



SUN PRAIRIE

CITY OF SUN PRAIRIE

**Assessment of Service Improvement Opportunities,
Projected Funding Challenges, Funding Options**

Spring 2025





Executive Summary

City Seeks to Continue Legacy of Local Investments

The City of Sun Prairie is a vibrant community. Through strategic investments in high-quality services and assets, the city has become a destination for families. Sun Prairie has also become an attractive destination for business development, with companies and shops choosing to locate or expand in the city.

To maintain this legacy of high-quality services and to continue making planned and future investments, the city has identified a need for additional funding.

State Constraints Limit Ability to Invest

By design, **Wisconsin municipalities have a limited ability to increase funding that would allow a community to address increased expenses and make investments.** The State's funding structure provides municipalities two primary funding sources: property taxes and shared revenue.

Property tax levies are limited by state law. Municipalities are permitted to increase property taxes only up to the amount necessary to fund "debt service," or repay loans - to a point. (The State does not allow municipalities to incur debt at an amount that exceeds 5% of the equalized value of the taxable property located in the municipality.¹) Additionally, municipalities can increase property taxes for operations only by an amount tied to increases to a municipality's equalized value from "net new construction." Municipalities can opt to exceed operational levy limits if approved by voters via referendum. **In Sun Prairie, both the debt service and operational levies are now hitting their limits and the city is limited on the additional revenue it can generate from property taxes.**

Shared revenue, funding provided to municipalities by the state annually to be used on any approved budgetary expense, is limited in a different way – **shared revenue payments are not tied to inflation and do not increase at the same rate as increased costs** to provide services or purchase equipment and materials.

Few additional revenue sources exist, including revenue generated by fees and grant funding. Some communities, including the City of Sun Prairie, have added a municipal vehicle registration fee ("wheel tax") to help close the gap between increasing costs and limited revenue. Sun Prairie has also secured grant funds to support key investments and has implemented cost-saving measures like partnerships with community organizations, such as Colonial Club and Sunshine Place, to improve service delivery and reduce costs.

¹ Wisconsin State Statute:

https://docs.legis.wisconsin.gov/misc/lfb/informational_papers/january_2023/0015_county_and_municipal_expenditure_and_revenue_limits_informational_paper_15.pdf



Additional Funding Will Allow for Continued Advancement

The reality is that existing sources of revenue and cost-saving measures are not enough to allow the city to meet growing costs or make investments to improve our community.

If Sun Prairie is going to maintain existing services and continue to invest in improvements, additional funding is needed. Without additional funding, the city will need to make difficult and potentially painful decisions each year about how to cut existing services, programs and staffing levels to balance its budget.

Community to Guide Priority Investments and Funding Approach

In September, all households in Sun Prairie will receive a survey designed to help elected officials secure community input about preferred investments and approaches to funding local services.

The following report will provide important context regarding existing services and assets, opportunities for continued service improvement, and funding and budget practices implemented previously. Finally, it will outline potential methods for securing necessary funding.

As dialogue around city services continues through the survey and community engagement opportunities, the community will play a significant role in determining the city's path forward.



Background on the City of Sun Prairie

Located in northeastern Dane County, just east of the City of Madison, the City of Sun Prairie is thriving. Since its incorporation from a village to a city in 1958, Sun Prairie has experienced strong population growth, undergoing a transformation from a relatively small community of less than 4,000 in population to an estimated 39,419 today.

Sun Prairie has become known in the region for a high quality of life, excellent parks and recreation programs, and progressive approach to development and redevelopment.

The City of Sun Prairie is a place where people love to live, work and play.

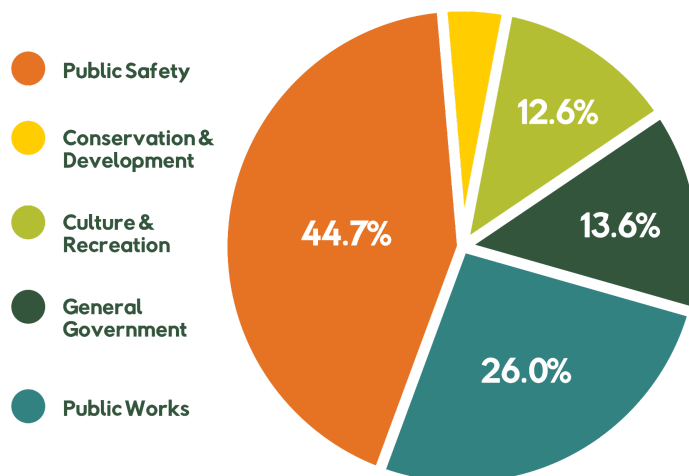
The city is recognized as a leader in many areas, including sustainability and municipal finance. The city receives annual recognition as the Dane County Climate Champion and has been awarded the national Government Finance Officers Association (GFOA) Triple Crown Certificate of Achievement for Excellence in Financial Reporting.

The city funds a full range of services, including building inspections; the construction and maintenance of streets and other infrastructure; economic and neighborhood development; police, fire protection and emergency medical services; recreational activities, including through the Public Library and at parks; sanitation services; transit service; and water and electric utility services. In addition to these general activities, the City Council exercises control over wastewater and stormwater utilities.

Staff are critical to service delivery. With 78% of the city's general fund budget spent on personnel, the city currently **employs 327 full-time equivalent (FTE) employees across all functional areas.**



STAFFING BY FUNCTIONAL AREA

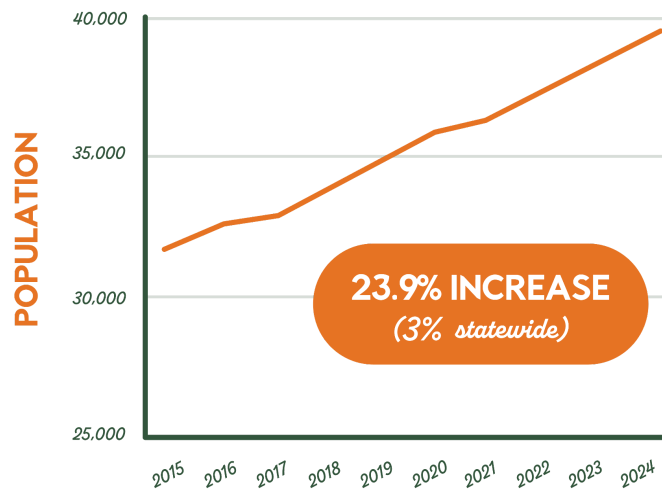




In the past 10 years, Sun Prairie has experienced **increasingly rapid growth**. With nearly 40,000 residents, **the city saw a 23.9% increase in population between 2015 and 2024** – significantly outpacing population growth in the State of Wisconsin as a whole, which hovered around 3% over the same period of time.



POPULATION OVER TIME



Growth across Dane County is expected to continue increasing from its current population of 599,930 to 640,814². Over the next 10 years, Sun Prairie will continue to experience significant growth.

² According to the Capital Area Regional Planning Commission - 2050 Regional Development Framework.



Service Improvements Possible with Staff Investments

Providing public safety and other core municipal services requires having consistent, dedicated and expert staff to meet community needs.

Sun Prairie Police Department

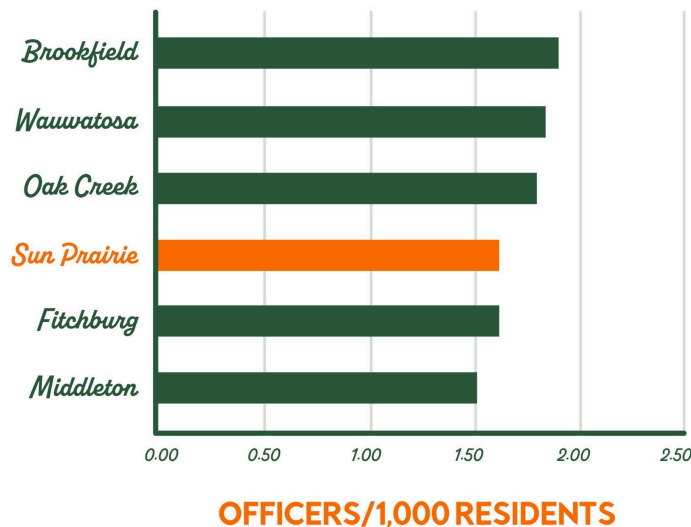
The Sun Prairie Police Department responds to emergency calls requiring a police presence. It provides services to enhance the safety and security of Sun Prairie residents and visitors alike, covering a total jurisdiction of just over 12 square miles.

Since 2015, the city has been able to budget for 9 additional sworn police officers. In total, the city budgets for the Sun Prairie Police Department to have 62 sworn police officers, 23 civilian full-time employees and 4 civilian part-time employees who assist with organizational responsibilities. Of the 63 sworn officer positions, 44 are assigned to the patrol division – including 37 patrol officers and 7 patrol sergeants.

While the city has been able to increase the budget for sworn officers over time, a 2023 staffing survey found that **the Sun Prairie Police Department has 6.79 fewer sworn officer positions budgeted for than peer communities.**



COMPARING PEER COMMUNITIES *Officers/1,000 Residents*



A comparison to peer communities' ratio of officers per capita further clarifies that Sun Prairie Police Department's authorized staffing levels are below average. Additionally, based on statistics published by the US Bureau of Justice, the national average is 2.3



officers per 1,000 in population. Based on this ratio, the City of Sun Prairie would require a total of 90 officers to align with the national average.

The day-to-day staffing reality is challenging.

Despite recent increases in budget for staffing, referral bonuses, education incentives to attract officers and a formal lateral transfer program, it has been difficult to fill vacant Sun Prairie Police Department positions. The city is not immune to the police officer staffing challenges being experienced across the state and nation.

The Police Department has had to maintain the same, minimal shift staffing approach it has had in place since 2008: 4 patrol officers on duty during the day, 5 patrol officers on duty during second shift, and 4 patrol officers on duty during third shift. All shifts also include 1 sergeant as a supervisor and patrol officers work on rotating shift schedules. **The Police Department has been unable to increase second shift staffing to the 6 patrol officers necessary to meet growing needs.**

Insufficient staffing impacts the public safety services community members receive.

With limited staff, **proactive services such as traffic engagement can be delayed.** As another example, the Department has had to keep two officers on patrol duty rather than filling open District Liaison Officer positions intended to support community engagement and collaboration activities that build trust and improve public safety outcomes in the community.

The Sun Prairie Police Department must prioritize the high volume of calls for emergency service it receives. Over the last decade, the number of calls for service has been consistently high. More recently, the Police Department saw a 13.5% increase in calls from 2020 (22,735) to 2024 (25,910) – **averaging more than 70 calls for service per day.**

Furthermore, **emergency calls have become more complicated.** Most mental health-related and “Check Person” calls for service require a two-officer response. Between 2015 and 2024, the Sun Prairie Police Department saw a sharp, **70.4% increase in the number of “Check Person” calls.** This increase in mental health-related calls in part led to the recent expansion of the Community Alternative Response Emergency Services (CARES) initiative, which now serves the City of Sun Prairie as part of a 12-month pilot program as of February 3, 2025. Funded by a grant from Dane County, the CARES partnership between several Dane County-area emergency services departments works to ensure medical and behavioral healthcare is integrated into the city’s response to behavioral or mental health emergencies, providing patients with necessary care and diverting people from jails.



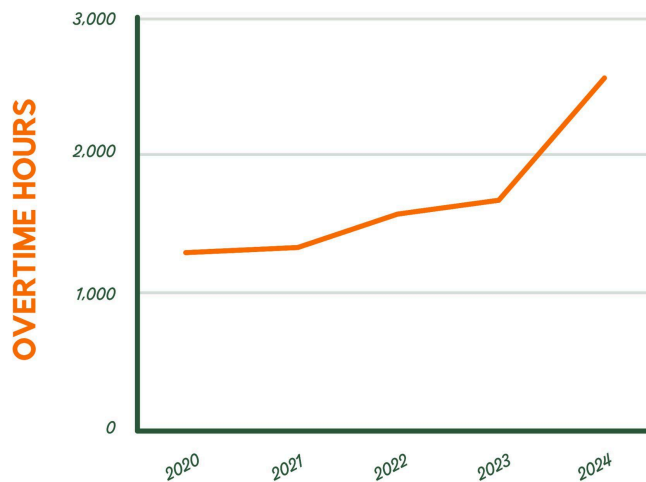
Low staffing levels in the Police Department also impact the city budget.

For the city, the goal is to have no more than 8.0% staff turnover in a given year. In recent years, staff departures and vacant positions – including at the Police Department – have meant turnover has fluctuated between 10.0% and 16.0% annually among seasonal staff and between 10.0% and 13.8% among full-time staff.

Vacancies and turnover create a financial burden, as overtime is often used to cover essential services. **The Police Department has had to rely on an increasing amount of overtime to cover shifts.**



POLICE DEPARTMENT OVERTIME HOURS PER YEAR



In 2020, there were 1,269 overtime hours. In 2021, that grew to 1,290 hours, increased gradually to 1,639 hours in 2023 and most recently ballooned to 2,555 overtime hours in 2024 – costing the city \$295,752 in 2024. This increase in overtime not only impacts the city budget but it also has a direct impact on officers mental health and could lead to greater rates of burnout.

To increase proactive policing and community engagement, while maintaining high-quality emergency response, the Sun Prairie Police Department is requesting 13 additional full-time staff over the next several years.

Adding more Police Department staff could be done on the following schedule:

- 2027: add 2 patrol officers and 1 patrol sergeant
- 2028: add 2 patrol officers
- 2029: add 2 patrol officers and 1 crime analyst



OPTIONS ASSESSMENT *City of Sun Prairie*

- 2030: add 2 patrol officers and 1 patrol sergeant
- 2031: add 2 patrol officers

If all staffing additions are made, the funding needed to support these investments in the Police Department would be an additional \$1,868,970 for the city's operating budget.



Sun Prairie Fire and EMS Department

The Sun Prairie Fire and EMS Department is a **full-service fire and emergency medical services (EMS) agency** delivering **fire suppression services (all-hazards incident response), advanced life support transport, emergency management, fire prevention inspections, post-fire investigations, public fire safety education, and specialized rescue services, including ropes and ice rescue.**

Sun Prairie Fire and EMS is also part of the Mutual Aid Box Alarm System (MABAS) and responds to calls for assistance and additional resources from other agencies for large-scale events and receives the same aid in return when necessary.

The department operates with three divisions: Sun Prairie Fire, Sun Prairie EMS and Sun Prairie Emergency Management. It includes a total of 115 personnel: 50 full-time employees, 6 part-time employees, and 59 Paid-on-Premises (POP) employees.

Sun Prairie Emergency Management develops and maintains a **comprehensive emergency management program**, as mandated by state statute. The division includes the Fire Chief, who also serves as the City of Sun Prairie's emergency management director, a paid-on-premise Firefighter assisting with emergency management coordination and a part-time fire protection engineer in carrying out the position's duties and responsibilities.

Prior to 2024, fire services were provided by a private fire company. In 2024, the city brought the private company in-house as the Fire Division in order to increase employee retention by providing competitive wages and benefits including inclusion in the Wisconsin Retirement System.

Sun Prairie Fire serves the City of Sun Prairie and the Towns of Bristol and Sun Prairie, covering 79 square miles with an overall population of approximately 40,000. Operating out of Stations 1 and 2, Sun Prairie Fire leverages a combination of full-time, part-time and POP personnel. Each shift includes a combination of full-time and part-time firefighters at each station, led by a full-time battalion chief and a full-time lieutenant. The lieutenant serves as the officer for Station 1, and the battalion chief serves as the officer for Station 2. POP firefighters supplement staffing and fill vacancies due to vacation, drop days, sick leave and leave for training.

Station 2 opened in 2018. In 2020, part-time staff transitioned to full-time to operate the station. With more full-time staff available across two stations, **the average response time for the Fire Department to provide service decreased by 12.8%** from 2018 to 2024.



Sun Prairie EMS provides **advanced life support services in situations requiring emergency medical support**. The EMS division leverages a combination of full-time and part-time paramedics³. Each shift includes 6 full-time paramedics, with part-time paramedics providing coverage when necessary due to leave or other circumstances.

For many of its surrounding neighbors, Sun Prairie EMS is the only advanced life support provider in the area. As a critical public safety partner, in 2022, Sun Prairie expanded its service area to include the Village of Marshall and the Towns of Bristol, Medina, Sun Prairie and York, covering over 100 square miles and a population of approximately 50,000 people. Sun Prairie EMS operates out of three stations, including the same Stations 1 and 2 that house the Fire division and a third station in the Village of Marshall shared with the Marshall Volunteer Fire Department. Station 1 houses two ambulances, while Station 2 and the Marshall station house one ambulance each.

Current agreements with the Village of Marshall and the Towns of York and Medina utilize the McGrath formula for sharing operational costs as well as revenue. Although there are several benefits to this contract, the McGrath funding formula results in Sun Prairie contributing 50% of the cost of operating the Marshall station ambulance. **The city will renegotiate the agreement, which expires in 2025, to better utilize the Marshall ambulance for the benefit of Sun Prairie residents.**

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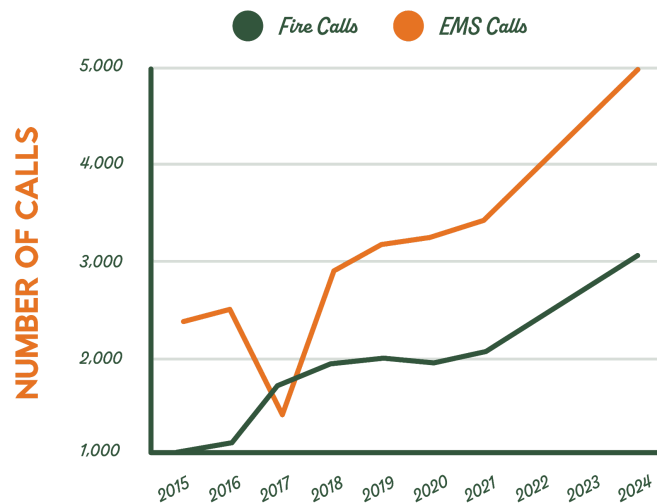
³ Part-time paramedics must work at least 24 hours per month at the Sun Prairie Fire and EMS Department to maintain proficiency with departmental operations and requirements. The majority also work a full-time job in emergency services or elsewhere in the medical field.



With an expanded service area and an increase in population, demand for fire and emergency medical services (EMS) has increased.



CALLS FOR FIRE & EMS SERVICES OVER TIME



Between 2015 and 2024, **calls for emergency medical services increased by 107.9%** – from 2,391 to 4,973 calls. The vast majority of calls for emergency medical services relate to falls and 67% of calls assist patients who are aged 51 or older. With EMS calls requiring more staff assistance to effectively provide patient care, the operational decision was made to have Fire staff assist with EMS calls for service. In part because of this decision, between 2015 and 2024, **calls for fire service increased by 197.6%**.

Even as demands have grown, over the past decade, Sun Prairie EMS has consistently maintained strong response times. Between 2015 and 2022, average times from dispatch to en route, arrival on scene and transport to the hospital all held relatively steady.

However, beginning in 2023, the closure of an SSM Health emergency room and the expansion of service to surrounding communities introduced new challenges. The **average time for Sun Prairie EMS to arrive on scene increased by more than 2 minutes in 2023** – from 5.04 minutes to 7.21 minutes. Average **hospital transport times nearly doubled** from 18.38 minutes in 2022 to 33.51 minutes in both 2023 and 2024. This data underscores a growing strain on resources as Sun Prairie EMS works to meet the needs of a greater and more dispersed population.

To improve service delivery, ensure that response times do not continue to rise, and help safely and effectively meet the needs of all across its service area, the Sun



Prairie Fire and EMS Department is requesting 13 additional FTEs over the next several years. Those additions could occur on the following schedule:

- 2027: add 1 fire inspector, 1 firefighter, 3 paramedics and 1 deputy EMS chief
- 2029: add 7 paramedics

If all staffing additions are made, the funding needed to support these investments in the Fire and EMS Department would be an additional \$1,783,313 for the city's operating budget.



Library

The Sun Prairie Public Library serves as a connecting and gathering space where community members can access critical educational and quality-of-life services. The library remains open even as renovation and expansion efforts are underway on a project expected to be completed in March 2026 that will add 25,075 square feet to the space.

Once complete, the expanded Library will include modern features that address the needs of a growing community while keeping values such as sustainability in mind, including: a geothermal HVAC system, a microgrid system with solar panels and battery energy storage, a makerspace, a “library of things” collection, a dedicated teen space, a larger youth services programming room, an outdoor amphitheater programming space, a local history and interest collection, additional study rooms, a larger Friends bookstore and café space, exposure to local art, and an atrium space connecting the expansion and existing library.

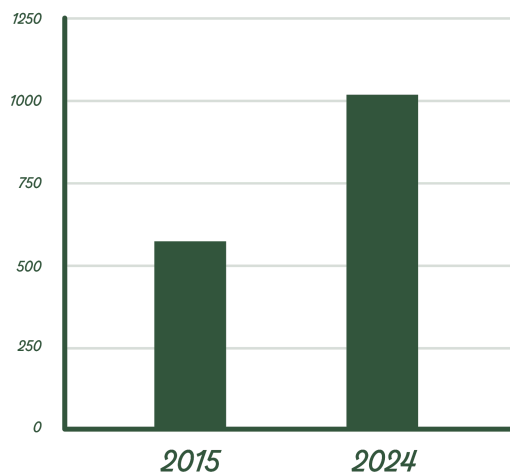
While the physical library is only now beginning to grow, **demand for its services and programs have significantly increased over the last decade.**

In 2024, the library recorded 676,349 instances of circulation, encompassing both physical and digital materials, and welcomed 221,887 visits. The library's role as a technology hub is evident in the **significant increase in Wi-Fi usage, which reached 405,967 sessions in 2024, a 142.0% increase from 167,744 in 2015.**

Library programs are also increasingly popular among the Sun Prairie community. In 2015, the library offered 578 programs and served 25,553 attendees. In 2024 the library offered 1,011 programs and served 40,362 individuals – **a 74.9% increase in demand for programming.**



LIBRARY PROGRAMS ATTENDANCE: 2015 vs 2024





According to a 2023 staffing survey, the Sun Prairie Public Library, at 23.4 full-time equivalent (FTE) staff, was operating with 1.74 fewer FTEs compared to peer communities.

The expansion of the Library and its increased ability to host programming will further support lifelong learning, personal growth, community connections and cultural enrichment for the Sun Prairie community.

To ensure the city could support initial operating costs of the expanded facility, an additional \$543,911 in library funding was allocated in the 2025 budget. **To continue supporting facility operations in a building twice the size and with double the amount of programming, additional funding and staff are requested over the long term.**

Library staffing additions totalling 11.7 FTEs could be done on the following schedule:

- 2027: add 1 full-time makerspace coordinator, 1 library assistant, 1 part-time page, 1 part-time teen intern and increase hours for 2 existing library assistants
- 2028: add 4 part-time library assistants to support Adult Services, Access & Circulation, Technology and the Makerspace, and 1 part-time teen intern
- 2029: add 1 part-time library assistant to support Youth Services, 2 part-time pages, 1 teen intern and increase hours for 1 existing library assistant
- 2030: add 3 part-time library assistants to further support Adult Services, Access & Circulation and Technical Services and 1 part-time teen intern
- In 2031: add 3 part-time library assistants to further support Youth Services, Technology and the Makerspace, 1 part-time page and 1 part-time teen intern

If all staffing additions are made, the funding needed to support these Library investments would be an additional \$967,725 for the city's operating budget.



Public Services Department

The Public Services Department **provides critical services such as street maintenance, snow removal and street salting, stormwater management and wastewater treatment** through its Engineering, Public Works, Stormwater and Wastewater divisions.

The department faces significant pressure due to growing service delivery responsibilities as Sun Prairie continues to grow and increasing costs for contracts, equipment and materials.

Due to limited staffing and equipment, the city has long relied on contractors – including to remove snow for approximately 33% of its streets. A 2023 staffing survey found that **Sun Prairie operates with 5.27 fewer FTEs in its Public Works division compared to peer communities**. Costs for contracted services have increased, putting added pressure on the city's budget.

Salt and other essential materials like those used in road repairs are also rising in cost. Some materials – such as ductile iron and reinforced concrete pipe – have seen cost increases as high as 35-40% since 2019. These increases make it harder to complete necessary work within existing budgets. To manage added expenses, the Public Services Department has reduced the amount of salt used each season and the amount of roadway repaired each year – but must balance cost-saving efforts with roadway safety.

The city's ability to maintain its Public Services vehicles is also being impacted by rising costs and long wait times. **The cost of replacing vehicles and equipment has surged by 20-40% over the past three years**, and long delivery times require the city to order vehicles well before they are needed. If the city waits to purchase a vehicle in the same budget year when it is needed, annual price increases mean the city will pay even steeper costs.

Keeping vehicles beyond their planned replacement date is not a fiscally responsible option for the city. Older vehicles require more frequent and costly maintenance, are more prone to mechanical failure, and have lower resale value. Meanwhile, parts costs continue to rise, with vendors warning of future increases due to ongoing supply chain issues. The city relies on the resale of used vehicles to help offset the cost of new purchases, meaning the city loses money on both ends for every year a vehicle is kept beyond its intended lifecycle.

Operations have also been affected by rising petroleum costs. **Bulk oil prices have increased four times over the past two years**, while petroleum-based shop supplies have also risen by an additional 3-5%. **Even as the city invests in hybrid and electric vehicles to manage fuel use, total fuel expenses rose by 17% between 2023 and 2024.**



To maintain services at existing levels and help stabilize Public Services operations, the city must meet rising costs for contracts, equipment and materials and add additional staff. The Public Services Department is requesting the addition of two new staff members on the following schedule:

- 2028: add 1 full-time street maintenance specialist
- 2030: add 1 full-time stormwater maintenance worker

The salary and benefits for the full-time stormwater maintenance worker will be funded through revenue generated by a recent rate adjustment. However, if 1 additional full-time street maintenance specialist is also added, the City of Sun Prairie would require an additional \$120,356 for its operating budget.



Parks, Recreation and Forestry Department

The Parks, Recreation and Forestry (PRF) Department supports the health, happiness and well-being of the Sun Prairie community by maintaining an accessible, equitable and sustainable park system; offering high-quality recreational programming that is affordable and inclusive; restoring, managing and protecting a diverse urban forest; and promoting and preserving open, natural spaces that provide local opportunities for exploration and connectedness to nature.

The PRF Department is responsible for developing and providing recreational activities and events for Sun Prairie community members of all ages. These offerings range from adaptive recreation activities and swimming lessons to innovative services such as the Go-Cart (Community Arts & Recreation Trailer) and engaging community events like “Fun Prairie” and “Frozen Fest.” The PRF department also includes innovative programs like the Neighborhood Navigators, which encourages and facilitates equitable access to community resources including through engagement and triaging support services for residents in crisis.

Conservation activities from the department help support invasive species removal, the installation of native plants and pollinator gardens in local parks, and woodland restoration projects, among many others. The Forestry Division further supports green space by planting hundreds of trees annually, providing seedlings to residents, and ensuring that trees within the community are healthy, safe and beneficial for all residents. These efforts mitigate environmental challenges such as air pollution, urban heat islands, and stormwater runoff while enhancing the overall quality of life in Sun Prairie.

In Sun Prairie, the community enjoys 9.37 acres of parkland per 1,000 residents. This level of service does not meet the National Recreation and Park Association’s recommendation of 10.6 acres per 1,000 residents, but does surpass the average amount of parkland available in other Wisconsin communities of like-size, which sits at 8.77 acres per 1,000 residents. The city requires 823 square feet of parkland be dedicated to the public for each new dwelling unit developed in Sun Prairie. If a developer is unable to dedicate a sufficient amount of land, they pay a fee in lieu of dedication at a rate of \$2,078 per dwelling unit – fees paid into the city’s Park Fund to be used only for the purpose of land acquisition for future park investments.

The City of Sun Prairie's **park and open space system consists of over 400 acres of parkland and a full range of developed facilities.** This includes 5 new parks dedicated since 2020 for a total of 8 mini parks, 25 neighborhood parks, 9 community parks, 1 conservancy park, and 3 special use areas (the Family Aquatic Center, Pet Exercise Area and Cannery Square).



The community's access to parkland and recreational facilities has increased, and increased PRF staff are recommended to maintain and enhance parks, trails and recreational opportunities.

A 2023 staffing survey found that **the city has budgeted for 3.38 fewer FTEs in the PRF Department than are budgeted for in similar departments in peer communities.**

This staffing shortfall underscores the structural challenge the department faces in maintaining the wide range of services and assets in its care and looking ahead to additional improvements like playground upgrades and trail extensions. The challenge for PRF staff is noticeable in:

- Maintenance backlogs
- Reduced mowing cycles
- Delayed aquatic facility openings at the Family Aquatic Center and Splashpad
- Delayed repairs on playground equipment and other hazards

To address growing demands for services and preserve the quality of Sun Prairie's parks and public spaces, prepare seasonal facilities on time, respond promptly to maintenance needs and ensure well-cared-for spaces for all residents, the department seeks to invest in additional PRF staff. Those additions could include:

- 2027: add 1 full-time parks maintenance specialist and 1 part-time Neighborhood Navigators program manager

If all staffing additions are made, the funding needed to support these investments in the PRF Department would be an additional \$159,372 would be for the city's operating budget.



Legacy of Responsible Funding for Improvements

Cost Savings, External Funding and Creative Solutions Implemented

The City of Sun Prairie regularly identifies and implements budget cuts and various cost-saving and efficiency measures to maintain a balanced budget while investing to improve services and quality of life.

On a regular basis, city departments evaluate whether any vacant positions can be adjusted for efficiency. Utilizing staff expertise allows the city to conduct work in-house and cross-train staff. City departments also **review contracts with existing vendors, making adjustments as appropriate to generate substantial savings.** For example, IT successfully negotiated with vendors to reduce expenses on computer hardware purchases by 30%, and by switching health insurance providers in 2024, the city locked in competitive rate caps for 2025 and 2026 and reduced the health insurance increase from 12.9% to 5.6% for a one-time savings of \$219,000. Additionally, the city leverages technology to streamline workflows and administrative tasks which reduces operational costs.

Partnerships with community organizations and volunteers allow the city to leverage existing resources to increase impact, encourage efficiencies and foster collaboration.

One noteworthy example is the city's partnership with the Colonial Club – a comprehensive provider of social services for people over the age of 55 – which allows the city to expand services and enhance the quality of life for senior residents.

Grants and sponsorships have also been successfully leveraged to **support city investments, offset costs, and allow the city to expand services and programming without increasing costs.** For example:

- Since 2021, the city secured \$7.4 million in grants to fund roadway projects outlined in the Capital Improvement Plan.
- From 2022-2024, the city received \$499,826 in grants, rebates and incentives for sustainability and energy efficiency projects. The city anticipates receiving between \$2.3 million and \$2.7 million in rebates for the WWTP solar PV system and SPU and Library projects. These rebates will reduce the debt incurred to fund these projects.

By design, State statutes establish limited opportunities for municipalities to respond to funding challenges – few options exist for local governments to raise revenue and fund local services and programs. Despite this, **the City of Sun Prairie has explored innovative solutions and leveraged available options to generate revenue and invest back into service improvements.** For example:

- **Impact fees help fund infrastructure improvements**, including the Westside Traffic Impact Fee, Sanitary Main Interceptor Improvement, Park Development Fee (Park Impact Fee) and the Street Tree Fee – all paid by new development.



- The Parks, Recreation and Forestry Department maintains a goal of recovering 100% of direct program costs. Since 2021, PRF has worked toward **increasing recovery of indirect costs**, such as full-time program administration wages and benefits, reducing the burden on the general fund.
- Since 2023, the Sun Prairie Media Center has developed a cost recovery strategy for direct and indirect costs for its KIDS4 school year programming.
- The Library is exploring the possibility of **renting out space in its expanded facility to generate additional revenue**.

Wheel Tax Provides Necessary Funding Through 2026

Despite these measures, the City of Sun Prairie projected a funding shortfall beginning in 2026. To proactively address that shortfall, in 2024, the City of Sun Prairie imposed an annual \$30 Vehicle Registration Fee or “wheel tax.” Effective as of February 2025, the collected fees are placed in a segregated fund to be used only for transportation-related purposes. **The Vehicle Registration Fees collected in 2025 and 2026 will be used to close the 2026 budget gap**, however, as gaps continue to grow, wheel tax revenue will not be enough to balance the city’s budget.



Additional Funding Required to Maintain and Improve Services Beyond 2026

Competitive Wages Needed to Recruit and Retain Staff

As a service provider, staff is the city's most important asset. With Dane County's unemployment rate at 2.1%, the job market is competitive and it is challenging for the city to recruit and retain talent. **Addressing employee compensation is a critical part of the solution.** In a competitive job market, the city must offer competitive wages and benefits to attract and retain qualified staff. Insufficient compensation can lead to increased turnover, making it more difficult to fill vacancies and ultimately driving up costs through increased overtime, reduced productivity and decreased service quality.

Attracting and retaining staff is essential to ensuring that services are available and beneficial to Sun Prairie's growing community. To support retention and limit recruitment needs, **the city has implemented a structured pay increase system.** This system includes annual salary surveys of 15 comparable communities⁴ to determine competitive wages. **Salary ranges are adjusted annually based on the average increase in those communities, and employees may qualify for performance-based step increases.**

To continue offering competitive wages and benefits the City of Sun Prairie will require additional annual funding beginning in 2027, including:

- 2027: \$1,472,247
- 2028: \$1,561,979
- 2029: \$1,686,017
- 2030: \$1,760,866
- 2031: \$1,871,077

These cost increases are compounding. By 2031, the city will need to spend \$8,352,186 more on staff compensation than it spends now.

Growth and Development Have Been Key to Funding, No Longer Enough

Growth has been a necessary part of Sun Prairie's success. The growth in Sun Prairie's population and new development has been accompanied by an increase in the city's equalized value. In 2015, the equalized value of all properties was \$2.6 billion. By 2024, the city's total equalized value jumped to \$6.1 billion⁵. These increases in "net new

⁴ The city reviews the comparability of the 15 communities every five years. That list currently includes Brookfield, Dane County, Fitchburg, Greenfield, Janesville, Madison, Menomonee Falls, Mequon, Middleton, Muskego, New Berlin, Oak Creek, Waukesha, Wauwatosa, and West Bend.

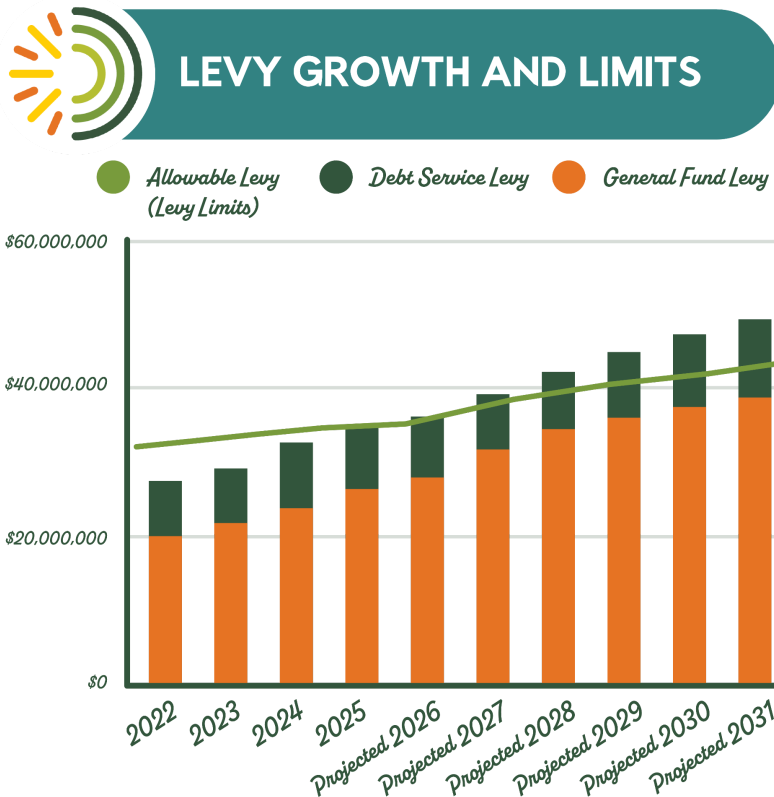
⁵ Equalized value data comes from the Wisconsin Department of Revenue (DOR), <https://www.revenue.wi.gov/Pages/SLF/EqualizedValue.aspx>



OPTIONS ASSESSMENT *City of Sun Prairie*

construction,” coupled with debt service exemptions have meant that the city has not previously hit state-imposed operational property tax levy limits.

The City of Sun Prairie’s property tax revenue has historically risen enough to meet increasing costs to provide existing services, allow the city to invest in improving services and make strategic investments in capital projects – without hitting levy limits. Additional operating levy capacity created by growing value in the community and the prudent use of debt service adjustments have been key.



In 2025, Sun Prairie, both the debt service and operational levies hit their limits. Even with the \$30 wheel tax that provides enough funding to meet needs through 2026, **moving forward, projected growth and debt service adjustments will no longer be enough to allow Sun Prairie to continue meeting growing costs to provide existing services – let alone investing in service improvements.**

As depicted above, starting in 2027, the budget is projected to rise above levy limits and the city will face annual “budget gaps” by:

- 2027: \$1,719,818
- 2028: \$1,449,389
- 2029: \$1,289,008



- 2030: \$1,486,424
- 2031: \$1,730,311

Budget gaps compound. **By 2031, meeting growing costs to provide existing services will require an additional \$7,674,950 in the city's operating budget.**

Costs associated with improving services by hiring additional staff, as requested by departments and outlined throughout the report, would require further funding additions.

The City of Sun Prairie has worked hard to ensure fiscal responsibility while investing in community priorities. Despite these efforts, **without additional funding, the city will not be able to maintain existing service levels or make the investments necessary to improve services.**



Potential Options

The following pages outline funding approaches the Sun Prairie community can consider.

Option 1: Fixed Funding, Projected Decline in Core Services

City residents may determine that they prefer to **take no action** to increase revenue and address growing costs to maintain services.

Without additional funding, the city will experience strain on core services as costs to maintain existing services continue to rise and service demands increase with population growth. In this situation, the city will no longer be able to make proactive investments. Facing a budget deficit beginning in 2027, the city will have to make difficult and potentially painful decisions each year thereafter about how to **cut services, programs and staffing levels to balance the budget gap.**

It is difficult to predict exactly what those cuts would include, however, because the majority of the city's budget funds personnel costs (78%) we can anticipate that staff reductions would take place.

Based on projected annual budget gaps and an average cost per employee of approximately \$130,000 in salary and benefits annually, in each year the city would have to cut the equivalent of approximately:

- 2027: 13 staff
- 2028: 11 additional staff
- 2029: 10 additional staff
- 2030: 11 additional staff
- 2031: 13 additional staff

After five years, these cuts would result in an **18.04% reduction in city staff**. It is likely that making such **cuts in staff as the city's population and demand for services continues to increase will result in decreased and lower quality services** across departments because staff are critical to providing services.



Option 2: Continue Funding Existing Services for Three Years

To meet growing costs and continue funding existing local services through 2029, the City of Sun Prairie would need an additional \$4,500,000 for the annual operating budget. In this scenario, with anticipated continued cost increases, additional funding will need to be identified for 2030 and beyond.

Option 2A: Exceed Property Tax Levy Limits via Referendum

Property taxes are based on the combination of the tax levy required for (a) *operations* and (b) *debt*.

If a referendum to exceed *operational* levy limits is passed in 2026, the city would be able to increase the operational portion of the levy by \$4,500,000 beginning with property tax bills issued in December 2026. The increase in the *operational* tax levy would be used, in part, to reduce the *debt* service portion of the levy in 2027 and 2028, **limiting the referendum’s net impact to taxpayers** (as shown in the chart below).

Budget Year	Funds Available due to Referendum	Funds Applied to Operational Budget	Funds Applied to Debt Service <small>(Reduced from Debt Service Levy)</small>	Compared to 2024 Property Tax Bills, Property Tax Impact per \$100,000 <small>(in Assessed Value)</small>	Compared to 2024 Property Tax Bills, Property Tax Impact on Median Home <small>(Assessed Value of \$412,000⁶)</small>
2027	\$4,500,000	\$1,719,818	\$2,780,182	+\$26.43	+\$108.99
2028	\$4,500,000	\$3,169,207	\$1,330,793	+\$46.07	+\$197.97
2029 and beyond	\$4,500,000	\$4,458,215	\$41,785	+\$60.75	+\$272.02

Option 2B: Impose Increased Wheel Tax

To generate \$4,500,000 via Vehicle Registration Fee (“wheel tax”) revenue, the City of Sun Prairie would need to impose a \$145 fee per applicable vehicle per year.

⁶ Impact estimates include an assumed 4.2% increase in median household value annually. By 2029, the city is estimating that a median home valued at \$412,000 in 2027 would be valued at \$447,000.



Option 3: Continue Funding Existing Services for Five Years

To meet growing costs and continue funding existing local services through 2031, the City of Sun Prairie would need an additional \$8,000,000 for the annual operating budget. In this scenario, with anticipated continued cost increases, additional funding will need to be identified for 2032 and beyond.

Option 3A: Exceed Property Tax Levy Limits via Referendum

Property taxes are based on the combination of the tax levy required for (a) *operations* and (b) *debt*.

If a referendum to exceed *operational* levy limits is passed in 2026, the city would be able to increase the operational portion of the levy by \$8,000,000 beginning with property tax bills issued in December 2026. The increase in the *operational* tax levy would be used, in part, to reduce the *debt* service portion of the levy in 2027, 2028, 2029 and 2030, **limiting the referendum’s net impact to taxpayers** (as shown in the chart below).

Budget Year	Funds Available due to Referendum	Funds Applied to Operational Budget	Funds Applied to Debt Service (Reduced from Debt Service Levy)	Compared to 2024 Bills, Property Tax Impact per \$100,000 (in Assessed Value)	Compared to 2024 Bills, Property Tax Impact on Median Home (Assessed Value of \$412,000 ⁷)
2027	\$8,000,000	\$1,719,818	\$6,280,182	+\$26.43	+\$108.99
2028	\$8,000,000	\$3,169,207	\$4,830,793	+\$46.07	+\$197.97
2029	\$8,000,000	\$4,458,215	\$3,541,785	+\$60.75	+\$272.02
2030	\$8,000,000	\$5,944,639	\$2,055,361	+\$76.62	+\$357.52
2031 and beyond	\$8,000,000	\$7,674,950	\$325,050	+\$93.58	+\$454.99

Option 3B: Impose Increased Wheel Tax

To generate \$8,000,000 via Vehicle Registration Fee (“wheel tax”) revenue, the City of Sun Prairie would need to impose a \$251 fee per applicable vehicle per year.

This would not be permissible. Revenue generated by this fee can only be used to support allowable transportation-related costs, which amounts to approximately \$4,577,000 in Sun Prairie in 2025. To support \$8,000,000 in investments in 2031, another funding solution would be necessary in conjunction with an increased wheel tax.

⁷ Impact estimates include an assumed 4.2% increase in median household value annually. By 2029, the city is estimating that a median home valued at \$412,000 in 2027 would be valued at \$447,000.



Option 4: Continue Funding Existing Services for Five Years and Invest in All Requested Service Improvements

To continue funding existing services and improve services through all proposed investments in staffing through 2031, the City of Sun Prairie would need an additional \$12,800,000 for the annual operating budget. In this scenario, with anticipated continued cost increases, additional funding will need to be identified for 2032 and beyond.

That additional budget would include:

- Just under \$8,000,000 to maintain existing services
- \$1,868,970 to invest in Police Department staffing
- \$1,783,313 to invest in Fire and EMS Department staffing
- \$967,725 to invest in Library staffing
- \$120,356 to invest in Public Services Department staffing
- \$159,372 to invest in Parks, Recreation and Forestry Department staffing

If a referendum to exceed *operational* levy limits is passed in 2026, the city would be able to increase the operational portion of the levy by \$12,800,000 beginning with property tax bills issued in December 2026. The increase in the *operational* tax levy would be used, in part, to reduce the *debt* service portion of the levy in 2027, 2028, 2029 and 2030, **limiting the referendum’s net impact to taxpayers** (as shown in the chart below).

Budget Year	Funds Available due to Referendum	Funds Applied to Operational Budget (Cost to Maintain Services + Add New Staff)	Funds Applied to Debt Service (Reduced from Debt Service Levy)	Compared to 2024 Bills, Property Tax Impact per \$100,000 (in Assessed Value)	Compared to 2024 Bills, Property Tax Impact on Median Home (Assessed Value of \$412,000 ⁸)
2027	\$12,800,000	\$3,891,110	\$8,908,890	+\$59.80	+\$246.60
2028	\$12,800,000	\$5,197,375	\$7,602,325	+\$75.56	+\$324.66
2029	\$12,800,000	\$7,430,468	\$5,369,532	+\$101.24	+\$453.37
2030	\$12,800,000	\$9,861,823	\$2,938,177	+\$127.11	+\$593.11
2031 and beyond	\$12,800,000	\$12,576,615	\$223,385	+\$153.35	+\$745.58

⁸ Impact estimates include an assumed 4.2% increase in median household value annually. By 2029, the city is estimating that a median home valued at \$412,000 in 2027 would be valued at \$447,000.



Conclusion

To maintain its legacy of high-quality services and to continue making planned and future investments, the City of Sun Prairie has identified a need for additional funding. Ways to secure additional funding are limited - largely as a result of state statutes.

The potential funding options outlined in this report are intended to provide community members with reference points about the cost impact of different levels of investment and different funding approaches.

As dialogue around city services continues, each household in the City of Sun Prairie will receive a survey in September 2025 requesting input about preferred investments and approaches to funding local services. **Results from the survey and input generated through community engagement opportunities will play a significant role in determining the city's path forward** – which may include a tailored approach to funding specific community priorities, different from the limited approaches outlined above.