



**SPRING 2024**

**ASSESSMENT OF SERVICE AND  
STAFFING NEEDS, FUNDING OPTIONS**

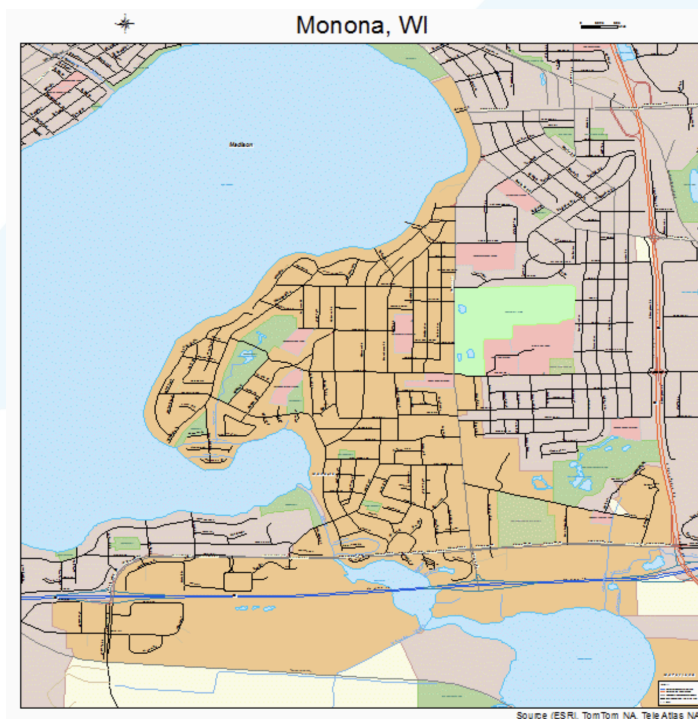
# CITY OF MONONA OPTIONS ASSESSMENT

## BACKGROUND ON THE CITY OF MONONA

Located in Dane County, Wisconsin, the City of Monona is situated between the City of Madison and the southern and eastern shores of Lake Monona, with a land area of approximately 3.35 square miles and a population of approximately 8,789.

Originally part of the Town of Blooming Grove, Monona was incorporated as a village in 1938, when area residents grew frustrated by the lack of city services they received from Blooming Grove. Prior to its incorporation, what is now Monona was originally settled on by the Ho-Chunk People. The land served as not only home for the Ho-Chunk, but also as a trading post and meeting ground for many area tribes, including tribes from our neighboring states, Michigan and Minnesota. After incorporation as a village in 1938, Monona grew rapidly and became a city in 1969.

Today, after decades of commercial and residential development, Monona is landlocked by the City of Madison and the bodies of water that surround the area.



The City of Monona currently funds a full range of services, including police; fire protection and emergency medical services; sanitation services; building inspections; the construction and maintenance of streets, highways, and other infrastructure; transit services; economic and neighborhood development; and supports recreational activities, including through a library, senior center, outdoor swimming pool, ice skating rink and the maintenance of parks. In addition, the City Council exercises control over the wastewater, water, and stormwater utilities.

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The City currently budgets for 72 full-time employees across Administration, the City Clerk's Office, the Finance Department, the Fire Department, Library, Municipal Court, Parks & Recreation, Planning & Community Development, the Police Department, Public Transportation, Public Works Department, Senior Center, and City of Monona Utilities.

## GROWING NEED FOR SERVICES, EMPLOYEES ASKED TO DO MORE

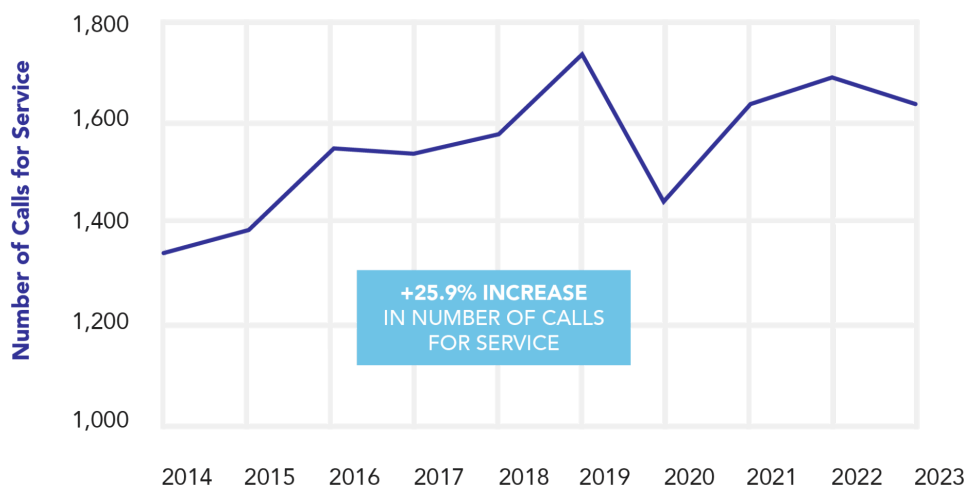
Monona is a small city with big city challenges. As Madison grows in population, Monona feels the effects – particularly with an increase in police, fire and EMS needs. This is true throughout the City, and particularly in the area of the Beltline that Monona is responsible for providing service to. Increased demand, in addition to increasing costs to provide services, puts a strain on Monona public safety departments' limited ability to serve the community.

### Monona Fire Department

The Monona Fire Department (MOFD) strives to minimize the risk of death, injury, and property loss from fires, medical emergencies, or natural disasters. In addition to providing a coordinated and timely response to emergencies, MOFD enhances public safety through prevention activities, such as code enforcement and public education programs.

The Monona Fire Department currently has two engines, a 95-foot platform ladder truck, a heavy rescue squad, one active and one back-up ambulance (for use if and when there is sufficient staff to operate the second ambulance), one brush truck, two cars, and a parade vehicle that was the first engine purchased by the department. The City provides personal protective equipment, pagers, Self Contained Breathing Apparatus, and all other equipment needed to provide the best protection while performing a dangerous activity.

### INCREASING DEMAND FOR MOFD SERVICE



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MOFD is a combination department with an authorized budget for nine career Firefighter / Paramedics, one full-time Fire Chief, and approximately 30 paid-on-call or paid-on-premise<sup>1</sup> volunteer Firefighters and EMTs. Full-time Firefighter / Paramedics work a 48-hour shift, staffing any type of emergency response – fire or medical.

**The City has not added additional full-time staffing to MOFD since 2018, and has seen a decrease in the number of volunteer staff available - making it difficult to ensure there are enough staff to respond to calls.** While many communities in Wisconsin have historically relied on volunteer or primarily volunteer fire departments to respond to emergencies, that heavy reliance is no longer viable.

Between 2014 and 2023, the Monona Fire Department saw a **25.9% increase in calls for service**. Nearly three quarters of calls to MOFD relate to a medical emergency, in part due to Monona's aging population driving a need for additional emergency medical services – with 61% of EMS patients above the age of 60.

## Monona Police Department

The mission of the Monona Police Department is to work as a partner with the community to help provide a safe environment and a high quality of life. The Department responds to emergency calls requiring police presence, and provides services to enhance safety and security for the City's 8,789 residents.

The Monona Police Department has budgeted for one full-time Chief of Police, one full-time Assistant Chief, one full-time Operations Lieutenant, three full-time Sergeants, one full-time Detective and 14 full-time Police Officers, plus five full-time Dispatchers, and three part-time Dispatchers. The City has not added any sworn officers to the Department since 2019.

Between 2014 and 2023, the Monona Police Department saw sharp increases in calls for service – **with 911 calls spiking 118.5%**. Increased emergency calls can be attributed to a variety of causes, including increasing traffic complaints, foot patrol/area check requests, property check requests, and ambulance assists.

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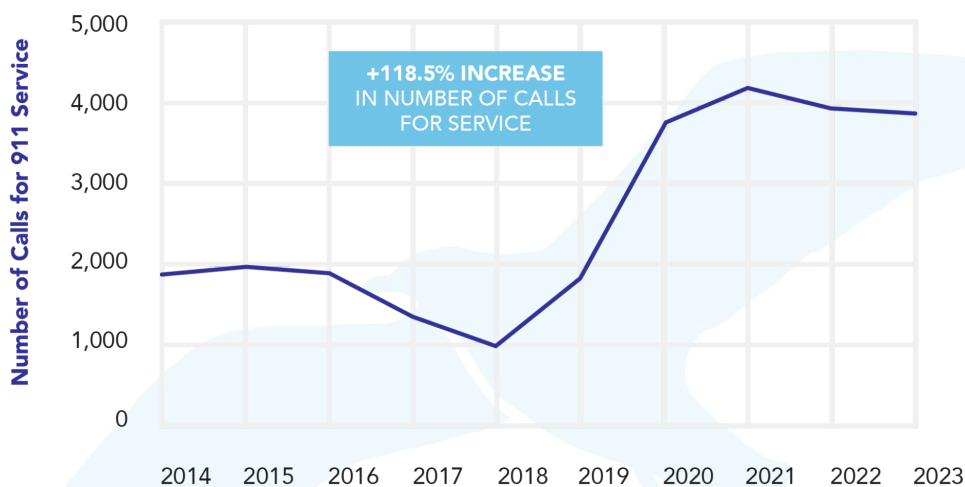
<sup>1</sup> Paid-on-call volunteer Firefighters are not required to be on-duty at the MOFD stations. Instead, they are notified when a call comes in and respond from home, work or any other location at the time of a call.

Paid-on-premise volunteer Firefighters and EMTs stay at the station for a time period reimbursed by a stipend.

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Only two MOPD officers are on patrol for the vast majority of the time. **As emergency calls increase in severity, officers are often taken away from proactive policing duties** - leaving little to no coverage in the event of overlapping calls for service. The time it takes to respond to calls varies, but, for example, a mental health crisis response may require 1-2 officers to be occupied for 6-8 hours as they transport an individual to the hospital and manage the situation, then complete necessary paperwork.

## INCREASING 911 CALLS FOR MOPD SERVICE



### Overtime Impacting Staff Burnout

With fewer available employees and increasing calls for service, Monona Fire and Police Departments must call in off-duty personnel for overtime shifts more frequently to ensure there is available staff to cover shifts and respond to community needs.

**Overtime has also been required of non-public safety staff, either due to a workload that has outstripped staff capacity, or due to evening, weekend, or emergency needs.** A water main break in the evening, on a holiday, or over a weekend forces Public Works staff to work overtime. Alarms ringing at the water utility or lift station motor challenges require Utilities staff to respond.

Though it is necessary for staff to work overtime, **the City of Monona does not budget to pay overtime wages** for some non-public safety staff. Those who work overtime hours are compensated in additional paid time off. As a result, **the City is challenged to provide consistent services with a workforce that operates inconsistently due to this required “comp time.”**



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The challenge of overtime is a growing concern. In the past, the City of Monona could confidently rely on part-time, seasonal, and volunteer staff to support the City's full-time staff during peak times. **It is becoming increasingly difficult to attract part-time workers** as the City competes with other, higher-paying job opportunities – including, for example, roles at our local Red Robin, Subway or Walgreens, which are offering \$16-\$26 per hour. **It is also becoming increasingly difficult for the City to rely on volunteer assistance** as those who have traditionally filled volunteer roles age and the spirit of volunteerism becomes less common.

In some cases, **supervisors are working 60+ hours per week to accomplish the work required for the City of Monona to function.** Without relief and a return to a work / life balance, the City risks losing these leaders to burnout.

An increased reliance on overtime results in staff burnout and turnover and is a financially unsustainable model. Attracting new staff and retaining existing staff through increased wages would reduce overtime requirements, combatting staff burnout and freeing up budgets typically held for overtime pay to be allocated elsewhere.

## ADDITIONAL STAFF REQUIRED TO MEET DEMAND FOR SERVICES

The City of Monona has run lean for a long time - keeping staffing low in an attempt to reduce costs to taxpayers. That approach worked in the past, but after years of growing demands, **the time required to perform general City services has also grown to exceed current staff capacity.** For example, transparent government and increased access to and communication with the City requires additional staff time. The addition of ordinances over the years has also required additional administration, paperwork and management; those new ordinances do not come with new staff to perform those duties.

**The City of Monona and its Departmental leaders have identified a need to add additional full-time staff over the next several years in order to build a team that can appropriately address all job duties.** Staffing needs have been ranked in priority order based on how quickly additional positions are required (in 0-2 years; in 3-5 years; in 6+ years). Staffing adjustments, position requests, and the subsequent funding required to fill those requests, include:

### Tier 1 - Priority Positions (Immediate Need; 0-2 Years)

- One (1) Traffic and Crime Prevention Officer (full-time)
- One (1) Police Supervisor (increasing hours, adding responsibilities)
- One (1) Firefighter/Paramedic (full-time)
- One (1) Community Development Planner (part-time)
- Two (2) Park Laborers (full-time)
- One (1) Public Works Building Technician/Supervisor (full-time)
- One (1) Radio Programming & Volunteers Manager (full-time)

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- One (1) Communication Specialist (full-time)
- One (1) Sustainability Coordinator (part-time)

**Estimated Annual Tier 1 Total Wage & Benefits Cost: \$829,491**

## **Tier 2 - Additional Positions (Near-term Need; 3-5 Years)**

- One (1) Police Dispatch Lead (increasing hours, adding responsibilities)
- One (1) Assistant Fire Chief (full-time)
- One (1) Recreation Office Manager / Marketing Administrative Assistant (full-time)
- One (1) Library Youth Service Assistant (part-time)
- One (1) Tween/Teen Librarian (part-time)
- One (1) Community Media Support Specialist (part-time)

**Estimated Annual Tier 2 Total Wage & Benefits Cost: \$297,992**

## **Tier 3 - Positions to Evaluate (Long-term Need; 6+ Years)**

- Three (3) Firefighter/Paramedics (full-time)
- One (1) Reference Assistant (part-time)
- One (1) Facilities Manager (full-time)

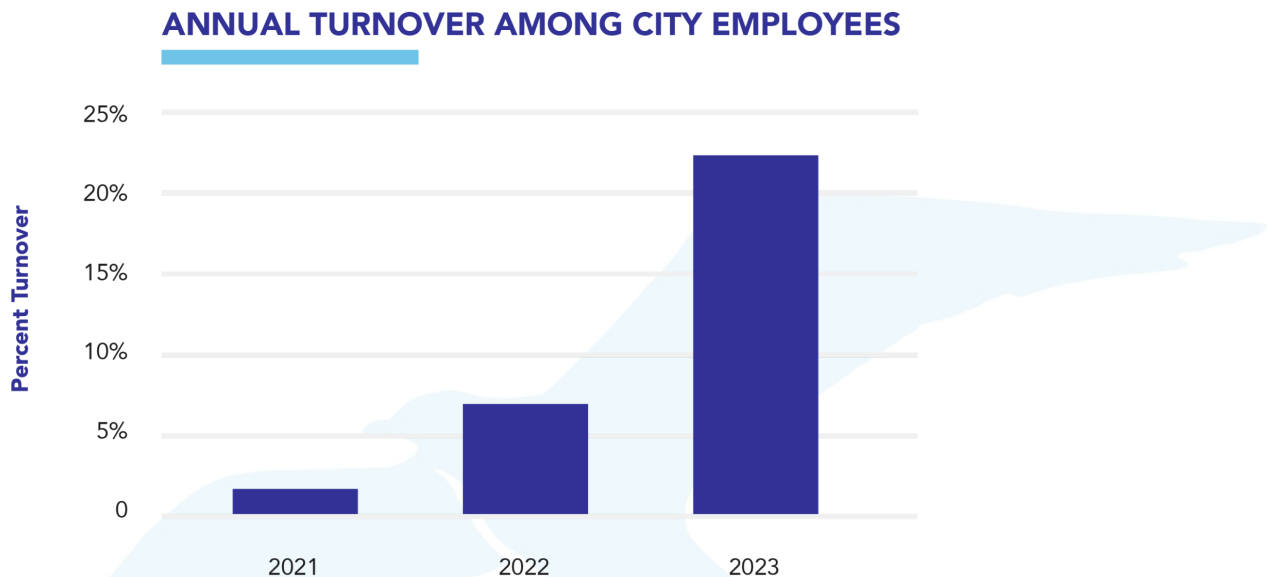
The City would also like to evaluate the use of additional funds to increase wages for three (3) Police Lieutenants and twelve (12) Firefighter/Paramedics. With additional funding, the City would also like to evaluate the creation of a Fire Department Intern program that could help support recruitment and training efforts.

**Estimated Annual Tier 3 Total Wage & Benefits Cost: \$985,000**

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## STAFF TURNOVER INCREASING, NEGATIVELY IMPACTING SERVICE DELIVERY

Historically, average staff turnover for City of Monona full-time employees has been 1-4% per year. In 2022, the City saw staff turnover of almost 7%. **In 2023, that number increased to a turnover rate of more than 22%** - including two retirements.



With 72 full-time employees, some **City of Monona departments turned over more than half of their full-time positions in the last 2 years**, and the majority of these turnovers were **employees leaving for the same or similar positions in other communities which were offering higher wages** - in many cases, substantially higher than those employees were earning in Monona.

Between 2021 and 2023, the Monona Fire Department experienced a 56% turnover rate. **Three of the five staff left their positions to work in another community with higher pay** - a trend likely to continue as municipalities across the state seek to hire additional cross-trained, full-time staff and move away from staffing models heavily reliant on volunteers.

As wages fail to measure up to wages in peer communities and the demand on officers increases, the City also risks losing its experienced, knowledgeable police officers to better paying positions and burnout. **Between 2021 and 2023, the Monona Police Department experienced a 14.3% turnover rate** - primarily due to retirements.

Turnover in non-public safety departments has also caused a **loss of valuable institutional knowledge** in Monona's library, public works, parks & recreation, and administration. The loss of experienced, tenured public works employees impacts crucial maintenance of the City's water, sewer, and stormwater infrastructure, as well as important services like snow plowing. When these positions



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are vacated, the City is often only able to attract new employees with no direct public works experience or commercial driver license, resulting in substantial training costs to ensure qualified, adequately licensed employees.

This is not a hypothetical – **in 2023 alone, the Public Works Department experienced a 50% turnover rate; four of five staff who left their positions in Monona went to work in another community with higher pay.** This loss meant that the City of Monona had no experienced staff to perform snow removal duties for several months. Luckily, the public safety risk of this situation was limited by a low rate of snowfall in the winter of 2023-24, during which time new staff could be brought on board and trained.

Because of historically high turnover, the City is losing institutional and community knowledge acquired over time by employees. The City is forced to spend time and resources on recruitment efforts and training.

## Insufficient Staffing and Vacancies

This turnover has left the City with a handful of currently vacant positions, including a position vacant for 6+ months.

This included **two vacancies among the just 10 full-time positions in the Fire Department**, positions which proved challenging to fill as experienced firefighters and emergency medical professionals across Dane County are leaving the profession and new recruits remain in high demand.

Replacing employees who leave takes time, effort and financial resources as the City of Monona competes for a small pool of qualified individuals – in some cases hiring individuals who may be under-qualified and who require expensive training. A lack of funding and inability to raise minimum salary offers to competitive rates makes it even more difficult for the City to retain and recruit the high-quality staff Monona residents deserve.

## IDENTIFIED NEED TO IMPROVE EMPLOYEE RETENTION, IMPROVE SERVICE DELIVERY

To mitigate staffing challenges, the City recognizes retention as a key component in achieving maximum efficiency and effectiveness in the delivery of municipal services.

Retention isn't so easy in Monona. Across departments, City staff retention efforts have been significantly hindered due to limited funding available to provide market-competitive cost of living adjustments.

Recognizing its challenges, in 2023, the City of Monona engaged GovHR USA to conduct a classification and compensation study to **evaluate the City's current staffing in comparison to peer**

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**communities and recommend options that may make the City more competitive in the job market.** Wisconsin municipalities were deemed “peer communities” based on similarities among traits like population, average income per capita, equalized assessed valuation, general fund expenditures, full time employees, etc.

According to the data analysis presented to the City Council, current wages for 51% of City positions studied were below the minimum recommended wage range. Furthermore, many peer communities have a broader available salary range, meaning maximum salaries outpace those in Monona.

In some cases, wages for positions in City of Monona departments are significantly less than wages for comparable positions in peer communities. For example, the Monona Department of Public Works Deputy Director earns nearly 11%, almost \$11,000, less than the average salary of their counterparts in peer communities. A Utility Foreman with the Monona Department of Public Works earns 19%, almost \$12,000, less than the average salary of their counterparts in peer communities. The Monona Planning Director earns 19.6%, \$19,500, less than the average salary of their counterparts in peer communities.

In summary, **the report identified a need to raise salaries to retain, when necessary and attract, employees.**

Longer-tenured City employees – those with the most institutional knowledge – tend to have salaries which are most out-of-range due to the City’s limited financial resources to keep up with market-rate adjustments. As reflected in the City’s recent turnover rate, **many experienced, tenured Monona employees have sought out better paying employment options outside of the City, creating a loss in both employees and institutional knowledge that takes resources and time to rebuild.**

## **Compensation Plan, Adjustments to Support Retention and Recruitment**

Based on the findings and recommendations of GovHR USA, the Monona City Council Approved a resolution adopting an Employee Classification and Compensation Plan on February 19, 2024.

That Plan aims to address pay issues by incorporating merit-based pay increases and ensuring that City of Monona wages fall in at least the 60th percentile of the market range in Dane County. This would require some salary range adjustments in specific positions and departments, longevity adjustments for the most tenured employees, and additional cost of living adjustments – with an **estimated budget impact of \$1,145,000.**

## **A Nationwide Challenge**

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Retention and recruitment challenges are not unique to Monona, but reflect a broader trend across the state and nation as municipalities and organizations struggle to attract talent and maintain their workforces in a labor market that favors employees and in an economy where the cost of living is increasing.

According to the Wisconsin Policy Forum, a nonpartisan, independent statewide policy research organization, across Wisconsin, “state and local employees left their jobs at record rates in 2021.” Departures from public-sector jobs reached their highest levels since 2002.

## GROWING COSTS TO PROVIDE OR CONTRACT SERVICES, FUND OPERATIONS AND MAINTENANCE

General operating expenses also add to the City’s budget challenges. City costs have increased – outpacing any modest increases in revenue – due to factors including inflationary pressures on the price of equipment, the growing cost of supplies and materials, and the cost of and an increased reliance on overtime for both public safety and non-public safety positions. The City estimates that its operating costs will continue to grow by approximately 3% each year.

Services the City of Monona contracts to third-party organizations – including assessments, garbage and recycling, and IT services – are also increasing in cost. It is estimated that these **growing operational expenses will require an additional \$994,500 in 2025.**

## THE CHALLENGE

The City of Monona’s **ability to provide high-quality, efficient services to its residents is strained** by rising costs of operation; rising demand for services; insufficient staffing due to turnover, vacancies and budgets which do not allow for additional personnel. The City has run lean for a long time - keeping staffing low in an attempt to reduce costs to taxpayers. That approach worked in the past, but after years of growing demands, **the time required to perform general City services has also grown to exceed current staff capacity.**

The fundamental challenge facing the City of Monona as it seeks to maintain the level of services to its residents is that its **available funding has not kept pace with these increasing costs of operation, and municipal wages have not kept pace with increasing costs of living**, yet few mechanisms are in place to open up new funding opportunities.

**Without additional funding, the City will likely experience continued service delivery challenges** as wages remain stagnant, staff turnover and recruitment difficulties continue, and neighboring communities offer more competitive compensation for similar positions. In the coming years, **the City may be forced to consider cutting programs or services to better align its expenses with its revenues.**

## POTENTIAL SOLUTIONS THROUGH REFERENDUM

# CITY OF MONONA OPTIONS ASSESSMENT

The City of Monona recognizes the need to provide high-quality services to its residents and carefully prioritize resources so as to be responsible financial stewards using taxpayer dollars efficiently and effectively.

## Why Referendum?

The City's ability to respond to rising demands and costs to provide service is inhibited by external forces. In Monona, as is true for all communities in Wisconsin, the City's revenue growth is restricted by state legislation, limiting tax levy increases to the percent increase in equalized value from net new construction, or else requiring the City to seek permission from voters through a referendum to exceed levy limits.

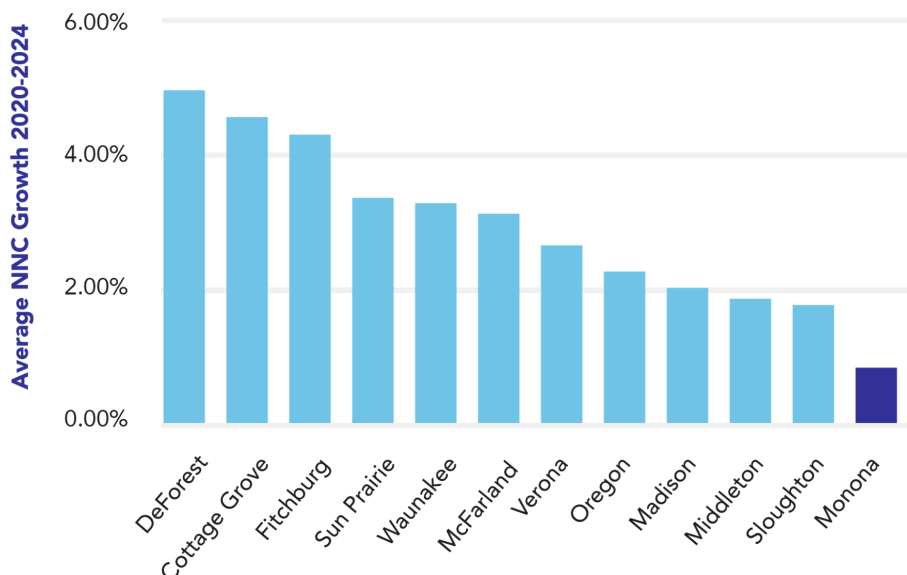
Since 2017, the number of municipalities who have sought property tax levy increases via referendum has spiked, as the "pressure on municipal budgets has grown statewide" (according to the [Wisconsin Policy Forum's 2022 report "A Record Year for Referenda"](#)).

## Limits on Net New Construction

According to Wisconsin State statute, the City of Monona may only raise taxes by a percentage proportionate to net new construction in the City. However, despite exciting economic growth in Dane County and surrounding Madison, Wisconsin, the City of Monona is in a difficult position.

Because of its geographical position between Madison and Lake Monona, and because of its modest square mileage, the City of Monona has minimal undeveloped space to facilitate new construction projects, and therefore the City is limited in its ability to increase available municipal funding through a proportionate increase in property taxes.

### PEER COMMUNITIES' NET NEW CONSTRUCTION GROWTH



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In real numbers, the City of Monona has experienced an average net new construction growth of 0.85% per year between 2020 and 2024. Compare that to other Dane County municipalities who have averaged between 1.81% and 5.14% increases over the same period.

The City could add **\$0 to its 2024 General Fund for increased operating expenses due to a lack of net new construction.**

## What Would a Referendum Fund?

A path forward for a future referendum will be determined with community input. The City has identified several potential paths forward, based on a property tax levy increase enabled via referendum<sup>2</sup>, to resolve the City's challenges.



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<sup>2</sup> The City has also explored other funding options which were deemed unviable. Details about those options can be found in Appendix A.

# CITY OF MONONA OPTIONS ASSESSMENT

## OPTION 1: Cost to Continue

In order to **maintain the current level of services** by implementing the City's adopted compensation plan (aimed at retaining current employees and attracting new staff to fill vacant positions) and funding growing operating expenses through 2029, the City of Monona would need an additional **\$3,091,046** for the annual operating budget (\$1,145,000 to fund the Compensation Plan needs + \$994,500 to fund growing operating expenses in 2025 + \$951,546 to fund through 2029 operating expenses that are estimated to continue growing by 3%).

This approach would ensure residents continue to receive the services they are accustomed to and would help the City avoid further staffing losses and any related decreases in service quality or reliability.

If a referendum is passed at this level, the estimated property tax impact on a median home valued at \$377,000 would be approximately \$720 annually (\$60 per month). The estimated property tax impact per \$100,000 in assessed value would be approximately \$191 annually (\$15.92 per month).

<b>IMPACT ON PUBLIC SAFETY</b>	<ul style="list-style-type: none"><li>→ Public safety departments will continue to experience challenges related to increased demand, as there will not be additional budget to increase staffing for either the Fire or Police Departments.</li><li>→ Public safety departments may benefit from more consistent teams, without the imminent threat that staff leave for higher-paying jobs in other municipalities.</li></ul>
<b>IMPACT ON MUNICIPAL BUDGETS</b>	<ul style="list-style-type: none"><li>→ The City of Monona would have the revenue needed to maintain the current level of services.</li></ul>
<b>IMPACT ON TAXPAYERS</b>	<ul style="list-style-type: none"><li>→ Property taxes would increase to meet the growing costs of services and to ensure continued service delivery by qualified staff.</li></ul>



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## OPTION 2: Cost to Continue Plus Priority Positions

The second option would allow the City to **maintain the current level of services** and **fund new priority positions**. Priority positions those for which the City has an immediate need within the next two years.

The City of Monona's identified priority positions include:

- One (1) Traffic and Crime Prevention Officer (full-time)
- One (1) Police Supervisor (increasing hours, adding responsibilities)
- One (1) Firefighter/Paramedic (full-time)
- One (1) Community Development Planner (part-time)
- Two (2) Park Laborers (full-time)
- One (1) Public Works Building Technician/Supervisor (full-time)
- One (1) Radio Programming & Volunteers Manager (increasing hours, adding responsibilities)
- One (1) Communication Specialist (full-time)
- One (1) Sustainability Coordinator (part-time)

To do so, the City of Monona would need an additional **\$4,024,646** for the annual operating budget (\$2,139,500 to maintain existing services + \$829,491 to add priority positions + \$1,055,654 to fund through 2029 operating expenses that are estimated to continue growing by 3%).

If a referendum is passed at this level, the estimated property tax impact on a median home valued at \$377,000 would be approximately \$936 annually (\$78 per month). The estimated property tax impact per \$100,000 in assessed value would be approximately \$249 annually (\$20.75 per month).

<b>IMPACT ON PUBLIC SAFETY</b>	<ul style="list-style-type: none"><li>→ Public safety departments will continue to experience challenges related to increased demand, however, there will be additional budget to add priority staff.</li><li>→ Public safety departments may also benefit from more consistent teams, without the imminent threat that staff leave for higher-paying jobs in other municipalities.</li></ul>
<b>IMPACT ON MUNICIPAL BUDGETS</b>	<ul style="list-style-type: none"><li>→ The City of Monona would have the revenue needed to maintain the current level of services and to increase staffing in priority areas, including public safety.</li></ul>
<b>IMPACT ON TAXPAYERS</b>	<ul style="list-style-type: none"><li>→ Property taxes would increase to meet the growing costs of services, ensure continued service delivery by qualified staff, and add priority staff to the City of Monona.</li></ul>

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## OPTION 3: Cost to Continue, Priority & Near-Term Positions

The third referendum option would allow the City to raise wages for employees, keep up with rising costs of providing services, and fund new priority and near-term positions. Near-term positions are municipal positions the City projects needing in the next 3-5 years.

The third option would allow the City to **maintain the current level of services, fund new priority positions, and fund additional near-term staffing needs**. Near-term needs are those for which the City has a need within the next three-five years.

The City of Monona's identified near-term positions include:

- One (1) Police Dispatch Lead (increasing hours, adding responsibilities)
- One (1) Assistant Fire Chief (full-time)
- One (1) Recreation Office Manager / Marketing Administrative Assistant (full-time)
- One (1) Library Youth Service Assistant (part-time)
- One (1) Tween/Teen Librarian (part-time)
- One (1) Community Media Support Specialist (part-time)

To do so, the City of Monona would need an additional **\$4,360,038** for the annual operating budget (\$2,139,500 to maintain existing services + \$829,491 to add priority positions + \$297,992 to address additional near-term staffing needs + \$1,093,055 to fund through 2029 operating expenses that are estimated to continue growing by 3%).

If a referendum is passed at this level, the estimated property tax impact on a median home valued at \$377,000 would be approximately \$1,015 annually (\$84.58 per month). The estimated property tax impact per \$100,000 in assessed value would be approximately \$269 annually (\$22.42 per month).

<b>IMPACT ON PUBLIC SAFETY</b>	<ul style="list-style-type: none"><li>→ Public safety departments will continue to experience challenges related to increased demand, however, there will be additional budget to add staff required to respond to the growing demand.</li><li>→ Public safety departments may also benefit from more consistent teams, without the imminent threat that staff leave for higher-paying jobs in other municipalities.</li></ul>
<b>IMPACT ON MUNICIPAL BUDGETS</b>	<ul style="list-style-type: none"><li>→ The City of Monona would have the revenue needed to maintain the current level of services and to increase staffing to address priority and near-term staffing needs to the City of Monona.</li></ul>
<b>IMPACT ON TAXPAYERS</b>	<ul style="list-style-type: none"><li>→ Property taxes would increase to meet the growing costs of services, ensure continued service delivery by qualified staff, and add positions to address priority and near-term staffing needs to the City of Monona.</li></ul>

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## CONCLUSION

The City of Monona has identified a need to increase the City's property tax levy through a citywide referendum in order to attract and retain employees and ensure the consistent delivery of core municipal services – including public safety services, snow removal, and road maintenance.

In the coming weeks and months, the City of Monona – in partnership with local residents – will determine the best path forward for the City and all those it serves. All households in Monona will receive a survey designed to help elected leaders determine which referendum option to pursue.



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## APPENDIX A

### Alternative Funding Options Considered

The City of Monona has explored multiple other avenues to fund its revenue needs. However, these options were deemed not to be viable for a few reasons, including the limited allowable use of funds related to each and that none would generate sufficient revenue to meet the City's needs.

#### Municipal Wheel Tax

Wisconsin law allows municipalities to collect an annual municipal vehicle registration fee ("wheel tax"). The fee applies to vehicles kept in the municipality or county with automobile registration. Note that these fees would be in addition to the State of Wisconsin's \$85 annual fee to renew automobile plates, and Dane County's \$28 "wheel tax."

The Wisconsin Department of Transportation collects wheel tax fees for the municipality, retains an administrative fee of \$0.17 per vehicle application and sends the rest to the municipality. The wheel tax is collected at the time of first registration and at each registration renewal.

There are approximately 7,000 eligible vehicles (automobiles, trucks and motorcycles) registered in the City of Monona. The City can charge only up to \$40 for a wheel tax<sup>3</sup>, generating just \$280,000. While the City has identified a municipal wheel tax as one potential avenue for additional revenue, is it not a sufficient or sustainable solution on its own.

#### Partner with Neighboring Communities

The City of Monona has done preliminary research into partnering with neighboring Dane County communities to provide services. However, establishing partnerships is a complex process that requires time, resources and compromise, and while there is some potential for partnership in the future, this solution does not solve the immediate needs of the City. The City of Monona is working to explore opportunities for partnership with neighboring communities to develop a sustainable, mutually beneficial option down the road.

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<sup>3</sup> Wheel tax revenue can only be used to fund road and other transportation related improvements. With this funding, however, the City would be able to reallocate existing General Funds currently directed to transportation expenses.