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April 19, 2012

Town of Paris
ATTENTION: Chairperson Virgil Gentz
Paris Safety Building
16007 Burlington Road
Union Grove, WI 53182

Town of Paris
ATTENTION: Mr. Kenneth Monson,
Town Supervisor
Paris Safety Building
16007 Burlington Road
Union Grove, WI 53182

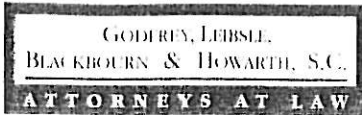
Town of Paris
ATTENTION: Mr. Ron Kammerzelt,
Town Supervisor
Paris Safety Building
16007 Burlington Road
Union Grove, WI 53182

Re: Taxation of Illinois and Wisconsin Waste

Dear Chairperson Gentz and Town Supervisors Monson and Kammerzelt:

I provide this letter for consideration in connection with your deliberations concerning the proposal that Town of Paris residents pay a portion of their real estate taxes.

As you know, my firm has been involved in the negotiation of land fill agreements in excess of twenty (20) years. During that time frame, there have been some very significant changes in the waste business. Most recently, the industry was impacted by a significant downturn in the economy and locally by a large increase in the State of Wisconsin tipping fee. It was primarily as a result of those matters that we last year entered into the Temporary Amendment to Landfill Agreement ("Amendment") with Waste Management of Wisconsin, Inc. to help ensure the ongoing viability of their facility and the revenue stream provided to the Town of Paris. That Amendment, while providing a continued stream of income, significantly reduces the Town's expected revenue under the original agreement. That reduced stream of income will not change until expiration of the Amendment or until there are changes in the waste stream. I do not expect changes in the waste stream to occur for many years and thus recommend you address the expected reduced revenue.



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We continue to monitor developments in the State of Wisconsin and the State of Illinois to watch for any potential change in the taxation of waste that might alter its flow. I also remain in contact with representatives of Waste Management of Wisconsin, Inc. and Veolia Environmental Services amongst others to see if their lobbyists are aware of any other developments. It is clear that any change in either states' taxation of waste is unlikely in the foreseeable future. Wisconsin's increased host fee has become what I would consider to be "status quo." In Illinois, a few articles have been written concerning "green taxes," which include an increase in the taxation of waste, however, there has been no discussion of this issue in any piece of proposed legislation. In fact, the majority of the discussions in that state revolve around a repeal of the temporary tax increase imposed in January of 2011, which many feel to have been a significant failure as opposed to any new or additional taxation. It is thus my opinion that there will not be a change in either states' legislation concerning the taxation of waste which would otherwise alter the current stream of waste to those facilities located in Southeast Wisconsin: namely, Pheasant Run and Mallard Ridge, in the foreseeable future.

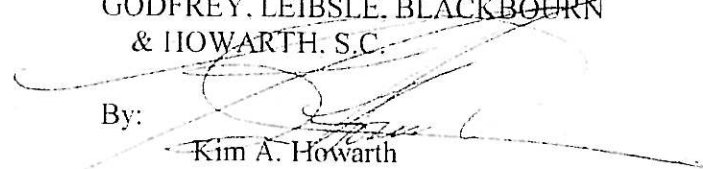
I have expressed the opinion in the past that the current benefit provided to the residents of the Town of Paris whereby their full Kenosha County real estate tax burden is paid by the Town needs to be addressed. As a result of the items reviewed above, I think that discussion even more urgent. The current budget structure is a deficit model that forces you to spend some portion of your savings on expected expenses as opposed to spending just your income. Finally, the current structure fails to properly protect the interests of future generations. I, therefore, urge you to continue your discussions and to address this problem.

If I can be of any assistance by providing any information whatsoever, please do not hesitate to contact me.

Very truly yours,

GODFREY, LEIBSLE, BLACKBOURN
& HOWARTH, S.C.

By:


Kim A. Howarth

KAH:bm

cc: Ms. Beverly McCumber, Town Clerk