

CITY OF PRESCOTT, WISCONSIN  
MEETING NOTICE  
REGULAR CITY COUNCIL MEETING  
MONDAY NOVEMBER 28, 2016 AT 6:30 P.M.  
PRESCOTT MUNICIPAL BUILDING, 800 BORNER STREET  
PRESCOTT, WI 54021  
WEBSITE: PRESCOTTWI.ORG

AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. **PUBLIC COMMENTS – THE CITY COUNCIL WILL RECEIVE PUBLIC COMMENTS ON ANY ISSUE(S) NOT RELATED TO AGENDA ITEMS. LIMITED DISCUSSION BY THE CITY COUNCIL MAY TAKE PLACE, HOWEVER NO ACTION WILL BE TAKEN ON ANY ITEMS. THIS INCLUDES RECEIVING WRITTEN REQUESTS OR DOCUMENTATION AND POSSIBLE ACTION AT A FUTURE COUNCIL MEETING**
5. CONSENT AGENDA
  1. REGULAR CITY COUNCIL MEETING MINUTES NOVEMBER 14, 2016
  2. FINANCE COMMITTEE MEETING MINUTES NOVEMBER 14, 2016
  3. PRESCOTT PUBLIC LIBRARY BOARD OF TRUSTEE MEETING MINUTES OCTOBER 13 & OCTOBER 20, 2016
6. REPORTS OF STANDING COMMITTEES
  - A. FINANCE COMMITTEE
    1. OPEN PUBLIC HEARING – 2017 BUDGET
    2. CLOSE PUBLIC HEARING
    3. RESOLUTION 8-16 “A RESOLUTION ADOPTING THE 2017 SALARY SCHEDULE FOR CITY EMPLOYEES”
    4. RESOLUTION 9-16 “A RESOLUTION ADOPTING THE 2017 CITY OF PRESCOTT GENERAL FUND BUDGET AND A LEVY FOR MUNICIPAL PURPOSES, DEBT SERVICE AND CAPITAL PROJECTS AGAINST ALL TAXABLE REAL AND PERSONAL PROPERTY IN THE CITY OF PRESCOTT FOR 2016, COLLECTABLE IN 2017”
    5. RESOLUTION 10-16 “A RESOLUTION ADOPTING THE 2017 SALARY SCHEDULE FOR CITY PUBLIC WORKS EMPLOYEES”
    6. RESOLUTION 11-16 “A RESOLUTION ADOPTING THE SPECIAL REVENUE FUND BUDGETS FOR 2017”
    7. RESOLUTION 12-16 “A RESOLUTION ADOPTING THE DEBT SERVICE FUND BUDGET FOR 2017”
    8. RESOLUTION 13-16 “A RESOLUTION ADOPTING THE ENTERPRISE FUNDS BUDGETS FOR 2017”
    9. DELINQUENT UTILITY BILLS ROLLED TO THE TAXES COMPARISON
    10. FUNDING REQUEST FROM PREFERRED BUILDERS FOR THE DEMOLITION OF PROPERTY LOCATED AT 445 COURT ST N.
    11. NOTICE OF LAWSUIT FILED BY MICHAEL DURHAM AGAINST MARK SCHULTZ, JESSE NEELY AND CITY OF PRESCOTT
  - B. LICENSE
    1. REQUEST FROM PTACEK’S IGA INC FOR CLASS “B” BEER AND CLASS “B” LIQUOR LICENSE FOR THE OLD PTACEKS 1449 ORRIN RD, PATRICK PTACEK, AGENT
  - C. PUBLIC WORKS

RESOLUTION 14-16 “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PRESCOTT ACCEPTING INTO THE CITY STREET SYSTEM PINE STREET CONSTRUCTED PURSUANT TO THE DEVELOPMENT AGREEMENT WITH THE SCHOOL DISTRICT OF PRESCOTT”
  - D. PLANNING COMMISSION
  - E. ORDINANCE
  - F. PERSONNEL
  - G. HEALTH & SAFETY
    1. 2017 ANIMAL HUMANE SOCIETY CONTRACT
  - I. PARKS & PUBLIC PROPERTY
  - J. COMMUNICATIONS & NEW BUSINESS
    1. PUBLIC COMMENTS
    2. WISCONSIN TAXPAYERS ALLIANCE
    3. OTHER BUSINESS
    4. ADJOURNMENT

NOTICE

ACCESS TO THE MUNICIPAL BUILDING FOR THE DISABLED IS AVAILABLE THROUGH THE REAR PARKING LOT ENTRANCE. ALL THOSE WITH SPECIAL NEEDS SHOULD CALL CITY HALL OFFICES (715-262-5544) IF ASSISTANCE IS NEEDED

NOVEMBER 14, 2016 REGULAR CITY COUNCIL MEETING MINUTES

Pursuant to due call and notice thereof, a regular meeting of the Prescott City Council was held on Monday, November 14, 2016 in the Prescott Municipal Building, 800 Borner St., Prescott, WI 54021.

Call to order/Roll Call: Mayor David Hovel called the meeting to order at 6:30 p.m. Members present were Galen Seipel, Rob Daugherty, Joshua Gergen, Bill Dravis and Maureen Otwell. Jack Hoschette was excused. Public Works Director Hank Zwart and City Administrator Jayne Brand represented staff. Also present Russ Kivienmi of Cedar Corporation, City Engineer.

**Dravis/Gergen motion to go into closed session per Wisconsin Stats 19.85 (1) (e) Deliberating or negotiating the purchase of public properties, the investing of public funds or conducting other specified public business whenever competitive or bargaining reasons require a closed session – possible land sale in TIF#5 passed unanimously via roll call vote.**

**Otwell/Gergen motion to come out of closed session passed without a negative voice vote.**

Pledge of Allegiance was said.

**Public Comments:** Dave Wierzba and David Schofield representing MSA introduced themselves to the Council and told them about MSA.

Char Vick told the Council about the new Senior Gathering Place and the intermediate school and asked for the Council support for the Senior Gathering Place.

**Gergen/Dravis motion to approve consent agenda which included October 10, 2016 regular city council meeting minutes, October 19, 2016 finance committee meeting minutes, October 26, 2016 finance committee meeting minutes, November 2, 2016 finance committee meeting minutes, November 7, 2016 plan commission meeting minutes, September 14, 2016 Prescott Housing Authority meeting minutes, September 21, 2016 Prescott Public Library Board of Trustee meeting minutes, cash balances, budget year to date and building inspection report passed without a negative voice vote.**

Mayor Hovel presented the certified survey map for Eagle Ridge Business Park. The certified survey map is splitting the lot into two separate lots. Lot 2 is going to be for a new manufacturing facility for Diversified Manufacturing Corporation. Russ Kivienmi stated water and sewer have been stubbed into Lot 2. There will be a small stormwater pond also in Lot 2. **Seipel/Dravis motion to approve certified survey map for Eagle Ridge Business Park passed without a negative voice vote.**

**Gergen/Daugherty motion to approve pay request from Pember Companies for Broad Street sidewalk in the amount of \$123,836.92 passed unanimously via roll call vote.**

**Gergen/Otwell motion to approve pay request from Trane for energy savings performance contract for Municipal Building in the amount of \$31,000 passed unanimously via roll call vote.**

**Dravis/Gergen motion to approve Public Works Mutual Aid Services agreement between City of Hastings, Minnesota and City of Prescott, Wisconsin passed without a negative voice vote.**

**Dravis/Gergen motion to approve request for proposal for engineering design for pedestrian underpass of USH 10 at Canton Street and USH 10 at Eagle Ridge Drive passed without a negative voice vote.**

**Gergen/Dravis motion to approve audit contract with Johnson Block in the amount not to exceed \$29,500 passed unanimously via roll call vote.**

The Council was informed of the first notice of non-compliance from the Department of Revenue for assessments. Alderperson Seipel suggested that a field review be completed by the Department of Revenue. Staff to work with City Assessor on contacting Department of Revenue.

**Dravis/Otwell motion to approve \$5,000 from the 2016 contingency fund to support the Prescott Seniors Gathering Place passed without a negative voice vote.**

**Gergen/Dravis motion to approve operator license for Erica A Crosby passed without a negative voice vote.**

Meeting set for November 28<sup>th</sup> at 5:30 p.m. for Parks and Public Property Committee.

**Gergen/Dravis motion to adjourn passed without a negative voice vote.**

Respectfully Submitted,

Jayne M. Brand  
City Administrator

CITY OF PRESCOTT, WISCONSIN

NOVEMBER 14, 2016 FINANCE COMMITTEE MINUTES

Pursuant to due call and notice thereof, a meeting of the Finance Committee was held Monday, November 14, 2016 800 Borner St., Prescott, WI 54021.

Call to order/Roll Call:

Mayor Hovel called the meeting to order at 5:30 p.m. Members present were Bill Dravis, Rob Daugherty, Joshua Gergen, Galen Seipel and Maureen Otwell. Jack Hoschette was excused. Finance Director Vanessa Norby and City Administrator Jayne Brand represented staff.

Finance Director Vanessa Norby presented information showing the lighting retrofit has a better pay back than solar. The cost for the lighting retrofit is \$158,550 taking out the Heritage Center. Alderperson Otwell stated solar is probably going to take a back seat for the next four years but a carbon tax is likely after that. Alderperson Seipel stated he had contacted several residents about the projects including solar and the consensus of the residents is to fix the building and forget the solar at this time. Alderperson Gergen stated the public works building has such a long payback period it would make sense to take that building out of the proposed project.

Direction given to staff is to go with lighting retrofit removing the Heritage Center and Public Works building and no solar at this time. The committee is open to further discussions on solar using a third party to pay the upfront costs.

**Daugherty/Dravis motion to adjourn passed without a negative voice vote.**

Respectfully Submitted,

Jayne M. Brand  
City Administrator

## **Prescott Public Library Board of Trustees Budget Meeting Minutes October 13, 2016**

**Present:** Colleen Harris, Charity Lubich, Jane Enright, Anne Kressly, Galen Seipel

**Absent:** Jim Baran

Note: Kate Otto joined meeting at 6:50pm.

**Call to Order:** President Harris called the meeting to order 6:30pm. with a roll call of Board members.

### **Budget:**

Budget will have a 0% levy increase. Board reviewed fixed costs and budget items where budget determinations can be made:

- Printed Material / Books
- Serials / Periodicals
- Audio / Visual
- Training / Travel Costs
- Programming Events

Discussion of ACT 150 potential change for increased funding from Pierce County and where additional funds would be utilized.

Actions determined:

**A motion was made by Galen Seipel to increase the wages as recommended. Motion was seconded by Charity Lubich and carried.**

**A motion was made by Galen Seipel to petition the Prescott City Council Finance Committee for a minimum of \$5000 to be used for unfunded needs. The motion was seconded by Anne Kressly and carried.**

**A motion was made by Kate Otto to petition the Prescott City Council Finance Committee for a permanent increase of \$5000 to be used for materials and programming. The motion was seconded by Charity Lubich and carried.**

### **Action items:**

1. Jane will provide to the Board members a definition of the Trustee account and how funds can be used.
2. Jane will create a specific report to be used for the Prescott City Council Finance Committee meeting on October 26, 2016. Report will include bullet points of unfunded needs and permanent increase and reasons for each.

**Adjourn:** A motion to adjourn the meeting at 7:29pm was made by Kate Otto; seconded and carried.

Budget meeting with Prescott City Council Finance Committee, October 26, 2016.

Respectfully Submitted,  
Charity Lubich  
Secretary

**Prescott Public Library Board of Trustees  
Monthly Meeting Minutes  
October 20, 2016**

**Present:** Colleen Harris, Charity Lubich, Jane Enright, Kate Otto, Jim Baran

**Absent:** Anne Kressly, Galen Seipel

**Guests:** Isabella Lonetti

**Call to Order:** President Harris called the meeting to order 6:48pm. with a roll call of Board members confirming that a quorum was present. This meeting is in compliance with the open meeting law.

**Agenda:** A motion to approve the agenda for October 20, 2016 was made by Jim Baran, seconded by Kate Otto, and carried.

**Approval of Minutes:**

A motion to approve the September 21, 2016 meeting minutes was made by Kate Otto, seconded by Jim Baran and carried.

**Financial Report:**

A motion to approve the presented paid bills for October 20, 2016 was made by Jim Baran, seconded by Charity Lubich, and carried.

**Director's Report**

**October 2016**

**September 2016 Programming Statistics**

**Event Attendance**

Number of times event occurred	is (1), unless otherwise noted.			Totals
Age Levels	Storytime (6)	Family Storytime Plus A is for Art	Coloring Craze	
Adults	48	3	3	54
Teens	0	0	0	0
Children	67	4	0	71
<b>Totals</b>	<b>115</b>	<b>7</b>	<b>3</b>	<b>125</b>

**Outreach**

Activity	Location	Date(s)	Attendance			Total
			Adults	Teens	Children	

Prescott Daze Parade		09/11	N/A	N/A	N/A	200*
MORE catalog training	St. Joseph's Catholic School	09/23	3	0	14	17
<b>Totals</b>			<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>217</b>

\*Outreach attendance for parade is estimated based on number of bookmarks given to parade viewers.

### On-going Programs

*1000 Books Before Kindergarten* Registrations as of September 30, 2016 = 132  
14 children have completed the program as of August 31.

**Total number of people served by Programming and Outreach in September 2016 was 342.**

### Library News and Information

Revenue	Fines & Fees	Fax & Copies	Book Sales
10/18/16	\$585.66	\$156.00	\$66.00
Door Count	September 2016	2015	2014
	3052	3016	3194
Circulation	7556	7128	9035
OverDrive Checkouts	469	397	253
Pharos Sessions	296	345	317
Wireless Sessions	990		
Website Visits	844		
New Patrons	23		

As requested by Library Board member and City Council representative, Galen Seipel, I am providing information to you concerning the Library Board of Trustees checking account. Establishment of the Trustee checking account is governed by Wisconsin Statute 43.58(7)(b)2.

October 18<sup>th</sup> all windows in the Prescott Municipal Building were being treated with a film that facilitates better energy efficiency by blocking UV rays. As for the HVAC system replacement, the old boiler will be removed and a new concrete pad will be added for the new system. It should be installed in 2016 but the internal piping will not be taken care of until 2017.

The library page has resigned and her position will not be filled. I am in the process of ordering additional book carts for the returned books to be stockpiled until library staff can shelve the materials. I will create a daily shelving schedule for staff in an attempt to keep the library organized. However, the regular daily duties will be their priority.

I have included a Pew Research Center report entitled "Libraries at the Crossroads" that addresses the library services and resources that citizens and communities want. Please review.

To date, only one person has applied for the Board of Trustees positions that are and will soon be open.

**A motion to approve the Director's Report was made by Charity Lubich, seconded by Kate Otto, and carried.**

**Budget Presentation:**

The budget will be presented to the Prescott City Council Finance Committee on October 26, 2016. Jane is preparing a handout with bullet points expressing the highlights and requests being made. Board members will meet at 5:00pm to review presentation materials.

**Treasurer's Report:**

Kate Otto reported that the Trustee Account balance is \$7425.76.

**Action items for November:**

1. Jane will continue to gather interested individuals for the Board of Trustee's open positions.
2. Jane will gather storage options for the Mississippi Room.
3. Jane will create a list of Closed Days for 2017.

**Adjourn:** A motion to adjourn the meeting at 7:18pm was made by Jim Baran; seconded by Kate Otto.

Next Meeting: Thursday, November 17, 2016 6:30 p.m.

Respectfully Submitted,  
Charity Lubich  
Secretary

## Summary of Proposed 2017 City of Prescott Projects

### Capital Projects

1. Henry, James & Hampshire Streets including repaving of two additional nearby streets. Curb & gutter, water, sewer & storm replacement. Total Project: \$621,020
  - \$299,800 Capital Projects - \$167,552 funded by levy & interest revenue, \$132,248 funded by Capital Reserves
2. \$35,000 - New Police Squad Car, paid for by levy
3. \$30,000 – City Hall Remodel (not done in 2016), paid for by Transfer In from General Fund Reserves
4. \$140,000 – Public Works Garage, paid for from Capital Reserves
5. \$????? – Repairs/Remodel of Police Building
6. \$393,285 City Hall HVAC, lighting retrofit, Project \$250,000 paid by capital reserves, \$143,285 transfer in from general fund
7. \$???? Paving of two alley ways.
8. \$27,735 Police Building Lighting Retrofit transfer from general fund
9. \$19,325 Freedom Park Lighting Retrofit \$10,000 transfer from Freedom Park, \$9,325 transfer from General Fund

### Water

1. \$141,060 Henry, James & Hampshire
2. \$133,000 Fixed Network for Meters
3. \$15,000 PSC Rate Review
4. \$25,000 Pressure Reducing Bypass Station

### Sewer

1. \$103,210 Henry, James & Hampshire
2. \$18,335 Lighting Retrofit at WWTP

### Storm

1. \$79,950 Henry, James & Hampshire

### TIF #3 (Stagecoach, Prescott Marketplace Area)

*2018 End of Expenditures Period, closes 2023*

1. \$72,020 Water-looping Project
2. \$???? Underpass

### TIF #4 (Condos/Downtown/Riverfront)

*2025 End of Expenditures Period, closes 2030*

1. \$???? Riverfront Upgrades
2. \$???? Purchase Property & Demolition

### TIF #5 (Business Park/UNFI/Ptacek's)

*2021 End of Expenditure Period, closes 2026*

1. \$???? New Economic Development Project
2. \$???? Underpass
3. \$???? Sharing of TIF funds for Vista Croix project

### General Fund Considerations

1. \$30,000 Transfer of reserve funds for City Hall remodel
2. \$143,285 Transfer of reserve funds for City Hall HVAC project
3. \$???? Remodel/Upgrades at Police Building
4. \$???? Bullet Proof Glass – City Hall, Court, Police front desk windows
5. TIF #5 is still negative, any projects must be funded via general fund or bond issuance.
6. \$27,735 Police Building Lighting Retrofit
7. \$9,325 Freedom Park lighting retrofit transfer from general fund

### Fire Hall

\$25,554 Lighting Retrofit?? Unclear where funding source is.

# 2017 City of Prescott Proposed Budget

GENERAL FUND	2016		2017		% Change from 2016 Budget	Increase/ (Decrease)
	Budget	Estimated Actual	Proposed Budget	Final Budget		
<b>REVENUES</b>						
Property Taxes	\$1,393,503	\$1,393,503	\$1,385,470	\$1,385,470	-0.58%	\$ (8,033)
Taxes (other than Property)	\$128,800	\$128,540	\$133,800	\$133,800	3.88%	\$ 5,000
Special Assessments	\$27,100	\$27,901	\$39,900	\$39,900	47.23%	\$ 12,800
Intergovernmental Revenue	\$580,540	\$584,719	\$521,118	\$521,118	-10.24%	\$ (59,422)
Reserves Used	\$0	\$0	\$49,155	\$49,155		\$ 49,155
Licenses and Permits	\$27,725	\$27,352	\$27,925	\$27,925	0.72%	\$ 200
Fines and Forfeitures (Court)	\$81,000	\$86,067	\$65,700	\$65,700	7.70%	\$ 4,700
Public Charge for Service	\$295,850	\$299,462	\$302,550	\$302,550	2.26%	\$ 6,700
Miscellaneous Revenues	\$50,794	\$56,841	\$7,657	\$7,657	13.51%	\$ 6,863
<b>TOTAL REVENUES</b>	<b>\$2,565,312</b>	<b>\$2,604,385</b>	<b>\$2,583,275</b>	<b>\$2,583,275</b>	<b>0.70%</b>	<b>\$ 17,963</b>

EXPENDITURES	2016		2017		% Change from 2016 Final Budget	Increase/ (Decrease)
	Budget	Estimated Actual	Proposed Budget	Final Budget		
General Government	\$ 383,653	\$351,531	\$380,019	\$380,019	-0.95%	\$ (9,634)
Municipal Court	\$ 58,979	\$55,900	\$1,025	\$1,025	-13.49%	\$ (7,954)
Public Safety	\$ 1,018,017	\$993,193	\$1,043,597	\$1,043,597	2.51%	\$ 25,580
Public Works	\$ 711,732	\$633,644	\$704,666	\$704,666	-0.99%	\$ (7,066)
Health and Human Services	\$ 8,700	\$8,260	\$8,700	\$8,700	0.00%	\$ -
Culture, Recreation & Education	\$ 87,890	\$92,456	\$92,985	\$92,985	5.80%	\$ 5,095
Conservation & Development	\$ 3,050	\$6,800	\$300	\$300	-90.16%	\$ (2,750)
Contingency Fund	\$ 37,800	\$18,900	\$41,571	\$41,571	9.98%	\$ 3,771
Other Financing Uses	\$ 68,250	\$68,250	\$71,500	\$71,500	4.76%	\$ 3,250
Fire & EMS Services	\$ 187,241	\$190,240	\$188,912	\$188,912	0.89%	\$ 1,671
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,565,312</b>	<b>\$2,419,174</b>	<b>\$2,583,275</b>	<b>\$2,583,275</b>	<b>0.70%</b>	<b>\$ 17,963</b>

ALL FUNDS	BUDGETED REVENUES		EST. FUND BALANCE		EST. FUND BALANCE		2017		% Change	Increase/ Decrease
	2016	2017	12/31/16	12/31/17	2016	2017	Tax	Tax		
GENERAL	\$2,583,275	\$2,583,275	\$3,300,135	\$3,300,135	\$1,393,503	\$1,385,470	\$1,393,503	\$1,385,470	-0.58%	-\$8,033
CAPITAL PROJECTS	\$240,720	\$510,300	\$903,112	\$633,532	\$183,650	\$200,052	\$200,052	\$200,052	8.93%	\$16,402
IMPACT FEES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
FREEDOM PARK	\$23,949	\$23,949	\$18,287	\$18,287	\$29,949	\$29,949	\$29,949	\$29,949	-20.03%	-\$6,000
CABLE TV	\$50,600	\$43,136	\$63,123	\$70,587	\$188,158	\$187,264	\$188,158	\$187,264	-0.48%	-\$894
LIBRARY	\$243,767	\$243,767	\$30,357	\$30,357	\$151,789	\$151,789	\$151,789	\$151,789		\$0
WATER	\$628,180	\$532,125	\$763,831	\$515,789	\$646,867	\$646,867	\$646,867	\$646,867		\$0
SEWER	\$814,550	\$668,508	\$484,035	\$484,035	\$140,807	\$140,807	\$140,807	\$140,807		\$0
STORM WATER	\$119,810	\$80,525	\$173,472	\$173,472	\$452,914	\$452,914	\$452,914	\$452,914		\$0
TIF DISTRICT 3	\$284,321	\$201,205	\$369,798	\$369,798	\$301,665	\$301,665	\$301,665	\$301,665		\$0
TIF DISTRICT 4	\$314,355	\$136,220	(\$328,926)	(\$150,791)	\$643,649	\$643,649	\$643,649	\$643,649		\$0
TIF DISTRICT 5	\$973,858	\$631,874	\$301,665	\$301,665	\$238,478	\$238,478	\$238,478	\$238,478	-0.39%	-\$1,475
DEBT SERVICE	\$393,525	\$393,525	\$238,478	\$238,478	\$379,140	\$379,140	\$379,140	\$379,140		\$0
<b>TOTAL</b>	<b>\$6,670,910</b>	<b>\$6,048,409</b>	<b>\$6,317,367</b>	<b>\$6,540,611</b>	<b>\$2,175,875</b>	<b>\$2,175,875</b>	<b>\$2,175,875</b>	<b>\$2,175,875</b>	<b>0.00%</b>	<b>\$0</b>

**Public Hearing for the 2017 budget will be held at the November 28, 2016 City Council meeting at approximately 6:30 p.m.**

**RESOLUTION 8-16**  
**A Resolution Adopting the 2017 Salary Schedule for City Employees**

**BE IT RESOLVED** by the Common Council of the City of Prescott, Pierce County, Wisconsin that the 2016 Salary Schedule is adopted as follows, and;

**WHEREAS**, these base rates will be effective January 1, 2017:

	<b>Current 2016</b>	<b>Proposed 2017</b>	<b>Changes from 2016</b>
City Administrator	\$81,639	\$83,680	2.5% yearly
Police Chief	\$75,092	\$76,969	2.5% yearly
Public Works Director	\$70,920	\$72,693	2.5% yearly
Finance Director/Treasurer	\$61,908	\$63,456	2.5% yearly
Accounting/ Deputy Clerk	\$21.53	\$22.07	2.5% hourly
Full Time Police Administrative Assistant	\$18.45	\$18.91	2.5% hourly
Court Clerk	\$18.45	\$18.91	2.5% hourly
City Hall Office Assistant	\$14.00	\$14.35	2.5% hourly
Part Time Police Officer (upon completion of FTO)	\$15.91	\$16.31	2.5% hourly
Part Time Officer during Field Training	\$12.10	\$12.40	2.5% hourly
Code Enforcement/Parking Officer	\$15.38	\$15.76	2.5% hourly
Election Inspectors	\$8.34	\$8.55	2.5% hourly
Public Works Full-Time Base	\$25.57	\$26.21	2.5% hourly
Public Works Part-Time	\$20.06	\$20.56	2.5% hourly
Parks Seasonal	\$10.43	\$10.69	2.5% hourly
Lead Mower	\$10.95	\$11.22	2.5% hourly
C.A.P. Seasonal	\$10.61	\$10.88	2.5% hourly
Lifeguard – probation	\$9.02	\$9.25	2.5% hourly
Lifeguard – off probation	\$9.88	\$10.13	2.5% hourly
Head Lifeguard	\$11.13	\$11.41	2.5% hourly
Ice rink attendant – 1 <sup>st</sup> year	\$7.25	\$7.25	Minimum wage
Ice rink attendant – returning	\$7.94	\$8.14	2.5% hourly
Cleaning Personnel (Police)	\$10.60	\$10.87	2.5% hourly
Compost Site Attendant	\$10.00	\$10.25	2.5% hourly

Adopted by the Common Council of the City of Prescott, Wisconsin on this 28th day of November, 2016.

\_\_\_\_\_  
David B. Hovel, Mayor

Attest: \_\_\_\_\_  
Jayne M. Brand, City Administrator

**RESOLUTION 9-16**

**A Resolution Adopting the 2017 City of Prescott General Fund Budget and a Levy for Municipal Purposes, Debt Service and Capital Projects Against All Taxable Real and Personal Property in the City of Prescott for 2016, Collectable in 2017**

**WHEREAS**, the Wisconsin State Statutes provide for the establishment of a Municipal Tax against taxable property within the City; and

**WHEREAS**, the Common Council of the City of Prescott, after due study and deliberation, has established a 2017 General Fund Budget of \$2,583,275;

**NOW THEREFORE BE IT RESOLVED**, that the Common Council of the City of Prescott hereby adopts a Municipal Property Tax base levy for 2016 collectable in 2017 in the amount of \$1,385,470 for General Fund purposes, \$379,140 for Debt Services, \$187,264 for Library Special Revenue Fund purposes, \$23,949 for Freedom Park Special Revenue Fund purposes, and \$200,052 for Capital Project Fund purposes.

Adopted this 28<sup>th</sup> day of November 2016.

\_\_\_\_\_  
David B. Hovel, Mayor

Attest: \_\_\_\_\_  
Jayne M. Brand, City Administrator

**RESOLUTION 10-16**

**A Resolution Adopting the 2017 Salary Schedule for City Public Works Employees**

**BE IT RESOLVED** by the Common Council of the City of Prescott, Pierce County, Wisconsin that the 2017 Salary Schedule is adopted as follows, and;

**WHEREAS**, these rates will be effective January 1, 2017:

<b>Working Foreman</b>	<b>\$1.50 per hour over base wage rate</b>
<b>Mechanic</b>	<b>\$1.00 per hour over base wage rate</b>
<b>Waste Water Treatment Plant Operator</b>	<b>\$ .50 per hour over base wage rate</b>

Adopted by the Common Council of the City of Prescott, Wisconsin on this 28<sup>th</sup> day of November 2016.

\_\_\_\_\_  
David B. Hovel, Mayor

Attest: \_\_\_\_\_  
Jayne M. Brand, City Administrator

**RESOLUTION 11-16**  
**A Resolution Adopting the Special Revenue Fund Budgets for 2017**

**WHEREAS** the Municipal Property Tax Base Levy for 2016, collectible in 2017 includes \$187,264 for Library services and \$23,949 for Freedom Park;

**BE IT RESOLVED** by the Common Council of the City of Prescott, Pierce County, Wisconsin that the following Special Revenue Fund Budgets are hereby adopted for 2017:

Library Special Revenue Fund

Estimated Fund Balance (1/1/17)	\$ 30,357
Projected Revenues	\$ 243,767
Projected Expenses	\$ 243,767
Projected Fund Balance (12/31/17)	\$ 30,357
Projected Tax Levy	\$ 187,264

Freedom Park Special Revenue Fund

Estimated Fund Balance (1/1/17)	\$ 18,287
Projected Revenues	\$ 23,949
Projected Expenses	\$ 23,949
Projected Fund Balance (12/31/17)	\$ 18,287
Projected Tax Levy	\$ 23,949

Cable TV Special Revenue Fund

Estimated Fund Balance (1/1/17)	\$ 81,139
Projected Revenues	\$ 50,600
Projected Expenses	\$ 43,136
Projected Fund Balance (12/31/17)	\$ 88,603
Projected Tax Levy	\$ 0

Adopted by the Common Council of the City of Prescott, Wisconsin on this 28<sup>th</sup> day of November 2016.

\_\_\_\_\_  
David B. Hovel, Mayor

Attest: \_\_\_\_\_  
Jayne M. Brand, City Administrator

**RESOLUTION 12-16**

**A Resolution Adopting the Debt Service Fund Budget for 2017**

**WHEREAS**, the municipal property tax base levy for 2016, collectible in 2017, includes \$379,140 for Debt Service;

**BE IT RESOLVED** by the Common Council of the City of Prescott, Pierce County, Wisconsin;

That the following Debt Service Fund Budget is hereby adopted for 2017:

General Debt Service Fund	
Projected Fund Balance (1/1/17)	\$ 238,478
Projected Revenues	\$ 393,525
Projected Expenses	\$ 393,525
Projected Fund Balance (12/31/17)	\$ 238,478
Projected Tax Levy	\$ 379,140

Adopted by the Common Council of the City of Prescott, Wisconsin on this 28<sup>th</sup> day of November 2016.

\_\_\_\_\_  
David B. Hovel, Mayor

Attest: \_\_\_\_\_  
Jayne M. Brand, City Administrator

**RESOLUTION 13-16**

**A Resolution Adopting the Enterprise Funds Budgets for 2017**

**BE IT RESOLVED** by the Common Council of the City of Prescott, Pierce County, Wisconsin:

That the following Enterprise Funds Budgets are hereby adopted for 2017:

Sewer

Estimated Fund Balance (1/1/17)	\$ 4,347,638
Projected Revenues	\$ 814,550
Projected Expenses	\$ 668,508
Projected Fund Balance (12/31/17)	\$ 4,493,680
Property Tax Levy	\$ 0

Water

Estimated Fund Balance (1/1/17)	\$ 3,477,510
Projected Revenues	\$ 628,180
Projected Expenses	\$ 537,125
Projected Fund Balance (12/31/17)	\$ 3,568,565
Property Tax Levy	\$ 0

Storm Water

Estimated Fund Balance (1/1/17)	\$ 571,910
Projected Revenues	\$ 119,810
Projected Expenses	\$ 80,525
Projected Fund Balance (12/31/17)	\$ 611,195
Property Tax Levy	\$ 0

Adopted by the Common Council of the City of Prescott, Wisconsin on this 28<sup>th</sup> day of November 2016.

\_\_\_\_\_  
David B. Hovel, Mayor

Attest: \_\_\_\_\_  
Jayne M. Brand, City Administrator

AO 440 (Rev. 06/12) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

Western District of Wisconsin

Michael Durham )

)

)

)

)

\_\_\_\_\_  
*Plaintiff(s)*

)

v.

Civil Action No. 16-cv-732

)

Mark Schultz, Jesse Neely, and City of Prescott

)

)

)

)

\_\_\_\_\_  
*Defendant(s)*

)

SUMMONS IN A CIVIL ACTION

To: *(Defendant's name and address)*

City of Prescott  
Office of City Clerk, City Hall  
800 Borner St.  
Prescott, WI 54021

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

John H. Bradley and Rachel E. Bradley  
Strang Bradley, LLC, 10 E. Doty St., Ste. 621, Madison, WI 53703

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date: 11/7/2016

*s/v. Olino, Deputy Clerk*

Signature of Clerk or Deputy Clerk



UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WISCONSIN

---

MICHAEL DURHAM,

*Plaintiff,*

*v.*

MARK SCHULTZ,  
JESSE NEELY, AND  
CITY OF PRESCOTT,

Case No:

*Defendants.*

---

COMPLAINT

---

Plaintiff Michael Durham, by his attorneys, STRANG BRADLEY, LLC, for his complaint against Defendants, states:

**JURISDICTION and VENUE**

1. This action is brought pursuant to 42 U.S.C. § 1983 to redress the deprivation under color of law of Plaintiff's rights as secured by the United States Constitution.
2. This Court has jurisdiction over federal claims pursuant to 28 U.S.C. § 1331 and the state law claims for indemnification pursuant to 28 U.S.C. § 1367.
3. Venue is proper under 28 U.S.C. § 1391(b). Defendant City of Prescott is a municipal corporation located within this judicial district. Additionally, the events giving rise to the claims asserted herein occurred within this judicial district.

**PARTIES**

4. Plaintiff Michael Durham is a resident of the State of Wisconsin and City of Prescott.

5. Defendant City of Prescott is a Wisconsin municipal corporation and is and/or was the employer of the individual police officer Defendants and is required to pay any tort judgment for damages for which its employees are liable for acts within the scope of their employment.

6. Defendants Mark Schultz and Jesse Neely were, at the time of this occurrence, employed as police officers in the Prescott Police Department. Defendants Mark Schultz and Jesse Neely engaged in the conduct complained of while they were on duty and in the course and scope of their employment with the City of Prescott.

7. At all times relevant to this action, Defendants Mark Schultz and Jesse Neely were acting under color of state law, ordinance, and/or regulation. Each of these Defendants is sued in his individual capacity.

**FACTS**

8. On January 26, 2014, at or around 6:30 p.m., a woman called the police and told dispatch she heard "yelling," which she could not understand, and "banging," which shook the wall of her neighbor's residence.

9. As Sergeant Mark Schultz and Officer Jesse Neely of the Prescott Police Department were dispatched to the caller's neighbor's apartment, dispatch informed them there was a "possible domestic incident," and a neighbor had reported hearing "yelling and banging."

10. There was no report to the officers that anyone had been injured, that anyone at the home was in need of medical attention, that anyone needed an ambulance, or that anyone had been hurt in any way whatsoever.

11. Upon arrival at the home, the police did not have any emergency lights on or any sirens on.

12. Upon arrival at the home, the police did not corroborate any details from the report or any details suggesting there was a domestic disturbance. The police heard no yelling, no screaming, no crying, no complaints of pain, no cries for help, and saw no lights on.

13. The police did not attempt to contact the neighbor for further information or call the residence to determine whether anyone was inside.

14. Neely then knocked on the front door and rang the doorbell several times. He announced, "police," but received no answer.

15. Meanwhile, Schultz entered Durham's attached garage through the open overhead door.

16. After walking into Durham's garage, Schultz knocked on the closed interior door, which led inside Durham's home. While inside the garage, Schultz received no answer to his knocking. Schultz did not announce "police."

17. Despite Schultz not hearing any cries for help nor any complaints of pain, Schultz turned the door handle, opened the door, and entered Durham's home.

18. At no point did Schultz or Neely attempt to obtain a search warrant.

19. From the time Schultz arrived at the scene and parked his squad car until the time he opened the interior garage door and entered Durham's home without a warrant, less than two minutes had lapsed.

20. The first thing Schultz did once inside Durham's home was go to the front door and unlock it to let in Neely.

21. Upon each officer entering Durham's home, neither Schultz nor Neely called out to ask if everyone was okay, or if anyone needed help.

22. Although it was dark in the lower level of the residence, neither Schultz nor Neely turned on any lights.

23. Upon entering Durham's home, each officer immediately drew his firearm.

24. According to the officers, they announced, "Prescott police," and shined their weapon-mounted flashlights around the home.

25. Neither officer observed anything to indicate any disturbance. Nevertheless, both officers proceeded farther into the home toward the stairs with their weapons drawn.

26. At this point, Durham descended the stairs in the dark and found two men in the stairwell of his home, with their guns pointed at him and their gun-mounted lights shining on him.

27. According to Schultz, upon seeing Durham, Schultz said "show me your hands, police," several times.

28. Durham stopped at a landing in the middle of the stairs about 7-8 steps from the officers, but did not show his hands to the officers.

29. Durham did not call the police, nor did he know that the neighbor had called the police.

30. Durham did not hear anyone knocking on the door or ringing the doorbell, nor did he hear or see sirens indicating police were present.

31. Durham never heard the persons in his home announce themselves as police officers.

32. Schultz ultimately shot Durham with his Taser.

33. After being shot in the dark on the stairs in his home, Durham threw down his coat and ran back upstairs to flee the intruders.

34. Schultz and Neely then chased Durham up the stairs, tackled him to the ground, and shot him with a Taser again.

35. The electrical pulse from the second Taser caused Durham to lose control of his bowels and soil himself.

36. Durham was handcuffed and taken into custody by Defendants Schultz and Neely, and taken to the police station, where he was held without proper medical attention.

37. Defendants Schultz and Neely entered Plaintiff's home without a warrant, without any consent to enter or search his home, and without any other exception or permissible legal reason to enter his home.

38. Durham was subsequently charged with Disorderly Conduct and Resisting an Officer. He retained an attorney to defend himself, and was subsequently tried and convicted of both charges.

39. Durham retained an appellate attorney and appealed the judgement convicting him of Resisting an Officer.

40. On appeal, the Wisconsin Court of Appeals reversed the judgement of conviction, holding that the circuit court erred and should have granted Durham's motion to suppress all evidence obtained as a result of the warrantless and unconstitutional entry into Durham's house.

41. As a direct and proximate result of the acts of Defendants Schultz and Neely, as detailed above, Plaintiff has suffered, *inter alia*, bodily injury, pain, suffering, mental distress, fear, anguish, humiliation, loss of liberty, and has incurred expenses, including, but not limited to, those set forth above.

**COUNT I:**

**42 U.S.C. § 1983 Claim for Excessive Force / Failure to Intervene**

42. Plaintiff realleges paragraphs 1 through 41.

43. The intentional actions of Defendants Schultz and Neely in Tasing Plaintiff twice and tackling him, using excessive, unjustifiable and unnecessary force against Plaintiff and/or intentionally failing to prevent said abuse, despite having the opportunity and duty to do so, violated Plaintiff's Fourth Amendment right to be free from unreasonable arrest and seizure, and his right to due process under the Fourteenth Amendment to the United States Constitution, and thus violated 42 U.S.C. § 1983.

44. The aforementioned actions of Defendants Schultz and Neely were the direct and proximate cause of the constitutional violations set forth above and of

Plaintiff's injuries, mental suffering, anguish, fear, humiliation, loss of personal freedom, and expenses, as set forth more fully above.

WHEREFORE, pursuant to 42 U.S.C. § 1983, Plaintiff demands actual or compensatory damage against Defendants Schultz and Neely, and because they acted maliciously, wantonly, or oppressively, punitive damages, plus the costs of this action, attorneys' fees, and such other and further relief that the Court deems just and equitable.

**COUNT II:**

**42 U.S.C § 1983 Claim for False Arrest and Detention**

45. Plaintiff realleges paragraphs 1 through 41.

46. The actions of Defendants Schultz and Neely in falsely arresting and/or detaining Plaintiff, without probable cause, violated his Fourth Amendment right to be free from unreasonable search and seizure, and thus violated 42. U.S.C. § 1983.

47. The actions of Defendants Schultz and Neely were the direct and proximate cause of the violations of Plaintiff's Fourth Amendment rights, injuries, mental suffering, anguish, fear, humiliation, loss of personal freedom, and expenses, as set forth more fully above.

WHEREFORE, pursuant to 42 U.S.C. § 1983, Plaintiff demands actual or compensatory damages against Defendants Schultz and Neely, and because they acted maliciously, wantonly, or oppressively, punitive damages, plus the costs of this action, attorneys' fees, and such other and further relief that the Court deems just and equitable.

**COUNT III:**

**42 U.S.C. § 1983 Claim for Unlawful Entry**

48. Plaintiff realleges paragraphs 1 through 41.

49. The actions of Defendants Schultz and Neely in entering Plaintiff's home and searching it without a warrant, and without any other permissible lawful reason to do so, violated Plaintiff's Fourth Amendment right to be free from unreasonable search and seizure, and thus violated 42. U.S.C. § 1983.

50. The actions of Defendants Schultz and Neely were the direct and proximate cause of the violations of Plaintiff's Fourth Amendment Rights, injuries, mental suffering, anguish, fear, humiliation, loss of personal freedom, and expenses, as set forth more fully above.

WHEREFORE, pursuant to 42 U.S.C. § 1983, Plaintiff demands actual or compensatory damages against Defendants Schultz and Neely and because they acted maliciously, wantonly, or oppressively, punitive damages, plus the costs of this action, attorneys' fees, and such other and further relief that the Court deems just and equitable.

**COUNT IV:**

**Indemnification Claim Against City of Prescott**

51. Plaintiff realleges paragraphs 1 through 41.

52. Wisconsin law, WIS. STAT. § 895.46 requires public entities to pay any tort judgement for damages for which employees are liable, for acts within the scope of their employment.

53. At all times relevant to this action, Defendants Schultz and Neely committed the acts alleged above in the scope of their employment with the City of Prescott.

WHEREFORE, Plaintiff asks this Court to find that the City of Prescott is liable to defend this action against Defendants Schultz and Neely, and to satisfy any judgment entered against them, by virtue of WIS. STAT. § 895.46.

**CONDITIONS PRECEDENT**

54. All conditions precedent to this action, within the meaning of FED. R. CIV. PRO. 9(c), have been performed or have otherwise occurred.

**JURY DEMAND**

55. Plaintiff hereby demands a trial by jury, pursuant to FED. R. CIV. PRO. 38(b), on all issues so triable.

Respectfully submitted,

Dated: November 7, 2016

\_\_\_\_\_  
/s  
John H. Bradley  
Wisconsin Bar No: 1053124  
Rachel E. Bradley  
Wisconsin Bar No: 1091378  
Strang Bradley, LLC  
10 E. Doty St., Ste. 621  
Madison, WI 53703  
Phone: (608) 535-1550  
Fax: (608) 406-2602  
[John@StrangBradley.com](mailto:John@StrangBradley.com)

Attorneys for Plaintiff

## Jayne Brand

---

**From:** Jayne Brand  
**Sent:** Friday, November 04, 2016 11:45 AM  
**To:** Bill Dravis; Rob Daugherty; Maureen Otwell; Maureen Otwell (mcotwell@gmail.com)  
**Cc:** Gary Krutke; David Hovel; patrick@ptaceksiga.com  
**Subject:** Ptacek's Old Building  
**Attachments:** liquor license information for Ptacek Confluence.docx

License Committee Members,

As some of you know Ptaceks are opening up the old store as an event center. We have been trying to work with the Ptaceks to purchase a license from Clifton Township as state statues allow since we do not have any Class "B" liquor licenses available. It appears that Clifton does not want to sell us a license. Pat Ptacek has been doing some digging regarding what a "full service restaurant " really is. The document I have attached is a number is portions of state statues, information from the League of Wisconsin Municipalities manual on Municipal licensing and regulation of alcohol beverages and an email from Todd Dolan, City of Prescott Building inspector.

The first section is from Wisconsin State Statutes Chapter 125 – when I looked at this section and it talks about allowing an exception to the Class B liquor licenses I did not feel the "Confluence Event Center" was a full service restaurant but a banquet room. For these reasons I did not feel it qualified for an exception.

The next section called Statutory quota exceptions comes from the League of Wisconsin Municipalities. The article talks more about "full-service restaurant" and tells what section of state statue has a definitions for restaurants which is in Wisconsin State Statues 97.01 (14g) and 254.61 (5) which follows the article from the League on the attachment.

I checked with our building inspector on the capacity for the building and he sent me an email the capacity is 400 also on the attachment.

The last person who I checked with was Michelle Williams from Pierce County Public Health. This is the email response I received for her regarding the licensing of the event center as a full service restaurant

Jayne,  
Yes, if they have maintained the basics (ex: handwashing sinks, hot box, cooler, etc) needed to use the facility as a 'staging area' for their catered events, I could issue them a food permit at this location. The permit would require a pre-inspection & fee, an annual permit fee and an annual inspection at the facility.

~Michele

Michele,

Would this food permit be considered a full service restaurant ?

Thanks,

*Jayne M. Brand*

Yes .

~Michele

I emailed her back to be clear it would be considered a full service restaurant and above was her response.

I went to the event center and there is still a small commercial kitchen.

With all of this being said I believe that the Confluence Event Center would qualify for an exception to the "Class B" liquor license. I want to make sure all of you on the license committee agree. I believe all the bases have been covered and are defensible if any questions would arise.

Please let me know as soon as possible so if you have any questions so Pat Ptacek can move forward with applying for the license.

Thanks,

*Jayne M. Brand  
City Administrator  
800 Borner St.  
Prescott, WI 54021  
715-262-5544  
715-262-5764 fax*

v) Notwithstanding par. (am), if a municipality has granted or issued a number of licenses equal to or exceeding its quota, the municipal governing body may issue a license for any of the following:

1. A full-service restaurant that has an interior, permanent seating capacity of 300 or more persons.
2. A hotel that has 50 or more rooms of sleeping accommodations and that has either an attached restaurant with a seating capacity of 150 or more persons or a banquet room in which banquets attended by 400 or more persons may be held.
3. An opera house or theater for the performing arts operated by a nonprofit organization, as defined in s. 134.695 (1) (am). Notwithstanding sub. (3) (a) and (b), a "Class B" license issued under this subdivision authorizes the retail sale of intoxicating liquor only for consumption on the premises where sold and only in connection with ticketed performances.
4. A full-service restaurant that has a seating capacity of 75 to 100 persons on November 26, 2009; is located in a commercial building; prepares, serves, and sells food to the public; has a separate dining area with permanent fixtures where table service is provided a minimum of 4 nights per week for a minimum of 6 months per year; generates more than 50 percent of total annual sales revenue from food sales; and is located on a golf course in a municipality, in Bayfield County, having a population of at least 400 but not more than 500. For purposes of this subdivision, "golf course" does not include a miniature golf course. No "Class B" license may be issued under this subdivision after March 1, 2010. If a "Class B" license issued under this subdivision is surrendered to the issuing municipality, not renewed, or revoked, the municipality may not reissue the license.

### Statutory quota exceptions

If a municipality has granted or issued a number of "Class B" liquor licenses equal to its quota, the municipal governing body may nevertheless issue a regular "Class B" liquor license to the following three types of businesses: A full-service restaurant that has a seating capacity of 300 or more persons; a hotel that has 50 or more rooms of sleeping accommodations and that has either an attached restaurant with a seating capacity of 150 or more persons or a banquet room in which banquets attended by 400 or more persons may be held; or an opera house or theater for the performing arts operated by a nonprofit organization, as defined in sec. 134.695(1)(am). Sec. 125.51(4)(v).

[NOTE: These exceptions to the quota on "Class B" licenses apply only if the municipality has no regular or reserve "Class B" licenses available.]

- 
- a. 300 seat full-service restaurant: The term "full-service restaurant" is not defined in ch. 125 or anywhere else in the statutes. However, "restaurant" as that term is used in ch. 125, is defined broadly as "any building, room or place where meals are prepared or served or sold to transients or the general public, and all places used in connection with it..."Secs.125.02(18) &254.61(5). The term "restaurant" does not include taverns that serve free lunches consisting of popcorn, cheese, crackers, pretzels, cold sausage, cured fish or bread and butter. It also does not include the serving of food or beverage through a licensed vending machine. Thus, one possible interpretation of the first exemption is that it applies to any establishment where meals are prepared or served or sold to transients or the general public and which has a seating capacity of 300 or more persons.

There are no standards set forth in the statutes to guide a municipality attempting to determine whether a restaurant meets the minimum 300 seat capacity requirement. Each municipality must judge whether a particular restaurant meets the 300 seat quota exception. Therefore, municipalities may want to adopt standards for calculating the number of seats in a restaurant applying for the 300 seat quota exception. For example, a restaurant may be able to seat 300 persons during warm weather months, when it's possible to serve persons in outdoor seating areas, but not during cold weather months, when only indoor seating areas are available. Some municipal governing bodies, when faced with this situation, may conclude that such a restaurant meets the 300 seat capacity. Other municipal governing bodies may conclude that the restaurant does not qualify for the exemption. Both conclusions are valid and defensible.

- b. Fees for "Class **B**" licenses issued to exempt facilities: Each municipal governing body may establish the annual fee and an initial issuance fee for "Class **B**" licenses issued under the restaurant and hotel quota exception. Wis. Stat. sec. 125.51(3)(e)3. The initial issuance fee may be different from the annual fee charged to renew such a license.

3.18) "Restaurant" means a restaurant, as defined in s. 97.01 (14g).

4. Effective date note NOTE: Sub. (18) is shown as amended eff. 7-1-16 by 2015 Wis. Act

55. Prior to 7-1-16 it reads:

5. Effective date text (18)?"Restaurant" means a restaurant, as defined in s. 254.61

**6. Wisconsin State Statute 97.01 (14g) & 254.61 (5) – Both read exactly the same**

(14g) “Restaurant” means any building, room or place at which the predominant activity is the preparation, service, or sale of meals to transients or the general public, including all places used in connection with it and including any public or private school lunchroom for which food service is provided by contract. “Meals” does not include soft drinks, ice cream, milk, milk drinks, ices and confections. “Restaurant” does not include:

(a) Taverns that serve free lunches consisting of popcorn, cheese, crackers, pretzels, cold sausage, cured fish or bread and butter.

(b) Churches, religious, fraternal, youths’ or patriotic organizations, service clubs and civic organizations which occasionally prepare, serve or sell meals to transients or the general public.

(c) Any public or private school lunchroom for which food service is directly provided by the school, or a private individual selling foods from a movable or temporary stand at public farm sales.

(d) Any bed and breakfast establishment that serves breakfasts only to its lodgers.

(e) The serving of food or beverage through a licensed vending machine.

(f) Any college campus, as defined in s. 36.05 (6m), institution as defined in s. 36.51 (1) (b) or technical college that serves meals only to the students enrolled in the college campus, institution or school or to authorized elderly persons under s. 36.51 or 38.36.

(g) A concession stand at a locally sponsored sporting event, such as a little league game.

(h) A potluck event.

**Email from Todd Dolan – Building Inspector**

Yes it's 400 maximum

Todd Dolan  
All Croix Inspections Corp  
[www.allcroix.com](http://www.allcroix.com)

Sent from iPhone

On Nov 4, 2016, at 7:52 AM, Jayne Brand <[jbrand@prescottcity.org](mailto:jbrand@prescottcity.org)> wrote:

Todd,

One more question on Ptacek's old building. Do you know if they have a seating capacity quota?

Thanks,

*Jayne M. Brand*

456-0001625732-03

# ORIGINAL ALCOHOL BEVERAGE RETAIL LICENSE APPLICATION

Submit to municipal clerk.

For the license period beginning June 30 2017 ;  
ending June 30 2017 ;

TO THE GOVERNING BODY of the:  Town of } Plymouth  
 Village of }  
 City of }

County of Duane Aldermanic Dist. No. \_\_\_\_\_ (if required by ordinance)

1. The named  INDIVIDUAL  PARTNERSHIP  LIMITED LIABILITY COMPANY  
 CORPORATION/NONPROFIT ORGANIZATION  
hereby makes application for the alcohol beverage license(s) checked above.

2. Name (Individual/partners give last name, first, middle; corporations/limited liability companies give registered name): Place's IGA LLC

Applicant's WI Seller's Permit No.: FEIN Number: <u>51-0490322</u>	
LICENSE REQUESTED	
TYPE	FEE
<input type="checkbox"/> Class A beer	\$
<input checked="" type="checkbox"/> Class B beer	\$ <u>100.00</u>
<input type="checkbox"/> Class C wine	\$
<input type="checkbox"/> Class A liquor	\$
<input type="checkbox"/> Class A liquor (cider only)	\$ N/A
<input checked="" type="checkbox"/> Class B liquor	\$
<input type="checkbox"/> Reserve Class B liquor	\$
<input type="checkbox"/> Class B (wine only) winery	\$
Publication fee	\$
<b>TOTAL FEE</b>	\$

An "Auxiliary Questionnaire," Form AT-103, must be completed and attached to this application by each individual applicant, by each member of a partnership, and by each officer, director and agent of a corporation or nonprofit organization, and by each member/manager and agent of a limited liability company. List the name, title, and place of residence of each person.

Title	Name	Home Address	Post Office & Zip Code
President/Member	<u>Owner</u>	<u>Patrick Plack</u>	<u>W10365 505th Ave 54021</u>
Vice President/Member			
Secretary/Member			
Treasurer/Member			
Agent			

Directors/Managers

3. Trade Name The Old Place's Business Phone Number 651-335-3811

4. Address of Premises 1449 Orion Rd Post Office & Zip Code 54021

- 5. Is individual, partners or agent of corporation/limited liability company subject to completion of the responsible beverage server training course for this license period?  Yes  No
- 6. Is the applicant an employe or agent of, or acting on behalf of anyone except the named applicant?  Yes  No
- 7. Does any other alcohol beverage retail licensee or wholesale permittee have any interest in or control of this business?  Yes  No
- 8. (a) Corporate/limited liability company applicants only: Insert state WI and date 1970 of registration.
- (b) Is applicant corporation/limited liability company a subsidiary of any other corporation or limited liability company?  Yes  No
- (c) Does the corporation, or any officer, director, stockholder or agent or limited liability company, or any member/manager or agent hold any interest in any other alcohol beverage license or permit in Wisconsin?  Yes  No

(NOTE: All applicants explain fully on reverse side of this form every YES answer in sections 5, 6, 7 and 8 above.)

9. Premises description: Describe building or buildings where alcohol beverages are to be sold and stored. The applicant must include all rooms including living quarters, if used, for the sales, service, consumption, and/or storage of alcohol beverages and records. (Alcohol beverages may be sold and stored only on the premises described.) Interior of 1449 Orion Rd including front & back parking lot

10. Legal description (omit if street address is given above):

11. (a) Was this premises licensed for the sale of liquor or beer during the past license year?  Yes  No  
(b) If yes, under what name was license issued?

12. Does the applicant understand they must file a Special Occupational Tax return (TTB form 5630.5d) before beginning business? [phone 1-800-937-8864]  Yes  No

13. Does the applicant understand they must hold a Wisconsin Seller's Permit? [phone (608) 266-2776]  Yes  No

14. Does the applicant understand that they must purchase alcohol beverages only from Wisconsin wholesalers, breweries and brewpubs?  Yes  No

**READ CAREFULLY BEFORE SIGNING:** Under penalty provided by law, the applicant states that each of the above questions has been truthfully answered to the best of the knowledge of the signers. Signers agree to operate this business according to law and that the rights and responsibilities conferred by the license(s), if granted, will not be assigned to another. (Individual applicants and each member of a partnership applicant must sign; corporate officer(s), members/managers of Limited Liability Companies must sign.) Any lack of access to any portion of a licensed premises during inspection will be deemed a refusal to permit inspection. Such refusal is a misdemeanor and grounds for revocation of this license.

SUBSCRIBED AND SWORN TO BEFORE ME  
this 10th day of November, 2016

Jayne M. Brand  
(Clerk/Notary Public)

My commission expires 3/13/2020

[Signature]  
(Officer of Corporation/Member/Manager of Limited Liability Company/Partner/Individual)

(Officer of Corporation/Member/Manager of Limited Liability Company/Partner)

(Additional Partner(s)/Member/Manager of Limited Liability Company if Any)

### TO BE COMPLETED BY CLERK

Date received and filed with municipal clerk	Date reported to council/board	Date provisional license issued	Signature of Clerk / Deputy Clerk
Date license granted	Date license issued	License number issued	

# AUXILIARY QUESTIONNAIRE ALCOHOL BEVERAGE LICENSE APPLICATION

Submit to municipal clerk.

Individual's Full Name (please print) (last name)		(first name)		(middle name)	
Ptacek		Patrick		Michael	
Home Address (street/route)		Post Office	City	State	Zip Code
W10365 521st Ave		Preseott	Preseott	WI	54021
Home Phone Number		Age	Date of Birth	Place of Birth	
715-262-4732		39	9-1-77	Hastings	

The above named individual provides the following information as a person who is (check one):

- Applying for an alcohol beverage license as an **individual**.
- A member of a **partnership** which is making application for an alcohol beverage license.
- officer of Placers Food Inc  
(Officer/Director/Member/Manager/Agent) (Name of Corporation, Limited Liability Company or Nonprofit Organization)
- which is making application for an alcohol beverage license.

The above named individual provides the following information to the licensing authority:

- How long have you continuously resided in Wisconsin prior to this date? 1975
- Have you ever been convicted of any offenses (other than traffic unrelated to alcohol beverages) for violation of any federal laws, any Wisconsin laws, any laws of any other states or ordinances of any county or municipality?  Yes  No  
 If yes, give law or ordinance violated, trial court, trial date and penalty imposed, and/or date, description and status of charges pending. (If more room is needed, continue on reverse side of this form.)  
PUI, August 2014.
- Are charges for any offenses presently pending against you (other than traffic unrelated to alcohol beverages) for violation of any federal laws, any Wisconsin laws, any laws of other states or ordinances of any county or municipality?  Yes  No  
 If yes, describe status of charges pending.
- Do you hold, are you making application for or are you an officer, director or agent of a corporation/nonprofit organization or member/manager/agent of a limited liability company holding or applying for any other alcohol beverage license or permit?  Yes  No  
 If yes, identify. Placers Food Inc, 1005 Eagle Ridge Drive, Preseott, WI 54021  
(Name, Location and Type of License/Permit)
- Do you hold and/or are you an officer, director, stockholder, agent or employe of any person or corporation or member/manager/agent of a limited liability company holding or applying for a wholesale beer permit, brewery/winery permit or wholesale liquor, manufacturer or rectifier permit in the State of Wisconsin?  Yes  No  
 If yes, identify.  
(Name of Wholesale Licensee or Permittee) (Address By City and County)

6. Named individual must list in chronological order last two employers.

Employer's Name	Employer's Address	Employed From	To
Placers IGA	1005 Eagle Ridge Drive	1977	Present
Employer's Name	Employer's Address	Employed From	To

The undersigned, being first duly sworn on oath, deposes and says that he/she is the person named in the foregoing application; that the applicant has read and made a complete answer to each question, and that the answers in each instance are true and correct. The undersigned further understands that any license issued contrary to Chapter 125 of the Wisconsin Statutes shall be void, and under penalty of state law, the applicant may be prosecuted for submitting false statements and affidavits in connection with this application.

Subscribed and sworn to before me

this 10th day of November, 20 16

Jayne M. Brand  
(Clerk/Notary Public)

My commission expires 3/13/2020

[Signature]  
(Signature of Named Individual)



**SCHEDULE FOR APPOINTMENT OF AGENT BY CORPORATION/NONPROFIT ORGANIZATION OR LIMITED LIABILITY COMPANY**

Submit to municipal clerk.

All corporations/organizations or limited liability companies applying for a license to sell fermented malt beverages and/or intoxicating liquor must appoint an agent. The following questions must be answered by the agent. The appointment must be signed by the officer(s) of the corporation/organization or members/managers of a limited liability company and the recommendation made by the proper local official.

To the governing body of:  Town  Village  City of Prescott County of Pierce

The undersigned duly authorized officer(s)/members/managers of Placets Food Inc  
(registered name of corporation/organization or limited liability company)

a corporation/organization or limited liability company making application for an alcohol beverage license for a premises known as The Old Placets  
(trade name)

located at 1449 Orrin Rd, Prescott, WI 54021

appoints Patrick Placek  
(name of appointed agent)

W10365 521st Ave, Prescott, WI 54021  
(home address of appointed agent)

to act for the corporation/organization/limited liability company with full authority and control of the premises and of all business relative to alcohol beverages conducted therein. Is applicant agent presently acting in that capacity or requesting approval for any corporation/organization/limited liability company having or applying for a beer and/or liquor license for any other location in Wisconsin?

Yes  No If so, indicate the corporate name(s)/limited liability company(ies) and municipality(ies).

Is applicant agent subject to completion of the responsible beverage server training course?  Yes  No

How long immediately prior to making this application has the applicant agent resided continuously in Wisconsin? 13 yrs

Place of residence last year W10365 521st Ave, Prescott WI

For: Placets Food Inc  
(name of corporation/organization/limited liability company)

By: [Signature]  
(signature of Officer/Member/Manager)

And: \_\_\_\_\_  
(signature of Officer/Member/Manager)

**ACCEPTANCE BY AGENT**

I, Patrick Placek, hereby accept this appointment as agent for the  
(print/type agent's name)

corporation/organization/limited liability company and assume full responsibility for the conduct of all business relative to alcohol beverages conducted on the premises for the corporation/organization/limited liability company.

[Signature] 11-10-16 Agent's age 39  
(signature of agent) (date)  
W10365 521st Ave, Prescott, WI 54021 Date of birth 9-1-77  
(home address of agent)

**APPROVAL OF AGENT BY MUNICIPAL AUTHORITY  
(Clerk cannot sign on behalf of Municipal Official)**

I hereby certify that I have checked municipal and state criminal records. To the best of my knowledge, with the available information, the character, record and reputation are satisfactory and I have no objection to the agent appointed.

Approved on \_\_\_\_\_ by \_\_\_\_\_ Title \_\_\_\_\_  
(date) (signature of proper local official) (town chair, village president, police chief)

RESOLUTION NO. 14-16  
A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF PRESCOTT ACCEPTING INTO THE CITY STREET SYSTEM  
PINE STREET CONSTRUCTED PURSUANT TO THE DEVELOPMENT  
AGREEMENT WITH THE SCHOOL DISTRICT OF PRESCOTT

---

WHEREAS, the School District of Prescott has constructed, installed and completed the following street in accordance with the Development Agreement and in compliance with the improvement plans and all applicable City Standards:

<u>STREET NAME</u>	<u>FROM</u>	<u>TO</u>	<u>FEET</u>
Pine Street	Dexter Street	Easterly dead end	580 FEET

SECTION 1. That the City Council of the City of Prescott does hereby find and determine the above designated street, of approximately 580 feet in total length, has been constructed, installed and completed by School District of Prescott.

SECTION 2. Pine Street identified hereof is hereby accepted into the street system of the City of Prescott, and the City shall then assume responsibility for its future maintenance and repair.

SECTION 4. The City Clerk shall certify to the passage and adoption of this Resolution.

PASSED AND ADOPTED by the City Council of the City of Prescott, this 28<sup>th</sup> day of November 2016 on the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
David B. Hovel, Mayor

ATTEST:

\_\_\_\_\_  
Jayne M. Brand City Clerk/Administrator

10/28/2016

City of Prescott  
800 Borner Street N  
Prescott, WI 54021

Dear Municipal Administrator,

As you know, Animal Humane Society partners with local cities to improve the lives and welfare of animals as well as the impact they have on people in our community. We look forward to continuing our partnership with you in 2017.

While we have had no significant internal policy or practice changes that will affect this relationship, we want to remind our Wisconsin partners that the stray holding period in the state has changed. It is now 4 days if the animal has a live release (adopted, returned to owner) and 7 days if euthanized. These time frames have been updated in our contract.

Two copies of your 2017 contract are enclosed. We anticipate no other changes that will impact our municipal contracts, so the language in the new agreement is consistent with the one you signed for 2017 with the exception of Wisconsin holding days. Our holding fees – which have been static for several years – will increase slightly to \$142 per animal for cats and dogs and \$43 per animal for other domestic animals.

If you have any questions, please feel free to contact me at the email or phone number below. We have simplified the process this year by already signing our part of the contract. Please sign both copies of the contract and return one of them to the Woodbury address below.

We appreciate your partnership as we seek to serve both the people and animals of our communities.

Sincerely,

Graham Brayshaw, DVM  
Director of Animal Services, Animal Humane Society  
[gbrayshaw@animalhumanesociety.org](mailto:gbrayshaw@animalhumanesociety.org)  
(763) 489-2224

Animal Humane Society  
c/o Dawn Mathews, Site Manager  
9785 Hudson Rd.  
Woodbury, MN 55125

**Animal Humane Society  
and  
City of Prescott, WI**

**Letter of Understanding for Impound Housing Services  
2017**

1. Animal Humane Society (AHS) agrees to provide the following services:
  - a. Housing for stray or abandoned animals that are retrieved or legally seized by your municipality's community service officer (CSO) or animal control officer (ACO), or for stray animals that are brought into the shelter by a citizen and verbal permission is given by your agency via phone for intake. Housing includes kennel space, daily cleaning, food and water.
  - b. Herd management vaccination following our standard vaccination protocols, as well as medically necessary and/or emergency care for sick or injured animals impounded during regular business hours.
  - c. Euthanasia services as deemed necessary by an AHS veterinarian. These services may be provided at the end of the legally required holding period or in the case of a medical situation that requires immediate euthanasia.
  - d. Adoption services as deemed appropriate by AHS veterinary staff. The animals will be evaluated for these services at the end of the legally required holding period.
  - e. Euthanasia services and body disposal as deemed appropriate by AHS veterinary staff. The animals will be evaluated for these services at the end of the legally required holding period.
  - f. Provide animal rabies quarantine or diagnostic service for stray felines or canines that have bitten a person.
  - g. Hold animal for the legally required stray holding period: 5 days in MN, 4 Days in WI if a live release, 7 days in WI if euthanized or until reclaimed by owner within this holding period.
  - h. AHS will follow internal policy and best practice for unclaimed animals. **The City of Prescott** may request and view AHS policies at any time.
  
2. AHS expectations:
  - a. AHS is not responsible for sick or injured animals that are left after hours. Outside treatment must be sought for these animals by the animal control officer or community service officer prior to leaving the animals at the AHS facility when veterinary staff members are not on duty.
  - b. AHS has the sole authority to disposition all animals that have not been reclaimed upon the expiration of the legally designated holding period.

- c. AHS will not accept feral cats seized under municipal authority by your municipality's CSO or ACO.

3. **The City of Prescott** agrees to:

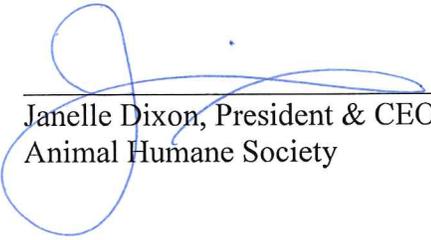
- a. Adhere to the drop off procedure set forth by AHS including animal housing at the shelter and paperwork. Drop off procedures and paperwork training for community service or animal control officers will be provided.
- b. Adhere to state laws and local ordinances that apply to the handling of stray or abandoned animals and the seizure and return of animals to their owners.
- c. Direct citizens where to take stray animals when not receiving permission for impoundment at AHS.
- d. Seek care for injured or sick animals prior to drop off in the event that it is after hours and/or AHS veterinary staff is not on duty.
- e. Pay the designated fees for each animal cared for from your municipality. AHS will charge a standard stray holding fee of \$142 per canine or feline and a \$43 fee per "other" domestic animals (rabbits, guinea pigs, birds etc.) not reclaimed by its owner. AHS will charge a \$10 administrative/processing fee to the municipality for each animal reclaimed by its owner in place of the stray holding fee. In these instances AHS will charge the owner reclaim fees. Fees for animals seized by the municipality (such as rabies quarantine) may vary due to the differing nature of their holding periods and services required.
- f. Adhere to AHS policy and best practice for unclaimed animals. **The City of Prescott** may request and view AHS policies at any time.
- g. Adhere to building access rules and ensure that the service access door is closed and locked after use in an after hours drop off.
- h. Ensure that the municipality's CSO/ACO uses his/her discretion in the field as to whether or not to impound an animal. AHS is not responsible for those decisions.
- i. Be available to members of your community to resolve their concerns related to the actions of your ACO/CSO officers and your municipality's procedures, policies and requirements.
- j. Release AHS from all liability of claims resulting from or related to providing impound housing services. **The City of Prescott** accepts responsibility for the CSO/ACO while in the course of impounding animals at AHS.

4. Administration

- a. AHS will bill the municipality at the end of each quarter on a fiscal calendar year. Billing will be mailed in the first month following the end of the quarter. Payment is expected within 30 days of receipt of billing.
- b. AHS will assign a contact person who should be contacted in the event of any problems, concerns or to receive feedback regarding the program.
- c. Any billing disputes must be raised within 10 days of receipt of billing.

*This agreement is based on a one year commitment, which is renewed annually from the date your administrator signs the agreement below.* The agreement can be ended at anytime by either party with a 30 day notice.

This agreement is entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 2017 by

  
\_\_\_\_\_  
Janelle Dixon, President & CEO  
Animal Humane Society

\_\_\_\_\_  
Signed on behalf of Municipal Authority

\_\_\_\_\_  
Printed Name and Title

# FOCUS

10.26.2016 • No. 21

## AFR gives info, insights into state taxes, spending, and fiscal health

Wisconsin's "Annual Fiscal Report," which summarizes state finances for the prior year, comes out in mid-October. The 2016 edition shows tax collections grew 3.8% in FY16, although their growth has generally slowed since 2010. Wisconsin devoted \$15.32 billion to general fund programs last year, with over half of that going, not to the state, but to local governments.

Every October, state finances are recapped in a report uninvitingly titled, "State of Wisconsin Annual Fiscal Report (Budgetary Basis)." Though largely ignored by press and public, the AFR is an important source of information about taxes and spending. Read closely, it also offers insight into tax policy, state priorities, and Wisconsin's economic and fiscal health.

### Taxes: Data, insights

■ *Numbers.* The latest AFR shows state general fund tax collections in fiscal year 2015-16 (FY16) totalled \$15.10 billion (b), up 3.8% from FY15. Individual income taxes rose 5.7% to \$7.74b and accounted for over half (51.3%) of collections. See table above.

Only two other taxes—sales and corporate income—accounted for more than 5% of collections. The sales tax (33.5% of the total) brought in \$5.07b, 3.6% more than last year. Corporate income taxes (6.4%) totaled \$963.0 million (m), 4.2% less than in FY15.

■ *Insights?* Wisconsin's relatively heavy use of the income tax reflects the priority state leaders have traditionally given to a "progressive" tax system based on ability-to-pay.

At the same time, reliance on income and sales taxes, which rise and fall with income or purchases, leaves state programs vulnerable to economic cycles. Recent trends confirm that vulnerability. General fund taxes increased 3.8% last year but final revenues were actually

State General Fund Tax Collections  
FY 16 vs. FY 15 (\$ in millions)

Tax	2014-15 (FY 15)	2015-16 (FY 16)	Pct. Chg.	Pct. Tot.
Indiv. Inc.	7,325.8	7,740.8	5.7	51.3
Sales/Use	4,892.1	5,065.8	3.6	33.5
Corp. Inc.	1,004.9	963.0	-4.2	6.4
Excise	699.1	708.5	1.3	4.7
Other	619.3	619.4	0.0	4.1
Total	14,541.2	15,097.5	3.8	100.0

\$144m below initial budget estimates. Other than 2014 (with its major income tax cut), 2016 had the smallest rate of increase since 2010. Tax collections in the first quarter of 2017 show growth slowing further to 1.4%.

### Spending categories, surprises

State general fund spending was \$15.32b in FY16, about the same as the previous year. However, when that total is examined by category and relative size, several surprises emerge.

■ *Three categories.* The AFR categorizes expenditures as local assistance, aids to individuals, or state/university operations. The first of the three—primarily aids to various local governments, and especially schools—totalled \$7.81b, or 51.0% of all spending.

The second category, aids to individuals, was also the second largest at \$3.96b, or 25.8% of the total. Over two-thirds of that (68.2%) was for Medical Assistance. Also known as Medicaid or MA, this is health care for low-income individuals. The third spending category was for operating expenses. These are divided between

state agencies (\$2.56b, 16.7%) and the UW System (\$993.5m, 6.5%).

■ *Largest programs.* A second way to view state expenses is by major program. In FY16, \$12.89b (84.1%) of the total went to the 10 largest programs.

Four programs—school aids, MA, corrections, and the UW—accounted for about two-thirds (65.8%) of expenditures. Add three more programs—state property tax credits, shared revenues for municipalities and counties, and state support for technical colleges—and seven programs claimed 80.5% of general fund dollars.

■ *Insights?* Behind these numbers are some surprise findings. First, Wisconsin's general fund budget is not really a state budget, since over half of it funds local government. Second, state taxes do not primarily pay for "bureaucracy"; only one in six dollars (16.7%) goes to operate state agencies.

Third, spending figures make state priorities clear. School aids (34.1%), the UW (6.5%), and technical colleges (3.4%) combine to claim 44 cents of every tax dollar, making education the top priority. Health and social welfare are also valued, since MA, income-sustaining tax credits, community/family aids, and supplemental security income account for 21.3% of spending.

■ *The big surprise.* The most significant development in the past decade, however, is the growth of Medicaid. This year offers a hint: Spending overall

(-0.1%) and on every other major program rose minimally or declined. Yet, Medicaid costs climbed 7.2%. From last year to this, MA spending increased \$181m, while other state spending fell \$192m.

For years, Medicaid has been slowly crowding out spending increases in other general fund programs. Between 2011 and 2016, total state expenditures averaged 2.4% annual growth, rising from \$13.38b to \$15.32b. During that same period, MA averaged growth of 13.2% per year as it climbed from \$1.45b to \$2.70b. Put another way, Medicaid represented 10.7% of general fund spending in 2011. Over the next five years, that percentage

reached 17.6%, as MA claimed 71.5% of all new spending. A similar pattern exists for the past 10 years, as well.

### Bottom line

The 2016 fiscal report also contains several schedules that permit some observations on state fiscal health. On paper, the news is good. The general fund balance, or surplus, grew from \$135.6m in FY15 to \$313.8m this past year.

What the AFR does not do, however, is explain why the ending balance rose by \$178.2m. The largest share of the increase (about \$100m) is due to a

repeatedly-used state budget trick that generates short-term cash by extending the cost of debt that was about to expire. An additional \$9.7m was produced by canceling most state-employee pay increases budgeted for 2016. Finally, \$91.3m was carried over from 2015 to cover existing budget commitments; in other words, some or all of this money may have been earmarked and is not available should an emergency arise.

Regardless, \$313.8m equals about 2% of annual spending. Though this would pay state bills for about a week, budget experts consider it inadequate protection should tax revenues slow further. □



## Wisconsin Taxpayers Alliance

401 North Lawn Avenue • Madison, WI 53704-5033  
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## Don't forget!

### It's time for SchoolFacts16.

*SchoolFacts16*, our annual reference book full of facts about the state's 424 school districts. Compare student counts, spending and revenues, compensation, test scores, and more. Contact information above.



12166 Focus #21 7/31/2017

CITY OF PRESCOTT  
800 BORNER ST N  
PRESCOTT WI 54021-2011

5402182011 0002



## Capital Notes

■ Jennifer Malcore is Wisconsin's new Assistant Deputy Secretary of Health Services. Malcore was most recently chief of staff to Rep. John Nygren (R-Marinette), co-chair of the Joint Finance Committee, with whom she worked on efforts to combat opioid abuse. She succeeds Bill Hanna, who is taking a job outside state service.

■ Unlike Wisconsin, a number of other states can adopt legislation by citizen initiative and referendum. As

usual, some of the questions on state election ballots around the country this year are controversial or unexpected.

California, Massachusetts, Maine, and Nevada are considering legalizing marijuana and then imposing stiff taxes on it. Voters in three California cities and Boulder, Colorado, decide whether to impose an excise tax on sugar-sweetened beverages, while voters in California, Colorado, Missouri, and North Dakota consider cigarette

tax increases ranging from 23 cents to \$2 per pack. Top tax-rate increases for high-income earners are on ballots in California, Colorado, and Maine, while Cleveland asks voters to hike its city income tax rate for all filers from 2% to 2.5%.

■ Wisconsin lost almost 400 dairy farms last year, according to the latest U.S. agricultural statistics. The number has been declining for decades, as farmers retire without a successor.

## City-village fiscal facts for municipal budget time

Since the mid-90s, municipalities have faced declining state aid and tightening state-imposed levy limits. As a result, recent property tax increases have generally been under 2% per year. Figures for the 2010-14 period show that per capita operational spending in cities and villages has been growing less than 1% per year. Police and fire protection remain priorities, however.

With year-end property tax bills approaching, municipalities are approving 2017 budgets. Taxpayers can better understand these annual spending plans if they are familiar with recent history and fiscal trends.

### State actions, local effects

Relevant history begins in the 90s:

- In 1994, the state legislature approved a billion-dollar buy-down of school property taxes. One consequence was a shift in priorities that froze and later cut state shared revenues to municipalities, typically one of two major sources of city and village income.

- The property tax—usually the leading type of municipal revenue—has also been affected by state actions. In 2006, state officials restricted annual growth in municipal levies to 2%, plus an allowance for new construction.

- Then, in 2011, the state imposed a form of levy freeze: The only tax increases allowed were those for new construction or approved by referendum. That same year, Act 10 restricted public sector collective bargaining, offering local governments some relief from fringe benefit costs. However, police and fire personnel retained bargaining rights.

### Tax and aid trends

State control over both local levies and shared revenue

has meant that, on the income side of municipal budgets, there has been little or no change in the past five or six years.

Annual growth in municipal property taxes has moved within a narrow range of 1.3% to 2.1%. The chart (A) below summarizes average changes over the past five years for typical Wisconsin cities and villages—the 245 with between 2,000 and 150,000 people.

Over a similar period (2010-14), the amount of state taxes shared with these communities as aid has been eroding. On a per capita basis, shared revenues averaged about \$136 per capita in 2010 and 2011, dropped 6.7% to under \$127 in 2012 when Wisconsin faced a multi-billion deficit, and remained at that level in two subsequent years (see chart B). Local levies and shared revenue account for about 60% of city-village revenue.

### Spending slows with revenues

The municipal revenue slowdown is reflected in spending trends. WISTAX's annual factbook, *MunicipalFacts16*, distills information from municipal

reports submitted to the state to track per capita expenditures in two ways.

- **Operating spending.** The first is a broad measure and includes all spending categories, other than debt service and capital items (e.g., buildings). As chart C (over) reveals, spending for operations increased a total of 3.7% over the five years shown from \$826 per capita in 2010 to \$856 in 2014 (the year released most recently). In average terms, operating spending grew 0.9% per year.

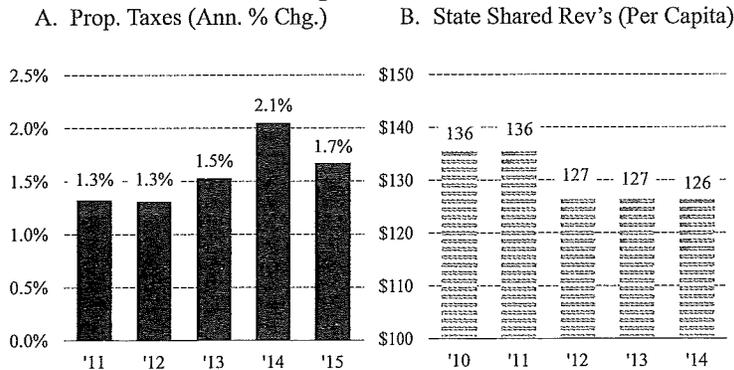
- **"Basic" spending.** A second way to monitor city-village expenditures is by focusing on core, or "basic," services: police, fire/ambulance, street maintenance, and general government. Together, these account for about two-thirds of a typical city-village budget.

Spending in these four areas combined rose 3.3% from \$549 per capita in 2010 to \$567 in 2014, or an average of 0.8% annually. This increase was less than for overall operating expenditures (3.6%); see chart C, again.

- **Three priorities.** Public safety is the top priority of municipalities. Policing alone accounts for 27% of operating expenses, with fire and ambulance services second at over 16%.

Police spending rose 3.0% from \$222 to \$228 per capita during the 2010-14 period. Fire and ambulance spending increased slightly more (3.8%) from \$135 to \$140 per person.

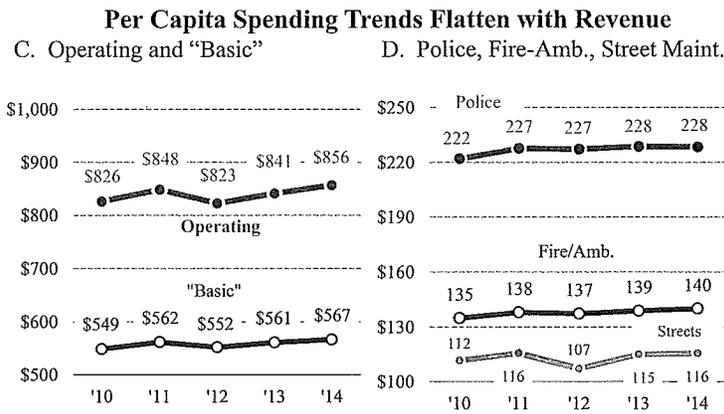
**The Municipal Revenue Slowdown**



Street maintenance, which represented 13% of operational spending, was more volatile. It was \$112 per capita in 2010, dropped as low \$107 in 2012, but recovered to \$116 by 2014.

The slow, steady growth of public safety spending by comparison suggests that municipalities placed a higher priority on police and fire, while deferring street maintenance at times.

A closer look at annual changes in the three leading expenditures examined here shows that all averaged annual growth under 1% (chart D, above right).



**Local vs. state spending?**

At the outset, the state's role in the municipal spending slowdown was outlined: Property tax increases were lim-

ited, and shared revenues were frozen or cut. As a result, total municipal operating expenses for the entire 2010-14 period grew 3.7%.

How did state government manage its own general fund expenditures during these same years? In total, they rose 14.4% from \$12.82 billion (b) to \$14.67b—and then increased another 5.7% in 2015. A more relevant comparison might be state spending during 2010-14 that excludes local aids; that rose 29.9% from 5.58b to 7.25b. □



**Wisconsin Taxpayers Alliance**

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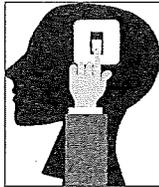
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**Remember!**

**MunicipalFacts and SchoolFacts can be yours!**

The state's one-stop sources for financial data on municipalities and school districts can be ordered using contact information above.



12166 Focus #22 7/31/2017

**CITY OF PRESCOTT**  
800 BORNER ST N  
PRESCOTT WI 54021-2011

54021\$2011 0002



**Capital Notes**

■ Governor Scott Walker (R) will have a new top legislative liaison when Heather Smith becomes Deputy Chief of Staff. Smith, who worked on Walker's presidential campaign last year, is a former chief of staff to Joint Finance Committee Co-Chair Sen. Alberta Darling (R-River Hills). Smith succeeds Cindy Polzin, who had been with Walker since 2011. Polzin has been named administrator of the Division of Lottery in the state Department of Revenue.

■ The governor also appointed Milwaukee County Circuit Court Judge Timothy G. Dugan to the District 1 Court of Appeals. Dugan, a graduate of Marquette Law School, will succeed Appeals Judge Patricia S. Curley, who is retiring in December. Dugan has been a Milwaukee County judge since 1992.

■ In other court news, Randy Koschnick, a Jefferson County circuit court judge, has been named the new director of state courts, effective Aug.

1, 2017. He replaces current interim director J. Denis Moran.

■ The state Department of Natural Resources (DNR) has dropped 565 positions in the past 20 years, the Legislative Fiscal Bureau reports. The agency had a high of 3,114 positions in 1995 compared to 2,549 this year. Since Gov. Walker took office in 2011, the DNR has reduced 196 positions; prior Gov. Jim Doyle (D) cut 256 agency positions. (AP)



## Getting to the Heart of School Finance

### Understanding Wisconsin's Thorniest Issue

*School districts in Wisconsin are funded largely with a combination of state aid and local property taxes. The mix of these two revenue sources depends on district property wealth and student characteristics. School property taxes are indirectly controlled by the state through the revenue limit law. In 2015, 70% of school spending was for employee salaries and benefits.*

**K**-12 education is Wisconsin's leading public service. The state's 422 K-12 school districts educate more than 850,000 children each year.

Moreover, state residents devote larger shares of their local and state tax dollars to schools than to any other program. In 2015-16, they paid \$4.9 billion, or 46% of their local property taxes to school districts. And, the state spent \$5.2 billion of income and sales taxes on various forms of school aid.

Not only is Wisconsin's tax commitment to schools significant, the way these monies are distributed among schools is complicated. With so much money at stake, a basic understanding of how schools are

funded and where they spend their money is essential.

#### **SOURCES OF REVENUE**

Wisconsin schools are funded with a combination of local, state, and federal taxes. The amount of each is determined largely by student and district characteristics, and district property wealth.

#### **Local Revenues**

School revenues generated locally are mostly property taxes. Only about 3% of district revenues come from student fees, ticket sales, etc. The primary local revenue source—property taxes—comprises 43% of total statewide school revenues (see Figure 1, page 2). In 2015-16 (2016), school taxes accounted for

\$4.9 billion of the total \$10.6 billion property tax levy.

#### **State Revenues**

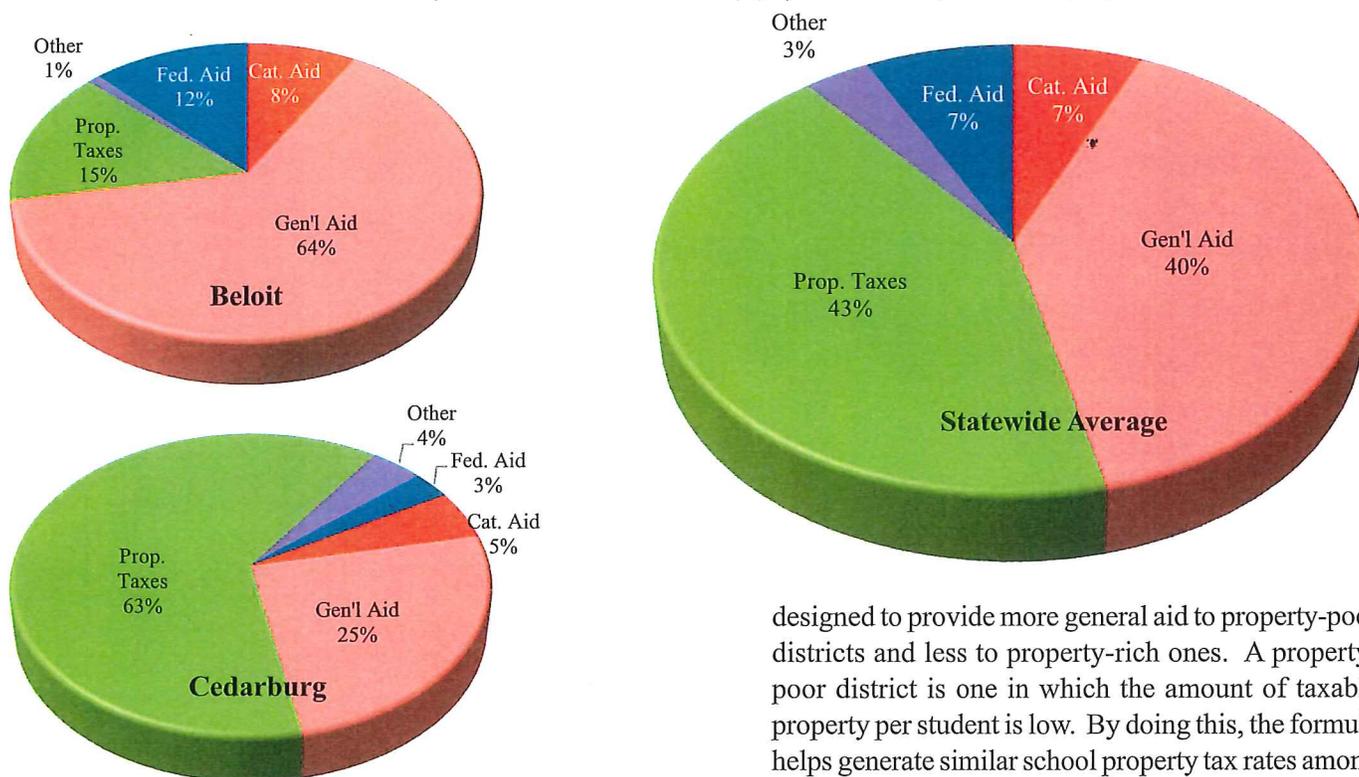
The other major source of revenue is state aid, which averages 40% of all district revenue and comes in two forms. General (or equalization) aids can be used for any educational purpose and are the largest of the two. The state sent school districts \$4.5 billion in general aids last year.

Categorical aids, the other type of state support, totalled \$752 million, or 7% of all school revenues in

#### **Also in this issue:**

State Tax Collections Slow • Aging and the Economy • Net Migration Improves

**Figure 1: How Are Wisconsin Schools Funded?**  
Pct. of Total By Revenue Source, Statewide (right) and Two Sample Districts (left), 2014-15



designed to provide more general aid to property-poor districts and less to property-rich ones. A property-poor district is one in which the amount of taxable property per student is low. By doing this, the formula helps generate similar school property tax rates among districts with about the same per student spending.

2016. Distributed based on student or district characteristics, they typically must be spent in specific areas, such as special education or transportation.

A relatively new categorical, created in the 2011-13 state budget, is per pupil aid. Unlike most other categorical aids, these dollars are like general aids in that they can be spent for any educational purpose.

### Federal Revenues

Federal aid to Wisconsin schools comprises 7% of statewide revenues but smaller percentages in most districts. Federal programs help fund, among others: special education; high-poverty schools; teacher training; English as a second language programs; and Native American students. Milwaukee is a leading recipient of federal money.

### Revenues Vary by District

While statewide averages are instructive, they mask large variations at the local level. The reasons are twofold. First, state general aid rises as property values decline. Second, categorical aids vary based on student characteristics.

*Property Values and General Aid.* The state equalization formula (which determines general aids) is

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The stateline Beloit and suburban Cedarburg districts, each with about \$10,400 of “aidable” costs per pupil, illustrate how the general aid formula works. In 2015, “property-rich” Cedarburg had \$725,000 per student in property value and received less than \$3,000 per student (\$8.7 million total) in general aids. By contrast, “property-poor” Beloit had only \$163,000 of taxable property per student and received \$8,540 per student (\$63.6 million total) in general school aid.

On a per student basis, Beloit’s property values were 77% less than Cedarburg’s, which largely explains why it received 189% more state aid. As a result, general aids were 64% of school revenues in Beloit, but just 25% in Cedarburg (see Figure 1, page 2, left).

Under Wisconsin’s approach to school finance, nearly all spending not funded by state or federal aid is paid for with local property taxes. Since state categorical and federal aids are generally a small share of school revenues, districts receiving little general aid must rely more on property taxes than those receiving more. In the prior example, property taxes were 63% of Cedarburg’s total revenues, but only 15% of Beloit’s.

*Student Characteristics and Aid.* Other than property value, student and district characteristics are a second factor affecting the school revenue mix. Districts with high levels of poverty, more disabled students, or above average transportation costs receive more state categorical and federal aids than other districts. Compared to Cedarburg, Beloit has higher percentages of disabled students and students in poverty, so categorical aids (8% vs. 5%) and federal aid (12% vs. 3%) account for larger shares of revenue there.

## Revenue Trends

Figure 1 provides a snapshot of school revenues. However, school finance in Wisconsin is ever-changing, making it is useful to review how these revenues have shifted over time.

*General Aids Fall, Rebound.* Probably the biggest shift in school funding has been the fluctuations in general aids, which increased every year until 2010. With a large state budget deficit, general aids were reduced \$147 million in 2010 to \$4.65 billion. That put them below the \$4.72 billion doled out in 2007 (see Figure 2).

General aids were again cut in 2012, this time by \$391 million. Statewide, districts absorbed nearly all of the cuts by reducing benefit costs through 2011 Act 10.

Since 2012, general aids have grown most years, albeit slowly. During 2012-16, they rose 5.0%, or an average of 1.2% per year, to \$4.48 billion.

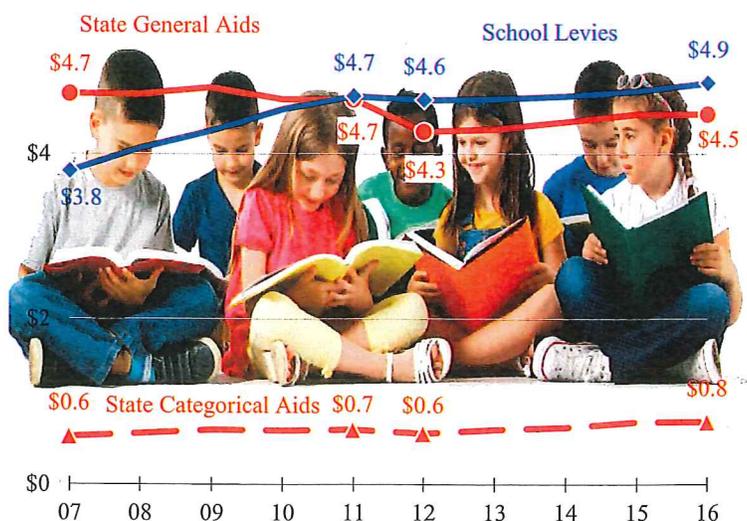
*New Aids Drive Categorical Growth.* Though much smaller than general aids, categorical aids increased faster than general aids during 2007-16. While the latter were lower in 2016 than in 2007, categorical aids rose 31.5% during this period (dashed line in Figure 2). However, not all districts benefitted equally from these gains.

Most of the increase was from creation of new aid programs, such as high-cost special education, high-cost transportation, sparsity aid, and per pupil aid. With the exception of the per pupil payment, these aids are distributed only to qualifying districts. Districts ineligible for the new programs often saw little change in their categorical aids.

For example, consider four of the largest categorical programs: general transportation, SAGE (small class sizes), library aid, and special education (excluding “high cost” special education). Combined, they accounted for 84% of categorical aid in 2009. Since then, the first three have all been cut, while special education (the largest appropriation) has remained unchanged.

*School Levies Rise, Flatten.* With general school aids relatively flat and then declining during 2007-11, school property taxes rose 23.9%, or an average of 5.5% per year. The increase is not surprising because, as shown on page four, state-imposed revenue limits tie school levies to changes in general aids. When aids remain unchanged or are cut, taxes tend to rise.

**Figure 2: School Funding Shifts From State to Local**  
Trends in State School Aids and School Levies, 2007-16



Since 2011, state law has greatly restricted revenue limit increases, resulting in modest school levy growth. During 2011-16, levies rose just 3.4%, or an average of 0.8% annually.

### STATE CONTROL: REVENUE LIMITS

The basic building blocks of school funding—property taxes, state aid, and federal funds—are fairly understandable; it is how they fit together that often confuses. Since 1994, school levies have been linked to general school aids through state revenue limits. If aid rises, school levies are apt to fall, and vice-versa. Thus, while lawmakers directly control state aids, the revenue limit law allows them to indirectly control local levies as well.

#### Background

Facing public outcry over rapidly-rising property taxes during the late 1980s and early 1990s—school levies were climbing an average of 9% per year—Wisconsin lawmakers created revenue limits to slow levy growth. Implemented in 1994, the law indirectly limits school property tax growth by capping increases in the combination of school levies and state general aids.

By providing two ways to control school property taxes, revenue limits gave state lawmakers near total control over school revenues, other than those from Washington. First, in each biennial state budget, lawmakers determine the amount by which the limits will increase each year. In general, small allowable increases in limits mean smaller school levy increases.

Second, lawmakers determine changes in aid. Because growth in the sum of aids and levies is capped, large increases in general aid mean school districts can levy fewer property taxes to “fill” their revenue limits.

A simple example helps. Suppose the total revenue limit is \$200, comprised of \$100 in state aids

and \$100 in property taxes. Lawmakers want to keep school levy increases below 2% (\$2 increase on a \$100 levy).

One way to accomplish this is to allow the limits to rise \$4 (or 2% on the \$200 total) to \$204 while simultaneously adding \$2 to state aids. With aids now at \$102, schools raise their levies \$2 (or 2% of their current \$100) to fill the \$204 revenue limit, and lawmakers accomplish their goal.

However, suppose the state budget is tight and lawmakers leave aids unchanged at \$100. Now, if the limits rise \$4, the entire increase is funded with property taxes, which climb 4% (\$4/\$100). Instead, to meet their 2% levy-increase goal, lawmakers allow a smaller \$2 bump in revenue limits. With aids unchanged, the entire increase is funded with property taxes, and school levies rise 2% (\$2/\$100).

To reiterate: Lawmakers can control school levies (1) by changing general aid or (2) by changing allowable increases in revenue limits (or both).

#### Allowable Increase History

The revenue-limit law originally allowed for inflationary increases. In 1994, districts were allowed to add to their per student revenue limit \$190. For the average district, this amounted to an inflationary 3.4% increase (see Figure 3). By 2009, the allowable increase was \$275 per student, but that was only 2.9% for the average district.

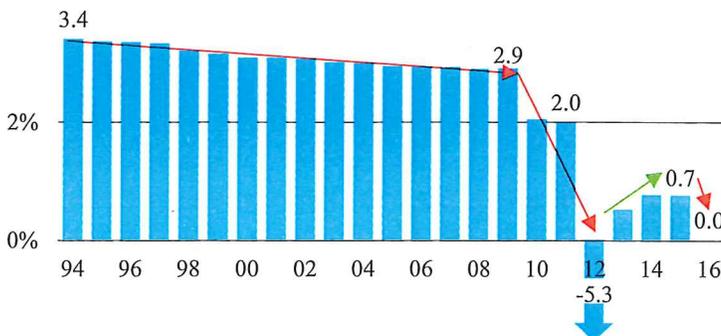
The interplay between allowable increases, state aid, and school taxes became more clear beginning in 2010. Faced with an impending deficit in the 2009-11 state budget, the governor and legislature cut 2010 school aids. Had they continued to allow inflationary increases in revenue limits, school levies would have increased 8% or more. To lessen this tax bump, lawmakers reduced allowable increases in both 2010 and 2011 to \$200 per student. Rather than a 3% revenue cap increase, districts were allowed just 2%, and the rise in school levies was limited to 6%.

The large revenue limit cut in 2012 was softened by savings from Act 10. In subsequent years, increases have been less than 1% for the average district. In both 2016 and 2017, districts are allowed no statutory increase in their limits.

#### LOCAL CONTROL: REFERENDA

While the state determines, at least indirectly, nearly all non-federal school revenues, some local

**Figure 3: Lawmakers Restrict Growth in Revenue Limits**  
Allowable Increases as Pct. of Average Revenue Limit, 1994-2016



control remains through referenda. If district officials want to exceed state-imposed limits, they can seek voter approval by referendum.

Among 424 school districts in 2015-16, 324 had gone to referendum at least once to exceed the limits; of those, 244 have approved at least one referendum.

### BECOMING MORE EQUAL?

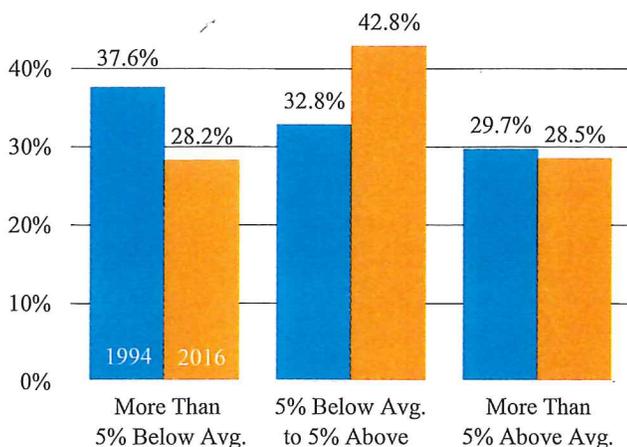
A district's current revenue limit is always tied to its prior year's limit; adjustments are made for state-allowed increases, changing enrollment, and local referenda. Since limits in 2016 are tied to those in 2015, 2015 to 2014, and so forth, current revenue limits are ultimately based on the original 1994 limits.

Districts that were frugal then—and spent less per student—often have below-average limits today. On the other hand, high-spending in 1994 continue to have more money to spend per pupil.

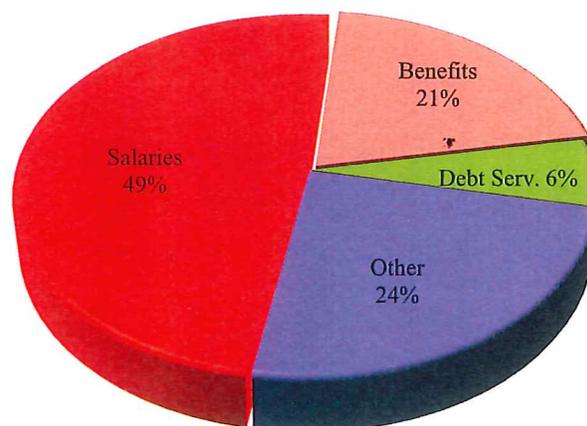
The gap between the highest and lowest spending districts has narrowed. In 1994, revenue caps per student were at least 5% below the state average in nearly two-fifths of districts (left blue bar in Figure 4). In fact, about one in five had limits more than 10% below average. At the other end of the spectrum, per student caps were more than 5% above average in almost 30% of districts (right blue bar in Figure 4).

Today, the share of districts with limits within 5% of the state average has grown significantly, from 32.8% in 1994 to 42.8% in 2016. Much of that shift has come from “below;” the share of districts with limits more than 5% below average dropped from 37.6% to 28.2%. In other words, revenue limits have pushed per pupil spending across districts closer together compared to the 1990s.

**Figure 4: Revenue Limits Becoming More Equal**  
Limits Relative to State Avg., Pct. of Districts Above, Below, 1994 and 2016



**Figure 5: Most School Spending is Employee Comp.**  
Spending Shares by Compensation, Other, 2015



### SCHOOL SPENDING

Regardless of the source of their revenue, school district spending is more alike than different.

#### Education is Labor Intensive

By far, the largest district expense is compensation for employees. In 2015, compensation for all employees—teachers, administrators, aides, maintenance workers, and so on—accounted for 70% of spending. Almost half of all spending was on salaries (see Figure 5), while 21% was for benefits (mostly pension, social security, and health insurance). Compensation (salaries and benefits) specifically for teachers and their classroom aides comprised about half (49%) of all school spending.

Most districts have some debt to repay. They borrow to build new schools, replace inefficient heating and air conditioning systems, or redo roofs, among others. Debt costs averaged 6% of district spending.

Compensation and debt aside, the remaining quarter of school spending was for educational materials, utilities, contracted services, and other district costs.

*Act 10 Impacts.* Generally, how spending breaks out does not shift much over time. However, 2011 Act 10 reduced the amount school districts spend on employee benefits. Prior to 2011, benefit costs were driven largely by union contracts, the state's mediation/arbitration law, and a part of the revenue-limit law that limited changes to benefits. Act 10 required school employees to pay half of their pension costs, and eliminated benefits as a subject of collective bargaining. This made it easier for districts to “shop” and potentially change health insurance providers, and to increase employee co-pays and premium sharing.

The impact of this change is apparent when 2011 spending figures (before Act 10) are compared with those in 2015. In 2011, compensation averaged 74% of school spending, compared to 70% now. Employee benefits were 26% of costs then, 21% now.

### Spending by Area

A second way to examine expenditures is by category. These spending categories are closely aligned with those districts use to report their finances to the state. In 2015, districts statewide spent nearly \$11 billion.

*Instruction.* Of that, instruction claims the majority of the money that is spent. In 2014-15, 57% of school spending was for instruction. This includes salaries and benefits for teachers and their aides, textbooks, equipment (such as microscopes for science classes or tools for shop classes), and other materials needed in the classroom.

Compensation for teachers and aides accounted for 85% of instructional spending.

*Building and Grounds.* School districts also need to maintain school buildings, athletic fields, and parking lots, among others. In 2015, facility expenditures accounted for 10% of all spending and were the second largest spending category.

*Administration.* The cost of school district administration includes salaries and benefits for administra-

tors, but also compensation for their assistants and other office costs. In 2015, 7% of school expenditures went towards administration.

*Capital Costs.* As mentioned, debt service was 6% of school spending in 2015. These costs represent annual payments on borrowing for large capital projects. Rather than borrow, some districts set aside money annually for major capital items, and then use the accumulated funds when needed.

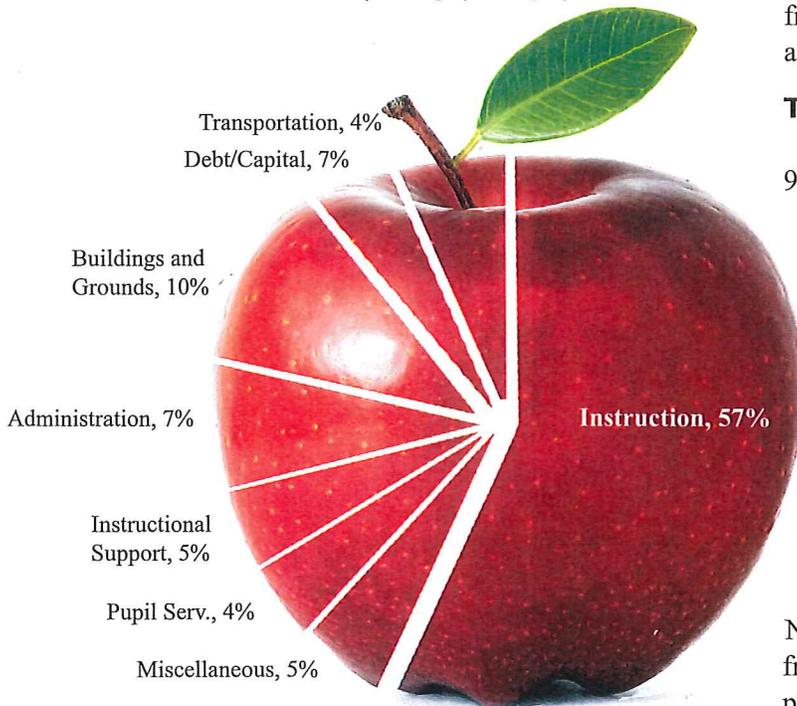
Combined, these two kinds of spending on large capital items accounted for 7% of 2015 spending, a share that varies widely by district. Some districts are debt free, while others may have relatively large debt obligations due to recent building projects.

*Instructional Support.* Another 5% of school spending was for instructional support. About 40% of this is for staff training, curriculum development, and instructional improvement. Another 40% is for library services, with the remaining 20% for supervision and coordination of athletics, special education, vocational education, and other smaller programs.

*Pupil Services.* Pupil services include guidance counselors, nurses, and professionals with expertise in speech, audiology, and other physical disabilities. This area accounted for 4% of school spending in 2015.

*Transportation.* Districts bus students to and from school and also transport them to and from co-curricular activities. These costs vary widely depending on the size of the district and distances to and from co-curricular events. On average, transportation accounted for 4% of district spending in 2015.

**Figure 6:**  
**Less Than 60% of School Spending is Instruction**  
School District Spending by Category, 2014-15



### Trends

Since state aids and property taxes comprise 90% of school revenues, and revenue limits (again, the combination of state general aid and property taxes) have been tightened in recent years, growth in school spending per student has slowed.

During 2006-11, per student spending in Wisconsin rose an average of 3.5% per year, from \$10,642 to \$12,660 (see Figure 7, page 7). In two of those years, spending per student rose 4% or more.

The 2012 cut in revenue limits (see page 4) forced school districts to reduce spending. It dropped 6.2% that year and another 0.1% in 2013. Not all districts were able to generate benefit savings from 2011 Act 10 immediately as some school employees were still covered by union contracts. Most

of these districts reduced spending in 2013.

In 2013 and 2014, school spending rose 1.1% and 2.2%, respectively. However, statewide spending remains below the 2011 peak.

### National Comparisons

Wisconsin has traditionally spent more than the average state on K-12 education. In 2000, spending per student here was nearly 13% above the U.S. average (see Figure 8) and 10th highest among the states. In each of the next five years, spending here was at least 11% above average.

However, during 2005-08, per student spending nationally rose 17.9% (an average of 5.6% per year), but just 9.6% here (3.1% annual average). By 2008, Wisconsin spent 4.1% more than the average.

Other states responded to the 2007-09 recession differently than Wisconsin. Elsewhere, spending cuts occurred during and just after the downturn. Wisconsin used federal stimulus dollars to supplement school aids, so spending continued to rise. By 2011, Wisconsin was spending 11.5% more than the U.S. average.

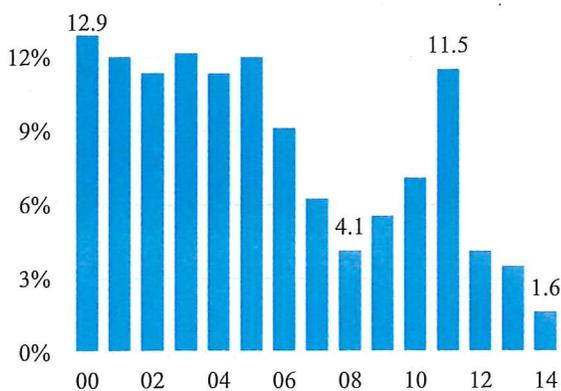
The 2012 revenue limit cut combined with subsequent tightening of revenue limits have pushed Wisconsin spending closer to the national average. In 2014, the state was just 1.4% above average.

Much of the move toward the national norm was due to reduced benefit costs. In 2011, benefits costs in Wisconsin were 52% above the U.S. average; they had been as high as 61% above average in prior years. With 2011 Act 10, these costs fell to 23% above average in 2012 and to 12% above average by 2014.

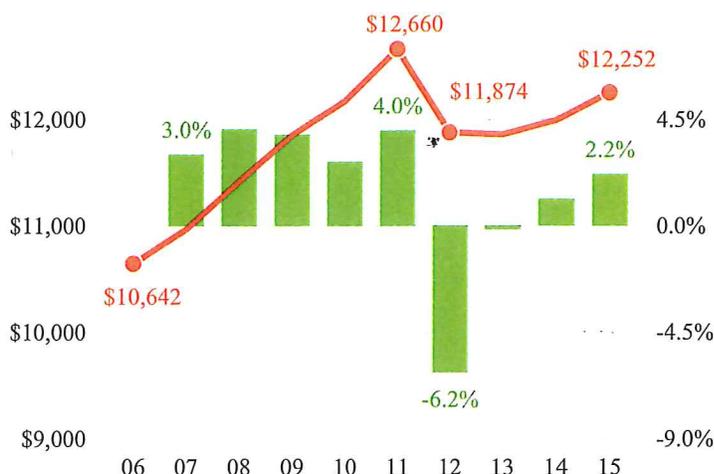
### NEW LAWS COMPLICATE FINANCE

At least two recent changes in school funding have complicated—some say unnecessarily—school

**Figure 8: Per Student Spending Here Nears U.S. Avg.**  
Wisc. Spending, Pct. Above U.S. Average, 2000-14



**Figure 7: School Spending Rises, Falls**  
Spending Per Student and Pct. Change, 2006-15



finance in Wisconsin.

First, as previously discussed, lawmakers added a per pupil categorical aid that, like general aids, can be spent on any educational purpose. Unlike general aid, however, this per pupil money is outside revenue limits. Now, discussion of revenue limits needs to include reference to this aid program, adding another layer of possible confusion for the average resident.

More recently, the state expanded its private school choice program. The expansion was originally funded with a separate state appropriation. However, the 2015-17 state budget shifted the funding to the general aid appropriation. Moreover, districts count, for both revenue limit and state general aid purposes, Choice students attending private schools.

What was once a straightforward question—how much is state general aid rising—is now more complicated. For example, the state appropriated \$4.493 billion in general aid in 2016 and \$4.600 billion in 2017. Prior to 2016, the answer to the above question would be: general aids increased \$107 million. However, to pay for private school choice, the state is deducting \$25.5 million from state aid to districts with these students. Thus, public schools do not receive the full \$107 million increase, but only \$81.5 million of the increase. If the private school choice programs grows, discussion of school finance will only become more difficult. □

### DATA SOURCES:

U.S. Census Bureau; Wisconsin Legislative Fiscal Bureau; Wisconsin Department of Public Instruction.



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**WISTAX NOTES**

■ **State Tax Collections Slow.** Wisconsin general fund tax collections rose 3.8% in fiscal 2016 (July 1, 2015-June 30, 2016), from \$14.5 billion to \$15.1 billion (see chart). The increase was less than the 4.3% growth in fiscal 2015, and collections were \$110 million less than the amount budgeted last June.

Among major state taxes, those on individual income rose the most (5.7%). Individual income taxes comprise 51% of general fund taxes. The state's second largest tax, the sales tax, rose 3.5%. After rising for six consecutive years, volatile corporate income taxes dropped 4.2% last year.

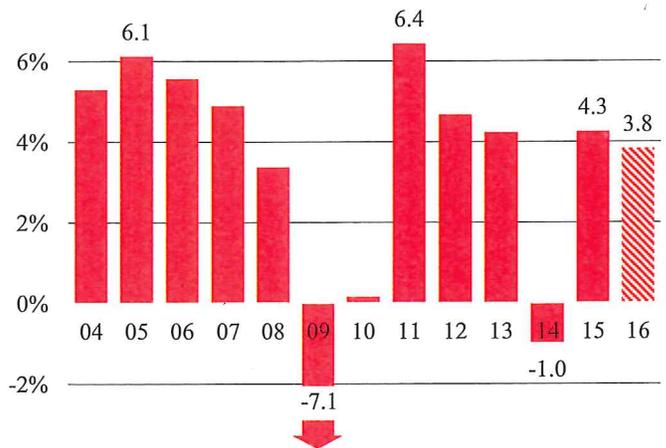
For the first three months of fiscal 2017, total general fund collections were up just 1.4% over the same period last year. In January, state officials projected a 3.2% increase in tax collections for fiscal 2017.

■ **Aging and the Economy.** A new study finds that increases in the share of a state's population ages 60 or older reduces growth in per capita GDP (total output). Researchers from Harvard and RAND Corporation attribute one-third of the reduction in GDP growth to slower labor force expansion and two-thirds to declines in productivity.

If accurate, the findings have implications for Wisconsin's economy over the next 15 years. During that time, the state's 60-or-older population is expected to grow from 22% to 29% of the total. This will reduce per capita GDP growth an average of 0.7% per year. During 2010-15, Wisconsin's GDP per capita rose an average of 3.5% per year.

■ **Net Migration Improves.** While Wisconsin continued to lose more people than it gained from migration, its net loss was smaller in 2015 than in 2014. Last year,

**Growth in State General Fund Taxes Slows**  
Annual Changes in GPR Tax Collections, 2004-16



7,542 more people moved out of Wisconsin than moved in, according to new figures from the Internal Revenue Service. In the prior year, that figure was 10,449.

As in 2014, Wisconsin's largest net losses were to Florida, Texas, and Arizona, likely the result of retirees moving to warmer climates. Among neighboring states, Wisconsin gained 3,248 residents from Illinois, 174 from Michigan, and 49 from Iowa. Net, the state lost 780 residents to Minnesota. □

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- Transportation financing (I): The local impact (#18-16)
- Transportation financing (II): Debt exacerbates state challenge (#19-16)
- Toward a better politics? Options for disillusioned and alienated voters (#20-16)

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