



Wisconsin Taxpayers Alliance

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NEWS

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WISTAX Survey: City-Village Finances Stable But Remain Long-Term Concern *Fiscal Health, Jobs, and Streets Top List of Future Challenges*

MADISON— Despite state control of most local revenue sources, municipal finances are generally stable to improving, according to city and village officials surveyed by the Wisconsin Taxpayers Alliance (WISTAX). Now in its 86th year, WISTAX is a nonpartisan organization devoted to policy research and citizen education.

Nearly a third (32%) of city and village leaders responding said their communities' financial health was better this year than last, while about half (49%) reported there was no change. About one in five (19%) said conditions were worse.

Officials from larger municipalities rated their financial health stronger than those from smaller communities. Nearly 40% of those in cities and villages with populations over 15,000 called their financial situation somewhat or much better, compared to only 31% of those in smaller communities.

In another indication of fiscal condition and cautious budgeting, 65% of cities and villages, regardless of size, reported budget reserves in excess of 20% of annual spending. Only 9% reported savings of less than 5% of spending; communities with small reserves were all less populous.

“There is a marked difference between state and local government approaches to saving,” observed WISTAX President Todd A. Berry. “The state almost never reserves more than one to two percent of its budgeted expenditures for emergencies.”

The distinction between the condition of large and small communities was also evident in job prospects. Overall, 54% of cities and village officials said prospects were better in 2016 than 2015, and 59% said they were better than five years ago. However, 91% of officials in communities with over 15,000 residents called employment opportunities better than five years ago; while only 51% in smaller localities did.

Fiscal health and job growth will remain two of the top three challenges facing cities and villages in five years, their leaders say. However, the top concern, named by about 58% of survey respondents, was the condition of infrastructure, mainly streets.

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The Wisconsin Taxpayers Alliance, founded in 1932, is the state's oldest and most respected private government-research organization. Through its research, publications, civic lectures, and school talks, WISTAX aims to improve Wisconsin government through citizen education. Nonprofit, nonpartisan, and independently funded, WISTAX is not affiliated with any group—national, state, or local—and receives no government support.

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With state population growth slowing over the next 25 years, WISTAX also asked municipal leaders about plans to attract or retain residents. Two factors were named most often—schools and jobs.

“What’s surprising about this is that neither item is directly tied to municipal operations. Clearly, officials are looking to issues beyond their city or village offices,” Berry said. “At the same time, the message is clear: Schools matter. Civic leaders need to set aside ‘turf’ issues and work together.”

In addition to jobs, three other factors were of similar but somewhat less importance to residents: parks and natural attractions, tax and utility costs, and housing.

In conducting its survey, WISTAX teamed with the Wisconsin League of Wisconsin Municipalities to electronically survey the group’s members in March of 2017. The survey had a 38% response rate.

For a free copy of the WISTAX study, “Rare survey: City-village officials speak out on finances, jobs, and the future,” visit www.wistax.org; email wistax@wistax.org; call 608.241.9789; or write WISTAX at 401 North Lawn Ave., Madison, WI 53704-5033.

(Editor’s Note: An electronic version of this release is available at www.wistax.org.)