

MEMORANDUM

TO: All Alders
Michael P. May, City Attorney

FROM: Heather Allen, Common Council Legislative Analyst

DATE: September 3, 2013

RE: Report to CCOC: Legislative Agenda Work Groups and Other Updates

Demographic Change

Chair: Alder Resnick, President Pro Tem
Members: Alder Cnare, Alder Phair, Alder Weier

The Demographic Change Work Group held its sixth meeting on August 20th. The focus of the meeting was economic tools to promote equity. A range of tools to ease the economic burden of low-income families and individuals were highlighted. The tools fall into three main categories; reducing the cost of living, increasing access to work, and helping to grow assets.

There are several timely opportunities for the Council in the near future, and many other programs that are long-term. Efforts to increase health insurance enrollment under the Affordable Care Act are underway, and could benefit from Council support with outreach and communication. In addition, the national transition to a new GED testing model will require deepened investment in training and resources to help low-income adults reach their educational and professional goals.

The Common Council Legislative Analyst will work with staff to narrow down the list of economic tools for the Council's Legislative Agenda. The Work Group is also finalizing a summary document for the Council.

Alternative Sources of Revenue

Chair: Alder Clear
Members: Alder King, Alder Palm

The August 26, 2013 meeting of the Alternative Sources of Revenue Work Group focused on a new statute pertaining to municipal levies and fees (Wis. Stat. sec. 66.0602(2m)(b)). The statute applies only to the following "covered services": snow plowing, street sweeping, storm water management, fire protection and garbage collection. If a municipality adopts a new fee or a fee increase for a covered service that

was partially or wholly funded from the 2013 property tax levy, the municipality must reduce its levy limit in the current year by the amount of the new fee or fee increase. The rule allows for services that do not fall under the definition of “covered services” to be funded through fees and fee increases, regardless of whether or not they are funded wholly or partially by levy. All fees must bear a reasonable relationship to the service for which the fee is imposed, and the municipality must be able to prove the reasonableness of a fee before the Tax Appeals Commission if challenged.

The Work Group explored the distinction between garbage collection and disposal. The Department of Revenue Levy Limit Fact Sheet (attached) defines garbage collection as:

The collection and disposal of garbage includes:

- Collection of garbage, rubbish and discarded items from properties within the jurisdiction
- Operation of a landfill site, including: incinerators, refuse pulverize systems, site covering, gate attendants, central collection transfer points, solid waste drop off sites and site monitoring
- Note: this does not include recycling

The League of Municipalities received the following guidance on shifting levy funded services to fee funded services.

"If a city plans to create a storm water utility in 2014 and fund it with fees in 2014, it must reduce its 2013 allowable levy by the amount of fees it estimates it will collect in 2014. However, if the storm water utility's budget is increased in 2015, does the amount of increase need to be deducted from the community's allowable levy? Or does the statute only apply if future storm water utility fee increases transfer costs from the tax levy?"

Example: In 2013 city budgets \$100,000 for storm water management funded by the tax levy. In 2014 storm water utility [fee] created and utility budget = \$100,000 (reduce 2013 levy limit by \$100,000). In 2015 storm water utility budget = \$115,000 [\$15,000 fee increase].

Question: Is it necessary to reduce 2014 levy limit by \$15,000?

Answer: Yes, in the example provided, the 2014 levy limit must be reduced by \$15,000.

The Work Group is closely monitoring this issue.

Meetings with Council Members

The Legislative Analyst will continue to reach out to all alders, especially recently elected alders to have individual meetings. The goals of the meetings are to learn more about the issues in each district, learn about each alder's goals, and explore opportunities to work together.

Reports Available on the Intranet

Reports are continually added to the Common Council Intranet website. Prior to posting the reports go through final technical review with Document Services. The reports currently available include:

- Health Impact Assessment
- Public Space and Large Event Recycling and Composting
- Local Hiring for Public Works
- Short Term Rental Regulations (Airbnb and VRBO)
- Healthy Vending in Public Facilities
- Opposing WI Assembly Bill 5 and WI Senate Bill 34
(Property Tax Exemptions for Commercial Broadcasters)

Work Group Materials Available on the Intranet

The Council Intranet has also been updated to house documentation from the Common Council Legislative Agenda Work Groups. The presentations available include:

Demographic Change Work Group

- Bright Ideas from Age Friendly Cities
- Promoting Equity with Economic Tools
- Demographics in Madison
- Understanding Madison's Demographic Change

Alternative Revenue Work Group

- Non-Property Tax Revenue Options
- Solid Waste Revenue Options

Other On-going Research Projects

- Bed and Breakfast Promotion Models
- Historical Spending on Monona Terrace (since 1997)
- Madison Economic Activity Estimates
- Redevelopment of Entertainment Venues and Arenas