



CITY OF WAUKESHA

Administration

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Committee: Finance	Date: 1/9/2018
Common Council Item Number: ID#17-1852	Date: 1/16/2018
Submitted By: Rich Abbott, Finance Director	City Administrator Approval: Kevin Lahner, City Administrator KML
Finance Department Review: Rich Abbott, Finance Director RA	City Attorney's Office Review: Brian Running, City Attorney BER
Subject: Review and Act a recommendation to use the 2014 levy limit carryover exception from Section C Line 8 for 2017 levy limit worksheet	

Details:
 The State of Wisconsin has imposed Levy Limits on municipalities that restrict the City's ability to increase the total levy. There are, however, exceptions to the limits. One of these exceptions is the ability to use the "unused levy carryover" from a previous year's allowable levy limit that was not used. That carryover must be used in one of the following 5 years. The catch to it is that the municipalities total outstanding general obligation debt in the current year must be less than or equal to the prior year. In reviewing the 2017 levy limit worksheet it was determined that the total outstanding debt for 2017 was, in fact, less than 2016 by \$293,705 and we could qualify for the exception. In order to take advantage of the exception, we would need a 2/3 vote of the Common Council.

If we do not use the exception this year, it is highly unlikely that in the next 2 years the City would be in a position of declining outstanding GO debt. This would mean that the City would forgo the remaining allowable levy.

I want to stress that this is not going to change the overall levy that was approved and taxed. It would reduce the debt levy exception that we qualified for and preserve the City's base levy for the future. It will also help offset the 2017 change in the law regarding debt authorized prior to July 1, 2005 (Section D line B), which reduced the City's levy capacity by \$457,600.

Options & Alternatives:
 Option 1 – Use the Section C Line 8 exception (Recommended by Finance Director)
 Option 2 – Don't use the exception and most likely forgo the ability to levy what was allowable.

Financial Remarks:
 The exception increases the adjustment to the levy limit by \$544,251, conversely the adjustment for debt was reduced by \$544,251. The net change to the total levy is \$0.

Executive Recommendation:
 The City Administrator recommends approving the use of Section C line 8.

