

Town of Dunn Cost of Community Services by Land Use

Summary

The purpose of this study is to show the breakdown of revenues generated and expenses incurred by land use type (Residential, Commercial and Agriculture/Forest/Open Space). The base year of 1993 was chosen because it was the most current year for which all the necessary information could be gathered. Initially the analysis shows that agriculture/forest/open space lands create the least burden on the taxpayers, while residential lands create the most. The breakdown is as follows:

	Residential	Commercial	Agriculture/Forest/ Open Space
Revenues	\$4,783,677	\$117,788	\$282,480
Expenditures	\$5,054,893	\$34,203	\$49,763
Ratio	\$1:1.06*	\$1:.29	\$1:0.18

*For every \$1 of revenue, the taxpayers spend \$1.06

A detailed explanation of how costs and revenues were assigned and how numbers were calculated is included in the Methods section.

Definitions

For purposes of this study, Residential, Commercial and Agriculture/Forest/Open Space have been defined as follows:

Residential: All parcels designated as a residential use by the assessor, mobile home parks, structures on lands assessed agricultural that are used for residential purposes.

Commercial: All parcels designated as a commercial use by the assessor, exempt parcels that generate service needs that are similar to non-exempt commercial property.

Agriculture/

Forest/Open Space: All parcels designated as an agricultural use by the assessor (minus the residential structure), all parcels designated forest, swamp/waste by the assessor, all exempt parcels that generate service needs that are similar to non-exempt ag/forest/open space lands. It should be noted that a parcel could be zoned exclusive agriculture but the land is not being put to use as a farm. However, such land would still be considered open space because it is not being used for residential or commercial purposes.

Results

Revenues

	Residential	Commercial	Ag/Forest/ Open Space
Total			
TAXES			
Property Tax	\$248,901	\$5,353	\$13,382
\$267,635			

Mobile Home Taxes	\$20,344	-----	-----
\$20,344			
Woodland Tax	-----	-----	\$209
\$209			
State Shared Taxes	\$171,235	\$7,610	\$11,416
\$190,261			
Education Property Tax	\$4,172,932	\$89,453	\$223,631
\$4,486,016			
Subtotal	\$4,613,411	\$102,416	\$248,637
\$4,964,465			

Total	Residential	Commercial	Ag/Forest/ Open Space	
INTERGOVERNMENTAL REVENUE				
State Fire Ins.	\$6,905	\$145	\$218	
\$7,268				
Service to State Facil.	-----	\$1,553	\$18,018	\$19,571
Hwy State Aid	\$57,602	\$7,579	\$10,611	
\$75,792				
Recycling Grant	\$16,060	\$714	\$1,071	
\$17,844				
Fed Aid in Lieu of Taxes	-----	-----	\$556	
\$556				
Subtotal	\$80,566	\$9,991	\$30,474	
\$121,031				

Total	Residential	Commercial	Ag/Forest/ Open Space	
PERMITS				
Liquor Permits	-----	\$2,550	-----	
\$2,550				
Operators Licenses	-----	\$800	-----	
\$800				
Occupational	-----	\$50	-----	\$50
Mobile Home	\$442	-----	-----	
\$442				
Dog Licenses	\$106	\$6	\$12	
\$123				
Cigarette	-----	\$40	-----	\$40
Coin Machine	-----	\$130	-----	
\$130				
Bldg. Permits	\$14,643	-----	-----	
\$14,643				
Cable Franchise	\$10,310	\$24	-----	
\$10,334				
Land Division	\$32	-----	\$49	\$81
Court Fines	\$7,452	\$331	\$497	
\$8,280				
Subtotal	\$32,985	\$3,931	\$558	
\$37,473				

Total	Residential	Commercial	Ag/Forest/ Open Space	
PUBLIC CHARGES				
Transfer Salvage \$899	\$809	\$36	\$54	
Landfill Stickers \$6,517	\$6,299	-----	\$218	
Landfill Coupons \$14,645	\$14,356	-----	\$289	
Subtotal \$22,061	\$21,464	\$36	\$561	
Total	Residential	Commercial	Ag/Forest/ Open Space	
MISCELLANEOUS				
Street Assmt. \$3,429	\$3,429	-----	-----	
Interest \$22,815	\$20,534	\$913	\$1,369	
Land Rental \$129	-----	-----	\$129	
Misc. \$2,468	\$2,221	\$99	\$148	
Used Equip. Sales	\$68	\$3	\$5	\$75
Libby Donation \$10,000	\$9,000	\$400	\$600	
Subtotal \$38,916	\$35,251	\$1,414	\$2,250	
Total \$5,183,946	\$4,783,677	\$117,788	\$282,480	

Expenditures

Total	Residential	Commercial	Ag/Forest/ Open Space	
GENERAL GOV'T \$211,962	\$190,766	\$8,478	\$12,718	
PUBLIC SAFETY				
Police \$10,049	\$8,040	\$1,407	\$602	
Fire \$89,203	\$84,957	\$1,213	\$3,033	
Haz. Material Aid	\$87	\$4	\$6	\$97
Bldg. Inspection \$8,000	\$8,000	-----	-----	

Ambulance	\$45,879	\$486	\$1,213
\$47,578			
Emergency Mang.	\$1,741	-----	-----
\$1,741			
Subtotal	\$148,704	\$3,110	\$4,854
\$156,668			
HEALTH & SOCIAL	\$22,784	-----	-----
\$22,784			
SERVICES			
PUBLIC WORKS			
Roads/Bridges	\$171,126	\$22,517	\$31,523
\$225,166			
Tree/Brush Control	\$450	-----	-----
\$450			
Landfill/recycling	\$18,426	\$38	\$473
\$18,937			
Solid Waste Disposal	\$4,622	\$9	\$119
\$4,750			
Subtotal	\$194,624	\$22,564	\$32,115
\$249,303			
EDUCATION	\$4,486,016	-----	-----
\$4,486,016			
TOWN PARKS	\$9,215	-----	-----
\$9,215			
CEMETERY	\$1,646	-----	-----
\$1,646			
PLAN COMMISSION	\$1,139	\$51	\$76
\$1,265			
Total	\$5,054,893	\$34,203	\$49,763
\$5,138,859			

Methods

Information on the total amount of money generated and spent was found in the town's financial statements of December 31, 1993, and the Independent Auditor's Report for the town dated December 31, 1993. The 1992 tax roll was also utilized frequently.

Interviews with town staff, the town Clerk/Treasurer, staff from the fire and ambulance and school districts, Regional Planning Commission and Wisconsin Department of Transportation staff, and staff from the cable TV companies helped break down revenues and expenses by land use category. Other town documents studied for this report include: mobile home records, service to state facilities' records, dog license records, building permits, land division payment records, landfill stickers and coupons sales, police records, and building inspection records.

Some categories such as the mobile home taxes or the woodland tax could clearly be assigned to a particular land use. Other categories were broken down after analyzing old documents. However, there were some categories that had no clear way of being

designated as a result of a particular land use. General government expenses (like salaries, town hall maintenance, etc.) is an example of an expense that is not directly related to a particular land use. When this happened, a "fall-back" percentage was used to breakdown costs and revenues by land use category.

Fall-Back Percentages

The fall-back percentages are based on the property value of each land use category (includes both taxable and tax-exempt properties). The proportion of the total assessed value attributed to each category is the fall-back percentage. In 1993 the valuations were as follows:

- Total Residential Value = \$186,419,905
(includes lands assessed residential, the residential structures on ag lands and the valuation of mobile homes in the mobile home park)
- Total Commercial Value = \$9,385,900
(includes land assessed commercial and the value of tax exempt parcels that generate the same needs as non-exempt commercial parcels)
- Total Ag/Forest/Open Space Value = \$12,055,600
(includes lands assessed agricultural, forest, swamp/waste, and exempt lands that generate the same needs as non-exempt ag/forest/open space lands)
- Total = \$207,861,405

The fall-back percentages are as follows:

- Residential 90%
- Commercial 4%
- Ag/Forest/Open Space 6%

Fall-back percentages were used for the following categories:

- **Revenues:**
 - State shared taxes
 - Recycling grant
 - Court fines
 - Transfer/Salvage
 - Interest
 - Miscellaneous revenues (land use plan orders, poll lists, etc.)
 - Used equipment sales
 - Donations made for legal services on Libby Landfill
- **Expenses:**
 - General government
 - Hazardous Material Aid
 - Plan Commission

Revenues

Taxes

To calculate property tax revenue, the value of the residential structures located on agricultural lands were taken out of the assessed value of agriculture lands and added to the residential category. Then personal property tax assessments were allocated by land use.

In 1993, money received from the town's general property tax levy amounted to \$312,435 (1993 taxes are based on the 1992 assessment and tax rate). However, since the town's general fund which is used for operating costs was considered for this study, moneys collected for the purpose of capital projects and special revenue funds were not included as revenues received. Both the revenues collected and money expended for capital projects were excluded from this report.*

Removing the capital projects portion of the property tax (\$44,800), the town received for general use \$267,635, of which 93 percent was paid by residential land uses, 2 percent by commercial, and 5 percent by agriculture/forest/open space. This was determined by applying the tax rate to the assessed value of each land use. Since Dane County pays the town for any amount of property tax not received from the parcel owner, the town receives the whole amount of the taxes levied on the assessed value.**

Although the town is split into three school districts each with a separate school tax levy, a breakdown of the school districts by land use category was not available. Therefore, school tax revenues were assigned by land use using the percentage each land use category contributed to the town's general tax levy. Mobile homes in the mobile home park are assessed separately for schools, and their revenues were added to the residential category.

Other mobile home taxes were also attributed to the residential category. Woodland taxes were the result of forest/open space so were attributed to that category.

Intergovernmental Revenues

Revenues from services to state facilities was a result of the state paying for service needs generated by state-owned, exempt property. Records revealed the portions the state paid based on commercial service needs and open space needs of their parcels. Federal aid in lieu of taxes resulted from open space owned by the U.S. Fish and Wildlife Service, and thus was attributed to the open space category.

Revenue from state fire insurance was based on how much each land use was assessed for fire expenses. Highway state aid was based on the road/bridge expenses assessment, since how much the town spends impacts how much state aid is received.

Permits/Licenses

All building permits in 1993 were for residential buildings. Land division fees in 1993 were allocated according to the land use of the parcel prior to the parcel split. Land rental revenues come from the rental of farm lands. The street assessment revenues are generated from residential parcels. Mobile home permits were assigned to the residential category.

Liquor Permits, Operators Licenses, Occupational, Cigarette and Coin Machine Fees are all revenues generated by commercial use.

1993 dog license records revealed the address of the dog being kept. Where the dog was kept on lands over 35 acres that was being farmed, the dog license fee was assigned to the agricultural category. The kennel purchased dog licenses, and those revenues were assigned to commercial use. All other licenses were purchased for residential use.

Cable franchise revenues are received by the cable companies who give the town three percent of their gross revenues generated by the town. It was determined that three commercial uses subscribed to cable, generating .23 percent of the cable franchise revenues received by the town. All other revenues were generated by residential use.

Public Charges

Revenues from public charges for the transfer/recycling center were calculated using the fall-back percentage for the transfer salvage category (records are not kept on who drops off salvageable materials and what land use generated such materials). Landfill stickers and coupons were broken down by addresses of the individuals purchasing the stickers and coupons.

Expenses

Public Safety

Police expenses by land use were determined by reviewing 1993 police records that indicted the nature and location of police calls. Since most police time was spent on traffic violations, and there is no logical way to break such violations down into land use category, the fall-back percentages were used to assign traffic violation activities to the various land uses. Court fines were also assigned by the fall-back percentages since fines are given out for traffic violations.

Fire and ambulance services to the town are provided by three districts, Stoughton, Oregon and McFarland. Stoughton assesses the town for fire and ambulance service based on population, as does Oregon for ambulance service. Since population is a result of residential units in the town, the entire amount was allocated to the residential category. Oregon and McFarland fire service and McFarland ambulance service is assessed by the real estate assessment for that year, so the allocations of those charges were based on each land use's real estate assessment.

Building inspection records revealed that all inspections were made for residential buildings. Emergency Management expenses were incurred because of flooding in residential areas, therefore the expense is attributed to that category.

Public Works

Calculations of road usage were used to figure breakdowns for public works road expenses and highway state aid revenues since highway aid is partially based on how much the town spends on road maintenance and repairs. Estimates of the number of trips

generated by land use type were obtained from the Dane County Regional Planning Commission, the Wisconsin Department of Transportation, and the American Farmland Trust. Estimates of the number of trips generated are based on extensive studies across the United States and come in the form of ranges of trips generated (i.e., .17 - 53.41 trips per day per acre are generated by a county park). To adjust these numbers for rural township use, the number at the bottom of the range was chosen. Estimates for agriculture and open space use were not available, thus agriculture traffic was assumed to be the same as general commercial use. Open space was assumed to generate 75 percent of the traffic generated by a developed park.

Those figures are:

- Residential unit = 10 traffic trips per day
- Gas Station = 99 trips per pump per day
- Bar/restaurant = 56.3 trips per day per 1,000 sq. ft.
- General commercial = 2.8 trips per day per 1,000 sq. ft.
- Parks & camps = 1.5 trips per day per acre
- Farm use = 2.8 trips per day per 1,000 sq. ft. of farm buildings
- Open space = 1.125 trips per day per acre

These numbers are averages and the actual number of trips will vary from parcel to parcel. While they initially may seem inflated, it should be noted that the number of trips does not need to be made by the resident, owner, or farmer of the land. For example, trips generated by a residence not only include trips made by those living there, but also traffic from postal service, police, visitors, and home deliveries. Traffic generated by farm use includes the farm machinery that is used to work the farm, but also includes the trips into town for supplies, deliveries and pick-ups, and farm help arriving for work.

It was then determined how many residential units were in the town (including farm residences and the mobile home park), how many gas pumps, the square footage of all commercial spaces and farm buildings, and the acreage of open space, parks, and campgrounds. When the average traffic generated was multiplied by the uses in the town, it resulted in 14 percent of the road costs being attributed to agriculture/forest/open space, 10 percent to commercial, and 76 percent to residential. It should be noted that the swamp, forest, and non-park open space (including town lakes that are assigned a parcel number) generates the largest portion of traffic under the agriculture/forest/open space category.

Expenses for the landfill/recycling and solid waste disposal categories were calculated by using the percentage of revenues generated by land use under the public charges revenue category.

Education

Education expenses include the three school districts, Oregon, McFarland, and Stoughton, and vocational school costs. All education costs were attributed to the residential category.

Town Parks & Cemetery

Since town parks and the cemetery are built for residents' use, these categories were allocated to the residential category. The expenses incurred in these categories are operating costs, not the capital costs that are also a result of town parks and the cemetery.

*Because this study aims to present a picture of what it normally costs the taxpayer in services for each type of land use, capital projects were excluded. The same capital expenses do not occur every year, thus it is difficult to make generalizations from one year to the next about capital projects and how much each land use is responsible for them.

**Also omitted from revenues was \$2,237.91 of delinquent personal property taxes and \$2,675 of omitted property taxes because although they were not received until 1993, these taxes were levied for a previous year.