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### **Wisconsin's Cities and Villages Weathered Recession, But Challenges Remain**

Since the Great Recession, Wisconsin's cities and villages have maintained critical services despite no significant increases in local or state revenue. But challenging times are just around the corner for local road systems, and Wisconsin's smallest communities are still waiting for the economy to recover fully, according to a new report sponsored by the League of Wisconsin Municipalities.

The inaugural edition of "The State of Wisconsin's Cities and Villages" is a combination of data analysis and local government survey information prepared for the League of Wisconsin Municipalities by the Wisconsin Taxpayers Alliance (WISTAX).

The report will be used by Wisconsin's cities and villages to help manage their operations in the future and to inform state policymakers.

"This report is the first annual review of the health of cities and villages statewide. Policymakers at the local level and at the state level will benefit from this ongoing update," said Jerry Deschane, Executive Director, League of Wisconsin Municipalities.

"What is particularly useful and groundbreaking to the public and elected officials about our study for the league is its attempt to go beyond dollars and cents and inputs and outputs to measuring changes in actual service delivery and quality," said WISTAX President Todd A. Berry.

The report's key findings include:

- Wisconsin's local governments have been great stewards of limited tax dollars. From 2011 to 2014, total revenues to cities and villages grew just 2.1%, which when adjusted for inflation represented a real decline in funding. Additionally, cities and villages absorbed a 12.8% cut in state support. This contrasts with state revenues, which grew by more than 8% during the same period.
- Cities and villages managed by focusing on public safety. Despite flat revenues, police and fire response times were unchanged. There were reductions in snow plowing response time; street maintenance was flat; and other non-life-safety city services were cut. Yet local leaders reported high levels of citizen satisfaction with municipal services.
- Maintenance of local roads remains a long-term challenge. While 68% of city and village streets ranked "good," "very good," or "excellent," this percentage has been declining since 2009 while the percentage of "fair," and "poor or worse," has been increasing.



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- Delaying street maintenance projects raises costs exponentially. While basic street resurfacing costs \$606,000 per mile, the cost quadruples if the work is deferred and streets need to be reconstructed.
- Municipal borrowing is a growing concern. The report found that local debt service payments have skyrocketed. Municipal budgets now allocate \$1 of every \$5 to paying off loans for work done in the past. Debt service hovered around 15% between 1986 and 2000. Paying off old debts reduces money available to undertake current street projects and other municipal needs.

Deschane said that Wisconsin's flagship cities are prospering. Milwaukee, Madison, Green Bay and the state's other metropolitan areas are attracting new residents and new investment, and midsize cities and villages, and about half of all small villages are also seeing growth.

However, he warned, about half of the cities and villages under 1,000 population have yet to see any significant new construction or job growth. Aging population and shifts to cities coupled with anemic or non-existent job growth is a major challenge in many rural cities and villages.

"While it's not always obvious, Wisconsin's cities and villages, large and small, are interconnected economically and socially. If one community is not succeeding, it has a negative impact on the others. This report shows that we still have work to do in corners of Wisconsin," Deschane added.

The report is available on line at <http://bit.ly/LeagueStateofCitiesVillages>

The League advocates for Wisconsin's cities and villages, provides legal services to League members and provides training and networking opportunities. The organization was founded in 1898. 597 of the 601 Wisconsin cities and villages are members.

Now celebrating its 85th year, the Wisconsin Taxpayers Alliance is Wisconsin's oldest statewide private, nonpartisan organization dedicated to government research. For more information, please visit the WISTAX website at [www.wistax.org](http://www.wistax.org).