

*Draft: Richard A. Lehmann*  
*April 10, 2002*  
*April 24, 2002*  
*May 13, 2002*  
*June 4, 2002*  
*July 3, 2002*  
*July 23, 2002*  
*August 9, 2002*  
*August 13, 2002*  
*September 13, 2002*  
*October 24, 2002*  
*November 5, 2002*

**Intergovernmental Agreement between the Town Board  
of the Town of Lake Mills, Wisconsin and the City Council  
of the City of Lake Mills, Wisconsin**

**1. Definition of the parties to this Agreement.**

The parties to this Agreement shall be the Town of Lake Mills (Town), governed by its Town Board, and the City of Lake Mills (City), governed by its City Council.

**2. Definition of areas to which this Agreement applies:**

Exhibits A and B to this Agreement consist of maps entitled "Lake Mills Growth Areas Map," dated 2/28/02 identifying, among other things, the following Areas that relate to provisions of this Agreement:

- a. City Growth Areas
- b. Town Growth Areas
- c. Town Growth Areas not Slated Under this Agreement to be Served by City Sewer

The City Growth Areas consist of two non-contiguous groups of parcels. The group immediately north of the City is referred to in this Agreement as the City Growth Area-North and the group contiguous to the southeastern corner of the City is referred to in this Agreement as the City Growth Area-South.

These Exhibits will be updated from time to time to reflect annexations of lands to the City and other relevant changes. All modifications to the map Exhibits shall be reviewed and approved by the governing bodies of both of the municipal parties to this Agreement; provided, however, that failure to approve a map update to reflect an annexation does not constitute disapproval of the annexation.

**3. Agreements as to provision of municipal services to areas included in this Agreement:**

1  
2 a. The Town will not provide municipal sewer and water services in the City  
3 Growth Areas, and will exercise the controls it has over zoning and land divisions to  
4 require all proposed new developments in those areas to have municipal sewer and water  
5 services, in full knowledge that the only practical source of such services is the City and  
6 that the likely consequence of such requirements will be annexation of developing lands  
7 to the City, and to deny all developments that cannot meet this standard.

8  
9 b. The City will provide municipal sewer and water services in the City  
10 Growth Areas. The provision of such services by the City shall be governed by  
11 discretionary decisions solely in the control of the City based on such considerations as  
12 capacity, economics, physical, engineering, and based upon requirements of the State of  
13 Wisconsin Public Service Commission or other regulators. A regulation of the Public  
14 Service Commission that requires the City to serve all potential customers in an area if  
15 any customer is served in such area may be a valid reason for the City to decline service  
16 to the initial requesting customer or customers. At its discretion, the City may provide the  
17 services to lands with present or intended uses other than commercial and industrial prior  
18 to annexation, pursuant to service contracts with property owners for those services.  
19 Service contracts may require annexation when the property becomes eligible by being  
20 part of a contiguous block of lands, and may require the customer to pay for other City  
21 services provided to the area prior to annexation. The City may require that a pioneer  
22 developer in a service area, or the Town, hold the portion of the costs of servicing that  
23 property that are attributable to and will be collected from other subsequent users.  
24 Commercial and industrial properties, and residential developments in subdivisions (4 or  
25 more lots) in the City Growth Area-North and the City Growth Area-South shall be  
26 required to annex to the City if legally possible in order to receive City services. If such  
27 properties cannot legally annex they may still, at the City's discretion receive services on  
28 a contracted basis until they can legally annex to the City at which time the service  
29 contract will require the annexation. The service contract additionally may require the  
30 property owner to front the payment of all costs of servicing until such costs may be  
31 collected from subsequent users. Annexation may be a condition of services for other  
32 properties at the choice of the City.

33  
34 c. The 1992 Intergovernmental Agreement for sewer service by the City  
35 within the former Town Sanitary District boundaries (copy to be attached to this City-  
36 Town Agreement) remains in full force and effect, except as modified by par. b with  
37 respect to annexation being a condition of sewer service to the identified categories of  
38 development. Mutual adoption of this Agreement shall automatically amend the 1992  
39 Agreement to establish new sewer service boundaries as shown on Map Exhibits to this  
40 Agreement. The parties will jointly request that the terms of this Agreement be reflected  
41 in other relevant maps, such as the delineation of sewer service areas in master plans of  
42 the City, the Town or the County.

43  
44 d. All requests to or initiatives by the Town that involve construction of new  
45 town roads or major modifications in existing town roads, such as complete  
46 reconstruction, but not ordinary repairs, in the City Growth Areas shall be submitted by

1 the Town to the City for City approval, and the Town shall approve or proceed with such  
2 improvements only upon City approval and subject to any conditions imposed on such  
3 approval by the City and relating to design and construction of the road and/or  
4 incorporation of municipal utilities then or in the future. The City shall have no  
5 obligation to compensate the Town for Town road improvement expenditures under  
6 section 6-b of this Agreement if the Town does not comply with conditions of City  
7 approvals under this section.

8  
9 e. The City will provide sewer service and/or electric and/or water supply  
10 services, subject to the same discretionary decisions described in paragraph 3-b above,  
11 without requiring annexation, to properties in the Town Growth Areas on a city-to-  
12 customer basis with no surcharge based solely on the properties not being in the City,  
13 and non-discriminatory application of utility use, connection charge and impact fee  
14 ordinances. The parity principles of Part 15(c) of the referenced 1992 Agreement,  
15 providing that services will be provided at the same rates for fees and services and based  
16 on the same considerations as are applied to comparable services to City customers, are  
17 intended to be applied under Parts 3-b and 3-e of this Agreement. In plain English, City  
18 rates, charges and regulations in place at any point in time will ignore whether the  
19 customers are in the City or the Town.]

20  
21 f. The City may require, with respect to any service extension within the  
22 Town, that the Town Board adopt and agree to enforce ordinances or resolutions  
23 requested by the City regarding the service and service extensions, including special  
24 assessments and impact fees. These ordinances or resolutions of the Town will be  
25 substantively the same as those in place within the City, but Town Board adoption may  
26 be necessary to make them enforceable within the Town. Those agreements will be made  
27 part of this Agreement by reference.

28  
29 g. All properties in the Town Growth Areas that have been extended a sewer,  
30 water or electric line shall connect in accord with all laws applicable to these  
31 circumstances. [Wisconsin Statute sec. 281.45 and related laws and Administrative Rules  
32 currently govern required connection to municipal utilities.]

33  
34 **4. Agreements as to changes in municipal boundaries:**

35  
36 a. The City may annex lands in the City Growth Areas that are petitioned to  
37 the City with unanimous consent of property owners and electors (if any) under  
38 Wisconsin Statutes sec. 66.0217(2) and the Town shall not contest such annexations  
39 directly or indirectly.

40  
41 b. Other proposed annexations to the City initiated by petition of a majority  
42 of electors or a majority of property owners, or both, or by petition for annexation by  
43 referendum under Wisconsin Statutes sec. 66.0217(3) may be annexed by the City, but  
44 the City Council may adopt the annexation ordinance no sooner than 30 days from the  
45 date of publication of the notice of intent to circulate the annexation petition under  
46 Wisconsin Statutes sec. 66.0217(4) and shall not adopt such annexation ordinance or

1 initiate referendum proceedings if the City Clerk has, within the 30 day waiting period,  
2 received a copy of a resolution adopted by the Town Board and certified by the Town  
3 Clerk objecting to the proposed annexation. The Town shall not contest annexations  
4 described in this paragraph for which no resolution of objection was timely filed.

5  
6 c. The parties acknowledge that the process of annexation, may eventually  
7 result in the entirety of the City Growth Areas becoming part of the City.

8  
9 d. The City will not annex lands in the Town Growth Areas unless this  
10 Agreement is amended or terminated by mutual agreement.

11  
12 e. The parties intend to move the terms of this Agreement into a Wisconsin  
13 Statutes Section 66.0307 Cooperative Plan which may remove the constraints on non-  
14 consent annexations or creation of town islands.

15  
16 **5. Agreements as to land use management.**

17  
18 a. City Growth Area - North: The City and the Town will pursue permanent  
19 (as opposed to interim) extraterritorial zoning, under Wisconsin Statutes sec. 62.23(7a),  
20 to consist of a new Overlay District that retains the present zoning status of developed  
21 properties (no nonconformities to be created beyond those that now exist), and places all  
22 undeveloped lands/properties in a City Growth Reserve use designation in which all new  
23 development requires Conditional Use approval by the City, guided by Planning Policies  
24 to be adopted by the City on advice of the Joint ETZ committee as provided in Wisconsin  
25 Statutes sec. 62.23(7a), the intent being to replace those policies later with a joint  
26 comprehensive plan that includes the area.

27  
28 [Note (not part of this Agreement): Extraterritorial zoning involves a City  
29 extending its zoning up to 1.5 miles beyond its boundaries, and involves creation of a  
30 six-member joint ETZ committee with three members from the City and three from the  
31 Town. The imposition and amendment of extraterritorial zoning requires an affirmative  
32 majority vote from the six member joint committee. Interim extraterritorial zoning can  
33 be imposed unilaterally by the City for up to three years having the effect of freezing the  
34 zoning previously in place. Part 5-a above commits the City and the Town to work  
35 towards extraterritorial zoning with the concurrence of the six member joint committee.]

36  
37 b. City Growth Area - South: Jefferson County zoning and Town land  
38 subdivision regulations will be kept in force. These do not allow rezonings for full  
39 subdivision plats (3 or more lots), so long as the lands are in the Town. The City will  
40 adopt extraterritorial subdivision ordinance provisions disallowing full subdivisions of  
41 lands still in the Town and will exercise this power only if the Town fails to enforce the  
42 same rule under its zoning powers and its subdivision ordinance. Extraterritorial  
43 subdivision regulation shall not invoke jurisdiction of the Joint ETZ Committee over the  
44 City Growth Area – South. The municipal parties agree herein to a policy of subdivisions  
45 and developments taking place in a sequence from north to south.

1 c. Town Growth Areas: Zoning will continue to be under the County Zoning  
2 Ordinance with Town Board involvement as provided in State Law and County  
3 Ordinance and custom.

4  
5 d. The Town agrees to incorporate and enforce standard conditions requested  
6 by the City for development approvals, spelling out non-discriminatory City requirements  
7 relating to accommodating connection to city sewer, water, electric services, including  
8 any customer agreements for such services.

9  
10 e. The Town and the City will include the other municipal party to this  
11 Agreement on distribution lists for Plan Commission and Town Board/City Council  
12 meetings that include agenda items dealing with developments in the Areas covered by  
13 this Agreement, and will share all items of public record involving issues in those Areas,  
14 such as applications, staff reports, decision documents.

15  
16 **6. Agreements on Revenue Sharing**

17  
18 The parties agree as follows with respect to the sharing of revenues from property taxes  
19 collected by the City from certain identified taxable property

20  
21 a. Starting with August 20, 2001, that being the effective date of an earlier  
22 Agreement between the City and the Town identified as Agreement on Annexations Prior  
23 to Entering into Boundary Agreement between the City of Lake Mills and the Town of  
24 Lake Mills, both within Jefferson County, Wisconsin, the property taxes levied and  
25 collected for municipal purposes from real properties annexed to the City from the Town  
26 shall be shared with the Town as follows:

27  
28 (1) The property taxes due in the year of annexation arising from the  
29 Town-purposes tax levy imposed in the preceding year to fund Town operations  
30 in the year of annexation shall be apportioned between the Town and the City  
31 pursuant to Wisconsin Statutes(1999-2000), sec. 66.0235(13)(a)1. [This statute  
32 provides for Town collection of such taxes and apportionment according to the  
33 respective portions of the calendar year that the lands are in the Town and the  
34 City.] The formula for apportionment shall remain in place as a matter of this  
35 Agreement for the duration of this Agreement, even if the Statute is amended,  
36 unless the Parties mutually agree to follow the Amended Statute prospectively.

37  
38 (2) The following provisions shall apply to the calendar years covered  
39 by this Agreement following the year of annexation of lands from the Town to  
40 the City: Such years are referred to herein as "subject years."

41  
42 (a) The City shall determine the taxable tax parcels that were  
43 annexed during the term of this Agreement from the Town that meet the  
44 following criteria:  
45

1 The tax parcel is identified on the assessment roll on which taxes were  
2 levied to be collected in the subject year as Commercial or Manufacturing  
3 or Residential, but only when a Residential tax parcel has improvements  
4 that meet the following definition of multiple family residential  
5 improvements: four or more units per individual residential building or  
6 mobile homes in mobile home parks if the unit is classified as real  
7 property.

8  
9 This determination shall be made by the City Treasurer, approved as to  
10 completeness and accuracy by the City Council, and mailed to the Town  
11 Treasurer no later than January 30 of each year of the term of this  
12 Agreement following the year of annexation.

13  
14 (b) The Town Treasurer shall have access to the City tax roll  
15 used to levy the tax for the year of the report. The two Treasurers shall  
16 meet no later than March 1 of the subject year to resolve any errors  
17 asserted by the Town Treasurer with respect to the determination. Any  
18 unresolved property classifications shall be reported to the City Council  
19 and Town Board, which shall determine any changes in the original list by  
20 May 15th. The list in place on May 15 shall be used to implement this  
21 part of the Agreement. Any corrections to the list resulting from later  
22 deliberations or dispute resolving processes shall result in retroactive  
23 adjustments whenever the disagreements are resolved.

24  
25 (c) On or before June 1 of each year, the Town Treasurer shall  
26 forward to the City Treasurer the Town Purposes Property Tax Rate levied  
27 in the preceding year to generate Town government revenues for the  
28 subject year. For purposes of this Agreement, Town-purposes rate  
29 includes any "special district" or "special purpose district" property tax  
30 rate, unless the City and Town are mutually satisfied that division of  
31 revenues from tax levies on such districts has been resolved in a separate  
32 agreement on division of assets and liabilities relating to a particular  
33 annexation or annexations, but does not include any special assessments  
34 or special charges, even if such assessments or charges are on an ad  
35 valorem basis.

36  
37 (d) On or before July 15 of the subject year, the City Treasurer  
38 shall create a list in writing showing the tax parcels in the Part 2 list with  
39 the City Assessed Value for each parcel, multiplied by 80% of the Tax  
40 Rate levied by the Town to fund the Town government. The resulting  
41 figure (80% of the Town rate applied to the City assessed value) shall be  
42 identified as the Shared Revenue Entitlement.

43  
44 The next entry for each parcel shall be the property tax payments received  
45 by the City (from or on behalf of the taxpayer or from the County) and  
46 retained to fund the City government from each listed parcel as of the date

1 of the report. This figure shall include all City-purposes property tax  
2 collections from listed properties in tax incremental districts.

3  
4 If the City has not received tax collections or settlements from the County  
5 equal to the proposed entitlement for one or more tax parcels on the list,  
6 the Town's portion of the amount that has been received shall be entered  
7 as the Realized Shared Revenue.

8  
9 This report shall be presented to the City Council for review as to  
10 accuracy and compliance with this Agreement.

11  
12 (e) On or before September 1 of the subject year, the City  
13 Treasurer shall issue a check to the Town Treasurer representing the  
14 amounts shown on the report (which shall accompany the report) as  
15 Shared Revenue Entitlement or Realized Shareable Revenue, whichever  
16 is less. The Treasurer shall total the shortfall between Shared Revenue  
17 Entitlement and Realized Shareable Revenue and inform the Town  
18 Treasurer that the shortfall amounts, plus interest and penalties received  
19 by the City will be paid to the Town within 30 days of being realized by  
20 the City.

21  
22 b. As an additional cost sharing Agreement, the City will include  
23 reimbursement of recent (10 years prior to annexation) Town road costs actually paid by  
24 the Town(depreciated as mutually agreed by the City and Town Treasurers) for annexed  
25 town road rights of way as part of the division of assets and liabilities under Wisconsin  
26 Statutes sec. 66.0235. Settlement of these costs shall be negotiated by the respective  
27 municipal Treasurers as an adjunct to the settlement of assets and liabilities in  
28 conjunction with particular annexations.

29  
30 c. Attachment C to this Agreement is a listing of all special assessments or  
31 special charges that the Town has levied against lands covered by this Agreement and  
32 that are not paid as of the date of this Agreement. These assessments and charges shall  
33 be settled between the City and Town as part of division of assets and liabilities in  
34 conjunction with annexations. City approval shall be required before the Town may levy  
35 any special assessments or charges on lands covered by this Agreement subsequent to the  
36 effective date of this Agreement.

37  
38 d. Notwithstanding the preceding provisions of Part 6 of this Agreement, if  
39 the State Government institutes a program of compensating Towns for revenues arising  
40 from loss of Town territory through annexation, any entitlements the Town may have  
41 under such program for annexations covered by Part 6 of this Agreement shall be  
42 subtracted from revenue sharing entitlements under this Agreement.

1  
2  
3 **7. Term, Amendment and Enforcement of Agreements.**  
4

5 a. The Part 6 a, agreements on sharing of property tax receipts shall apply to  
6 all properties annexed in the City Growth Area-North and City Growth Area-South for  
7 the period starting August 20, 2001 and running forward 20 years following the effective  
8 date of this Agreement (November 12, 2002) and revenue sharing on each annexed  
9 property shall run 20 full years after each annexation, less those years prior to annexation  
10 that a property was receiving pre-annexation sewer or water services from the City under  
11 par.3-b of this Agreement and for all or part of such year, starting with the first year the  
12 subject annexation is in the City on January 1<sup>st</sup>, with the year of annexation being  
13 governed by part 6 a.(1) of this Agreement and the associated State Statute.  
14

15 b. The agreements in Part 6 b. of this document on City reimbursement of  
16 Town road investments shall apply 20 years from the effective date of this Agreement.  
17

18 c. All other parts of this Agreement shall be in place for 20 years from the  
19 effective date of this Agreement, unless extended or modified by mutual agreement of the  
20 parties.  
21

22 d. All or parts of this Agreement may be amended or renewed by mutual  
23 agreement of the parties. The parties may also incorporate this Agreement or its Terms  
24 into a Cooperative Plan under Wisconsin Statutes sec. 66.0307.  
25

26 e. The parties acknowledge that this Agreement was constructed to prevent  
27 or minimize resort to litigation over the issues dealt with herein. In that spirit, the parties  
28 agree to make good faith efforts to apply and cooperate with alternative dispute  
29 resolution methods, voluntary or court-encouraged when disagreements arise and to  
30 encourage property owners and/or electors who may assert standing to litigate with  
31 respect to the Agreement or their implementation to do so as well.  
32

33 f. Before proceeding to binding arbitration under par. g, below, the  
34 following mediation process shall be followed:  
35

36 (i) Each party will designate a representative with appropriate  
37 authority to be its representative in the mediation of the dispute.  
38

39 (ii) Either representative may request the assistance of a qualified  
40 mediator. If the parties cannot agree on the qualified mediator within five days of  
41 the request for a mediator, a qualified mediator will be appointed by the  
42 Chairperson of the Alternative Dispute Resolution Section of the State Bar of  
43 Wisconsin, or if the Chairperson fails to appoint a mediator, by the American  
44 Arbitration Association.  
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(iii) The mediation session shall take place within 30 days of the appointment of the respective representatives designated by the parties, or the designation of a mediator, whichever occurs last.

(iv) The mediator does not have the authority to impose a settlement upon the parties but will attempt to assist the parties in reaching a satisfactory resolution of their dispute. The mediation sessions are private. The expenses of the mediator, if any, shall be borne equally by the parties.

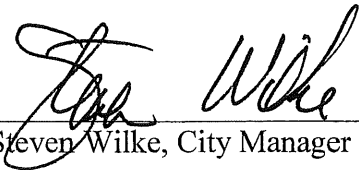
g. If either party asserts noncompliance by the other party with any provisions of this Agreement, to the material detriment of the asserting party, and if the asserting party has made serious effort at resolving the issues pursuant to paragraph e above, but concludes that such efforts have not been successful in resolving the issues, the asserting party may send the other party a notice of impasse, in the form of a motion adopted by the governing body of the member municipality and thereupon invoke the following resolution/enforcement process:

(1) Each party shall have the opportunity to name one member to a 3-member panel, the third member of which will be determined by the members named by the parties. This panel shall first examine the asserting member's claim that serious efforts have been made to resolve the issues under paragraph e. If this finding cannot be made, the panel shall direct the parties to apply the principle of paragraph e. If this finding can be made, the panel shall hold hearings and issue a binding determine whether material noncompliance has occurred and shall determine the reasonable economic costs to the complaining party. The panel may assign recovery of those costs against the non-complying party as an additional form of revenue-sharing and may order such other remedies deemed necessary to achieve compliance with the Agreement.

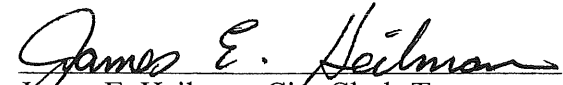
(2) At any point reflecting conclusion of any of the dispute resolution processes, the parties may identify and implement language corrections in this Agreement to reflect the outcome of the resolution process.

h. This Agreement shall not create, nor be deemed to create any third party beneficial rights with respect to interpretation or enforcement of this Agreement.

Adopted this 5<sup>th</sup> day of November, 2002.


  
\_\_\_\_\_  
Steven Wilke, City Manager

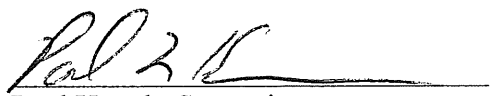
Attest:

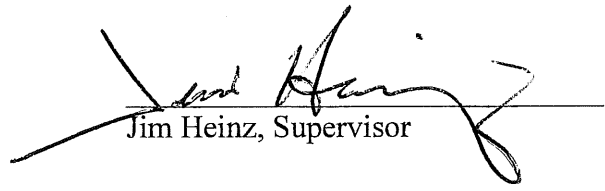
  
\_\_\_\_\_  
James E. Heilman, City Clerk-Treasurer

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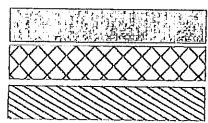
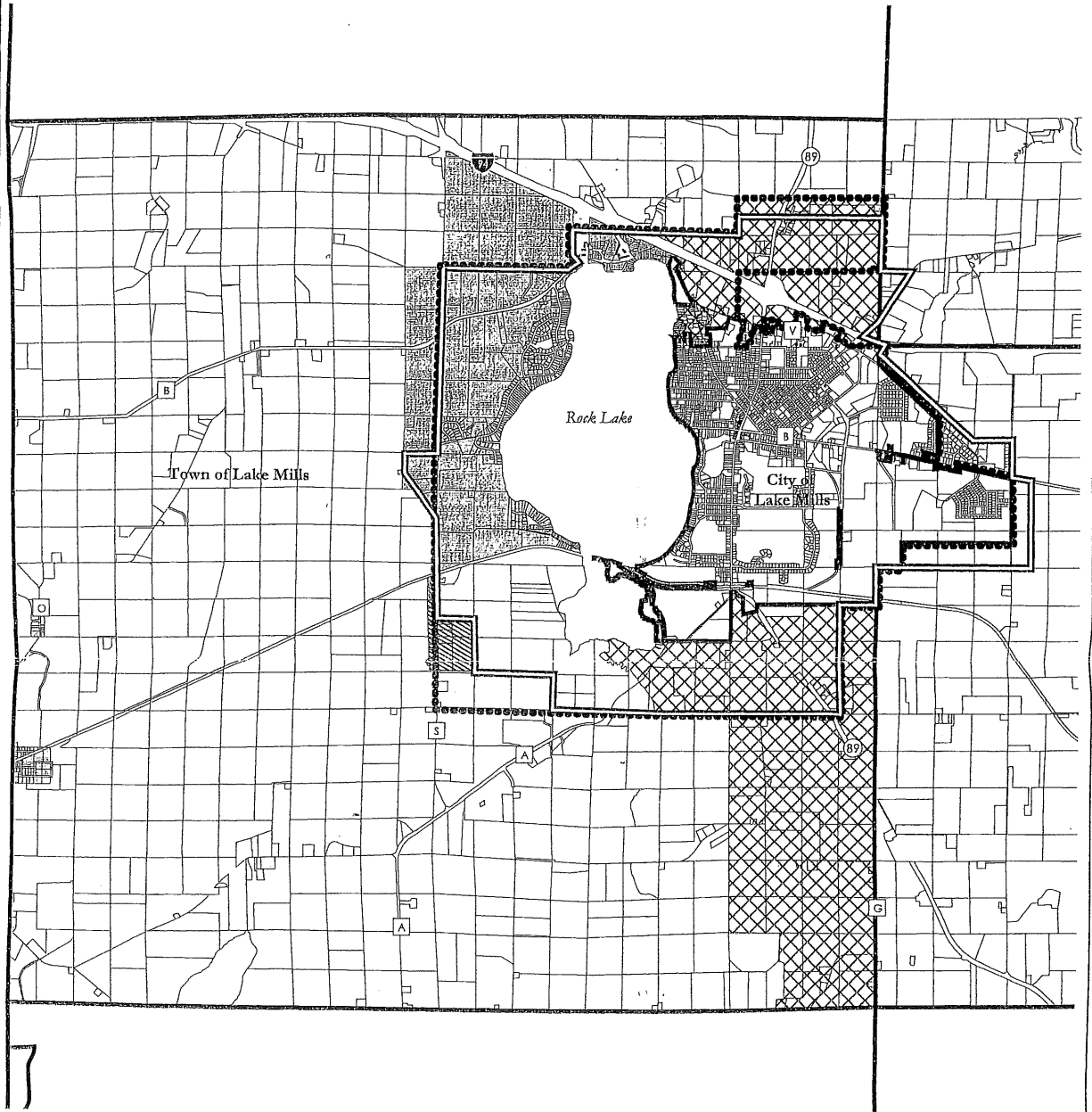
Adopted this 12<sup>th</sup> day of November, 2002.

  
Wayne Martin, Chairperson

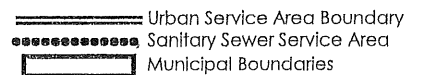
  
Paul Hynek, Supervisor

  
Jim Heinz, Supervisor

# Exhibit A: Lake Mills Growth Areas Map



Town Growth Areas  
 City Growth Area  
 Town Growth Areas Not Sewered by City Sewer Services

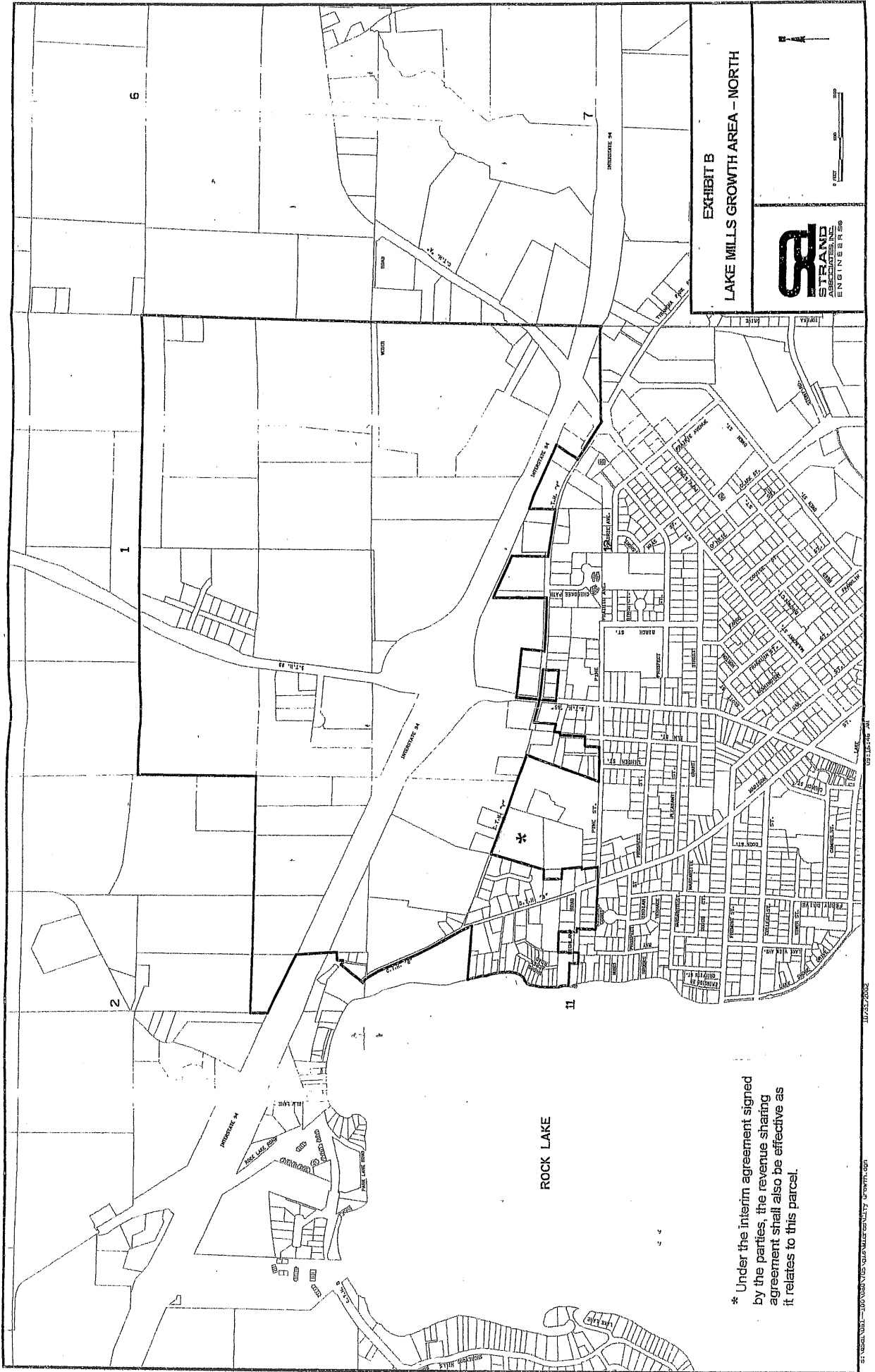


December 28, 2001  
 Source: Strand Associates 1995-2001.



Vandewalle & Associates  
 Madison Milwaukee Colorado Springs  
 Planning Creating Rebuilding



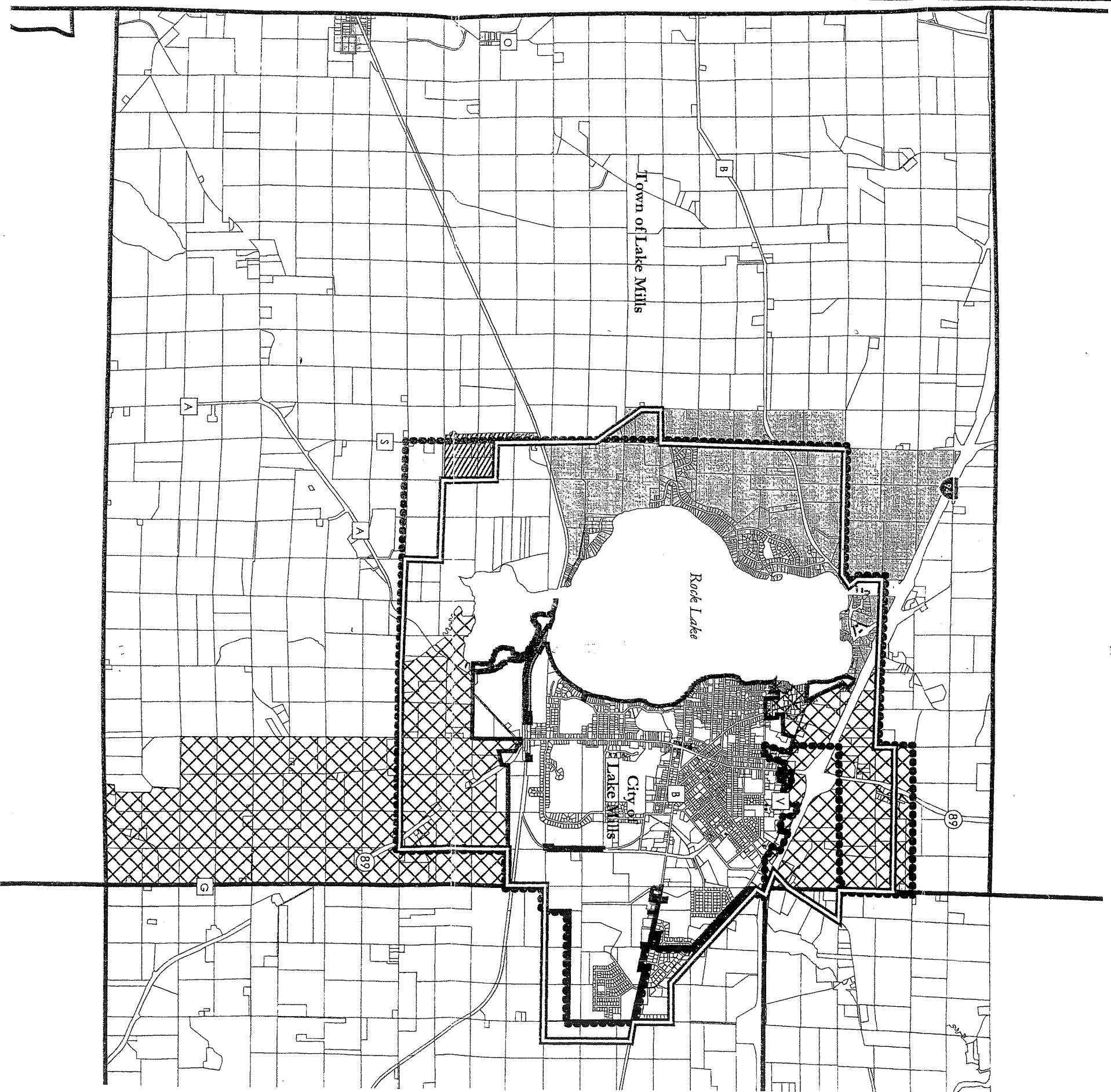





**EXHIBIT B**  
**LAKE MILLS GROWTH AREA - NORTH**






\* Under the interim agreement signed by the parties, the revenue sharing agreement shall also be effective as it relates to this parcel.

# Exhibit A: Lake Mills Growth Areas Map



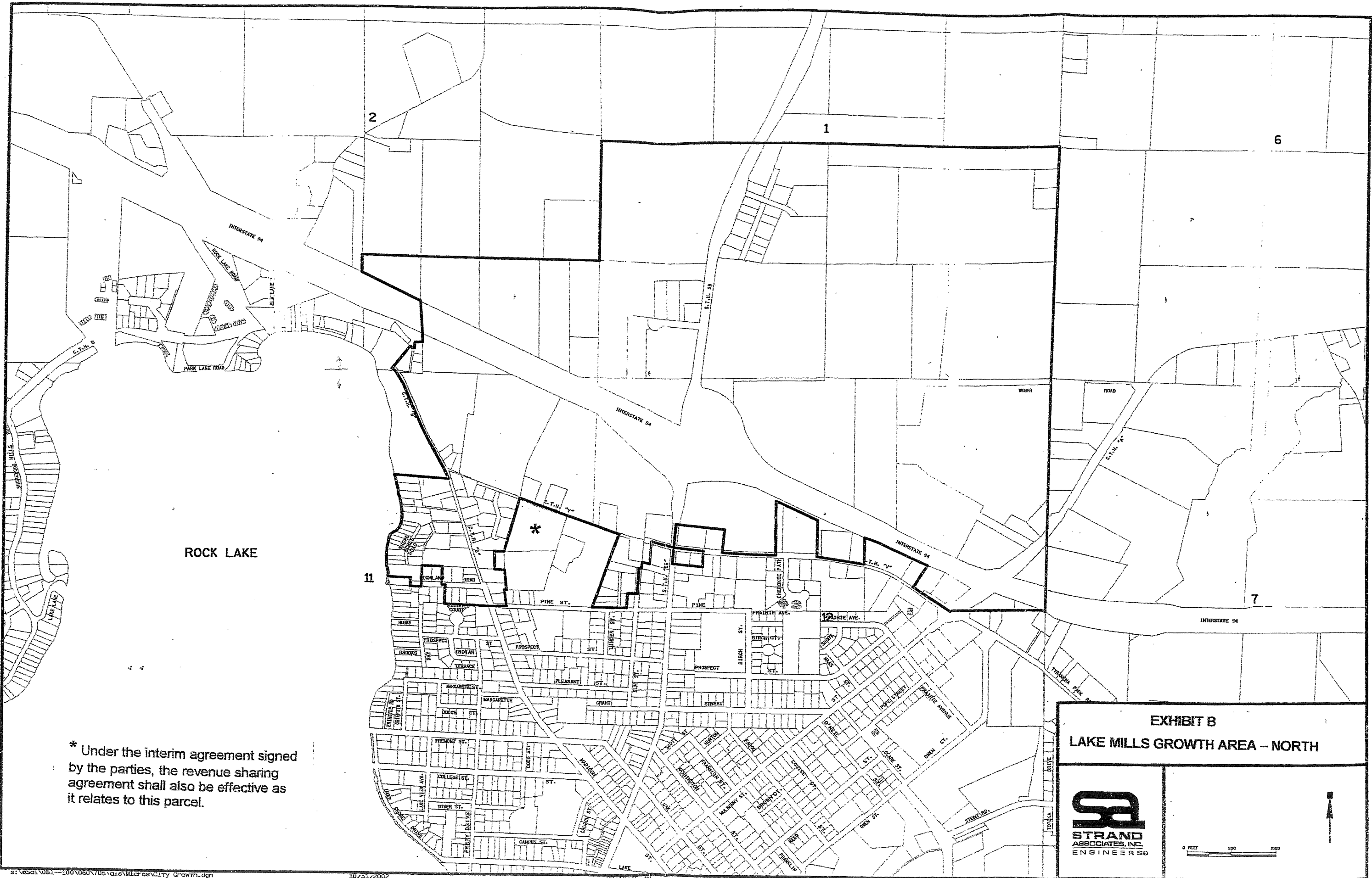
-  Town Growth Areas
-  City Growth Area
-  Town Growth Areas Not Sewered by City Sewer Services

-  Urban Service Area Boundary
-  Sanitary Sewer Service Area
-  Municipal Boundaries

December 28, 2001  
Source: Strand Associates 1995-2001.

Vandewalle & Associates  
Madison Milwaukee Colorado Springs  
Planning Creating Rebuilding





\* Under the interim agreement signed by the parties, the revenue sharing agreement shall also be effective as it relates to this parcel.

**EXHIBIT B**  
**LAKE MILLS GROWTH AREA - NORTH**

**STRAND ASSOCIATES, INC.**  
**ENGINEERS**