Village of Park Ridge

REFERENDUM APRIL 4

Village of Park Ridge residents will have an important Referendum question on their April 4 election ballot this spring.

At its monthly meeting on January 16, the Village board of trustees unanimously approved Resolution 001.2023R authorizing a **Referendum asking residents to approve an increase of $130,000 annually in the property tax levy** ***"for the purpose of supporting the increasing costs of contracted services, Village operations, enhanced fire protection, and capital improvement debt service."***

As fellow residents of the Village, the trustees feel it is very important to explain the rationale behind this request and to answer any questions that residents may have before they are asked to cast their vote on April 4. To accomplish this, the board agreed to provide several communication opportunities, including this mailing and a feature article in our Spring Newsletter in late March. In addition, Village residents are invited to attend the following **Public Question & Answer Sessions** to learn more and ask questions:

Public Q&A Sessions

Wednesday, March 15, 6:00 p.m., Iverson Park All Purpose Lodge

Monday, March 20, 5:30 p.m., Village Hall (monthly board meeting)

Following is a list of questions and answers we hope will provide the background and facts you will need to make an informed decision on April 4th. It is our hope that you will…

VOTE YES

For a Brighter Future for Park Ridge

Your Village Trustees:

Barb Friedrich | Dan Holloway | Kristin Paulson | Gordon Renfert | Steve Menzel (President)

715-572-1563 715-459-2882 715-209-7417 715-252-9139 715-340-7228

Why do we need a Referendum to increase the tax levy?

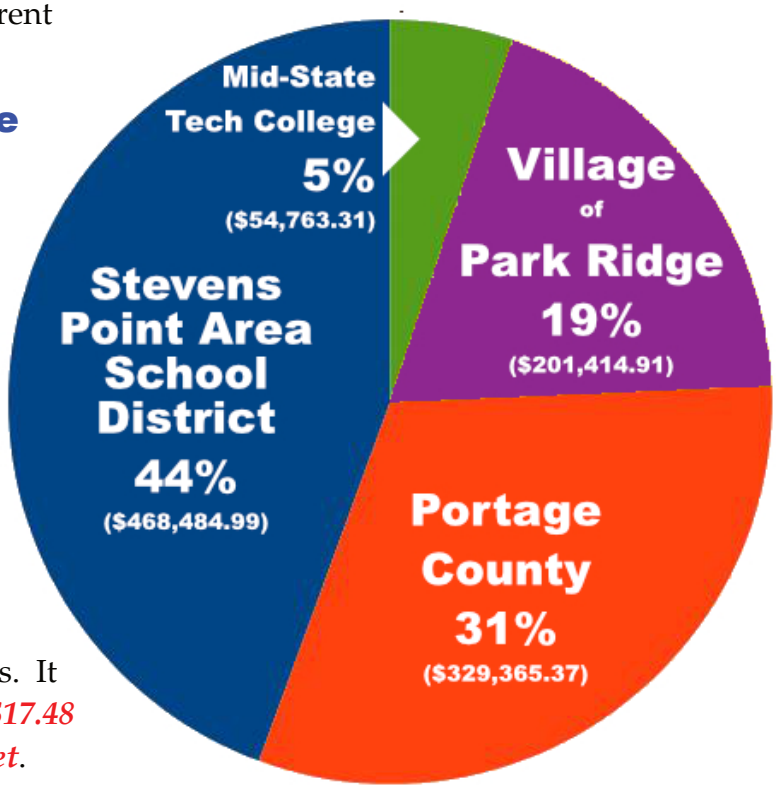
Since 2006, the state has imposed levy limits on municipalities to slow the growth of local property taxes. Then in 2011, the law was amended to link the allowable levy increase exclusively to any increases in property values due to new construction. In addition, these limitations were accompanied by reductions in state aid to municipalities. For communities like Park Ridge that are landlocked and have limited potential for growth and new construction, this has made it nearly impossible for municipal budgets to keep up with inflation. By law, the only way a municipality may exceed its levy limit is by Referendum. There is an excellent article about the impact of levy limits at: https://wispolicyforum.org/wp-content/uploads/2018/07/1804-growing-divide.pdf)

How is the Village budget determined and what are the sources of revenue?

Park Ridge's annual budget is developed in September and October with input from citizens through public hearings. Expenses and revenues are typically calculated based on previous years as well as projections for the coming year. *Over 80% of the Village's revenue comes from property taxes*. Revenues listed in the 2023 budget are: General Property Taxes - $201,415.00 (82.99%); Intergovernmental Revenues - $30,481.00 (12.56%); License Fees - $2,500.00 (1.03%); Public Charges for Services - $300.00 (.12%); Cable Franchise Fees- $7,000.00 (2.88%); Miscellaneous Revenues - $1,000.00 (.41%).

How much of my property taxes actually go to support the Village?

A relatively small percentage – about 19% – of your property tax goes to support Village operations and services. The pie chart below shows the current breakdown of where Village property taxes go:



How do Park Ridge taxes compare with other municipalities?

Park Ridge property taxes are among the lowest in Portage County (lower half) despite the fact that the Village's median household income ($72,813) was over 23% higher than the County's as a whole ($58,853). The Village's current "mill rate" is $17.48, which compares favorably with the City of Stevens Point ($25.89), Village of Amherst ($24.69), Village of Junction City ($21.24), Village of Rosholt ($20.09), Town of Eau Pleine ($20.04), Town of Dewey ($19.49), Village of Amherst Junction ($18.50), and Town of Hull ($17.97) among others. It should be noted that *only $3.34 of the Village's $17.48 mill rate (19%) goes to support the Village budget*.

Why does the Village need more revenue?

Primarily to keep up with inflation, which has averaged 2.44% over the last 25 years, but jumped to 4.7% in 2021 and 8% in 2022. This has had a huge impact on Village expenses. For example, in 2023 alone the cost for snowplowing increased 8%, and we expect that to increase even more in 2024. The cost for fire protection in 2023 increased by nearly $50,000 (see below). Compensation for our clerk/

treasurer position increased by 25% while still lagging behind other municipalities in the County. In addition, this year the Village has budgeted $30,000 to hire an engineering consultant to create a plan for improving Village streets and adding hydrants for improved fire protection, addressing a priority issue that residents identified in the Village's 2022 Strategic Plan. The Department of Revenue has projected that the Village's 2023 allowable levy limit – the revenue the Village receives from property tax – will be $233,098 next year. ***Assuming the Village will again receive about $40,000 from other revenue sources, that would result in total revenue of about $273,000. Projected expenses for the 2024 budget, however, are expected to be over $350,000***. The Village board believes the additional $130,000 in annual revenue requested in this Referendum is adequate for supporting Village operations over the next 3 to 5 years.

How about using the Village's reserve funds?

Since 2020, the Village has already been drawing from its reserve funds just to meet the budget. Three years ago, there was about $174,000 in undesignated reserves and $25,000 in designated reserves. Today there is only $104,000 in undesignated reserves and $20,500 in designated reserves. Reserves are typically intended to meet both planned and unplanned capital expenses. ***Using reserve funds for normal operational expenses is simply not sustainable***.

Can the Village cut staff to reduce the budget?

No. Park Ridge has fewer employees than any municipality in the County. Beyond the modest compensation paid to Village trustees, our school crossing guard, Village Hall maintenance worker, and our poll workers, the Village employs only one staff member who has significant weekly hours: our clerk/treasurer, which is a part-time position averaging about 35 hours per week with few benefits. The Village operates primarily through contracted services. Examples of services supported by our local Village levy include garbage and recycling (Harter's), snowplowing (Zblewski Brothers), and fire protection/EMR (Stevens Point Fire Department). Some services such as law enforcement, ambulance/EMS, animal control, and tax collection are supported by the County tax levy.

Could the Village cut costs by keeping its own fire department rather than contracting for the service?

No, quite the contrary. A study of the Park Ridge Fire Department conducted by McMahon Associates in June 2022 concluded, "*In addition to the recruitment and retention challenges, the Village is also faced with the need to make significant capital investments in the fire station and the department's fire apparatus. Annual debt payments for these purchases are expected to be approximately $150,000. The Village does not have money allocated in its current budget for these expenses. This would be new debt.*" Based in part on McMahon's recommendations, the Village board decided unanimously to contract fire protection and EMR services with the Stevens Point Fire Department, initially saving the Village about $50,000 per year. McMahon's 18-page report can be viewed at: https://vi.parkridge.wi.gov/wp-content/uploads/2022/06/Park-Ridge-Fire-Department-Organizational-Analysis-2.pdf

Fire Department Organizational Analysis

Prepared for
Village of Park Ridge

PARK RIDGE
PORTAGE COUNTY | WISCONSIN

JUNE 6, 2022

P3019-04-22-00309

Prepared By
Robert Whitaker / Public Safety Specialist

McMAHON
ENGINEERS ARCHITECTS

Public Safety & Municipal Management

Does the Village have a plan for the future and does the Referendum support that plan?

Yes. Thanks to input and volunteer efforts from its residents, the Village completed two major planning documents in 2022: the state-mandated Comprehensive Plan and its first-ever Strategic

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Stevens Point, WI 54481
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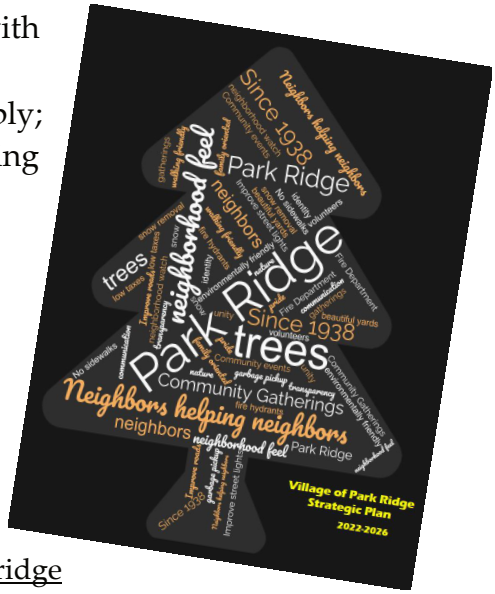
Plan. Both plans recommend increased investment in infrastructure with calls to: "1) improve and maintain streets and complementary infrastructure over time; 2) ensure and protect the Village's water supply; and, 3) enhance capacity to fund village government functions, including capital improvements and routine maintenance." ***Infrastructure improvements will almost certainly require the Village to incur some long-term debt and the Referendum, if approved, will enhance the Village's ability to service that debt.*** Our hope is the Village will qualify for state and federal grants to help minimize the debt service for the infrastructure projects.



Link to Strategic Plan: https://vi.parkridge.wi.gov/wp-content/uploads/2022/07/Village-of-Park-Ridge-Strategic-Plan-DRAFT-June-2022.pdf
Link to Comprehensive Plan: https://www.co.portage.wi.us/department/planning-zoning/planning-section/comprehensive-planning/village-of-park-ridge

If the Referendum is approved by voters, will my property tax increase?

Yes. Based on the Village's current total equalized valuation of $69,520,900 and projected figures from the Department of Revenue, the proposed levy increase of $130,000 per year will result in a total levy of $363,098. This would bring the Village's share of the property tax mill rate to $5.22, an increase of about $1.87, or ***$187 per $100,000 of assessed valuation***.

If the Referendum is approved, how will this benefit Village residents?

The added revenue will allow the Village to meet the increased costs of critical services – especially fire protection, garbage and recycling, snowplowing and our clerk/treasurer position – while positioning the Village well for accomplishing the goals its residents set forth in the Strategic Plan, including taking on future debt to pay for badly needed infrastructure improvements. It will also allow the Village to avoid drawing from its reserves to pay for ongoing operational costs.

What happens if the Referendum fails?

With few options to cut expenses, the Village would be forced to draw significantly from its reserves to continue operating as an independent municipality. It is likely those reserves would be exhausted in only a few years. ■