



Where the Rubber Meets the Road

Wisconsin State Representative John J. Macco, 88th Assembly District

Folks occasionally remark that I must have always wanted to be in politics, but my response is the same, “no,” and I’m not sure I even need to be in it now. But if you truly believe in stewardship, in citizenry, and the concept that we are not so much inheriting our community from our parents but borrowing from our grandchildren ... you step up. You first volunteer to help with the Boy Scouts Christmas tree sale, and the next thing you know you’re being asked to run for public office.

At least I think that’s the way it should be. I’ve never found a politician (on any side) to be as fresh, focused, and selflessly committed as a freshman. I’m a big proponent of term limits. Last year Green Bay enacted term limits, and it resoundingly passed by 86.5%! But I digress.

If you have children in Scouts, you help with their tree sale. You have a business on Main Street, you serve on the Old Main Street board, or the BID board, or the Economic Development committee ... or all of them! You bring a breadth of talent and expertise honed from years of trial and error, failure, and success to the team. Rather than theory, you bring experience and connections to the leadership and stewardship of your community. A good elected official is accretive to the whole of the body, not looking to get something from it.

And thankfully, so many of the alderman, councilmen, and supervisors I get to work with have that same foundation and accretive value.

They are retired business-people, bankers, retailers, contractors. They’ve made payroll, negotiated insurance contracts, created jobs, expanded the economy ... many have signed the front of the check. They have implemented retirement plans and health plans to provide for their employees, borrowed and paid back (a concept lost on some politicians) large sums of money. Some of my favorite meetings are with towns. They are typically run by retired or active farmers, typically open at 7:00 p.m. and are gavelled down by 8:00 p.m. Leading their communities is a service, not a livelihood. To be sure, cities necessitate longer sessions, after all Green Bay’s annual operating budget requires prudently spending better than \$105 million. Their insurance contract alone hovers around \$17 million. You don’t just bang that out in an hour. But whether town, village, city or county

supervisors, the fact is those men and women are where the rubber meets the road, often literally! Routinely what they do for the citizens they represent will more quickly and strongly impact constituents than anything I or the state can do.

The gift in local leadership is responsiveness. And we all should be dubious in looking for state or federal managers to step in. Getting positive action from Washington, literally takes an act of Congress. It seems redundant to mention but getting 435 representatives and then another 100 senators to act in concert and get something done for the benefit of local government is profoundly optimistic. And the state? The concept that 132 legislators, all from varied backgrounds, geography, and issue base can come together on the day-to-day needs of local communities is simply not reasonable. There is a reason we have the 10th amendment and I will submit it should apply to state interactions with local leaders as well.

I’ve consistently advocated for local control. That’s not a new management principle for me. When we built our companies, I was quick to invest not just responsibility but also authority in my managers. They are the ones closest to their market. Sure, going without certain checks and balances could result in money being misappropriated, but only once. The cost of that risk was always less than layer upon layer of policy. And it’s my experience that people rise to the level of expectation, and not once in 40 years did I have anyone abuse the latitude they had.

We need to do more of that in Wisconsin.

To be sure, this should be applied in local government ... but also in public education, and other departments and agencies as well. I’ve never seen such an organizational mess of bureaucracy and management between front line workers (teachers) and a decision as I’ve seen in our school system.

Of course, *laissez-faire* didn’t work for everything in our companies and it won’t work for everything in state or local management. But there are many areas where the juice of financial or policy control does not justify the squeeze of layers of decision-makers and processes. This is certainly true with local funding issues. In a quest to be “accountable” and “fair” by consolidating funding issues in Madison, we have actually eliminated all accountability and fairness.

On the other side there are things where a standardized model is appropriate. Uber-type ride share platforms are one example where we needed a standard statewide protocol, and I felt it was necessary to step in. However, wind turbine and cell tower siting could and should be better left to local control and input.

And so here's where I come in.

To provide and advocate for local government control along with the authority to act we must include revenue options that provide accountability along with the ramifications of getting hired or fired by the local voters who know you best. I think most local councilmen would accept that responsibility if they had that authority.

As chairman of the Assembly Committee on Ways and Means and co-vice chairman of the Joint Audit Committee, I have seen, in nauseating detail, how this should NOT play out. With our current system, we've allowed local leadership the ability to abdicate responsibility, to play Pontius Pilot by pointing to deficiencies in state-shared revenue or transportation aids as an excuse for their budget problems. We've forced them to rely on one type of taxpayer, property owners, over all others to support services. Of course, some local authorities are very willing to externalize their woes, to let those nasty state purse string holders take the hit. But those are the ones who don't actually handle the freedom of being invested with both authority and responsibility. A better system, properly implemented would eventually, through local elections, vet out those underperformers. We live in Wisconsin, our work ethic is unique, I've hired thousands of people over the last four decades and I know most all local officials relish the idea of directly shouldering the responsibility and actually being allowed to do their jobs.

So it's really the legislature who's to blame. We put in the system. We don't much appreciate Washington, D.C. taking our authority. So I don't understand how we are complicit in not treating local management like adults too, particularly with their sources of revenue.

So as we move into the 2021-2022 budget process, we are going to see profound revenue upheavals, some of it unavoidable as the nation struggles with this health crisis, but much of it a result of poor leadership and unresponsiveness from our governor, and bad, naive, and shortsighted Keynesian reactions to the recession.

But therein lies the silver lining for local government.

As state government struggles for revenue to provide the services we must provide, I fear municipalities will, once again, be left to fend for themselves. Fortunately, the various revenue

tax streams like sales, use, excise, income, and others, are performing in a way that is conducive to the reform I've argued for the last five years. Also fortunately, the legislature had the foresight last year to make structural changes in tax rates and usage as a result of the Supreme Court decision on the internet tax ruling along with adopting many provisions of TCJA. Our committee unanimously passed, as well as the full Assembly, the comprehensive Tax Payer Enhancement bill and it now awaits a Senate vote. That is all to say that the foundation is established to implement meaningful systemic change in local government revenue support.

For five years I have advocated a restructure of our local funding platform to give local government more control, to put less pressure on the incomes of hard working Wisconsinites, and on the property of fixed-income empty nesters. And we've already begun. I've held several full-scale informative meetings with mayors across the state including Milwaukee, our biggest city, Milwaukee County, and the Milwaukee Metropolitan Association of Commerce (MMAC). I've included Dept. of Revenue Secretary Barca and the nonpartisan Legislative Fiscal Bureau in the conversation. Dr. Noah Williams from the UW has created a tool that can take raw budget numbers and then layer on dynamic scoring to allow us a clearer picture of the ramifications of each change. The D.C.-based Tax Foundation has done various assessments of the benefits of repairing and replacing certain revenue anomalies. And I have even meet with Dr. Art Laffer to include his vast input in discussing competitive free-market solutions to local funding options.

Our whole committee will need your help, but as we look past our current management struggles to constructive leadership initiatives this next session, I am encouraged. The time may be right to build out a long-term growth platform and put control and performance back to where the rubber meets the road.

About the Author:

John Macco is a Green Bay, Wisconsin area businessman and 3rd term Representative of Wisconsin's 88th assembly district.

- With his father he cofounded Macco's Floor Covering Centers, now with 200 employees and seven locations in Wisconsin and Florida.
- He founded Macco Financial Group, a financial planning and asset management company with clients in 18 states, now run by his son Mike.
- His son Nick is founder and owner of LegacyBox and Kodak Digitizing, the largest digitizing company in the country, headquartered in Chattanooga, TN.

- His wife Sue founded NurseForHealth.com a nontraditional healthcare E-commerce site with clients in 30 states and eight foreign countries.

In his personal life he is a former member of the US Ski Patrol, an IFR rated private pilot, a certified scuba diver, a motorcycle enthusiast, has navigated the Great Lakes, keeps an organic garden, is a former deacon and elder at his church, and has even sung backup to Josh Grobin and Ray Charles.

For the last two terms John has served as Chairman of the Assembly committee on Ways and Means, where he is charged with vetting all tax policy for the state. He also serves on the Jobs and Economy committee, as well as Vice Chairman of the Joint Committee on Audit. He is a member of the National Council of State Legislators where he serves as co-chairman of their SALT committee and Budget and Revenue committee.

But he is most proud of Suzan his wife of 41 years, their two sons and daughters in law, and 6 grandchildren. Contact Rep. Macco at Rep.Macco@legis.wisconsin.gov

Building Communities. It's what we do.



- Debt Issuance & Management
- Financial Management Planning
- Economic Development & Redevelopment
- Investment & Treasury Management
- Arbitrage Consulting



EHLERS
LEADERS IN PUBLIC FINANCE

✉ info@ehlers-inc.com
☎ 1 (800) 552-1171
🌐 www.ehlers-inc.com





PUBLIC/PRIVATE PARTNERSHIPS (P3)

- Unique project delivery solutions
- Leverage existing assets to deliver new projects
- Municipal administrator services
- Municipal parks and recreation services
- Professional operations management with access to full-scale operations

Together,
**let's achieve the
GOALS of YOUR
COMMUNITY.**




920.751.4200

NEENAH WI MACHESNEY PARK IL VALPARAISO IN

IPR-P3.COM

A MCMAHON AFFILIATE COMPANY