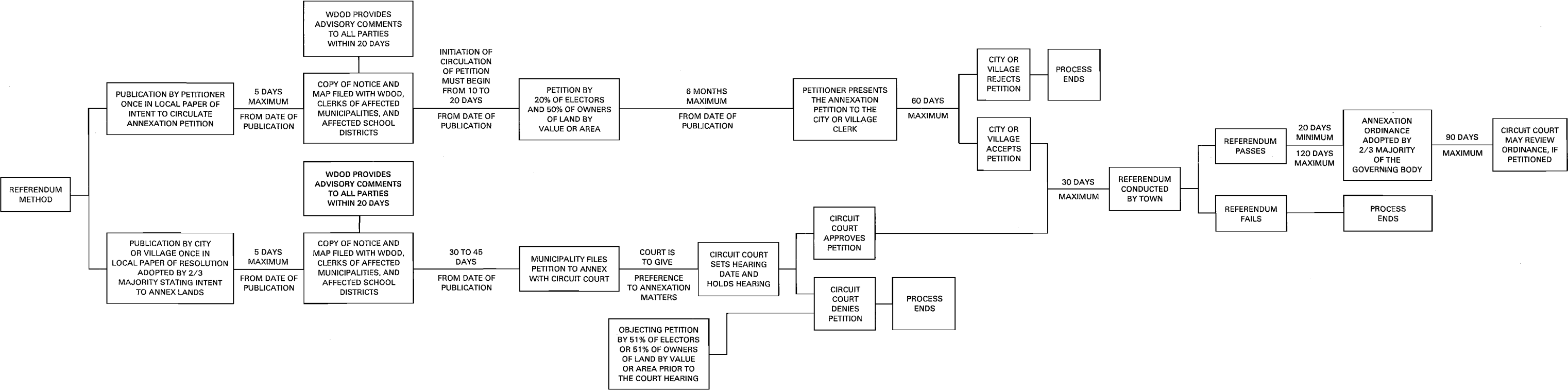
if such a petition were able to be garnered in the Delavan Lake Sanitary District, a counter petition by only 20 percent of the electors of the District could force the annexation to proceed under the referendum method. The unanimous petition method would require the signatures of 100 percent of the electors of the District and 100 percent of the owners of land in the District, a requirement difficult to meet for a relatively large, complex area like the Sanitary District.

There are two distinctly different ways in which the Delavan Lake Sanitary District could be annexed to the City of Delavan using the referendum method outlined in Figure 6. The first approach involves the circulation of a petition among the electors and landowners of the area seeking annexation to the City. Those circulating the petition must publish a notice of intent to circulate such a petition once in the local newspaper. Within five days of the publication of that notice, the notice and a map of the area proposed for annexation must be filed with the Wisconsin Department of Development and the clerks of all affected municipalities and school districts. No sooner than 10 days and no later than 20 days from the date of publication of the notice, the petitioning process can begin. Those circulating the petition have six months from the date of publication of the notice in the newspaper to obtain the signatures of 20 percent of the electors of the area and 50 percent of owners of land in the area, calculated by either assessed valuation or area.

Assuming that the annexation petition receives the required number of signatures, the petition is submitted to the Delavan City Clerk. At that point, the Common Council has 60 days to decide whether to reject the petition, in which case the process would end, or accept the petition. Acceptance can come by a simple majority vote. If the Common Council were to accept such a petition, a referendum would be conducted within 30 days of the decision by the Town of Delavan as the town having the largest area involved in this matter. In such a referendum, all electors in the Delavan Lake Sanitary District vote either for or against annexation to the City. Again, a simple majority would decide

Figure 6

METHODS FOR ANNEXATION PROVIDED IN SECTION 66.021 OF THE WISCONSIN STATUTES



NOTE: The Wisconsin Department of Development (WDOD) is required by statute to review all annexations in counties with a population of 50,000 or more. The Department makes a determination that the annexation proposal is or is not in the public interest. If the Department finds that the proposal is not in the public interest, then it must notify all parties within 20 days. A city or village is required by law to consider the Department's position prior to taking any action on the petition.

Source: SEWRPC.

the issue. If the referendum failed, the process would end. If the referendum passed, the Common Council—no sooner than 20 days nor more than 120 days after the referendum—would have to adopt an annexation ordinance for the annexation to become effective. Such an ordinance would require a two-thirds majority vote of the Common Council.

Under the second referendum method approach, the City of Delavan would be the moving party, publishing in the local newspaper a resolution adopted by a two-thirds majority of the Common Council stating an intent to annex the Delavan Lake Sanitary District. Within five days of that notice of publication, a copy of the notice and a map would have to be filed with the Wisconsin Department of Development and with the clerks of all affected towns and school districts. No sooner than 30 nor more than 45 days from the date of publication of the notice, the Common Council would file an annexation petition with the Circuit Court. The Circuit Court would set a hearing date on the matter and hold a hearing. If prior to the hearing the Court received an objecting petition signed by a majority of the electors who cast votes for governor in the last gubernatorial election within the District or by 51 percent of the owners of the land within the District, calculated either by assessed valuation or area, the Court would deny the annexation petition and the process would end. If such an objecting petition were not received and if there were no other basis upon which to object to the proposal, the Circuit Court would approve the petition and at that point order a referendum conducted by the Town. From that point forward, the process is the same as that described above where the annexation is sought by the residents of the area.

The function of the Wisconsin Department of Development in annexation matters relates to issuing an advisory finding that the proposed annexation either is or is not in the public interest. In issuing that advisory opinion, the Department takes into account such factors as the shape of the proposed annexation; the homogeneity of the lands concerned when compared with the annexing community; and whether or not certain governmental services could clearly be better supplied to the lands concerned by the town, the annexing municipality, or perhaps another village or city. The law provides that in all cases involving annexation,

the governing body of the annexing municipality must, before acting on an annexation petition, wait for the advisory opinion by the Wisconsin Department of Development and consider that opinion in taking its action on the petition. If the Department does not respond within 20 days, it is deemed that the Department finds the annexation proposal to be in the public interest.

The likelihood of the Wisconsin Department of Development making a finding that a proposed merger between the Delavan Lake Sanitary District and the City of Delavan through an annexation process would not be in the public interest is discussed in a later section of this chapter. In addition, that section discusses the likelihood of a Circuit Court finding that the proposed annexation of the Delavan Lake Sanitary District to the City of Delavan would violate common law rules that have been developed over the years in Wisconsin concerning annexation matters or other statutory standards.

CHARACTERISTICS OF AREAS TO BE MERGED AND OF THE MERGED ENTITY

In considering what geographic area should be considered under the governance alternative involving the merger of the City of Delavan with the Delavan Lake area, the Advisory Committee guiding the conduct of the study determined that for analytical purposes, the merger alternative should assume that the entire area currently encompassing the Delavan Lake Sanitary District would be merged with the City of Delavan. This determination by the Committee was based upon a recognition that the Delavan Lake Sanitary District is already perceived locally as a municipality having its own taxing jurisdiction; that the boundaries of the Delavan Lake Sanitary District represent a common community of interest focused on Delavan Lake; that the Delavan Lake Sanitary District currently abuts the City of Delavan and is, therefore, legally annexable; and that there exists a sufficient amount of open, developable land within the current Sanitary District boundaries to accommodate a significant amount of future growth and development. In so doing, the Advisory Committee rejected other possible geographic areas for consideration in the merger analysis, including the geographic area encompassed by the currently state-approved planned sanitary sewer service area shown on Map 1 in Chapter I, which is somewhat larger than the

current Sanitary District, and other possible configurations that would have the effect of eliminating larger portions of the Town of Delavan, and in particular that portion of the Town lying south of the City of Delavan and west of the current Sanitary District. The Advisory Committee recognized, however, that while the initial merger analysis would be constrained to the geographic limits of the existing Sanitary District, should a consensus ultimately emerge that the merger alternative be pursued, it may be desirable at that time to consider boundaries other than the existing Sanitary District boundaries.

Given the foregoing determination by the Advisory Committee, Table 34 presents selected characteristics pertaining to the City of Delavan, the Delavan Lake Sanitary District, and a merged municipal entity that would consist of the City plus the District. Under the merger alternative, the City would expand from its current size of about 3.9 square miles to a total of 10.8 square miles, an increase of almost 177 percent. Resident population in the City, which in 1988 was estimated at nearly 6,100, would increase under the merger proposal to nearly 8,200 persons, an increase of almost 35 percent. If the seasonal population at Delavan Lake is taken into account, the total population of the merged entity would be slightly more than double the current population of the City of Delavan, or about 12,300 persons. The number of housing units in the City would nearly double, while the number of resident households would increase about 50 percent. The number of jobs would increase by about 15 percent to a total of nearly 5,500.

Changes in land use, assuming a merger of the City and the Sanitary District, are also identified in Table 34. Particularly significant increases—more than doubling—are found in the residential, parks and recreational, water, and woodlands land use categories.

The number of miles of streets, highways, and roads in the merged municipal entity would total about 62, nearly double the nearly 31 miles in the City of Delavan. This includes the addition of about 10 miles of private roads currently found in the Delavan Lake Sanitary District. Arterial street mileage would increase by nearly 66 percent, from the current total of 5.8 miles to about 9.6 miles under the merger alternative.

Finally, Table 34 also presents information attendant to the property tax base in the merged municipality using 1986 equalized property values. Under a merger alternative, the total equalized value in the City of Delavan would increase by slightly over 91 percent, from about \$148.6 million to nearly \$284.2 million. The equalized value per capita—an important measure in the formula providing for state shared revenue—would increase significantly, from about \$24,500 at present to about \$34,800 under the merger alternative, an increase of about 42 percent.

PROBABLE EFFECTS OF MERGER ON GOVERNMENTAL STRUCTURE AND FUNCTIONS

Any merger between the City of Delavan and the Delavan Lake Sanitary District may be expected to have a number of effects on the local governmental structure and on the functions provided by a merged municipal entity. In any analysis of such a potential merger, it is not possible to predict what policy decisions would be made by the governing body concerned relating to governmental structure and functions should such a merger actually be effected. It is only possible to postulate probable future policy decisions or, in some cases, to postulate alternative future policy scenarios. By so doing, the concerned elected local officials and citizens can examine the possible range of policy decisions and, in viewing the entire analysis, judge for themselves the most likely future policy scenario. Within this context, then, the following discussion attempts to identify the probable effects on the governmental structure of the City of Delavan and on the various functions performed by the City of Delavan should the Delavan Lake Sanitary District be merged with the City by the process of annexation. With respect to the public works functions of sanitary sewer and water supply, which are largely supported by user charges rather than property taxes, estimates of fiscal impacts are provided. For all other functions, the fiscal impacts are taken into account in a separate section of this chapter dealing with alternative budget scenarios.

Governmental Structure

The probable effects on the governmental structure of the City of Delavan assuming a merger of the City and the Sanitary District are identified in Table 35. This table presents information

Table 34

**SELECTED CHARACTERISTICS OF THE CITY OF DELAVAN, THE DELAVAN LAKE SANITARY DISTRICT,
AND A MERGED MUNICIPAL ENTITY CONSISTING OF THE CITY OF DELAVAN AND THE DISTRICT**

| Characteristic | City of Delavan | Delavan Lake Sanitary District | Merged Entity | Percent Change Based on Current City of Delavan Characteristic |
|---|--------------------|-----------------------------------|------------------|---|
| Civil Division Area (1988) Square Miles | 3.9 | 6.9 | 10.8 | 176.9 |
| Population (1988) Resident | 6,062 | 2,098 | 8,160 | 34.6 |
| Resident Plus Seasonal | 6,062 | 6,280 | 12,342 | 103.6 |
| Housing (1985) Housing Units | 2,251 | 2,204 | 4,455 | 97.9 |
| Resident Households | 2,162 | 1,078 | 3,240 | 49.9 |
| Employment (1985) Number of Jobs | 4,784 | 700 | 5,484 | 14.6 |
| Land Use (acres—1985) Residential | 519.4 | 974.1 | 1,493.5 | 187.5 |
| Commercial | 54.2 | 52.4 | 106.6 | 96.7 |
| Industrial | 68.9 | 1.1 | 70.0 | 1.6 |
| Parks and Recreation | 143.9 | 178.8 | 322.7 | 124.3 |
| Governmental and Institutional | 173.2 | 4.3 | 177.5 | 2.5 |
| Transportation and Utilities | 354.9 | 274.1 | 629.0 | 77.2 |
| Agricultural | 196.7 | 168.5 | 365.2 | 85.7 |
| Water | 122.0 | 1,846.7 | 1,968.7 | 1,513.7 |
| Wetlands | 125.9 | 53.5 | 179.4 | 42.5 |
| Woodlands | 21.7 | 321.6 | 343.3 | 1,482.0 |
| Other | 725.9 | 506.7 | 1,232.6 | 69.8 |
| Total | 2,506.7 | 4,381.8 | 6,888.5 | 174.8 |
| Arterial Streets and Highways (miles—1988) State Trunk | 3.6 | 2.0 | 5.6 | 55.6 |
| County Trunk | 0.6 | 1.3 | 1.9 | 216.7 |
| Local | 1.6 | 0.5 | 2.1 | 31.3 |
| Total | 5.8 | 3.8 | 9.6 | 65.5 |
| All Streets, Highways, and Roads (miles—1988) State Trunk | 3.6 | 2.0 | 5.6 | 55.6 |
| County Trunk | 0.9 | 1.3 | 2.2 | 144.4 |
| Local | 26.0 | 18.0 | 44.0 | 69.2 |
| Private | - - | 10.2 | 10.2 | - - |
| Total | 30.5 | 31.5 | 62.0 | 103.3 |
| Property Tax Base (1986) Total Equalized Value | \$148,583,700 | \$135,652,663 | \$284,236,363 | 91.3 |
| Equalized Value Per Capita | 24,511 | 64,658 | 34,833 | 42.1 |

Source: SEWRPC.

Table 35

**PROBABLE EFFECTS ON THE GOVERNMENTAL STRUCTURE OF THE CITY OF
DELAVAN ASSUMING A MERGER WITH THE DELAVAN LAKE SANITARY DISTRICT**

| Item | Current Structure | Probable Structure Assuming Merger |
|--------------------------|--|--|
| Political Representation | One Mayor; six aldermen, two per district—three districts with a resident population of about 2,000 per district | One Mayor; eight aldermen, two per district—four districts, with one new district having a resident population of about 2,300 being formed by the merged area; this would permit lake residents to elect two aldermen to represent their interests |
| Commissions and Boards | Common Council Committees (Finance, Public Works, General Operations) Plan Commission Park and Recreation Commission Delbrook Golf Course Commission Water and Sewerage Commission Personnel Commission Emergency Government Board of Police and Fire Commissioners Board of Review Board of Appeals Library Board of Trustees | No change except the addition of a Delavan Lake Committee to oversee lake-oriented matters |
| Administrative Structure | City Administrator; one full-time plus two part-time additional administrative employees | Addition of two to four administrative employees depending upon budget scenario |
| Personnel | 43 full-time 18 part-time | 55 to 67 full-time depending upon budget scenario 25 to 30 part-time depending upon budget scenario |

Source: SEWRPC.

concerning political representation, commissions and boards, the administrative structure of the City, and the personnel employed by the City.

At the present time, the City is governed by seven elected officials, consisting of one mayor and six aldermen. Two aldermen are elected to represent each of three aldermanic districts. Each aldermanic district has a resident population of about 2,000. Under an assumed merger with the Sanitary District, it is likely that a new aldermanic district would be created for the Delavan Lake area and that two aldermen would

represent that district on the Common Council. This would bring the total number of aldermen to eight. Since the Delavan Lake area has a resident population of about 2,300, the one man-one vote principle would not be severely compromised. Redistricting for equal representation might be required following the 1990 Census of Population.

With respect to commissions and boards that assist the Mayor and Common Council in overseeing the various functions provided by the City, it is likely that there would be only one

significant change. That change would be the addition of a Delavan Lake Committee to oversee lake-oriented policy matters, not including, however, the sanitary sewerage system serving the lake. In the event of a merger, the Water and Sewerage Commission of the City would probably oversee the sewerage system built, owned, and operated by the Delavan Lake Sanitary District, with that District being formally dissolved upon the merger. The prospective Delavan Lake Committee would have responsibility for providing advice to the Common Council on matters relating to lake use and rehabilitation and lake regulation. It should be expected that by custom, if not by ordinance, the membership of the Delavan Lake Committee would consist of a majority of riparian owners on Delavan Lake.¹

With respect to the administrative structure of city government, no significant change should be expected given a merger between the City and the Sanitary District. The only possible change, depending upon which of several potential budget scenarios—described below—would likely prevail, would be the addition of from two to four administrative employees. Total personnel in the City could be expected to increase under any of the potential budget scenarios, with the number of full-time personnel increasing from the current level of 43 to a projected level ranging from 55 to 67; and the number of part-time personnel increasing from the current level of 18 to a projected level of 25 to 30.

Public Works Functions

The probable effects on the public works functions assuming a merger of the City of Delavan and the Delavan Lake Sanitary District are identified in Table 36. This table presents information concerning sanitary sewers; public water supply; drainage, streets, and roads; and solid waste collection and disposal.

¹As an alternative, a Delavan Lake Protection and Rehabilitation District could be formed under the provisions of Chapter 33 of the Wisconsin Statutes. Such a district would constitute another taxing jurisdiction. The Common Council of the City of Delavan would be the governing body of such a district unless 20 percent of the property owners in the district petitioned the Council for the election of a separate Board of Commissioners.

Sanitary Sewers: Within the current limits of the City of Delavan, sanitary sewer service is universally provided. All costs associated with such service are recovered through a user charge related to water consumption. During 1988, the average residential service charge approximated \$14 per month, or \$168 per year, nearly all of which was for operation and maintenance.

In the Delavan Lake Sanitary District, sanitary sewer service is currently provided to all but 60 of the 2,253 units. The District currently has a flat rate user charge of \$23 per month per housing unit. Of this total, about \$14 represents costs for operation and maintenance of the system, with the remaining \$9.00 representing costs for debt retirement. In addition, the Delavan Lake Sanitary District levies a property tax for debt retirement. In 1988 that property tax was \$1.97 per \$1,000 of equalized valuation. Thus, a housing unit in the District with a market value of \$70,000 would have paid in 1988 a total of \$138 in property taxes for sewer service, in addition to a \$23 per month, or \$276 per year, sewer service charge.

Assuming a merger between the City and the Sanitary District, there are at least three different policy scenarios that could be considered by the Common Council of the City of Delavan concerning the future provision of sanitary sewer service and the way in which costs associated with such services would be distributed to the users residing in the enlarged City. Under the first scenario, the Council would mandate the installation of a public water supply system in the Delavan Lake area. Such a system could be expected to have capital costs ranging from \$13 million to \$16 million, resulting in a one-time special assessment per housing unit in the Delavan Lake area ranging from \$5,000 to \$7,000. Assuming a 10-year amortization period and an interest rate of 10 percent, the annual retirement cost for such an assessment would approximate \$800 to \$1,100. Also under this scenario, all existing debt associated with the Delavan Lake Sanitary District sewerage system would be consolidated with the existing debt of the City of Delavan. Given such policy decisions, it would be possible to relate sewer user charges to water consumption uniformly throughout the entire City. Under such a policy scenario, the estimated average residential charge for sewer service would be \$22 per month, or \$264 per year.

Table 36

**PROBABLE EFFECTS ON PUBLIC WORKS FUNCTIONS IN THE CITY OF
DELANAN ASSUMING A MERGER WITH THE DELAVAN LAKE SANITARY DISTRICT**

| Public Works Function | Current Structure in City of Delavan | Current Structure in Delavan Lake Sanitary District (DLSD) | Probable Effects of Merger |
|-------------------------------------|---|--|--|
| Sanitary Sewers | Service universally provided; user charge related to water consumption; average residential charge of about \$14 per month during 1988 | Service provided to all but 60 homes; flat rate user charge per household of \$23 per month in 1988; in addition, a property tax rate of \$1.97 per \$1,000 of equalized value results in a levy of \$297,000. If this amount were to be converted to a user charge, the flat rate charge per household would increase to \$36 | <p><u>Policy Scenario No. 1</u> Common Council mandates installation of public water supply system in the DLSD area at a one-time cost of \$5,000 to \$7,000 per housing unit; this permits user charges for sewer service to be related to water consumption for the entire merged entity; all debt is consolidated; estimated average household sewer service charge of \$22 per month</p> <p><u>Policy Scenario No. 2</u> Common Council decides to permit continued reliance on private wells in DLSD area; Council decides to establish a flat rate user charge for entire City, consolidating all debt; estimated sewer service charge per household of \$22 per month</p> <p><u>Policy Scenario No. 3</u> Common Council decides to permit continued reliance on private wells in DLSD area; Council decides to establish a separate utility district for the DLSD area, to continue variable user charges where public water supply is available, and to charge a flat rate to households in the DLSD area sufficient to retire all debt for that area; estimated average household sewer service charge of \$14 per month in "original" City of Delavan and \$36 per month in DLSD utility district</p> |
| Water Supply | Service universally provided; average residential user charge of \$9 per month in 1988 | Function not provided | <p><u>Policy Scenario No. 1</u> Common Council mandates installation of public water supply system in the DLSD area at a one-time cost of \$5,000 to \$7,000 per household; estimated average residential user charge of \$9 per month for DLSD area households</p> <p><u>Policy Scenario No. 2</u> Common Council decides to permit continued reliance on private wells in DLSD area; all costs for water supply to households in that area borne in the private sector as at present</p> |
| Drainage, Streets, and Roads | Urban street cross-section with storm sewers and street lights universally provided; all street maintenance and snow plowing by city forces | Roadside ditches and roadway culverts maintained by town forces; driveway culverts maintained by landowner; street lighting not required; public road maintenance and snow plowing by town forces; most private roads plowed by town forces | <p><u>Policy Scenario No. 1</u> Common Council mandates installation of urban streets, storm sewers, and street lighting along all public roads in the DLSD area at a one-time cost of \$11,000 to \$13,000 per household; private roads remain private and rural in character with no public snow plowing services</p> <p><u>Policy Scenario No. 2</u> Common Council decides to permit reliance on rural public roads, roadside ditches, and culverts in the DLSD area; no street lighting required; no public snow plowing services for private roads</p> |
| Solid Waste Collection and Disposal | Function not provided | Function not provided | No effects |

Under a second policy scenario, the Common Council would decide to permit residents of the Delavan Lake portion of the City to continue to rely on private wells for water supply. Also under this scenario, the Council would consolidate all sewer-related debt and establish a flat rate user charge to be applied to the entire City. Under this scenario, the estimated sewer service charge per housing unit also would be \$22 per month, or \$264 per year.

Under a third policy scenario, the Common Council would decide to permit residents in the Delavan Lake area to continue to rely on private wells for water supply. Furthermore, the Council would establish a separate utility district for the Delavan Lake area and not consolidate the sewerage-related debt. This would permit the continued use within the "original" City of Delavan of a sewer user charge related to water consumption, and the continued use of a flat rate per housing unit for sewerage purposes in the Delavan Lake portion of the City. Within the "original" City, the average residential sewer service charge would remain at about \$14 per month, or \$168 per year. In the Delavan Lake portion of the City, the flat rate per month per housing unit would approximate \$36, or \$429 per year. This represents an increase of about \$13 per month, or \$153 per year, over the current Sanitary District rate owing to the need to discontinue any reliance on the property tax to raise revenues to liquidate the debt incurred by the Sanitary District. While total costs for sewer service in the Sanitary District would be the same under this alternative as under current conditions, the incidence of costs would shift somewhat among the property owners in the District because revenues would not be raised for this purpose by the property tax. Property owners with homes above average value would pay less; those with below average value would pay more.

Water Supply: Within the current limits of the City of Delavan, water supply service is universally provided. All costs associated with such service are covered through a user charge related to consumption. During 1988, the average residential service charge approximated \$9.00 per month. No public water supply service is provided in the Delavan Lake Sanitary District; all water supply service is provided by the private sector either on an individual basis or through community wells.

Assuming a merger between the City and the Sanitary District, there are two basic policy scenarios that could be considered by the Common Council of the City of Delavan concerning the function of water supply. Under the first scenario, the Council would mandate the installation of a public water supply system in the Delavan Lake area. As noted above, such a system could be expected to have capital costs ranging from \$13 million to \$16 million, resulting in a one-time special assessment per housing unit in the Delavan Lake area ranging from \$5,000 to \$7,000. Also, as noted above, the retirement cost of such an assessment would approximate \$800 to \$1,100 per year for 10 years. In addition, ongoing operation and maintenance costs for water supply could be expected to average \$9.00 per month per residential unit.

Under the second policy scenario, the Common Council would decide to permit continued reliance on private wells in the Delavan Lake area. In that event, all costs for water supply to households in that area would be borne by the property owners as at present.

Drainage, Streets, and Roads: Within the current limits of the City of Delavan, urban street cross-sections with storm sewers and street lights are universally provided. All street maintenance and snow plowing is accomplished by city forces. Within the Delavan Lake area, nearly all streets have a rural-type cross-section, with roadside ditches and culverts comprising the drainage system. All roadside ditches and roadway culverts are maintained by Town of Delavan forces, with driveway culverts being maintained by individual property owners. Street lighting is not provided. All public roads are maintained and plowed by town forces. In addition, town forces plow most of the nearly 12 miles of private roads in the area.

Assuming a merger between the City and the Sanitary District, there are two basic policy scenarios that could be considered by the Common Council of the City of Delavan concerning streets and stormwater drainage. Under the first scenario, the Council would mandate the installation of curb and gutter, storm sewers, and street lighting—but not sidewalks—along all public roads in the Delavan Lake area. Such a project may be expected to have capital costs ranging from \$25 million to \$30 million, resulting in a one-time special assessment per housing

unit in the Delavan Lake area ranging from \$11,000 to \$13,000. Assuming a 10-year amortization period and an interest rate of 10 percent, the annual retirement cost of such an assessment would approximate \$1,800 to \$2,100. Also under this scenario, it is assumed that all private roads in the Delavan Lake area would remain private and rural in character, with no snow plowing service by the City. This would require those residents in areas served by private roads to privately contract for snow plowing services.

Under the second policy scenario, the Common Council would decide to permit the continuance of rural street cross-sections in the former District. No street lighting would be required, and there would be no public snow plowing services for private roads. As in the first scenario, those residents in the Delavan Lake area fronting on private roads would have to collectively purchase snow plowing services in the private sector.

Solid Waste Collection and Disposal: At the present time, neither the City of Delavan, the Town of Delavan, nor the Delavan Lake Sanitary District provide solid waste collection and disposal services through the public sector. All such services are provided through private arrangements between individual property owners and solid waste collection and disposal firms. Accordingly, merging the City of Delavan and the Delavan Lake Sanitary District would have no impact upon this function.

Public Safety Functions

The probable effects on public safety functions assuming a merger of the City of Delavan and the Delavan Lake Sanitary District are identified in Table 37. This table presents information concerning law enforcement, fire suppression, and rescue functions.

Law Enforcement: The City of Delavan currently has a full-time police department staffed by a chief, one captain, one lieutenant, three sergeants, five full-time officers, four part-time officers, and three dispatchers. The Delavan Lake area is served by the Town of Delavan police force, which is also full-time and which consists of a chief, one sergeant, two full-time officers, and five part-time officers. In addition, during the summer the Town of Delavan Police Department adds five part-time officers to staff a lake patrol.

Assuming a merger between the City and the Sanitary District, the existing city police department would have to be expanded to provide law enforcement services within the Delavan Lake area. The most likely scenario would be one whereby the existing Town of Delavan Police Department would be merged into the City of Delavan Police Department, and whereby the residual Town of Delavan would revert back to reliance upon the county Sheriff's Department for primary law enforcement. Depending upon which of several potential budget scenarios would likely prevail, the merger of the two police departments could result in the City adding to its staff all or some of the current staff of the Town of Delavan Police Department.

Fire Suppression: The City of Delavan is currently served by a 40-member volunteer fire department. The Town of Delavan, including the Delavan Lake area, is currently served by a separate 30-member volunteer fire department. Of that 30-member fire department, 23 members reside within the Delavan Lake Sanitary District boundaries and, hence, would become city residents under the merger alternative.

There appear to be two possible policy scenarios attendant to the provision of fire suppression service should the City of Delavan merge with the Delavan Lake Sanitary District. If the Common Council were to mandate the installation of a public water supply system in the Delavan Lake area, then it is reasonable to assume that the current 40-member City of Delavan volunteer fire department would serve the Delavan Lake area as well. Presumably, under this scenario some or all of those members of the current town volunteer fire department who become city residents would seek to join the city volunteer fire department and thereby expand the pool of talent available to that department.

The second policy scenario would be related to a decision by the Common Council to permit continued reliance on private wells in the Delavan Lake area. Under this scenario, it is reasonable to assume that the City would contract with the existing Town of Delavan volunteer fire department to provide services to the Delavan Lake area. The city volunteer fire department would not have the special trucks and equipment necessary to provide fire suppression services in an area without a public water

Table 37

**PROBABLE EFFECTS ON PUBLIC SAFETY FUNCTIONS IN THE CITY OF
DELANAN ASSUMING A MERGER WITH THE DELAVAN LAKE SANITARY DISTRICT**

| Public Safety Function | Current Structure in City of Delavan | Current Structure in Delavan Lake Sanitary District (DLSD) | Probable Effects of Merger |
|------------------------|---|--|--|
| Law Enforcement | Full-time police department; a chief, one captain, one lieutenant, three sergeants, nine officers—four part-time, three dispatchers | Service provided by full-time police department serving entire Town of Delavan; a chief, one sergeant, seven officers—five part-time; summer lake patrol consisting of five part-time officers | Expansion of City Police Department to provide services to Delavan Lake area, including summer lake patrol |
| Fire Suppression | 40-member volunteer fire department; dispatching by police department | 30-member volunteer fire department serving entire Town of Delavan; 23 members reside in DLSD; dispatching by County Sheriff's Department | <p><u>Policy Scenario No. 1</u> Common Council mandates installation of public water supply system in the DLSD area; existing City Fire Department expanded</p> <p><u>Policy Scenario No. 2</u> Common Council decides to permit continued reliance on private wells in DLSD area; City contracts with existing Town of Delavan Fire Department to provide services to DLSD area</p> |
| Rescue | 22-member volunteer rescue squad; dispatching by police department | 20-member volunteer rescue squad serving entire Town of Delavan; 13 members reside in DLSD; dispatching by County Sheriff's Department | <p><u>Policy Scenario No. 1</u> Existing city rescue squad expands to serve DLSD area</p> <p><u>Policy Scenario No. 2</u> City contracts with existing Town of Delavan Fire Department to provide rescue services to DLSD area; this scenario likely only if City also contracted for fire suppression services</p> |

Source: SEWRPC.

supply system. Under the second scenario, then, there would be no significant change in the way in which fire suppression services are provided in the former District area.

Rescue Services: Rescue service within the City of Delavan is currently provided by a 22-member volunteer rescue squad. Such services in the Delavan Lake area are currently provided by a separate 20-member volunteer rescue squad that serves the entire Town of Delavan and that is an integral part of the Town of Delavan volunteer fire department. Of the 20-member town volunteer rescue squad, 13 members reside

within the Delavan Lake Sanitary District and would become city residents under a merger alternative.

There appear to be two policy scenarios attendant to the provision of rescue services should the City of Delavan merge with the Delavan Lake Sanitary District. These two scenarios are directly linked to the foregoing scenarios for fire suppression. If it is determined to expand the existing city volunteer fire department to provide fire suppression services to the Delavan Lake area, then it is also reasonable to assume that the city rescue squad would also be expanded to

Table 38

**PROBABLE EFFECTS ON PARK AND RECREATION, LIBRARY, AND PLANNING FUNCTIONS
IN THE CITY OF DELAVAN ASSUMING A MERGER WITH THE DELAVAN LAKE SANITARY DISTRICT**

| Function | Current Structure in City of Delavan | Current Structure in Delavan Lake Sanitary District (DLSD) | Probable Effects of Merger |
|---------------------|---|--|--|
| Park and Recreation | City system of 14 parks; full-time recreation director and recreation program | Town system of two parks and one boat launch, all of which are located in DLSD area; part-time recreation director | Expanded system of parks and heavier load on recreation programs |
| Library | City library with one full-time and seven part-time employees; City residents pay local property tax levy of about \$0.52 per \$1,000 of equalized value for support of library | Residents access city library through the county federated system; county property tax levy of \$0.13 per \$1,000 of equalized value | No change in library use; DLSD residents will pay city property tax to support library services rather than county property tax |
| Planning | City Plan Commission; local zoning and land division ordinances | Town of Delavan Plan Commission administers local land division ordinance; County Park and Planning Commission administers County Zoning and Land Division Ordinance | County Park and Planning Commission and Town of Delavan Plan Commission jurisdiction over DLSD area is removed; City Plan Commission jurisdiction is expanded; need to consider changes in City Zoning Ordinance to reflect lower density residential development in the Delavan Lake area |

Source: SEWRPC.

serve that area. If, on the other hand, the Council would determine to contract with the Town of Delavan fire department to provide fire suppression services to the Delavan Lake area, then it also likely that the City would contract with that same department for rescue services.

Park and Recreation, Library, and Planning Functions

The probable effects on the park and recreation, library, and planning and land use control functions assuming a merger of the City of Delavan and the Delavan Lake Sanitary District are identified in Table 38. The City of Delavan currently operates a system of 14 parks and has a full-time recreation director and a comprehensive recreation program. All park maintenance activities are accomplished by city public works staff. The Town of Delavan operates two parks and one boat launch, all of which are located within the Delavan Lake Sanitary District. The Town also has a part-time recreation director. Should the City and the Sanitary District merge, the City and Town would have to agree on an

apportionment of assets of the Town, including the park facilities operated by the Town. Given the location of the existing town park facilities, it is likely that all town parks would become part of the city park system. Accordingly, there would be a somewhat heavier load on the existing city recreation programs. The residual Town of Delavan likely would be left with no park facilities and no recreation program.

With respect to library service, the City of Delavan operates a public library with one full-time and seven part-time employees. City residents currently support this library through a local property tax of about \$0.52 per \$1,000 of equalized value. Because the City of Delavan participates in the joint Walworth-Racine County Federated Library System, all residents in the Delavan Lake Sanitary District currently have access to the city library as though they were city residents. For this service, Walworth County levies a special property tax on town residents of \$0.13 per \$1,000 of equalized value.

If the City and the Sanitary District were to merge, there should be no impact upon library service and use, since Sanitary District residents already can use the city library. The only change would be that the Delavan Lake area residents would pay for library services at a somewhat higher rate through a city property tax rather than the county property tax.

Planning and land use control functions in the City of Delavan are under the direction of the City Plan Commission. As summarized in Chapter II of this report, the City has both comprehensive zoning and land subdivision control ordinances. Zoning and other land use control functions in the Delavan Lake area are currently under the control of both the Town of Delavan Plan Commission and the Walworth County Park and Planning Commission. Should the City and Sanitary District merge, all jurisdiction of Walworth County and the Town of Delavan with respect to planning and land use control matters in the Delavan Lake area would cease. Concomitantly, the jurisdiction of the City Plan Commission would be expanded to include the Delavan Lake area.

It is reasonable to expect that upon a merger, the City would rezone the annexed lands. Because of the significantly lower densities at which residential development has occurred in the Delavan Lake area, and because of the limited array of residential zoning districts currently found in the City of Delavan zoning ordinances, it is likely that the Common Council would have to amend the city zoning ordinance to provide for one or more residential zoning districts that are more closely related in terms of lot size and density to the prevailing land use pattern in the Delavan Lake area. Once the area is annexed, however, there would be no guarantee that a future Common Council would not make policy decisions in the form of zoning district changes that would alter the residential density patterns currently found in the Delavan Lake area. This would be particularly true for land in the Delavan Lake area that is not now developed and for land that might be ripe for redevelopment. Any such changes, however, would require a public hearing and, if a protest petition were filed by abutting landowners, a three-fourths majority vote of the Common Council.

A recent change in Wisconsin law may operate to ensure that any rezoning of the Delavan Lake area would have to be in substantial accord with the current zoning established by Walworth County and the Town Board. Section 59.971(7) of the Wisconsin Statutes applies to all statutorily defined shorelands. Shorelands in the area were defined and described in Chapter II of this report, and the shorelands within the Delavan Lake Sanitary District—which basically extend 1,000 feet from the shoreline of Delavan Lake—are shown on Map 11 in Chapter II. In effect, Section 59.971(7) of the Wisconsin Statutes provides that county shoreland zoning remains in effect in any shoreland area annexed by a city or village unless that city or village adopts, maintains, and enforces a zoning ordinance which complies with the requirements set forth in Chapter NR 115 of the Wisconsin Administrative Code and which is at least as restrictive as the county shoreland ordinance. The Wisconsin Department of Natural Resources is the authority cited in the Statute for determining whether or not a city or village zoning ordinance complies with the state code and would be as restrictive as a county ordinance. The “at least as restrictive as a county ordinance” provision would clearly apply to such zoning requirements as building setback from the water’s edge and restrictions on the cutting and clearing of vegetation, but could also be interpreted to extend to such matters as residential densities and perhaps even land uses.

Current Projects and Programs

A total of four municipal programs were identified in Chapter II of this report for special consideration in terms of impacts should the governance structure of the Delavan Lake area change. These four projects, which were described in detail in Table 21 in Chapter II, consist of the Delavan Lake Improvement Program, proposed by the Town of Delavan to begin in 1989; the Lake Comus Improvement Program, which is nearing completion and which is being carried out by the Lake Comus Protection and Rehabilitation District; a fire station building program, to be carried out by the Town of Delavan; and a capital improvements program, to be carried out by the Delavan Lake Sanitary District. The following discussion summarizes the probable impacts on such projects should a merger be effected between the City of Delavan and the Delavan Lake Sanitary District.

Assuming a merger of the City and the District, policy control for the Delavan Lake Improvement Program would shift from the Town Board of the Town of Delavan to the Common Council of the City of Delavan. It would be necessary to negotiate as part of the annexation merger process a continuation of the Delavan Lake Improvement Program. A commitment on the part of the Common Council to implement the program as conceived by the Town Board could be solicited as part of the negotiation. Presumably, if the Common Council determines that a merger would be in the best interests of the City, the Council would be willing to commit to carrying out the Lake Improvement Program. Principal funding for the program could continue to come from a room tax, provided that the Common Council would be willing to enact such a tax within the entire City. In the event that the Council would be unwilling to enact such a tax, other funding sources would be needed. Since some of the improvements to be made involve sedimentation basins at locations beyond the limits of the Sanitary District, and therefore beyond the limits of the City of Delavan under the merger alternative, it would be necessary for the Common Council to enter into an intergovernmental agreement with the Town of Delavan under Section 66.30 of the Wisconsin Statutes to install the basins.

Since the Lake Comus Protection and Rehabilitation District consists by definition of the entire City of Delavan plus certain lands in the Town of Delavan—excluding, however, any lands lying within the Delavan Lake Sanitary District—annexation of the Delavan Lake Sanitary District to the City would automatically expand the geographic area and, hence, the property tax base of the Lake Comus Protection and Rehabilitation District. Consequently, Delavan Lake area taxpayers would be responsible for incurred debt and new expenditures by the Lake Comus District. In 1987, the Lake Comus District levied a property tax at a rate of \$0.84 per \$1,000 of equalized valuation. If that same revenue would have been raised over a larger tax base that included the Delavan Lake Sanitary District, then the Lake Comus District tax rate would have been reduced to \$0.44 per \$1,000 of equalized valuation. This means that the owner of a \$70,000 home in the Delavan Lake Sanitary District would have paid in 1987—had the merger then been in effect—a total of \$31 for the Lake Comus project.

The fire station building program now underway by the Town of Delavan consists of the construction of a new fire station on a site bought by the Town and located within the Delavan Lake Sanitary District. Depending upon which of the water supply scenarios previously described in this chapter would be selected by the Common Council assuming a merger between the City and the Sanitary District, it is likely that different courses of action would be taken with respect to construction of the new fire station. If the Council were to mandate the installation of a public water supply system in the Delavan Lake area, and if, therefore, the city volunteer fire department would be designated to serve the area, then the Town of Delavan would not proceed with construction of the new fire station, but rather would dispose of the site as part of the division of assets of the Town. The City could then determine whether or not to follow through with construction of a new station. If on the other hand, the Common Council were to not mandate installation of a public water supply system and, accordingly, likely contract with the town volunteer fire department for fire suppression services in the Delavan Lake area, then the Town could proceed to construct the new fire station as proposed.

The capital improvements program adopted by the Delavan Lake Sanitary District involves a number of improvements, including lift station replacement, the installation of flow meters, and sanitary sewer extensions to complete the initially proposed system. If the City were to merge with the Sanitary District, the Common Council would have to make a policy determination as to whether or not the program would be followed and completed. Most likely the third policy scenario concerning sewerage matters as described earlier in this chapter would be selected. This would involve creating a separate utility district for the Delavan Lake area. In that event, the utility district, which would be overseen by the Delavan Sewer and Water Commission, could continue the capital improvements program as planned.

School District Representation

As discussed in Chapter II of this report, changes in municipal governance have no direct effect on school district boundaries. However, changes in governance can have an effect on the election of school board members because of the way in which apportionment plans for school

board membership have been created pursuant to Chapter 120 of the Wisconsin Statutes. While all school board members are elected at large over the entire district, school board membership apportionment plans ensure that candidates for school board seats are geographically distributed throughout the district.

As discussed in Chapter II of this report, there are three school districts that currently serve portions of the Delavan Lake Sanitary District. The Delavan-Darien School District, which serves a substantial majority of the Sanitary District, adopted a school board member apportionment plan in 1979. That plan provides that three school board members must be electors residing in the City of Delavan; two must be electors residing in the Town of Delavan; one must be an elector residing in either the Village of Darien or the Towns of Sharon or Walworth; and one must be an elector residing in either the Towns of Darien, Richmond, or Sugar Creek in Walworth County or the Town of Bradford in Rock County. The Fontana K-8 School District has a school board member apportionment plan adopted in 1979. That plan calls for three board members to be electors residing in the Village of Fontana; one to be an elector residing in the Town of Delavan; and one to be an elector residing in the Town of Walworth. Finally, the Walworth Union High School District, which overlays the Fontana K-8 School District, adopted a school board member apportionment plan in 1968. That plan calls for one member to be an elector residing in the Village of Sharon; one member to be an elector residing in the Village of Fontana; one member to be an elector residing in the Village of Walworth; one member to be an elector residing in the Town of Linn; and one member to be an elector residing in the Town of either Delavan, Sharon, or Walworth.

The merger of the Delavan Lake Sanitary District with the City of Delavan clearly would have an impact upon these school board member apportionment plans. To the extent that any of these three plans are intended to ensure that each school board member represents an area related to population distribution, the plans would have to be reviewed and perhaps revised. In the case of the Fontana District and the Walworth Union High School District, the merger would mean that no residents of the Delavan Lake Sanitary District could stand for election to the school boards concerned. Clearly,

at least in these cases, it would be desirable and appropriate to revise the school board member apportionment plans should a merger occur.

The procedure for changing the number and apportionment of school board members is set forth in Section 120.02 of the Wisconsin Statutes. Basically, the procedure calls for petitions to be submitted to the clerk of the school district specifying proposed changes in the apportionment plan. Matters relating to reapportionment of school board members are determined at the annual meeting of the school district by majority vote by the electors attending the meeting.

POTENTIAL EFFECTS OF MERGER ON GOVERNMENTAL FINANCES, PROPERTY TAXES, AND SERVICE CHARGES

In order to ascertain the potential effects on governmental finances and on attendant local property taxes and service charges of a merger between the City of Delavan and the Delavan Lake Sanitary District, it was necessary to postulate alternative municipal budget scenarios. Three such alternative budget scenarios were developed under the study and are presented herein. These three scenarios are believed to represent the extent of a reasonable range of public policy decisions concerning the provision of municipal functions and service levels under assumed merger conditions. The following discussion links each budget scenario with the alternative public policy decisions concerning the provision of functions and services discussed earlier in this chapter.

Budget Scenario No. 1: Expenditures at City Per Capita Rates

Under the first budget scenario, it was generally assumed that under merger conditions expenditure rates in the expanded City of Delavan would equal the current City of Delavan expenditure rates expressed on a per capita basis. Using 1987 expenditure and revenue data as a basis for this analysis, a hypothetical budget for the expanded City of Delavan assuming expenditures at city per capita rates was developed and is set forth in Table 39.

This budget scenario is linked with the following assumed public policy decisions by the Common Council of the City of Delavan: installation of a public water supply system in the Delavan Lake area; installation of urban streets, storm sewers,

Table 39

**MERGED DELAVAN ENTITY BUDGET SCENARIO NO. 1: OVERALL
EXPENDITURES AT EXISTING CITY OF DELAVAN PER CAPITA RATES**

| Expenditure Category | Expenditures | | |
|---|-----------------------------|--------------------------|-------------|
| | Existing City of Delavan | Delavan Lake Area | Total |
| General Government | \$ 484,118 | \$ 167,840 ^a | \$ 651,958 |
| Public Safety | | | |
| Law Enforcement | \$ 602,942 | \$ 207,702 ^a | \$ 810,644 |
| Fire and Rescue | 193,624 | 67,136 ^a | 260,760 |
| Other | 10,519 | 4,196 ^a | 14,715 |
| Subtotal | \$ 807,085 | \$ 279,034 | \$1,086,119 |
| Public Works | | | |
| Sanitary Sewerage | \$ 546,642 | \$1,231,058 ^b | \$1,777,700 |
| Water Supply | 404,198 | 140,566 ^a | 544,764 |
| Streets and Highways | 429,538 | 297,378 ^c | 726,916 |
| Street Lighting | 42,961 | 29,736 ^c | 72,697 |
| Other | 3,354 | 2,322 ^c | 5,676 |
| Subtotal | \$1,426,693 | \$1,701,060 | \$3,127,753 |
| Health, Culture, Recreation, Conservation, and Development | | | |
| Health | \$ 1,451 | \$ 502 ^a | \$ 1,953 |
| Library | 76,583 | -- | 76,583 |
| Park and Recreation | 174,116 | 58,744 ^a | 232,860 |
| Golf Course | 283,222 | -- | 283,222 |
| Conservation | -- | 166,940 ^d | 166,940 |
| Economic Development | 60,720 | -- | 60,720 |
| Subtotal | \$ 596,092 | \$ 226,186 | \$ 822,278 |
| Other | | | |
| Capital Outlay | \$ 94,949 | \$ 32,861 ^a | \$ 127,810 |
| Debt Service | 1,637,953 | 12,351 ^e | 1,650,304 |
| Fund Transfers | 97,109 | 33,608 ^a | 130,717 |
| Subtotal | \$1,830,011 | \$ 78,820 | \$1,908,831 |
| Total | \$5,143,999 | \$2,452,941 | \$7,596,940 |

^aExpenditure level derived by applying City of Delavan per capita rate for 1987.

^bRepresents total expenditures by Delavan Lake Sanitary District in 1987.

^cExpenditure level derived by applying City of Delavan per-mile cost in 1987 to the number of miles of local public streets in the Delavan Lake Sanitary District.

^dRepresents total expenditures by Town of Delavan in 1987 for Lake Delavan enhancement and promotion.

^eRepresents 70 percent of total 1987 expenditures by Town of Delavan; apportionment based on equalized valuation.

^fRepresents derived revenue levels needed to result in a balanced budget.

^gIt is recognized that there would be room tax revenue from existing motels and similar establishments in the City of Delavan; the lack of a readily available data base precluded an estimate of such revenue.

^hRepresents total revenue in 1987 from Town of Delavan room tax; all sources of such revenue are located in the Delavan Lake Sanitary District.

ⁱRevenue level derived from applying City of Delavan per capita rate for 1987.

^jRepresents total revenues by Delavan Lake Sanitary District in 1987 minus interest revenues.

Table 39 (continued)

| Revenue Category | Revenues | | |
|-------------------------------------|--------------------------|--------------------------|--------------------|
| | Existing City of Delavan | Delavan Lake Area | Total |
| Taxes | | | |
| General Property Tax | \$ 549,953 ^f | \$ 502,185 ^f | \$1,052,138 |
| Tax Incremental Financing | | | |
| District Property Tax | 363,895 | -- | 363,895 |
| Room Tax | -- ^g | 238,945 ^h | 238,945 |
| Municipal Utility Tax | 50,786 | -- | 50,786 |
| Subtotal | \$ 964,634 | \$ 741,130 | \$1,705,764 |
| Regulation and Compliance | | | |
| Permits | \$ 6,532 | \$ 2,098 ⁱ | \$ 8,630 |
| Licenses | 26,863 | 8,392 ⁱ | 35,255 |
| Violations and Judgments | 59,303 | 20,980 ⁱ | 80,283 |
| Subtotal | \$ 92,698 | \$ 31,470 | \$ 124,168 |
| Public Charges | | | |
| Sanitary Sewer Service | \$ 556,505 | \$1,083,187 ^j | \$1,639,692 |
| Water Supply Service | 482,733 | 167,840 ⁱ | 650,573 |
| Golf Course | 279,007 | -- | 279,007 |
| Other | 30,695 | 10,490 ⁱ | 41,185 |
| Subtotal | \$1,348,940 | \$1,261,517 | \$2,610,457 |
| Intergovernmental Aids | | | |
| State Shared Revenue | \$ 848,255 ^k | \$ -- | \$ 848,255 |
| Transportation Aids | 256,914 ^l | -- | 256,914 |
| State Property Tax Credit | 161,074 | 105,844 ^m | 266,918 |
| Other | 57,628 | 20,980 ⁱ | 78,608 |
| Subtotal | \$1,323,871 | \$ 126,824 | \$1,450,695 |
| Other | | | |
| Intergovernmental Charges | \$ 82,949 | \$ -- | \$ 82,949 |
| Special Assessments | 58,998 | -- | 58,998 |
| Interest | 80,673 | 167,187 ⁿ | 247,860 |
| Miscellaneous | 74,912 | 25,176 ⁱ | 100,088 |
| Borrowing and Transfers | 1,064,174 | 151,787 ^o | 1,215,961 |
| Subtotal | \$1,361,706 | \$ 344,150 | \$1,705,856 |
| Total | \$5,091,849 | \$2,505,091 | \$7,596,940 |

^kRepresents a reduction of 5 percent in the amount of state shared revenues owing to the way in which the formula operates.

^lRepresents an increase of 10 percent in the amount of state transportation aids received owing to the way in which the formula operates.

^mRepresents 70 percent of the total 1987 state property tax credit issued to the Town of Delavan; apportionment based on equalized valuation.

ⁿRepresents the sum of all interest earned by Delavan Lake Sanitary District in 1987 plus 70 percent of the interest earned by the Town of Delavan in 1987; apportionment based on equalized valuation.

^oRepresents 70 percent of all borrowing or transfers by the Town of Delavan in 1987; apportionment based on equalized valuation.

Source: SEWRPC.

and street lighting in the Delavan Lake area; provision of fire suppression services in the Delavan Lake area through expansion of the City of Delavan volunteer fire department; provision of rescue services in the Delavan Lake area through expansion of the City of Delavan rescue squad; consolidation of all debt incurred by the Delavan Lake Sanitary District with that incurred by the City of Delavan Sewer and Water Utility; and establishment of service charges for sanitary sewer and water supply sufficient to cover all debt retirement and annual operation and maintenance costs.²

With respect to expenditures, the following major assumptions attendant to costs that would be incurred in the Delavan Lake area were made in preparing this first alternative budget scenario:

1. Expenditures for the categories of general government; public safety, including law enforcement, fire, and rescue services; water supply; health; park and recreation; and capital outlay would be derived by applying city per capita rates.
2. Expenditures for sanitary sewer service would be equal to expenditures by the Sanitary District, since no change in function and service level is presumed.
3. Expenditures for streets and highways and street lighting would be derived by applying City of Delavan per-mile expenditure rates.
4. Expenditures for conservation, which do not exist in the City of Delavan but which

²*It should be noted that unlike the Delavan Lake Sanitary District, the City of Delavan Sewer and Water Utility does not use property taxes as a source of revenue for providing services. All revenues are derived from user fees. Based upon the established policy of the City of Delavan, then, any new debt undertaken on behalf of the Sewer and Water Utility would be secured by service charges and would not affect property taxes. The only exception to this policy might occur if the City determined to use earmarked tax incremental financing revenue for certain sewer and water improvements.*

represent expenditures for lake protection and enhancement in the Sanitary District, would be equal to those expended in 1987 by the Town of Delavan.

5. Expenditures for debt service would be based upon an apportionment of Town of Delavan debt between the Town and the Sanitary District based upon equalized valuation.

With respect to revenues, the following major assumptions were made in preparing this alternative budget scenario:

1. The City of Delavan would enact a room tax and continue to raise room tax revenues in the amount equal to that raised by the Town of Delavan in 1987 in the Delavan Lake area.
2. All revenues attendant to regulation and compliance activities, e.g., permits, licenses, forfeitures, and judgments, would be derived by applying City of Delavan per capita rates.
3. Revenues for sanitary sewer service would be equal to those of the Sanitary District, while revenues for water supply service would be derived by applying city per capita rates.
4. State shared revenue would decline by 5 percent to a level of about \$848,000 owing to the way in which the statutory formula for such revenue operates. This decline comes about because the average equalized value per capita in the City of Delavan would, under a merger with the Sanitary District, increase from about \$24,500 to about \$34,800. This increase would put the new city per capita level above a threshold of \$32,000 per capita specified in State law and beyond which communities no longer receive "aidable revenues."³

³*While a detailed discussion of the state shared revenue formula is beyond the scope of this report, it should be noted that the current state formula would—under merger conditions—continue to reduce state shared revenues to the City of Delavan by 5 percent a year until a level of about \$245,000 is reached. This level would be reached in the year 2019.*

5. State transportation aids would increase by 10 percent, the maximum increase annually permitted under State law.⁴
6. The state property tax credit attributable to the Delavan Lake area would be based upon an apportionment of the Town of Delavan state property tax credit based upon equalized valuation.

Given these assumptions, the budget scenario summarized in Table 39 envisions a total expenditure and revenue level of about \$7.60 million. This would require a property tax levy over the expanded City of Delavan of about \$1.05 million. Also under this scenario, there would be an average citywide monthly sewer service charge of \$22 per household and an average monthly water supply charge of \$9.00 per household.

Budget Scenario No. 2: Expenditures at Differential Per Capita Rates

Under the second budget scenario, it was generally assumed that under merger conditions expenditure rates in the "original" City of Delavan would equal the current city expenditure rates expressed on a per capita basis, but that in the annexed portion of the City of Delavan—the former Delavan Lake Sanitary District—expenditure rates would closely approximate the current level of spending by the Town and Sanitary District combined, also expressed on a per capita basis. This analysis also used 1987 expenditure and revenue data as a basis. The hypothetical budget for the expanded City of Delavan under this scenario is set forth in Table 40.

This budget scenario is linked with the following assumed public policy decisions by the Common Council of the City of Delavan: Installation of a public water supply system and urban streets,

storm sewers, and street lighting would not be required in the Delavan Lake area, but rather, this portion of the City would continue to rely on private water supply and continue to function with rural-type streets and no street lighting; fire suppression and rescue services in the Delavan Lake area would be acquired via a contract with the Town of Delavan volunteer fire department; a separate utility district would be formed for the purpose of continuing to provide sanitary sewer service to the Delavan Lake area; all debt previously incurred by the Sanitary District would be transferred to the new utility district; and all expenditures by the new utility district would be met by sewer service charges assigned to residential and commercial users within that district.

With respect to expenditures, the following major assumptions attendant to costs that would be incurred in the Delavan Lake area were made in preparing this second alternative budget scenario:

1. Expenditures for the categories of general government, law enforcement, health, park and recreation, and capital outlay would be derived by applying Town of Delavan per capita rates.
2. Expenditures for fire and rescue services in the Delavan Lake area would be based upon an apportionment of Town of Delavan fire and rescue service costs, such apportionment being based upon the number of housing units in the Sanitary District.
3. Expenditures for sanitary sewer service would be equal to expenditures by the Sanitary District.
4. Expenditures for streets and highways would be derived by applying Town of Delavan per-mile expenditure rates.
5. Expenditures for conservation would be equal to those expended in 1987 by the Town of Delavan for lake protection and enhancement purposes.
6. Expenditures for debt service would be based upon an apportionment of Town of Delavan debt between the Town and the Sanitary District based upon equalized valuation.

⁴The state transportation aid formula does not take into account the effects of massive annexations. The law is written with relatively stable municipal boundaries in mind, and provides for a maximum increase of 10 percent annually even in situations where a community, through a large annexation of existing developed land, significantly increases its costs for maintaining streets and highways.

Table 40

MERGED DELAVAN ENTITY BUDGET SCENARIO NO. 2: COMBINED EXPENDITURES DERIVED FROM DIFFERENTIAL PER CAPITA RATES FOR CITY OF DELAVAN AND DELAVAN LAKE AREA

| Expenditure Category | Expenditures | | |
|--|--------------------------|--------------------------|-------------|
| | Existing City of Delavan | Delavan Lake Area | Total |
| General Government | \$ 484,118 | \$ 111,194 ^a | \$ 595,312 |
| Public Safety | | | |
| Law Enforcement | \$ 602,942 | \$ 163,644 ^a | \$ 766,586 |
| Fire and Rescue | 193,624 | 74,152 ^b | 267,776 |
| Other | 10,519 | 10,490 ^a | 21,009 |
| Subtotal | \$ 807,085 | \$ 248,286 | \$1,055,371 |
| Public Works | | | |
| Sanitary Sewerage | \$ 546,642 | \$1,231,058 ^c | \$1,777,700 |
| Water Supply | 404,198 | -- | 404,198 |
| Streets and Highways | 429,538 | 92,232 ^d | 521,770 |
| Street Lighting | 42,961 | -- | 42,961 |
| Other | 3,354 | 288 ^d | 3,642 |
| Subtotal | \$1,426,693 | \$1,323,578 | \$2,750,271 |
| Health, Culture, Recreation, Conservation, and Development | | | |
| Health | \$ 1,451 | \$ 991 ^a | \$ 2,442 |
| Library | 76,583 | -- | 76,583 |
| Park and Recreation | 174,116 | 10,490 ^a | 184,606 |
| Golf Course | 283,222 | -- | 283,222 |
| Conservation | -- | 166,940 ^e | 166,940 |
| Economic Development | 60,720 | -- | 60,720 |
| Subtotal | \$ 596,092 | \$ 178,421 | \$ 774,513 |
| Other | | | |
| Capital Outlay | \$ 94,949 | \$ 100,704 ^a | \$ 195,653 |
| Debt Service | 1,637,953 | 12,351 ^f | 1,650,304 |
| Fund Transfers | 97,109 | -- | 97,109 |
| Subtotal | \$1,830,011 | \$ 113,055 | \$1,943,066 |
| Total | \$5,143,999 | \$1,974,534 | \$7,118,533 |

^aExpenditure level derived by applying Town of Delavan per capita rate for 1987.

^bRepresents 80 percent of total 1987 expenditures by Town of Delavan; apportionment on basis of number of housing units.

^cRepresents total expenditures by Delavan Lake Sanitary District in 1987.

^dExpenditure level derived by applying Town of Delavan per-mile cost in 1987 to the number of miles of local public streets in the Delavan Lake Sanitary District.

^eRepresents total expenditures by Town of Delavan in 1987 for Lake Delavan enhancement and promotion.

^fRepresents 70 percent of total 1987 expenditures by Town of Delavan; apportionment on basis of equalized valuation.

^gRepresents derived revenue levels needed to result in a balanced budget.

^hIt is recognized that there would be room tax revenue from existing motels and similar establishments in the City of Delavan; the lack of a readily available data base precluded an estimate of such revenue.

ⁱRepresents total revenue in 1987 from Town of Delavan room tax; all sources of such revenue are located in the Delavan Lake Sanitary District.

^jRevenue level derived from applying City of Delavan per capita rate for 1987.

^kRepresents total revenues by Delavan Lake Sanitary District in 1987 minus interest revenues.

Table 40 (continued)

| Revenue Category | Revenues | | |
|-------------------------------------|--------------------------|--------------------------|--------------------|
| | Existing City of Delavan | Delavan Lake Area | Total |
| Taxes | | | |
| General Property Tax | \$ 381,453 ^g | \$ 348,322 ^g | \$ 729,775 |
| Tax Incremental Financing | | | |
| District Property Tax | 363,895 | -- | 363,895 |
| Room Tax | -- ^h | 238,945 ⁱ | 238,945 |
| Municipal Utility Tax | 50,786 | -- | 50,786 |
| Subtotal | \$ 796,134 | \$ 587,267 | \$1,383,401 |
| Regulation and Compliance | | | |
| Permits | \$ 6,532 | \$ 2,098 ^j | \$ 8,630 |
| Licenses | 26,863 | 8,392 ^j | 35,255 |
| Violations and Judgments | 59,303 | 20,980 ^j | 80,283 |
| Subtotal | \$ 92,698 | \$ 31,470 | \$ 124,168 |
| Public Charges | | | |
| Sanitary Sewer Service | \$ 566,505 | \$1,083,187 ^k | \$1,649,692 |
| Water Supply Service | 482,733 | -- | 482,733 |
| Golf Course | 279,007 | -- | 279,007 |
| Other | 30,695 | 10,490 ^j | 41,185 |
| Subtotal | \$1,358,940 | \$1,093,677 | \$2,452,617 |
| Intergovernmental Aids | | | |
| State Shared Revenue | \$ 848,255 ^l | \$ -- | \$ 848,255 |
| Transportation Aids | 256,914 ^m | -- | 256,914 |
| State Property Tax Credit | 161,074 | 105,844 ⁿ | 266,918 |
| Other | 57,628 | 20,678 ^o | 78,306 |
| Subtotal | \$1,323,871 | \$ 126,522 | \$1,450,393 |
| Other | | | |
| Intergovernmental Charges | \$ 82,949 | \$ -- | \$ 82,949 |
| Special Assessments | 58,998 | -- | 58,998 |
| Interest | 80,673 | 167,187 ^p | 247,860 |
| Miscellaneous | 74,912 | 27,274 ^q | 102,186 |
| Borrowing and Transfers | 1,064,174 | 151,787 ^r | 1,215,961 |
| Subtotal | \$1,361,706 | \$ 346,248 | \$1,707,954 |
| Total | \$4,933,349 | \$2,185,184 | \$7,118,533 |

^lRepresents a reduction of 5 percent in the amount of state shared revenues owing to the way in which the formula operates.

^mRepresents an increase of 10 percent in the amount of state transportation aids received owing to the way in which the formula operates.

ⁿRepresents 70 percent of the total 1987 state property tax credit issued to the Town of Delavan; apportionment based on equalized valuation.

^oRepresents total revenues by Town of Delavan in 1987; these revenues are largely related to Lake Delavan law enforcement activities.

^pRepresents the sum of all interest earned by Delavan Lake Sanitary District in 1987 plus 70 percent of the interest earned by the Town of Delavan in 1987; apportionment based on equalized valuation.

^qRevenue level derived by applying Town of Delavan per capita rate for 1987.

^rRepresents 70 percent of all borrowing or transfers by the Town of Delavan in 1987; apportionment based on equalized valuation.

Source: SEWRPC.

With respect to revenues, the following major assumptions were made in preparing this alternative budget scenario:

1. The City of Delavan would enact a room tax and continue to raise room tax revenues in the amount equal to that raised by the Town of Delavan in 1987 in the Delavan Lake area.
2. All revenues attendant to regulation and compliance activities, e.g., permits, licenses, forfeitures, and judgments, would be derived by applying City of Delavan per capita rates. Town of Delavan per capita rates would not be appropriate owing to the nature of such revenue.
3. Revenues for sanitary sewer service would be equal to those of the Sanitary District.
4. State shared revenue would decline by 5 percent as in the first alternative.
5. State transportation aids would increase by 10 percent as in the first alternative.
6. The state property tax credit attributable to the Delavan Lake area would be based upon an apportionment of the Town of Delavan state property tax credit based upon equalized valuation.

Given these assumptions, the budget scenario summarized in Table 40 envisions a total expenditure and revenue level of about \$7.12 million. This would require a property tax levy over the expanded City of Delavan of about \$730,000. Also under this scenario, there would be average sewer service and water supply service charges of about \$14 and \$9.00 per month, respectively, in the "original" City, and a flat rate monthly sewer service charge per household of about \$36 in the Delavan Lake area.

Budget Scenario No. 3: Expenditures at Reduced Per Capita Rates

Under the third budget scenario, it was generally assumed—because of potential economies-of-scale and avoidance of duplication of effort—that it would be possible to reduce expenditure levels from existing city, town, and Sanitary District per capita rates assuming a merger between the City of Delavan and the Delavan Lake Sanitary District. This analysis also used 1987 expenditure and revenue data as a basis. The hypothetical

budget for the expanded City of Delavan under this third scenario is set forth in Table 41.

Like the second budget scenario, this third scenario is linked with the following assumed public policy decisions by the Common Council of the City of Delavan: Installation of public water supply and urban streets, storm sewers, and street lighting would not be required in the Delavan Lake area, but rather, this portion of the City would continue to rely on private water supply and continue to function with rural-type streets and no street lighting; fire suppression and rescue services in the Delavan Lake area would be acquired via a contract with the Town of Delavan volunteer fire department; a separate utility district would be formed for the purpose of continuing to provide sanitary sewer service to the Delavan Lake area; all debt previously incurred by the Sanitary District would be transferred to the new utility district; and all expenditures by the new utility district would be met by sewer service charges assigned to residential and commercial users within that district.

With respect to expenditures, the following major assumptions attendant to costs that would be incurred in the Delavan Lake area were made in preparing the third alternative budget scenario:

1. Incremental expenditures for general government purposes would be limited to the addition of two full-time clerical personnel to the city administrative staff.
2. Expenditures for law enforcement would be limited to the increase of five full-time equivalent personnel to the City of Delavan police force, consisting of three full-time officers, two part-time equivalent to one full-time officer, and a five-member summer lake patrol also equivalent to one full-time officer.
3. Expenditures for fire and rescue services in the Delavan Lake area would be based upon an apportionment of the Town of Delavan fire and rescue service costs, such apportionment being based upon the number of housing units in the Sanitary District.
4. Expenditures for sanitary sewer service would be reduced by \$100,000 from the

expenditures by the Sanitary District under an assumption that administrative staff could be reduced following a merger.

5. Expenditures for streets and highways would be derived by applying Town of Delavan per-mile expenditure rates.
6. Expenditures for conservation would be equal to those expended in 1987 by the Sanitary District for lake protection and enhancement purposes.
7. Expenditures for park and recreation and for capital outlay would be derived by applying Town of Delavan per capita rates for 1987.
8. Expenditures for debt service would be based upon an apportionment of Town of Delavan debt between the Town and the Sanitary District based upon equalized valuation.

With respect to revenues, the following major assumptions were made in preparing this alternative budget scenario:

1. The City of Delavan would enact a room tax and continue to raise room tax revenues in the amount equal to that raised by the Town of Delavan in 1987 in the Delavan Lake area.
2. All revenues attendant to regulation and compliance activities would be derived by applying City of Delavan per capita rates.
3. Revenues for sanitary sewer service would be equal to those of the Sanitary District, minus, however, \$100,000 reflecting the aforementioned assumed savings in administrative costs.
4. State shared revenue would decline by 5 percent as in the first and second alternatives.
5. State transportation aids would increase by 10 percent as in the first and second alternatives.
6. The state property tax credit attributable to the Delavan Lake area would be based upon an apportionment of the Town of Delavan state property tax credit based upon equalized valuation.

Given these assumptions, the budget scenario summarized in Table 41 envisions a total expenditure and revenue level of about \$6.98 million. This would require a property tax levy over the expanded City of Delavan of about \$690,000. Also under this scenario, there would be average residential sewer service and water supply service charges of about \$14 and \$9.00 per month, respectively, in the "original" City, and a flat rate monthly sewer service charge per household of about \$33 in the Delavan Lake area.

Estimated Fiscal Impacts of Alternative Budget Scenarios

The estimated fiscal impacts on average households in the City of Delavan and in the Delavan Lake Sanitary District, assuming a merger between the City and the District and taking into account the foregoing three alternative budget scenarios, are set forth in Table 42 and are graphically illustrated in Figures 7, 8, and 9. The impact analyses assume an average household value in the Delavan area of \$70,000. The property tax rate and property taxes per household data in Table 42 do not include property taxes levied by Walworth County; the various K-8, K-12, and union high school districts concerned; the Gateway Vocational and Technical School District; and state property taxes.

Under the first alternative budget scenario—that involving assumed expenditures generally at city per capita rates—the local property tax rate in the "new" City of Delavan would be \$4.14 per \$1,000 of equalized valuation. This compares with the existing rate in the "original" City of Delavan of \$4.68, and represents a 12 percent decrease; with the existing rate of \$3.88 in the Town of Delavan portion of the Sanitary District, an increase of 7 percent; and with the existing rate of \$2.69 in the Town of Walworth portion of the Sanitary District, an increase of 54 percent.

The total annual cost per average household under the first alternative budget scenario, taking into account property taxes and charges for universally provided sanitary sewer and water supply services, would approximate \$662. This represents about a 10 percent increase for those residing in the "original" City of Delavan, about a 21 percent increase for those residing in the Town of Delavan portion of the Sanitary

Table 41

**MERGED DELAVAN ENTITY BUDGET SCENARIO NO. 3: EXPENDITURES BASED
UPON ASSUMED REDUCTION IN PER CAPITA RATES FOLLOWING MERGER**

| Expenditure Category | Expenditures | | |
|---|-----------------------------|--------------------------|-------------|
| | Existing City of Delavan | Delavan Lake Area | Total |
| General Government | \$ 484,118 | \$ 40,500 ^a | \$ 524,618 |
| Public Safety | | | |
| Law Enforcement | \$ 602,942 | \$ 201,000 ^b | \$ 803,942 |
| Fire and Rescue | 193,624 | 74,152 ^c | 267,776 |
| Other | 10,519 | 4,196 ^d | 14,715 |
| Subtotal | \$ 807,085 | \$ 279,348 | \$1,086,433 |
| Public Works | | | |
| Sanitary Sewerage | \$ 546,642 | \$1,131,058 ^e | \$1,677,700 |
| Water Supply | 404,198 | -- | 404,198 |
| Streets and Highways | 429,538 | 92,232 ^f | 521,770 |
| Street Lighting | 42,961 | -- | 42,961 |
| Other | 3,354 | 288 ^f | 3,642 |
| Subtotal | \$1,426,693 | \$1,223,578 | \$2,650,271 |
| Health, Culture, Recreation, Conservation, and Development | | | |
| Health | \$ 1,451 | \$ 502 ^d | \$ 1,953 |
| Library | 76,583 | -- | 76,583 |
| Park and Recreation | 174,116 | 10,490 ^g | 184,606 |
| Golf Course | 283,222 | -- | 283,222 |
| Conservation | -- | 166,940 ^h | 166,940 |
| Economic Development | 60,720 | -- | 60,720 |
| Subtotal | \$ 596,092 | \$ 177,932 | \$ 774,024 |
| Other | | | |
| Capital Outlay | \$ 94,949 | \$ 100,704 ^g | \$ 195,653 |
| Debt Service | 1,637,953 | 12,351 ⁱ | 1,650,304 |
| Fund Transfers | 97,109 | -- | 97,109 |
| Subtotal | \$1,830,011 | \$ 113,055 | \$1,943,066 |
| Total | \$5,143,999 | \$1,834,413 | \$6,978,412 |

^aAssumes the addition of two full-time clerical personnel to the city administrative staff at an average cost of \$20,250.

^bAssumes that the City of Delavan would increase its police force by five full-time equivalent personnel: three full-time officers, two part-time officers equivalent to one full-time officer, and a five-member summer lake patrol also equivalent to one full-time officer. Expenditure level determined by applying the average City of Delavan police personnel cost of \$40,200 to the five positions.

^cRepresents 80 percent of total 1987 expenditures by Town of Delavan; apportionment on basis of number of housing units.

^dExpenditure level derived by applying City of Delavan per capita rate for 1987.

^eRepresents total expenditures by Delavan Lake Sanitary District in 1987 minus \$100,000 in assumed savings in administrative costs.

^fExpenditure level derived by applying Town of Delavan per-mile cost in 1987 to the number of miles of local public streets in the Delavan Lake Sanitary District.

^gExpenditure level derived by applying Town of Delavan per capita rate for 1987.

^hRepresents total expenditures by Town of Delavan in 1987 for Lake Delavan enhancement and promotion.

ⁱRepresents 70 percent of total 1987 expenditures by Town of Delavan; apportionment on basis of equalized valuation.

^jIt is recognized that there would be room tax revenue from existing motels and similar establishments in the City of Delavan; the lack of a readily available data base precluded an estimated of such revenue.

^kRepresents derived revenue levels needed to result in a balanced budget.

^lRepresents total revenue in 1987 from Town of Delavan room tax; all sources of such revenue are located in the Delavan Lake Sanitary District.

Table 41 (continued)

| Revenue Category | Revenues | | |
|-------------------------------------|--------------------------|-------------------------|--------------------|
| | Existing City of Delavan | Delavan Lake Area | Total |
| Taxes | | | |
| General Property Tax | \$ 360,482 ^k | \$ 329,172 ^k | \$ 689,654 |
| Tax Incremental Financing | | | |
| District Property Tax | 363,895 | -- | 363,895 |
| Room Tax | -- ^j | 238,945 ^l | 238,945 |
| Municipal Utility Tax | 50,786 | -- | 50,786 |
| Subtotal | \$ 775,163 | \$ 568,117 | \$1,343,280 |
| Regulation and Compliance | | | |
| Permits | \$ 6,532 | \$ 2,098 ^m | \$ 8,630 |
| Licenses | 26,863 | 8,392 ^m | 35,255 |
| Violations and Judgments | 59,303 | 20,980 ^m | 80,283 |
| Subtotal | \$ 92,698 | \$ 31,470 | \$ 124,168 |
| Public Charges | | | |
| Sanitary Sewer Service | \$ 566,505 | \$ 983,187 ⁿ | \$1,549,692 |
| Water Supply Service | 482,733 | -- | 482,733 |
| Golf Course | 279,007 | -- | 279,007 |
| Other | 30,695 | 10,490 ^m | 41,185 |
| Subtotal | \$1,358,940 | \$ 993,677 | \$2,352,617 |
| Intergovernmental Aids | | | |
| State Shared Revenue | \$ 848,255 ^o | \$ -- | \$ 848,255 |
| Transportation Aids | 256,914 ^p | -- | 256,914 |
| State Property Tax Credit | 161,074 | 105,844 ^q | 266,918 |
| Other | 57,628 | 20,678 ^r | 78,306 |
| Subtotal | \$1,323,871 | \$ 126,522 | \$1,450,393 |
| Other | | | |
| Intergovernmental Charges | \$ 82,949 | \$ -- | \$ 82,949 |
| Special Assessments | 58,998 | -- | 58,998 |
| Interest | 80,673 | 167,187 ^s | 247,860 |
| Miscellaneous | 74,912 | 27,274 ^t | 102,186 |
| Borrowing and Transfers | 1,064,174 | 151,787 ^u | 1,215,961 |
| Subtotal | \$1,361,706 | \$ 346,248 | \$1,707,954 |
| Total | \$4,912,378 | \$2,066,034 | \$6,978,412 |

^mRevenue level derived from applying City of Delavan per capita rate for 1987.

ⁿRepresents total revenues by Delavan Lake Sanitary District in 1987 minus interest revenues and minus \$100,000 owing to a reduction in user charges to reflect assumed reduction in administrative costs.

^oRepresents a reduction of 5 percent in the amount of state shared revenues received owing to the way in which the formula operates.

^pRepresents an increase of 10 percent in total state transportation aids received owing to the way in which the formula operates.

^qRepresents 70 percent of the total 1987 state property tax credit issued to the Town of Delavan; apportionment based on equalized valuation.

^rRepresents total revenues by Town of Delavan in 1987; these revenues are largely related to Lake Delavan law enforcement activities.

^sRepresents the sum of all interest earned by Delavan Lake Sanitary District in 1987 plus 70 percent of the interest earned by the Town of Delavan in 1987; apportionment based on equalized valuation.

^tRevenue level derived by applying Town of Delavan per capita rate for 1987.

^uRepresents 70 percent of all borrowing or transfers by the Town of Delavan in 1987; apportionment based on equalized valuation.

Source: SEWRPC.

Table 42

**ESTIMATED FISCAL IMPACTS ON AVERAGE HOUSEHOLDS IN THE CITY OF DELAVAN AND THE
DELAVAN LAKE SANITARY DISTRICT ASSUMING A MERGER BETWEEN THE CITY AND DISTRICT: 1987**

| Alternative Budget Scenario | Fiscal Item ^a | City of Delavan | | | | Delavan Lake Sanitary District | | | | | | | |
|---|--|------------------------|----------------------|---------|---------|--------------------------------|----------------------|---------|---------|--------------------------|----------------------|--------|---------|
| | | Existing Conditions | Merger Conditions | Change | | Town of Delavan Portion | | | | Town of Walworth Portion | | | |
| | | | | Number | Percent | Existing Conditions | Merger Conditions | Change | | Existing Conditions | Merger Conditions | Change | |
| | | | | | | | | Number | Percent | | | Number | Percent |
| No. 1—City Per Capita Expenditure Rates ^{b,c} | Property Tax Rates ^d | | | | | | | | | | | | |
| | Municipal | \$3.84 | \$3.70 | \$-0.14 | -4 | \$1.56 | \$3.70 | \$2.14 | 137 | \$0.37 | \$3.70 | \$3.33 | 900 |
| | Sanitary District | -- | -- | -- | -- | 2.19 | -- | -2.19 | -100 | 2.19 | -- | -2.19 | -100 |
| | Lake Comus District | 0.84 | 0.44 | -0.40 | -48 | -- | 0.44 | 0.44 | -- | -- | 0.44 | 0.44 | -- |
| | County Library | -- | -- | -- | -- | 0.13 | -- | -0.13 | -100 | 0.13 | -- | -0.13 | -100 |
| | Total | \$4.68 | \$4.14 | \$-0.54 | -12 | \$3.88 | \$4.14 | \$0.26 | 7 | \$2.69 | \$4.14 | \$1.45 | 54 |
| | Property Taxes per Average Household ^e | | | | | | | | | | | | |
| | Municipal | \$269 | \$259 | \$ -10 | -4 | \$109 | \$259 | \$150 | 138 | \$ 26 | \$259 | \$233 | 896 |
| | Sanitary District | -- | -- | -- | -- | 153 | -- | -153 | -100 | 153 | -- | -153 | -100 |
| | Lake Comus District | 59 | 31 | -28 | -47 | -- | 31 | 31 | -- | -- | 31 | 31 | -- |
| | County Library | -- | -- | -- | -- | 9 | -- | -9 | -100 | 9 | -- | -9 | -100 |
| | Total | \$328 | \$290 | \$ -38 | -12 | \$271 | \$290 | \$ 19 | 7 | \$188 | \$290 | \$102 | 54 |
| | Monthly Service Charges per Average Household | | | | | | | | | | | | |
| | Sanitary Sewer | \$ 14 | \$ 22 | \$ 8 | 57 | \$ 23 | \$ 22 | \$ -1 | -4 | \$ 23 | \$ 22 | \$ -1 | -4 |
| | Water Supply | 9 | 9 | -- | -- | -- | 9 | 9 | -- | -- | 9 | 9 | -- |
| | Total | \$ 23 | \$ 31 | \$ 8 | 35 | \$ 23 | \$ 31 | \$ 8 | 35 | \$ 23 | \$ 31 | \$ 8 | 35 |
| | Total Annual Cost per Average Household | | | | | | | | | | | | |
| | Property Taxes | \$328 | \$290 | \$ -38 | -12 | \$271 | \$290 | \$ 19 | 7 | \$188 | \$290 | \$102 | 54 |
| | Service Charges | 276 | 372 | 96 | 35 | 276 | 372 | 96 | 35 | 276 | 372 | 96 | 35 |
| | Total | \$604 | \$662 | \$ 58 | 10 | \$547 | \$662 | \$115 | 21 | \$464 | \$662 | \$198 | 43 |
| No. 2—City and Town Per Capita Expenditure Rates ^c | Property Tax Rates ^d | | | | | | | | | | | | |
| | Municipal | \$3.84 | \$2.57 | \$-1.27 | -33 | \$1.56 | \$2.57 | \$1.01 | 65 | \$0.37 | \$2.57 | \$2.20 | 595 |
| | Sanitary District | -- | -- | -- | -- | 2.19 | -- | 2.19 | -100 | 2.19 | -- | -2.19 | -100 |
| | Lake Comus District | 0.84 | 0.44 | -0.4 | -48 | -- | 0.44 | 0.44 | -- | -- | 0.44 | 0.44 | -- |
| | County Library | -- | -- | -- | -- | 0.13 | -- | -0.13 | -100 | 0.13 | -- | -0.13 | -100 |
| | Total | \$4.68 | \$3.01 | \$-1.67 | -36 | \$3.88 | \$3.01 | \$-0.87 | -22 | \$2.69 | \$3.01 | \$0.32 | 12 |
| | Property Taxes per Average Household ^e | | | | | | | | | | | | |
| | Municipal | \$269 | \$180 | \$ -89 | -33 | \$109 | \$180 | \$ 71 | 65 | \$ 26 | \$180 | \$154 | 592 |
| | Sanitary District | -- | -- | -- | -- | 153 | -- | -153 | -100 | 153 | -- | -153 | -100 |
| | Lake Comus District | 59 | 31 | -28 | -47 | -- | 31 | 31 | -- | -- | 31 | 31 | -- |
| | County Library | -- | -- | -- | -- | 9 | -- | -9 | -100 | 9 | -- | -9 | -100 |
| | Total | \$328 | \$211 | \$-117 | -36 | \$271 | \$211 | \$ -60 | -22 | \$188 | \$211 | \$ 23 | 12 |
| | Monthly Service Charges per Average Household | | | | | | | | | | | | |
| | Sanitary Sewer | \$ 14 | \$ 14 | \$ -- | -- | \$ 23 | \$ 36 | \$ 13 | 57 | \$ 23 | \$ 36 | \$ 13 | 57 |
| | Water Supply | 9 | 9 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| | Total | \$ 23 | \$ 23 | \$ -- | -- | \$ 23 | \$ 36 | \$ 13 | 57 | \$ 23 | \$ 36 | \$ 13 | 57 |
| | Total Annual Cost per Average Household | | | | | | | | | | | | |
| | Property Taxes | \$328 | \$211 | \$-117 | -36 | \$271 | \$211 | \$ -60 | -22 | \$188 | \$211 | \$ 23 | 12 |
| | Service Charges | 276 | 276 | -- | -- | 276 | 429 | 153 | 55 | 276 | 429 | 153 | 55 |
| | Total | \$604 | \$487 | \$-117 | -19 | \$547 | \$640 | \$ 93 | 17 | \$464 | \$640 | \$176 | 38 |

Table 42 (continued)

| Alternative Budget Scenario | Fiscal Item ^a | City of Delavan | | | | Delavan Lake Sanitary District | | | | | | | |
|--|--|---------------------|-------------------|---------|---------|--------------------------------|-------------------|---------------------|---------|--------------------------|-------------------|--------|---------|
| | | Existing Conditions | Merger Conditions | Change | | Town of Delavan Portion | | | | Town of Walworth Portion | | | |
| | | | | Number | Percent | Existing Conditions | Merger Conditions | Change | | Existing Conditions | Merger Conditions | Change | |
| | | | | | | | | Number | Percent | | | Number | Percent |
| No. 3— Reduced Per Capita Expenditure Rates ^c | Property Tax Rates ^d | | | | | | | | | | | | |
| | Municipal | \$3.84 | \$2.43 | \$-1.41 | -37 | \$1.56 | \$2.43 | \$0.87 | 56 | \$0.37 | \$2.43 | \$2.06 | 557 |
| | Sanitary District | -- | -- | -- | -- | 2.19 | -- | -2.19 | -100 | 2.19 | -- | -2.19 | -100 |
| | Lake Comus District | 0.84 | 0.44 | -0.40 | -48 | -- | 0.44 | -- | -- | -- | 0.44 | -- | -- |
| | County Library | -- | -- | -- | -- | 0.13 | -- | -0.13 | -100 | 0.13 | -- | -0.13 | -100 |
| | Total | \$4.68 | \$2.87 | \$-1.81 | -39 | \$3.88 | \$2.87 | \$-1.01 | -26 | \$2.69 | \$2.87 | \$0.18 | 7 |
| | Property Taxes per Average Household ^e | | | | | | | | | | | | |
| | Municipal | \$269 | \$170 | \$ -99 | -37 | \$109 | \$170 | \$ 61 | 56 | \$ 26 | \$170 | \$144 | 554 |
| | Sanitary District | -- | -- | -- | -- | 153 | -- | -153 | -100 | 153 | -- | -153 | -100 |
| | Lake Comus District | 59 | 31 | -28 | -47 | -- | 31 | 31 | -- | -- | 31 | 31 | -- |
| | County Library | -- | -- | -- | -- | 9 | -- | -9 | -100 | 9 | -- | -9 | -100 |
| | Total | \$328 | \$201 | \$-127 | -39 | \$271 | \$201 | \$ -70 | -26 | \$188 | \$201 | \$ 13 | 7 |
| | Monthly Service Charges per Average Household | | | | | | | | | | | | |
| | Sanitary Sewer | \$14 | \$14 | \$ -- | -- | \$ 23 | \$ 33 | \$ 10 | 43 | \$ 23 | \$ 33 | \$ 10 | 43 |
| | Water Supply | 9 | 9 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| | Total | \$ 23 | \$ 23 | \$ -- | -- | \$ 23 | \$ 33 | \$ 10 | 43 | \$ 23 | \$ 33 | \$ 10 | 43 |
| | Total Annual Cost per Average Household | | | | | | | | | | | | |
| | Property Taxes | \$328 | \$201 | \$-127 | -39 | \$271 | \$201 | \$ -70 ^f | -26 | \$188 | \$201 | \$ 13 | 7 |
| | Service Charges | 276 | 276 | -- | -- | 276 | 396 | 120 | 43 | 276 | 396 | 120 | 43 |
| | Total | \$604 | \$477 | \$-127 | -21 | \$547 | \$597 | \$50 | 9 | \$464 | \$597 | \$133 | 29 |

^aAll fiscal information based on 1987 data.

^bUnder this budget scenario, it is assumed that public water supply and an urban street system would be installed in the Sanitary District area. The cost of a water supply system would range from \$5,000 to \$7,000 per household, representing a special assessment of \$800 to \$1,000 annually for 10 years. The cost of an urban street system would range from \$11,000 to \$13,000 per household, representing a special assessment of \$1,800 to \$2,100 annually for 10 years.

^cUnder all three budget scenarios, it is assumed that the City of Delavan would not continue the practice of the Town of Delavan of plowing private roads in the Sanitary District. Those homeowners on private roads would have to privately contract for snow plowing services.

^dDoes not include county, school district, vocational school district, and state property taxes.

^eThe average household value is assumed at \$70,000.

Source: SEWRPC.

District, and about a 43 percent increase for those residing in the Town of Walworth portion of the Sanitary District.⁵

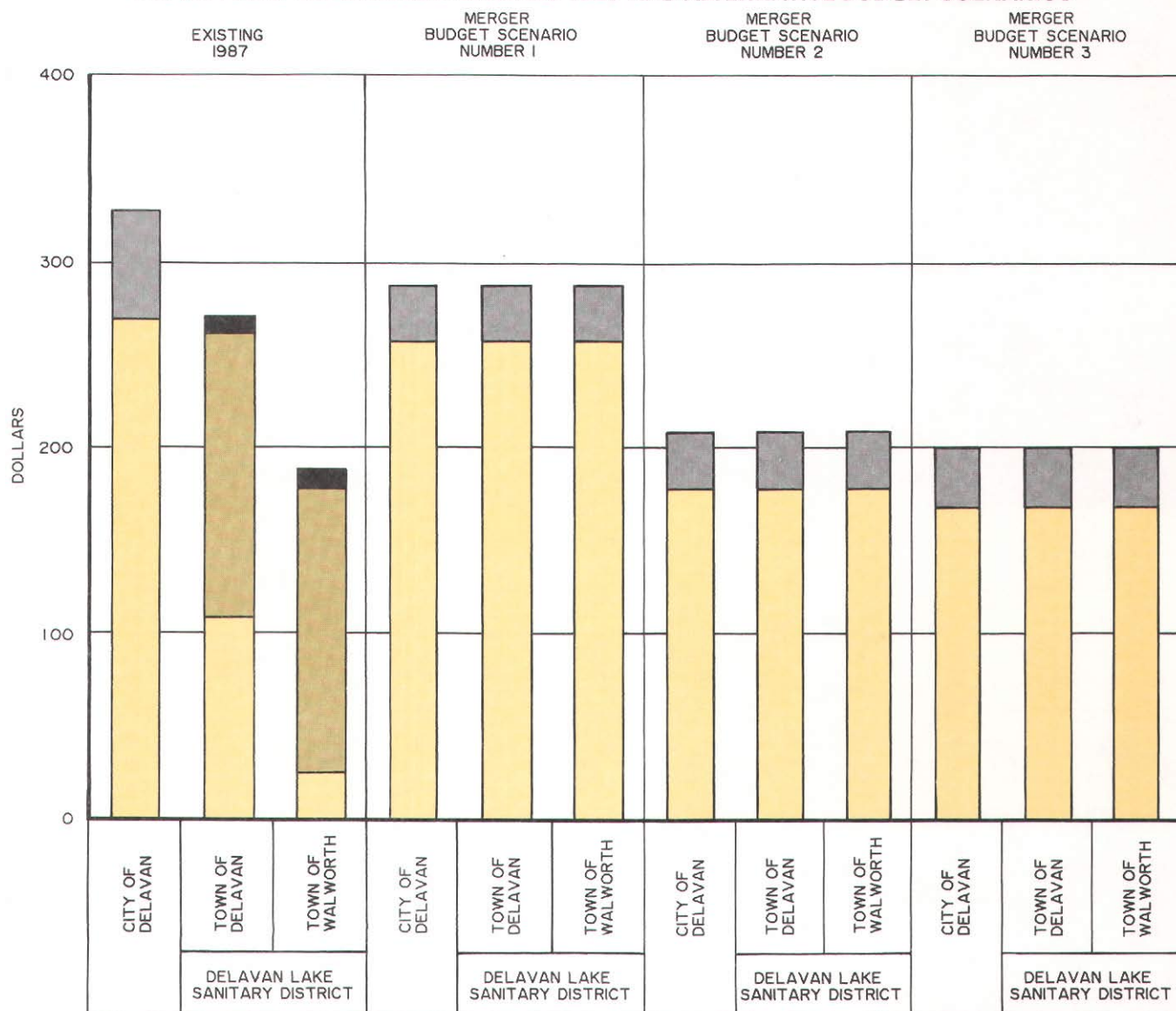
⁵One-time capital costs would also be incurred for the installation of a public water supply system and an urban street system in the Sanitary District under the first alternative budget scenario. See policy scenario No. 1 set forth in detail in Table 36. In addition, under all three merger budget scenarios, homeowners in the Sanitary District residing on private streets would be required to contract privately for snow plowing services now provided by the Town of Delavan.

Under the second alternative budget scenario—that involving a blend of assumed expenditures at both city and town per capita rates—the local property tax rate in the “new” City of Delavan would be \$3.01 per \$1,000 of equalized valuation. This would represent a 36 percent decrease from the existing rate in the “original” City of Delavan, a 22 percent decrease in the Town of Delavan portion of the Sanitary District, and an 12 percent increase in the Town of Walworth portion of the Sanitary District.

The total annual cost per average household under the second alternative budget scenario would vary significantly between the “original” City of Delavan and the Delavan Lake Sanitary

Figure 7

ESTIMATED LOCAL PROPERTY TAXES PER AVERAGE HOUSEHOLD IN THE CITY OF DELAVAN AND THE DELAVAN LAKE SANITARY DISTRICT ASSUMING A MERGER BETWEEN THE CITY AND THE DISTRICT: EXISTING 1987 AND ALTERNATIVE BUDGET SCENARIOS



LEGEND

| | |
|--|---|
| MUNICIPAL TAX | LAKE COMUS TAX |
| SANITARY DISTRICT TAX | COUNTY LIBRARY TAX |

NOTES: 1. AN AVERAGE HOUSEHOLD IS ASSUMED TO LIVE IN A HOUSING UNIT HAVING AN EQUALIZED VALUE OF \$70,000.

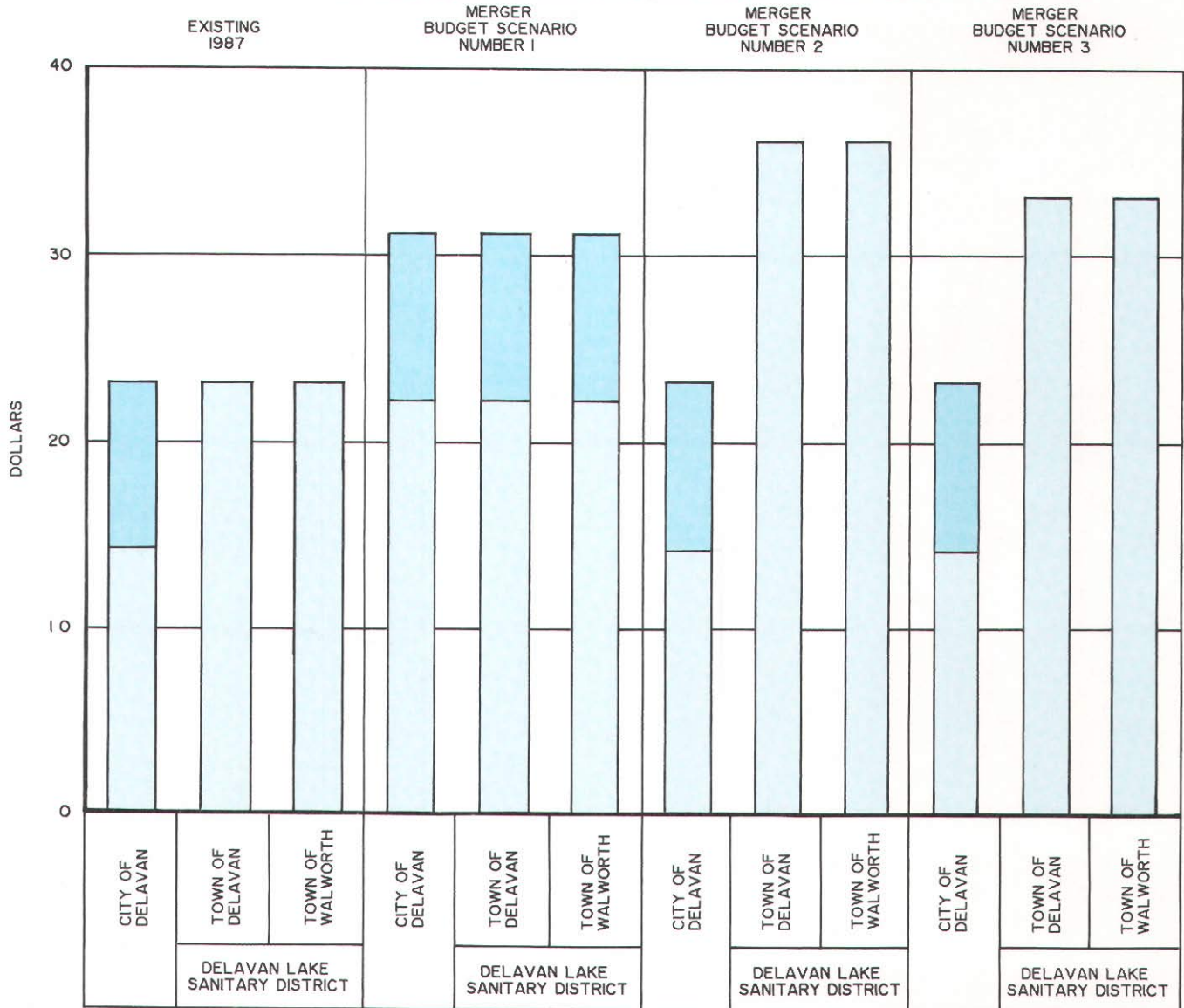
2. UNDER BUDGET SCENARIO NUMBER 1, THERE WOULD BE ADDITIONAL CAPITAL COSTS IN THE SANITARY DISTRICT FOR THE INSTALLATION OF A PUBLIC WATER SUPPLY SYSTEM AND AN URBAN STREET SYSTEM. SEE FOOTNOTE B TO TABLE 42 FOR DETAILS.

3. UNDER ALL THREE BUDGET SCENARIOS, HOMEOWNERS IN THE SANITARY DISTRICT WHO FRONT ON PRIVATE ROADS WOULD HAVE TO CONTRACT PRIVATELY FOR THOSE SNOW PLOWING SERVICES NOW PROVIDED BY THE TOWN OF DELAVAN.

Source: SEWRPC.

Figure 8

ESTIMATED MONTHLY UTILITY SERVICE CHARGES PER AVERAGE HOUSEHOLD IN THE CITY OF DELAVAN AND THE DELAVAN LAKE SANITARY DISTRICT ASSUMING A MERGER BETWEEN THE CITY AND THE DISTRICT: EXISTING AND ALTERNATIVE BUDGET SCENARIOS



LEGEND

SANITARY SEWER CHARGES
 WATER SUPPLY CHARGES

NOTES: 1. AN AVERAGE HOUSEHOLD IS ASSUMED TO LIVE IN A HOUSING UNIT HAVING AN EQUALIZED VALUE OF \$70,000.

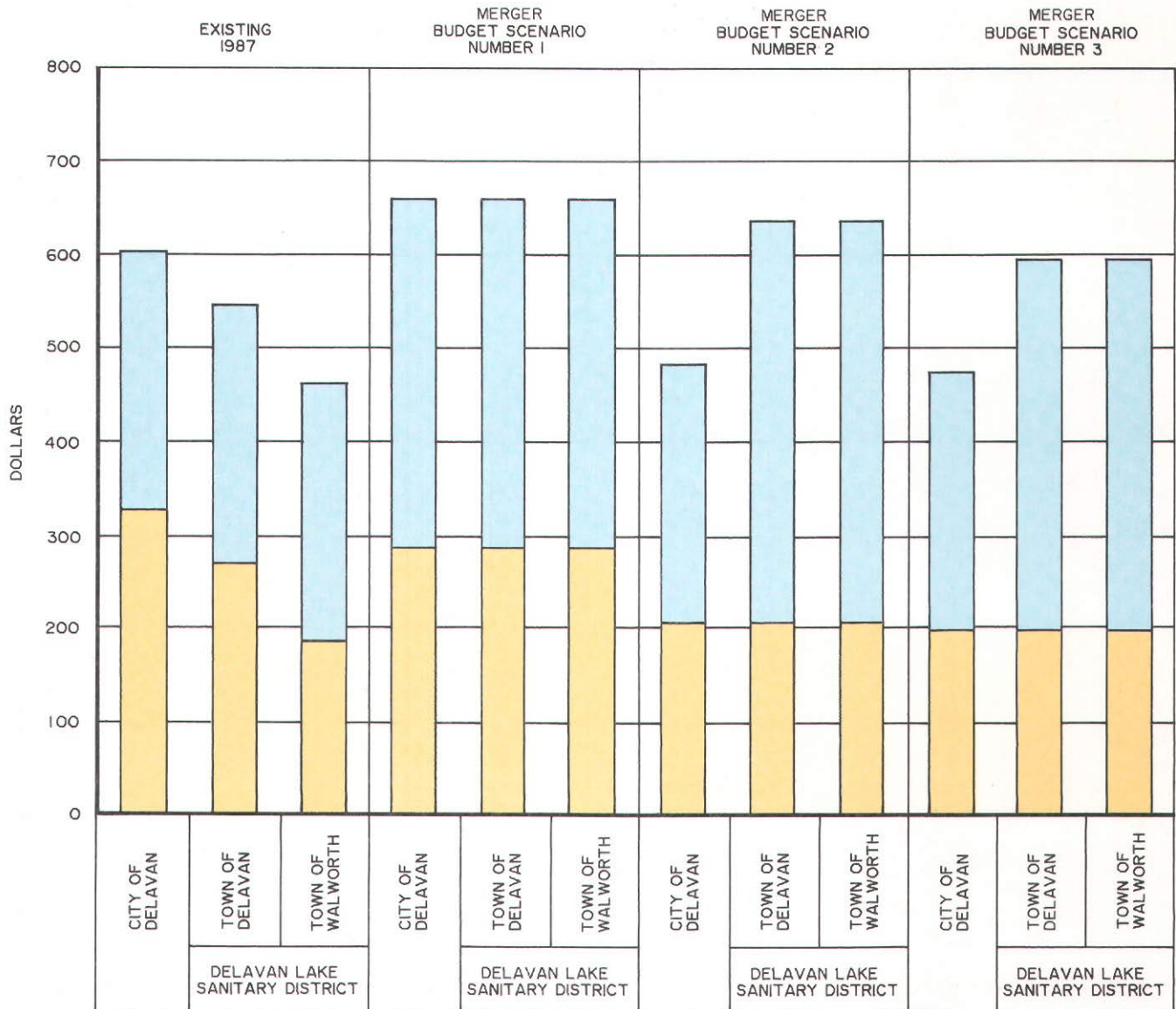
2. UNDER BUDGET SCENARIO NUMBER 1, THERE WOULD BE ADDITIONAL CAPITAL COSTS IN THE SANITARY DISTRICT FOR THE INSTALLATION OF A PUBLIC WATER SUPPLY SYSTEM AND AN URBAN STREET SYSTEM. SEE FOOTNOTE B TO TABLE 42 FOR DETAILS.

3. UNDER ALL THREE BUDGET SCENARIOS, HOMEOWNERS IN THE SANITARY DISTRICT WHO FRONT ON PRIVATE ROADS WOULD HAVE TO CONTRACT PRIVATELY FOR THOSE SNOW PLOWING SERVICES NOW PROVIDED BY THE TOWN OF DELAVAN.

Source: SEWRPC.

Figure 9

ESTIMATED TOTAL ANNUAL COST PER AVERAGE HOUSEHOLD IN THE CITY OF DELAVAN AND THE DELAVAN LAKE SANITARY DISTRICT ASSUMING A MERGER BETWEEN THE CITY AND THE DISTRICT: EXISTING 1987 AND ALTERNATIVE BUDGET SCENARIOS



LEGEND

PROPERTY TAXES
 SERVICE CHARGES

NOTES: 1. AN AVERAGE HOUSEHOLD IS ASSUMED TO LIVE IN A HOUSING UNIT HAVING AN EQUALIZED VALUE OF \$70,000.

2. UNDER BUDGET SCENARIO NUMBER 1, THERE WOULD BE ADDITIONAL CAPITAL COSTS IN THE SANITARY DISTRICT FOR THE INSTALLATION OF A PUBLIC WATER SUPPLY SYSTEM AND AN URBAN STREET SYSTEM. SEE FOOTNOTE B TO TABLE 42 FOR DETAILS.

3. UNDER ALL THREE BUDGET SCENARIOS, HOMEOWNERS IN THE SANITARY DISTRICT WHO FRONT ON PRIVATE ROADS WOULD HAVE TO CONTRACT PRIVATELY FOR THOSE SNOW PLOWING SERVICES NOW PROVIDED BY THE TOWN OF DELAVAN.

Source: SEWRPC.

District because of the assumption that public water supply service would not be provided to the Delavan Lake area and assumptions concerning the way in which Delavan Lake sanitary sewer service costs are recovered. In the "original" City of Delavan, the total cost under this alternative would approximate \$487 annually per average household, representing a reduction of about 19 percent from current conditions. In the Town of Delavan portion of the Sanitary District, the total annual cost would approximate \$640, representing an increase of about 17 percent over current conditions. In the Town of Walworth portion of the Sanitary District, the total annual cost would also approximate \$640 per household, an increase of about 38 percent.

Under the third alternative budget scenario—that involving an assumed reduction in per capita expenditure rates—the local property tax rate in the "new" City of Delavan would be \$2.87 per \$1,000 of equalized valuation. This would represent a 39 percent decrease from the existing rate in the "original" City of Delavan, a 26 percent decrease in the Town of Delavan portion of the Sanitary District, and a 7 percent increase in the Town of Walworth portion of the Sanitary District.

As under the second alternative, the total annual cost per average household under the third alternative would vary significantly between the "original" City of Delavan and the Delavan Lake Sanitary District. In the "original" City of Delavan, the total cost under this alternative would approximate \$477 annually per average household, representing a reduction of about 21 percent from current conditions. In the Town of Delavan portion of the Sanitary District, the total annual cost would approximate \$597, representing an increase of about 9 percent over current conditions. In the Town of Walworth portion of the Sanitary District, the total annual cost would also approximate \$597 per household, and represent an increase of about 29 percent.

A comparison of the collective fiscal impacts upon City of Delavan and Delavan Lake Sanitary District residents and property owners under existing and alternative merger budget scenarios is set forth in Table 43 and is graphically illustrated in Figure 10. These data represent estimates of the total amount of local property taxes and sanitary sewer and water supply charges borne in the "original" City of

Delavan and within the Delavan Lake Sanitary District. Under present conditions, these data show that with respect to property taxes, existing City of Delavan taxpayers collectively bear about 57 percent of the burden of all such taxes levied in the combined area of the City of Delavan and the Delavan Lake Sanitary District. Residents and property owners in the Sanitary District bear the remaining 43 percent. With respect to service charges, existing City of Delavan residents and property owners bear about 58 percent of the cost, with Delavan Lake Sanitary District residents and property owners bearing about 42 percent of the cost. At the present time, of course, there are no water supply service charges in the Delavan Lake Sanitary District. When property taxes and service charges are combined, existing City of Delavan residents and property owners bear about 58 percent of the burden, with the remaining 42 percent borne by Delavan Lake Sanitary District residents and property owners.

Under the first alternative merger budget scenario, the collective property tax burden would shift somewhat from City of Delavan taxpayers to Delavan Lake Sanitary District taxpayers. Existing city taxpayers would pay about 52 percent, and Sanitary District taxpayers about 48 percent, of the property tax burden. With respect to utility service charges, existing city users would pay about 72 percent of the collective burden, and Sanitary District users about 28 percent. Overall, existing city residents and taxpayers would bear about 66 percent of the combined property tax and utility service charge burden, and Sanitary District residents and taxpayers about 34 percent.

Under the second alternative merger budget scenario, the collective property tax burden would also shift somewhat from City of Delavan taxpayers to Delavan Lake Sanitary District taxpayers. The proportion of the property tax burden borne by existing city taxpayers would approximate 52 percent, with Sanitary District taxpayers bearing about 48 percent of the property tax burden. With respect to utility service charges, both existing city users and Sanitary District users would pay about 50 percent of the collective burden. Overall, existing city residents and Sanitary District residents would each bear about 50 percent of the combined tax and utility service charge burden. Under this alternative, however, it should be kept in mind that Sanitary District residents would not be receiving water supply service.

Table 43

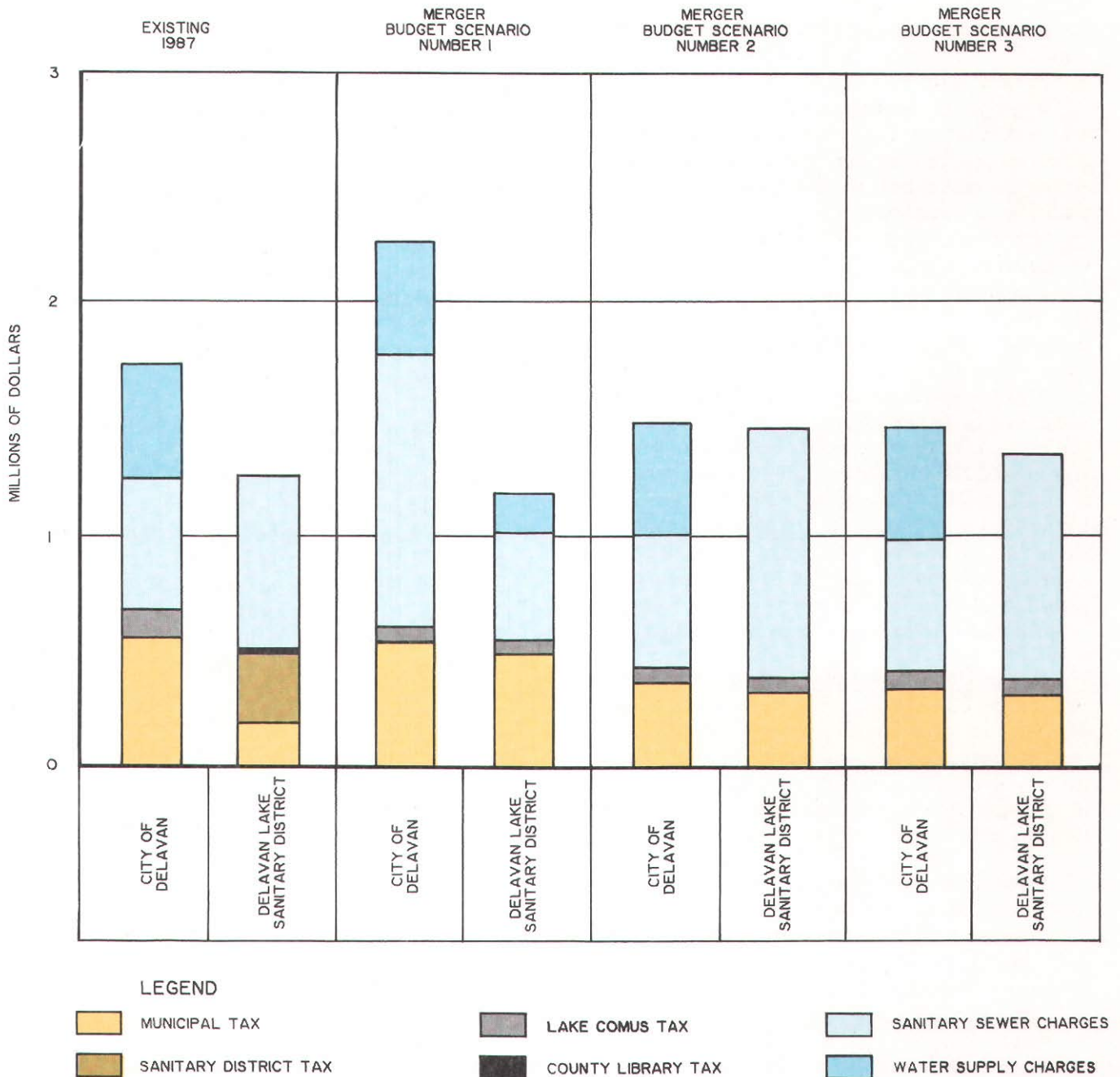
DISTRIBUTION OF FISCAL BURDEN TO CITY OF DELAVAN AND DELAVAN LAKE SANITARY DISTRICT RESIDENTS: EXISTING AND ALTERNATIVE MERGER BUDGET SCENARIOS

| Existing and Alternative Budget Condition | Fiscal Item | "Original" City of Delavan | | Delavan Lake Sanitary District | | Total |
|--|-------------------------------|----------------------------|------------------|--------------------------------|------------------|-------------|
| | | Amount | Percent of Total | Amount | Percent of Total | |
| Existing (1987) | Property Taxes | | | | | |
| | Municipal | \$ 570,814 | 73.3 | \$ 208,038 | 26.7 | \$ 778,852 |
| | Sanitary District | -- | -- | 297,000 | 100.0 | 297,000 |
| | Lake Comus District | 124,000 | 100.0 | -- | -- | 124,000 |
| | County Library | -- | -- | 17,635 | 100.0 | 17,635 |
| | Subtotal | \$ 694,814 | 57.1 | \$ 522,673 | 42.9 | \$1,217,487 |
| | Service Charges | | | | | |
| | Sanitary Sewer | \$ 566,505 | 43.1 | \$ 747,815 | 56.9 | \$1,314,320 |
| | Water Supply | 482,733 | 100.0 | -- | -- | 482,733 |
| | Subtotal | \$1,049,238 | 58.4 | \$ 747,815 | 41.6 | \$1,797,053 |
| | Total | \$1,744,052 | 57.9 | \$1,270,488 | 42.1 | \$3,014,540 |
| No.1—City Per Capita Expenditure Rates | Property Taxes | | | | | |
| | Municipal | \$ 549,953 | 52.3 | \$ 502,185 | 47.7 | \$1,052,138 |
| | Lake Comus District | 64,821 | 52.3 | 59,179 | 47.7 | 124,000 |
| | Subtotal | \$ 614,774 | 52.3 | \$ 561,364 | 47.7 | \$1,176,138 |
| | Service Charges | | | | | |
| | Sanitary Sewer | \$1,176,150 | 71.7 | \$ 465,059 | 28.3 | \$1,641,209 |
| | Water Supply | 482,733 | 74.2 | 167,840 | 25.8 | 650,573 |
| | Subtotal | \$1,658,883 | 72.4 | \$ 632,899 | 27.6 | \$2,291,782 |
| | Total | \$2,273,657 | 65.6 | \$1,194,263 | 34.4 | \$3,467,920 |
| No. 2—City and Town Per Capita Expenditure Rates | Property Taxes | | | | | |
| | Municipal | \$ 381,453 | 52.3 | \$ 348,322 | 47.7 | \$ 729,775 |
| | Lake Comus District | 64,821 | 52.3 | 59,179 | 47.7 | 124,000 |
| | Subtotal | \$ 446,274 | 52.3 | \$ 407,501 | 47.7 | \$ 853,775 |
| | Service Charges | | | | | |
| | Sanitary Sewer | \$ 566,505 | 34.5 | \$1,074,704 | 65.5 | \$1,641,209 |
| | Water Supply | 482,733 | 100.0 | -- | -- | 482,733 |
| | Subtotal | \$1,049,238 | 49.4 | \$1,074,704 | 50.6 | \$2,123,942 |
| | Total | \$1,495,512 | 50.2 | \$1,482,205 | 49.8 | \$2,977,717 |
| No.3—Reduced Per Capita Expenditure Rates | Property Taxes | | | | | |
| | Municipal | \$ 360,482 | 52.3 | \$ 329,172 | 47.7 | \$ 689,654 |
| | Lake Comus District | 64,821 | 52.3 | 59,179 | 47.7 | 124,000 |
| | Subtotal | \$ 425,303 | 52.3 | \$ 388,351 | 47.7 | \$ 813,654 |
| | Service Charges | | | | | |
| | Sanitary Sewer | \$ 566,505 | 36.8 | \$ 974,704 | 63.2 | \$1,541,209 |
| | Water Supply | 482,733 | 100.0 | -- | -- | 482,733 |
| | Subtotal | \$1,049,238 | 51.8 | \$ 974,704 | 48.2 | \$2,023,942 |
| | Total | \$1,474,541 | 52.0 | \$1,363,055 | 48.0 | \$2,837,596 |

Source: SEWRPC.

Figure 10

**COMPARISON OF COLLECTIVE FISCAL IMPACTS UPON CITY OF DELAVAN
AND DELAVAN LAKE SANITARY DISTRICT RESIDENTS AND PROPERTY OWNERS:
EXISTING 1987 AND ALTERNATIVE MERGER BUDGET SCENARIOS**



Source: SEWRPC.

Finally, under the third alternative merger budget scenario, the collective property tax burden would similarly shift from City of Delavan taxpayers to Delavan Lake Sanitary District taxpayers, with city taxpayers responsible for about 52 percent of the tax burden and Sanitary District taxpayers responsible for about 48 percent of that burden. With respect to utility service charges, existing city users would pay about 52 percent of the collective burden,

and Sanitary District users about 48 percent. Overall, existing city residents and taxpayers would bear about 52 percent of the combined property tax and utility service charge burden, and Sanitary District residents and taxpayers about 48 percent. As in the second alternative budget scenario, it should be kept in mind that under this third scenario Delavan Lake Sanitary District residents would not receive water supply service.

LEGAL CONSIDERATIONS ATTENDANT TO THE MERGER PROCESS

As noted earlier in this chapter, there is state administrative and judicial oversight of the annexation process. The Wisconsin Department of Development has the responsibility to review and comment on annexation proposals, making an advisory finding that a proposed annexation either is or is not in the public interest. In addition, all annexations can be challenged by an aggrieved party in circuit court. In addition to ensuring that any statutory standards attendant to annexation are met, the circuit court has the responsibility to ensure that the correct procedural process is followed when an annexation takes place. Over the years, the court has developed a common law "rule of reason" which it applies to annexation matters. This section of the chapter addresses both the likelihood of the Wisconsin Department of Development making a finding that the proposed merger of the Delavan Lake Sanitary District and the City through annexation would not be in the public interest, and the likelihood that a circuit court would find that the merger would violate the "rule of reason," or other statutory standards.

Wisconsin Department of Development Review
Section 66.021(11)(c) of the Wisconsin Statutes defines the term "public interest" as that term is to be used by the Department of Development in rendering its advisory opinion. The Department must take into consideration the following two matters:

1. Whether governmental services, including zoning, to be supplied to the territory proposed for annexation could clearly better be supplied by the existing town government than by the annexing municipality.⁶

⁶Although not applicable to the Delavan Lake situation, this particular consideration by the Department must also take into account whether such services could better be provided by some other incorporated municipality whose boundaries are contiguous to the area proposed for annexation and which files with the circuit court a resolution adopted by a two-thirds majority of the governing body indicating a willingness to annex the territory upon receiving a valid petition for annexation.

2. The shape of the proposed annexation and the homogeneity of the lands proposed to be annexed with the annexing city or village.

With respect to the first consideration, the basic question the Department must address is whether the City of Delavan or the Town of Delavan would be better able to provide the services that are desired and/or needed by the residents of the Delavan Lake area. Based upon the information presented in Chapter II of this report, the only services not currently provided in the Delavan Lake area through the Town and/or the Sanitary District are public water supply and street lighting. All other services are common between the City of Delavan and the Delavan Lake area, although the City in some cases provides service at a somewhat "higher" level, e.g., a more extensive recreation program and the provision of urban streets and an attendant storm sewer system versus rural street cross-sections with open ditches and culverts for drainage. In many respects, however, the Sanitary District portion of the Towns of Delavan and Walworth, being low-density urban in character, is more like the City of Delavan than the remainders of the Towns of Delavan and Walworth.

Zoning is specifically an item to be addressed by the Department of Development in this first consideration. As noted earlier in this report, there is comprehensive zoning in both the City of Delavan and the Delavan Lake Sanitary District. The Walworth County Zoning Ordinance which now applies to the Sanitary District is basically structured and designed to address rural development. The City of Delavan Zoning Ordinance has been structured and designed to explicitly address urban development. There is no inherent reason, however, why, should a merger take place, the City of Delavan Zoning Ordinance could not be amended to provide for appropriate zoning in the Delavan Lake area. Indeed, as noted earlier in this chapter, statutory requirements with respect to the shoreland area of Delavan Lake would seem to dictate that this be done.

With respect to the costs to provide services in the Delavan Lake area, the budget analyses set forth earlier in this chapter indicate that it would be possible for the City of Delavan to deliver to the Delavan Lake area at least the

same level of services now provided without significantly changing the costs to the substantial majority of the Delavan Lake area residents. Only those relatively few residents in the Town of Walworth portion of the District would see a significant increase in costs. With that increase in cost, however, would come an increase in services to those residents, particularly with respect to law enforcement.

In summary, the Wisconsin Department of Development should not find that governmental services, including zoning, could better be supplied to the Delavan Lake area by the Towns of Delavan and Walworth than by the City of Delavan. At best, the Department should find such services could be provided equally well by the City and by the Towns.

The second consideration by the Department of Development involves the shape of the proposed annexation and the homogeneity of the area proposed to be annexed to the annexing municipality. With respect to shape, it is likely that the Department would find that the annexation is shaped by the dominant natural feature of Delavan Lake and that, therefore, while the shape of the annexation may be viewed by some as irregular, it is rational and logical because it follows an existing governmental boundary, and, as such, would not violate the public interest. Furthermore, while the annexation would tend to isolate that portion of the Town of Delavan lying south of the City of Delavan and west of the Sanitary District from the rest of the Town, the annexation would not so isolate that area as to create a "town island" contrary to the State Statute.

With respect to homogeneity, the land use data presented in Chapter II of this report indicated that about 59 percent of the land area of the Sanitary District is currently devoted to urban uses and 41 percent to rural uses, while about 56 percent of the land area of the City of Delavan is devoted to urban uses and 44 percent to rural uses. In addition, the data presented in that chapter showed that the Sanitary District and the City of Delavan are in the same general watershed; are in the same postal service delivery area and telephone exchange; have common natural gas, electricity, and cable television providers; and—except for a relatively small portion of the Sanitary District—are in the same common school district. Taking these facts into

consideration, it is likely that the Wisconsin Department of Development would find that the City and the Sanitary District are relatively homogeneous and that the annexation would not violate the public interest in this respect.

Circuit Court Review

If the Walworth County Circuit Court were to become involved in an annexation of the Sanitary District to the City of Delavan either directly through an annexation petition filed by the City of Delavan or indirectly through a review process requested by an aggrieved party, the Court would be concerned about both procedure and substance. If the correct procedure was not followed, then it is likely that the Court would disallow any annexation. This would mean that the process would have to begin anew.

With respect to substance, the Court would examine the standards applied by the Wisconsin Department of Development in its evaluation and apply the "rule of reason." The Court would likely come to the same conclusion as the Department as to the standards applied by the Department, and then turn to the "rule of reason." This rule has been developed over the years under Wisconsin case law and contains three major considerations: need, contiguity, and arbitrariness. With respect to need, the Court must be convinced there is some demonstrable reason to include the annexed territory within the annexing municipality. That reason may be to meet some current need in the annexed area, or it could relate to some perceived future need of either the annexed territory or the annexing municipality. The need could relate to the accommodation of anticipated future growth; to the extension of services of one kind or another to the annexed lands; or to the avoidance of problems of one kind or another. If there was a consensus in the greater Delavan community that a merger between the City and the Sanitary District would be in both parties' interest, it is highly likely that a Circuit Court would find that there is an appropriate need for the annexation.

The second factor relates to contiguity. The Court must find that the area to be annexed is adjacent to the annexing municipality. Since the City of Delavan corporate limits abut the limits of the Sanitary District for a distance of about one-half mile, clearly the Sanitary District is contiguous to the City of Delavan and the Court should find that this part of the rule of reason has been met.

Finally, the Court must find that the annexing municipality did not act in an arbitrary manner. This generally means that the annexation should not result in "gerrymandered" or "crazy quilt" municipal boundaries, terms that Circuit Courts have used in applying this part of the rule. Since the territory proposed for annexation would consist of the entire Delavan Lake Sanitary District, since the Sanitary District is an existing governmental body, and since no individual property owner in the District is proposed to be excluded under the merger scenario, it is likely that the Circuit Court would conclude that the annexation is not arbitrary in nature.

Concluding Remarks

Concerning Legal Feasibility

Based upon the foregoing, should a merger between the Delavan Lake Sanitary District and the City of Delavan take place through the process of annexation, it is likely that all tests of legal feasibility could be met. The Wisconsin Department of Development would likely find that such an annexation would be in the public interest. Furthermore, a Circuit Court would likely find that the annexation, assuming all procedural requirements are met, would not violate any statutory standards nor the "rule of reason."

SUMMARY AND CONCLUSIONS

One of the governance alternatives for the Delavan Lake area consists of the merger of the Delavan Lake Sanitary District with the City of Delavan. A merger would take place through the process of annexation. The material presented in this chapter constitutes an analysis of this governance alternative. The most significant findings of this analysis may be summarized as follows:

1. The most practical way in which to annex the Delavan Lake Sanitary District to the City of Delavan is through the referendum method set forth in the Wisconsin Statutes. This method can be initiated in one of two ways. Either electors or landowners in the Sanitary District could submit a petition to the Common Council of the City of Delavan, such petition containing the signatures of either 20 percent of the electors of the area or 50 percent of the owners of land in the area, calculated on the basis of

either assessed valuation or area, or the Common Council could file an annexation petition with the Walworth County Circuit Court. That annexation petition would have to be adopted by a two-thirds majority of the Common Council. In either case, a referendum on the annexation would be held in the Sanitary District. A simple majority of electors in the Sanitary District would decide the issue. If the referendum carried, the Common Council would have to enact an annexation ordinance by a two-thirds majority vote for the annexation to become effective.

2. The geographic area considered for annexation to the City of Delavan under the analyses set forth in this chapter consists of the Delavan Lake Sanitary District as that District is currently legally constituted. The Advisory Committee selected this geographic area for analytical purposes because the Sanitary District is already perceived as a municipality having its own taxing jurisdiction; the boundaries of the Sanitary District represent a common community of interest focused on Delavan Lake; the Sanitary District abuts the City of Delavan and is annexable; and there is a significant amount of open, developable land within the District to accommodate future growth and development. While the initial merger analysis was based on the geographic limits of the existing Sanitary District, the Advisory Committee recognized that should a consensus ultimately emerge that the annexation alternative be pursued, it may be desirable at that time to consider boundaries that may be somewhat different from the Sanitary District boundaries.
3. If the Sanitary District were to be annexed to the City, the City would expand from about 3.9 to about 10.8 square miles, an almost 177 percent increase; resident population in the City would increase from about 6,100 to nearly 8,200, an almost 35 percent increase; and the number of housing units in the City would nearly double, from about 2,250 to about 4,450. In addition, the seasonal population at Delavan Lake would bring the total population of the merged entity to about 12,300. The number of miles of public and private

streets, highways, and roads would increase to about 62, nearly double the approximately 31 miles now found in the City. The total equalized property value in the City would increase by slightly over 91 percent, from about \$148.6 million to nearly \$284.2 million. This would bring the equalized value per capita to about \$34,800, an increase of about 42 percent over the present level of \$24,500.

4. With respect to the governmental structure of the City of Delavan, annexation of the Delavan Lake area would likely mean the creation of a new aldermanic district for that area and the addition of two aldermen from that district to the Common Council. This would bring the total number of aldermen to eight. It is also likely that a Delavan Lake Committee would be created to help the Common Council oversee lake-oriented policy matters, including lake use and rehabilitation and lake regulation. Oversight of the Delavan Lake sewerage system, however, would shift under a merger to the Water and Sewerage Commission of the City, with the Sanitary District being dissolved.
5. If the Common Council of the City of Delavan were, upon annexation of the Delavan Lake area, to mandate the installation of a public water supply system in that area, such a system could be expected to have capital costs ranging from \$13 million to \$16 million and to result in a one-time special assessment per housing unit in the Delavan Lake area ranging from \$5,000 to \$7,000. The retirement cost of such an assessment over 10 years at an assumed interest rate of 10 percent would approximate \$800 to \$1,100 annually. If the Common Council were also to mandate the installation of curb and gutter, storm sewers, and street lighting—but not sidewalks—along all public roads in the Delavan Lake area, such a project could be expected to have capital costs ranging from \$25 million to \$30 million, resulting in an additional one-time special assessment per housing unit ranging from \$11,000 to \$13,000. The retirement cost of such an assessment over 10 years at an annual interest rate of 10 percent would approximate \$1,800 to \$2,100 annually.
6. If the Common Council of the City of Delavan were to require a public water supply system in the Delavan Lake area, then it is also likely that fire and rescue services in that area would be provided through expanded City of Delavan volunteer fire and rescue operations. If, on the other hand, a public water supply system were not required, then it is likely that the City would contract with the existing Town of Delavan volunteer fire department for fire suppression and rescue services in the Delavan Lake area.
7. Since all Town of Delavan park facilities are located within the Sanitary District, it is likely that all town parks would become part of the city park system upon annexation. This would come about through an agreement by the City and the Town on an apportionment of assets of the Town. Annexation would make Sanitary District residents eligible for City of Delavan recreation programs.
8. Annexation of the Sanitary District to the City should have no impact on the services provided by the City of Delavan Public Library. Currently, all residents of the Sanitary District have access to the city library as though they are city residents by paying for such access through a special county property tax levy. Sanitary District residents would no longer pay that tax upon annexation.
9. Planning and land use control functions in the Sanitary District would, upon annexation, shift from the current joint responsibility by Walworth County and the Town of Delavan to the City of Delavan. Because of the significantly lower densities of residential development in the Delavan Lake area and because of the limited array of residential zoning districts found in the City of Delavan Zoning Ordinance, the Common Council would probably amend the City Zoning Ordinance to provide for residential zoning districts that are more closely related to lot size and density in the Delavan Lake area. Section 59.971(7) of the Wisconsin Statutes may have the effect of requiring the City to amend its zoning ordinance as it applies to the shorelands along Delavan Lake to ensure that the

zoning provisions are no less restrictive than the current zoning provisions contained in the Walworth County Shoreland Zoning Ordinance.

10. Upon annexation, policy control of the Delavan Lake Improvement Program, now underway under the jurisdiction of the Town Board of Delavan, would shift to the Common Council of the City of Delavan. It would be necessary to negotiate as part of the merger process a commitment by the City to continue that program. Principal funding for the program could continue to come from a room tax, provided that the Common Council would be willing to enact such a tax over the entire City.
11. Because of the way in which the Lake Comus Protection and Rehabilitation District is defined, the Delavan Lake area would become part of that District upon annexation to the City of Delavan. This would mean that Delavan Lake taxpayers would be responsible for costs incurred by the Lake Comus District. Had a merger been in effect in 1987, the owner of a \$70,000 home in the Delavan Lake Sanitary District would have paid a total of \$31 in property taxes for the Lake Comus project.
12. While a change in the governance of the Delavan Lake area would have no effect on school district boundaries, a merger of the Sanitary District with the City through the annexation process would have an effect on the election of school board members because of the way in which apportionment plans for school board membership have been structured pursuant to Chapter 120 of the Wisconsin Statutes. If a merger were to take place, the school board member apportionment plans for the Delavan-Darien School District, the Fontana K-8 School District, and the Walworth Union High School District would need to be reviewed and revised to ensure that the Delavan Lake area electors are able to seek membership on the school boards.
13. Three different budget scenarios attendant to the merger of the Delavan Lake Sanitary District and the City of Delavan were developed and analyzed for their impact

upon property taxes and service charges. Under the first budget scenario, it was assumed that expenditure rates in the expanded City of Delavan would equal the current City of Delavan expenditure rates expressed on a per capita basis. In addition, this budget scenario assumed the installation of a public water supply system in the Delavan Lake area; the installation of urban streets with curb and gutter, storm sewers, and street lighting in the Delavan Lake area; the provision of fire suppression services in the Delavan Lake area through expansion of the City of Delavan volunteer fire department; the provision of rescue services in the Delavan Lake area through expansion of the City of Delavan rescue squad; the consolidation of all debt incurred by the Delavan Lake Sanitary District with that incurred by the City of Delavan Sewer and Water Utility; and the establishment of service charges for sanitary sewer and water supply sufficient to cover all debt retirement and annual operation and maintenance costs. Under this scenario, total expenditures and revenues in the City of Delavan would approximate \$7.60 million. This would require a property tax levy over the expanded City of about \$1.05 million. Under this scenario, the local property tax rate in the City would be \$4.14 per \$1,000 of equalized valuation. For current city residents, this would represent a 12 percent decrease; for current Sanitary District residents in the Town of Delavan, this would represent an increase of 7 percent; and for current Sanitary District residents in the Town of Walworth, this would represent an increase of 54 percent. Also under this scenario, there would be an average citywide monthly sewer service charge of \$22 per household and an average monthly water supply charge of \$9.00 per household. Currently, City of Delavan residents have an average monthly sewer service charge of \$14 per household and an average monthly water supply charge of \$9.00 per household. Delavan Lake residents have a flat rate monthly sewer service charge of \$23 per household.

14. Under the second budget scenario, it was generally assumed that expenditure rates in the annexed portion of the City—the

former Delavan Lake Sanitary District—would closely approximate the current level of spending by the Town and Sanitary District combined in that area expressed on a per capita basis. Under this scenario, it was assumed that the Common Council of the City of Delavan would not mandate the installation of a public water supply system, nor urban streets, storm sewers, and street lighting, in the Delavan Lake area; that fire suppression and rescue services in the Delavan Lake area would be acquired via a contract with the Town of Delavan volunteer fire department; that a separate utility district would be formed for the purpose of continuing to provide sanitary sewer service to the Delavan Lake area; that all debt previously incurred by the Sanitary District would be transferred to the new utility district; and that all expenditures by the new utility district would be met by sewer service charges. Under this second budget scenario, total expenditures and revenues in the expanded City of Delavan would approximate \$7.12 million. This would require a property tax levy over the expanded City of Delavan of about \$730,000. The local property tax rate in the City would be \$3.01 per \$1,000 of equalized valuation. This would represent a 36 percent decrease from the existing rate in the City of Delavan, a 22 percent decrease in the Town of Delavan portion of the Sanitary District, and an 12 percent increase in the Town of Walworth portion of the Sanitary District. Also under this scenario, there would be average monthly sewer service and water supply service charges of about \$14 and \$9.00 per household, respectively, in the current City of Delavan—representing no change from current conditions; and a flat rate monthly sewer service charge per household of about \$36 in the Delavan Lake area, compared to \$23 under present conditions. Delavan Lake area residents under this scenario would no longer pay for a portion of their sewer service through the property tax.

15. Under a third budget scenario, it was assumed that it would be possible to reduce expenditure levels from existing city, town, and Sanitary District per capita rates under a merger between the City of Delavan

and the Sanitary District. This third budget scenario is based upon the same public policy assumptions concerning water supply and urban streets, storm sewers, and street lighting and the provision of fire and rescue service that the second alternative is based on. Also like the second alternative, this alternative would require the creation of a separate utility district for sanitary sewerage purposes in the Delavan Lake area. Under this third scenario, total expenditures and revenues in the City would approximate \$6.98 million. This would require a property tax levy over the City of about \$690,000. Under this third scenario, the local property tax rate in the City would be \$2.87 per \$1,000 of equalized valuation. This would represent a 39 percent decrease from the existing rate in the City, a 26 percent decrease in the Town of Delavan portion of the Sanitary District, and a 7 percent increase in the Town of Walworth portion of the Sanitary District. Also under this scenario, there would be average monthly sewer service and water supply service charges of about \$14 and \$9.00 per household, respectively, in the current City—representing no change from current conditions; and a flat rate monthly sewer service charge per household of about \$33 in the Delavan Lake area, compared to \$23 under present conditions.

16. At the present time, City of Delavan taxpayers collectively bear about 57 percent of the burden of all property taxes levied in the combined area of the City and the Sanitary District. Sanitary District property owners bear the remaining 43 percent. Under all three budget scenarios, this property tax burden would shift somewhat from City of Delavan taxpayers to Delavan Lake Sanitary District taxpayers. In each case, the proportion of the property tax burden borne by existing city taxpayers would approximate 52 percent, with Sanitary District taxpayers bearing the remaining 48 percent of the burden.
17. Should a merger between the Delavan Lake Sanitary District and the City of Delavan take place through the process of annexation, it is likely that all tests of legal feasibility could be met. In examin-

ing the provision of governmental services, the shape of the proposed annexation, and the homogeneity of the lands proposed to be annexed with the annexing City, it is likely that the Wisconsin Department of Development would find such an annexation to be in the public interest. In addition, after taking into account considerations relating to the need for annexation, to the

contiguity of the Sanitary District and the City, and to whether or not the annexation would be considered arbitrary in nature, it is likely a Circuit Court would find that the annexation, assuming all procedural requirements are met, would not violate any statutory standards nor the "rule of reason" as applied by the Wisconsin Courts under annexation case law.

Chapter IV

INCORPORATION OF THE DELAVAN LAKE SANITARY DISTRICT

INTRODUCTION

Another governance alternative for the Delavan Lake area consists of the incorporation of the Delavan Lake Sanitary District as a village or city. This chapter presents a description of the incorporation process; a description of the area that might be incorporated; information intended to identify the probable governmental structure, functions, and service levels in the new municipality created by the incorporation; information attendant to the probable impacts of such an incorporation on the City of Delavan, on current public projects and programs in the Delavan Lake area, and on school district representation; and information attendant to a probable budget for the new municipality. The chapter concludes with a discussion of the probable legal feasibility of incorporating the Delavan Lake Sanitary District. The probable impacts of such an incorporation on the remnant Towns of Delavan and Walworth and on the residents of those Towns are set forth in Chapter V.

THE INCORPORATION PROCESS

The procedural steps needed to incorporate a new city or village in Wisconsin are summarized in Figure 11. The procedures on this figure reflect Wisconsin law set forth in Sections 66.013 through 66.019 of the Wisconsin Statutes.¹ The

¹Two other sections of the Wisconsin Statutes also provide for incorporation of town lands into a village or city, but are not applicable to the Delavan Lake situation. Section 66.011 of the Wisconsin Statutes, informally known as the "Pleasant Prairie law," applies only to towns with a resident population greater than 10,000 persons which are contiguous to a second class city with a resident population exceeding 65,000 persons. Section 66.012 of the Wisconsin Statutes, informally known as the "Oak Creek law," applies only to towns with a resident population exceeding 5,000 persons which are adjacent to a city of the first class, i.e., a city having a resident population of at least 150,000 persons.

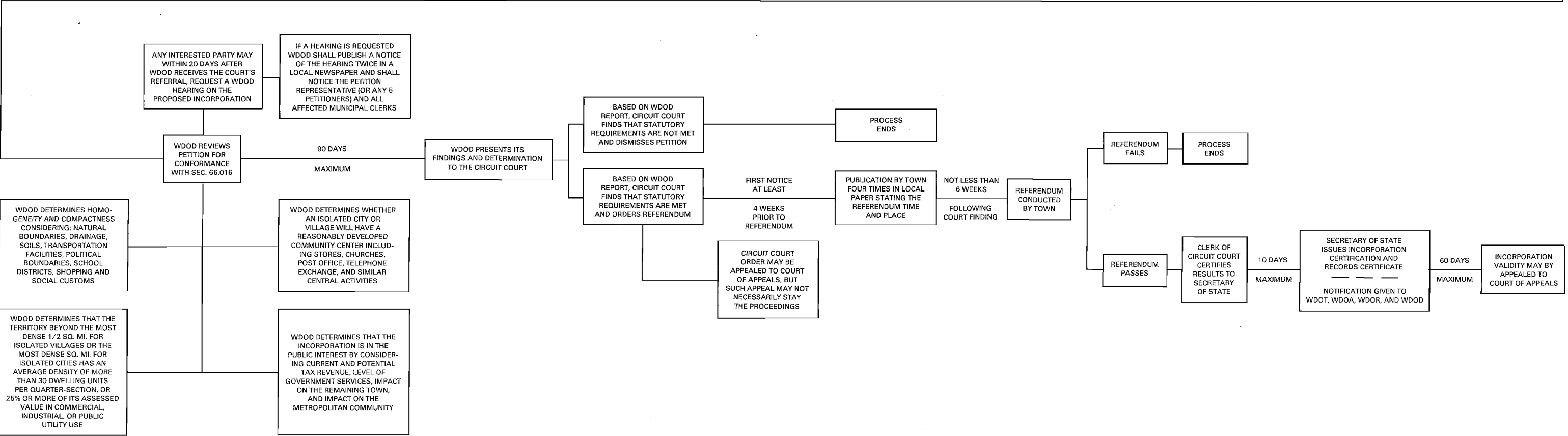
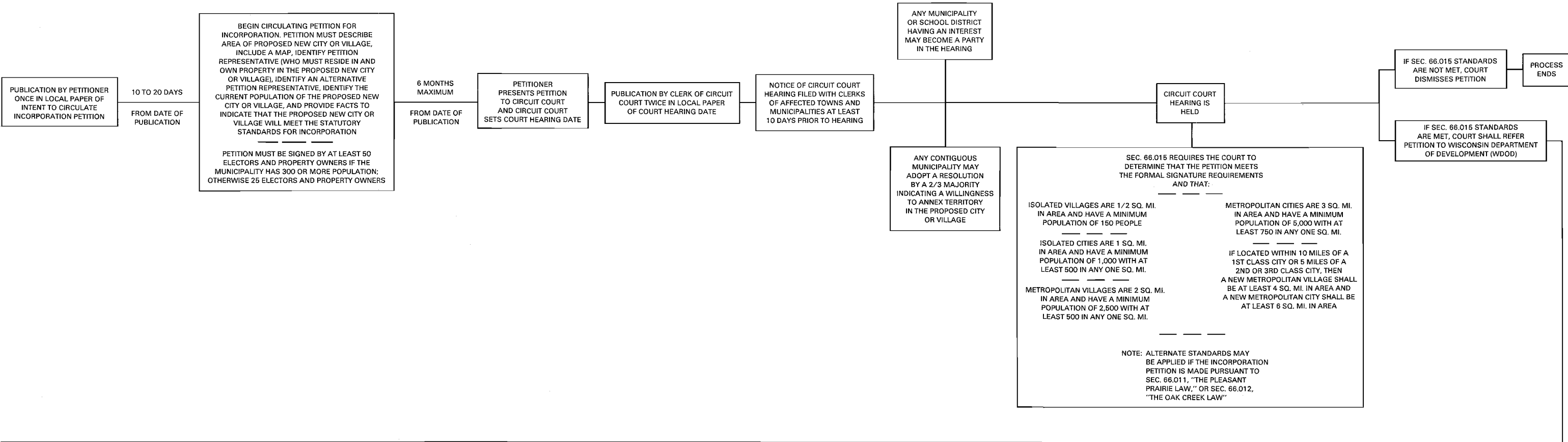
incorporation process is initiated by the publication once in the local newspaper of a Notice of Intent to circulate an incorporation petition. The notice must describe the territory proposed to be incorporated. The petitioner must begin circulation of the petition no sooner than 10 nor more than 20 days from the date of publication of the notice. Those circulating the petition have six months from the date of publication of the notice in the newspaper to obtain the signatures on the petition of at least 50 persons who are both electors and property owners of the area proposed for incorporation if the new municipality would have a resident population of 300 persons or more—which is the case in the Delavan Lake Sanitary District. If the new municipality were to have a resident population of less than 300 persons, only 25 such persons need sign the petition.

The incorporation petition must include a description of the area of the proposed new city or village; must include a map of the area proposed to be incorporated; must state the name and address of the designated representative of the petitioners and an alternate representative, such representatives required to be either electors or property owners of the territory proposed to be incorporated; must specify the current resident population of the area proposed to be incorporated; must set forth facts that substantially establish that the statutory standards for incorporation will be met; and must formally request that the Circuit Court order a referendum on the question of incorporation, and, assuming that such a referendum would carry by simple majority vote of the electors of the area concerned, certify such an incorporation to the Secretary of State when all requirements have been met.

Upon completion of circulation of the petition, the representative presents the petition formally to the Circuit Court. Upon receiving the petition, the Circuit Court fixes a date, time, and place for a hearing. The Clerk of the Circuit Court then causes a notice of the filing of petition and of the date, time, and place of the hearing on the petition to be published once a week for two weeks in the local paper. In addition, the Clerk by certified or registered mail provides a copy of

Figure 11

PROCEDURAL STEPS TO INCORPORATE A NEW CITY OR VILLAGE PURSUANT TO SECTIONS 66.013 THROUGH 66.019 OF THE WISCONSIN STATUTES



Source: SEWRPC.

that notice to the Clerk of each town directly affected by the proposed incorporation.² The mailing of the notice to the town clerks must occur not less than 10 days prior to the date set for the hearing. The notice to the clerks must contain a description of the territory proposed to be incorporated and a statement that a map of the territory is on file with the Court; the name of each town in which the territory is located; and the name and address of each of the representatives of the petitioners.

At any time prior to the hearing, the towns directly affected and any school district which lies at least partly within the territory may petition the Circuit Court to become a party to the proceeding and the Court is required to accept such a petition. In addition, the Court may find other persons or governments to be a party in interest, e.g., the City of Delavan, and may declare such a person or governmental entity also a party to the proceedings. The law also provides that any municipality whose boundaries are contiguous to the territory proposed to be incorporated may file with the Circuit Court a resolution adopted by a two-thirds majority of the elected members of the governing body indicating a willingness to annex the territory identified in the incorporation petition. Such a resolution must be filed at or prior to the incorporation hearing. Such a resolution would be important only insofar as it would indicate to the Court and to the Wisconsin Department of Development that the territory concerned could become part of an incorporated municipality in a way different from that

proposed by the petitioners for incorporation. Neither the Court nor the Department is empowered to order a referendum on such an annexation invitation.

The Circuit Court then holds the hearing as scheduled. At the hearing, the Court must determine whether or not the petition meets the formal and signature requirements and, furthermore, whether or not, in the case of the Delavan Lake situation, the proposed municipality, if it is proposed to be a village, would be at least one-half square mile in area and have a minimum resident population of 150 persons; or if it is proposed to be a city, would be at least one square mile in area, have a minimum resident population of at least 1,000 persons, and have a population density of at least 500 persons in any one square mile.³ Assuming that the Court finds the petition to be in order and to meet the foregoing statutory standards, the Court formally refers the petition to the Wisconsin Department of Development. The Department is required to evaluate the petition according to the standards set forth in Section 66.016 of the Wisconsin Statutes. These standards, which will be discussed in more detail as they apply to the Delavan Lake situation in a later section of this chapter, relate to the characteristics of the territory proposed to be incorporated and to the general public interest as measured by such considerations as property tax rates and revenues, level of governmental services, and impact on the remainder of the towns affected.

Any individual or government identified as a party of interest in the incorporation may request a hearing before the Wisconsin Department of Development. The purpose of the hearing is to provide an opportunity for such parties to present information considered to be helpful to the Department in making its determination. Such a hearing must be requested within 20 days after the Department receives the petition from the Circuit Court.

²Such a notice would also be provided to what is termed in the Statutes a "metropolitan municipality" if an incorporation is proposed within what the Statutes define as a "metropolitan community." A metropolitan community is defined as territory consisting of any city having a resident population of 25,000 or more persons, or any two incorporated municipalities whose boundaries are within five miles of each other and whose resident populations aggregate 25,000 or more persons, plus all contiguous area which has a population density of at least 100 persons per square mile. The Delavan Lake area would not be defined as lying within a metropolitan community.

³The standards cited in the text pertain to what the Statutes term "isolated" villages and cities. For "metropolitan" villages and cities, which are not applicable to the Delavan Lake situation, different area, resident population, and density standards are applicable.

The Department of Development has 90 days after receipt of the matter from the Circuit Court to make its findings and determination. These findings and determination are forwarded by the Department directly to the Circuit Court, to the designated representative of the petitioner, and to all other parties of interest to the proceeding. The Department is required to make its determination in one of the following three ways:

1. The statutory standards for incorporation have been met, the petition for incorporation should be granted by the Circuit Court, and an incorporation referendum held.
2. The statutory standards have not been met and the petition should be dismissed.
3. The statutory standards have not been met and the petition should be dismissed with a recommendation that a new petition be submitted to include more or less territory as may be specified by the Department.

Upon receipt of the Department's findings and determinations, the Circuit Court either dismisses the petition and the process ends, or grants the petition and orders an incorporation referendum held. The order for an incorporation referendum by the Court must specify the voting place and date for the required referendum. That date may not be less than six weeks from the date of the Court order. The town then causes a notice of the referendum to be published in the local newspaper once a week for four consecutive weeks. The first publication must appear not more than four weeks before the referendum date.

A referendum on an incorporation is conducted in the same manner as a referendum on an annexation, as discussed in Chapter III of this report. In the case of Delavan Lake, the referendum would be held by the Town of Delavan as the town with the largest area concerned. In such a referendum, all electors in the Delavan Lake Sanitary District would simply vote either for or against incorporation. A simple majority would decide the issue. If the referendum failed, the process would end and the cost of the election would be borne by the town involved. If the referendum carried, the costs would be charged against the new municipality.

Assuming a favorable outcome on an incorporation referendum, the law provides that the Clerk of the Circuit Court must certify the results to

the Secretary of State, providing that office with a description of the legal boundaries of the new municipality, a copy of a map of the new municipality, and an estimate of the population of the new municipality. The Secretary of State, within 10 days of receipt of such information from the Circuit Court, issues an incorporation certificate and makes a record of that incorporation in a book kept for that purpose. The Secretary of State also formally notifies the Wisconsin Departments of Administration, Development, Revenue, and Transportation of the incorporation. Any person or governmental unit desiring to contest the validity of the incorporation must do so within 60 days from the date of the issuance of the certificate of incorporation by the Secretary of State.

Upon incorporation of a new municipality, the law provides for the establishment of an Apportionment Board to divide the assets of the town. The Board consists of representatives of each municipality involved in the incorporation. The following rules apply to the apportionment process:

1. Assets and liabilities are apportioned on the basis of assessed valuation, based on a five-year average.
2. Any outstanding special assessments in the incorporated area are collected by the new municipality and transferred to the levying municipality.
3. Public utilities go to the municipality with the most customers.
4. Title to real estate is transferred only by agreement; the value of such is a consideration in determining the assets of the municipality owning the real estate.

CHARACTERISTICS OF THE AREA TO BE INCORPORATED

Based upon the rationale set forth in Chapter III of this report concerning the area assumed to be annexed to the City of Delavan under the merger alternative, the Advisory Committee directed that the area to be considered for the incorporation analysis also consist of the Delavan Lake Sanitary District as it is currently legally constituted. The Advisory Committee recognized, however, that while the initial incorpora-

tion analysis would be constrained to the geographic limits of the existing Sanitary District, should a consensus ultimately emerge that the incorporation alternative should be pursued, it may be desirable at that time to consider boundaries other than the existing Sanitary District boundaries.

Given the foregoing determination by the Advisory Committee, Table 44 presents selected characteristics of a new Delavan Lake municipality assuming incorporation of the Delavan Lake Sanitary District. The new municipality would have a total area of about 6.9 square miles and a resident population of nearly 2,100. When seasonal population is taken into account, the total population level would reach nearly 6,300. There would be about 2,200 housing units in the new municipality, of which about one-half would be occupied on a year-round basis. The new municipality would be the location for about 700 jobs.

Surface water would constitute nearly 42 percent of the total area of the municipality. Residential land uses would approximate another 22 percent. The remaining area is distributed among a number of land use categories as shown in Table 44.

The new municipality would have a total of 3.8 miles of arterial streets, of which 2.0 miles would be state trunk highway, 1.3 miles county trunk highway, and 0.5 mile a local arterial street. There would be a total of about 32 miles of streets, highways, and roads in the new municipality, of which about 10 miles would be private roads.

The new municipality would have a total equalized value of about \$135.7 million. The equalized value per capita would approximate \$64,700.

STRUCTURE AND FUNCTIONS OF AN INCORPORATED MUNICIPALITY OF DELAVAN LAKE

Governmental Structure

For the purposes of the incorporation analysis, the Advisory Committee directed that it be assumed that the incorporation would result in the creation of a village rather than a city for the Delavan Lake community. In so doing, the Advisory Committee noted that although it would be possible to meet the basic population, area, and density standards for incorporation as

Table 44

SELECTED CHARACTERISTICS OF A NEW DELAVAN LAKE MUNICIPALITY ASSUMING INCORPORATION OF THE DELAVAN LAKE SANITARY DISTRICT

| Characteristic | Municipality of Delavan Lake |
|--|--|
| Civil Division Area (1988) Square Miles | 6.9 |
| Population (1988) Resident Resident Plus Seasonal | 2,098 6,280 |
| Housing (1985) Housing Units Resident Households | 2,204 1,078 |
| Employment (1985) Number of Jobs | 700 |
| Land Use (acres—1985) Residential Commercial Industrial Parks and Recreation Governmental and Institutional Transportation and Utilities Agricultural Water Wetlands Woodlands Other Total | 974.1 52.4 1.1 178.8 4.3 274.1 168.5 1,846.7 53.5 321.6 506.7 4,381.8 |
| Arterial Streets and Highways (miles—1988) State Trunk County Trunk Local Total | 2.0 1.3 0.5 3.8 |
| All Streets, Highways, and Roads (miles—1988) State Trunk County Trunk Local Private Total | 2.0 1.3 18.0 10.2 31.5 |
| Property Tax Base (1986) Total Equalized Value Equalized Value Per Capita | \$135,652,663 64,658 |

Source: SEWRPC.

a fourth class city, the village form of government would likely be the preferred one for the Delavan Lake situation.⁴ The only significant difference, the Advisory Committee noted, between a village and a fourth class city would be the way in which the governing body is elected. In villages, the board of trustees is elected at large. In fourth class cities, the common council is elected from aldermanic districts. In the Committee's judgment, the at large approach to the election of the governing body likely would be the preferred approach for Delavan Lake.

For analytical purposes, then, it was assumed that the incorporation alternative would postulate a new Village of Delavan Lake. The following officers would be elected to provide policy guidance for the Village:

1. A president.
2. A clerk.
3. A treasurer.
4. Six trustees whose term of office would be two years, three of whom would be elected each year.

The terms of office of the president, clerk, and treasurer are also for two years. The Village could also choose to elect an assessor and a constable. Alternatively, the functions concerned could be carried out by an appointed assessor and chief of police.

Upon incorporation, other decisions would have to be made concerning the governmental structure of the Village. It is likely, for example, that the village board would act to create a village plan commission and charge that commission with the responsibility for overseeing the planning and land use control functions of the new municipality. In addition, decisions would need

to be made concerning the way in which committees would be structured to provide oversight for the general administrative, public safety, public works, park and recreation, and perhaps other functions that may be carried out by the Village. It is likely, for example, that a committee would be created to oversee matters relating to the regulation and rehabilitation of Delavan Lake. All these are matters that would be decided by the new village board upon its election following the incorporation.

Municipal Services

For the purposes of the incorporation analysis, a general assumption was made that the level of municipal services now provided in the Delavan Lake area collectively by the Towns of Delavan and Walworth, the Delavan Lake Sanitary District, and Walworth County closely approximates the level of services desired by Delavan Lake area residents, and that, accordingly, the analysis should not assume any substantial changes in the provision of municipal services. Rather, the analysis should assume that the new village government would provide essentially the same types and levels of services now provided in the Delavan Lake area. Accordingly, the following specific assumptions have been made concerning the level of municipal services to be provided by a Village of Delavan Lake:

1. With respect to the general government function, it was assumed that the current administrative staff of the Delavan Lake Sanitary District, together with the elected village clerk, would form the nucleus of the administrative staff of the Village.
2. With respect to the function of law enforcement, it was assumed that the entire Police Department of the Town of Delavan would continue on as the Police Department of the Village of Delavan Lake.
3. With respect to the functions of fire and rescue services, it was assumed that the new Village would contract with the Town of Delavan to maintain the current volunteer fire and rescue department that serves the Town.
4. With respect to public works functions, it was assumed that there would be no change in the provision of sanitary sewer service from that being currently provided

⁴A fourth class city has a minimum resident population of 1,000 persons and a maximum population of 10,000 persons. In an "isolated" setting such as Delavan Lake, such a city would have to encompass at least one square mile and have at least 500 persons reside in any one square mile.

by the Sanitary District; that public water supply services would not be provided; that street lighting would not be provided; that rural-type street cross-sections would be maintained; and that the new Village would maintain a public works staff adequate to provide for sewer system maintenance, for road and culvert maintenance, and for snow plowing.

5. With respect to the park and recreation function, it was assumed that the new Village would, as part of the town asset apportionment process upon incorporation, acquire and operate the two existing Town of Delavan parks and the boat launch, providing the same level of service now provided by the Town.
6. With respect to the provision of library services, it was assumed that the Village would continue to acquire such services via the Walworth-Racine County Federated Library System and not establish its own village library.
7. With respect to planning and land use control, it was assumed that the new Village would act to establish a village plan commission and retain consulting staff to help the new Village, over time, prepare a master plan for the Village and any attendant implementing land use control ordinances.

IMPACTS OF INCORPORATION

Impacts on City of Delavan

The incorporation of the Delavan Lake Sanitary District as a village should have no direct or significant impact upon the City of Delavan as it currently exists. The incorporation would not affect the property tax base of the City, the state shared revenues, nor other state aids that the City receives. The only impact of the incorporation would be that the City could no longer expand its geographic area through the process of annexation to encompass lands now lying within the Delavan Lake Sanitary District. The only way in which the City could expand into the Sanitary District from that time forward would be through the mutual process of consolidation of the entire new Village with the City. Furthermore, in terms of future growth, both the City of Delavan and the Village of Delavan Lake

could annex lands from the adjacent towns. Consequently, the major impact of the incorporation of the Village of Delavan Lake on the City of Delavan relates to the potential future growth pattern of the City.

Current Projects and Programs

As discussed in Chapter II of this report, four projects and programs now underway were identified for special consideration in the merger and incorporation analyses. These four projects, which are identified in Table 21 in Chapter II, consist of the Delavan Lake improvement program, the Lake Comus improvement program, the Town of Delavan fire station improvement program, and the Delavan Lake Sanitary District capital improvements program. The following discussion summarizes the probable impact on such programs of the incorporation of the Delavan Lake Sanitary District as a village.

With respect to the Delavan Lake improvement program, there is no reason why that program could not continue as planned, with policy control for the program shifting from the Town Board of the Town of Delavan to the village board of the Village of Delavan Lake. Presumably, the new village board would be willing to commit to carry out the Delavan Lake improvement program and to enact a village room tax to provide a funding source for that program. Hence, there should be no adverse impact on this program upon incorporation of the Village. Since some of the improvements to be made involve sedimentation basins at locations beyond the limits of the Sanitary District, and therefore beyond the limits of the Village of Delavan Lake under the incorporation alternative, it would be necessary for the village board to enter into an intergovernmental agreement with the Town of Delavan under Section 66.30 of the Wisconsin Statutes to install the basins.

With respect to the Lake Comus Protection and Rehabilitation District program, incorporation of the Village of Delavan Lake should have no adverse impact upon the completion of that program. No lands included in the Lake Comus District also lie within the Delavan Lake Sanitary District. Hence, assuming incorporation of the Village, the Lake Comus District could continue to carry out and complete its rehabilitation program.

With respect to the Town of Delavan fire station building program, there should be no reason not

to continue with that program upon incorporation of the Village under the assumption that the new Village would desire to contract with the remnant Town of Delavan to maintain the same volunteer fire department that currently serves the entire Town of Delavan.

Finally, with respect to the capital improvements program adopted by the Delavan Lake Sanitary District, incorporation of the Village should have no impact upon that program. If a Village were created, the Sanitary District would be dissolved and all of the functions of that District would be assumed by the new village board. There should be no reason why that new village board would not desire to carry out the program adopted by the Sanitary District.

School District Representation

Incorporation of the Village of Delavan Lake would have essentially the same effects on the election of school board members as described in Chapter III of this report where the merger analysis is set forth. The school district member apportionment plans concerned—those serving the Delavan-Darien School District, the Fontana K-8 School District, and the Walworth Union High School District—would have to be reviewed and revised to ensure that residents of the new Village could stand for election to the school boards. As noted in Chapter III, there is a statutory procedure for petitioning for changes in school board member apportionment plans. Such apportionment plans can be changed at the annual meeting of the school district by majority vote of the electors attending the meeting.

PROBABLE BUDGET FOR THE VILLAGE OF DELAVAN LAKE

Two alternative budget scenarios were developed for the assumed Village of Delavan Lake and are presented herein. Both scenarios are consistent with the assumptions concerning the types and levels of municipal services set forth in a preceding section of this chapter.

Budget Scenario No. 1: Portion of Sewerage Costs Recovered Through Property Taxes

Under the first budget scenario for the new Village, it was assumed that, consistent with the established policy of the Sanitary District, the new Village would continue to partially recover sanitary sewerage costs through a property tax levy. Given this assumption and using 1987

expenditure and revenue data as a basis for this analysis, a hypothetical budget for the new Village of Delavan was developed, and is set forth in Table 45. With respect to expenditures, the following major assumptions attendant to costs that would be incurred by the new Village were made in preparing this budget scenario:

1. Expenditures for general government would be derived by applying the Town of Delavan per capita rate for 1987 and adding to that the entire amount spent in 1987 by the Sanitary District for general government purposes.
2. Expenditures for law enforcement would represent the total expenditures for that function by the Town of Delavan in 1987, it being assumed that the entire town Police Department would be retained to serve the new Village.
3. Expenditures for fire and rescue services would be based upon an apportionment of Town of Delavan 1987 fire and rescue service costs, such an apportionment being based upon the number of housing units in the Sanitary District. This is consistent with the assumption noted earlier in this chapter that the new Village and the Town would agree to jointly maintain the existing Town of Delavan volunteer fire and rescue department.
4. Expenditures for sanitary sewer service would be equal to such expenditures made by the Sanitary District.
5. Expenditures for streets and highways would be derived by applying Town of Delavan per-mile expenditure rates.
6. Expenditures for park and recreation would be equal to those spent in 1987 by the Town of Delavan, this being consistent with the assumption that, since all park and recreation facilities in the Town lie within the Sanitary District, the new Village would assume the entire park and recreation function.
7. Expenditures for conservation would be equal to those expended in 1987 by the Town of Delavan and the Sanitary District for Delavan Lake protection and enhancement purposes.

8. Expenditures for debt service would be based upon an apportionment of Town of Delavan debt between the Town and the new Village based upon equalized valuation.
9. Expenditures for capital outlay would be derived by applying the Town of Delavan per capita rate for 1987.

With respect to revenues, the following major assumptions were made in preparing this alternative budget scenario:

1. The Village of Delavan Lake would levy a property tax in the amount of \$297,000 for sanitary sewerage purposes.
2. The Village would enact a room tax and continue to raise room tax revenues in an amount equal to that raised by the Town of Delavan in 1987 in the Delavan Lake area.
3. Permit revenues would be based upon an apportionment of total such revenues received in 1987 by the Town of Delavan, with the apportionment being based on the number of housing units.
4. License revenue would be equal to all such revenue received by the Town of Delavan in 1987 except for \$135 representing a license fee for a mobile home park lying outside the Sanitary District; all other license fees came from land uses lying within the Sanitary District.
5. Violation and judgment revenues would be apportioned from the total such revenue received in 1987 by the Town of Delavan, with the apportionment being based on public road mileage.
6. Service charge revenues would be equal to such revenues collected by the Sanitary District in 1987.
7. State shared revenues would be derived by applying the statutory formula of \$30 per capita and adding to that amount an apportionment of the utility reimbursement revenue received in 1987 by the Town of Delavan, such apportionment made on the basis of utility land uses.
8. State transportation aids would be derived by applying the minimum statutory pay-

ment of \$750 per mile to the number of miles of local public streets in the Village.

9. State property tax credit would be based upon an apportionment of the Town of Delavan credit based upon equalized valuation.

Given these assumptions, the first budget scenario set forth in Table 45 envisions a total expenditure and revenue level of about \$2.18 million. This would require a property tax levy in the new Village of about \$659,000. Also under this scenario, there would be a flat rate sewer service charge of \$23 per month per household.⁵

Budget Scenario No. 2: Recovery of All Sewerage Costs Through Service Charges

The second budget scenario is identical to the first except in one essential respect. Under the second scenario, it was assumed that a policy decision would be made to recover all sanitary sewerage costs through user charges. As noted above, such costs now are partly recovered through a property tax levy in the Sanitary District, which in 1987 totaled \$297,000.

This second budget scenario is also set forth in Table 45. Like the first scenario, this budget envisions a total expenditure and revenue level of about \$2.18 million. Under this scenario, the property tax levy in the new Village would be reduced to about \$362,000. User charge revenues for sanitary sewer service would increase from about \$794,000 under the first scenario to nearly \$1.1 million under the second scenario. This

⁵The 1989 operating budget for the Town of Delavan calls for a significantly reduced expenditure level for law enforcement. In 1987—the base year of the budget analysis—law enforcement expenditures in the Town totaled \$323,317. In 1989, such expenditures are budgeted to total \$258,100, a decrease of about 20 percent. If this lower level of expenditure were to be factored into the budget analysis, a property tax levy of \$593,484 would be required. This would mean a local tax rate of \$4.38 per \$1,000 of equalized valuation, as opposed to the rate of \$4.86 developed under the budget analysis. The total annual cost per average household under budget scenario No. 1 would be reduced from \$625 to \$592.

Table 45

ALTERNATIVE BUDGET SCENARIOS FOR THE VILLAGE OF DELAVAN LAKE

| Expenditure Category | Expenditures | |
|---|-------------------------|-------------------------|
| | Village of Delavan Lake | |
| | Budget Scenario No. 1 | Budget Scenario No. 2 |
| General Government | \$ 272,227 ^a | \$ 272,227 ^a |
| Public Safety | | |
| Law Enforcement | \$ 323,317 ^b | \$ 323,317 ^b |
| Fire and Rescue | 74,152 ^c | 74,152 ^c |
| Other | 15,947 ^c | 15,947 ^c |
| Subtotal | \$ 413,416 | \$ 413,416 |
| Public Works | | |
| Sanitary Sewerage | \$ 472,517 ^d | \$ 472,517 ^d |
| Streets and Highways | 116,889 ^e | 116,889 ^e |
| Other | 372 ^e | 372 ^e |
| Subtotal | \$ 589,778 | \$ 589,778 |
| Health, Culture, Recreation, Conservation, and Development | | |
| Health | \$ 991 ^f | \$ 991 ^f |
| Park and Recreation | 22,522 ^b | 22,522 ^b |
| Conservation | 169,214 ^g | 169,214 ^g |
| Subtotal | \$ 192,727 | \$ 192,727 |
| Other | | |
| Capital Outlay | \$ 100,117 ^f | \$ 100,117 ^f |
| Debt Service | 563,485 ^h | 563,485 ^h |
| Miscellaneous | 43,890 ⁱ | 43,890 ⁱ |
| Subtotal | \$ 707,492 | \$ 707,492 |
| Total | \$2,175,640 | \$2,175,640 |

^aExpenditure level derived by applying Town of Delavan per capita rate for 1987 and adding to that the entire amount (\$161,243) spent by the Delavan Lake Sanitary District for general government purposes in 1987.

^bRepresents total expenditures by Town of Delavan in 1987.

^cRepresents 80 percent of total 1987 expenditures by Town of Delavan; apportionment on basis of number of housing units.

^dRepresents total expenditures by Delavan Lake Sanitary District in 1987.

^eExpenditure level derived by applying Town of Delavan per-mile cost in 1987 to the number of miles of local public streets and private roads in the Delavan Lake Sanitary District.

^fExpenditure level derived by applying Town of Delavan per capita rate for 1987.

^gRepresents total expenditures in 1987 by the Town of Delavan and the Delavan Lake Sanitary District.

^hRepresents 70 percent of total 1987 expenditures by Town of Delavan—apportionment based on equalized valuation; plus all debt service expenditures in 1987 by the Delavan Lake Sanitary District.

ⁱRepresents total expenditures by Delavan Lake Sanitary District in 1987.

^jRepresents derived revenue level needed to result in a balanced budget.

^kRepresents total revenues by Town of Delavan in 1987.

^lRepresents 80 percent of total revenue in 1987 by Town of Delavan; apportionment on basis of number of housing units.

Table 45 (continued)

| Revenue Category | Revenues | |
|-------------------------------------|--------------------------|--------------------------|
| | Village of Delavan Lake | |
| | Budget Scenario No. 1 | Budget Scenario No. 2 |
| Taxes | | |
| General Property Tax | \$ 658,701 ^j | \$ 361,701 ^j |
| Room Tax | 238,945 ^k | 238,945 ^k |
| Subtotal | \$ 897,646 | \$ 600,646 |
| Regulation and Compliance | | |
| Permits | \$ 17,327 ^l | \$ 17,327 ^l |
| Licenses | 18,869 ^m | 18,869 ^m |
| Violations and Judgments | 11,680 ⁿ | 11,680 ⁿ |
| Subtotal | \$ 47,876 | \$ 47,876 |
| Public Charges | | |
| Sanitary Sewer Service | \$ 794,449 ^o | \$1,091,449 ^p |
| Other | 29,332 ^k | 29,332 ^k |
| Subtotal | \$ 823,781 | \$1,120,781 |
| Intergovernmental Aids | | |
| State Shared Revenue | \$ 63,287 ^q | \$ 63,287 ^q |
| Transportation Aids | 13,500 ^r | 13,500 ^r |
| State Property Tax Credit | 105,844 ^s | 105,844 ^s |
| Other | 20,678 ^t | 20,678 ^t |
| Subtotal | \$ 203,309 | \$ 203,309 |
| Other | | |
| Interest | \$ 167,187 ^u | \$ 167,187 ^u |
| Miscellaneous | 35,841 ^v | 35,841 ^v |
| Subtotal | \$ 203,028 | \$ 203,028 |
| Total | \$2,175,640 | \$2,175,640 |

^mRepresents all revenue in 1987 by Town of Delavan except \$135 for a mobile home license outside Delavan Lake Sanitary District.

ⁿRepresents 26 percent of total revenue in 1987 by Town of Delavan; apportionment on basis of public road mileage.

^oRepresents total revenues by Delavan Lake Sanitary District in 1987.

^pRepresents total revenues by Delavan Lake Sanitary District in 1987 for both public charges (\$794,449) and general property tax (\$297,000).

^qRepresents the sum of \$30 per capita plus 41 percent of the utility reimbursement portion of such revenue received in 1987 by the Town of Delavan; apportionment on basis of utility land uses.

^rRevenue level derived by applying \$750 per mile to the number of miles of local public streets in the Delavan Lake Sanitary District.

^sRepresents 70 percent of the total 1987 state property tax credit issued to the Town of Delavan; apportionment based on equalized valuation.

^tRepresents total revenues by Town of Delavan in 1987; these revenues are largely related to Lake Delavan law enforcement activities.

^uRepresents all interest earned by Delavan Lake Sanitary District in 1987 plus 70 percent of interest earned by the Town of Delavan; apportionment on basis of equalized valuation.

^vRepresents all revenue by Delavan Lake Sanitary District in 1987 plus 51 percent of revenue received by the Town of Delavan; apportionment on basis of resident population.

Source: SEWRPC.

would require a flat rate sewer service charge of about \$36 per household.⁶

Estimated Fiscal Impacts of Alternative Budget Scenarios

The estimated fiscal impacts on an average household in the new village taking into account the two alternative budget scenarios are summarized in Table 46 and are graphically illustrated in Figures 12, 13, and 14. The impact analyses assume an average household value in the new Village of \$70,000. The property tax rate and property tax per household data in Table 46 do not include property taxes levied by Walworth County; the various K-8, K-12, and union high school districts concerned; and the Gateway Vocational and Technical School District, nor do they include state property taxes. These taxes would not change with a change in governance.

Under the first alternative budget scenario for the new Village—that involving an assumed policy decision to continue to rely upon a property tax revenue to partly offset sanitary sewer service costs—the local property tax rate in the new Village would be \$4.99 per \$1,000 of equalized valuation. This includes a \$4.86 municipal tax rate plus a \$0.13 county tax rate for federated library services. The \$4.99 rate may be compared to an existing rate of \$3.88 in the Town of Delavan portion of the Sanitary District, an increase of 29 percent; and a \$2.69 rate in the Town of Walworth portion of the Sanitary District, an increase of 86 percent.

The total annual cost per average household under the first budget scenario, taking into account property taxes and the monthly sewer service charge, would approximate \$625. This represents an increase of 14 percent for those residents in the Town of Delavan portion of the Sanitary District, and of 35 percent for those

residents in the Town of Walworth portion of the Sanitary District.

Under the second alternative budget scenario—that involving an assumed change in public policy that would recover all costs associated with sanitary sewer service through sewer fees—the local property tax rate in the Village of Delavan Lake would be \$2.80 per \$1,000 of equalized valuation. Again, this would include the \$0.13 rate for county federated library services. The \$2.80 rate would represent a 28 percent decrease from the existing rate in the Town of Delavan portion of the Sanitary District, and a 4 percent increase in the Town of Walworth portion of the Sanitary District.

The total annual cost per average household under the second alternative budget scenario would, of course, be the same as under the first scenario since the total budget level is the same. The only difference on an average household basis is the amount that the household would pay through property taxes as opposed to service charges. The total annual cost per average household would approximate \$625, again representing an increase of 14 percent for those residing in the Town of Delavan portion of the Sanitary District and of 35 percent for those residing in the Town of Walworth portion of the Sanitary District. While on average there would be no difference in the total annual cost per household between the two budget scenarios, the cost burden borne by individual households could be expected to be different between the two scenarios owing to the wide range in housing unit values in the District.

Figures 12 through 14 also compare the two new village budget scenarios with the three City of Delavan-Delavan Lake Sanitary District merger scenarios presented in Chapter III of this report.⁷

⁶Under the second budget scenario, a reduction in law enforcement expenditures in the manner set forth in footnote 5 would have the effect of reducing the required local property tax levy from \$362,000 to \$296,000. This would mean a local tax rate of \$2.19 per \$1,000 of equalized valuation, as opposed to the rate of \$2.67 developed under the budget analysis. The total annual cost per household under budget scenario No. 2 would be reduced from \$625 to \$591.

⁷One-time capital costs would be incurred for the installation of a public water supply system and an urban street system in the Sanitary District under the first alternative merger budget scenario. See policy scenario No. 1 set forth in detail in Table 36 in Chapter III. In addition, under all three merger budget scenarios, it is assumed that homeowners in the Sanitary District residing on private streets would be required to contract privately for snow plowing services now provided by the Town of Delavan.

Table 46

**ESTIMATED FISCAL IMPACTS ON AVERAGE HOUSEHOLDS IN THE
DELAVAN LAKE SANITARY DISTRICT ASSUMING INCORPORATION OF THE
DISTRICT AS A VILLAGE: EXISTING 1987 AND ALTERNATIVE BUDGET SCENARIOS**

| Alternative Budget Scenario | Fiscal Item ^a | Delavan Lake Sanitary District | | | | | | | |
|---|--|--------------------------------|-----------------------|---------|---------|--------------------------|-----------------------|--------|---------|
| | | Town of Delavan Portion | | | | Town of Walworth Portion | | | |
| | | Existing Conditions | Village Conditions | Change | | Existing Conditions | Village Conditions | Change | |
| | | | | Number | Percent | | | Number | Percent |
| No. 1—Portion of Sanitary Sewerage Costs Recovered Through Property Taxes | Property Tax Rates ^b | | | | | | | | |
| | Municipal | \$1.56 | \$4.86 | \$3.30 | -212 | \$0.37 | \$4.86 | \$4.49 | 1,214 |
| | Sanitary District | 2.19 | -- | -2.19 | -100 | 2.19 | -- | -2.19 | -100 |
| | County Library | 0.13 | 0.13 | -- | -- | 0.13 | 0.13 | -- | -- |
| | Total | \$3.88 | \$4.99 | \$1.11 | 29 | \$2.69 | \$4.99 | \$2.30 | 86 |
| | Property Taxes per Average Household ^c | | | | | | | | |
| | Municipal | \$109 | \$340 | \$231 | 212 | \$ 26 | \$340 | \$314 | 1,208 |
| | Sanitary District | 153 | -- | -153 | -100 | 153 | -- | -153 | -100 |
| | County Library | 9 | 9 | -- | -- | 9 | 9 | -- | -- |
| | Total | \$271 | \$349 | \$ 78 | 29 | \$188 | \$349 | \$161 | 86 |
| | Monthly Service Charges per Average Household | | | | | | | | |
| | Sanitary Sewer | \$ 23 | \$ 23 | \$ -- | -- | \$ 23 | \$ 23 | \$ -- | -- |
| | Total | \$ 23 | \$ 23 | \$ -- | -- | \$ 23 | \$ 23 | \$ -- | -- |
| | Total Annual Cost per Average Household | | | | | | | | |
| | Property Taxes | \$271 | \$349 | \$ 78 | 29 | \$188 | \$349 | \$161 | 86 |
| | Service Charges | 276 | 276 | -- | -- | 276 | 276 | -- | -- |
| | Total | \$547 | \$625 | \$ 78 | 14 | \$464 | \$625 | \$161 | 35 |
| No. 2—All Sanitary Sewerage Costs Recovered Through Service Charges | Property Tax Rates ^b | | | | | | | | |
| | Municipal | \$1.56 | \$2.67 | \$1.11 | 71 | \$0.37 | \$2.67 | \$2.30 | 622 |
| | Sanitary District | 2.19 | -- | -2.19 | -100 | 2.19 | -- | -2.19 | -100 |
| | County Library | 0.13 | 0.13 | -- | -- | 0.13 | 0.13 | -- | -- |
| | Total | \$3.88 | \$2.80 | \$-1.08 | -28 | \$2.69 | \$2.80 | \$0.11 | 4 |
| | Property Tax per Average Household ^c | | | | | | | | |
| | Municipal | \$109 | \$187 | \$ 78 | 72 | \$ 26 | \$187 | \$161 | 619 |
| | Sanitary District | 153 | -- | -153 | -100 | 153 | -- | -153 | -100 |
| | County Library | 9 | 9 | -- | -- | 9 | 9 | -- | -- |
| | Total | \$271 | \$196 | \$ -75 | -28 | \$188 | \$196 | \$ 8 | 4 |
| | Monthly Service Charges per Average Household | | | | | | | | |
| | Sanitary Sewer | \$ 23 | \$ 36 | \$ 13 | 57 | \$ 23 | \$ 36 | \$ 13 | 57 |
| | Total | \$ 23 | \$ 36 | \$ 13 | 57 | \$ 23 | \$ 36 | \$ 13 | 57 |
| | Total Annual Cost per Average Household | | | | | | | | |
| | Property Taxes | \$271 | \$196 | \$ -75 | -28 | \$188 | \$196 | \$ 8 | 4 |
| | Service Charges | 276 | 429 | 153 | 55 | 276 | 429 | 153 | 55 |
| | Total | \$547 | \$625 | \$ 78 | 14 | \$464 | \$625 | \$161 | 35 |

^aAll fiscal information based on 1987 data.

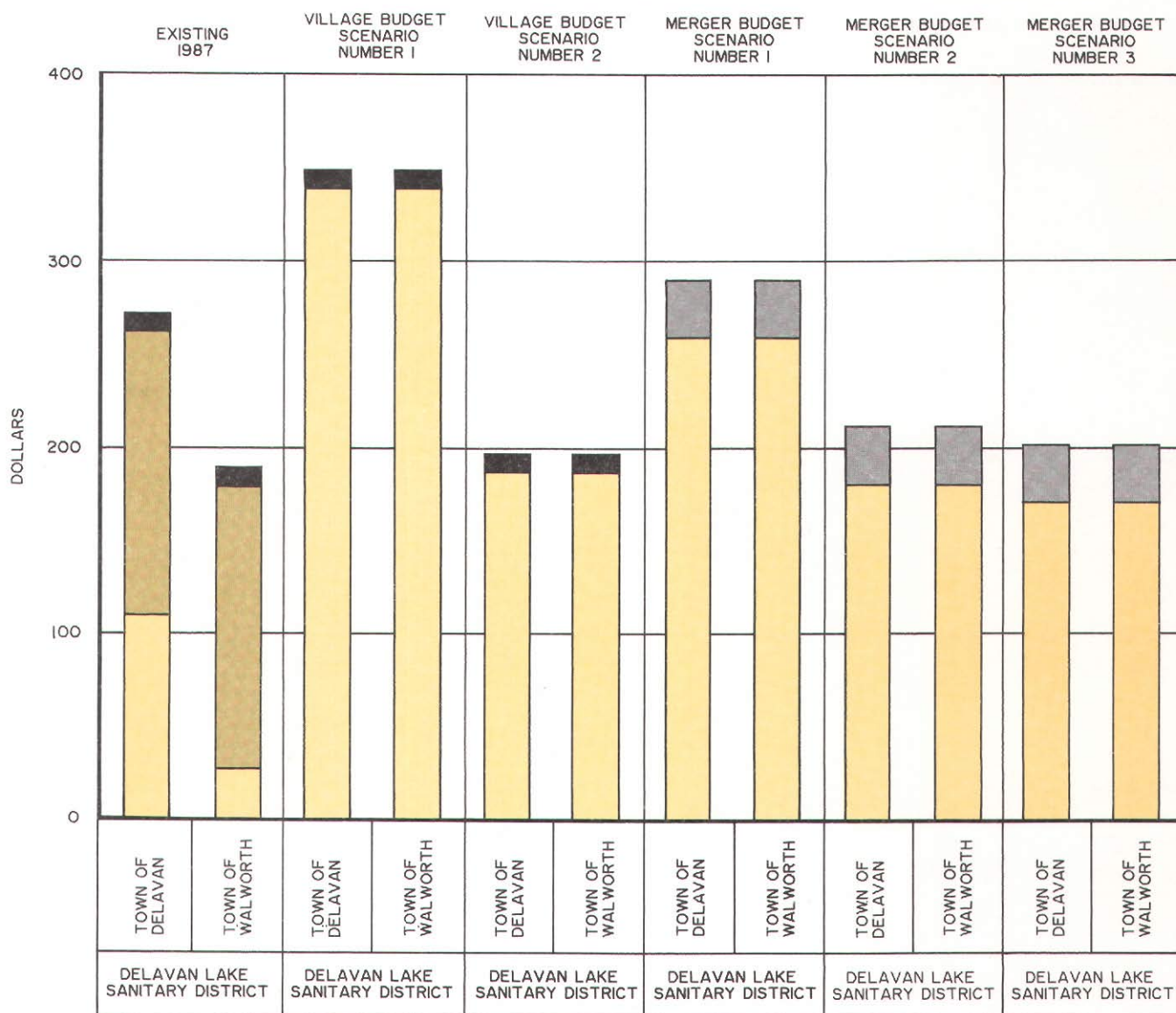
^bDoes not include county, school district, vocational school district, and state property taxes.

^cThe average household value is assumed at \$70,000.

Source: SEWRPC.

Figure 12

**ESTIMATED LOCAL PROPERTY TAXES PER AVERAGE HOUSEHOLD IN THE DELAVAN LAKE
SANITARY DISTRICT ASSUMING INCORPORATION OF THE DISTRICT AS A VILLAGE AND WITH
COMPARISONS TO THE MERGER ALTERNATIVE: EXISTING 1987 AND ALTERNATIVE BUDGET SCENARIOS**



LEGEND

| | |
|--|--|
| MUNICIPAL TAX | LAKE COMUS TAX |
| SANITARY DISTRICT TAX | LIBRARY TAX |

NOTES: 1. AN AVERAGE HOUSEHOLD IS ASSUMED TO LIVE IN A HOUSING UNIT HAVING AN EQUALIZED VALUE OF \$70,000.

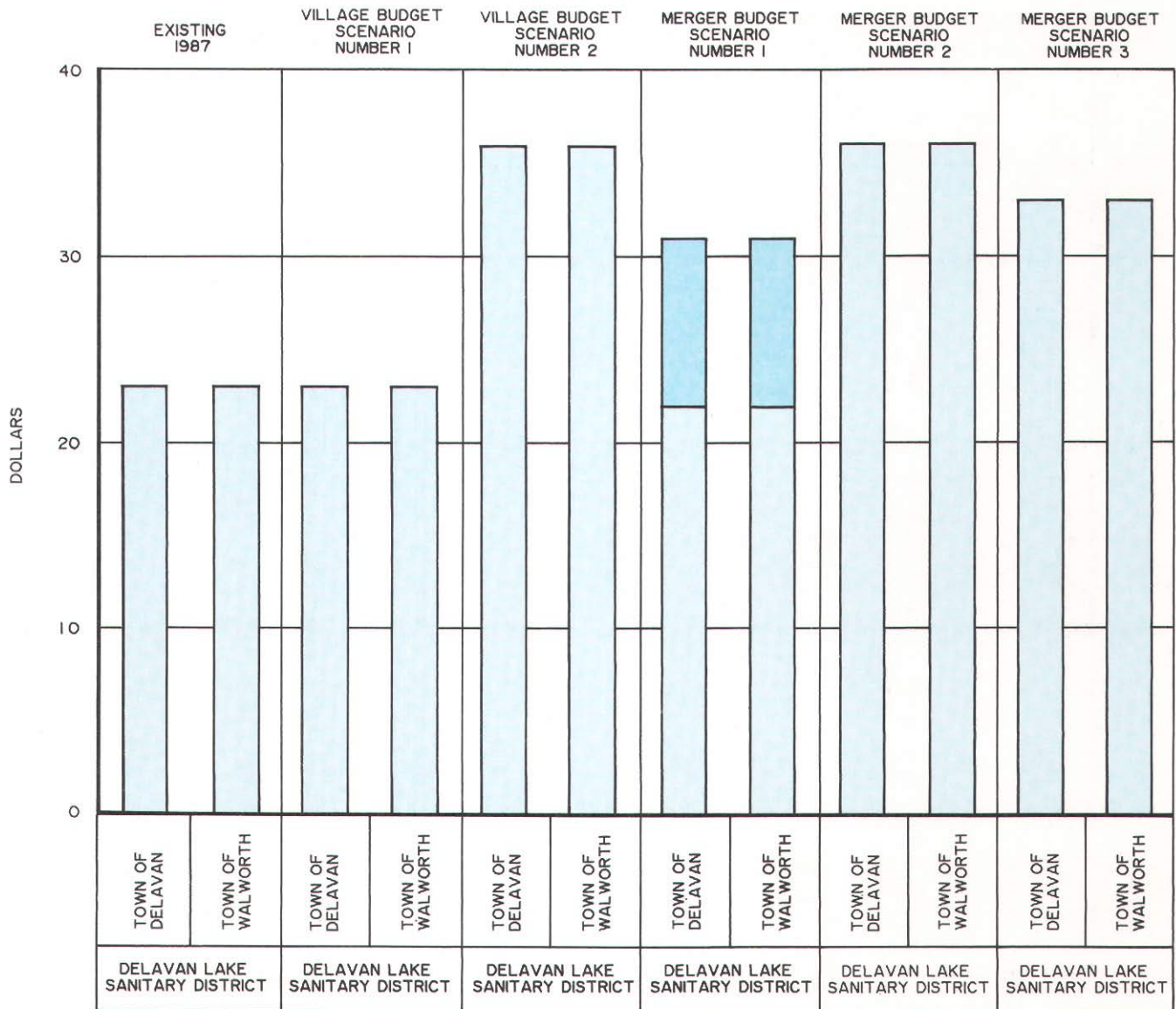
2. UNDER MERGER BUDGET SCENARIO NO. 1, THERE WOULD BE ADDITIONAL CAPITAL COSTS IN THE SANITARY DISTRICT FOR THE INSTALLATION OF A PUBLIC WATER SUPPLY SYSTEM AND AN URBAN STREET SYSTEM. SEE FOOTNOTE B TO TABLE 42 FOR DETAILS.

3. UNDER ALL THREE MERGER BUDGET SCENARIOS, IT HAS BEEN ASSUMED THAT HOMEOWNERS IN THE SANITARY DISTRICT WHO FRONT ON PRIVATE ROADS WOULD HAVE TO CONTRACT PRIVATELY FOR THOSE SNOW PLOWING SERVICES NOW PROVIDED BY THE TOWN OF DELAVAN. IF THE COMMON COUNCIL OF THE CITY OF DELAVAN WERE TO PROVIDE SUCH SNOW PLOWING SERVICES, THE ESTIMATED ADDITIONAL ANNUAL COST COULD BE EXPECTED TO RANGE FROM ABOUT \$7,100 TO ABOUT \$15,200, REPRESENTING AN ADDITIONAL BURDEN OF FROM \$1.76 TO \$3.75 ANNUALLY ON A \$70,000 HOME IN THE "MERGED" CITY. THESE AMOUNTS ARE BASED ON RATES OF \$0.0251 AND \$0.0535 PER \$1,000 OF EQUALIZED VALUATION, RESPECTIVELY.

Source: SEWRPC.

Figure 13

ESTIMATED MONTHLY UTILITY SERVICE CHARGES PER AVERAGE HOUSEHOLD IN THE DELAVAN LAKE SANITARY DISTRICT ASSUMING INCORPORATION OF THE DISTRICT AS A VILLAGE AND WITH COMPARISONS TO THE MERGER ALTERNATIVE: EXISTING 1987 AND ALTERNATIVE BUDGET SCENARIOS



LEGEND

SANITARY SEWER CHARGES
 WATER SUPPLY CHARGES

NOTE: AN AVERAGE HOUSEHOLD IS ASSUMED TO LIVE IN A HOUSING UNIT HAVING AN EQUALIZED VALUE OF \$70,000.

Source: SEWRPC.

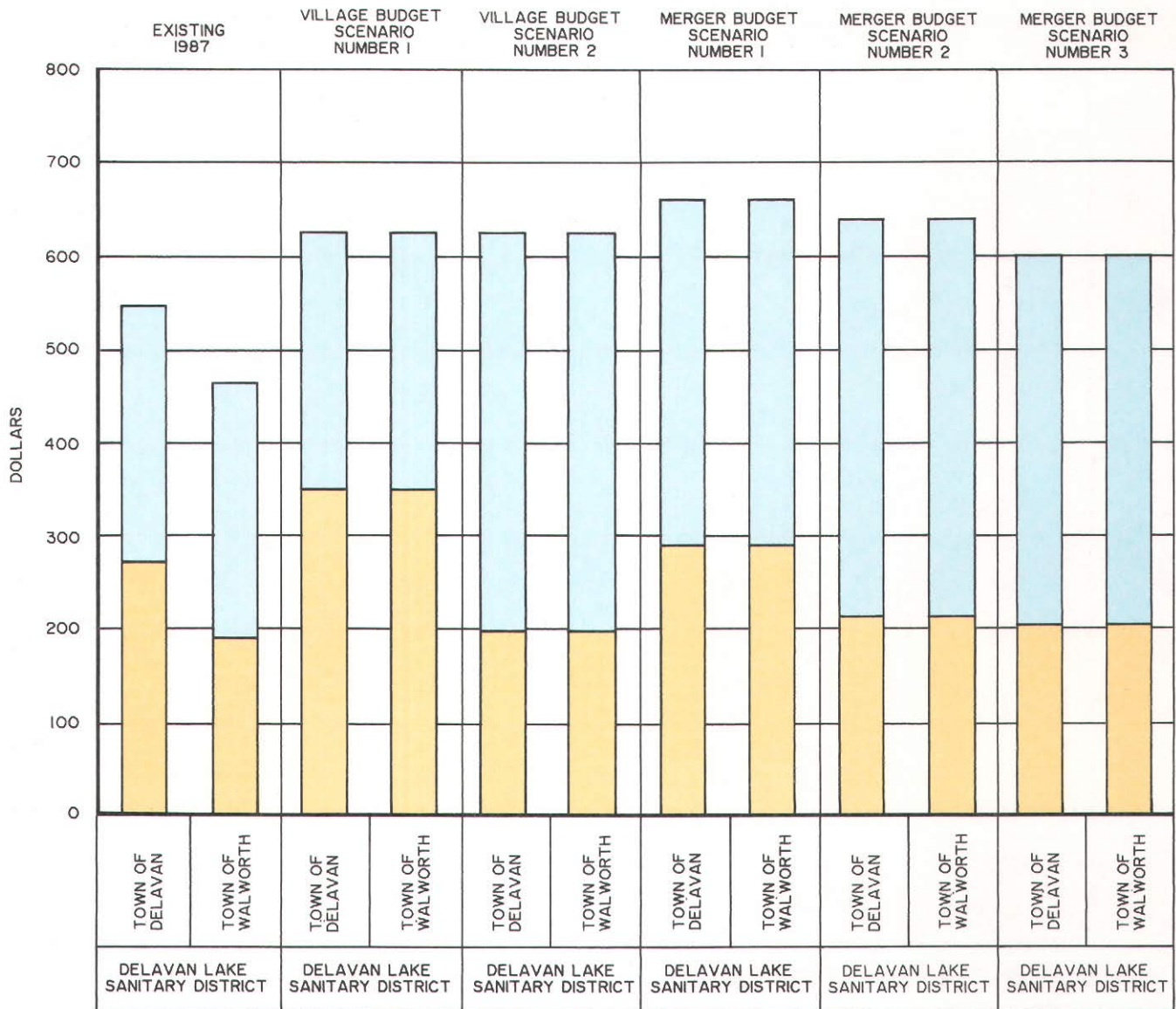
As shown in Figure 14, the estimated total annual cost per average household in the new Village of \$625 can be directly compared with figures of \$640 and \$597 per household, respectively, under merger budget scenarios No. 2 and No. 3. The figure of \$662 for merger budget scenario No. 1 is not directly comparable, because under that scenario Delavan Lake residents would receive public water supply service.

LEGAL CONSIDERATIONS ATTENDANT TO THE INCORPORATION PROCESS

As discussed earlier in this chapter, the incorporation process involves the application of statutory standards by both the Circuit Court and the Wisconsin Department of Development. This section of the chapter addresses the likelihood that, should an attempt be made to incorporate

Figure 14

**ESTIMATED TOTAL ANNUAL COST PER AVERAGE HOUSEHOLD IN THE DELAVAN LAKE
SANITARY DISTRICT ASSUMING INCORPORATION OF THE DISTRICT AS A VILLAGE AND WITH
COMPARISONS TO THE MERGER ALTERNATIVE: EXISTING 1987 AND ALTERNATIVE BUDGET SCENARIOS**



LEGEND

- PROPERTY TAXES
- SERVICE CHARGES

NOTE: AN AVERAGE HOUSEHOLD IS ASSUMED TO LIVE IN A HOUSING UNIT HAVING AN EQUALIZED VALUE OF \$70,000.

Source: SEWRPC.

the Delavan Lake area as a village, the Circuit Court and the Wisconsin Department of Development would find that the statutory standards are met and thereby permit the issue to proceed to an incorporation referendum.

Application of Standards by Circuit Court

Before a Circuit Court is able to refer an incorporation petition to the Wisconsin Depart-

ment of Development, the Court must make its own findings with respect to the standards specified in Section 66.015 of the Wisconsin Statutes. In the case of Delavan Lake, the Circuit Court would have to make the following specific findings:

1. That the proper procedures have been followed in filing the incorporation peti-

tion, and that the petition contains valid signatures of at least 50 persons who are both electors and property owners in the territory proposed for incorporation.

2. That, as an "isolated" village, the territory proposed for incorporation is at least one-half square mile in area and contains a resident population of at least 150.

Since the proposed Village of Delavan Lake would have an area of about 6.9 square miles and a resident population of nearly 2,100 persons, and assuming that proper procedures are followed in submitting the incorporation petition to the Court, there is reason to believe that the Court would find that the standards set forth in Section 66.015 of the Wisconsin Statutes have been met.

Application of Standards by the Wisconsin Department of Development

The standards to be applied by the Wisconsin Department of Development in making its determination as to whether or not an incorporation question should proceed to a referendum are set forth in Section 66.016 of the Wisconsin Statutes. The analysis that follows is based upon not only a reading of those standards, but also a review of the way in which the Department has interpreted and applied those standards to varying fact situations involved in prior incorporation proposals throughout the State. Thus, the Department's likely position concerning the application of the standards to the Delavan Lake situation is inferred from the positions the Department has taken in similar situations in past years.

The first group of standards applied by the Department pertain to the basic characteristics of the territory proposed to be incorporated and, as applied to the Delavan Lake area, are the following:

1. The territory of the proposed village must be found to be reasonably homogenous and compact, taking into consideration such factors as natural boundaries, natural drainage basins, soil conditions, present and potential transportation facilities, previous political boundaries, school district boundaries, and shopping and social customs.

2. An "isolated" municipality must be found to have a reasonably developed community center including such features as retail stores, churches, post office, telecommunication exchange, and similar centers indicative of community activity.
3. The territory in the proposed village lying beyond the most densely populated one-half square mile for an "isolated" village—defined in the Statutes as the "core"—must be found to have either an average of more than 30 housing units per U. S. Public Land Survey System quarter section or an assessed value of which at least 25 percent is attributable to mercantile, manufacturing, or public utility land uses.

The following discussion relates to the likely findings of an application of the first of the foregoing standards to the Delavan Lake situation:

1. Natural Boundaries

The classic interpretation of the statutory term "natural boundaries" relates to major topographic features that might tend to physically delineate or constrain the growth of an urban community. Such features would include major rivers and lakes, large wetlands, significant forests, and abrupt changes in topography such as high bluffs. All of these topographic features can be viewed as potentially naturally limiting boundaries affecting the development of communities.

The only significant natural topographic feature of this type in the Delavan Lake Sanitary District is the lake itself. However, in this case, the lake is a focal point for the community. In prior determinations involving incorporation attempts of lake-oriented communities, the Department of Development has positively recognized inland lakes as such focal points and has not regarded such lakes as a natural impediment to growth. In its determination concerning the proposed incorporation of the Village of Chain O' Lakes in Waupaca County, for example, the Department found that the presence of lakes which naturally separate the residential areas of the proposed village would not constitute evidence that the village lacked homogeneity and compactness.

In interpreting this statutory term, the Department also tends to look at proposed future growth areas. In the case of Delavan Lake, there is a significant amount of land both within the current Sanitary District and immediately outside that District, but within the state-approved sanitary sewer service area, that is available for future urban development. Within the District, such areas total about 0.7 square mile, and outside the District such areas total about 1.8 square miles. Together, such areas total about 2.5 square miles and provide ample capacity to accommodate future urban growth and development in the area. If fully developed at prevailing residential densities in the District, such land could accommodate a population increment of 3,500, or more than 1.6 times the existing resident population of the Sanitary District.

Based upon the foregoing, it may be concluded that, while Delavan Lake itself is a significant topographic feature providing the very basis for the shape of the proposed village, there are no limiting "natural boundaries" to the growth of the Village.

2. Natural Drainage Basin

As noted in Chapter II of this report, the proposed village lies within the Rock River watershed and is completely within the Jackson Creek subwatershed. Thus, the entire proposed village lies within the same natural drainage basin.

3. Soil Conditions

Based on the information provided in Chapter II of this report, with only limited exceptions, soils within the proposed village present few limitations for new urban development with public sanitary sewers. Since most areas of the Sanitary District are suitable for urban development, soil conditions would tend to support a conclusion that the Village could develop compactly.

4. Present and Potential Transportation Facilities

The public and private street pattern in the proposed village is strongly influenced by the shape of Delavan Lake, as might be

expected in a lake-oriented community. In lake community situations such as the previously referenced Chain O' Lakes incorporation, the Department tends to recognize that the lake is the focal point for development and that some inconvenience in traveling between subareas of the proposed incorporated area is unavoidable. Accordingly, in past determinations, street patterns involving indirection of movement between subareas of the proposed incorporated area influenced by the existence of lakes have not precluded a finding by the Department that the major transportation facilities serving the area contribute to a homogenous and compact community.

5. Previous Political Boundaries

Assuming a successful incorporation of the Village, the Delavan Lake Sanitary District would cease to exist and its functions would be assumed by the new municipality. Thus, the proposed incorporation would recognize and strengthen an existing political boundary, and would not create an entirely new, additional governmental jurisdiction.

6. Boundaries of School Districts

The proposed incorporation would not in any way affect school district boundaries. Since a substantial majority of the proposed village lies within the Delavan-Darien School District, and since school district boundaries would not change upon incorporation, school district boundary considerations should not lead to an adverse finding relative to the standard pertaining to homogeneity and compactness.

7. Shopping and Social Customs

The term "shopping and social customs" was conceived in Wisconsin municipal law to be applied to what was then a largely agrarian society. At one time, it could be expected that most of the shopping and social needs of individuals could be met within the context of a single community. With the waning of the agrarian society and the advent of urbanization, the term "shopping and social customs" has taken on a much different meaning. The Department of Development has recognized these changes and does not expect that the

majority of shopping and social needs will necessarily be met within the geographic limits of a proposed municipality.

Shopping needs are generally met through a hierarchy of shopping centers. The smallest and most immediate shopping center is the neighborhood center. Such a center might include a gasoline service station; a bar and restaurant; a grocery store, perhaps of the convenience type; and similar smaller establishments. A community shopping center tends to serve a larger area and would provide a relatively large food store, a variety store, a drug store, and similar uses. A regional shopping center services an even larger area and provides a variety of apparel stores, furniture stores, and department stores, as well as certain services such as barbers, beauticians, dentists, opticians, and physicians. In day-to-day urban life, residents of individual communities use all three types of shopping centers, frequently in locations beyond the limits of the local municipality.

The Delavan Lake Sanitary District contains a total of 66 nonresidential establishments. Of this total, 57 are commercial in nature, including 22 eating and/or drinking establishments. These nonresidential establishments are clustered in three separate commercial nodes within the Sanitary District, the most important of which is the area along STH 50 at the northern end of the District. In reviewing the specific types of business establishments in the District, it may be concluded that the neighborhood-type shopping needs largely can be met within the District, particularly given the recreational character of the District. The community and regional shopping needs of the residents of the District must be satisfied elsewhere. The community shopping needs are likely met in the Cities of Delavan and Elkhorn and the Village of Williams Bay; the regional shopping needs are likely met by trips to Janesville and the Milwaukee metropolitan area.

Especially in considering the proposed incorporation of a recreational community oriented toward a lake, the Department of Development, in giving meaning to this standard, has recognized that residents

must travel 10 miles or more to accomplish shopping and social activities. Thus, the pattern of shopping and social activities in the Delavan Lake area should not result in a finding by the Department that the area lacks homogeneity and compactness. Instead, the Department should look to other evidence to demonstrate that the residents of the proposed municipality view that area as their "place" or "home." The Department will likely point to such factors as the existence of a yacht club and a Delavan Lake Improvement Association as evidence of the required social homogeneity appropriate for a lake-oriented community.

In addition to the foregoing specific statutory terms attendant to the first of the foregoing standards, the Department tends to consider land use pattern, employment, and population density factors in making its determination. In viewing the land use data set forth in Chapter II of this report, and discounting the amount of land constituting the surface water area of Delavan Lake, the Sanitary District, on a percentage basis, has at least as much land already in urban use as does the City of Delavan. There are also about 700 jobs within the District, or about one job for every four full-time residents. This may be compared to the City of Delavan, where there are three jobs for every four full-time residents. Finally, with respect to population density, the Department has tended to view homogeneity in terms of having relatively little disparity in the distribution of the population over the community. Within the Sanitary District, the population density when viewed on a square-mile basis ranges from a low of 100 persons to a high of 400 persons, or a factor of one to four. Given past decision-making by the Department, all of these land use, employment, and population density factors should contribute to a finding of compactness and homogeneity in the proposed village.

In summary, with respect to the first standard noted above, it is likely that after weighing all factors concerned, the Department would find that the territory of the proposed Village of Delavan Lake would be reasonably homogeneous and compact.

The second standard relates to the existence of a reasonably developed community center for an

"isolated" municipality. In viewing the land use data set forth in Chapter II of this report, it is clear that the designated community center would be centered on STH 50 on both sides of the Delavan Lake inlet. This is the main commercial area in the Sanitary District, containing 29 business establishments. In addition, this area contains the existing town police and fire station, a park and boat launch, and an airport. Given the past application of this standard in similar incorporation proposals, it is highly likely that the Department would find the STH 50 commercial center to be "a reasonably developed community center" for the purposes of incorporation. This conclusion assumes that the Department would properly view the Delavan Lake situation as a recreational/residential community in much the same way as it viewed the Chain O' Lakes proposal in Waupaca County.

The third standard in the initial group of three that are territorial in nature pertains to the characteristics of that portion of the proposed village lying beyond the most densely populated one-half square mile—beyond the "core." On average, the remainder of the proposed village must have at least 30 housing units per quarter section, or have an assessed value of which at least 25 percent is attributable to mercantile, manufacturing, or public utility land uses. Based upon the data set forth in Chapter II of this report and assuming that the "core" of the new village would consist of the community center along STH 50 discussed above, the average number of housing units per one-quarter square mile in the remainder of the territory is 139. Consequently, this standard is clearly met and it is not necessary to address the standard in terms of assessed valuation.

The final standard to be applied by the Department in making its determination relates to public interest considerations. In applying this standard, the Department is required to consider the following factors:

1. The present and potential sources of tax revenue, which must appear to be sufficient to defray the anticipated cost of governmental services at a local tax rate which compares favorably with tax rates in similar areas for the same level of services.
2. The level of governmental services desired or needed by the residents of the territory

as compared to the level of services offered by the proposed village or city and the level of services that may be available from a contiguous municipality which files a resolution of willingness to annex.

3. The impact, fiscally and otherwise, of the incorporation on the remainder of the town or towns concerned.⁸

With respect to tax revenue, the budget analyses set forth in this chapter demonstrate that there should be sufficient property tax, room tax, and other revenue available to provide the level of government services desired in the Delavan Lake area. Furthermore, the analyses indicate that the local tax rate for such services would compare favorably with tax rates in the neighboring City of Delavan. Certainly, the proposed new village, with an equalized valuation per capita of about \$64,700, would have the property tax base necessary to support the service levels desired.

With respect to the level of services to be provided, the budget analyses set forth in this chapter and in Chapter III indicate that the desired level of services for the Delavan Lake area could be provided about equally well through a merger of the Sanitary District with the City of Delavan or through incorporation of the District as the Village of Delavan Lake. It might be possible under a merger scenario for the Delavan Lake area residents to obtain the desired services at a slightly lower cost. It is unlikely, however, given the approximate nature of the budget estimates set forth in this report, that a compelling case can be made in this respect. Hence, it is likely that this particular public interest factor would not weigh heavily in any determination made by the Department on an incorporation proposal.

The final public interest factor relates to the impact on the remainder of the Towns of Delavan and Walworth. These impacts are addressed

⁸In a "metropolitan" situation, a fourth public interest factor must be taken into account. In such cases, the Department must make an express finding that the proposed incorporation will not substantially hinder the solution of governmental problems affecting the metropolitan community.

separately in Chapter V of this report. In summary, however, it would appear to be possible for the residual Town of Delavan to restructure its town government to provide service levels appropriate to a truly rural area. The residual Town of Delavan could, for example, like the Town of Walworth, rely on the Walworth County Sheriff's Department for law enforcement services. The fiscal impacts on the Town of Delavan would be negligible for the first several years owing to the way in which the State phases in reductions in state shared revenue, in state transportation aids, and in the state property tax credit. Ultimately, however, it is likely that the residents of the Town of Delavan would pay somewhat more for local government than at present.

With respect to the Town of Walworth, the loss of population and area would be much smaller than in the Town of Delavan, and thus would have relatively little impact. Since the Town of Walworth would not, however, likely be able to, in any significant way, restructure its town government or the services it provides, residents in the residual Town of Walworth would pay somewhat more in local property taxes. On average, however, that increment would not exceed \$9.00 annually per household. It is unlikely that such an impact would be considered fatal to an incorporation proposal by the Delavan Lake Sanitary District.

In summary, it is likely that, after weighing all factors concerned, the Department would find that the incorporation of the Delavan Lake Sanitary District as a village would not be against the public interest.

Concluding Remarks

Concerning Legal Feasibility

Based upon the foregoing, should a petition seeking to incorporate the Delavan Lake Sanitary District as a village be properly submitted to the Walworth County Circuit Court, it is likely that: 1) the Circuit Court would find that the standards set forth in Section 66.015 of the Wisconsin Statutes would be met; and 2) the Wisconsin Department of Development would find that the standards set forth in Section 66.016 of the Wisconsin Statutes would similarly be met, and make a determination that the petition for incorporation should be granted by the Circuit Court and an incorporation referendum be held.

SUMMARY AND CONCLUSIONS

One of the governance alternatives for the Delavan Lake area consists of the incorporation of the Delavan Lake Sanitary District as an independent municipality. The material presented in this chapter constitutes an analysis of this governance alternative, assuming that the Sanitary District would be incorporated as a village under Wisconsin law. The most significant findings of this analysis may be summarized as follows:

1. The incorporation process involves the submittal of a petition to a Circuit Court requesting that the Court order a referendum on the question of incorporation. The petition must be signed by at least 50 persons who are both electors and property owners of the area proposed for incorporation. Those circulating the petition must publish once in the local newspaper a Notice of Intent to circulate the petition. That notice must describe the territory proposed to be incorporated. Upon receiving such a petition, the Circuit Court fixes a date, time, and place for a hearing and causes a notice of the hearing to be published twice in the local newspaper and provided directly to the towns affected by the proposed incorporation. At the hearing, the Circuit Court determines whether or not the formal and signature requirements of the petition have been met, and makes a finding that certain statutory standards attendant to the area, population, and population density have or have not been met. Assuming that such standards have been met and that the petition is in order, the Court then formally refers the petition to the Wisconsin Department of Development. That Department must evaluate the petition according to additional standards set forth in the Wisconsin Statutes that relate to the characteristics of the territory proposed to be incorporated and to the general public interest as measured by such considerations as property tax rates and revenues, levels of governmental services, and impacts on the remnant towns. The Department makes its findings and issues a determination directly to the Circuit Court. The Department must find either that the statutory standards for incorporation have been met and that the

Court should order a referendum held, or that the statutory standards have not been met and that the petition should be dismissed. If the standards have been met, the Court schedules the referendum and orders it conducted by the town concerned. The electors in the proposed municipality simply vote either for or against incorporation, with a simple majority deciding the issue. If the outcome on the referendum is favorable, the Court certifies the results to the Secretary of State. The Secretary of State in turn issues an incorporation certificate. The assets of the town are then divided by an apportionment board.

2. The geographic area considered for incorporation as the Village of Delavan Lake consists of the Delavan Lake Sanitary District as that District is currently legally constituted. The Advisory Committee selected this geographic area for analytical purposes, recognizing, however, that should a consensus ultimately emerge that the incorporation alternative be pursued, it may be desirable at that time to consider boundaries that may be somewhat different from the Sanitary District boundaries.
3. If the Sanitary District were to be incorporated as the Village of Delavan Lake, that Village would have a total area of about 6.9 square miles and a resident population of nearly 2,100. There would be about 2,200 housing units in the new municipality, of which about one-half would be occupied on a year-round basis. There would be about 700 jobs in the new municipality. There would be a total of 32 miles of streets, highways, and roads in the new municipality, of which about 10 would be private subdivision roads. The new Village would have a total equalized value of about \$135.7 million, representing an equalized value per capita of about \$64,700.
4. Under a village form of government, all officials are elected at large. The Village would be guided by a village president, a clerk, and a treasurer, together with six trustees whose term of office would be two years. A number of decisions concerning the governmental structure of the Village would have to be made upon incorporation, including the creation of a village plan commission to oversee the planning and land use control functions. Other commit-

tees would have to be created to provide oversight for the general administrative, public safety, public works, park and recreation, and perhaps other functions that may be carried out in the Village. It may be desirable, for example, to create a special committee to help oversee matters relating to the regulation and rehabilitation of Delavan Lake.

5. For the purposes of the incorporation analysis, a general assumption was made that the level of municipal services now provided in the Delavan Lake area collectively by the Towns of Delavan and Walworth, the Delavan Lake Sanitary District, and Walworth County closely approximates the level of services desired by the Delavan Lake area residents. Accordingly, it was assumed that the new village clerk and the current administrative staff of the Sanitary District would form the nucleus of the administrative staff of the Village; that the entire Police Department of the Town of Delavan would continue on as the Police Department of the Village; that the new Village would contract with the Town of Delavan to maintain the current fire and rescue department serving the Town; that there would be no change in the provision of sanitary sewer service from that currently being provided by the Sanitary District; that public water supply services would not be provided; that street lighting would not be provided; and that rural-type street cross-sections would be maintained by a public works staff, the nucleus of which would be the current maintenance staff employed by the Sanitary District. It was also assumed that the new Village would assume responsibility for all of the park and recreation function of the Town of Delavan, including operating the boat launch. Finally, it was assumed that the Village would acquire library services by opting to continuing to pay a county tax for federated library services.
6. The major impact of the incorporation of the Sanitary District on the City of Delavan relates to the potential future growth pattern of the City. Assuming incorporation, the City could no longer annex lands that currently lie within the Sanitary

District. Furthermore, the new Village would be in a position to annex lands from the adjacent towns in the same way that the City now annexes land.

7. There should be no significant adverse effect on any of the four projects and programs identified for special consideration in the merger and incorporation analyses. The Delavan Lake Improvement Program now underway by the Town of Delavan can readily be taken over by the new village board. Presumably that board would be willing to enact a room tax to provide a funding source for the program in the same way that the Town Board enacted such a room tax. There would be no impact at all on the Lake Comus Protection and Rehabilitation District program, since no lands in that District also lie within the Delavan Lake Sanitary District. The pending Town of Delavan fire station building program could proceed under the assumption that the new Village and the remnant Town would agree to maintain the same volunteer fire department. Finally, the capital improvements program adopted by the Delavan Lake Sanitary District could move forward under policy guidance provided by the new village board.
8. While incorporation of the Village of Delavan Lake would have no effect on school district boundaries, the incorporation would have an effect on the election of school board members because of the way in which apportionment plans for school board membership have been structured. The school board member apportionment plans for the Delavan-Darien School District, the Fontana K-8 School District, and the Walworth Union High School District would need to be reviewed and revised to ensure that Village of Delavan Lake electors would be able to seek membership on the school boards.
9. Two different budget scenarios were developed for the new Village. Under the first scenario it was assumed that, consistent with the established policy of the Sanitary District, the new Village would continue to partially recover sanitary sewerage costs through a property tax levy. A number of assumptions were made with respect to expenditures consistent with the foregoing description of services to be provided. In the second budget scenario, the only change was an assumption that a policy decision would be made to recover all sanitary sewerage costs through user charges. Under both budget scenarios, total expenditures and revenues in the Village of Delavan Lake would approximate \$2.18 million. Under the first budget scenario, a property tax levy in the new Village would be required in the amount of \$659,000. This would be accompanied by a flat rate sewer service charge of about \$23 per month per household—the same rate now paid. Under the second budget scenario, the property tax levy in the new Village would be reduced to about \$362,000. In order to accomplish this tax reduction, the flat rate sewer service charge would have to be increased to about \$36 per month per household.
10. Under the first budget scenario, the local property tax rate in the new Village would be \$4.99 per \$1,000 of equalized evaluation. This rate may be compared to an existing rate of \$3.88 in the Town of Delavan portion of the Sanitary District, an increase of 29 percent; and a \$2.69 rate in the Town of Walworth portion of the Sanitary District, an increase of 86 percent. The total annual cost per average household under this budget scenario, including property taxes and monthly sewer service charges, and assuming an average household value of \$70,000, would approximate \$625. This represents an increase of 14 percent for those residents in the Town of Delavan portion of the Sanitary District, and 35 percent for those residents in the Town of Walworth portion of the Sanitary District.
11. Under the second budget scenario, the local property tax rate in the Village of Delavan Lake would be \$2.80 per \$1,000 of equalized valuation. This rate would represent a 28 percent decrease from the existing rate in the Town of Delavan portion of the Sanitary District, and a 4 percent increase in the Town of Walworth portion of the Sanitary District. The total annual cost per average household would again approximate \$625, including property taxes and sewer service charges, representing an increase of 14 percent for those

residing in the Town of Delavan portion of the Sanitary District, and 35 percent for those residing in the Town of Walworth portion of the Sanitary District. While on average there would be no difference in the total annual cost per household between the two budget scenarios, the cost burden borne by individual households could be expected to be different between the two scenarios owing to the wide range in housing unit values in the District.

12. The estimated total annual cost per average household in the new Village of \$625 can be directly compared with figures of \$640 and \$597 per household, respectively, under the City of Delavan-Delavan Lake Sanitary District merger scenarios No. 2 and No. 3 presented in Chapter III of this report. At the present time, the comparable figures are \$547 in the Town of Delavan portion of the Sanitary District and \$464 in the Town of Walworth portion of the Sanitary District. Under merger budget scenario No. 1, the total average annual cost would be \$662 per household. That figure is not directly comparable, however, because under that scenario Delavan Lake residents would receive public water supply service.
13. Should a petition that would seek to incorporate the Delavan Lake Sanitary District as the Village of Delavan Lake be submitted to the Walworth County Circuit

Court, it is likely that all of the standards concerning incorporation and pertaining to an "isolated village" set forth in the Wisconsin Statutes could be met. If the petition is properly submitted and contains the requisite number of signatures of electors and property owners, it is likely that the Walworth County Circuit Court would find that the proposed village would meet the minimal area and population requirements set forth in the Wisconsin Statutes and refer the petition to the Wisconsin Department of Development for review. It is further likely that that Department, upon consideration of all factors involved, would find that the territory proposed to be incorporated as the Village of Delavan Lake is reasonably homogeneous and compact; that the territory contains a reasonably developed community center; and that the territory beyond that community center has sufficient density to meet statutory standards. In addition, it is likely that the Department would have no "public interest" objection to the proposed incorporation after considering the level of services desired and needed in the area concerned, the tax revenues available to provide those services, and the impacts on the residual Towns of Delavan and Walworth. Hence, it is likely that the Department would return the petition to the Circuit Court with a finding that the statutory standards have been met, and request the Court to order a referendum held on the matter.

Chapter V

IMPACTS OF EITHER MERGER OR INCORPORATION OF THE DELAVAN LAKE SANITARY DISTRICT ON THE TOWNS OF DELAVAN AND WALWORTH

INTRODUCTION

The foregoing two chapters of this report have presented analyses of the potential impacts attendant to possible changes in the governance of the Delavan Lake area. In Chapter III an analysis was presented pertaining to the possible merger of the Delavan Lake Sanitary District with the City of Delavan through the process of annexation. In Chapter IV an analysis was presented attendant to the possible incorporation of the Delavan Lake Sanitary District as a village. In either case, such a change in the governance of the Delavan Lake Sanitary District would have potential impacts on the residual Towns of Delavan and Walworth. This chapter identifies those impacts. Information is presented on the characteristics of the residual town areas; on the probable impacts on the types and levels of government services in the residual Towns; and on the budgets of the residual Towns. Information is also presented on the probable fiscal impacts on residents of the residual Towns. The chapter concludes with a discussion of the feasible governance alternatives for the Towns of Delavan and Walworth.

CHARACTERISTICS OF REMAINING TOWN AREAS

The analyses set forth in Chapters III and IV of this report assumed that the area to be either merged or incorporated would consist of the Delavan Lake Sanitary District as it is currently legally constituted. Given that assumption, Table 47 presents selected characteristics of the residual Towns of Delavan and Walworth.

The Town of Delavan would be reduced by the merger or incorporation in total area by nearly 22 percent, from about 31 square miles to about 25 square miles. Resident population in the Town would decline by nearly one-half, from about 4,100 to nearly 2,100, while housing units would decline by about 80 percent, from 2,700 to about 540. The number of jobs in the Town would decline by nearly 69 percent, from nearly 1,000 to about 310. Arterial streets and highways in the Town would decrease by about 12 percent,

from about 29 miles to slightly under 26 miles; while all streets, highways, and roads would decrease by about 34 percent, from about 89 miles to about 59 miles. There would be a nearly 70 percent loss in the property tax base of the Town, with the total equalized value declining from about \$190.1 million to about \$56.9 million. The equalized value per capita—an important measure in the state shared revenue formula—would decrease from about \$46,100 at present to nearly \$25,600. This would put the Town of Delavan below the \$32,000 equalized value per capita threshold included in the state shared revenue formula and make the Town eligible for what are termed “aidable revenues.”

The impacts of a change in governance of the Delavan Lake Sanitary District on the size and character of the Town of Walworth would be much less significant. The Town of Walworth would lose an area of only 0.2 square mile, and only about 75 residents, representing about 5 percent of the resident population of the Town. Housing units would decline by about 9 percent, while employment would decline by about 16 percent. The Town would lose nearly one and one-half miles of all streets, highways, and roads. While the total equalized value of the Town would decline by nearly 4 percent, from about \$56.4 million to about \$53.9 million, the equalized value per capita would rise slightly from about \$38,000 to about \$38,100.

A change in governance of the Delavan Lake Sanitary District would result in a land use profile of the remnant Town of Delavan much like that of the remnant Town of Walworth. As shown in Table 48, the remnant Towns would have from about 6 to 9 percent of their areas in urban land uses. Each Town would have a significant proportion of its remaining area in prime agricultural use, ranging from nearly 68 percent in the remnant Town of Delavan to about 73 percent in the remnant Town of Walworth.

There are 65 civil towns in the seven-county Southeastern Wisconsin Region. In terms of total area, the Town of Walworth is currently the sixteenth smallest and the Town of Delavan the

Table 47

**SELECTED CHARACTERISTICS OF THE RESIDUAL TOWNS OF DELAVAN AND
WALWORTH ASSUMING EITHER THE INCORPORATION OF THE DELAVAN LAKE
SANITARY DISTRICT OR THE MERGER OF THE DISTRICT WITH THE CITY OF DELAVAN**

| Characteristic | Town of Delavan | | | Town of Walworth | | |
|---|-----------------|---------------|----------------|------------------|---------------|----------------|
| | Existing Town | Residual Town | Percent Change | Existing Town | Residual Town | Percent Change |
| Civil Division Area (1988) Square Miles | 31.2 | 24.5 | -21.5 | 29.9 | 29.7 | -0.7 |
| Population (1988) Resident | 4,121 | 2,097 | -49.1 | 1,484 | 1,410 | -5.0 |
| Resident Plus Seasonal | 8,206 | 2,097 | -74.4 | 1,581 | 1,410 | -10.8 |
| Housing (1985) Housing Units | 2,700 | 541 | -80.0 | 489 | 444 | -9.2 |
| Resident Households | 1,524 | 485 | -68.2 | 433 | 394 | -9.0 |
| Employment (1985) Number of Jobs | 997 | 313 | -68.6 | 914 | 898 | -16.0 |
| Land Use (acres—1985) Residential | 1,481.2 | 527.4 | -64.4 | 411.5 | 391.2 | -4.9 |
| Commercial | 76.2 | 26.5 | -65.2 | 12.8 | 10.1 | -21.1 |
| Industrial | 27.5 | 26.4 | -4.0 | 28.8 | 28.8 | -- |
| Parks and Recreation | 189.7 | 10.9 | -94.3 | 76.9 | 76.9 | -- |
| Governmental and Institutional | 35.3 | 31.0 | -12.2 | 36.7 | 36.7 | -- |
| Transportation and Utilities | 960.7 | 699.4 | -27.2 | 533.9 | 521.1 | -2.4 |
| Agricultural | 10,742.3 | 10,576.0 | -1.5 | 13,928.8 | 13,926.6 | -- |
| Water | 2,009.5 | 162.8 | -91.9 | 553.0 | 553.0 | -- |
| Wetlands | 1,169.7 | 1,122.0 | -4.1 | 450.2 | 444.4 | -1.3 |
| Woodlands | 827.4 | 513.3 | -38.0 | 951.3 | 943.8 | -0.8 |
| Other | 2,393.1 | 1,955.4 | -18.3 | 2,146.2 | 2,077.2 | -3.2 |
| Total | 19,912.6 | 15,651.1 | -21.4 | 19,130.1 | 19,009.8 | -0.6 |
| Arterial Streets and Highways (miles—1988) State Trunk | 18.1 | 16.1 | -11.0 | 10.7 | 10.7 | -- |
| County Trunk | 7.9 | 6.7 | -15.2 | 3.8 | 3.7 | -2.6 |
| Local | 3.2 | 2.8 | -12.5 | 3.8 | 3.7 | -2.6 |
| Total | 29.2 | 25.6 | -12.3 | 18.3 | 18.1 | -1.1 |
| All Streets, Highways, and Roads (miles—1988) State Trunk | 18.1 | 16.1 | -11.0 | 10.7 | 10.7 | -- |
| County Trunk | 9.8 | 8.6 | -12.2 | 3.8 | 3.7 | -2.6 |
| Local | 49.5 | 32.2 | -34.9 | 40.0 | 39.3 | -1.8 |
| Private | 11.7 | 2.1 | -82.1 | 1.3 | 0.7 | -46.2 |
| Total | 89.1 | 59.0 | -33.8 | 55.8 | 54.4 | -2.5 |
| Property Tax Base (1987) Total Equalized Value | \$190,073,300 | \$56,923,210 | -70.0 | \$56,374,000 | \$53,871,427 | -4.4 |
| Equalized Value Per Capita | 46,123 | 25,575 | -44.6 | 37,988 | 38,126 | 0.4 |

Source: SEWRPC.

Table 48

**LAND USE DISTRIBUTION IN THE REMAINDERS OF THE TOWNS OF DELAVAN AND
WALWORTH ASSUMING EITHER THE INCORPORATION OF THE DELAVAN LAKE SANITARY
DISTRICT OR THE MERGER OF THE DISTRICT WITH THE CITY OF DELAVAN: 1985**

| Land Use Category | Town of Delavan Remainder | | Town of Walworth Remainder | |
|---|------------------------------|---------------------|-------------------------------|---------------------|
| | Acres | Percent of Total | Acres | Percent of Total |
| <u>Urban</u> | | | | |
| Residential | 527.4 | 3.4 | 391.2 | 2.1 |
| Commercial | 26.5 | 0.2 | 10.1 | 0.1 |
| Industrial | 26.4 | 0.2 | 28.8 | 0.1 |
| Governmental and Institutional | 31.0 | 0.2 | 36.7 | 0.2 |
| Parks and Recreational | 10.9 | 0.1 | 76.9 | 0.4 |
| Transportation and Utilities | 699.4 | 4.4 | 521.1 | 2.7 |
| Extractive and Landfill | 78.0 | 0.5 | 49.3 | 0.3 |
| Subtotal | 1,399.6 | 9.0 | 1,114.1 | 5.9 |
| <u>Rural</u> | | | | |
| Prime Agricultural | 10,576.0 | 67.5 | 13,926.6 | 73.2 |
| Other Agricultural and Open Lands | 1,877.4 | 12.0 | 2,027.9 | 10.7 |
| Water | 162.8 | 1.0 | 553.0 | 2.9 |
| Wetlands | 1,122.0 | 7.2 | 444.4 | 2.3 |
| Woodlands | 513.3 | 3.3 | 943.8 | 5.0 |
| Subtotal | 14,251.5 | 91.0 | 17,895.7 | 94.1 |
| Total | 15,651.1 | 100.0 | 19,009.8 | 100.0 |

Source: SEWRPC.

nineteenth smallest. Should a governance change through a merger or incorporation be made in the Delavan Lake Sanitary District, the Town of Delavan would become the twelfth smallest town and the Town of Walworth the seventeenth smallest. The 11 towns that would continue to be smaller in area than the Town of Delavan include the Towns of Randall and Wheatland in Kenosha County; the Towns of Grafton and Port Washington in Ozaukee County; the Town of Rochester in Racine County; the Towns of Barton, Kewaskum, West Bend, and Germantown in Washington County; and the Towns of Brookfield and Delafield in Waukesha County. Of these, the Town of Germantown is by far the smallest, with a remaining area of only 1.7 square miles. In terms of population size, the Town of Delavan, which now is the twentieth most populous town in the Region, would become the forty-sixth most

populous town. The Town of Walworth, which is currently the fifty-seventh most populous town in the Region, would become the fifty-eighth most populous.

PROBABLE IMPACTS ON REMAINING TOWNS

Service Level Impacts

Given the relatively small change in area and population in the Town of Walworth, a change in the governance of the Delavan Lake area should have no significant impacts on service levels in that Town. Indeed, it is reasonable to expect that there would be no significant changes in the types and levels of services or in the ways in which the services are currently provided to town residents.

Given the significant change in area and population in the residual Town of Delavan, however, and further given the more urban nature of service levels currently provided in the Town, a change in the governance of the area would be expected to have significant impacts on the types and levels of services in the remnant Town of Delavan. The likely changes may be summarized as follows:

1. General Government

At the present time the Delavan Town Hall, like the town hall in most "urban" towns, is staffed on a full-time basis. Upon a change of governance in the Delavan Lake Sanitary District, it should be expected that the Town of Delavan would revert to a level of general government more typical of rural towns such as the Town of Walworth. This would permit a reduction in staffing and office hours at the Town Hall. A full-time clerk and a full-time treasurer should no longer be required.

2. Law Enforcement

In the analyses set forth in Chapter IV of this report, it was assumed that the entire Town of Delavan Police Department would remain with a new Village of Delavan Lake. It was further assumed that the basic reason for an urban-type police department in the Town of Delavan is founded in the urban nature of land use development around Delavan Lake. With a change in the governance of Delavan Lake, the remaining Town of Delavan, which, as noted above, will become primarily rural in nature, could revert to reliance upon the County Sheriff's Department for primary law enforcement in the same way that the Town of Walworth now relies on that Department.

3. Fire and Rescue

Under all but one of the budget scenarios set forth in Chapters III and IV attendant to the merger and incorporation of the Delavan Lake Sanitary District, it was assumed that the existing Town of Delavan fire and rescue department would be retained intact through contract agreements. Should any of these scenarios prevail, then there would be no impact at all on the remnant Town of Delavan with respect to fire and rescue services. Only

under the scenario whereby the Sanitary District is annexed to the City of Delavan and the City of Delavan makes a policy decision to provide public water supply services in the Sanitary District would a change in town fire and rescue services be required. In that case, it is likely that the City would provide fire and rescue services to the Sanitary District through expanded city volunteer fire and rescue departments. It would then probably be necessary for the remnant Town of Delavan to join forces with the Town and Village of Walworth in the joint provision of fire and rescue services.

4. Public Works

Should a change be made in the governance of the Delavan Lake area, the only public works function that would need to be continued in the remnant Town of Delavan is the maintenance of streets and highways. The Town could operate with a smaller public works staff for street and highway maintenance. The level of effort would have to be about 50 percent less than at the present time.

5. Parks and Recreation

Since all town park facilities and the town boat launch are located within the Sanitary District, it is likely that upon a change in governance of the Sanitary District and after all assets are apportioned, there would be no park and recreation function in the remnant Town of Delavan. However, the Town could choose to establish such a function or perhaps contract with the City of Delavan or the new Village of Delavan Lake for access to facilities located in those municipalities. In the budget analysis set forth below, it has been assumed that no park and recreation services would be provided.

Budgetary Impacts

A probable initial budget for the residual Town of Delavan consistent with the foregoing assumptions concerning service types and levels is set forth in Table 49. Overall, the budget calls for a revenue and expenditure level of about \$309,000, representing a reduction of about \$1.0 million, or about 77 percent, from the actual 1987 level of about \$1.3 million in the Town. Initially, no general town property tax would be required

to support the necessary expenditure level. Indeed, the budget in Table 49 has a surplus of \$48,772. This may be attributed to the "cushions" that exist in Wisconsin law concerning reductions in state shared revenue, transportation aids, and the state property tax credit. By law there cannot be greater than a 5 percent reduction annually in state shared revenue and transportation aids to a municipality. Similarly, there cannot be greater than a 10 percent reduction in the property tax credit given to a municipality. The "cushion" in state transportation aids would be expected to continue for 14 years until a normal aids level for the residual Town is reached. The state property tax "cushion" would continue for 11 years and then end. The level of state shared revenues would decrease owing to the "cushion" for eight years, at which time the normal formula amount would begin to operate. The probable net effect of all these changes in state aids and revenues would be that no local property tax would be required to be levied in the residual Town of Delavan until the sixth year following the change in governance. That initial tax levy would probably be in the amount of about \$13,408 and would represent a rate of \$0.28 per \$1,000 of equalized valuation. That rate and the corresponding tax levy could then be expected to increase over the next 10 years so that in the sixteenth year of the existence of the residual Town, the required local tax levy would be nearly \$90,700, representing a tax rate of \$1.88 per \$1,000 of equalized valuation.

A probable budget for the residual Town of Walworth is set forth in Table 50. As noted above, it is unlikely that a change in the governance of the Delavan Lake area would bring about any significant change in the types or levels of services provided within the residual Town. Given this assumption, and further given the loss of a portion of the Town's population and tax base, there would probably be a negative budgetary impact on the residual Town of Walworth. This negative impact is shown in Table 50 in the form of reduced state shared revenue, state transportation aids, and state property tax credits; reduced revenue from regulation and compliance activities; and a concomitant increase in the necessary general property tax needed to support the current governmental structure. As shown in the table, the general property tax levy in the Town of Walworth, which stood at about \$20,700 in 1987,

would have to be increased by about 29 percent to about \$26,700. The tax rate would have to be increased from \$0.37 to about \$0.50 per \$1,000 of equalized valuation.

Fiscal Impacts

The estimated fiscal impacts on average households in the residual Towns of Delavan and Walworth assuming that the Delavan Lake Sanitary District either incorporates or is annexed to the City of Delavan are summarized in Table 51, and are graphically illustrated in Figure 15. The impact analysis assumed an average housing unit value in the residual towns of \$70,000.¹ The property tax rate and property tax per household data in Table 51 do not include property taxes levied by Walworth County; the various K-8, K-12, and union high school districts concerned; and the Gateway Technical and Vocational School District. They also do not include state property taxes. These taxes would not change with a change in governance of the Delavan Lake Sanitary District.

Within the Lake Comus District portion of the residual Town of Delavan, the current property tax rate is \$2.53 per \$1,000 of equalized valuation. That rate is comprised of a town tax of \$1.56, a Lake Comus District tax of \$0.84, and a county library tax of \$0.13. If the Delavan Lake Sanitary District was to merge with the City of Delavan, then the total property tax rate in that portion of the remnant Town would initially decline to \$0.57 per \$1,000 of equalized valuation, a decrease of 77 percent. After six years, however, that rate would begin to increase as state aids decline, reaching a rate of \$2.45 after 16 years, a 3 percent decrease from the present rate. If the Delavan Lake Sanitary District were instead to incorporate, the new

¹It is recognized that the average housing unit value in the residual Towns of Delavan and Walworth likely would be less than \$70,000. So that the data included in this chapter can be directly compared with the data in Chapters III and IV, however, the \$70,000 value has been used. For a house with a value of \$35,000, the average annual property tax levels cited in this analysis would be 50 percent of the figures given.

Table 49

PROBABLE INITIAL BUDGET FOR THE RESIDUAL TOWN OF DELAVAN ASSUMING THAT THE DELAVAN SANITARY DISTRICT EITHER INCORPORATES OR IS ANNEXED TO THE CITY OF DELAVAN

| Expenditure Category | Expenditures | | | |
|---|----------------|------------------------|--------------|---------|
| | Actual 1987 | Remnant Town | Change | |
| | | | Amount | Percent |
| General Government | \$ 218,832 | \$ 43,862 ^a | \$ -174,970 | -80 |
| Public Safety | | | | |
| Law Enforcement | \$ 323,317 | \$ -- ^b | \$ -323,317 | -100 |
| Fire and Rescue | 92,690 | 18,538 ^c | -74,152 | -80 |
| Other | 19,934 | 3,987 ^d | -15,947 | -80 |
| Subtotal | \$ 435,941 | \$ 22,525 | \$ -413,416 | -95 |
| Public Works | | | | |
| Streets and Highways | \$ 252,829 | \$138,984 ^e | \$ -113,845 | -45 |
| Other | 808 | 515 ^e | -293 | -36 |
| Subtotal | \$ 253,637 | \$139,499 | \$ -114,138 | -45 |
| Health, Culture, Recreation, Conservation, and Development | | | | |
| Health | \$ 1,946 | \$ 955 ^f | \$ -991 | -51 |
| Park and Recreation | 22,522 | -- | -22,522 | -100 |
| Conservation | 166,940 | -- | -166,940 | -100 |
| Subtotal | \$ 191,408 | \$ 955 | \$ -190,453 | -99 |
| Other | | | | |
| Capital Outlay | \$ 196,651 | \$ 96,534 ^f | \$ -100,117 | -51 |
| Debt Service | 17,632 | 5,281 ^g | -12,351 | -70 |
| Subtotal | \$ 214,283 | \$101,815 | \$ -112,468 | -53 |
| Total | \$1,314,101 | \$308,656 | \$-1,005,445 | -77 |

NOTE: This initial budget would require no local property tax for the first five years of operation of the residual Town. Owing to the way in which the state aid and revenue formulas operate, however, a local property tax levy in the amount of \$13,408 would be required in the sixth year; this levy would rise to \$90,700 in the sixteenth year and would stabilize at that level.

^aExpenditure level derived by applying Town of Walworth per capita rate for 1987.

^bIt is assumed that the residual Town of Delavan would rely upon the Walworth County Sheriff's Department for primary law enforcement.

^cRepresents 20 percent of total 1987 expenditures by the Town of Delavan; apportionment based on number of housing units. This budget assumes that should the Delavan Lake Sanitary District incorporate or be annexed to the City of Delavan, fire suppression and rescue services to the Delavan Lake area would continue to be provided by the Town of Delavan volunteer fire department. If the City of Delavan provided such services to the Delavan Lake area via the city volunteer fire department and rescue squad, then it is likely that the Town of Delavan would join with the Town of Walworth and Village of Walworth in a joint fire-rescue department. Based on per-housing-unit expenditure rates in 1987 for the fire and rescue services in the Town and Village of Walworth, the additional cost to the Town of Delavan would be \$5,537.

^dRepresents 20 percent of total 1987 expenditures by the Town of Delavan; apportionment based on number of housing units.

^eExpenditure level derived by applying 1987 Town of Delavan per-mile rate to the number of miles of local public and private roads in the residual Town.

^fExpenditure level derived by applying Town of Delavan per capita rate for 1987.

^gRepresents 29 percent of total 1987 expenditures by the Town of Delavan; apportionment on basis of equalized valuation.

Table 49 (continued)

| Revenue Category | Revenues | | | |
|--|--------------------|------------------------------|--------------------|------------|
| | Actual 1987 | Remnant Town | Change | |
| | | | Amount | Percent |
| Taxes | | | | |
| General Property Tax | \$ 299,432 | \$ -- | \$ -299,432 | -100 |
| Room Tax | 238,945 | -- | -238,945 | -100 |
| Subtotal | \$ 538,377 | \$ -- | \$ -538,377 | -100 |
| Regulation and Compliance | | | | |
| Permits | \$ 21,659 | \$ 4,332 ^h | \$ -17,327 | -80 |
| Licenses | 19,004 | 135 ⁱ | -18,869 | -99 |
| Violations and Judgments | 44,101 | -- | -44,101 | -100 |
| Subtotal | \$ 84,764 | \$ 4,467 | \$ -80,297 | -95 |
| Public Charges | | | | |
| Service Fees | \$ 29,332 | \$ -- | \$ -29,332 | -100 |
| Subtotal | \$ 29,332 | \$ -- | \$ -29,332 | -100 |
| Intergovernmental Aids | | | | |
| State Shared Revenue | \$ 123,577 | \$117,398 ^j | \$ -6,179 | -5 |
| Transportation Aids | 67,339 | 63,972 ^j | -3,367 | -5 |
| State Property Tax Credit | 151,098 | 135,988 ^k | -15,110 | -10 |
| Other | 21,599 | -- | -21,599 | -100 |
| Subtotal | \$ 363,613 | \$317,358 | \$ -46,255 | -13 |
| Other | | | | |
| Interest | \$ 27,574 | \$ 7,894 ^l | \$ -19,680 | -71 |
| Miscellaneous | 53,757 | 27,345 ^m | -26,412 | -49 |
| Fund Transfers | 216,684 | -- | -216,684 | -100 |
| Subtotal | \$ 298,015 | \$ 35,239 | \$ -262,776 | -88 |
| Total | \$1,314,101 | \$357,064 | \$ -957,037 | -73 |
| Excess Revenues Over Expenditures | \$ -- | \$ 48,772ⁿ | \$48,772 | -- |

^hRepresents 20 percent of total revenue in 1987 by Town of Delavan; apportionment on basis of number of housing units.

ⁱRepresents license fee for one mobile home park.

^jRepresents a reduction of 5 percent in the amount of state shared revenues received by the Town of Delavan in 1987 owing to the way in which the formula operates.

^kRepresents a reduction of 10 percent in the amount of state property tax credits received by the Town of Delavan in 1987 owing to the way in which the formula operates.

^lRepresents 30 percent of total 1987 revenues by the Town of Delavan; apportionment on basis of equalized valuation.

^mRevenue level derived by applying Town of Delavan per capita rate for 1987.

ⁿThis surplus would be reduced to \$17,226 if the Town of Delavan were to join with the Town and Village of Walworth for fire and rescue services as noted in footnote "c".

Source: SEWRPC.

Table 50

**PROBABLE BUDGET FOR THE RESIDUAL TOWN OF WALWORTH ASSUMING THAT THE
DELAVAN SANITARY DISTRICT EITHER INCORPORATES OR IS ANNEXED TO THE CITY OF DELAVAN**

| Expenditure Category ^a | Expenditures | | | |
|---|----------------|-----------------|--------|---------|
| | Actual 1987 | Remnant Town | Change | |
| | | | Amount | Percent |
| General Government | \$ 31,040 | \$ 31,040 | \$ -- | -- |
| Public Safety | | | | |
| Law Enforcement | \$ -- | \$ -- | \$ -- | -- |
| Fire and Rescue | 21,743 | 21,743 | -- | -- |
| Other | 1,238 | 1,238 | -- | -- |
| Subtotal | \$ 22,981 | \$ 22,981 | \$ -- | -- |
| Public Works | | | | |
| Streets and Highways | \$ 93,458 | \$ 93,458 | \$ -- | -- |
| Subtotal | \$ 93,458 | \$ 93,458 | \$ -- | -- |
| Health, Culture, Recreation, Conservation, and Development | | | | |
| Health | \$ 300 | \$ 300 | \$ -- | -- |
| Park and Recreation | 648 | 648 | -- | -- |
| Subtotal | \$ 948 | \$ 948 | \$ -- | -- |
| Other | | | | |
| Capital Outlay | \$ 16,064 | \$ 16,064 | \$ --- | -- |
| Debt Service | 23,733 | 23,733 | -- | -- |
| Miscellaneous | 1,115 | 1,115 | -- | -- |
| Subtotal | \$ 40,912 | \$ 40,912 | \$ -- | -- |
| Total | \$189,339 | \$189,339 | \$ -- | -- |

^aAll expenditures equal the 1987 expenditures by the Town of Walworth.

^bRepresents all revenue received by the Town of Walworth in 1987.

^cRevenue level derived by reducing the 1987 level on a per capita basis applied to the population in the Sanitary District portion of the Town.

initial tax rate in the Lake Comus District portion of the residual Town of Delavan would be \$0.97 per \$1,000 of equalized valuation, a decline of 62 percent. The rate 16 years hence would be \$2.85, a 13 percent increase. The differences in these residual rates may be attributed to the fact that under the merger alternative, Delavan Lake Sanitary District residents would automatically become part of

the Lake Comus District and would share in the costs associated with that District, whereas under the incorporation alternative Delavan Lake area residents would not become part of the Lake Comus District.

In the remainder of the residual Town of Delavan, the current property tax rate is \$1.69 per \$1,000 of equalized valuation. If the Delavan

Table 50 (continued)

| Revenue Category | Revenues | | | |
|-------------------------------------|------------------|------------------------|--------------|-----------|
| | Actual 1987 | Remnant Town | Change | |
| | | | Amount | Percent |
| Taxes | | | | |
| General Property Tax | \$ 20,726 | \$ 26,689 | \$ 5,963 | 29 |
| Woodland Tax | 80 | 80 ^b | -- | -- |
| Subtotal | \$ 20,806 | \$ 26,769 | \$ 5,963 | 29 |
| Regulation and Compliance | | | | |
| Permits | \$ 1,267 | \$ 1,204 ^c | \$ -63 | -5 |
| Licenses | 1,860 | 1,767 ^c | -93 | -5 |
| Violations and Judgments | 6,100 | 5,796 ^c | -304 | -5 |
| Subtotal | \$ 9,227 | \$ 8,767 | \$ -460 | -5 |
| Intergovernmental Aids | | | | |
| State Shared Revenue | \$ 45,262 | \$ 43,042 ^d | \$-2,220 | -5 |
| Transportation Aids | 26,489 | 25,168 ^b | -1,321 | -5 |
| State Property Tax Credit | 41,309 | 39,450 ^e | -1,859 | -5 |
| Other | 2,056 | 1,953 ^b | -103 | -5 |
| Subtotal | \$115,116 | \$109,613 | \$-5,503 | -5 |
| Other | | | | |
| Interest | \$ 2,245 | \$ 2,245 ^b | \$ -- | -- |
| Borrowing and Transfer | 41,008 | 41,008 ^b | -- | -- |
| Miscellaneous | 937 | 937 ^b | -- | -- |
| Subtotal | \$ 44,190 | \$ 44,190 | \$ -- | -- |
| Total | \$189,339 | \$189,339 | \$ -- | -- |

^dRevenue level derived by reducing the 1987 level by \$30 per capita applied to the population in the Sanitary District portion of the Town.

^eRevenue level derived by reducing the 1987 level by 4.5 percent; reduction based on loss of equalized valuation.

Source: SEWRPC.

Lake Sanitary District were to either to merge with the City of Delavan or incorporate as a village, that initial tax rate would be reduced to only the \$0.13 required to support the county federated library system. This would represent a reduction of 92 percent. After 16 years, however, the rate would approximate \$2.01, an increase of 19 percent.

In the residual Town of Walworth, the current property tax rate is \$0.50 per \$1,000 of equalized valuation, comprised of \$0.37 levied by the Town of Walworth for local government purposes and \$0.13 levied by Walworth County for the federated library system. Assuming a change in the governance of the Delavan Lake Sanitary District—either a merger with the City of Delavan

Table 51

**ESTIMATED FISCAL IMPACTS ON AVERAGE HOUSEHOLDS IN THE RESIDUAL
TOWN OF DELAVAN AND WALWORTH ASSUMING THAT THE DELAVAN LAKE SANITARY
DISTRICT (DLSD) EITHER INCORPORATES OR IS ANNEXED TO THE CITY OF DELAVAN**

| Fiscal Item ^a | Residual Town of Delavan | | | | | | | | | | | | Residual Town of Walworth | | | |
|---|-----------------------------|------------------------|---------|---------|-----------------------------|-------------------------------|---------|---------|---------------------|-----------------------------------|---------|---------|---------------------------|-----------------------------------|--------|---------|
| | Lake Comus District Portion | | | | Lake Comus District Portion | | | | Remainder | | | | | | | |
| | Existing Conditions | DLSD Merger Conditions | Change | | Existing Conditions | DLSD Incorporation Conditions | Change | | Existing Conditions | DLSD Merger or Village Conditions | Change | | Existing Conditions | DLSD Merger or Village Conditions | Change | |
| | | | Amount | Percent | | | Amount | Percent | | | Amount | Percent | | | Amount | Percent |
| Property Tax Rates ^b | | | | | | | | | | | | | | | | |
| Municipal | \$1.56 | \$ -- ^d | \$-1.56 | -100 | \$1.56 | \$ -- ^d | \$-1.56 | -100 | \$1.56 | \$ -- ^d | \$-1.56 | -100 | \$0.37 | \$0.50 | \$0.13 | 35 |
| Lake Comus District | 0.84 | 0.44 | -0.40 | -48 | 0.84 | 0.84 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| County Library | 0.13 | 0.13 | 0.00 | -- | 0.13 | 0.13 | -- | -- | 0.13 | 0.13 | -- | -- | 0.13 | 0.13 | -- | -- |
| Total | \$2.53 | \$0.57 | \$-1.96 | -77 | \$2.53 | \$0.97 | \$-1.56 | -62 | \$1.69 | \$0.13 | \$-1.56 | -92 | \$0.50 | \$0.63 | \$0.13 | 26 |
| Property Taxes per Average Household ^c | | | | | | | | | | | | | | | | |
| Municipal | \$109 | \$ -- | \$-109 | -100 | \$109 | \$ -- | \$-109 | -100 | \$109 | \$ -- | \$-109 | -100 | \$26 | \$35 | \$9 | 35 |
| Lake Comus District | 59 | 31 | -28 | -47 | 59 | 59 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| County Library | 9 | 9 | -- | -- | 9 | 9 | -- | -- | 9 | 9 | -- | -- | 9 | 9 | -- | -- |
| Total | \$177 | \$ 40 | \$-137 | -77 | \$177 | \$ 68 | \$-109 | -62 | \$118 | \$ 9 | \$-109 | -92 | \$35 | \$44 | \$9 | 26 |

^aAll fiscal information based on 1987 data.

^bDoes not include county, school district, vocational school district, and state property taxes.

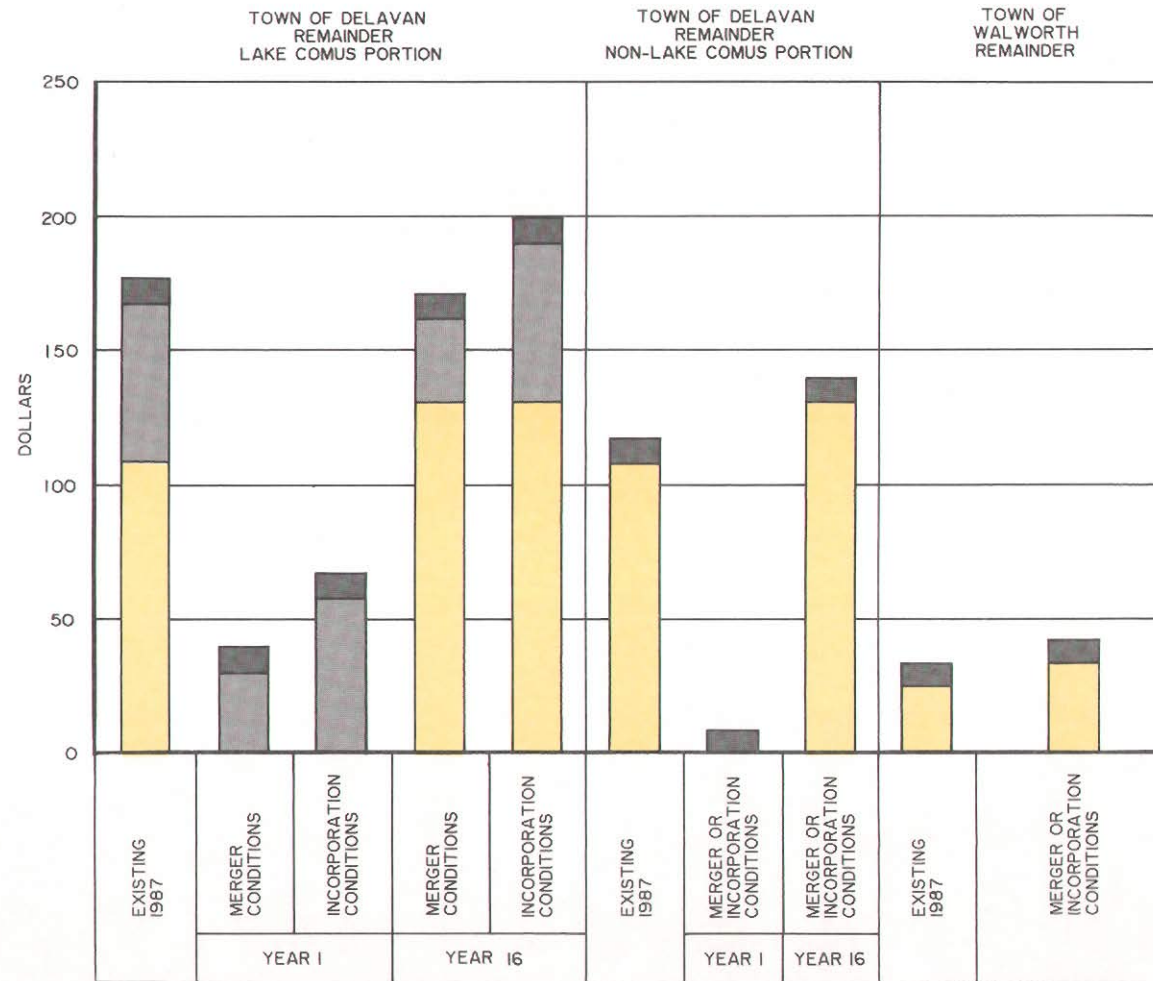
^cThe average housing unit value is assumed at \$70,000.

^dThere would be no local tax levy required in the first five years of operation of the residual Town. Owing to the way in which the state aid and revenue formulas operate, however, a local property tax levy would be required beginning in the sixth year. The rate at that time would approximate \$0.28 per \$1,000 of equalized valuation. The rate would continue to increase until it stabilized at about \$1.80 in the sixteenth year.

Source: SEWRPC.

Figure 15

ESTIMATED LOCAL PROPERTY TAXES PER AVERAGE HOUSEHOLD IN THE RESIDUAL TOWNS OF DELAVAN AND WALWORTH ASSUMING THAT THE DELAVAN LAKE SANITARY DISTRICT EITHER INCORPORATES OR IS MERGED WITH THE CITY OF DELAVAN



LEGEND

- TOWN TAX
- LAKE COMUS TAX
- LIBRARY TAX

NOTE: AN AVERAGE HOUSEHOLD IS ASSUMED TO LIVE IN A HOUSING UNIT HAVING AN EQUALIZED VALUE OF \$70,000.

Source: SEWRPC.

or an incorporation as a village—the property tax rate in the residual Town of Walworth could be expected to rise to about \$0.63 per \$1,000 of equalized valuation, a 26 percent increase.

The total annual cost in terms of property taxes for an average household in the Lake Comus District portion of the residual Town of Delavan, which currently stands at about \$177, could be expected to be initially reduced to about \$40 under conditions where the Delavan Lake Sanitary District would merge with the City of Delavan, a reduction of 77 percent; and to about \$68 under an assumption that the Sanitary District incorporates as a village, a reduction of about 62 percent. Sixteen years hence, those figures would be \$172 and \$200, respectively, representing a decrease of 3 percent and an increase of 13 percent, respectively. The estimated total annual costs per average household in the remainder of the residual Town of Delavan, which currently stand at about \$118, initially would be reduced to \$9.00, a reduction of 92 percent. After 16 years that figure would be \$141, an increase of 19 percent. In the residual Town of Walworth, the total annual cost per average household is \$35. Under either merger or incorporation conditions with respect to the Sanitary District, that cost would increase by about 26 percent to about \$44.

GOVERNANCE ALTERNATIVES FOR RESIDUAL TOWNS

Given the foregoing impact analyses, it may be concluded that in the event of a change in the governance of the Delavan Lake area, it should be possible for the residual Towns of Delavan and Walworth to continue as separate units of government indefinitely. In the case of the residents of the residual Town of Walworth, a change in governance of the Sanitary District would mean that it would cost somewhat more to maintain the current town services. In the case of the residual Town of Delavan, it would mean a reduced level of services for residents in the residual, more rural part of the Town. Initially, there would be reduced costs to the residents of that residual Town; after 16 years, costs would slightly exceed the current level. In terms of the functions of general government, law enforcement, and park and recreation, it is likely that the residents of the residual Town of Delavan also would have to become accustomed

to a level of services more like that currently provided in the Town of Walworth.

While it would be likely, then, that the Town of Delavan could continue as a separate unit of government, it should be noted that it would also be possible to either alter the boundaries of the Town or totally dissolve the Town. The alteration of town boundaries, i.e., where a portion of one town is transferred to an adjacent town, can be accomplished through simple action of a majority vote of the Walworth County Board of Supervisors acting pursuant to the authority given that Board in Section 59.07(22) of the Wisconsin Statutes.² In addition, should a consensus emerge that it would be desirable to dissolve the entire Town, the County Board could dissolve the Town of Delavan and attach its remnant parts to the adjacent Towns of Sugar Creek, Geneva, Walworth, and/or Darien. While a County Board can act unilaterally in altering town boundaries, dissolution and division of a town can come about only after a favorable referendum vote on the matter as required in Section 60.03 of the Wisconsin Statutes. The procedure for dissolution and division of a town requires the submittal of a petition to that effect containing the signatures of at least 20 percent of the residents of the town who are property owners and who constitute at least one-third of the electors of the town. Such a petition must be filed with the town clerk at least 60 days prior to the next annual town meeting. The referendum must be held at the annual town meeting.

²Civil towns in Walworth County have not been changed by the County Board since 1846, when the Town of Elkhorn—now the City of Elkhorn—was created from portions of the Towns of Delavan, Geneva, LaFayette, and Sugar Creek. The Town of Delavan was created in 1838 and initially included also what are now the Towns of Delavan, Sharon, and Walworth. The Town of Walworth was created in 1839, the Town of Darien in 1840, and the Town of Sharon in 1843. More information concerning the historical evolution of town boundaries in southeastern Wisconsin is set forth in *SEWRPC Technical Report, Vol. 4, No. 3, February 1982*.

SUMMARY AND CONCLUSIONS

This chapter has presented in summary form the probable impacts upon the Towns of Delavan and Walworth should the Delavan Lake Sanitary District either merge with the City of Delavan through the process of annexation or incorporate as an independent village. The most significant findings of this analysis may be summarized as follows:

1. The loss of the Delavan Lake Sanitary District would significantly change the size, shape, and character of the Town of Delavan. The Town would be reduced in area by nearly 22 percent; would lose one-half of its resident population, about 80 percent of its housing stock, and about 69 percent of its jobs; would lose about 12 percent of its arterial streets and 34 percent of all streets, highways, and roads; and would lose about 70 percent of its property tax base. The equalized value per capita would decrease from about \$46,100 at present to about \$25,600. The Town of Delavan would no longer be considered one of the "urban" towns in southeastern Wisconsin; rather, the residual Town would have a land use distribution much like the more rural towns in the Southeastern Wisconsin Region such as the Town of Walworth.
2. A change in the governance of the Delavan Lake Sanitary District would be much less significant for the Town of Walworth in terms of that Town's shape, size, and character. The Town of Walworth would lose only 0.2 square mile in area and only about 75 residents. Housing stock would decline by about 9 percent and employment by about 16 percent. The Town would lose about 1.4 miles of streets, highways, and roads. The Town would lose about 4 percent of its equalized value. The equalized value per capita in the Town would rise slightly from about \$38,000 to \$38,100.
3. Given the significant change in area, population, and general character in the residual Town of Delavan, significant impacts on the types and levels of service in that remnant Town should be expected. The Town would likely revert to a level of general government more typical of rural towns, including part-time staffs and limited office hours at the Town Hall. The Town would also likely revert to reliance upon the County Sheriff's Department for primary law enforcement. A smaller public works function could be maintained given the fewer miles of streets and highways to maintain. Fire and rescue service would likely be provided as at present assuming a contract arrangement with either the City of Delavan or a new Village of Delavan Lake. There likely would be no—or at most, a very limited—park and recreation function. There would be no significant change in service types and levels in the Town of Walworth.
4. A probable operating budget for the residual Town of Delavan would approximate \$309,000, about a 77 percent reduction from the 1987 level of \$1.3 million. Because of the way in which Wisconsin law "cushions" local communities in terms of reductions in state shared revenue, transportation aids, and the state property tax credit, initially there would be no need for a town property tax. Beginning in the sixth year, however, a town tax levy would be required in the amount of \$13,408. In the sixteenth year, that levy would stabilize at an approximate level of \$90,700.
5. There should be no change in expenditures in the Town of Walworth should a change be made in the governance of the Delavan Lake Sanitary District. Given the loss of a portion of the Town's population and tax base, however, there would be a negative budgetary impact. State shared revenue, state transportation aids, and state property tax credits would all decline. In order to maintain service levels, the general property tax levy in the Town of Walworth, which stood at about \$20,700 in 1987, would have to be increased by about 29 percent to a level of about \$26,700.
6. There would be differential fiscal impacts on average households in the Towns of Delavan and Walworth should there be a change in the governance structure of the Delavan Lake Sanitary District. In the Lake Comus District portion of the residual Town of Delavan, the local property

tax rate would initially decrease from a current level of \$2.53 per \$1,000 of equalized valuation to \$0.57 should the Delavan Lake Sanitary District merge with the City of Delavan, a decrease of 77 percent. After 16 years, the rate would approximate \$2.45, a 3 percent decrease. If the Sanitary District were instead to incorporate, the rate would be \$0.97 in the Lake Comus District portion of the Town, a decrease of 62 percent. After 16 years, the rate would approximate \$2.85, an 8 percent increase. In the remainder of the residual Town of Delavan, the local property tax rate, which is now \$1.69, would be reduced initially to only the \$0.13 required to support the county federated library system, a reduction of 92 percent. After 16 years that rate would approximate \$2.01, an increase of 19 percent. In the residual Town of Walworth, the existing property tax rate of \$0.50 of equalized valuation could be expected to rise to about \$0.63, an increase of 26 percent, should the governance of the Sanitary District change.

7. The total annual local property tax costs for an average housing unit with a value of \$70,000 in the Lake Comus District portion of the Town of Delavan, which is currently \$177, would initially be reduced to about \$40 if the Sanitary District were to merge with the City of Delavan, and to about \$68 if the Sanitary District were to incorporate as a village, reductions of 77 percent and 62 percent, respectively. After 16 years those annual costs would approximate \$172 and \$200, respectively, a decrease of 3 percent and an increase of 13 percent, respectively. In the remainder of the residual Town of Delavan, the total annual property tax cost per average

household, which currently stands at about \$118, would be reduced initially to \$9.00, a 92 percent reduction. After 16 years that cost would approximate \$141, an increase of 12 percent. Finally, in the Town of Walworth the total annual property tax cost per average household is \$35. Upon a change of governance in the Sanitary District, that cost could be expected to increase by about 26 percent to about \$44.

8. It likely would be possible for the residual Towns of Delavan and Walworth to continue as separate units of government indefinitely if the Delavan Lake Sanitary District were to either merge with the City of Delavan or incorporate as a village. Residents of the residual Town of Walworth would have to pay somewhat more to maintain the current level of town service. Residents of the residual Town of Delavan initially would pay less—but ultimately somewhat more—and have to accept a reduced level of services, becoming accustomed to a level of services more like those currently provided in the Town of Walworth. Notwithstanding the foregoing, it would be possible to dissolve the Town of Delavan and attach its remnant parts to the adjacent Towns of Sugar Creek, Geneva, Walworth, and Darien. Such a dissolution would require a favorable referendum vote in the Town of Delavan, as well as a majority vote of the Walworth County Board of Supervisors. The referendum is held at the annual town meeting after submittal of a petition requesting dissolution containing the signatures of at least 20 percent of the residents of the Town who are property owners and who constitute at least one-third of the electors of the Town.

Chapter VI

SUMMARY AND CONCLUSIONS

INTRODUCTION

In August 1988, the Southeastern Wisconsin Regional Planning Commission was requested by the City and Town of Delavan and by the Delavan Lake Sanitary District to evaluate the impacts of potential changes in the governance of the Delavan area. In particular, community leaders in the Delavan area wanted to explore comparatively the impacts of the potential merger of the Sanitary District with the City of Delavan and of the incorporation of the Sanitary District as an independent village.

This report documents the results of that evaluation. The evaluation was conducted by, and this report prepared under the guidance of, a nine-member Advisory Committee comprised of local elected and appointed public officials and knowledgeable and concerned citizens. The membership of the Committee is set forth on the inside front cover of this report. Technical work on the study was carried out by the Regional Planning Commission staff with the assistance of the staffs of the local units of government concerned. Legal guidance was provided by Attorney Richard A. Lehmann of the firm of Lawton & Cates, S.C., Madison, Wisconsin.

The evaluation study had the following specific purposes:

1. To describe the legal processes under Wisconsin law attendant to municipal merger and incorporation.
2. To provide information concerning the greater Delavan area pertinent to any consideration of the feasibility of merger or incorporation, including data on population and economic activity levels, on land use and the natural resource base, on the street and highway system, on public utility systems, and on the current governmental structure and levels of public services, including the costs of those services.
3. To identify the probable impacts on the corporate bodies and residents of the Delavan area should the Sanitary District

either be merged with the City or be incorporated as a village.

4. To assess the probability that either a merger of the Sanitary District with the City or an incorporation of the Sanitary District as a village would be legally feasible given statutory standards and Wisconsin case law attendant to such matters.

INVENTORY FINDINGS

The geographic area selected for the evaluation study consisted of the combined area of the City of Delavan, the Town of Delavan, and the Town of Walworth. The Delavan Lake Sanitary District encompasses portions of the Towns of Delavan and Walworth. The following summarizes the most important of the inventory findings of the evaluation effort:

1. The City and Town of Delavan and the Town of Walworth together comprise an area nearly 65 square miles in extent. Of this total area, the City of Delavan comprises about 6 percent, or about four square miles; the Town of Delavan about 48 percent, or 31 square miles; and the Town of Walworth about 46 percent, or about 30 square miles. The Delavan Lake Sanitary District comprises about 11 percent, or about seven square miles, of the total area. The surface area of Delavan Lake comprises about 5 percent, or about three square miles, of the total area. The Sanitary District comprises nearly 22 percent of the area of the Town of Delavan and less than 1 percent of the area of the Town of Walworth (see Table 1, page 5).
2. The resident population of the study area in 1985 approximated 11,400 persons (see Table 2, page 6). About one-half of the population resided in the City of Delavan, about 36 percent in the Town of Delavan, and the remaining 13 percent in the Town of Walworth. A special census of population and housing was undertaken in the Delavan Lake Sanitary District as part of

the evaluation effort (see Table 8, page 13). Based on this census, the 1988 resident population of the Sanitary District was estimated at 2,098 persons. An additional 4,182 persons were estimated to reside in the District on a seasonal basis. Thus, the seasonal residents of the District outnumbered the year-round residents by about two to one.

3. In 1985 there were about 6,700 jobs in the study area (see Table 9, page 14). About 71 percent of these jobs were located in the City of Delavan, about 15 percent in the Town of Delavan, and about 14 percent in the Town of Walworth. About 700 of these jobs were located within the Sanitary District.
4. About 13 percent of the study area, representing about 5,300 acres, is currently devoted to urban land uses (see Table 12, page 19). Within the Sanitary District, urban land uses total about 1,500 acres, or about 34 percent of the total area of the District. About one-half of all urban lands within the Town of Delavan lie within the Sanitary District portion of the Town. In contrast, less than 1 percent of the urban development in the Town of Walworth lies within the Sanitary District portion of that Town.
5. A major divide between the Fox River and Rock River watersheds bisects the study area (see Map 7, page 21). About 5 percent of the study area drains to Geneva Lake and lies within the Fox River watershed. The remaining 95 percent of the study area lies within the Rock River watershed. Six different streams drain lands within the Rock River portion of the study area. All of the Delavan Lake Sanitary District lies within the Jackson Creek subwatershed.
6. Review of detailed soil survey data indicates that most of the study area is covered by soils very well suited for agricultural use (see Map 8, page 24). Much of the study area is covered by soils that are very poorly suited for the proper operation of onsite sewage disposal systems (see Map 9, page 25). Soil suitability for urban uses served by public sanitary sewers is generally good, although concentrations of soils having a high water table, low bearing strength, and high shrink-swell potential, and thus having limitations for urban use, occur in a scattered pattern throughout the study area (see Map 10, page 26).
7. Environmental corridors, which contain the most important remaining elements of the natural resource base, including lakes and streams and associated shorelands and floodlands; wetlands; woodlands; prairies; wildlife habitat; wet, poorly drained, and organic soils; and rugged terrain, tend to occur in an essentially linear pattern on the landscape. Within the Delavan Lake study area, these corridors comprise about 12 square miles, or about 19 percent of the total study area, and are generally found along the shorelines of Delavan and Comus Lakes and along Jackson and Turtle Creeks (see Map 12, page 28).
8. There are currently nearly 47 miles of arterial streets and highways in the study area, of which about 69 percent are state trunk highways, 26 percent county trunk highways, and 2 percent local arterial streets (see Map 13, page 30). There are a total 175 miles of all types of streets and highways within the study area, of which about 13 miles, or about 7 percent, are private ways. There are about 31 miles of streets and highways in the Delavan Lake Sanitary District, of which nearly 10 miles, or about 31 percent, are private ways.
9. The City of Delavan provides nearly a full range of urban public services, including sanitary sewers, public water supply, urban-type streets with storm sewers and street lighting, a full-time police department, fire and rescue services through volunteer fire and rescue departments, park and recreation programs, public library services, and planning and land use regulation. In the Town of Delavan a narrower range of urban public services is provided. Sanitary sewer service, full-time police protection, and fire and rescue services through a town volunteer fire department are provided. Streets are of a rural type with road ditches and culverts; no street lighting is provided; and only a limited park and recreation program is provided. Town of Delavan residents have access to the City of Delavan library

through a county program. There is a Town Plan Commission to assist the Walworth County Park and Planning Commission in zoning and land use regulation. In the Town of Walworth, a more limited array of public services is provided, reflecting the more rural character of the Town. Sanitary sewer service is provided only in that small portion of the Town served by the Delavan Lake Sanitary District and by a special utility district created to serve the facilities of the Christian League for the Handicapped. The Town maintains a system of rural-type roads, and relies upon the County Sheriff's Department for law enforcement. The Town has joined with the Village of Walworth in supporting a volunteer fire and rescue department. Like the Town of Delavan, the Town of Walworth has access to the Delavan Public Library through a county program. The Town shares responsibility with the Walworth County Park and Planning Commission for planning and land use regulation.

10. There are seven school districts serving the study area (see Map 19, page 46). All but a small portion of the Delavan Lake Sanitary District lies within the Delavan-Darien K-12 District.
11. There are four U. S. postal delivery areas serving the study area (see Map 20, page 47). The entire Delavan Lake Sanitary District is included within the Delavan postal service area.
12. With respect to private utilities, the entire study area is served by the Wisconsin Southern Gas Company. Electric power is provided by two utility companies, with the Wisconsin Power and Light Company serving all of the City of Delavan and all of the Delavan Lake Sanitary District (see Map 21, page 48). Telephone service is provided for the entire study area by Wisconsin Bell, and the entire area lies within a single local calling area. One cable television company serves both the City and Town of Delavan.
13. Municipal revenue and expenditure data for the local governments in the study area were collected for the five-year period 1983 through 1987 (see Tables 22 through 28,

pages 50 through 58). Overall, total expenditures for the City and Town of Delavan and the Town of Walworth increased by about 36 percent over that time period, from \$4.88 million to \$6.65 million. The rate of general price inflation during that same five-year period was about 20 percent. Expenditures grew more rapidly in the Town of Delavan than in the City of Delavan and the Town of Walworth during the period studied.

14. Indebtedness as a percent of bonding capacity for the City of Delavan ranged from 51 to 75 percent over the five-year period; for the Town of Delavan, from about 0.6 to 1.3 percent; for the Town of Walworth, from about 0.4 to 1.2 percent; and for the Delavan Lake Sanitary District, from about 31 to 38 percent (see Tables 29 and 30, pages 58 and 59). The outstanding debt per capita in 1987 was \$784 in the City of Delavan, \$14 in the Town of Delavan, \$9.00 in the Town of Walworth, and \$849 in the Delavan Lake Sanitary District, the latter figure being computed on the basis of the total resident and nonresident population.
15. Equalized property valuation over the period 1983 through 1987 in the study area declined by about 1 percent (see Table 31, page 60). Such valuation increased by about 7 percent in the City of Delavan and about 2 percent in the Town of Delavan, while declining in the Town of Walworth by nearly 23 percent as a result of a re-evaluation of the value of farmland. Equalized value within the Delavan Lake Sanitary District comprises about 70 percent of the total value of the Town of Delavan and nearly 5 percent of the total value of the Town of Walworth. The equalized value per capita in the City of Delavan in 1986 approximated \$24,500; in the Town of Delavan, \$46,100; and in the Town of Walworth, \$38,000. In the Sanitary District—considering only resident population—the equalized value per capita totaled \$64,700. If both resident and non-resident population are considered, the property tax base per capita in the District approximated \$21,600.
16. There are 14 different combinations of taxing jurisdictions within the study area.

In 1988, property tax rates ranged from a low of \$15.75 per \$1,000 of equalized valuation in that portion of the Town of Walworth outside the Delavan Lake Sanitary District and within the Fontana Elementary and Walworth Union High School Districts, to a high of \$27.68 per \$1,000 of equalized value in the City of Delavan and the Delavan-Darien School District (see Table 32, page 61). Local property taxes per capita in 1987 approximated \$189 in the City of Delavan; \$109 in the Town of Delavan; and \$42 in the Town of Walworth. In the Delavan Lake Sanitary District, there was an additional \$47 of local property taxes per capita, the figure being computed on the basis of total resident and nonresident population.

MERGER OF THE DELAVAN LAKE SANITARY DISTRICT WITH THE CITY OF DELAVAN

The study concluded that if the Delavan Lake Sanitary District were to merge with the City of Delavan, such a merger would have to occur through the process of annexation. There are two different ways in which this process could be carried out. Under the first approach, electors and landowners in the Sanitary District could submit a petition to the Common Council of the City of Delavan containing the signatures of either 20 percent of the electors, or 50 percent of the owners of land in the area calculated on the basis of either assessed valuation or area. Under the second approach, the Common Council could file an annexation petition with the Walworth County Circuit Court, assuming approval of such a petition by a two-thirds majority of the Council. In either case, a referendum on the annexation would then be held in the Sanitary District and a simple majority would decide the issue. If the referendum carried, the Common Council would have to enact an annexation ordinance by a two-thirds majority vote for the annexation to become effective.

The Advisory Committee selected the Delavan Lake Sanitary District as the geographic area for analytical purposes for both the merger and incorporation alternatives. This area was selected because it is already perceived as a municipality having its own taxing jurisdiction; because the boundaries of the Sanitary District represent a common community of interest

focused on Delavan Lake; because the Sanitary District abuts the City of Delavan and is therefore annexable; and because there is a significant amount of open, developable land within the District to accommodate future growth. The Advisory Committee recognized, however, that should a consensus ultimately emerge that either the annexation or the incorporation alternative be pursued, boundaries somewhat different from the current Sanitary District boundaries could be considered.

In conducting the merger analysis, the Advisory Committee recognized that it is not possible to predict what policy decisions would be made by the Common Council of the City of Delavan concerning the provision of governmental services to the Delavan Lake area should a merger be effected. Accordingly, the Committee directed that, as appropriate, alternative future policy scenarios be considered. Should a merger take effect, all policy decisions would be made by the Common Council of the enlarged City of Delavan.

The following represent the most significant findings of the merger analysis:

1. Under a merger, the City of Delavan would expand significantly in terms of area, population, number of housing units, miles of streets and highways, and wealth as measured by equalized property valuation (see Table 52).
2. A merger would likely entail the creation of a new aldermanic district for the Delavan Lake area and the addition of two aldermen from that district to the Common Council. This would bring the total number of aldermen to eight. It is also likely that a Delavan Lake Committee would be created to help the Common Council oversee lake-oriented policy matters, including lake use and rehabilitation and lake regulation. Policy control of the Delavan Lake sewerage system would shift under a merger to the Water and Sewerage Commission of the City, with the Delavan Lake Sanitary District being dissolved.
3. Important policy decisions would have to be made by the Common Council concerning whether or not the Delavan Lake area would require the installation of a public water supply system, and whether or not that area would require the installation of

Table 52

**SELECTED CHARACTERISTICS OF THE CITY OF DELAVAN
ASSUMING A MERGER WITH THE DELAVAN LAKE SANITARY DISTRICT**

| Characteristic | Current City of Delavan | "Merged" City of Delavan | Percent Change |
|--------------------------------------|----------------------------|-----------------------------|-------------------|
| Area (square miles—1988) | 3.9 | 10.8 | 177 |
| Population (1988) | | | |
| Resident | 6,062 | 8,160 | 35 |
| Resident Plus Seasonal | 6,062 | 12,342 | 104 |
| Employment (1985) | 4,784 | 5,484 | 15 |
| Housing Units (1985) | 2,251 | 4,455 | 98 |
| Streets and Highways (miles—1988) | | | |
| Arterial | 5.8 | 9.6 | 66 |
| All | 30.5 | 62.0 | 103 |
| Property Tax Base (1986) | | | |
| Total Equalized Value | \$148,583,700 | \$284,236,363 | 91 |
| Equalized Value Per Capita | 24,511 | 34,833 | 42 |

Source: SEWRPC.

Table 53

**ESTIMATED COSTS OF INSTALLING A PUBLIC WATER SUPPLY
SYSTEM AND AN URBAN STREET SYSTEM IN THE DELAVAN LAKE AREA**

| Item | Range of Total Cost in Delavan Lake Area | Range of Total Cost per Average Household | Range in Annual Cost per Average Household ^a |
|--|---|--|--|
| Public Water Supply System | \$13-\$16 million | \$5,000-\$7,000 | \$800-\$1,100 |
| Urban Street System ^b | \$25-\$30 million | \$11,000-\$13,000 | \$1,800-\$2,100 |

^aAssumes retirement of debt over 10 years at an interest rate of 10 percent.

^bIncludes curbs and gutters, storm sewers, and street lighting, but not sidewalks.

Source: SEWRPC.

urban-type streets with curbs and gutters, storm sewers, and street lighting. The estimated range of costs associated with such systems is shown in Table 53.

residents who reside on the approximately 10 miles of private streets and roads in the Sanitary District. Assuming a merger of the District with the City, it is likely that the City would not provide such snow plowing services, requiring the residents of the affected areas to privately contract for such services.

- At the present time, the Town of Delavan provides snow plowing services to those

5. If the Common Council of the City of Delavan were to require a public water supply system in the Delavan Lake area, then it is also likely that fire and rescue services in that area would be provided through expanded City of Delavan volunteer fire and rescue operations. If a public water supply system were not required, then it is likely that the City would contract with the existing Town of Delavan volunteer fire department to continue the current fire and rescue services in the Delavan Lake area.
6. Since all Town of Delavan park facilities are located within the Sanitary District, it is likely that all town parks would become part of the city park system upon annexation. This would come about through an agreement by the City and the Town on an apportionment of assets of the Town following the merger. Annexation would make Sanitary District residents eligible for City of Delavan recreation programs.
7. Annexation of the Sanitary District to the City of Delavan should have no impact on the library services provided by the City. Currently, all residents of the District have access to the city library as though they are city residents, paying for such access through a special county property tax. Sanitary District residents would no longer pay that tax upon annexation.
8. Assuming a merger, planning and land use control functions in the Sanitary District would shift from the current joint responsibility by Walworth County and the Towns of Delavan and Walworth to the City of Delavan. Because of the significantly lower densities of residential development in the Delavan Lake area, and because of the limited array of residential zoning districts found in the current City of Delavan Zoning Ordinance, the Common Council likely would amend the City Zoning Ordinance to provide for residential zoning districts that are more closely related to the prevailing lot size and density in the Delavan Lake area. Wisconsin law has the effect of requiring the City to amend its zoning ordinance as it applies to shorelands along Delavan Lake to ensure that the zoning provisions are no less restrictive than the current zoning provisions contained in the Walworth County Zoning Ordinance.
9. Upon annexation, policy control of the Delavan Lake Improvement Program, now underway under the jurisdiction of the Town Board of Delavan, would shift to the Common Council. Principal funding for the Lake Improvement Program could continue to come from a room tax, provided that the Common Council would be willing to enact such a tax throughout the entire City. Since the Lake Improvement Program includes the installation of sedimentation basins at locations along Delavan Lake and Jackson Creek outside the boundaries of the current Sanitary District, it would be necessary for the Common Council to enter into an intergovernmental agreement with the residual Town of Delavan to permit the installation of such basins.
10. Because of the way in which the Lake Comus Protection and Rehabilitation District is defined, the Delavan Lake area would become part of that District upon a merger with the City. This would mean that Delavan Lake taxpayers would be responsible for costs incurred by the Lake Comus District. Had a merger been in effect in 1987, the owner of a \$70,000 home in the Delavan Lake Sanitary District would have paid a total of \$31 in property taxes for the Lake Comus District.
11. While a merger of the Sanitary District with the City would have no effect on school district boundaries, there would be an effect on the election of school board members because of the way in which apportionment plans for school board members have been structured under Wisconsin law. The school board member apportionment plans for the Delavan-Darien School District, the Fontana K-8 School District, and the Walworth Union High School District would need to be reviewed and revised to ensure that Delavan Lake area electors could continue to seek membership on the school boards.

12. Three different budget scenarios attendant to the merger of the Delavan Lake Sanitary District and the City of Delavan were developed and analyzed for their impact upon property taxes and service charges. Under the first budget scenario, it was assumed that expenditure rates in the expanded City of Delavan would equal current city expenditure rates expressed on a per capita basis. In addition, this budget scenario assumed the installation of a public water supply system in the Delavan Lake area; the installation of urban streets with curb and gutter, storm sewers, and street lighting—but no sidewalks—in the Delavan Lake area; the provision of fire suppression services in the Delavan Lake area through expansion of the City of Delavan volunteer fire department; the provision of rescue services in the Delavan Lake area through expansion of the City of Delavan rescue squad; the consolidation of all debt incurred by the Delavan Lake Sanitary District with that incurred by the City of Delavan Sewer and Water Utility; and the establishment of service charges for sanitary sewer and water supply sufficient to cover all debt retirement and annual operation and maintenance costs.

Under the second budget scenario, it was assumed that expenditure rates in the annexed portion of the City—the former Delavan Lake Sanitary District—would closely approximate the current level of spending by the Town and Sanitary District combined in that area expressed on a per capita basis. It was further assumed that the Common Council would not mandate the installation of a public water supply system, nor urban streets, storm sewers, and street lighting in the Delavan Lake area; that fire suppression and rescue services in the Delavan Lake area would be acquired via a contract with the Town of Delavan volunteer fire department; that a separate utility district would be formed for the purposes of continuing to provide sanitary sewer service to the Delavan Lake area; that all debt previously incurred by the Sanitary District would be transferred to the new utility district; and that all expenditures by the new utility district would be met by sewer service charges.

Under a third budget scenario, it was assumed that it would be possible to reduce expenditure levels from existing city, town, and Sanitary District per capita rates if the City and the Sanitary District were to merge. This third budget scenario was based upon the same public policy assumptions concerning water supply and urban streets, storm sewers, and street lighting and the provision of fire and rescue service that the second alternative was based on. Also like the second alternative, this alternative would require the creation of a separate utility district for sanitary sewerage purposes in the Delavan Lake area.

A comparison of the revenue and expenditure levels, property tax levies required, sanitary sewer and water supply charges, and fiscal impacts attendant to these three merger budget scenarios is set forth in Table 54.

13. At the present time, City of Delavan taxpayers collectively bear about 57 percent of the burden of all property taxes levied in the combined area of the City and the Sanitary District. Sanitary District property owners bear the remaining 43 percent. Under all three budget scenarios, this property tax burden would shift somewhat from City of Delavan taxpayers to Delavan Lake Sanitary District taxpayers. In each case, the proportion of the property tax burden borne by existing city taxpayers would approximate 52 percent, with Sanitary District taxpayers bearing the remaining 48 percent of the burden.
14. Should a merger between the Sanitary District and the City take place through the process of annexation, it is likely that all tests of legal feasibility could be met. In examining the provision of governmental services, the shape of the proposed annexation, and the homogeneity of the lands proposed to be annexed with the annexing City, it is likely that the Wisconsin Department of Development would find such an annexation to be in the public interest. In addition, after taking into account considerations relating to the need for annexation, to the contiguity of the Sanitary District and the City, and to whether or not the annexation would be

Table 54

**SUMMARY COMPARISON OF ALTERNATIVE CITY OF
DEHAVAN-DEHAVAN LAKE SANITARY DISTRICT MERGER BUDGET SCENARIOS**

| Item | Merger Budget Scenario No. 1: City Per Capita Expenditure Rates ^{a,b} | Merger Budget Scenario No. 2: Blend of City and Town Per Capita Expenditure Rates ^b | Merger Budget Scenario No. 3: Reduced Per Capita Expenditure Rates ^b |
|--|---|---|--|
| Total Expenditure and Revenue Level | \$7.60 million | \$7.12 million | \$6.98 million |
| Property Tax Levy Required | \$1.05 million | \$730,000 | \$690,000 |
| Local Property Tax Rate per \$1,000 of Equalized Valuation | \$4.14 | \$3.01 | \$2.87 |
| Percent Change in Local Property Tax Rate | | | |
| City Residents | -12 | -36 | -39 |
| Delavan Town Residents | 7 | -22 | -26 |
| Walworth Town Residents | 54 | 12 | 7 |
| Monthly Sewer Service Charge per Average Household | | | |
| City of Delavan | | | |
| Current | \$14 | \$14 | \$14 |
| Merger | 22 | 14 | 14 |
| Delavan Lake Sanitary District | | | |
| Current | \$23 | \$23 | \$23 |
| Merger | 22 | 36 | 33 |
| Monthly Water Supply Charge per Average Household | | | |
| City of Delavan | | | |
| Current | \$ 9 | \$ 9 | \$ 9 |
| Merger | 9 | 9 | 9 |
| Delavan Lake Sanitary District | | | |
| Current | \$ -- | -- | -- |
| Merger | 9 | -- | -- |

Table 54 (continued)

| Item | Merger Budget Scenario No. 1: City Per Capita Expenditure Rates ^{a,b} | Merger Budget Scenario No. 2: Blend of City and Town Per Capita Expenditure Rates ^b | Merger Budget Scenario No. 3: Reduced Per Capita Expenditure Rates ^b |
|---|---|---|--|
| Annual Cost per Average Household ^c | | | |
| City Residents | | | |
| Current | \$604 | \$604 | \$604 |
| Merger | 662 | 487 | 477 |
| Delavan Town Residents | | | |
| Current | \$547 | \$547 | \$547 |
| Merger | 662 | 640 | 597 |
| Walworth Town Residents | | | |
| Current | \$464 | \$464 | \$464 |
| Merger | 662 | 640 | 597 |

^aUnder this budget scenario, Delavan Lake area residents would also incur one-time capital costs ranging from \$5,000 to \$7,000 per average household for the installation of a public water supply system, and one-time capital costs ranging from \$11,000 to \$13,000 per average household for the installation of an urban street system. The estimated annual cost of retiring that debt over a 10-year period at a 10 percent interest rate is \$800 to \$1,100 for the water supply system and \$1,800 to \$2,100 for the urban street system.

^bUnder all three merger budget scenarios, it has been assumed that those residents fronting on private streets in the Delavan Lake Sanitary District would have to privately contract for those snow plowing services now provided by the Town of Delavan. If the City were to provide such services, the estimated additional annual cost could be expected to range from about \$7,100 to about \$15,200, representing an additional burden of from \$1.76 to \$3.75 annually on a \$70,000 home in the "merged" city. These amounts are based on rates of \$0.0251 and \$0.0535 per \$1,000 of equalized valuation, respectively.

^cAssumes a housing unit value of \$70,000.

Source: SEWRPC.

considered arbitrary in nature, it is likely a circuit court would find that the annexation, assuming all procedural requirements are met, would not violate any statutory standards nor the "rule of reason" as applied by the Wisconsin courts under annexation case law.

INCORPORATION OF THE DEHAVAN LAKE SANITARY DISTRICT

A second governance alternative for the Delavan Lake area consists of the incorporation of the

Delavan Lake Sanitary District as an independent municipality. In the view of the Advisory Committee, the village form of government would likely be the preferred one for the Delavan Lake situation. In a village, the Board of Trustees is elected at large. In a City, the Common Council is elected from aldermanic districts. The Advisory Committee determined for analysis purposes that the geographic area to be considered for incorporation as the Village of Delavan Lake would consist of the Delavan Lake Sanitary District as that District is currently legally defined.

The incorporation process involves the submittal of a petition by at least 50 persons who are both electors and property owners of the area proposed for incorporation to the Walworth County Circuit Court. The Circuit Court holds a hearing on the petition, determining whether or not the formal and signature requirements of the petition have been met and whether or not certain minimal statutory standards attendant to area, population, and population density have been met. If such standards are met, the Court then formally refers the petition to the Wisconsin Department of Development.

The Department of Development evaluates the incorporation petition according to specific standards set forth in Wisconsin law that relate to the characteristics of the territory proposed to be incorporated and to the general public interest as measured by such considerations as property tax rates and revenues, levels of governmental services, and impacts on any remnant towns. The Department makes a series of findings as to the statutory standards and issues a determination to the Circuit Court. If the Department finds that the statutory standards for incorporation have been met, the Court orders a referendum held. If the Department determines that the statutory standards have not been met, the Court dismisses the petition. In the case of Delavan Lake, the referendum on an incorporation would be held by the Town of Delavan, with the electors of the Sanitary District simply voting either for or against incorporation. A simple majority decides the issue. If the outcome on the referendum is favorable, the Court certifies the results to the Secretary of State, who in turn issues an incorporation certificate. The assets of the affected towns are then divided by an apportionment board.

The following represent the most significant findings of the incorporation analysis:

1. The new Village of Delavan Lake would have a total area of 6.9 square miles and a resident population of nearly 2,100. Other characteristics of the new Village are summarized in Table 55.
2. The Village of Delavan Lake would be served by a village president, a clerk, and a treasurer together with six trustees elected at large. The new village board

Table 55

SELECTED CHARACTERISTICS OF THE VILLAGE OF DELAVAN LAKE ASSUMING INCORPORATION OF THE DELAVAN LAKE SANITARY DISTRICT

| Characteristic | Village of Delavan Lake |
|--------------------------------------|-------------------------|
| Area (square miles—1988) | 6.9 |
| Population (1988) | |
| Resident | 2,098 |
| Resident Plus Seasonal | 6,280 |
| Employment (1985) | 700 |
| Housing Units (1985) | 2,204 |
| Streets and Highways (miles—1988) | |
| Arterial | 3.8 |
| All | 31.5 |
| Property Tax Base (1986) | |
| Total Equalized Value | \$135,652,663 |
| Equalized Value Per Capita | 64,658 |

Source: SEWRPC.

would have to make a number of important decisions concerning the governmental structure of the Village, including the creation of a village plan commission to oversee the planning and land use control functions. Other committees, boards, or commissions would be necessary to provide oversight for the general administrative, public safety, public works, park and recreation, and probable other functions that would be carried out in the Village. There likely would be a special committee to oversee matters relating to the regulation and rehabilitation of Delavan Lake.

3. For the purposes of the incorporation analysis, a general assumption was made that the level of municipal services now provided in the Delavan Lake area collectively by the Towns of Delavan and Walworth, the Delavan Lake Sanitary District, and Walworth County closely approximates the level of services desired by the Delavan Lake area residents. Accordingly, it was assumed that the new village clerk and the current administrative staff of the

Sanitary District would form the nucleus of the administrative staff of the Village; that the entire Police Department of the Town of Delavan would continue on as the Police Department of the Village; that the new Village would contract with the Town of Delavan to maintain the current Fire and Rescue Department serving the Town; that there would be no change in the provision of sanitary sewer service from that currently being provided by the Sanitary District; that public water supply services would not be provided; that street lighting would not be provided; and that rural-type street cross-sections would be maintained by a public works staff. It was also assumed that the new Village would assume responsibility for all of the park and recreation functions of the Town of Delavan, including operating the boat launch. Finally, it was assumed that the Village would access the City of Delavan library by opting to continue to pay a county tax for federated library services.

4. The major impact of the incorporation of the Sanitary District on the City of Delavan relates to the potential future growth pattern of the City. Assuming incorporation, the City could no longer annex lands that currently lie within the Sanitary District. Furthermore, the new Village would be in a position to annex lands from the adjacent towns in the same way that the City now annexes land from adjacent towns.
5. Responsibility for the Delavan Lake Improvement Program now underway by the Town of Delavan would have to be assumed by the new village board. Presumably, that board would enact a room tax to provide a funding source for the program. Because the sedimentation basins proposed as a part of the Lake Improvement Program are located beyond the boundaries of the proposed village, it would be necessary for the new village board to enter into an intergovernmental agreement with the Town Board of Delavan to provide for the installation of those basins. In addition, it is likely that the new village board would assume responsibility for the pending construction of a new fire station

in the Town of Delavan under the assumption that the new Village and the remnant Town would agree to maintain the same volunteer fire department via an intergovernmental contract. The capital improvements program that has been adopted by the Commissioners of the Delavan Lake Sanitary District could be expected to move forward under policy guidance provided by the new village board.

6. While incorporation of the Village of Delavan Lake would have no effect on school district boundaries, the incorporation would have an effect on the election of school board members because of the way in which apportionment plans for school board membership have been structured. The school board member apportionment plans for the Delavan-Darien School District, the Fontana K-8 School District, and the Walworth Union High School District would need to be reviewed and revised to ensure that Village of Delavan Lake electors would be able to seek membership on the school boards.
7. Two different budget scenarios were developed for the new Village. Under the first scenario it was assumed that, consistent with the established policy of the Sanitary District, the new Village would continue to partially recover sanitary sewerage costs through a property tax levy. A number of assumptions were made with respect to expenditures consistent with the foregoing description of services to be provided. In the second budget scenario, the only change was an assumption that a policy decision would be made to recover all sanitary sewerage costs through user charges. A comparison of the property tax levies and rates required, sanitary sewer user charges, and fiscal impacts attendant to these two incorporation budget scenarios is set forth in Table 56. Assuming an average household value of \$70,000, the total annual cost per household would approximate \$625. This represents an increase of 14 percent for those residents in the Town of Delavan portion of the Sanitary District, and 35 percent for those residents in the Town of Walworth portion of the Sanitary District. While on average

there would be no difference in the total annual cost per household between the two budget scenarios, the cost burden borne by individual households could be expected to be different between the two scenarios owing to the wide range in housing unit values in the District.

8. The estimated total annual cost per average household in the new Village of \$625 shown in Table 56 can be directly compared with figures of \$640 and \$597 per household, respectively, under the City of Delavan-Delavan Lake merger scenarios No. 2 and No. 3 presented in Table 54. At the present time, the comparable figures are \$547 in the Town of Delavan portion of the Sanitary District and \$464 in the Town of Walworth portion of the Sanitary District. Under merger budget scenario No. 1, the total average annual cost would be \$662 per household. That figure is not directly comparable, however, because under that scenario Delavan Lake residents would receive public water supply service. Capital costs associated with the possible provision of water supply services and the installation of an urban type street system in the Delavan Lake Sanitary District under the merger scenarios are set forth in Table 53, page 145. Possible additional costs associated with providing public snow plowing services on private roads in the Sanitary District are set forth in Table 54, page 149.
9. Should a petition that would seek to incorporate the Delavan Lake Sanitary District as the Village of Delavan Lake be submitted to the Walworth County Circuit Court, it is likely that all of the standards concerning incorporation and pertaining to an "isolated village" set forth in the Wisconsin Statutes can be met. If the petition is properly submitted and contains the requisite number of signatures of electors and property owners, it is likely that the Walworth County Circuit Court would find that the proposed village would meet the minimal area and population requirements set forth in the Wisconsin Statutes and refer the petition to the Wisconsin Department of Development for review. It is further likely that that Depart-

ment would find that the territory proposed to be incorporated as the Village of Delavan Lake is reasonably homogenous and compact; that the territory contains a reasonably developed community center; and that the territory beyond that community center has sufficient density to meet statutory standards. In addition, it is likely that the Department would have no "public interest" objection to the proposed incorporation after considering the level of services desired and needed in the area concerned, the tax revenues available to provide those services, and the impacts on the residual Towns of Delavan and Walworth. Hence, it is likely that the Department would return the petition to the Circuit Court with a finding that the statutory standards have been met, and request the Court to order a referendum held on the matter.

IMPACTS OF EITHER MERGER OR INCORPORATION ON THE TOWNS OF DELAVAN AND WALWORTH

Either the merger of the Delavan Lake Sanitary District with the City of Delavan or the incorporation of the Sanitary District as an independent village could be expected to have impacts upon the residual Towns of Delavan and Walworth. The most significant of these impacts may be summarized as follows:

1. The loss of the Delavan Lake Sanitary District would significantly change the size, shape, and character of the Town of Delavan. The Town of Delavan would no longer be considered one of the "urban" towns in southeastern Wisconsin; rather, the residual Town would have a land use distribution much like the more rural towns in the Southeastern Wisconsin Region such as the Town of Walworth. Selected characteristics of the residual Towns are set forth in Table 57. A change in the governance of the Delavan Lake Sanitary District would be much less significant for the Town of Walworth in terms of that Town's shape, size, and character.
2. Given the significant change in area, population, and general character in the

Table 56

**SUMMARY COMPARISON OF ALTERNATIVE VILLAGE OF
DELAVAN LAKE INCORPORATION BUDGET SCENARIOS**

| Item | Incorporation Budget Scenario No. 1: Portion of Sewerage Costs Recovered Through Property Tax | Incorporation Budget Scenario No. 2: All Sewerage Costs Recovered Through User Charges |
|---|--|---|
| Total Expenditure and Revenue Level | \$2.18 million | \$2.18 million |
| Property Tax Levy Required | \$659,000 | \$362,000 |
| Local Property Tax Rate per \$1,000 of Equalized Valuation | \$4.99 | \$2.80 |
| Percent Change in Local Property Tax Rate Delavan Town Residents | 29 | -28 |
| Walworth Town Residents | 86 | 4 |
| Monthly Sewer Service Charge per Household Current | \$ 23 | \$ 23 |
| Village | 23 | 36 |
| Annual Cost per Average Household ^a For Delavan Town Residents | | |
| Current Conditions | | |
| Property Taxes | \$271 | \$271 |
| Service Charges | 276 | 276 |
| Total | \$547 | \$547 |
| Village Conditions | | |
| Property Taxes | \$349 | \$196 |
| Service Charges | 276 | 429 |
| Total | \$625 | \$625 |
| For Walworth Town Residents | | |
| Current Conditions | | |
| Property Taxes | \$188 | \$188 |
| Service Charges | 276 | 276 |
| Total | \$464 | \$464 |
| Village Conditions | | |
| Property Taxes | \$349 | \$196 |
| Service Charges | 276 | 429 |
| Total | \$625 | \$625 |

NOTE: Any comparison of costs in this Table to costs associated with the merger scenarios in Table 54 should also consider the capital costs associated with a public water supply system and an urban street system and operating costs associated with public snow plowing of private streets in the Sanitary District. These costs are identified in footnotes to Table 54.

^aAssumes a housing unit value of \$70,000.

Source: SEWRPC.

Table 57

**SELECTED CHARACTERISTICS OF THE RESIDUAL TOWNS OF DELAVAN AND WALWORTH ASSUMING
THE LOSS OF THE DELAVAN LAKE SANITARY DISTRICT THROUGH EITHER MERGER OR INCORPORATION**

| Characteristic | Town of Delavan | | | Town of Walworth | | |
|---|-----------------|--------------|----------------|------------------|--------------|----------------|
| | Existing | Residual | Percent Change | Existing | Residual | Percent Change |
| Area (square miles—1988) | 31.2 | 24.5 | -22 | 29.9 | 29.7 | -1 |
| Population (1988) | | | | | | |
| Resident | 4,121 | 2,097 | -49 | 1,484 | 1,410 | -5 |
| Resident Plus Seasonal . . . | 8,206 | 2,097 | -74 | 1,581 | 1,410 | -11 |
| Employment (1985) | 997 | 313 | -69 | 914 | 898 | -16 |
| Housing Units (1985) | 2,700 | 541 | -80 | 489 | 444 | -9 |
| Streets and Highways (miles—1988) | | | | | | |
| Arterial | 29.2 | 25.6 | -12 | 18.3 | 18.1 | -1 |
| All | 89.1 | 59.0 | -34 | 55.8 | 54.4 | -3 |
| Property Tax Base (1986) | | | | | | |
| Total Equalized Value | \$190,073,300 | \$56,923,210 | -70 | \$56,374,000 | \$53,871,427 | -4 |
| Equalized Value Per Capita | 46,123 | 25,575 | -45 | 37,988 | 38,126 | -.a |

^aLess than 1 percent.

Source: SEWRPC.

residual Town of Delavan, significant impacts on the types and levels of service in that remnant Town should be expected. The Town would likely revert to a level of general government more typical of rural towns, including part-time staffs and limited office hours at the Town Hall. The Town would also likely revert to reliance upon the County Sheriff's Department for primary law enforcement. A smaller public works function could be maintained given the fewer miles of streets and highways to maintain. Fire and rescue service would likely be provided as at present assuming a contract arrangement with either the City of Delavan or a new Village of Delavan Lake. There likely would be no—or at most, a very limited—park and recreation function. There would be no significant change in service types and levels in the Town of Walworth.

3. A probable operating budget for the residual Town of Delavan would approximate \$309,000, about a 77 percent reduction from the 1987 level of \$1.3 million. Because of the way in which Wisconsin law “cushions” local communities in terms of reductions in state shared revenue, transportation aids, and the state property tax credit, initially there would be no need for a town property tax. Beginning in the sixth year, however, a town tax levy would be required in the amount of \$13,408. In the sixteenth year, that levy would stabilize at an approximate level of \$90,700.
4. There should be no change in expenditures in the Town of Walworth should a change be made in the governance of the Delavan Lake Sanitary District. Given the loss of a portion of the Town's population and tax base, however, there would be a negative

budgetary impact. State shared revenue, state transportation aids, and state property tax credits would all decline. In order to maintain service levels, the general property tax levy in the Town of Walworth, which stood at about \$20,700 in 1987, would have to be increased by about 29 percent to a level of about \$26,700.

5. There would be differential fiscal impacts on average households in the Towns of Delavan and Walworth should there be a change in the governance structure of the Delavan Lake Sanitary District. In the Lake Comus District portion of the residual Town of Delavan, the local property tax rate would initially decrease from a current level of \$2.53 per \$1,000 of equalized valuation to \$0.57 should the Delavan Lake Sanitary District merge with the City of Delavan, a decrease of 77 percent. After 16 years, the rate would approximate \$2.45, a 3 percent decrease. If the Sanitary District were instead to incorporate, the rate would be \$0.97 in the Lake Comus District portion of the Town, a decrease of 62 percent. After 16 years, the rate would approximate \$2.85, a 13 percent increase. In the remainder of the residual Town of Delavan, the local property tax rate, which is now \$1.69, would be reduced initially to only the \$0.13 required to support the county federated library system, a reduction of 92 percent. After 16 years that rate would approximate \$2.01, an increase of 19 percent. In the residual Town of Walworth, the existing property tax rate of \$0.50 of equalized valuation could be expected to rise to about \$0.63, an increase of 26 percent, should the governance of the Sanitary District change.
6. The total annual local property tax costs for an average housing unit with a value of \$70,000 in the Lake Comus District portion of the Town of Delavan, which is currently \$177, would initially be reduced to about \$40 if the Sanitary District were to merge with the City of Delavan, and to about \$68 if the Sanitary District were to incorporate as a village, reductions of 77 percent and 62 percent, respectively. After 16 years those annual costs would approximate \$172 and \$200, respectively, a decrease of 3 percent and an increase of

13 percent, respectively. In the remainder of the residual Town of Delavan, the total annual property tax cost per average household, which currently stands at about \$118, would be reduced initially to \$9.00, a 92 percent reduction. After 16 years that cost would approximate \$141, an increase of 19 percent. Finally, in the Town of Walworth the total annual property tax cost per average household is \$35. Upon a change of governance in the Sanitary District, that cost could be expected to increase by about 26 percent to about \$44.

7. It likely would be possible for the residual Towns of Delavan and Walworth to continue as separate units of government indefinitely if the Delavan Lake Sanitary District were to either merge with the City of Delavan or incorporate as a village. Residents of the residual Town of Walworth would have to pay somewhat more to maintain the current level of town service. Residents of the residual Town of Delavan initially would pay less—but ultimately somewhat more—and have to accept a reduced level of services, becoming accustomed to a level of services more like those currently provided in the Town of Walworth. Notwithstanding the foregoing, it would be possible to dissolve the Town of Delavan and attach its remnant parts to the adjacent Towns of Sugar Creek, Geneva, Walworth, and Darien. Such a dissolution would require a favorable referendum vote in the Town of Delavan, as well as a majority vote of the Walworth County Board of Supervisors. The referendum would be held at the annual town meeting after submittal of a petition requesting dissolution containing the signatures of at least 20 percent of town residents who are also property owners and who constitute at least one-third of the electors of the Town.

CONCLUDING REMARKS

The Delavan Lake governance evaluation was conducted to provide information to elected officials and citizens of the Delavan area. This report presents that body of information. The basic conclusions of the evaluation are: 1) that the Delavan Lake Sanitary District could be

merged with the City of Delavan; 2) that in the alternative, the Delavan Lake Sanitary District could be incorporated as an independent municipality; and 3) that the Towns of Delavan and Walworth, in either case, could survive as functioning entities with minimal impact on the residents of those residual Towns. Such conclusions are valid only to the extent that any merger or incorporation actions that may take place involve the entire Sanitary District and do

not occur in a piecemeal manner. While neither the Advisory Committee nor the Regional Planning Commission was charged with the responsibility of providing a recommendation as to whether or not a change in the governance of the Delavan Lake area should be made, it is the hope of the Advisory Committee and the Commission that the information contained herein will provide the basis upon which a consensus on this issue can be achieved.

APPENDICES

(This page intentionally left blank)

Appendix A

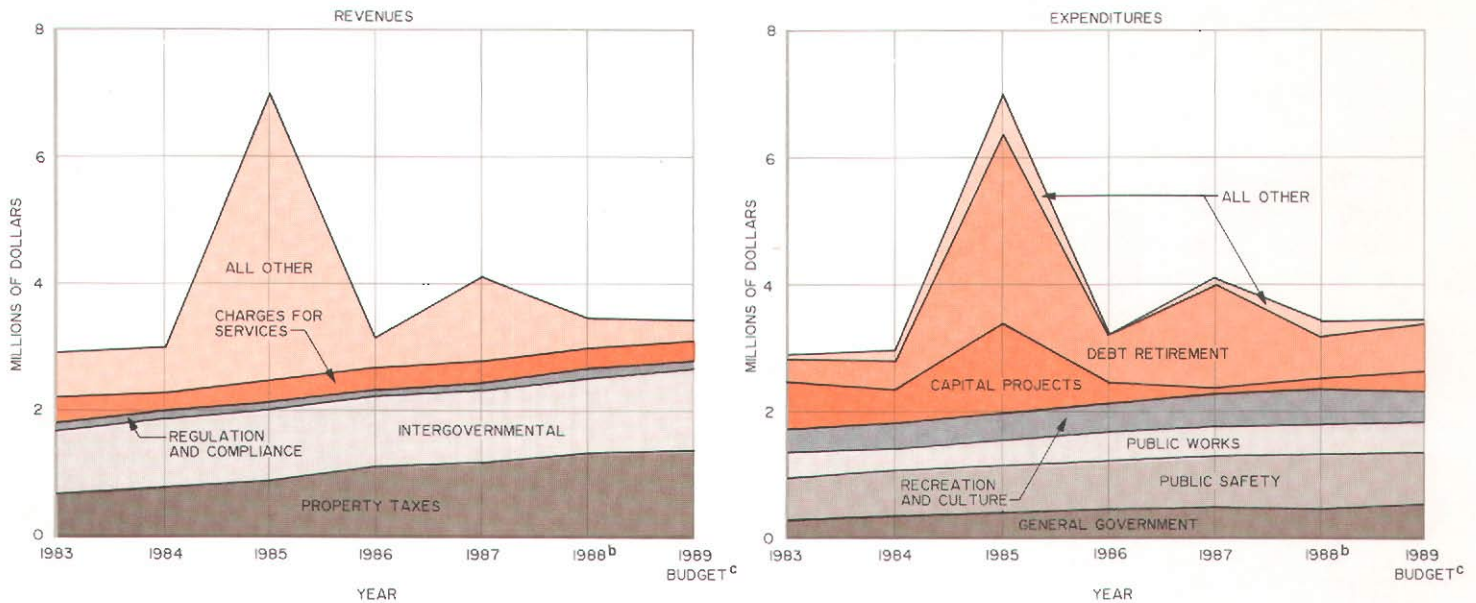
REVENUE AND EXPENDITURE TRENDS IN THE CITY OF DELAVAN, THE TOWNS OF DELAVAN AND WALWORTH, AND THE DELAVAN LAKE SANITARY DISTRICT

The Delavan Lake area governance study was based upon municipal expenditure and revenue data for the five-year period 1983 through 1987. These data are reported in Chapter II of this report. The budget analyses set forth in Chapters III, IV, and V of this report are all based upon 1987 expenditure and revenue data and 1986 equalized valuation data, such data representing the most current municipal finance data available in the fall of 1988 when the governance study was undertaken.

While recognizing the foregoing, the Advisory Committee thought it also would be helpful to include in the final study report municipal expenditure and revenue data for calendar years 1988 and 1989. As the study was being concluded in early 1989, year-end 1988 data became available. In addition, adopted 1989 budget data became available. Accordingly, these 1988 and 1989 fiscal data have been added to the data from 1983 through 1987 and are collectively reported in this appendix. Revenues and expenditures for the City of Delavan for the period 1983 through 1989 are summarized in Figure A-1 and Table A-1; for the Town of Delavan in Figure A-2 and Table A-2; for the Town of Walworth in Figure A-3 and Table A-3; and for the Delavan Lake Sanitary District in Figure A-4 and Table A-4.

Figure A-1

REVENUES AND EXPENDITURES IN THE CITY OF DELAVAN:^a 1983-1989



NOTE: With respect to revenues, the "all other" category includes such items as special assessments, proceeds from long-term debt, sale of assets, and fund transfers. With respect to expenditures, the "all other" category includes such items as health and social services, conservation and development, and fund transfers.

^aFigure does not include data for the City of Delavan Sewer and Water Utility as budget data were not yet available.

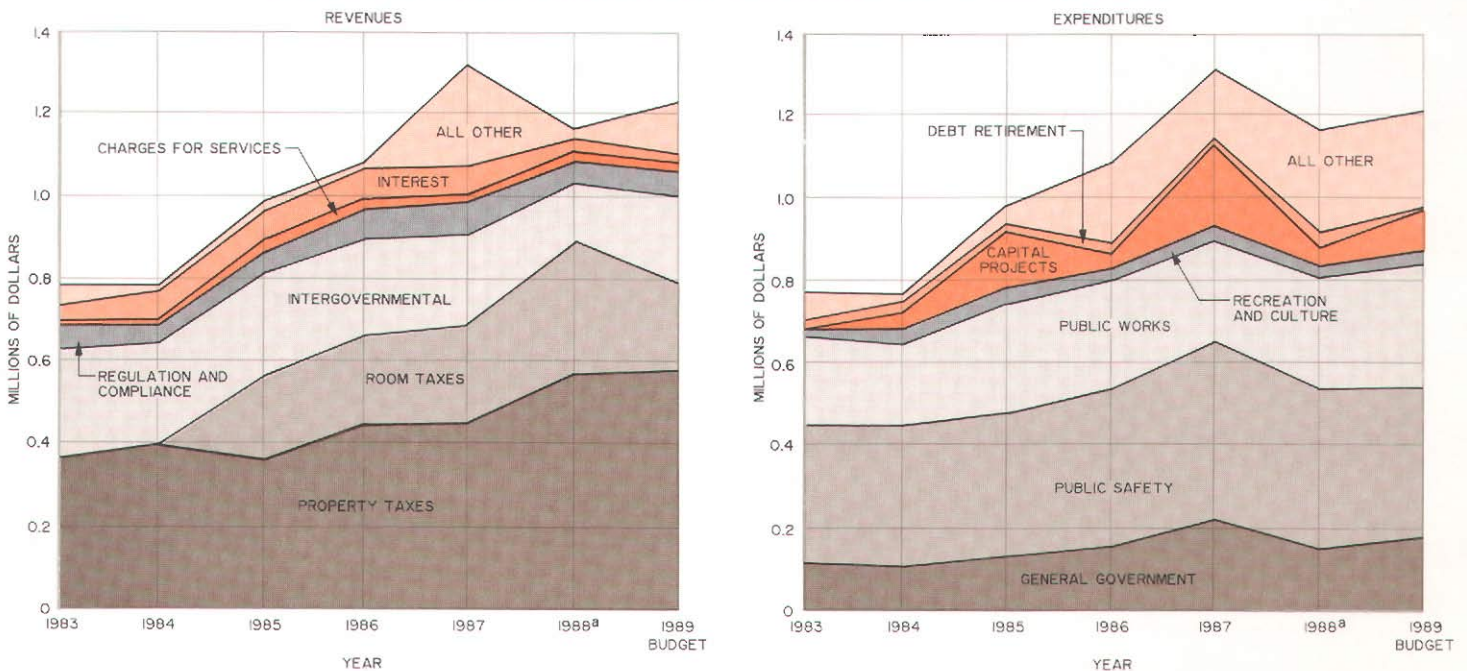
^bYear-end data—audited.

^cBudget data for 1989 do not include Tax Incremental District No. 3 Projects estimated to be \$969,500.

Source: City of Delavan and SEWRPC.

Figure A-2

REVENUES AND EXPENDITURES IN THE TOWN OF DELAVAN: 1983-1989



NOTE: With respect to revenues, the "all other" category includes such items as special assessments, proceeds from long-term debt, sale of assets, and fund transfers. With respect to expenditures, the "all other" category includes such items as health and social services, conservation and development, and fund transfers.

^aYear-end data— not audited.

Source: Town of Delavan and SEWRPC.

Table A-1

REVENUES AND EXPENDITURES IN THE CITY OF DELAVAN: 1983-1989

| Category | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 Budget | 1983-1989 Change | |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|-------------|
| | | | | | | | | Number | Percent |
| Revenues | | | | | | | | | |
| Property Taxes | \$ 703,243 | \$ 779,352 | \$ 875,541 | \$1,085,929 | \$1,146,653 | \$1,231,231 | \$1,286,702 | \$583,459 | 83.0 |
| Intergovernmental | 1,016,306 | 1,066,313 | 1,154,546 | 1,155,522 | 1,184,086 | 1,286,928 | 1,348,529 | 332,223 | 32.7 |
| Regulation and Compliance | 103,214 | 110,304 | 101,231 | 106,042 | 92,698 | 105,025 | 97,150 | -6,064 | -5.9 |
| Public Charges for Services | 246,350 | 257,357 | 294,868 | 286,627 | 309,702 | 347,477 | 375,892 | 129,542 | 52.6 |
| All Other | 844,433 | 775,326 | 4,578,130 | 534,422 | 1,334,323 | 501,444 | 254,179 | -590,254 | -69.9 |
| Total | \$2,913,546 | \$2,988,652 | \$7,004,316 | \$3,168,542 | \$4,067,462 | \$3,472,105 | \$3,362,452 | \$448,906 | 15.4 |
| Expenditures | | | | | | | | | |
| General Government | \$ 324,175 | \$ 347,785 | \$ 386,315 | \$ 457,609 | \$ 484,118 | \$ 475,876 | \$ 523,391 | \$199,216 | 61.5 |
| Public Safety | 680,450 | 727,487 | 778,377 | 799,422 | 807,085 | 833,209 | 851,082 | 170,632 | 25.1 |
| Public Works | 371,380 | 370,895 | 390,892 | 420,433 | 475,853 | 507,385 | 507,712 | 136,332 | 36.7 |
| Recreation and Culture | 375,873 | 388,260 | 433,402 | 416,765 | 533,921 | 598,471 | 521,656 | 145,783 | 38.8 |
| Capital Projects | 733,863 | 566,307 | 1,423,175 | 394,039 | 94,949 | 141,678 | 262,627 | -471,236 | -64.2 |
| Debt Retirement | 381,092 | 413,128 | 3,015,949 | 677,962 | 1,609,365 | 667,542 | 679,634 | 298,542 | 78.3 |
| Other | 46,713 | 174,790 | 576,206 | 2,312 | 62,171 | 247,944 | 16,350 | -30,363 | -65.0 |
| Total | \$2,913,546 | \$2,988,652 | \$7,004,316 | \$3,168,542 | \$4,067,462 | \$3,472,105 | \$3,362,452 | \$448,906 | 15.4 |

Source: City of Delavan and SEWRPC.

Table A-2

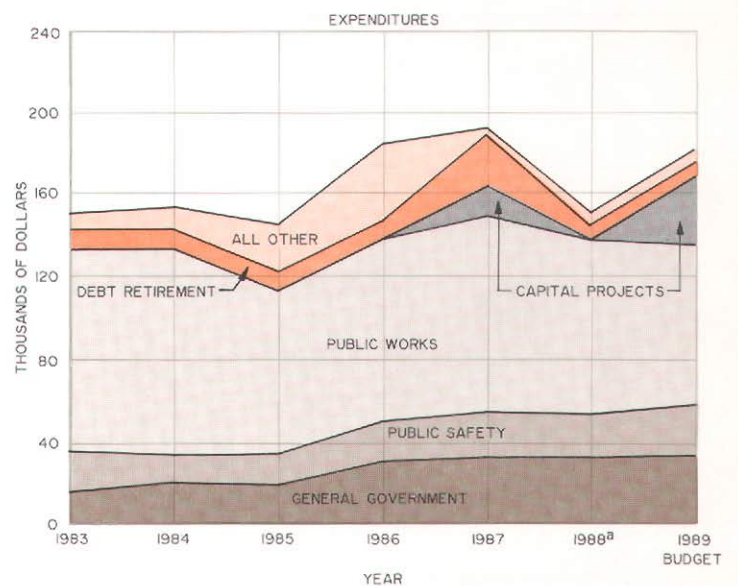
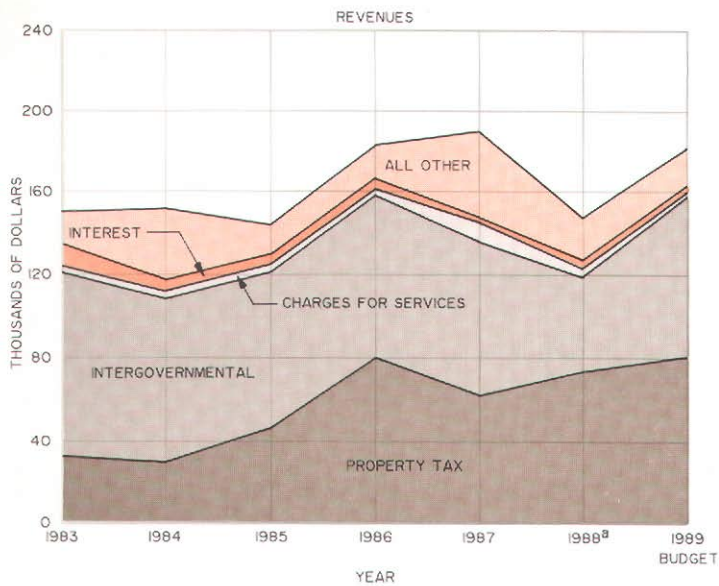
REVENUES AND EXPENDITURES IN THE TOWN OF DELAVAN: 1983-1989

| Category | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 Budget | 1983-1989 Change | |
|---------------------------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|------------------|-------------|
| | | | | | | | | Number | Percent |
| Revenues | | | | | | | | | |
| Property Taxes | \$366,846 | \$396,366 | \$360,122 | \$ 449,345 | \$ 450,530 | \$ 565,348 | \$ 572,865 | \$206,019 | 56.2 |
| Room Tax | 0 | 0 | 206,815 | 212,547 | 238,945 | 257,956 | 226,350 | 226,350 | -- |
| Intergovernmental | 255,774 | 243,307 | 240,709 | 231,637 | 212,515 | 213,740 | 219,985 | -35,789 | -14.0 |
| Regulation and Compliance | 62,974 | 48,010 | 52,942 | 76,921 | 84,764 | 59,825 | 54,090 | -8,884 | -14.1 |
| Public Charges for Services | 8,603 | 11,428 | 28,998 | 29,073 | 29,332 | 27,567 | 26,525 | 17,922 | 208.3 |
| Interest | 39,932 | 69,855 | 69,658 | 68,072 | 67,997 | 22,640 | 13,400 | -26,532 | -66.4 |
| All Other | 48,402 | 6,708 | 22,720 | 10,798 | 230,018 | 28,433 | 121,232 | 72,830 | 150.5 |
| Total | \$782,531 | \$775,674 | \$981,964 | \$1,078,393 | \$1,314,101 | \$1,175,509 | \$1,234,447 | \$451,916 | 57.8 |
| Expenditures | | | | | | | | | |
| General Government | \$121,773 | \$115,746 | \$136,431 | \$ 155,842 | \$ 218,832 | \$ 154,714 | \$ 187,342 | \$ 65,569 | 53.8 |
| Public Safety | 339,396 | 338,496 | 343,961 | 372,053 | 435,941 | 389,292 | 367,410 | 28,014 | 8.3 |
| Public Works | 213,629 | 207,367 | 273,421 | 276,292 | 253,637 | 271,165 | 299,123 | 85,494 | 40.0 |
| Recreation and Culture | 19,792 | 37,809 | 32,114 | 22,647 | 22,522 | 26,584 | 23,955 | 4,163 | 21.0 |
| Capital Projects | 0 | 40,980 | 141,113 | 38,841 | 196,651 | 43,888 | 100,000 | 100,000 | -- |
| Debt Retirement | 14,354 | 21,689 | 19,231 | 18,432 | 17,632 | 16,832 | 16,032 | 1,678 | 11.7 |
| All Other | 73,587 | 13,587 | 35,693 | 194,286 | 168,886 | 273,034 | 240,585 | 166,998 | 226.9 |
| Total | \$782,531 | \$775,674 | \$981,964 | \$1,078,393 | \$1,314,101 | \$1,175,509 | \$1,234,447 | \$451,916 | 57.8 |

Source: Town of Delavan and SEWRPC.

Figure A-3

REVENUES AND EXPENDITURES IN THE TOWN OF WALWORTH: 1983-1989



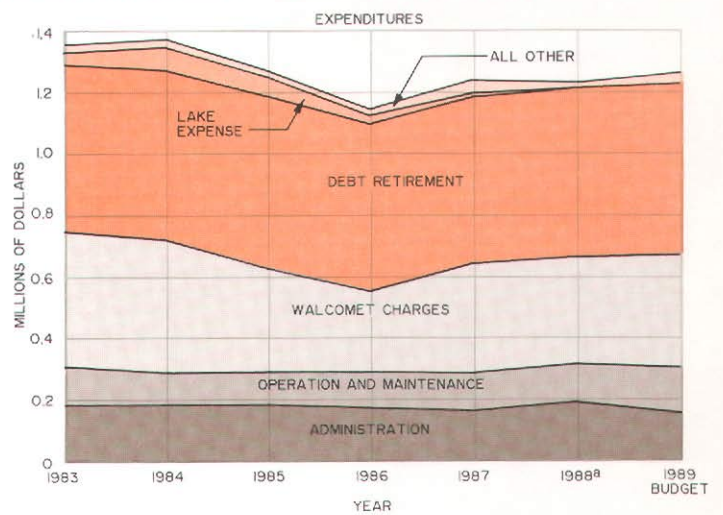
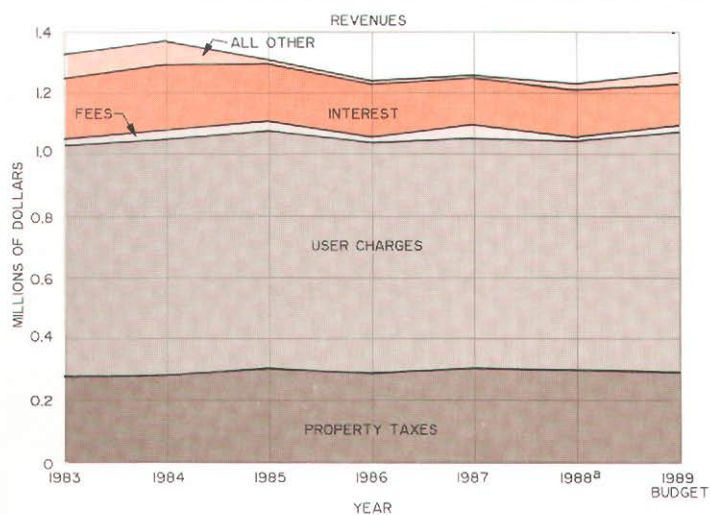
NOTE: With respect to revenues, the "all other" category includes such items as special assessments, proceeds from long-term debt, sale of assets, and fund transfers. With respect to expenditures, the "all other" category includes such items as health and social services, conservation and development, and fund transfers.

^aYear-end data—not audited.

Source: Town of Walworth and SEWRPC.

Figure A-4

REVENUES AND EXPENDITURES IN THE DELAVAN LAKE SANITARY DISTRICT: 1983-1989



NOTE: With respect to revenues, the "all other" category includes such items as special assessments, proceeds from long-term debt, sale of assets, and fund transfers. With respect to expenditures, the "all other" category includes such items as health and social services, conservation and development, and fund transfers.

^aYear-end data—not audited.

Source: Delavan Lake Sanitary District and SEWRPC.

Table A-3

REVENUES AND EXPENDITURES IN THE TOWN OF WALWORTH: 1983-1989

| Category | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 Budget | 1983-1989 Change | |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------|
| | | | | | | | | Number | Percent |
| Revenues | | | | | | | | | |
| Property Taxes | \$ 32,419 | \$ 30,195 | \$ 46,126 | \$ 80,839 | \$ 62,115 | \$ 74,486 | \$ 80,000 | \$47,581 | 146.8 |
| Intergovernmental | 88,302 | 78,117 | 74,591 | 76,943 | 73,807 | 45,898 | 78,510 | -9,792 | -11.1 |
| Regulation and Compliance | 3,095 | 2,992 | 3,476 | 2,818 | 9,227 | 1,800 | 1,800 | -1,295 | -41.8 |
| Interest | 10,610 | 5,554 | 5,145 | 5,181 | 2,245 | 4,000 | 1,500 | -9,110 | -85.9 |
| All Other | 16,578 | 35,390 | 14,839 | 16,465 | 41,945 | 23,346 | 19,270 | 2,692 | 16.2 |
| Total | \$151,004 | \$152,248 | \$144,177 | \$182,246 | \$189,339 | \$149,530 | \$181,080 | \$30,076 | 19.9 |
| Expenditures | | | | | | | | | |
| General Government | \$ 17,601 | \$ 21,066 | \$ 18,451 | \$ 30,277 | \$ 31,040 | \$ 32,577 | 33,857 | \$16,256 | 92.4 |
| Public Safety | 18,369 | 12,687 | 15,645 | 19,676 | 22,981 | 20,729 | 23,900 | 5,531 | 30.1 |
| Public Works | 97,826 | 100,077 | 78,121 | 87,570 | 93,458 | 83,553 | 76,750 | -21,076 | -21.5 |
| Capital Expenditures | 0 | 0 | 0 | 0 | 16,064 | 0 | 34,000 | 34,000 | -- |
| Debt Retirement | 9,458 | 9,035 | 8,613 | 8,190 | 23,733 | 7,345 | 6,923 | -2,535 | -26.8 |
| Other | 7,750 | 9,383 | 23,349 | 36,533 | 2,063 | 5,326 | 5,650 | -2,100 | -27.1 |
| Total | \$151,004 | \$152,248 | \$144,179 | \$182,246 | \$189,339 | \$149,530 | \$181,080 | \$30,076 | 19.9 |

Source: Town of Walworth and SEWRPC.

Table A-4

REVENUES AND EXPENDITURES IN THE DELAVAN LAKE SANITARY DISTRICT: 1983-1989

| Category | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 Budget | 1983-1989 Change | |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|-------------|
| | | | | | | | | Number | Percent |
| Revenues | | | | | | | | | |
| Property Taxes | \$ 285,000 | \$ 285,000 | \$ 297,000 | \$ 285,000 | \$ 297,000 | \$ 297,000 | \$ 297,000 | \$ 12,000 | 4.2 |
| User Charges | 746,628 | 765,111 | 776,521 | 748,928 | 747,815 | 752,311 | 777,712 | 31,084 | 4.2 |
| Fees | 15,577 | 23,442 | 28,870 | 24,541 | 46,634 | 800 | 20,500 | 4,923 | 31.6 |
| Interest | 199,716 | 215,859 | 182,892 | 161,791 | 147,871 | 159,911 | 131,600 | -68,116 | -34.1 |
| All Other | 97,799 | 71,618 | 2,773 | 4,135 | 8,483 | 23,711 | 35,379 | -62,420 | -63.8 |
| Total | \$1,344,720 | \$1,361,030 | \$1,288,056 | \$1,224,395 | \$1,247,803 | \$1,233,733 | \$1,262,191 | \$-82,529 | -6.1 |
| Expenditures | | | | | | | | | |
| Administration | \$ 183,638 | \$ 174,582 | \$ 180,911 | \$ 165,635 | \$ 161,243 | \$ 196,792 | \$ 162,910 | \$-20,728 | -11.3 |
| Operation and Maintenance | 119,836 | 110,374 | 108,294 | 118,217 | 115,233 | 117,853 | 135,625 | 15,789 | 13.2 |
| WALCOMET Charges | 438,228 | 431,515 | 335,305 | 261,269 | 357,284 | 355,781 | 379,000 | -59,228 | -13.5 |
| Debt Retirement | 545,763 | 551,939 | 552,129 | 546,860 | 551,134 | 548,979 | 549,806 | 4,043 | 0.7 |
| Lake Expense | 37,402 | 71,521 | 64,911 | 26,477 | 2,274 | 1,253 | 6,750 | -30,652 | -82.0 |
| Miscellaneous | 19,853 | 21,099 | 20,828 | 22,922 | 43,890 | 13,075 | 28,100 | 8,247 | 41.5 |
| Total | \$1,344,720 | \$1,361,030 | \$1,262,378 | \$1,141,380 | \$1,231,058 | \$1,233,733 | \$1,262,191 | \$-82,529 | -6.1 |

Source: Delavan Lake Sanitary District and SEWRPC.

(This page intentionally left blank)

Appendix B

POTENTIAL IMPLICATIONS ATTENDANT TO A POSITION OF MAINTAINING THE STATUS QUO WITH RESPECT TO THE DELAVAN LAKE SANITARY DISTRICT

INTRODUCTION

Until 1988, the Delavan Lake Sanitary District and the City of Delavan did not have abutting boundaries. Hence, the City was not in a position to legally annex lands located within the Sanitary District. In 1988, however, the City of Delavan annexed lands totaling about 317 acres, of which about 236 acres consisted of lands in private ownership and about 81 acres consisted of street and highway right-of-way, all in the southeast quadrant of the interchange of STH 50 with IH 43. This annexation included a narrow strip of land approximately 300 feet wide along North Shore Drive—consisting of about 19 acres—that was a part of the Sanitary District. The lands so annexed to the City are owned by ANVAN Corporation and are to be used in part as the site of a proposed dog racing track should such a track be licensed by the Wisconsin Racing Board.

The subject annexation now makes it possible for the City of Delavan to incrementally annex additional Sanitary District lands. This potential has raised, in the minds of at least some of those involved in Sanitary District and Delavan Lake affairs, concern over the potential impacts of such an incremental loss of land from the Sanitary District and the Town of Delavan. While the analyses set forth in the main body of this report examined the potential impacts of merging the entire Sanitary District with the City of Delavan, such analyses were not structured to address the impacts that might be associated with a partial merger should incremental annexation occur.

Accordingly, the Advisory Committee directed that an analysis be made to identify the major impacts that could be expected to result from an incremental loss of at least certain lands from the tax base of the Sanitary District and the Town of Delavan. In particular, the Committee directed that it be assumed for the purposes of this analysis that the ANVAN Corporation would annex to the City of Delavan all of its additional land holdings in the Town of Delavan. Such an annexation could be accomplished through the unanimous petition method as described in Chapter III of this report and would not be subject to a referendum. The area assumed for such an annexation is shown on Map B-1 and includes the site of the Lake Lawn Lodge, the Lake Lawn Airport, and the Lake Lawn Farms.

IMPACT ANALYSIS

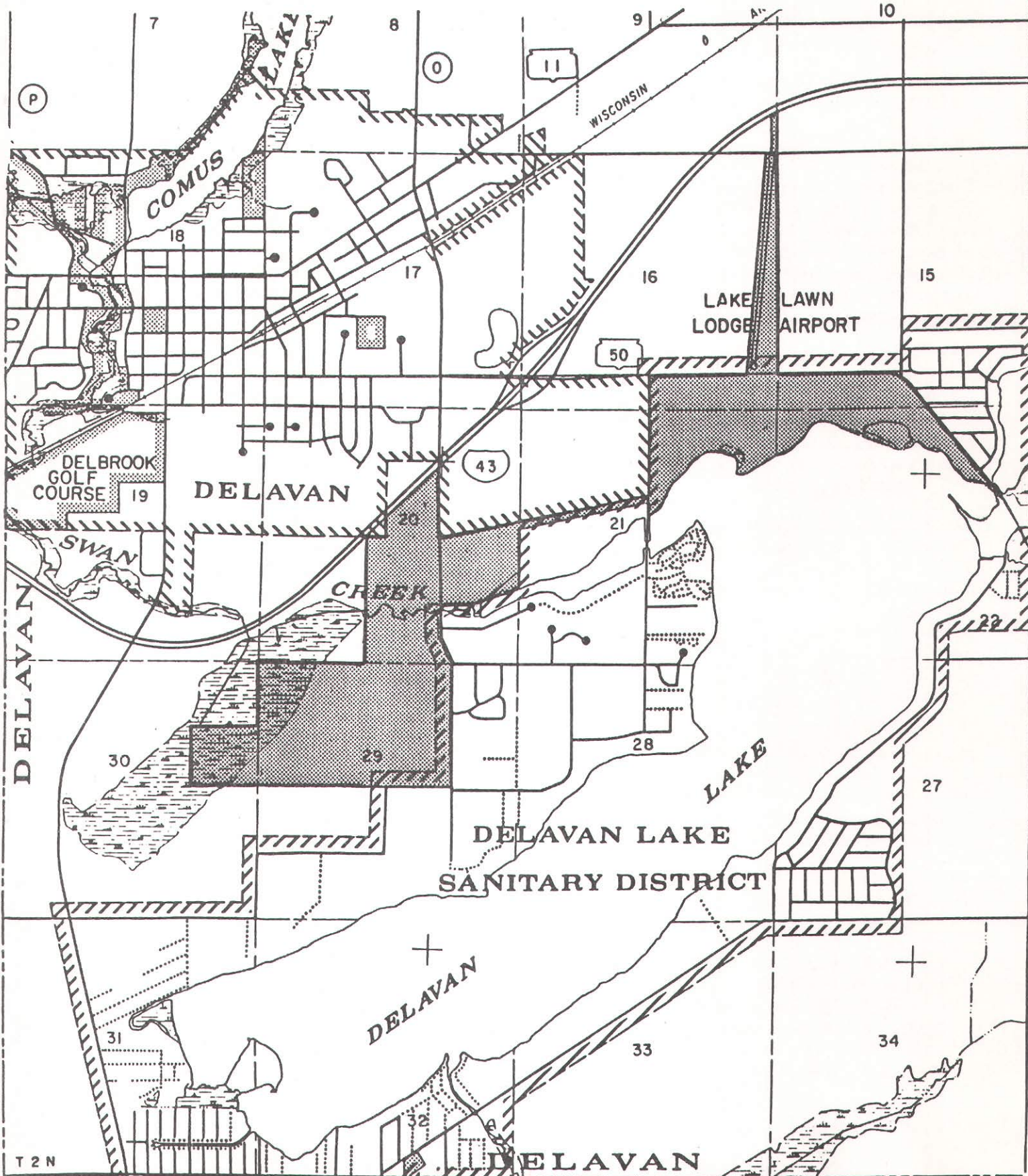
There are a number of impacts that would be associated with the assumed annexation of the Lake Lawn Lodge and attendant land holdings to the City of Delavan. The most important of these impacts may be summarized as follows:

1. Loss of Area

The lands identified for potential annexation on Map B-1 total about 783 acres—exclusive of any street or highway right-of-way—all of which lie within the Town of Delavan. Such lands constitute about 4 percent of the area of the Town, and, if annexed, would reduce the town area by that amount. Of the 783 acres, about 272 acres, or nearly 35 percent, lie within the Delavan Lake Sanitary District. Such lands constitute about 6 percent of the total area of the District including the water area, and about 11 percent of the total land area within the District. Since Wisconsin law provides that, upon annexation, lands included in a town sanitary district cease to be a part of such district, the Delavan Lake Sanitary District would be proportionately reduced upon the assumed annexation.

Map B-1

LAKE LAWN LODGE AND RELATED LANDS ASSUMED TO BE ANNEXED TO THE CITY OF DELAVAN



2. Loss of Property Tax Base

In 1988 the Lake Lawn Lodge and related lands shown on Map B-1 had an equalized value of about \$14.0 million. Such lands represent about 7 percent of the total equalized value of the Town of Delavan, which in that year stood at about \$199.9 million. Thus, should such an annexation take place, the Town would lose about 7 percent of its tax base.

Of the \$14.0 million in property value, about \$13.4 million is included within the boundaries of the Delavan Lake Sanitary District. This represents nearly 9 percent of the equalized value of that District, which in that year stood at about \$149.5 million. Again, if such lands were annexed to the City of Delavan, that proportion of the tax base within the District would be lost.

3. Delavan Lake Sanitary Sewerage System

The Lake Lawn Lodge and attendant facilities are an integral part of the sanitary sewerage system operated by the Delavan Lake Sanitary District. That District currently has outstanding indebtedness of both the general obligation and revenue types. A portion of the general obligation debt is assigned to the assessed value of the Lake Lawn Lodge lands lying within the District. A portion of the revenue bond debt is assigned to the user fees that are generated from such lands. If the subject lands were to be annexed to the City of Delavan, any outstanding debt of the general obligation type would be assigned to the City of Delavan based upon equalized valuation. Thus, the City of Delavan would become responsible for about 9 percent of the outstanding general obligation debt of the Sanitary District. How this debt would be satisfied would have to be negotiated between the City and the Sanitary District. The Sanitary District could bill the City each year for the debt service. Alternatively, the City could agree to assume the proportionate share of the debt and add such debt to the City's utility system debt. In either case, the City would have to determine how best to recover that debt from Lake Lawn Lodge.

Annexation of the Lake Lawn Lodge properties into the City of Delavan would appear to require the transfer to the City of the operation of the District's sewerage system facilities currently serving the Lodge. District user charges from the lands concerned are used to retire revenue bond debt and to pay ongoing system operating and maintenance costs. The Lake Lawn Lodge approximates 18 percent of the total Delavan Lake Sanitary District system based on sewage flow. Consequently, the City, upon annexation of the lands concerned, would be responsible for that proportion of the District's revenue bond debt. The Sanitary District would see some reduction of its variable system operating costs. However, fixed system operating costs of the District would not change with the subject annexation. The net fiscal impact on the customers remaining in the Sanitary District would be an increase in the monthly sewer charge of \$3.64, or a 16 percent increase over the current monthly charge.

In summary, there should be no adverse fiscal impact on Sanitary District residents if the Lake Lawn Lodge were to annex to the City of Delavan insofar as the payment of debt of the District's sewerage system is concerned. Operation of sewerage system facilities currently serving the Lodge would be transferred to the City of Delavan upon annexation. Sanitary District residents could expect an increase of about \$3.64 per month, representing a 16 percent increase, in their monthly sewer bills to offset the loss of Lake Lawn Lodge as a customer of the Sanitary District.

It should be noted, however, that it may be possible to structure an intergovernmental agreement between the City of Delavan and the Delavan Lake Sanitary District whereby the District would continue to operate the sewerage facilities serving the Lake Lawn Lodge. Such an agreement could have the effect of holding Sanitary District residents fiscally harmless upon annexation of the Lake Lawn Lodge lands to the City of Delavan.

4. Delavan Lake Weed Harvesting Program

The Delavan Lake Sanitary District also operates a lake spraying program on Delavan Lake for nuisance algae. In 1987, the base year for the analysis set forth in the main body of this report, expenses for lake spraying for algae control totaled nearly \$2,300. That cost was

recovered through a property tax levy. If the Lake Lawn Lodge and related lands were to annex to the City as assumed under this analysis, the additional cost to maintain the lake spraying program carried out in 1987 would be \$0.10 on a household living in a housing unit valued at \$70,000. This is based upon a rate of \$0.0015 per \$1,000 of equalized valuation.

A major lake improvement project is planned to begin in the fall of 1989. Following its completion, lake experts believe the lake water quality would improve and encourage expansion of aquatic plant growth. It is expected future aquatic plant growth could reach nuisance levels in some areas of the lake shoreline as early as 1990. In anticipation of this increased plant growth, the lake improvement plan recommends purchase of weed harvesting equipment to control future aquatic plant problems.

Based on the foregoing, the Sanitary District is planning to acquire in 1990 a new weed harvester at a cost of \$250,000. The District has also proposed to operate that weed harvester at an estimated annual cost of \$60,000. If the Lake Lawn Lodge and related lands were to be annexed to the City of Delavan, the one-time incremental cost to a \$70,000 housing unit in the Sanitary District for acquiring the weed harvester would be \$11.53, while the annual incremental operating cost on that same home would approximate \$2.77. These figures are based upon rates of \$0.165 and \$0.040 per \$1,000 of equalized valuation, respectively.

The foregoing impacts could be offset through an intergovernmental agreement between the City of Delavan and the Delavan Lake Sanitary District. Under such an approach, the City would agree to share proportionately, on the basis of equalized valuation, in the capital and operation and maintenance costs of the weed harvesting program should such a program become necessary.

5. General Town Operations, Delavan Lake Improvement Program, and Room Tax Revenue

As discussed in Chapter II of this report, the Town Board of the Town of Delavan has embarked upon a comprehensive Delavan Lake Improvement Program (see Table 21, page 49). The Town Board has determined that the Lake Improvement Program would be funded at least in part with revenues from a room tax. In 1988, revenues from that room tax totaled \$257,596.¹ The Board has further determined beginning in 1989 that of such room tax revenue, 60 percent would be pledged annually for the Lake Improvement Program; 20 percent for tourism and promotion activities; and the remaining 20 percent for general town operations.

If it is assumed that the future room tax revenue would approximate \$257,596 annually—the actual 1988 level; if it is further assumed that 60 percent of that revenue—or \$154,558—would continue to be made available for support of the Lake Improvement Program; and if it is further assumed that the Lake Lawn Lodge would annex to the City of Delavan and there would be no intergovernmental agreement in place to assure the continued availability of room tax revenue for the Delavan Lake improvement project, then the owner of a \$70,000 home in the Town of Delavan can be expected to bear an incremental burden of \$58.24 annually to support the Lake Improvement Program. This is based upon a rate of \$0.832 per \$1,000 of equalized valuation.

With respect to that portion of the room tax revenue that has been pledged to support tourism and related activities, it is assumed that should the Lake Lawn Lodge annex to the City of Delavan, such activities would cease insofar as the Town of Delavan is concerned. Since there would be no costs associated with such activities, the loss of revenue to support those activities

¹Records indicate that about 98 percent of the room tax revenue was attributed to operations at the Lake Lawn Lodge. For the purposes of this analysis, it is assumed that all such revenues came from the Lake Lawn Lodge, so that if the Lake Lawn Lodge were to annex to the City of Delavan, there would be no room tax revenues available for the Lake Improvement Program.

would result in no direct fiscal impact upon the remainder of the Town. However, it is recognized that the Town Board has the ability to redirect such revenue to other purposes, including general town operations. If that were to be the case, the loss of that portion of the room tax revenue—20 percent or about \$51,519—would increase the burden on the owner of a \$70,000 home in the Town of Delavan by \$19.39 annually based upon a rate of \$0.277 per \$1,000 of equalized valuation.

Similarly, the loss of the remaining 20 percent of the room tax revenue now used to support general operations—also a total of \$51,519 annually—would further increase the burden on an owner of a \$70,000 home in the Town of Delavan by \$19.39 annually, again based upon a rate of \$0.277 per \$1,000 of equalized valuation.

Finally, the loss of the property tax base attributed to the Lake Lawn Lodge and related lands could also be expected to have an impact upon the remaining residents of the Town. In 1988, the Lake Lawn Lodge and related lands paid a total of \$28,938 in local Town of Delavan property taxes. In addition, the proportionate state property tax credit in that year was \$10,806. Thus, annexation of Lake Lawn Lodge and related lands to the City of Delavan would cause a revenue loss in terms of general property taxes of \$39,744. If it is assumed that the Town of Delavan would not be able in any significant way to reduce general town expenditures upon annexation of Lake Lawn Lodge lands to the City, the revenue loss would cause the owner of a \$70,000 home in the Town of Delavan to bear an incremental burden of \$14.98 annually for general town operations. This is based upon a rate of \$0.214 per \$1,000 of equalized valuation.

It should be noted that the loss of the equalized valuation represented by the Lake Lawn Lodge lands would have no effect on state shared revenue provided to the Town of Delavan. That portion of state shared revenue based on utilities and population would not change. That portion based on “aidable revenues”—a factor related to equalized valuation—would also not change from its current level of zero. Only if the equalized valuation in the Town would fall below a threshold level of \$32,000 would the Town begin to receive state shared revenue based on “aidable revenues.” With the assumed loss of Lake Lawn Lodge lands, the equalized value per capita in the Town would be reduced to about \$45,100.

The foregoing potential impacts on Town of Delavan property owners may be summarized as follows:

| <u>Potential Fiscal Impact</u> | <u>Equivalent Rate per \$1,000 of Equalized Valuation</u> | <u>Annual Impact On \$70,000 Home</u> |
|---|---|---|
| Loss of 60 Percent of Room Tax Revenue (\$154,558) | \$0.832 | \$ 58.24 |
| Loss of 20 Percent of Room Tax Revenue (\$51,519) | 0.277 | 19.39 |
| Loss of 20 Percent of Room Tax Revenue (\$51,519) | 0.277 | 19.39 |
| Loss of Property Taxes and Credits (\$39,744) | 0.214 | 14.98 |
| Total | \$1.600 | \$112.00 |

6. Land Use and Lake Use Regulation

The presumed annexation of the Lake Lawn Lodge to the City of Delavan could be expected to complicate the regulation of land uses in the shoreland of Delavan Lake and on the surface water on Delavan Lake in the following ways:

- a. Shoreland regulations, which are now uniform along the entire Delavan Lake shoreline and which are now entirely under the policy direction of Walworth County acting through the Walworth County Park and Planning Commission, would no longer necessarily be uniform and would be under two different jurisdictions—the City and the County. The City's jurisdiction would be limited to the Lake Lawn Lodge frontage, with the County having jurisdiction over the remainder of the lake. Wisconsin law would require, however, that the City of Delavan either enforce on a continuing basis the provisions of the Walworth County Shoreland Zoning Ordinance or enact regulations at least as stringent as the county regulations.
- b. Matters relating to the establishment of bulkhead lines, pierhead lines, and lake uses which are now under the exclusive jurisdiction of the Town Board of the Town of Delavan—subject to oversight and approval by the Wisconsin Department of Natural Resources—would become the shared responsibility of the Town of Delavan and the City of Delavan. Subject to Department of Natural Resources approval there could, for example, be differential pierhead lines established—one for the Lake Lawn Lodge property and another for the remainder of the lake. Insofar as lake use regulations are concerned, any such regulations would require the concurrence of both the Town Board and the Common Council before they could be submitted to the Department of Natural Resources for approval.