

Results of the City of Oshkosh Budget Analysis Released by the Oshkosh Chamber of Commerce

An analysis of the City of Oshkosh Budget, reviewing revenue and spending trends, was recently completed and is being released. The Oshkosh Chamber of Commerce commissioned a study to take a thirty-year (1990 – 2020) look back at City long-term spending and staffing trends. This independent [analysis](#) was conducted by the Whitburn Center for Governance and Policy Research at the University of Wisconsin Oshkosh on behalf of the Oshkosh Chamber of Commerce. The goal of this analysis is for stakeholders to be able to get an unbiased look at Oshkosh budgetary trends and to better inform local property taxpayers of the City's revenue and spending trends.

Key findings:

1. Local government funding has been impacted by State policies surrounding shared revenues and tax levy limits. In response, the City of Oshkosh has shifted sources away from State shared revenues to greater reliance on property taxes and user fees.
2. Local taxpayers benefited by Wisconsin 2011 Act 10 that allowed the City of Oshkosh to better manage its employee health insurance and pension benefits expenditures.
3. Overall, the City of Oshkosh has experienced a 193.9% overall increase in its four major sources of revenue between 1990 and 2020. Over the last 30 years, major revenue sources have increased by an average of 6.5% annually. That increase corresponds with a 137.9% increase in the City's operating budget, an average annual increase of 4.6%. During the same period, according to the Bureau of Labor Statistics, the average inflation rate was 2.59% per year.
4. There are clear patterns to the changing major revenue sources for Oshkosh:
 - State shared revenues increased by 5.8% between 1990 and 2020.
 - Total funds collected via the local property tax increased by 344.8% between 1990 and 2020, or about 11.5% annually.
 - User charges for services increased by 468.7% between 1990 and 2020, or about 15.6% annually.
 - Funds collected via licenses, permits, and fines increased by 282.3% between 1990 and 2020, or about 9.4% annually.
5. Since 1990, the City of Oshkosh added 198 employees. Public Safety had the largest number of additional employees with the Police Department adding 40 employees and the Fire Department adding 14 employees during this period.
6. The City of Oshkosh has also experienced changing wage patterns since 1990. Overall direct labor costs, i.e., wages, have increased by 212.7% between 1990 and 2020. Payroll benefit costs have also increased by 150.7%. However, payroll benefit costs did change dramatically between 2010 and 2020 due to 2011 Wisconsin Act 10, which limited the City's contribution to employee benefit costs (public safety employees excluded).

The budget analysis did an in-depth review of the City's Stormwater Utility. In November 2002, the Oshkosh Common Council established a Storm Water Utility. The Common Council gave the Utility broad authority to establish the equivalent run off unit (ERU) charge for all residential and non-residential property owners, including tax exempt property owners. In essence, this means that the City of Oshkosh set up a new user fee structure to charge owners of real estate to raise funds to manage its stormwater.

Though the enabling ordinance did give the Common Council broad authority to set rates, it also prevented the City from subsidizing other services with profits made through the Stormwater Utility. Since the inception of the Stormwater Utility, ERU rates increased significantly. The initial ERU in 2003 was \$19.08. In 2020, the ERU was \$196.92, a rate increases of 932.1% between 2003 and 2020 (that corresponds to an average 55% annual increase). Since 2003, \$98,364,038 was raised in stormwater utility fees. The City of Oshkosh Stormwater Utility Fund, as of 2020, had a Cash/Investment Fund balance of \$17,192,653. Note, the 2020 Oshkosh operating budget reports a Stormwater Utility Fund balance of \$60,192,677, but that number refers to total net position, which includes investments in capital assets and other restricted and unrestricted assets.

The final part of this analysis is a snapshot of services funded by all property taxpayers that primarily serve residents. About 16% of the total tax levy goes directly to fund things like the library, museum, garbage collection, and GO Transit, that serve residential property owners. In other words, non-residential property taxpayers are subsidizing certain services that serve primarily residential customers, without receiving any direct benefit.

The Oshkosh Chamber of Commerce will be using this analysis to formulate a series of budget recommendations that will be presented in the Oshkosh City Council prior to their annual operating budget deliberations.

We encourage interested parties to review the entire [budget analysis](#) to better understand the City's budget. For further information, please contact John Casper, president and CEO of the Oshkosh Chamber of Commerce.