

Date: February 24, 2026

To: Finance Committee

From: Rachele Blich, Director of Financial and Administrative Services

Re: Garbage and Recycling Fees

Wis. Stat. §66.0627 authorizes municipalities to bill property owners directly for certain services by placing the cost as a special charge on the tax roll. Municipalities may impose these charges when the service benefits particular parcels rather than the community at large; however, a negative levy adjustment applies if the covered service was funded in whole or part by the 2013 tax levy for the 2014 budget and if the user fee was implemented or increased on or after July 2, 2013.

Given this statutory framework, the City is evaluating whether to move garbage and recycling services to a special charge. Doing so would shift the cost of these services from the general levy to a parcel-specific charge, which can provide several operational and financial advantages. First, placing the service outside the levy allows the City to preserve limited levy capacity for other essential operations that cannot be funded through special charges. This is particularly important under current levy-limit constraints, where even modest increases in service costs can crowd out other budget priorities.

A special charge ensures that the cost of garbage and recycling services is aligned with the properties that directly receive the service, creating a more transparent and equitable funding structure. Property owners would see the actual cost of the service on their tax bill, and the City can clearly communicate how the fee is calculated and what it supports. Currently, only single-family homes receive this service, while commercial and multi-family properties manage their own waste removal. Because the service is funded through the general fund, all taxpayers contribute to it regardless of whether they benefit. Applying this charge ensures that that service fees for new single family home developments within the TIDs go directly toward the cost of service. Traditionally, growth increment within a TID is captured and redirected to the district rather than the general fund. Moving this expense to a special charge guarantees that these costs are properly allocated to the service provided.

Finally, using a special charge provides a more stable and predictable funding mechanism. Service costs—fuel, equipment, labor, and contracted hauling—tend to rise faster than allowable levy growth. A special charge can be adjusted annually to reflect actual service costs without triggering levy-limit pressure or requiring reductions in unrelated municipal services.

The general fund is projected to transfer \$540,000 in 2027 to support Solid Waste and Recycling services. Under state law, the levy would be reduced by \$117,977, leaving \$422,023 that could



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be redirected to other municipal needs. The included graphs illustrate the increase in garbage and recycling rates and the total budget cost, as well as how these increases compare to the growth of the property tax levy and are intended only to support discussion and help the committee determine what direction it may wish to pursue.