

## Item 24-0585: Resolution #5-R-24 Increasing the Wheel Tax

### Finance Committee

Mon, May 20, 2024, 5:30PM

#### **Aldersperson Brad Firkus (District 3) 26:45**

We will now move back to the top of the action items, starting with 24-0585 Resolution 5-R-24 Increasing the wheel tax.

#### **Aldersperson Katie Van Zeeland (District 5) 26:57**

Motion to deny.

#### **Aldersperson Chris Croatt (District 14) 26:59**

Second.

#### **Aldersperson Sheri Hartzheim (District 13) 26:59**

Second.

#### **Aldersperson Brad Firkus (District 3) 27:00**

All right. We have a motion to deny in a second. I'd like to have Alder Wolff start out with—since you are one of the authors of this. So microphone 12.

#### **Aldersperson Nate Wolff (District 12) 27:11**

Yeah. Thank you, Chair. So there have been a lot of discussions on how we're going to pay for our roads over the—you know, over my time here in Council. It has been brought up time and time again. Well, what are your proposals? What are your proposals from colleagues after giving their proposals? And this is my idea.

#### **Aldersperson Nate Wolff (District 12) 27:39**

I talked to people in the community throughout community on how to best address our road reconstruction because I know that it's important to them, and after talking to them about, like, cutting services on—and covering our bases with ARPA, and that it came back to the wheel tax and whether or not what was the right amount on whether they thought it would be alright, between like \$20 and \$10. And a lot of people felt as though \$10 was a good increased amount, and that's why I'm proposing the \$10. A lot of people thought the \$20 would be too much for like a family of four or would like more than four cars in the driveway. But overall, this should be increased because of inflation, real construction costs, and the necessity to keep up with road construction throughout our city.

#### **Aldersperson Brad Firkus (District 3) 28:41**

Thank you. I know we have some members of community that like to speak so I'd like to open up the floor for public participation. So anyone that would like to speak on this item, please come up to the podium.

#### **Walter B. (Resident) 29:04**

My name is [Walter B.]. I live at [XXXXX]. I'm kind of regretting the bowl of chili my wife made me hate before I came, but we're gonna get through this.

**Walter B. (Resident)** 29:23

Did you know that in 2012, Appleton paid 100% of a sidewalk and road work out of levy funds. In 2015, Appleton instituted a \$20 wheel tax to take the place of assessments at that time. In 2017, an increase to the wheel tax was defeated by this committee on a three to one vote. By 2022, Appleton paid only 19% of its sidewalk and road work costs. Indeed, the money raised by the wheel tax was practically the only money that was spent or put towards sidewalks and roadwork. The rest was all borrowed money. Sounds like a pretty good argument to raise the road—the wheel tax, but you'll hear a little more.

**Walter B. (Resident)** 30:27

This dramatic turnaround could be attributed to Appleton's full dive into the vitalizing College Avenue and the capital projects. We put a lot of money into that. Our general obligation debt went from 5% to the current 34.6%. Money just kept going into those projects. And it didn't take care of the roads and the sidewalks.

**Walter B. (Resident)** 30:57

This year, the city benefited from an extra \$1.9 million in state shared revenue plus move—received another \$1.2 million when the general fund forest—forestry service money was moved into the fee funded stormwater utility. The question is, where did that windfall of \$3.1 million go? The city will have this increase in general fund revenues continually going forward, and it should actually go up because the shared revenue is sustainable and has provision for increase. This money will be there every year. Or will it just disappear?

**Walter B. (Resident)** 31:54

Question is do you serve the taxpayers of the city or not? The city taxpayers are hurting. Relief should be prioritized. A \$10 increase in the wheel tax would raise approximately \$650,000. Perhaps the committee could have said one of the ARPA monies should have gone for this. At one time there were arguments about that, but that that ship has sailed.

**Walter B. (Resident)** 32:28

In 2024, this year, you lowered the levy rate by 26%. That looks good, but the city reassessment raised home values on an average of 43%, and that's not so good. Due to the \$13.5 million in general obligation debt service, a current city homeowner with a house valued at \$300,000 yearly pays \$550+ to support that. \$550 every year. That's for a \$300,000 house. If you didn't have that debt, it would be zero. And now you want to squeeze \$10 more out for a wheel tax.

**Walter B. (Resident)** 33:23

Young families are choosing not to live in Appleton due to the high tax rate and all of the fees. Surprisingly, I heard a city employee tell me they don't live in Appleton. When asked why "It's too expensive." High taxes and fees don't affect the affluent, but when a young person that wants to buy a home, start a family with a job paying \$60,000+ a year says "Appleton is too expensive," that should be a warning sign. I urge you not to send this \$10 increase forward. Throw the dogs a bone. Thank you.

**Deb B. (Resident)** 34:07

I—excuse me, I'm [Deb B.]. And I'm the chili person, I guess. I also live at [XXXXX] Appleton, Wisconsin. And I have been in education most of my life as well. And I wanted to kind of take what Burt had shared and show how it's impacting me—us. So I'm going to start out with—and also in education, I'm a little more visual sometimes—not just auditory but a little more visual.

**Deb B. (Resident) 34:45**

The city of Appleton's mission statement is "having a government that is fiscally responsible for providing the necessary services in a cost-effective manner." And how do you do that? "We involve citizens and assessing the service needs of the community"—thank you—"and we continually evaluate our services to ensure the best delivery methods, provide a fair and equitable balance between fees and taxes and paying for services." This is the city of Appleton belief statements. "And we invest in the future to provide a sound infrastructure. Council members view their role as representing all citizens of Appleton and reject decisions catering to special interests with which are not in the best interest of the city. And the city provides for citizen participation." Thank you very much.

**Deb B. (Resident) 35:28**

Let's start out with Wisconsin. Did you know Wisconsin ranks number fifth in the nation for percentage of home value we pay in property taxes according to tax rates.org 24-25. 1.76%. So for us for my house, we pay almost \$9,000 a year for our property taxes, and so our property tax payment is almost the equivalent of our house payment. Local taxes—that's the money that your we give to you, we're selling to you, to make the best decisions for the city of Appleton. 43% of that almost \$9,000 comes to local concerns for that—for those local needs. Schools about 34% of my bill, county 18%, and Fox Valley Tech about 5%.

**Deb B. (Resident) 36:24**

And right now, I know that you are not the schools, but you're looking at your citizens as a whole. Our Appleton public schools right now are collecting \$17 million annually from collected referendums. So they build on each other. And if you talk to the superintendent, the Appleton citizens—75,000, Appleton citizens, property owners—are paying for \$17 million in referendums in excess of that allowable to be collected annually ad infinitum, no sunset, just as a matter of information.

**Deb B. (Resident) 37:09**

The Post Crescent indicated—thank you—that \$1.9 million, you know, came in in shared revenue, and then you sent that out only spending \$900,000 for infrastructure. So the other went to safety, and we are all for safety, because when you look at any human needs, I mean, that's the foundation, everybody has to be safe. But why didn't that part I'm wondering as a property, taxpayer, why that part didn't come out of the police budget, and why was that taken out of the shared revenue? That's one wonder of mine.

**Deb B. (Resident) 37:46**

Plus, in addition, we also add another 7% sanitary sewer increase in this last year. So that's another \$16. And then then we had \$1.2 million go from the budget to a fee schedule. So the stormwater fee, net cash, right there, they had \$14 million in their, in their cash flow—\$14 million. So the city moved \$1.2 million, from urban forestry to—from budgetary, it budgeted for the property taxpayers, into the stormwater fees. So where did that \$1.2 million dollars go? Because if the \$10 increase for wheel tax is going to generate \$600,000, that 1.2 would double that for infrastructure.

**Deb B. (Resident) 38:46**

So I did contact the Wisconsin Institute of Law and Liberty and asked about the movement of fees from a budget to a fee schedule. And they said that right now, there's a course—there's a casing in the appeals court that isn't resolved yet and that they would get back to me on that.

**Deb B. (Resident) 39:04**

Debt service. This was kind of new to me, I didn't realize that on a \$250,000 home, for every \$250,000 of value, you pay \$434 I believe it is over the allowable tax levy to service the general obligation debt. That's for service

for the debt, not for the debt—for servicing the debt. So as a property taxpayer, we are paying another \$434 for every \$250 worth of value on our home. And right now, there doesn't seem to be any incentive for decreasing municipality debt.

**Deb B. (Resident) 39:49**

So we're, we're working on that because we are solution oriented, and we are a team. We're all in this together. So I was surprised too with the wheel tax and kind of disheartened because we had just paid like \$4,000 for our road prior to the wheel tech starting which was an added whammy for us.

**Deb B. (Resident) 40:12**

So just to say, where Wisconsin is in property taxes, fifth highest in the nation. You look at different—different places have us place any work fifth to eighth. So our property tax bill being almost equivalent to our mortgage, to added fees, increased value, to moving budget items to fees. There are places that I think the budget needs to be reprioritized. We just really need to look at safety and infrastructure and meet those basic needs first per the mission and belief statement. And I thank you for listening.

**Alderman Brad Firkus (District 3) 40:50**

Thank you. Is there anyone else?

**Brian G. (Resident) 41:02**

Good evening. [Brian G. at XXXXX] Street, not Boulevard. There's too many choices. My question that—the \$10 isn't a big deal. What to me is a big deal, multiple steps. Number one, like the beautiful young lady said, my property was reassessed, revalued this year. I'm paying an additional \$734 in taxes this year. I've done nothing to my house. So for my additional fee am I receiving additional services? Or better roads? Better streets? No.

**Brian G. (Resident) 41:52**

Here's what I think might be possibly the solution. We're paying \$20 wheel tax for privately owned vehicles with many exceptions. Exception one being an RV, a motorhome, why aren't we charging for that \$20? Motorcycles, we're not charging for motorcycle. Commercial vehicle. Why are we not charging them? A tax should be fairly applied to everyone, and then the pool would come up. Think about it. Thank you for your time.

**Alderman Brad Firkus (District 3) 42:35**

Thank you. Is there anyone else that wishes to speak on this? Go ahead.

**Oliver Zornow (Building For Kids) 42:38**

Okay, Oliver Zornow [XXXXX]. I want to preface my comments in this issue are related to my personal beliefs and not necessarily reflective of the opinions of organizations of which I'm affiliated with. I applaud the city for pursuing a wheel tax. As a person who walks to navigate this city and lives in a dense, efficiently planned part of the city, we bear very little impact on the need for the city's roads to be reconstructed as a family and pay our share as per the number of vehicles which we choose to own.

**Oliver Zornow (Building For Kids) 43:13**

The city, as we grapple with this challenge of infrastructure investment, which I agree with Alder Hartzheim and all the folks who have spoken before, like, it's a monster that we're not dealing with, just like the lack of investment in child support services that I referenced earlier. And that really what needs to happen is we need to start thinking about the decisions that we make. As we plan new parts of the city, we are building roads in a less efficient way. Every neighborhood that I've seen come through this Council has these curvy roads with cul de sacs that are not efficiently planned. So we're building more road for fewer residents and without special

assessments, which are detrimental to individuals and I think it's the reason the impetus for the wheel tax to come. We need to come up with ways that we're going to fund these things based on who needs them and how we do them. And if we can't come to a way to fund them within our means, then we need to start thinking about should we build that next road? Or should we continue to densify this city? Thank you.

**Alderman Brad Firkus (District 3) 44:13**

Is there anyone else?

**Nancy J. (Resident) 44:19**

**[Nancy J. at XXXXX]**. I just would like to say I know that the city has been really—that the city has been really working at retiring the debt and keeping our debt lower. I am not opposed to this wheel tax increase. I think it would—I think it makes sense. And also, I know that I followed the transfer of those urban forestry dollars into the utility and there's good reasoning behind that, and the work done with those dollars didn't go away. So it's just in a different—it's just housed differently.

**Nancy J. (Resident) 44:56**

So I think that on the shared revenue piece, I think it's really important that maybe there's a way the city can help residents understand that the shared revenue model has not been working. We had a little breakthrough but—in this last budget cycle in the state—but it did not make up for the years that the shared revenue has been starved and not working. And so I know that the city has been in very tight circumstances for a long time. And I don't think that's the responsibility of just the city. I know—I think more residents need to understand the city's relationship with the state and how the state has not fully funded the things that it needs to do. So I'm I would encourage you to support that wheel tax increase.

**Alderman Brad Firkus (District 3) 45:48**

Thank you. Is there anyone else? All right. Let's bring it up to Council now. So all right, I see a few to my left. So we'll start up here Alder Van Zeeland, then Alder Fenton, and then Alder Hartzheim.

**Alderman Katie Van Zeeland (District 5) 46:04**

Thank you, Chair. I had moved to deny this item because many reasons. But a majority of us on this Council have been cleaning up a lot of debt and other messes that we inherited. We've known that the prior Council that decided to move to from special assessments to the wheel tax knew that it would never cover the costs of the roads, and I don't understand why we would ask this of our taxpayers now.

**Alderman Katie Van Zeeland (District 5) 46:35**

You know, our taxpayers are dealing with inflation, they're dealing with high home cost, cost of childcare. This is not their responsibility for us to put on them at this time. We're also not even offering them anything concrete as to what would happen with this money. It's just not something that I'm willing to put on my constituents. Thank you.

**Alderman Brad Firkus (District 3) 47:03**

Alder Fenton.

**Alderman Denise Fenton (District 6) 47:05**

Thank you, Chair. I'll be honest, when I first heard this come through at Council, I said, "Oh, what have y'all done?" But I had a unique opportunity to analyze it because one of the current road construction prog—prog—projects is going on Alvin street right in my district. And on North Morrison, which I share in district with district 14, we've got the sanitary laterals and the water work going on for reconstruction next year. So I asked the

Director of Public Works to run the model for assessments based on our ni—our 2014 policy for what was going for those two projects.

**Aldersperson Denise Fenton (District 6) 48:03**

So again, the wheel tax was not intended to fund road construction in the city of Appleton. The wheel tax was intended to replace special assessments. So the total cost of reconstruction for North Alvin was listed as \$922,263.14. We estimate that in 2024, we're going to get \$1,280,000 in wheel tax at \$20 per registered vehicle.

**Aldersperson Denise Fenton (District 6) 48:41**

And I am going to put the spot on the city attorney to confirm this, but in my understanding the cities across the state who determine the amount of the wheel tax do not determine the class of vehicles to which it is applied. It is my understanding that those exceptions in those rules are set by the state—that it applies to passenger vehicles, trucks under 8000 pounds, with exceptions, I think motorcycles are included, but with a lot of exceptions like collector plates, trucks that are classified as farm trucks are exempt. Anyway, these rules are set by the state; the city of Appleton doesn't have any control over which vehicles.

**Aldersperson Denise Fenton (District 6) 49:37**

So bottom line one street construction project essentially is taking up the entire amount of the wheel tax that we plan to collect this year. So the assessments under that old formula came to \$460,583 including the concrete for the driveway aprons. So bottom line, we're at—North Alvin is happening now. But we're also doing work on Linwood Street, Alice, Rankin, Helen, and Summit this year. So the wheel tax currently isn't paying for the assessment portion of Alvin and Morrison.

**Aldersperson Denise Fenton (District 6) 50:28**

And then I reached out to my constituents with this worksheet and said, you know, under this formula, your assessment would be somewhere between \$4000 and \$7,000 per property, depending upon this, you know, your frontage. The majority of them who have come back to me, preferred the wheel—raising the wheel tax to reinstating special assessments.

**Aldersperson Denise Fenton (District 6) 51:04**

Now, our neighbors a town over in Grand Chute, they had a whole town board election where the biggest issue was special assessments. I honestly don't know what their mechanism to replace them with is going to be. I'll be I'll be watching interestedly. I don't have the solution to our funding problems, but I think we can't just summarily dismiss a solution that does a slightly better job of spreading out some of the costs of this construction to more users of the roads rather than just the property owners on those particular streets.

**Aldersperson Denise Fenton (District 6) 51:57**

And actually, I think I do have what would be a better solution, which would be a transportation utility, where you could actually process an algorithm that would assess the cost of reconstruction more equitably among the users. However, business interests have filed and won a lot of lawsuits. So I've written that off for us and communities like us.

**Aldersperson Denise Fenton (District 6) 52:33**

So the best thing we can do is try to come up with some mix of fees and borrowing and property tax funding to try to make this work. And it's not local, but the National Highway Administration has a worksheet that shows since 2003 the highway construction index has more than—the cost of construction has more than tripled. So costs are going up. We have established that we want to keep our borrow—our rate of borrowing, we want to slow that. Because we were on an unsustainable borrowing pattern also. So we have to do that. And I've almost

reached the point where even the \$600,000 or so that we might collect on this if it keeps us from having to go back to property owners footing as much as possible of the cost of this, I'm willing to at least consider it. Thank you.

**Alderson Brad Firkus (District 3) 53:41**

Alder Hartzheim.

**Alderson Sheri Hartzheim (District 13) 53:43**

Thank you, chair. Anyone in here rather pay \$4,000 instead of \$10 bucks more a vehicle? That's—that is too simplistic a statement about what we're talking about here. I'm a little bit—I apologize, authors of this resolution. I'm a little bit insulted by the last statement, which says because Appleton doesn't want to go back to special assessments, like it's a threat.

**Alderson Sheri Hartzheim (District 13) 54:11**

How about we look at all of the other ways that we could try to cut budgets, save money, figure out other ways, other funds, other places that we can find funds? I don't have those answers, but I don't think the cheap way out of saying "Everybody extra 10 bucks; it's not gonna fill the hole, but do it or else you're gonna get \$4,000 as an assessment," I just feel like that is—this is too simplistic of a assessment of what this resolution calls for, and I really feel like this takes this needs a way bigger dive than just a few statements on a resolution saying "Yep, let's everybody's paid 10 bucks more."

**Alderson Sheri Hartzheim (District 13) 54:57**

I know it was not instituted to really take the, you know, to really fill the giant gap that we will have or that we do have every year, but it's an insult to—as [Mr. B.] said, it's an insult to our less affluent folks in town to say you can suck it up—10 bucks more a car—because we can't figure out some other way to make to fill this gap. That that's just insulting to me. And I won't stand for it for the citizens of this city. Thanks.

**Alderson Brad Firkus (District 3) 55:30**

Alder Croatt, you want to jump in?

**Alderson Chris Croatt (District 14) 55:32**

Yeah.

**Alderson Brad Firkus (District 3) 55:33**

Okay.

**Alderson Chris Croatt (District 14) 55:33**

Got a whole bunch of stuff written down. Thank you, Chair Firkus. A lot's been said. I've been trying to get feedback on this from my constituents and anyone that wants to provide feedback on it. I've been around for a while for a while and I was around when special assessments were replaced by the wheel tax. And one of the issues that I've always had with the wheel tax is the fact that it's not completely fair. As [Mr. G.] stated, it's inequitable. Some vehicles are taxed. Some are not. Households are taxed on every vehicle that they have, even though they can only drive one or two at a time.

**Alderson Chris Croatt (District 14) 56:11**

Probably my biggest thing with the wheel tax is the fact that the heaviest vehicles aren't paying the wheel tax, and they're damaging the roads the most. Take large vehicles over 8,600 pounds, which would be heavy trucks, medium duty trucks, pounding the roads, causing them to be replaced quicker than a Toyota Prius or a



motorcycle would be. But I do appreciate the comments from [Miss J.] on the shared revenue, because it's been a long time coming and thankfully, we got a little bit of relief—some relief from the state recently, and hopefully that continues. Appreciate the comments from [Mr. G.] about the wheel tax not being fully equitable, [Walter and Deb B.] for all their research on taxes and fees. I know you come to these meetings and talk about keeping those things down, and I can appreciate that as a tax-paying, fee paying citizen of Appleton.

**Alderman Chris Croatt (District 14) 57:04**

And also, I don't agree with the analysis, but thank you, Alder Fenton, for doing the analysis on the on the project. I think it's—like Alder Hartzheim said it's you know, it's how you present the scenario is what the feedback you might get. So I've been trying to be really neutral about my about my ask.

**Alderman Chris Croatt (District 14) 57:26**

Again, the issues that I mainly have and had back when this was first passed was the fact that it's really not a completely fair program. I wish it was more fair. I like the fact that our property owners aren't getting hit with a gigantic self—er assessment for a project. That was very impactful. I remember the John Street folks that came, and some had \$15,000 of special assessments, which was obviously painful for household budgets. But I think it comes down to priorities, and at some point, we have to look at making the tough, tough decisions versus just pushing the easy button and saying, "Let's collect more money." So I'm not going to support a \$10 increase, which is a 50% increase in the wheel tax. It's not \$10 per household. I'll admit I have—I'm a car guy. I have a fair amount of vehicles, I'm going to be paying \$50 to \$60 more a year under this proposal, which, you know, I can find that in my budget. But I just think it's not an equitable program. I wish there was more we could do. I agree—I'm not a fan of the transportation utility. But I'm a fan of anything that would be more fair than what the wheel tax is today.

**Alderman Chris Croatt (District 14) 58:44**

And it should also be noted that I think I saw a document, it's not in part of the packet that would if Appleton moved to 30, or even 40, we would be one of the highest in the state. There are others in that area, but we would be in the higher echelon of the wheel tax group, which I don't think that's something we want to be a leader on. We were a leader for a long time on no borrowing for streets. We used to brag about that and be very proud of it, and we were, and we should be. I wish we could get there again, but times have changed, right?

**Alderman Chris Croatt (District 14) 59:16**

Again, I won't be I won't be supporting the increase. I have gotten mixed feedback. People have told me "No problem; go for it if it helps build or build more roads or do more projects." I get that. I'm all for that. I'm all for doing more infrastructure projects, because we need to. We don't do enough. Former public works director and I had many conversations about are we doing enough? And the takeaway for me was always no, we're not we're not doing enough. So we need to do more. We just need to find ways to pay for it, and that means tough, tough decisions at budget time. Thank you.

**Alderman Brad Firkus (District 3) 59:52**

All right. I guess I'd like to jump in at this point. So I am one of the co-sponsors on this resolution, and I definitely applaud my colleague bringing up the initiative of bringing this idea before us. Honestly, I found out he was doing this because I was considering doing the same and found out that we were on the same page so that's what led me to here to be one of the co-sponsors.

**Alderman Brad Firkus (District 3) 1:00:17**

I when I—I was one of the people that started looking at the transportation utility. One of my goals with the transportation utility fund, or fee, rather, was to eliminate this the wheel tax. I wanted to get rid of the wheel



tax. That's a goal I've had for almost five years now. And since at this point a transportation utility seems to be out of the question, the—my question is, "What's next?" What is the next best option?

**Alderman Brad Firkus (District 3) 1:00:45**

There are no good options here. All right? There is no option that I have found that everyone's like, "We should just all do this." I would call raising the wheel tax the least bad option of a lot of bad options. And I have tried to find other options. I've just brought up here—I do a newsletter, and last July after the state Supreme Court ruled against doing the transportation utility, I offered the people that read my newsletter 20 different ideas on how to come up with ways to better fund our road reconstruction projects. And I'm gonna list them off here because we're all talking about, we need to make tough decisions and make great ideas, find some new ideas. I'm going to give you all a list and take them home with you, consider them talking, talk amongst yourselves, talk amongst friends and community members.

**Alderman Brad Firkus (District 3) 1:01:34**

Here's the list. Raise the wheel tax, bring back special assessments, special assessments for street parking spaces, surcharge for excessively noisy vehicles, heavy vehicle surcharge, an EV PHEV surcharge, raise levy limit by a referendum, sell the swimming pools, sell off some of the parks, naming rights to public buildings and facilities, reduce eliminate programs within parks recreation, library, and public health, stop building new roads, flatten/loosen the residential zoning code, borrow more money, keep doing what we're currently doing and make no changes.

**Alderman Brad Firkus (District 3) 1:02:16**

Feedback I got on this resoundingly negative when we're talking about cutting and selling things. Mild "Okay, I could go along with that," when it comes to raising the wheel tax. That was the closest of any of those ideas that I got any feedback on whatsoever that wasn't just flamingly negative. So if my colleagues think there's a better idea, please share it with us; stop holding back. Thank you. Alder Van Zeeland.

**Alderman Katie Van Zeeland (District 5) 1:02:45**

I just want to add that when we're asking folks to make a decision, you know, \$10, \$4,000, or when we're saying, "Hey, we can do more roads with this wheel tax," everyone thinks that their road's gonna get done for that extra \$10, and that's not how things work in this city. And if you are in certain areas of the city, the investment is always lesser, and I tend to be in one of those areas. So I just want everyone to keep that in mind. It's easy to say, "My road will get fixed for \$10." That sounds like a great deal, but that's not what's gonna happen here. Thank you.

**Alderman Brad Firkus (District 3) 1:03:27**

Anyone else? Alder Croatt.

**Alderman Chris Croatt (District 14) 1:03:30**

I have to say this, because I hope we don't ever get there, is property taxes, levy, wheel tax and go back to special assessments—I hope we never get there. Thank you.

**Alderman Brad Firkus (District 3) 1:03:43**

Alder Schultz, microphone number, please.

**Alderman Alex Schultz (District 9) 1:03:48**

Thank you, Chair. Great discussion. I wish there were some easy solutions. You know, we're in a situation after COVID where everything—costs of materials, cost of labor, cost of everything essentially skyrocketed, doubled,

tripled, in some cases in the marketplace. That hasn't come back down. But we haven't been able to, you know, keep apace with the cost of these things. So construction, concrete, all those costs have really gone up, and there's no way that we are able to currently fund these things.

**Alderman Alex Schultz (District 9) 1:04:18**

In this one small measure to keep homeowners from having to be hit by large number special assessments, I think it's worth that existing \$20. \$10—is that going to hurt me over a year's time. Now I have two vehicles, so it's 20. I'm not going to pay for my kids; they can pay their own. But I also have two hybrids where I'm paying an extra \$200 a year for the benefit or for the pleasure of owning a hybrid vehicle which I purchased to actually reduce my footprint. Unfortunately, the state has decided that that is something they want to charge for, and we have no control over it.

**Alderman Alex Schultz (District 9) 1:04:56**

And similarly I agree with Alderman Croatt that the damage from damage to our roads is significantly attributed to these heavy vehicles that we also don't have any ability to tax in any way, and we certainly can't tack on a wheel tax to those vehicles, and they are primarily responsible. So I would love at some point for the state to give us some leeway to charge those vehicles which really do the damage to our roads, and not the residents who own smaller vehicles.

**Alderman Alex Schultz (District 9) 1:05:27**

But we are here. You know, all the numbers that Alderman Fenton shared basically showed us that we're not keeping apace, and in order for us to continue to prevent homeowners from being hit with those significant bills if their street is reconstructed, I think \$10 is a small price to pay for an individual homeowner, whether it's \$10 to \$40, \$50 depending on how many vehicles you have.

**Alderman Alex Schultz (District 9) 1:05:54**

The alderpersons in this room who have construction projects going on—I have one in my district at Summit Street. Two years ago, when we were reviewing that project, 90% of the people from Summit Street came in and said, "We don't want this street reconstructed; we don't feel that there's a need. And if we have a sewer issue, maybe just replace that one." There's no reason any of us really think that this is something the city should do, but we as a body and listening to staff said, as a city, we want to improve our infrastructure, and so we're gonna move forward with this street reconstruction because that's what we do to make a better place and a better city. We need to upgrade this stuff at some point because it's aged and outdated, regardless of what the citizens think.

**Alderman Alex Schultz (District 9) 1:06:33**

Now, can you imagine that street of 90 some percent of residents who didn't want that project to happen who lost some street trees, who had their street narrowed and makes it a little bit more difficult to get into the driveways or park on the street, being hit with a special assessment for \$4000 or \$5,000 on top of that. And so when I when I think about it from their viewpoint, I think "Yeah, I'll give you 10 bucks a year or 20 bucks or whatever that number is." That's fair to me and I prefer that it happened. Thank you.

**Alderman Brad Firkus (District 3) 1:07:04**

Have Alder Meltzer then Alder Hartzheim, and then Alder Martyn. Okay, Alder Meltzer, microphone number, please.

**Alderman Vered Meltzer (District 2) 1:07:14**

Thank you. So, in 2014, I was one of those who served on this body when we repealed special assessments and replaced them with the wheel tax, and at the time, there was a lot of criticism. There was a lot of discussion and controversy. And the fact that the wheel tax was only alleviating the special assessments portion and not intended to cover the entire cost of roads was a very important thing, and it was said that we will have to come back and address this issue again. I just want to say, here I am; happy to address this issue. Again, it's not something we can run away from.

**Alderman Vered Meltzer (District 2) 1:08:05**

The fact is, roads will wear out. Every single road will wear out on a regular basis, no matter how many times you reconstruct it. The fact is that taxes always go up. Inflation always goes up. We live in a world where, you know, if we raise the wheel tax by \$10 right now, the time will come where we feel that we still need to raise it again. So I just want us to keep that in mind while we are having these discussions that we are being transparent and that we are being honest about the limitations of these funds.

**Alderman Vered Meltzer (District 2) 1:08:47**

But I did get some very surprising constituent feedback when I reached out about this increase. Overwhelmingly, my constituents said they were fine with it. The tiny handful of people who expressed that they would like me to oppose this was so small, I was astonished. But what was even more surprising and astonishing was that many of those who provided feedback not only said they were okay with \$10, but said, you know, \$20 or \$30 would be fine, too. There were actually people who their criticism of this was not, "Don't raise it," but "You're not proposing to raise it enough." Am I going to represent those constituents by offering an amendment to change the \$10 to \$20? No. But I feel that I am representing the vast majority of my constituents by supporting a \$10 increase.

**Alderman Vered Meltzer (District 2) 1:09:56**

I would like to live in a world where we never have to increase. I would like to live in a world where the state takes proper care of us as they should. There is so much money being extracted from populations on many different levels to fund different things; it would be nice if it were all consolidated together and we didn't have to worry about the cost of repairing roads competing with the cost of keeping yard waste sites open and things like that. But the reality is that we are facing such significant resource constraints. No matter how nobly we might say we want to keep the taxes down for our residents, our residents themselves also have expressed the view that they would like to see the roads maintained, and they don't have a problem with paying a bit more.

**Alderman Vered Meltzer (District 2) 1:11:00**

I think another thing to consider is that there is not any city out there that keeps up with the recommended schedule of road reconstruction. It is impossible for us to ever get on top or get ahead of that necessity. So I really, really appreciated audience member Oliver's comments about how we should be looking more closely at how curvy our roads are, how much concrete are we actually laying that we are then making a commitment for evermore to have to repair and replace as it wears out? I think that this is really a time where we can be very, very proactive with our community development department, and try to make sure that if we keep our concrete minimal that's the best way we can keep this cost growing at a pace that we can handle. Thank you.

**Alderman Brad Firkus (District 3) 1:11:01**

Alder Hartzheim.

**Alderson Sheri Hartzheim (District 13) 1:11:12**

Thank you, Chair. I have to begin by saying I very vehemently disagree with the statement from Alder Meltzer that the state should take care of us. But I applaud Alder Firkus for saying that there are other ideas or that there should be other ideas. I don't believe that his list was exhaustive, and I think that there are more ways that we can cut this and try to figure it out, and I think stamping a rubber stamp on a \$10 more is pushing that down the road rather than trying to figure this out.

**Alderson Sheri Hartzheim (District 13) 1:12:43**

One thing that just came to my mind recently was in many years we've had excess funds through our budgetary process. And at that point, 75% of it goes directly by municipal code or by a decision by this body years ago—75% of it goes to pay down debt, and the other 25% is at the mayor's discretion. Perhaps we change that, perhaps we say 60% goes to debt reduction, and 40% automatically goes to our road funds. These are things that we have to talk about. These are things that are way outside the box that nobody's even looked at, and I believe that we have to go further than that, rather than just saying, "Everybody just pays 10 bucks more, and hey, I'll pay more if I want." Well, then you should. If you get your registration thing and you feel like I could pay more wheel tax, whip it out there. Put out 50 bucks on there. Give it to us, I'd love that. But I don't think people really—I think it's easy for people to say that. But I don't think they really do that. They don't believe that they should pay more. They just believe that they can say that, and it's a good way of saying "Yeah, I'll pay more. It's no problem."

**Alderson Sheri Hartzheim (District 13) 1:13:54**

I really feel like we have to look at the people in our city who are barely scraping by. The people who need these childcare things that we're trying to support as a city—those people sometimes really could not afford an extra 10 bucks per vehicle. It's already hard enough for them. And I don't feel that it's appropriate for us to try to push that on them when we haven't exhaustively searched for any other opportunities. Thank you.

**Alderson Brad Firkus (District 3) 1:14:25**

Alder Martin, mic number. Seven. Sorry, Smith. You're Martyn Smith, sorry, forgive me.

**Alderson Martyn Smith (District 4) 1:14:35**

I agree that the wheel tax might be a somewhat blunt instrument for dealing with this but it's the instrument that we have and it's what we've used, and it's been working. And so outside of a really specific proposal to shift that cost from this instrument to some other way, I would remain in favor of using the wheel tax to cover the special assessment.

**Alderson Martyn Smith (District 4) 1:14:58**

In 2014 I was a a—I was a homeowner and I had some people that we knew that had received the special assessment, and I got a little bit of a chill thinking, "Oh my God, I didn't know that could actually happen to anybody" where you get \$1,000—several thousand dollars of assessment. And so I was relieved to learn that the Council had taken care of that with the special—with the wheel tax, and I was in supportive, but then. I didn't see it and as a new special tax. I saw it as a way of evening out those special assessments so that we are all putting in some funds, and I continue to think that is the best way to do it. It's not because I think I'm gonna get a \$4,000—it's not some kind of exchange, where I'm gonna save \$4,000. Because I know that in the course of a year, there'll be a lot of people who receive \$4,000—whatever the amount is more—assessments if we don't do this, and I think a lot of those people will really be hurting more than—and that that is worse to have a major kind of catastrophic financial impact on the people that are, where they're—that are receiving those special assessments, rather than evening that all out for \$20 now, and now an extra \$10. That seems to me like a good communal-based way of handling this. And I would not vote for anything that would threaten to bring back the

special assessments, and this is the instrument on the table to keep away the special assessment. So I thank Alder Firkus and Alder Wolff for bringing this forward. I think the \$10—yes, it is something, but it's also consistent with the amount of inflation that we've seen in a lot of areas, and I think this is this is, this is something that I support for those reasons.

**Aldersperson Brad Firkus (District 3) 1:16:46**

Thank you. Now, Alder Wolff and then I have—we'll go across the board again. Alder Wolff microphone number again, please. Thank you.

**Aldersperson Nate Wolff (District 12) 1:16:57**

Thank you, Chair. I would like to hear from Director Block on this resolution, if you would. But I'd also just like to make a little side comment and say that I'm in the working class. I don't have six cars. I didn't retire before I was 50. I don't have a big diamond ring in my hand. I am in the working class. I worked multiple jobs. In the year I worked three jobs to get by in this city. It is expensive. I can't afford \$4,000. I can afford \$10 more. I can cancel my Netflix subscription for a month. And do that just fine. All right. Thank you. You can disagree with this resolution, but let's not be disrespectful and pretend that we represent the working class when the person proposing this is in the working class. Thank you.

**Aldersperson Brad Firkus (District 3) 1:17:50**

Alder Fenton.

**Aldersperson Denise Fenton (District 6) 1:17:52**

Thank you, chair. We are not—I am in no way saying that we are in an either/or proposition here. Even with the \$10 increase, the total that we would propose to collect in 2025 would pay for North Morrison Street. So we're still not—we're still not covering street reconstruction with this. But—so the big monster is still on the table, but it's the old "How do you eat it eat an elephant? One bite at a time." And I think that we have to make this step because the people who live on—you know, Alvin Street is not a fancy neighborhood. A lot of these folks are older people, they're retired, the assessment would hit them pretty hard. You know, the \$10, \$20 is not great either, but we cannot—we can't just do this and say we're done. We have to keep looking at other options, but we've got to take what options we have. Thank you.

**Aldersperson Brad Firkus (District 3) 1:19:12**

Alder Van Zeeland.

**Aldersperson Katie Van Zeeland (District 5) 1:19:13**

And to piggyback on that, that's the biggest issue I have with this is that this isn't going to make a dent in anything. When I first saw this, I got excited, like, we just got, you know, our Safe Streets policies put together, and I thought "Great, maybe we can take a look at some of those problem areas," which many of them are in my district because they haven't been dealt with for some time. But that's not even something that is going to be available as far as a plan until budget time. So why are we doing this now when people are hurting? Like we can take a look at this, and we can look at making a plan to do something with the funding possibly, but I just can't justify saying "Give us more money, and you will get nothing in return." Thank you.

**Aldersperson Brad Firkus (District 3) 1:20:00**

Alder Hartzheim.

**Alderson Sheri Hartzheim (District 13) 1:20:01**

Thank you, Chair. I want to make it clear that I don't want us to go back to special assessments. That is not at all what I'm saying. But I disagree with the additional \$10 per vehicle for the wheel tax. Thanks.

**Alderson Brad Firkus (District 3) 1:20:12**

Anyone else? I guess I'll just add in, the wheel tax was created as a replacement for a special assessment and special assessments were never fully paid for our road projects. As was pointed out, we used to be able to pay for it all with money that the city had—no, no wheel tax, no extra borrowing. But again, as pointed out state aids were a lot higher back then—higher than they are right now. That was a huge factor. For a while the city did start dipping into borrowing for helping to pay with road reconstructions—much more justifiable when interest rates were under 2%. We don't have that option—not unless we want the money that we're going to spend, and have not just that money going towards the roads themselves but also to pay the interest on those roads.

**Alderson Brad Firkus (District 3) 1:21:01**

The wheel tax, yes, it does have a small admin fee. 1.3% is the—somewhere around 3% maybe. I—exact numbers off top my head, but is a much, much smaller percentage that goes—that the state does collect on administering the wheel tax for us—much, much less than what we pay on interest when we borrow for roads. The ask here in raising this is that we can keep the wheel tax trying to stay par with what the special assessment was doing. There's no way we're going back to a special assessment. I mean, this could fail when the Council votes on it. And I could turn right around and bring in a resolution to bring back special assessments. I wouldn't even vote for it. No way. It's just not going to happen.

**Alderson Brad Firkus (District 3) 1:21:46**

So I mean, I understand, no, no, I mean, and I'm not going to—well see. I am kidding. I just want to get. But that's the ask here. Because if we—if the wheel tax isn't doing the work of what special assessments were doing, then we're putting more pressure on our other options, which is the General Fund, which means cutting from other areas, or it means borrowing, which means paying now exorbitant interest rates on that same work. We're going to get less done going status quo. There's no two ways around it. We may not—there's never going to be a good time to do this, but the longer we wait, the worse it gets. Thank you. Alder Schultz. Come on. I'm trying. There we go.

**Alderson Alex Schultz (District 9) 1:22:37**

I would just—last I just—I think I would strongly disagree with comment from Alderman Hartzheim that it actually is that simple for the community writ large. Would you rather have one of your neighbors or somebody in your neighborhood pay \$4,000 for a special assessment when their street gets rebuilt and at some point when your street gets rebuilt? Or would you be okay, chipping in an extra 10 bucks? It actually is that simple for the community writ large. That's the question we're asking them and if they're okay with it, we should be okay with it.

**Alderson Brad Firkus (District 3) 1:23:07**

I thought I saw someone else. Alright, I guess we do not have anyone else that has any comments. So we'll go ahead and vote. The motion on the floor is a denial of passing this resolution, so an aye vote is for denying. A nay vote is against the denial. So all in favor of the denial.

**Aldersons Van Zeeland, Hartzheim, and Croatt 1:23:32**

Aye.

**Aldersperson Brad Firkus (District 3) 1:23:33**  
Opposed?

**Aldersperson Firkus and Fenton 1:23:34**  
Nay.

**Aldersperson Brad Firkus (District 3) 1:23:36**  
Resolution fails three to two. To get out of committee though we do need a—wait, no, sorry. We are good, actually. So with that, we'll move on to our next item which is recommend—yes, sorry. So that is recommended for denial. It will go before the Common Council next—not not—sorry, not next Wednesday, because that's the fifth Wednesday of the month. So that will be on June 5? Yes, June 5 before the Common Council.