

**CITY OF WEST ALLIS
RESOLUTION R-2022-0506**

**RESOLUTION URGING THE STATE OF WISCONSIN LAWMAKERS TO CREATE
SUSTAINABLE FUNDING STRUCTURE FOR MUNICIPALITIES**

WHEREAS, according to a 2019 report by the Wisconsin Policy Forum, the State of Wisconsin ranks 7th highest in the country in its reliance upon levying property taxes to finance municipal operations; and

WHEREAS, in 2006, the State of Wisconsin created a law that caps the percentage by which municipalities may increase their total levy year-to-year by 2% or the percentage change of net new construction, whichever is higher; and

WHEREAS, the City of West Allis is a 7,300-acre city that has been completely developed for decades, which significantly limits any opportunities for net new construction, and;

WHEREAS, from 2006 to 2010, the U.S. inflation rate averaged 2.24% annually, which was coincidentally similar to the 2% minimum annual tax levy increase; and

WHEREAS, in 2010, the State of Wisconsin reduced the 2% minimum levy limit increase to 0%, thereby removing the floor that allowed municipalities whose net new construction was low or non-existent to still increase their levy by 2% in order to continue to prudently fund operations along with basic inflation; and

WHEREAS, about 60% of the City's operating expenses are funded through the property tax levy; and

WHEREAS, about 57% of the City's operating expenses are directly allocated to the Police and Fire Departments; and

WHEREAS, the maximum levy increases in the past few years have been limited to between \$87,000 and \$430,000 and the annual wage increases for the police department and fire department have frequently exceeded the city's entire allowable levy increase; and

WHEREAS, the residents of the City of West Allis desire to have high quality municipal services provided in the most cost-effective manner, but substantial staffing cuts have been made in the majority of departments to comply with the levy limits and expenditure restraint program; and

WHEREAS, the concept of linking tax levy increases to net new construction is not practical because expenses increase by the rate of inflation, not the rate at which a particular city builds new buildings; and

WHEREAS, the current levy limit law benefits municipalities that have undeveloped land to be used for new construction and negatively impacts fully developed cities; and

WHEREAS, soliciting a levy limit exemption through annual operating referendum is both an inefficient and unreliable way to fund local government; and

WHEREAS, recent inflation rates in excess of 7% will exacerbate the City's financing challenges; and

WHEREAS, without changes to the funding structure for local governments, the City of West Allis will need to continue to eliminate staff and make drastic cuts to services in order to comply with the financial constraints established by the State of Wisconsin;

NOW THEREFORE, be it resolved by the City of West Allis Mayor and Common Council, call upon the State of Wisconsin lawmakers to create a sustainable funding structure for municipalities to properly fund the services needed and desired by their residents. Options for a sustainable funding structure include but are not limited to:

- 1) Re-establish the levy limit floor of 2%
- 2) Add Police and/or Public Works Departments to the list of covered services which can be funded through fees instead of the levy
- 3) Do not include Police and Fire Departments increases under the levy limits
- 4) Give a portion of the state sales taxes to the communities where the sales tax was collected
- 5) Allow municipalities to enact a local sales tax
- 6) Eliminate the levy limits, the expenditure restraint program, or both
- 7) Increase shared revenue and other revenues provided by the State

SECTION 1: **ADOPTION** "R-2022-0506" of the City Of West Allis Municipal Resolutions is hereby *added* as follows:

A D O P T I O N

R-2022-0506(*Added*)

PASSED AND ADOPTED BY THE CITY OF WEST ALLIS COUNCIL JULY 12, 2022.

	AYE	NAY	ABSENT	ABSTAIN
Ald. Angelito Tenorio	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Ald. Vince Vitale	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Ald. Tracy Stefanski	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Ald. Marty Weigel	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Ald. Suzzette Grisham	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Ald. Danna Kuehn	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Ald. Thomas Lajsic	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Ald. Dan Roadt	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Ald. Rosalie Reinke	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Ald. Kevin Haass	<u>X</u>	<u> </u>	<u> </u>	<u> </u>

Attest

Presiding Officer

Rebecca Grill

Rebecca Grill, City Clerk, City Of West Allis

Dan Devine

Dan Devine, Mayor City Of West Allis

