

November 16, 2021
Press Release

During the recent budget preparation process, it was discovered by the City of Tomah's new Treasurer, Molly Powell, along with City Administrator Brad Hanson, that the 2020 Levy Limit Worksheet submitted to the Wisconsin Department of Revenue (DOR) was not accurate. The amount listed on the Worksheet for debt service in comparison to the budget amount for debt service was overinflated. The result was a higher levy. The Treasurer obtained copies of levy worksheets from the DOR which were submitted by previous City staff in prior years going as far back as 2013 and it appears that there are additional years in which the same method was used. Upon discovery of this issue, the City has been in contact with its auditors, insurance company, financial consultants, and the Wisconsin Department of Revenue. It has been confirmed that all funds levied were accounted for and used solely to meet City needs. Further, no action can, nor will need to be, taken for past budgetary years.

For the immediate budget year, City reserve funds will be used to supplement the 2022 budget and the taxpayers will realize a levy decrease by approximately \$1.50 per \$1,000.00 of assessed property value. Going forward, the City will need to recover about \$250,000 for the 2023 and 2024 budgets. While it is anticipated the recovery process will take three budgetary years, the amount of time will depend upon inflation and net new construction.

The City Council and staff are committed to taking action to ensure that this issue never happens again. This will include working on finding alternative and additional revenue sources; focusing on economic development and new construction opportunities; identifying areas of budgetary savings/solutions; implementing policies and practices to increase financial transparency to the public, city officials and staff, as well as specific policies focused on the training and procedures associated with the annual Levy Limit Worksheet submission.

It is important to note that three significant management positions in the City of Tomah administration have changed in the last eighteen (18) months, namely, the City Administrator, City Clerk and City Treasurer. While change can be difficult, the City has been afforded the opportunity to review and work to improve upon past methods and processes of City Hall. Of priority to the City Council and staff is, and will continue to be, the proper maintenance and efficient use of the public's purse.