

Village of Waldo

SHEBOYGAN COUNTY
WISCONSIN

OFFICE OF President **Gary R. Dekker**
P.O. BOX 202, WALDO, WISCONSIN 53093
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TO: MEMBERS OF THE JOINT COMMITTEE ON FINANCE:

As you work on your version of the biennial state budget I write as the President of the Village of Waldo to urge you to consider the following recommendations on items of critical concern to Wisconsin municipalities:

1. **A modest increase in shared revenue funding.** Please include a funding increase for shared revenue in this state budget. Over the last 20 years, funding under the program for cities, villages, and towns has been cut by \$94 million. None of those cuts have been restored. At the same time, communities are operating under the strictest levy limits in the nation. The Governor has recommended a 2 percent increase in shared revenue funding. We urge you to at least include such a minimal increase in the state budget you prepare. Our village's annual shared revenue payments over the last several years have been **\$73, 569 and \$77,195** depending on our ability to qualify for Expenditure Restraint payments. **A 2% increase would mean under \$2000** more for our community. This small amount would be a drop in the bucket for the State budget but could be helpful in helping us offset the ever-increasing costs of inflation.
2. **Local Transportation Aid.** Please continue to invest in municipal streets. I appreciate that the last two state budgets included increases in general transportation aids (GTA) that go to municipalities like ours. Nevertheless, GTA currently covers only 16% of municipal transportation costs statewide. We urge you to continue to increase funding for GTA, which is critical to helping communities like ours pay for maintaining quality streets.
3. **Adjust Levy Limits.** Since 2012, municipalities have been allowed to increase their levy only by net new construction. Wisconsin has the strictest levy restriction in the country. The statewide net new construction rate averaged 1.6% in 2020. **Please consider adjusting levy limits in the following ways:**
 - a) **Delete net in net new construction.** Eliminate the need under the levy limit law to subtract tear downs and demolitions from the property value increase caused by new construction.
 - b) **ALLOW NO-GROWTH COMMUNITIES TO INCREASE LEVY BY 2%.** Allow communities not experiencing growth to increase their levy by AT LEAST 2%. A 2% floor for levy limit increases is similar to how the levy limit law was first implemented when floors ranging from 2% to 3.86% existed between 2006 and 2011.
 - c) **Fee Revenue for Certain Services should not Affect Allowable Levy.** The Governor proposes eliminating the requirement that a municipality reduce its allowable levy by the amount of fee revenue it received in lieu of property taxes for providing a specified service that was funded with the property taxes in 2013. We support this change and urge you to include it in your state budget.

Thank you for considering my comments!

Sincerely,



Gary R. Dekker President of Village of Waldo
Sheboygan County