

Emergency declarations: levy limits & expenditure restraint



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The expenditure restraint worksheet and the levy limit worksheet have adjustments pertaining to emergencies declared under Wisconsin Statutes Section 323.10 (declaration by the governor). These adjustments can apply to unreimbursed expenditures incurred during the recent flooding. This could include direct staff costs, equipment rentals, and commodities.

Line 5 on the expenditure restraint worksheet allows a subtraction for unreimbursed expenses related to an emergency declared under 323.10. The expenditure restraint worksheet compares "budget year to budget year". If these unreimbursed expenditures are part of an amended 2018 budget or the 2019 budget it can be deducted and not count towards expenditure restraint. The 2019 expenditure restraint worksheet will compare the 2018 budget to the 2019 budget to determine if an expenditure restraint payment is received in 2020.

In terms of levy limits, there is also an adjustment to increase the allowable levy for unreimbursed expenses related to an emergency declared under 323.10. This is adjustment "G" on the 2018 limit worksheet and can be used if needed. This adjustment is not base building. It will be subtracted out on line #2 the following year on the 2019 worksheet. The amount of the deduction will be pre-filled by the DOR and should be the same amount as the adjustment claimed on the 2018 levy limit worksheet.

The adjustment on the levy limit worksheet for these unreimbursed expenditures can be claimed at a community's discretion and should only be used for expenditures they reasonably expect will be unreimbursed. If a community pays for these unreimbursed expenditures with reserves on hand and does not feel the need to recapture these costs, the community is not required to take this adjustment. If a community receives an unexpected reimbursement later (from insurance for example) there is not a requirement to reduce the levy in the future.

Bio: Greg Johnson has been a Municipal Advisor in the Ehlers' Wisconsin office since 2005 assisting Wisconsin cities, villages, townships, counties, and public utilities with the design and implementation of financial solutions. Prior to joining Ehlers, he had seven years of municipal government experience working as the Administrator for communities in Wisconsin and Kansas, and as an Assistant Administrator in Illinois. One of Greg's greatest contributions to Ehlers and our clients is his ability to comprehensively evaluate a client's financial situation and develop financial solutions that are integrated with the client's long-term goals and objectives. Contact Greg at gjohnson@ehlers-inc.com