

**Town of Primrose
2017-2018 Levy Correction**

Special Meeting: December 26th 12:00pm

The Primrose commitment of two payments of \$5,699.60 (being \$11,399.20 in total) to the New Glarus Fire Department for their facility expansion was approved by the Board of Supervisors at public meeting on October 2nd, 2017.

In determining the allowable levy for 2017, collectable in 2018, the Clerk used this amount as an "adjustment to 2017 payable 2018 levy for increase in charges assessed by a joint fire department". However, by Wisconsin State Statute 66.0602 3(h), this amount is limited to CPI plus 2% of the fire departments entire budget, and therefore does not qualify:

NG Fire Department Operating Budget	\$165,000
NGFD Building Addition Allocation	\$50,000
\$50,000 / 165,000 is a 30% increase.	
Maximum allowable increase	$\$165,000 \times (2.1\% + 2\%) = \$6,765$

Further, the Clerk used the entire amount of omitted taxes for the rescinded taxes, instead of the Town's portion. This error was caught by the Treasurer on the Statement of Taxes, and then corrected on the levy sheet:

Corrected amount	\$895
Deduction of allowable with correction	\$3244

In combination, these two amounts put the allowable levy at \$272,974, which is \$14,643 below what was approved for a budget at the November 14th, 2017 Budget Hearing.

The penalty for exceeding the levy limit is that this amount (\$14,643) would be taken out of State shared revenue over the next two years.

The Fire Department allotment, if taken as a loan, would qualify as part of the Town's levy as debt service, as long as the loan is authorized by the end of the year, and the payment of principal and interest for 2018 is at least \$14,643.

State Bank of Cross Plains has offered to provide a 90-day note for this amount by December 28th, 2017. The loan would be granted for the amount of \$14,643, with an interest rate equal to 4.5% for the entire term, and would be due upon maturity on March 28th, 2018. Funds from the loan would be set aside for payment to the New Glarus Fire Department as planned. The principal and interest of the loan (being \$14,808) would be paid by Town funds levied in accordance with the approved Budget (line item 57220 plus funds already collected for the correction of errors).