



City of New Holstein
2110 Washington Street
New Holstein, Wisconsin 53061

July 1, 2018

To the residents of the City of New Holstein:

Like many other communities in the State of Wisconsin, New Holstein is facing financial issues that began in 2010 and have continued to grow over the past 8 years. Before Act 10 was put into place in 2010, municipalities could increase their levy limits by 3%, if needed. After the passage of Act 10, municipalities couldn't increase their levy limits more than their net new construction percentage. As the costs of general operations such as; fuel and maintenance to buildings, parks, and vehicles go up, the City of New Holstein hasn't been able to increase its levy more than the allowed amount. The City of New Holstein has felt this impact and has worked to reduce its annual operating expenses. Each year, during the budget cycle, our departments are asked to squeeze out more efficiencies from their daily operating budgets. Over the past 8 years, our operating budget has passed with either a negative increase or minor increase to operating expenses. Therefore, the Common Council is asking you to approve the increase to our annual levy limit.

With zero net new construction in 2015, and a slow increase over the past 2 years (**See Chart 1**) the City has worked to maintain a level budget. The City's annual State Aid has dropped over the past 10 years (**See Chart 2**), as this aid is based on the City's net new construction. The Common Council has worked very hard to maintain our spending within the amount of revenue that we receive which means our General Operating expenses have not increased more than of an average of .29% over the course of 8 years. Maintaining our budget with limited increases to expenses isn't allowing us to grow as a community (**See Chart 3**). The City works to maintain its roads and to provide a safe community for its residents, and is not able to grow past what we currently have. The City has had to push projects and improvements off to provide operating revenue for the City's daily operations.

Many communities in the State of Wisconsin, including the City of New Holstein, have adjusted their operations to balance their budgets. The City has implemented a variety of cost saving strategies with immediate impact on the general operating budget.

- One full-time Police Officer was not replaced in 2010;
- One full-time Public Works Employee was not replaced in 2013;
- Significant changes to the employee health plan, including increased employee contributions as well as high deductibles and co-pays;
- requiring employees to contribute to their pensions;
- eliminating retiree health insurance;
- taking advantage of technology to increase efficiencies- LED street lighting;
- installation of a high efficiency heating and cooling system at City Hall;
- solar panels at the library.

The Council has made the decision to ask for a referendum requesting authority to exceed the state imposed revenue limit by \$100,000 per year. This would raise the city portion of property taxes by approximately \$.61 per \$1,000 of assessed value based on your 2017 valuations. Each year, during the Budget process, the Council will determine if the full levy limit is needed for the following year.

The Council wishes to see our community continue to grow and with your approval this additional revenue will assist us in our annual general operating expenses which would allow us to maintain our current levels of service which include: Police and Fire protection and safety, road maintenance, park repairs and maintenance, and the continuing maintenance of City buildings. If the referendum does not pass, the City will have to consider reducing staff, programs and services that citizens are accustomed to receiving. The choice is in your hands, the citizens of New Holstein, to choose if you would like to see your community continue to grow.

Please exercise your constitutional right to vote on November 6th for all elected offices on the ballot along with the City of New Holstein referendum question. The Common Council will hold public sessions at the following meetings held at City Hall: July 18th 6:30 PM Common Council and August 7th Committee of the Whole 6:00 PM.

Sincerely,

Dianne K. Reese, Mayor
 Bob Bosma, Alderperson
 Wally Dudzinske, Alderperson
 Jason Dyer, Alderperson
 Jerry D. Hallstrom, Alderperson

Scott Konkle, Alderperson
 Fran Schmitz, Alderperson
 Terry Thiessen, Alderperson
 Gene Woelfel, Alderperson

