Village of Palmyra, WI
Levy Limit Referendum Community Meeting

March 13, 2025

General Municipal Budgeting Methodology

- First know allowable Levy
  - ✓ In September look at empty LL Worksheet and see Line 8 LL allowance before adjustments: 711,512
  - ✓ Know your allowable adjustments: Debt = 420,052
  - ✓ Know Min and Max (abated debt)

	2024 LL WKSHT
Line 8 Allow b4 Adj.	711,512
Min. Line E Adj.	420,052
Total Allowable	1,131,564
Levy Need	1,219,899
Allow (Deficit)/Excess	(88,335)

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2025 Abated Debt

Payment Source	2015 STFL	2016 STFL	2021A GONs	2022 GONs	2024 GONs
Total G.O. Debt Payment	70,781	6,656	316,980	72,987	40,802
Levy	70,781	6,656	228,645	72,987	40,802
Stormwater	0	0	52,930	0	0
Wastewater	0	0	10,280	0	0
Water	0	0	25,125	0	0
Total Abated Debt	0	0	88,335	0	0

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General Municipal Budgeting Methodology

- Then understand levy need
  - ✓ Bottom-up approach
    - ➢ Put together expenditure needs and non-levy revenues to find levy need
    - ➢ Usually somewhere between min and max
  - ✓ Top-down approach
    - ➢ Know Levy minimum and non-levy revenues to find expenditure minimum
    - ➢ In recent years (Inflation > NNC) usually leads to cuts
  - ✓ Decisions for min and max reside with ability to reduce expenses and tax rate implications respectively

Levy Year	2024
Calendar/Budget Year	2025
Amount Levied for General Fund	428,449
Amount Levied for Library	112,350
Amount Levied for Rec./Fire/Capital	259,048
Amount Levied for Debt Service	420,052
Total Levy	**1,219,899**

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Village Levy Components

Fund	Subject to Levy Limits?
General	Yes
Fire/Library/Rec.	Yes
Capital	Yes
G.O. Debt	No - Exempt

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Levy Limits “At-a-Glance”

- Current limit (Sec. 66.0602, Wis. Stats.):

The prior year’s actual levy may be increased by a percentage equal to net new construction in the preceding year (or zero, if none)

Subject to numerous adjustments that may reduce or increase allowable levy

How has Village managed levy limits?

Priorities	Annually evaluates Capital Improvement Plan and existing services.
Abated Debt	Can claim full GO Debt payment for upcoming budget year although other revenues pay debt service. Using abated debt to pay for non-debt needs.
Shared Revenue	Increased state aids were applied to cover increased costs for existing services.

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Abated Debt

- 2029 is last year for stormwater: $50,000 will not be available for 2030 budget and beyond.
- 2027 is last year for wastewater: $10,000 will not be available for 2028 budget and beyond.
- 2025 is last year for water: $25,125 will not be available for 2026 budget and beyond.

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Projected Levy Limit Gap: Existing Services

Projected levy limit gap for 2025 budget is $176k & has projected to increase to $500k

Total governmental fund balances have decreased from $2,319,209 to $1,299,988 from 2018 to 2023.

Levy limit gap projected to increase as abated debt drops off

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Alternative Revenue Options

Public Fire Protection

- Solution: Can remove $118,000 of levy expenses from Hydrant Rental by converting
- To achieve: Conventional Rate Case (CRC) with PSC

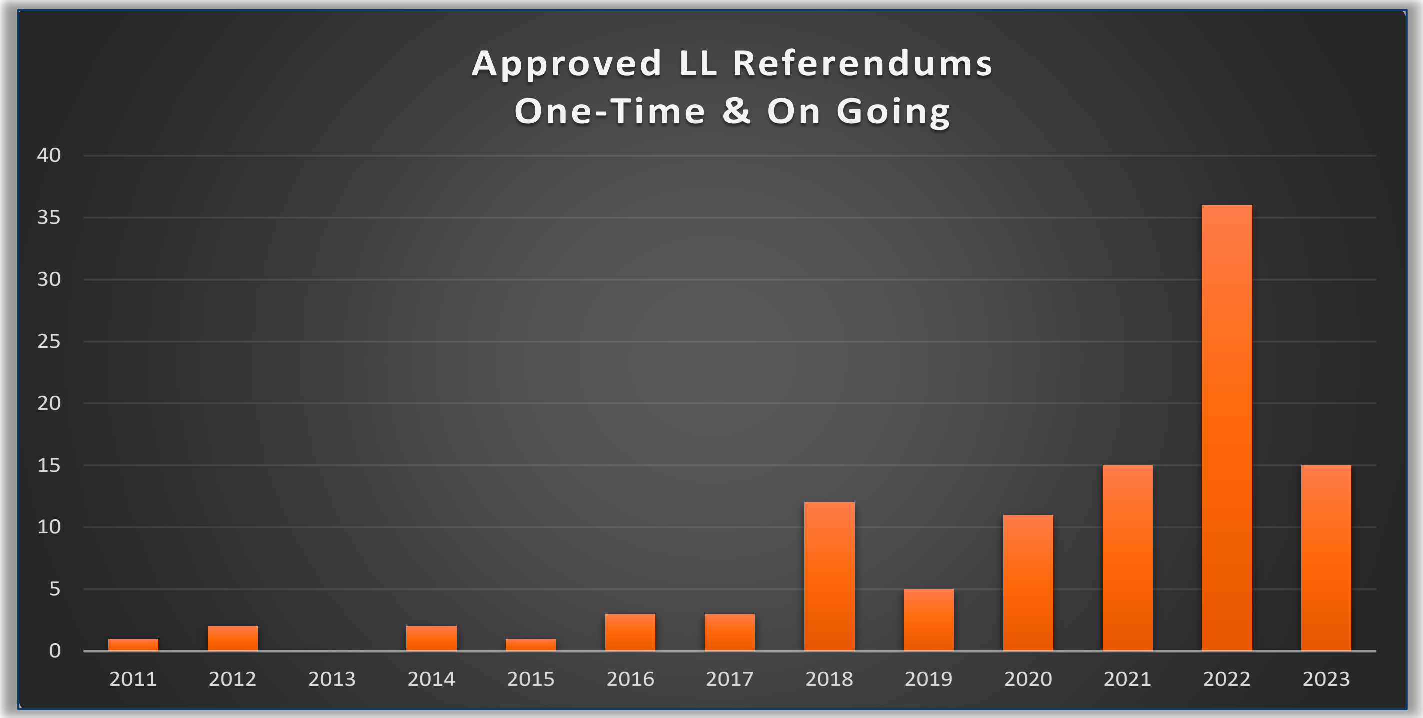
Recycling Charge

- Solution: Can remove $45,268 of levy expenses by converting
- To achieve: Adopt resolution to convert charge to a fee paid on property tax bill.

Levy Limit Referendum

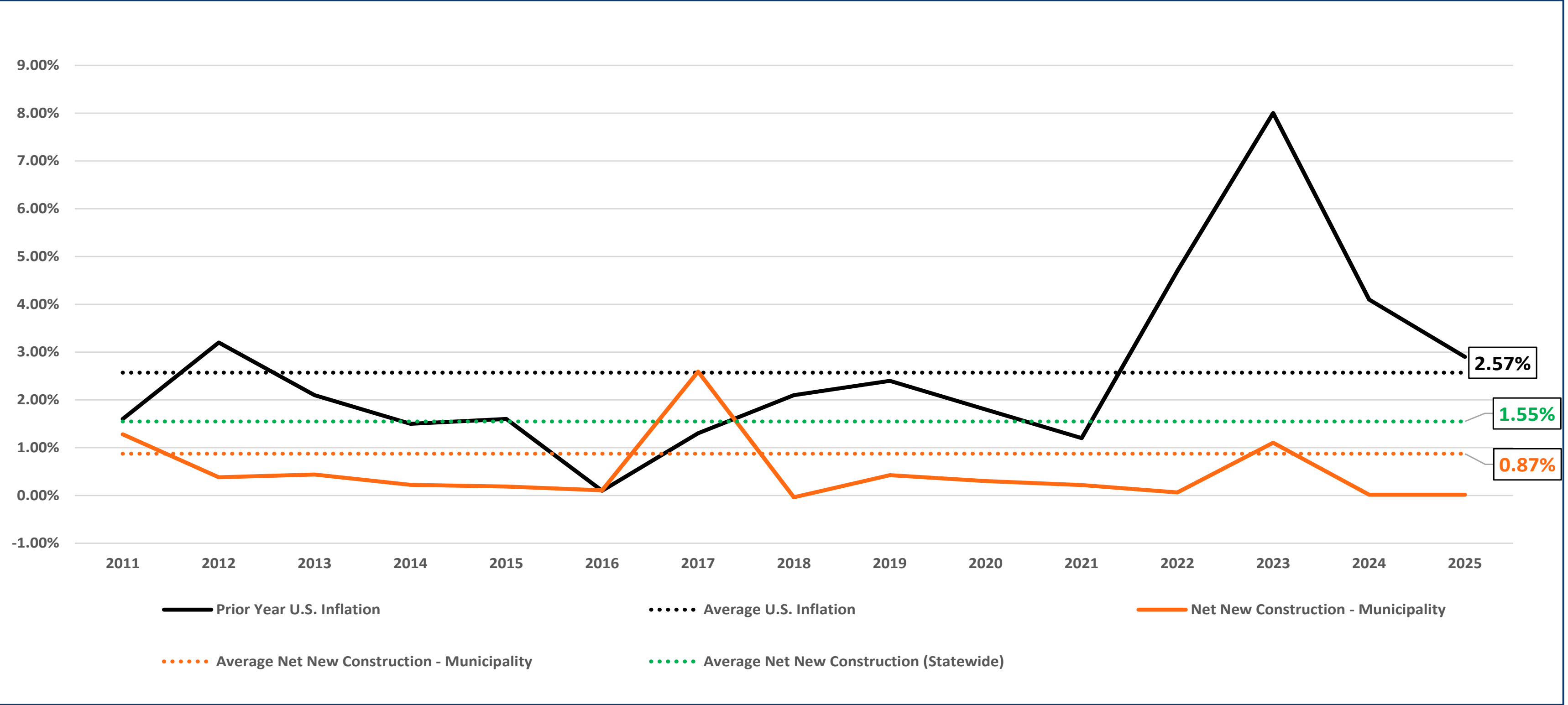
- Solution: Increase levy limit on an ongoing basis
- To achieve: Seek voter approval on a ballot election. To be implemented for 2026 budget it would requires question be on the ballot on April 1, 2025
- If approved: Village will be able to reset base levy limit and collect Net New Construction percentage annually.

You're Not Alone



- Source WI Department of Revenue : https://public.tableau.com/app/profile/research.policy/viz/LevyLimit0_2/Story1

Village Net New Construction vs. Inflation



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Levy Limit Projections

			Actual		*Estimated Budget*		*Proposed w/Ref. Inc.*
Levy Year			**2024**		**2025**		**2025**
Budget Year			**2025**		**2026**		**2026**
Line 1	Prior Year Actual Levy Plus Prior Year Personal Prop. Aid		1,252,488		1,263,417		1,263,417
Line 2	Prior Year Levy for Unreimbursed Emergency Expenditures		0		0		0
Line 3	Prior Year Levy for Post July 1, 2005 G.O. Debt		497,563		508,387		508,387
Line 4	Prior Year Adjusted Levy		754,925		755,030		755,030
Line 5	Closed TID	0.000%	754,925	0.000%	755,030	0.000%	755,030
Line 6	Net New Construction Applied to Line 4[1]	0.014%	755,031	0.014%	755,136	0.014%	755,136
Line 7	Greater of Line 5 or 6		755,031		755,136		755,136
Line 8	Levy Limit Before Adjustments, Less Personal Property Aid	(43,518)	711,513	(43,518)	711,618	(43,518)	711,618
Line 9	Total Adjustments		508,387		583,387		933,387
	Detail of Adjustments:						
	E Post July 1, 2005 G.O. Debt		508,387		583,387		583,387
	F Levy Increase Approved by Referendum		0		0		350,000
Line 10	**Allowable Levy**		**1,219,900**		**1,295,005**		**1,645,005**
	Actual Levy		**1,219,899**				
	Change from Prior Year		**(27,000)**		**75,106**		**425,106**
	Levy Limit Increase Under State Law				**0.014%**		

Notes:

1) Based on the most recent Net New Construction per DOR.

Estimated 2025/26 Levy Limit With Section D Adjustments (A)	1,295,005
Proposed Referendum Increase (B)	350,000
Projected 2025/26 Levy w/Referendum Increase	1,645,005
Percent Increase (B÷A)	27.027%

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Property Tax Projection- No Referendum

	Approved Budget						Projected[1]
	2020	2021	2022	2023	2024	2025	2026
Budget (Levy Portion)							
General Fund Levy	1,084,758	1,087,088	1,164,693	1,194,174	1,246,899	1,219,899	1,295,005
Total Budget	1,084,758	1,087,088	1,164,693	1,194,174	1,246,899	1,219,899	1,295,005
Actual Levy	1,084,758	1,087,088	1,164,693	1,194,174	1,246,899	1,219,899	1,295,005
Assessed Value (TID OUT)[3]	118,439,982	117,487,030	117,237,369	117,493,420	177,750,340	177,750,340	177,750,340
Tax Rate	9.16	9.25	9.93	10.16	7.01	6.86	7.29
Taxes on $150,000 Valued Property	$1,374	$1,388	$1,490	$1,525	$1,052	$1,029	$1,093
Taxes on $200,000 Valued Property	$1,832	$1,851	$1,987	$2,033	$1,403	$1,373	$1,457
Taxes on $195,000 Valued Property[2]	$1,786	$1,804	$1,937	$1,982	$1,368	$1,338	$1,421

Notes:

1) Levy projected using known future debt service.

2) Median Home value is $194,200 per the U.S. Census Bureau's American Community Survey - 5-Year Estimates.

3) Represents the January 1, 2024 and January 1, 2025 TID Out assessed value per the WI DOR.

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Tax Rate	9.16	9.25	9.93	10.16	7.01	6.86	9.25
Taxes on $150,000 Valued Property	$1,373.81	$1,387.93	$1,490.17	$1,524.56	$1,052.23	$1,029	$1,388
Taxes on $200,000 Valued Property	$1,831.74	$1,850.57	$1,986.90	$2,032.75	$1,402.98	$1,373	$1,851
Taxes on $195,000 Valued Property[2]	$1,785.95	$1,804.30	$1,937.22	$1,981.93	$1,367.90	$1,338	$1,805

Notes:

1) Levy projected using known future debt service and referendum.
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Property Tax Impact Summary

	Taxes			
	2025 Actual	2026 Projected	$ Change from 2025	
	Annual	Annual	Annual Change	vs. No Ref.
$100,000 Assessed Value Property				
Voting No to LL Refrendum	$686	$729	$42	
$350,000 Referendum	$686	$925	$239	$197
$150,000 Assessed Value Property				
Voting No to LL Refrendum	$1,029	$1,093	$63	
$350,000 Referendum	$1,029	$1,388	$359	$295
$200,000 Assessed Value Property				
Voting No to LL Refrendum	$1,373	$1,457	$85	
$350,000 Referendum	$1,373	$1,851	$478	$394
$195,000 Assessed Value Property[1]				
Voting No to LL Refrendum	$1,338	$1,421	$82	
$350,000 Referendum	$1,338	$1,805	$466	$384

1) Median Home value is $194,200 per the U.S. Census Bureau's American Community Survey - 5-Year Estimates.

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