



LAKE REDSTONE DREDGING PROJECT

FUNDING/FINANCING OPTIONS



Funding/Financing Options

- Borrow/Finance
- Special Assessments
- Special Charges
- General Property Tax Increase
- Utilize Savings
- Seek Donations or Grants

BORROW/FINANCE

Borrow/Finance

- The Lake District is authorized to borrow and/or finance large projects through the issuance of bonds
- Bonds often involve bidding, use of auditors, and special bond legal counsel

Borrow/Finance

- If funds are available, borrowing from the State Board of Commissioners of Public Lands in Wisconsin is also an option
- Relatively straightforward and simple process
- 30-45 day loan application approval
- Current rates for a general obligation loan through the State Board are 4.00% for a loan term of 11-20 years and 3.5% for a loan term of 6-10 years
- Apply after approval by residents at a special meeting
- Requires levying of a tax to pay principal and interest



SPECIAL ASSESSMENTS

Special Assessments

- Lake District Board can levy a special assessment against property owners for the dredging project
- Requirements for this approach include:
 - Board must determine the entire cost of the project to the District
 - Board examines each parcel and makes a determination of the benefits from the dredging project
 - Multiple notices
- More cumbersome than borrowing funds from the State Board

SPECIAL CHARGES

Special Charges

- Special charges may be imposed for services identified in the annual budget
- Commissioners allocate costs of charges to the properties
- Special charges cannot exceed the rate of \$2.50 per \$1,000 of assessed valuation

GENERAL PROPERTY TAX INCREASE

General Property Tax Increase

- The District may increase general property taxes providing the dredging project falls under its “operations” for the coming year
- However, the tax is capped at a rate not to exceed \$2.50 per \$1,000 of equalized valuation
- This approach requires the approval of electors and property owners at the annual meeting

UTILIZE SAVINGS

Utilize Savings

- The District could use some of its savings to offset the amount of money that would need to be borrowed, assessed, charged, or taxed
- Part of comprehensive approach/review for funding dredging project

SEEK DONATIONS OR GRANTS

Seek Donations or Grants

- The District could seek donations or apply for grants in order to supplement and cover parts of the cost of the dredging project
- Part of comprehensive approach to supplement funding
- The District may apply for the Recreational Boating Facilities Grant through the WDNR
 - Upcoming application deadlines – November 1, 2017 and February 1, 2018



QUESTIONS?

