

**FINANCE COMMITTEE
COUNCIL ROOM, CITY HALL
OCTOBER 7, 2025
2:00 P.M.**

The Finance Committee met in the Council Room of City Hall, Mayor Poeschel presiding. On roll call: Council Member Clough absent, all other members present.

The minutes of the previous meeting were declared approved.

The City Clerk presented the Third Quarter 2025 budget revenues and expenditures report, including non-lapsing funds, for review.

The City Clerk presented the 2026 budget workpapers for review by the Finance Committee. The budget categories and individual lines were discussed. Estimated revenues were reviewed line by line. Discussion on which budget lines affect the tax levy and which are continuing appropriations, State aids (Supplemental Aids) and transportation aids formulas. The various department request figures as presented (including the 3% wage increase for non-union employees), were reviewed line by line. With the refinancing, the TIF District #3 Increment is not large enough to cover the scheduled loan payments for 2026 – under the Developer’s Agreement, Boon is required to pay the difference. The TIF District #4 increment may not be large enough to cover the scheduled loan payments for 2026 and a City Advance may be needed for the difference, it is projected to be about even this year.

Roehl stated that when all the proposed budget requests are added together the increase is \$233,756 (more than the 2025 Budget), however Revenues have increased \$101,365. Overall, we are \$132,391 over the State levy limit allowed.

Roehl stated Revenue increases are: Shared Revenues (\$36,342 or 3.9%), Supplemental Aids (\$6,011 or 3.4%), Transportation Aid (\$880), Connecting Highway Aid (\$60) and the Personal Property Aid (\$1,750).

City Clerk Roehl presented the Estimated General Funds Applied Rollover for the current budget year as follows:

<u>Revenues:</u>	Taxes	Up	\$ 1,314
	Special Assessments	----	-0-
	Intergovernmental Revenues	Down	(23,951)
	Licenses and Permits	Down	(407)
	Fines, Forfeits, Penalties	Down	(5,780)
	Public Charges for Services	Up	14,606
	Intergovernmental Service Revenues	Down	(3,192)
	Miscellaneous Revenue	Down	(4,370)
	Other Financing Sources	Up	<u>5,106</u>

Estimated decrease in revenues
over previous year*

\$ (16,674) (A)

<u>Expenses:</u>	General Government	Down	\$ (28,953)
	Public Safety	Down	(44,436)
	Public Works	Down	(18,135)
	Health and Human Services	Up	6,302
	Culture, Recreation, Education	Up	6,047
	Conservation and Development	Down	(1,548)
	Capital Outlay	----	-0-
	Debt Service	----	<u>-0-</u>
	Estimates decreases in expenses over previous year**		<u>\$ (80,723) (B)</u>

Contingency: *** Down (1,932) (C)

Estimated 2024 General Funds Applied Rollover	\$ 399,000
Estimated 2025 Activities (A + B C)	65,981
Less: Last year's one-time increase	<u>(50,000)</u>
Estimated 2026 General Funds Applied Rollover	<u>\$ 414,981</u>

* Increases: Cemetery Revenue (\$8,775), Taxi Revenues (\$5,707),
Water and Sewer Reimbursements (\$5,106),

Decreases: Transportation Aids (\$22,007), Fines (\$5,608),
Insurance Recoveries (\$8,600)

** Increases: Cemetery (\$6,302), Parks (\$10,661)
Decreases: Legal (\$26,019), Police Department Administration (\$30,569),
Police Auto (\$15,912), Sidewalks & Crosswalks (\$8,986),
Storm Sewers (\$7,881), Recreation Department Administration (\$4,614),
Planning (\$1,548)

*** Decreased as a result of budget increases for 2025

Roehl stated that Supplemental Aids can only be used for law enforcement, fire protection, emergency medical services (EMS), public works and transportation.

Roehl stated the original Supplemental Aid for 2025 was \$176,767. That will increase 3.4% or \$6,011 to \$182,778 for 2026. The breakdown is:

Law Enforcement	\$ 110,917	60.7%
Fire Protection	36,029	19.7%
Ambulance-EMS	1,269	0.7%
Public Works/Transportation	<u>34,563</u>	<u>18.9%</u>
Total	<u>\$ 182,778</u>	<u>100%</u>

Roehl stated that Supplemental Aid is different than the Maintenance of Effort (MOE) reporting for Law Enforcement, Fire Protection and EMS.

The City Clerk presented the 2025 Municipal Levy Limit Worksheet. Line 5 shows the State levy limit growth 0.00% or \$ -0-; Line 6 shows the City's net new construction increase of 1.449% or \$16,460; Line 8 is the line showing the State law which replaced Code 2 Personal Property of local businesses (non-manufacturing) and the new repeal of all remaining Personal Property (\$9,113 + \$36,273) totaling \$45,386 which decreases our levy; When Line 6 (\$16,460) and Line 8 (\$-45,386) are netted together our allowable increase is (\$-28,926).

City Clerk Roehl stated that the City's levy is also reduced on Line 3 by the Cemetery Building loan payment (\$77,745), City Hall Building loan payment (\$62,199) and the Public Works Vehicles/Equipment loan payment (\$117,634) totaling \$257,578 which was placed on last year's levy. By using Section D Line E: an adjustment for Debt Service Levy for general obligation debt authorized after July 1, 2005 – the City can add in the 2026 new debt service here – either the full payment of \$262,708 (City Hall Building loan – \$62,199; Public Works Vehicles/Equipment loan – \$117,634; the proposed Building/Equipment loan - \$82,875) or an amount less than full payment; Line Q is an adjustment which requires a new fee or fee increase for covered services (Garbage Collection, Fire Protection, Snowplowing, Street Sweeping, Storm Water Management) to be subtracted from the levy.

City Clerk Roehl added up all the proposed 2026 budget expenditures and contingency funds applied for a total of \$4,086,717 which when compared to the 2025 budget of \$3,852,961 is a increase of \$233,756 or +6.07%.

City Clerk Roehl added up all the proposed 2026 budget revenue lines and general funds applied for a total of \$2,584,612 which when compared to the 2025 budget of \$2,504,837 is a increase of \$79,775 or 3.18%.

City Clerk Roehl stated that when you subtract the increase in expenditures of \$233,756 from the increase in revenues \$79,775 less the debt service adjustment difference of \$5,130 (\$262,708-\$257,578) less the net new construction increase adjusted for the Personal Property Aid \$ -0- (\$45,386-\$45,386) or \$16,460, you end up with a net increase of \$132,391 or 9.67% which exceeds the State of Wisconsin Levy Limit.

City Clerk Roehl stated our 2025 Budget increased less than the Expenditure Restraint Program allowed, so we are qualified for a 2026 ERP Payment, resulting in a revenue increase of \$44,990. Our revenue proceeds otherwise would have only increased by \$34,785. The net effect is we would have been \$177,381 over the levy limit.

Council Member Gelhaus asked about Airport Revenues and Airport Land Rentals.

City Clerk Roehl stated the Airport Revenues are the hanger lot leases, and the Airport Land Rental is Magnuson’s crop land rental charge.

The Committee reviewed the 2025 Levy as proposed with the following options in mind:

- 1) Leave the 2025 Levy as proposed at \$1,502,105, an increase of \$132,391 over the 2024 Levy. This would be over the State’s levy limit and the State would penalize us.
- 2) Equalized Value has increased \$11,067,500, or 6.1% from last year 2024 - \$181,040,600 to \$192,108,100, however the Levy cannot grow under the State’s levy limit freeze, except for adjusting for net new construction (1.449% or \$16,460) less the increase in Personal Property Aids (\$-0-) netting an increase of \$16,460.
- 3) Hold to last year’s Levy of \$1,348,124 plus adding the change in Debt Service of \$5,130 (Line 9-\$262,708 subtract Line 3-\$257,578), adjusting for new construction of 1.449% or (\$16,460), less increase in Personal Property Aids \$ -0- (\$45,386-\$45,386) netting an increase of \$21,590 or \$1,369,714 which requires cutting \$132,391 (\$1,502,105-\$1,369,714) from the 2026 budget proposals and authorizing a Section D Line E Adjustment for Debt Service Levy for general obligation debt authorized after July 1, 2005.
- 4) Hold to last year’s Levy of \$1,348,124 plus adding the change in Debt Service of \$5,130 (Line 9-\$262,708 subtract Line 3-\$257,578) or \$1,353,254. Which requires cutting \$148,851 (\$1,502,105-\$1,353,254) from the 2026 budget proposals and authorizing a Section D Line E Adjustment for Debt Service Levy for general obligation debt authorized after July 1, 2005.
- 5) Reduce below last year’s levy of \$1,348,124 - how much?
- 6) Increase the General Funds Applied to the Tax Roll amount - how much?
- 7) Do additional borrowing - this allows for debt service payments over and above the allowable levy.
- 8) Any combination of the above.

Discussion followed on various budget cuts, Continuing Appropriation Fund accounts and balances, funding sources and restrictions.

Council Member Gelhaus stated that the new ballfield was to be at no cost to the City, the City should not be paying for anything, the Ball Association should come in and talk with us, it has been two years and it is still not done.

Motion Neville, second Gelhaus, to proceed under Options #3 to make the following budget line request cuts and adjustments:

Need to cut		\$132,391
34000-000	Contingency (2 ½%)	<u>- 1,716</u>
	Subtotal	\$129,162

<u>Account No.</u>	<u>Account</u>	
51300-210	Outside Counsel	<2,000>
51930-280	Property & Liability Insurance	<1,285>
51931-280	Worker's Compensation Insurance	<1,450>
51940-000	Claims Adjustments	<1,747>
51971-000	City Retirement Expenses (\$7,000+\$230)	<7,230>
51972-000	Social Security Expenses (\$6,000+\$250)	<6,250>
51973-130	Health Insurance Expense – Health (\$11,400+13,800+11,200)	<36,400>
51973-131	Health Insurance Expense – Dental (\$1,600+\$700+\$500)	<2,800>
51973-132	Health Insurance Expense – Deductible (\$2,700+\$1,300)	<4,000>
52150-815	Police Auto – Vehicle	<48,000>
53110-120	Vacation & Sick Leave (Streets)	<3,000>
55200-350	Parks – Repairs & Maintenance	<15,000>
		<u>\$ <0></u>

All Aye.

Discussion followed on the Expenditure Restraint Program (ERP) funding for 2026.

Motion Petkovsek, second Rochester, to earmark the 2026 ERP funding of \$44,990 for Account No. 57330 Street Construction Outlay. All Aye.

Discussion followed on borrowing for capital items lasting five years or more and short-term borrowing for squad cars.

Council Member Petkovsek stated that the rubberized mulch which lasts about 40 years would qualify for long term borrowing.

The next Finance Committee meeting is scheduled for Thursday, October 9, 2025 at 4:30 P.M.

Motion Neville, second Petkovsek, to adjourn. All Aye.

Duane G. Poeschel, Mayor

Rex R. Roehl, Clerk