

March 14, 2024 MPSEA Update re: Budget Outlook

Neither existing nor anticipated resources can keep up with Madison’s cost increases or population growth

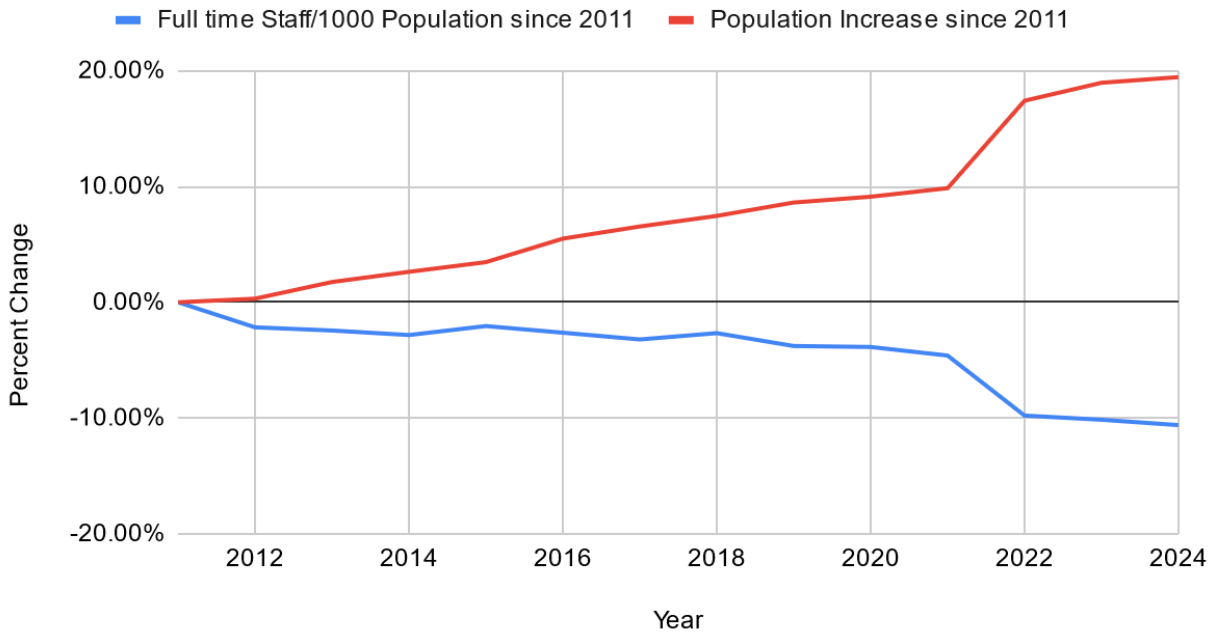
Madison’s budget gap is part of a growing municipal financing crisis in the State of Wisconsin. https://wispolicyforum.org/wp-content/uploads/2019/02/DollarsAndSense_Full.pdf.

For over a decade, the levy limit has required the city to provide more services with fewer resources - as we continue to experience record growth, increased pressures from climate change and aging infrastructure, all while still recovering from the impacts of the Covid-19 pandemic.

Staffing levels have not kept pace with population increases, and levy limits have not increased with inflation. With this current trajectory, city services will continue to decline.

In the past 10 years the population grew by more than 49,500 people (20%) and inflation grew by 31.1%. Our growth trajectory continues, and **in the next 10 years, Madison will likely grow by another ~ 50,000 new residents.**

Full Time Staff/1000 Population



City Full-Time Equivalent Positions per 1,000 Populations (excludes Public Health of Madison and Dane County - county employees) Sources - Adopted City Budgets; Wisconsin Department of Administration Population Estimates

Madison is one of the fastest growing cities in the state, which requires additional resources to ensure we maintain the same level of city services.

Madison's population is consistently one of the fastest growing in the state, and had the [highest population growth in the state since 2020 of Wisconsin's most populous cities.](#)

- Our growth requires significant staff to review plans, coordinate with developers, issue permits, design and issue plans for utility or street connections, inspections and more. Reconstruction and new construction increase demands on a variety of staff. For example, Landmarks Commission approvals have grown steadily from 174 in 2018 to 245 in 2023.
- In 2010, city staff were issuing 5,969 permits for **\$178,144,514.50 total construction costs. Compared that to 2023, when staff issued 6,629 permits for almost \$1 billion in construction costs (\$957,875,262.81).**

In 2023 alone, the city grew by 2,000 people and added 325 new, single-family homes. This means we need to:

- Acquire 20 more acres of parkland to meet standards adopted under the Park and Open Space Plan.
- Expand trash and recycling pickup to 250 to 300 new addresses each year.
- Sweep and plow five to six more miles of new streets and provide maintenance for pavement markings (crosswalks, lanes, etc.) signage, street lights and long term repairs.
- Maintain five more miles of storm sewer and sanitary sewer, and 615 new storm inlets.
- Maintain an additional 17 new acres of stormwater utility land each year.
- Annually install 2,000-2,400 new street trees.
- Install over 350 new street lights/signal poles each year.
- Consistently provide library services to more and more families

This is compounded by other growing maintenance needs, replacing core infrastructure, maintaining land and city services, and extending existing infrastructure lifespan through repairs, cleanings, and maintenance, such as chip sealing and patching over 200 miles of streets each year.

Maintaining existing levels of service requires significant resources. Each year, HR's staff post 300 positions and review over 10,000 applications to provide services to residents.

On top of this, additional investment and resources are required as part of intergovernmental agreements.

- In 2023, the Town of Madison's dissolution brought in 1,350 new parcels into the city.
- Within the next few years, the city will be servicing new areas currently covered by other municipalities, including the Town of Burke, Town of Blooming Grove and portions of the Town of Middleton. Many of these communities will require resources to upgrade their existing, aging infrastructure, and provide new municipal services.

Levy limits tied to construction ignore inflation and force municipalities to do more with less.

State laws require municipalities to depend more on property tax revenue than most states in the U.S. Increases in property taxes can only be issued within strict levy limits, and is tied to net new construction.

Under Act 10 levy limits, the only way for the city to continue to maintain revenue funding for existing levels of service without increasing additional fees is if Net New Construction (NNC) growth equals the rate of inflation.

Consumer Price Increases (inflation) have been higher than Net New Construction **eight times since 2009**. **Over the past few years, inflation has significantly widened this gap between NNC and CPI. This means the City has less money to provide the exact same services, and is the reason why we face a structural deficit today.**

Without increasing the levy limit and/or seeking long-term funding commitments, there will be fewer financial resources to provide the level of services and staffing needed to meet the demands of our growing city.

There are a few of the examples, submitted by our members who are concerned about Madison's future from the past week:

“The Parks department continues to grow every year in the last couple years we have absorbed the Town of Madison Parks, increased the number of Park shelters...Parks is responsible for over 280 parks, splash pads, pool, fountains, boat launches, piers, mooring field, stadiums, 160 drinking fountains, lighting, etc.”

“Madison's child care system is a foundation to a thriving Madison economy. We continue to see challenges with cost and availability significantly impacting how parents work or whether they are able to work. With decreased state investment the needs of the local programs are higher than they have ever been. We see an increase in requests of technical assistance and consultation support to help programs keep their doors open. We have seen an increase in the needs of our youngest community members who spend their days in child care settings where teachers need additional support to manage the needs of these kids. It's critical that we continue to invest in child care to ensure businesses have employees able to work and to provide quality services to our next generation of community leaders and workers.”

“One observation is not so much related to growth, but rather communications expectations post COVID. The demand for data & information in various formats has increased dramatically. Whereas previously verbal reports were common, the use of PowerPoint presentations, alder onboarding videos, etc. is highly effective, yet also very time consuming.”

“Over the past 5 years, Madison Parks has either purchased or received dedication of 500 acres of park land. According to the 2023 Trust for Public Lands data, Madison ranks #2 in the country in parks per 10,000 residents. Additional land means more planning efforts and public engagement to determine the use of the land. Anecdotally, expectations for public engagement

have increased dramatically for parks over the past two decades, which requires additional time and effort to receive adequate public feedback and reduces time allotted to design and implement park improvements. In addition to providing typical parks and amenities, Madison Parks also is a host for numerous popular summer destinations, such as the Madison Mallards, Forward FC/Breese Stevens Field Concerts, Opera in the Park, The Capital City Band, and the Olbrich Biergarten. Hosting these things requires additional work from staff to ensure the facility needs for these partnerships are met.”

“Plain and simple, our unit is already short staffed. International standards as well as industry leading experts in our field recommend our unit have at least seven individuals supporting the department. We are currently not even operating at half the recommended capacity. • Supporting day to day operations, stratified policing and investigative tasks is simply unachievable, thus, the level of services that we can provide to our community are significantly hindered. • Overtime to support such demands is very seldomly approved (unlike sworn personnel) leading to very poor morale and retention amongst employees. In the past several years, we have had very good employees leave our specialized unit in order to find other more enjoyable career opportunities. It is only a matter of time before more individuals within our unit leave to find better working conditions.”

“Every home that gets built connects to the water infrastructure and requires a new meter and billing account, in addition of course to water consumption/demands. With more annexation scheduled in the coming years, private well agreements, monitoring, and coordination will jump dramatically too. The water system is sampled about 30,000 times per year to ensure quality; that will grow as pipes and facilities continue to build out in order to serve the City. Madison Water Utility needs to be replacing nearly 10 miles of aged-out pipelines per year in order to keep reasonable pace with acceptable capital reinvestments and that requires ongoing planning, engineering, construction, inspection, mapping and coordination across a growing City.”

Water Meter Count By Year - Madison, WI
2014-2023 (10-Year Sample)

Notes:
 * Total meters are a combination of all customer classes (residential, commercial, etc.)
 * On average, each meter represents approximately 4 people

