



FINANCE COMMITTEE MEETING AGENDA

MONDAY, SEPTEMBER 08, 2025 AT 5:30 PM

MUNICIPAL BUILDING COUNCIL CHAMBERS – 106 JONES STREET, WATERTOWN, WI 53094

Virtual Meeting Info: <https://us06web.zoom.us/join> Meeting ID: 917 858 0897 Passcode: 53094 One tap mobile +16469313860 <https://us06web.zoom.us/j/9178580897?pwd=eUOpCUyvIV65zIPMYImMdPU1LVLx5L1&omn=86067781065>

1. CALL TO ORDER

2. REVIEW AND APPROVE MINUTES

A. Finance Committee minutes from August 11, 2025

B. Finance Committee minutes from August 25, 2025

3. OPENING FOR PUBLIC COMMENT

Each individual who would like to address the Committee will be permitted up to three minutes for their comments on agenda items only

4. BUSINESS

A. Review and discuss: IT Internship Position

B. Review and discuss: 2026 Budget

5. ADJOURNMENT

Persons requiring other reasonable accommodations for any of the above meetings, may contact the office of the City Clerk at cityclerk@watertownwi.gov phone 920-262-4000

A quorum of any City of Watertown Council, Committee, Board, Commission, or other body, may be present at this meeting for observing and gathering of information only



FINANCE COMMITTEE MEETING MINUTES

MONDAY, AUGUST 11, 2025, AT 5:30 PM

MUNICIPAL BUILDING COUNCIL CHAMBERS – 106 JONES STREET, WATERTOWN, WI 53094

Finance Committee members present: Mayor Stocks, Alderpersons Berg, Davis, Lampe (video), and Smith (video)

Others present: Finance Director Stevens, Fire Chief Reynen, Mason Becker, Ald. Bartz, Parks/Rec Director Butteris, Jeff Doyle, Andrea Peters, Police Chief Brower, Public Works Director Beyer, Main St. Program staff

1. Mayor Stocks called the meeting to order at 5:34 pm. After a video conference interruption, Mayor Stocks restarted the meeting at 6:07 p.m.
2. Ald. Berg made a motion, seconded by Ald. Davis, to approve the minutes of the Finance Committee meeting of July 21. Approved unanimously.
3. **Watertown Main Street Program** president Ron Counsell provided comments on the funding **request of an increase in support to \$50,000** for the next five years. One of the primary focuses is to ramp up help to businesses in advance of the 2028-29 reconstruction project. Discussion ensued with comments to pursue liquidated damages from the delayed bridge construction project, a request for additional information in the agreement, an alternate to the increase if a 4% annual adjustment had been made. Ald. Davis motioned to postpone a decision on this proposal until November, but this motion was not supported. Ald. Smith made a motion, seconded by Ald. Lampe, to encourage a meaningful increase for the Main St. community in the Mayor's budget. Unanimously approved.
4. A request from the **Fire Department to write off uncollectible EMS billing** was moved by Ald. Davis, seconded by Ald. Smith, and unanimously approved.
5. Ms. Winkelman presented a request to purchase a New Way 31 cubic yard **side load refuse truck** from Envirotech Equipment for \$378,877, the lower of the two bids received. Ald. Berg made the motion, seconded by Ald. Davis, to approve the purchase. Unanimously approved.
6. Parks/Rec Director Butteris requested a **reallocation of capital improvement funds from the purchase of a dump truck to a 2.5-ton lift gate truck**. Motion made by Ald. Davis, supported by Ald. Lampe, and approved by all.
7. A **development agreement with Gremar, LLC** (Loos Homes) was presented for the Edge Field residential development project. A motion was made by Mayor Stocks, seconded by Ald. Lampe to recommend approval to the Council. After some discussion, Ald. Smith offered a motion to amend the development agreement to remove the allowance for special assessment for the installation of sidewalks (pgs 2 & 11). Amendment passed unanimously. Motion to approve recommendation of development agreement passed unanimously.
8. Mr. Becker updated the committee on the **RDA citywide sign grant program**. The RDA board approved moving forward with the program at its July 16 meeting. Ald. Davis motioned, supported by Ald. Berg, to recommend an allocation of \$25,000 for this program to be funded when TID #4 funds are available for distribution. Unanimously approved.

9. A motion was made by Ald. Lampe, supported by Ald. Berg, to convene into **closed session** per § 19.85(1)(g) to confer with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved (**Claim from Advanced Piping**). Unanimously approved on roll call vote.
10. After returning to open session, Ald. Davis, supported by Ald. Berg, moved to **recommend denial of the Advance Piping claim**. Unanimously approved.
11. A motion was made by Ald. Davis, supported by Ald. Berg, to convene into **closed session** per § 19.85(1)(g) to confer with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved (**Indoor Pool**). Unanimously approved on roll call vote.
12. The committee returned to open session. Note: Ald. Berg left meeting at 7:42 pm.
13. A motion was made by Ald. Davis, supported by Ald. Lampe, to convene into **closed session** per § 19.85(1)(g) to confer with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved (**Walmart tax appeal**). Unanimously approved on roll call vote.
14. The committee returned to open session.
15. Finance Committee adjournment. Ald. Davis moved, seconded by Ald. Lampe, to adjourn the Finance Committee at 7:47 p.m., and was carried by unanimous voice vote.

Respectfully submitted,

Mark Stevens, Finance Director

Note: These minutes are uncorrected, and any corrections made thereto will be noted in the proceedings at which these minutes are approved.



FINANCE COMMITTEE MEETING MINUTES

MONDAY, AUGUST 25, 2025, AT 5:30 PM

MUNICIPAL BUILDING COUNCIL CHAMBERS – 106 JONES STREET, WATERTOWN, WI 53094

Finance Committee members present: Mayor Stocks, Alderpersons Berg, Davis, Lampe, and Smith (video)

Others present: Finance Director Stevens, Fire Chief Reynen, Public Works Director Beyer, Street Operations Manager Winkelman, Lisa Schultz, Tim Hayden, Water Systems Manager Hartz, Library Director Checkai, Luke Hensley, Parks/Rec Director Butteris (video), Media Director Famularo (video), Steph Juhl (video), G Wellach (video)

1. Mayor Stocks called the meeting to order at 5:36 pm.
2. Several employees provided comment on the desire to see the implementation of the McGrath pay study incorporated into the FY26 budget.
3. Water Systems Manager Hartz presented three requests for **pay step adjustments for Water Systems employees** who have completed certifications.
 - a. Jake Nehls: from G/S H8 to H9 [\$29.70/hr] effective August 20. Ald. Berg made motion, seconded by Ald. Smith. Approved.
 - b. Jay Pirkel: from G/S F7 to F8 [\$24.17/hr] effective August 20. Ald. Smith made motion, seconded by Ald. Berg. Approved.
 - c. Peter Brunner: from G/S J2 to J4 [\$30.61/hr] effective August 20. Ald. Berg made motion, seconded by Ald. Smith. Approved.
4. Mr. Stevens made a few comments on the **General Fund Income Statement for July 31**.
5. The committee continued discussion on the **inputs into the 2026 budget creation**. Mayor Stocks provided some slides on some of the initial thoughts on possible cuts that will be needed. Requests for additional information were made to evaluate the unused compensation budgets over the past few years, to estimate the 2026 tax levy and mill rate impacts, and to compare a forecast of Expenditure Restraint inclusion or exclusion.
6. Finance Committee adjournment. Ald. Berg moved, seconded by Ald. Lampe, to adjourn the Finance Committee at 7:53 p.m., and was carried by unanimous voice vote.

Respectfully submitted,

Mark Stevens, Finance Director

Note: These minutes are uncorrected, and any corrections made thereto will be noted in the proceedings at which these minutes are approved.

MEMO

Administration Department

To: Finance Committee

From: Mayor Stocks

Date: July 15, 2025

Subject: IT Intern

Background

Over the summer of 2025 the needs and IT budget have been reviewed and there is an opportunity to expand service of the office with the creation of a Limited Term IT internship position. The position would follow recruitment policy guidelines and will be paid according to the Engineering Internship structure already note in the payroll resolution. The job description will be posted and oversight by the IT Coordinator.

Budget Goal

1. Supports employee retention and growth, while also evaluating operations and the associated staffing
2. Maintains a safe and healthy community, with an eye toward future needs and trends

Financial Impact

The position will come from part time salaries Acct # is 01-51-86-16 No benefits are allocated for this role. No additional equipment needed for this role. Estimated to be 10 hours during the school year and potentially more during the summer, as budget allows. This would reduce some of the need for the outside vendor.

City of Watertown Position Description

Position Title	Information Technology Intern
Department	Administration
Division	Information Technology
Pay Grade	Hourly Rate \$10.00 - \$14.00
Classification	Intern or Seasonal
FLSA Status	Non-Exempt
Reports To	Technology Coordinator
Direct Reports	None
Last Updated	08/2025

Job Summary

The City of Watertown is looking for a reliable and curious **High School IT Intern** to support our Information Technology team. This internship is designed to give high school students hands-on experience with computer systems, basic technical support, and how technology helps keep our city running smoothly. The Information Technology Intern works semi-independently and under general supervision.

Essential Functions and Responsibilities

The following duties are primarily performed and are essential for this position. Employees are expected to be able to perform each of these job duties satisfactorily and successfully with or without reasonable accommodation to be qualified for the position. Other duties may be required and assigned.

The Intern role will perform all or some of the following job duties:

What You'll Do:

- Help set up and organize computer workstations and office equipment.
- Assist with basic troubleshooting for computers, printers, and software.
- Learn how to install software updates and configure devices.
- Support IT staff with inventory tracking and labeling of equipment.
- Shadow IT team members to learn about cybersecurity, networking, and system maintenance.
- Help keep technology areas clean, organized, and ready for staff use.

What We're Looking For:

- A high school student (junior or senior preferred) interested in technology or computer science.
- Good communication skills and a positive attitude.
- Willingness to learn and follow instructions carefully.

- Basic computer knowledge (e.g., using Windows, web browsers, or Microsoft Office).
- Ability to maintain confidentiality and behave professionally in an office setting.

Bonus Skills (Nice to Have, But Not Required):

- Experience building or fixing computers at home or school.
- Familiarity with Microsoft 365.
- Participation in tech clubs, robotics, or STEM programs

In evaluating candidates for this position, THE CITY OF WATERTOWN may consider a combination of education, training, and experience which provides the necessary knowledge, skills, and abilities to perform the duties of this position.

Physical Requirements

- Must be able to lift 50 pounds and stand for 8 hours a day

Work Environment

- Normal working conditions in office and occasional exposure to inclement weather and uneven terrain in field environment

EOE / ADA Statement

The City of Watertown is an Equal Opportunity Employer. In compliance with the Americans with Disabilities Act, the City of Watertown will provide reasonable accommodations to qualified individuals with disabilities and encourages both prospective and current employees to discuss potential accommodations with the employer.

Nothing in this job description limits management’s right to assign or reassign duties and responsibilities to this job at any time. The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to the position. The job description does not constitute an employment agreement or affect the at-will nature of the employment arrangement between the employee and company and is subject to change by the employer as the needs of the employer and requirements of the job change.

Signatures:

Employee: _____ Date: _____

Department Head: _____ Date: _____

City of Watertown

Compensation Costs

Comparison of Actual vs. Budget

Year	Actual	Budget	Difference
2022			
Wages	9,531,112	9,833,315	302,203
Benefits	3,550,673	3,673,849	123,176
	13,081,785	13,507,164	425,379
2023			
Wages	10,564,469	10,879,182	314,713
Benefits	3,844,517	3,920,654	76,137
	14,408,986	14,799,836	390,850
2024			
Wages	11,263,161	11,524,871	261,710
Benefits	4,148,999	4,592,454	443,455
	15,412,160	16,117,325	705,165
2025			Incr fr '24 Actl
Wages		11,351,060	0.78%
Benefits		4,534,725	9.30%
		15,885,785	3.07%
Reduction from 2024		(231,540)	

Watertown: Future Group Health Plan Premiums - Family
Utilizing initial ETF increase announcement and Dean not-to-exceed amounts
Updated: September 2025

Original Prognostications - Sept 2024

Jefferson County ETF Offerings									
	Dean Health	MercyCare	Quartz Central	State Maint Plan	GHC Neighbor	Quartz UW	Average	Dean HMO	
2025	2,614.98	2,286.78	3,267.68	2,565.72	2,422.84	2,232.68	2,565.11	2025	2,181.63
2026: 6.8%*	2,792.80	2,442.28	3,489.88	2,740.19	2,587.59	2,384.50	2,739.54	2026: 9.9% ^	2,397.61
2027: 6.8%*	2,982.71	2,608.36	3,727.19	2,926.52	2,763.55	2,546.65	2,925.83	2027: 14.9% ^	2,754.86

* not guaranteed

^ max not-to-exceed

Sept 2025 [WI ETF announced rates; Dean renewal not yet received]

Jefferson County ETF Offerings									
	Dean Health	MercyCare	Quartz Central	State Maint Plan	GHC Neighbor	Quartz UW	Average	Dean HMO	
2025	2,614.98	2,286.78	3,267.68	2,565.72	2,422.84	2,232.68	2,565.11	2025	2,181.63
2026: 6.8%*	3,129.62	2,475.48	3,545.28	2,856.32	2,984.62	2,401.88	2,898.87	2026: 9.9% ^	2,397.61
2026 incr:	19.7%	8.3%	8.5%	11.3%	23.2%	7.6%	13.1%		
2027: 6.8%*	3,342.43	2,643.81	3,786.36	3,050.55	3,187.57	2,565.21	3,095.99	2027: 14.9% ^	2,754.86

* not guaranteed

^ max not-to-exceed

Compensation Budget Summary - Watertown
2025 Totals w/ 2026 What-If Calcs

Rev: 09/05/2025 ESTIMATES

Wages

01 Gen Fund	11,351,060
02 Wastewtr	767,550
03 Water	796,135
11 Library	704,073
14 Enviro Hlth	320,540
15 ER Prepare	63,802
16 Stormwater	589,854
17 Solid Waste	421,283
18 Seal Smile	8,119
26 Town Square	68,266
	15,090,681

Benefits

Required: WRS, SS, Med 2,538,730

	2026: Additional Cost if Increase is x%										
	Total	2.00%	2.25%	2.50%	2.75%	3.00%	3.50%	4.00%	McGrath Opt I- 3.71%	McGrath Opt II- 10.86%	8.6%
Fnd 01 Non-union Wages & Req Bnfts:	7,901,282	158,026	177,779	197,532	217,285	237,038	276,545	316,051	252,912	749,296	
Fnd 01 Wages & Req Bnfts FD union:	2,202,212							88,088			
Fnd 01 Wages & Req Bnfts PD union:	3,329,466							133,179			
Other Fnds Wages & Required Bnfts:	4,196,451	83,929	94,420	104,911	115,402	125,894	146,876	167,858	86,916	244,602	
Total Wages & Required Bnfts:	17,629,411	241,955	272,199	302,443	332,688	362,932	423,421	705,176	339,828	993,898	

	% of Wages										
Health	18.3%	3,231,813	64,636	72,716	80,795	88,875	96,954	113,113	129,273		277,936
Life	0.2%	27,849	557	627	696	766	835	975	1,114		
Dental	1.0%	178,291	3,566	4,012	4,457	4,903	5,349	6,240	7,132		

Total Compensation 21,067,364

2025 Fund 01	Total	21,084,173	
	Wages & Req Bnf	13,432,960	64%
	Health Ins	2,318,585	11%
	Other Ins	151,240	1%
	Non-comp	5,181,388	25%
			100%

Fund 1	Wage increase: 2.75%	217,285
	Wage increase: FD 4.0%	88,088
	Wage increase: PD 4.0% (?)	133,179
	Health Increase: 8.6%	2,318,585
Fund 1 Total	^ Premiums	637,951

**City of Watertown
Levy Projection
2025-2029**

2.0% Levy Growth to Match 2% Equalized Value Growth

Year	2025	2026	2027	2028	2029	
General Fund Levy	10,460,000	10,669,200	10,882,584	11,100,236	11,322,241	2.0%
GO Debt Levy	5,300,000	6,100,000	6,100,000	6,250,000	6,600,000	
	15,760,000	16,769,200	16,982,584	17,350,236	17,922,241	
TID Increment	828,983	849,708	870,951	892,725	915,043	
	16,588,983	17,618,908	17,853,535	18,242,961	18,837,284	
Assessed Value	2,385,169,600	2,444,798,800	2,511,067,800	2,588,778,400	2,669,925,100	2.5%
City Mill Rate	6.955054	7.206690	7.109937	7.046938	7.055360	
Emmet annexation- awaiting data to add		10% of whole	20% of whole	30% of whole	40% of whole	
Housing Additions	22	55	55	55	50	
Average Permit	228,336	264,903	291,393	320,532	352,585	10.0%
Add to Assessed Value next yr:		5,023,400	14,569,649	16,026,614	17,629,275	
New Assessed Value Total		2,449,822,200	2,525,637,449	2,604,805,014	2,687,554,375	
Revised City Mill Rate		7.191913	7.068922	7.003580	7.009080	
City portion based on home value:		3.40%	-1.71%	-0.92%	0.08%	
\$100,000	\$696	\$719	\$707	\$700	\$701	
\$150,000	\$1,043	\$1,079	\$1,060	\$1,051	\$1,051	
\$200,000	\$1,391	\$1,438	\$1,414	\$1,401	\$1,402	
\$250,000	\$1,739	\$1,798	\$1,767	\$1,751	\$1,752	
\$300,000	\$2,087	\$2,158	\$2,121	\$2,101	\$2,103	
\$350,000	\$2,434	\$2,517	\$2,474	\$2,451	\$2,453	
\$400,000	\$2,782	\$2,877	\$2,828	\$2,801	\$2,804	
\$450,000	\$3,130	\$3,236	\$3,181	\$3,152	\$3,154	

CITY OF WATERTOWN

General Fund Financial Forecast - 2026-2029

2% Tax Levy Annual Increase

	2024 Actual	2025 Budget	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029
REVENUES						
Property Taxes		10,460,000	10,669,200	10,882,584	11,100,236	11,322,241
PILOT (Water & Other) & Interest on Taxes		1,041,800	1,062,636	1,083,889	1,105,567	1,127,678
State Shared Revenue		3,724,391	3,810,052	3,897,683	3,987,330	4,079,039
Expenditure Restraint		439,322	439,322	439,322	439,322	439,322
Intergovernmental-State Grants		1,191,469	1,221,256	1,251,787	1,283,082	1,315,159
Investment Income		650,000	669,500	689,585	710,273	731,581
Other Revenues		2,583,345	2,570,838	2,609,401	2,648,542	2,688,270
TOTAL REVENUES		20,090,327	20,442,804	20,854,251	21,274,352	21,703,290
EXPENDITURES						
Wages & Req Bnfts- Non-union		7,901,282	7,883,213	7,925,326	8,009,697	8,209,414
Wages & Req Bnfts- Union		5,691,049	5,918,691	6,096,252	6,279,140	6,467,514
Health Insurance		2,318,585	2,517,983	2,769,781	3,046,759	3,351,435
Other Insurances		151,240	151,996	152,756	153,520	154,288
Non-compensation Other		5,181,388	5,064,888	5,064,888	5,064,888	5,064,888
Subtotal		21,243,544	21,536,771	22,009,003	22,554,004	23,247,539
Adjustments						
Anticipated Compensation Underspent (1.0% 2025, 1.75% future yrs)		159,371	288,300	296,500	306,100	318,200
TOTAL EXPENDITURES		21,084,173	21,248,471	21,712,503	22,247,904	22,929,339
REVENUES OVER (UNDER) EXPENDITURES		(993,846)	(805,667)	(858,252)	(973,552)	(1,226,049)
ENDING FUND BALANCE	8,571,637	7,577,791	6,772,124	5,913,872	4,940,320	3,714,271
ENDING ASSIGNED FUND BALANCE	1,883,602	1,883,602	1,883,602	1,883,602	1,883,602	1,883,602
ENDING UNASSIGNED FUND BALANCE	6,688,035	5,694,189	4,888,522	4,030,270	3,056,718	1,830,669
Budgeted Expenditures	20,403,934	21,084,173	21,248,471	21,712,503	22,247,904	22,929,339
Expenditure increase from prior yr: %		3.33%	0.78%	2.18%	2.47%	3.06%
Expenditure increase from prior yr: \$		680,239	164,298	464,032	535,401	681,435
Expenditure Restraint Incentive Program Estimate			607,657			
% Unassigned Fund Balance of Next Year's						
Budgeted/Forecasted Expenditures	31.72%	26.80%	22.51%	18.12%	13.33%	7.75%

**City of Watertown
Levy Projection
2025-2029**

		Add to Levy to Leverage Housing Adds & Maintain Mill Rate at 2026				
			310,000	490,000	491,000	
Year	2025	2026	2027	2028	2029	
General Fund Levy	10,460,000	10,669,200	11,192,584	11,590,236	11,813,241	2.0%
GO Debt Levy	5,300,000	6,100,000	6,100,000	6,250,000	6,600,000	
	15,760,000	16,769,200	17,292,584	17,840,236	18,413,241	
TID Increment	828,983	849,708	870,951	892,725	915,043	
	16,588,983	17,618,908	18,163,535	18,732,961	19,328,284	
Assessed Value	2,385,169,600	2,444,798,800	2,511,067,800	2,588,778,400	2,669,925,100	2.5%
City Mill Rate	6.955054	7.206690	7.233391	7.236217	7.239261	
Emmet annexation- awaiting data to add		10% of whole	20% of whole	30% of whole	40% of whole	
Housing Additions	22	55	55	55	50	
Average Permit	228,336	264,903	291,393	320,532	352,585	10.0%
Add to Assessed Value next yr:		5,023,400	14,569,649	16,026,614	17,629,275	
New Assessed Value Total		2,449,822,200	2,525,637,449	2,604,805,014	2,687,554,375	
Revised City Mill Rate		7.191913	7.191664	7.191694	7.191774	
City portion based on home value:		3.40%	0.00%	0.00%	0.00%	
\$100,000	\$696	\$719	\$719	\$719	\$719	
\$150,000	\$1,043	\$1,079	\$1,079	\$1,079	\$1,079	
\$200,000	\$1,391	\$1,438	\$1,438	\$1,438	\$1,438	
\$250,000	\$1,739	\$1,798	\$1,798	\$1,798	\$1,798	
\$300,000	\$2,087	\$2,158	\$2,158	\$2,158	\$2,158	
\$350,000	\$2,434	\$2,517	\$2,517	\$2,517	\$2,517	
\$400,000	\$2,782	\$2,877	\$2,877	\$2,877	\$2,877	
\$450,000	\$3,130	\$3,236	\$3,236	\$3,236	\$3,236	

CITY OF WATERTOWN

General Fund Financial Forecast - 2026-2029

Tax Levy Increase - Maintain 2026 Mill Rate

	2024 Actual	2025 Budget	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029
REVENUES						
Property Taxes		10,460,000	10,669,200	11,192,584	11,590,236	11,813,241
PILOT (Water & Other) & Interest on Taxes		1,041,800	1,062,636	1,083,889	1,105,567	1,127,678
State Shared Revenue		3,724,391	3,810,052	3,897,683	3,987,330	4,079,039
Expenditure Restraint		439,322	439,322	439,322	439,322	439,322
Intergovernmental-State Grants		1,191,469	1,221,256	1,251,787	1,283,082	1,315,159
Investment Income		650,000	669,500	689,585	710,273	731,581
Other Revenues		2,583,345	2,570,838	2,609,401	2,648,542	2,688,270
TOTAL REVENUES		20,090,327	20,442,804	21,164,251	21,764,352	22,194,290
EXPENDITURES						
Wages & Req Bnfts- Non-union		7,901,282	7,883,213	7,925,326	8,009,697	8,209,414
Wages & Req Bnfts- Union		5,691,049	5,918,691	6,096,252	6,279,140	6,467,514
Health Insurance		2,318,585	2,517,983	2,769,781	3,046,759	3,351,435
Other Insurances		151,240	151,996	152,756	153,520	154,288
Non-compensation Other		5,181,388	5,064,888	5,064,888	5,064,888	5,064,888
Subtotal		21,243,544	21,536,771	22,009,003	22,554,004	23,247,539
Adjustments						
Estimated Compensation Underspent (1.0% 2025, 1.5% future yrs)		159,371	288,300	296,500	306,100	318,200
TOTAL EXPENDITURES		21,084,173	21,248,471	21,712,503	22,247,904	22,929,339
REVENUES OVER (UNDER) EXPENDITURES		(993,846)	(805,667)	(548,252)	(483,552)	(735,049)
ENDING FUND BALANCE	8,571,637	7,577,791	6,772,124	6,223,872	5,740,320	5,005,271
ENDING ASSIGNED FUND BALANCE	1,883,602	1,883,602	1,883,602	1,883,602	1,883,602	1,883,602
ENDING UNASSIGNED FUND BALANCE	6,688,035	5,694,189	4,888,522	4,340,270	3,856,718	3,121,669
Budgeted Expenditures	20,402,933	21,084,173	21,248,471	21,712,503	22,247,904	22,929,339
Expenditure increase from prior yr: %		3.34%	0.78%	2.18%	2.47%	3.06%
Expenditure increase from prior yr: \$		681,240	164,298	464,032	535,401	681,435
Expenditure Restraint Incentive Program Estimate			607,657			
% Unassigned Fund Balance of Next Year's						
Budgeted/Forecasted Expenditures	31.72%	26.80%	22.51%	19.51%	16.82%	13.21%

**City of Watertown
Levy Projection
2025-2029**

		Maintain 20% Min Fund Balance				
		130,800	617,416	999,764	1,199,759	
Year	2025	2026	2027	2028	2029	
General Fund Levy	10,460,000	10,800,000	11,500,000	12,100,000	12,522,000	2.0%
GO Debt Levy	5,300,000	6,100,000	6,100,000	6,250,000	6,600,000	
	15,760,000	16,900,000	17,600,000	18,350,000	19,122,000	
TID Increment	828,983	849,708	870,951	892,725	915,043	
	16,588,983	17,749,708	18,470,951	19,242,725	20,037,043	
Assessed Value	2,385,169,600	2,444,798,800	2,511,067,800	2,588,778,400	2,669,925,100	2.5%
City Mill Rate	6.955054	7.260192	7.355815	7.433129	7.504721	
Emmet annexation- awaiting data to add		10% of whole	20% of whole	30% of whole	40% of whole	
Housing Additions	22	55	55	55	50	
Average Permit	228,336	264,903	291,393	320,532	352,585	10.0%
Add to Assessed Value next yr:		5,023,400	14,569,649	16,026,614	17,629,275	
New Assessed Value Total		2,449,822,200	2,525,637,449	2,604,805,014	2,687,554,375	
Revised City Mill Rate		7.245305	7.313382	7.387396	7.455493	
City portion based on home value:		4.17%	0.94%	1.01%	0.92%	
	\$100,000	\$696	\$725	\$731	\$739	\$746
	\$150,000	\$1,043	\$1,087	\$1,097	\$1,108	\$1,118
	\$200,000	\$1,391	\$1,449	\$1,463	\$1,477	\$1,491
	\$250,000	\$1,739	\$1,811	\$1,828	\$1,847	\$1,864
	\$300,000	\$2,087	\$2,174	\$2,194	\$2,216	\$2,237
	\$350,000	\$2,434	\$2,536	\$2,560	\$2,586	\$2,609
	\$400,000	\$2,782	\$2,898	\$2,925	\$2,955	\$2,982
	\$450,000	\$3,130	\$3,260	\$3,291	\$3,324	\$3,355

CITY OF WATERTOWN

General Fund Financial Forecast - 2026-2029

Tax Levy Increase w/ 20% Fund Balance Min

	2024 Actual	2025 Budget	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029
REVENUES						
Property Taxes		10,460,000	10,800,000	11,500,000	12,100,000	12,522,000
PILOT (Water & Other) & Interest on Taxes		1,041,800	1,062,636	1,083,889	1,105,567	1,127,678
State Shared Revenue		3,724,391	3,810,052	3,897,683	3,987,330	4,079,039
Expenditure Restraint		439,322	439,322	439,322	439,322	439,322
Intergovernmental-State Grants		1,191,469	1,221,256	1,251,787	1,283,082	1,315,159
Investment Income		650,000	669,500	689,585	710,273	731,581
Other Revenues		2,583,345	2,570,838	2,609,401	2,648,542	2,688,270
TOTAL REVENUES		20,090,327	20,573,604	21,471,667	22,274,116	22,903,049
EXPENDITURES						
Wages & Req Bnfts- Non-union		7,901,282	7,883,213	7,925,326	8,009,697	8,209,414
Wages & Req Bnfts- Union		5,691,049	5,918,691	6,096,252	6,279,140	6,467,514
Health Insurance		2,318,585	2,517,983	2,769,781	3,046,759	3,351,435
Other Insurances		151,240	151,996	152,756	153,520	154,288
Non-compensation Other		5,181,388	5,064,888	5,064,888	5,064,888	5,064,888
Subtotal		21,243,544	21,536,771	22,009,003	22,554,004	23,247,539
Adjustments						
Estimated Compensation Underspent (1.0% 2025, 1.5% future yrs)		159,371	288,300	296,500	306,100	318,200
TOTAL EXPENDITURES		21,084,173	21,248,471	21,712,503	22,247,904	22,929,339
REVENUES OVER (UNDER) EXPENDITURES		(993,846)	(674,867)	(240,836)	26,212	(26,290)
ENDING FUND BALANCE	8,571,637	7,577,791	6,902,924	6,662,088	6,688,300	6,662,010
ENDING ASSIGNED FUND BALANCE	1,883,602	1,883,602	1,883,602	1,883,602	1,883,602	1,883,602
ENDING UNASSIGNED FUND BALANCE	6,688,035	5,694,189	5,019,322	4,778,486	4,804,698	4,778,408
Budgeted Expenditures	20,402,933	21,084,173	21,248,471	21,712,503	22,247,904	22,929,339
Expenditure increase from prior yr: %		3.34%	0.78%	2.18%	2.47%	3.06%
Expenditure increase from prior yr: \$		681,240	164,298	464,032	535,401	681,435
Expenditure Restraint Incentive Program Estimate			607,657			
% Unassigned Fund Balance of Next Year's						
Budgeted/Forecasted Expenditures	31.72%	26.80%	23.12%	21.48%	20.95%	20.22%

To: Finance Committee

From: Tony Arnett

Re: 2026 Budget

Date: September 8, 2025

I once worked for a very smart person who split things up into three groups: things we “know” (the data is definitive); things we “think” (based on experience and best available data); and things we “believe” (based on experience and/or related examples.) In that spirit, I'd like to offer the following regarding the 2026 budget.

3 things I know about the budget:

1. We inherited an unbalanced budget for 2025, with a deficit of nearly \$1 million (\$993,000 to be exact.) (Yes, when your expenses exceed your revenue, it is not a balanced budget, it is an unbalanced budget.)
2. Much of the 2025 deficit spending is structural - it is recurring operational costs. (Which means if left unchecked, the deficit spending will continue for 2026.)
3. The General fund balance at the end of 2025 will be \$1 million less (\$993,000) than 2024 year-end. It is the 2024 year-end fund balance that has been cited in recent discussion. In other words, much of the fund balance some wanted to see spent in 2026 has already been spent in 2025.

It is tempting to ask how an unbalanced budget with a \$1 million deficit was judged as appropriate, let alone why it was purposely misrepresented as a "balanced" budget. However, such questions will not help solve the problem.

I "think" there are several aspects to our approach to the budget that will help find the solution(s) to this huge problem we have inherited.

4 things I think about the budget:

1. We need to take a multi-year approach (3-5 year projection) to both fully understand the scope of the problem and find solution(s).
2. The multi-year view of the budget needs to look back, too, not just forward. We need to understand what has been added and what areas have grown in the last few years that have contributed to where we are now.
3. Exceeding the limits of the Expenditure Restraint Program will not solve the deficit. You don't spend your way out of a deficit. And keep in mind the General fund balance, the main justification previously provided for leaving the program, will be about \$1 million less than some believed.

4. The solution(s) to this problem will include both changes we make in 2026, as well as changes we make over the longer term. The immediate changes will help "buy time" to identify and enact the longer-term changes.

Lastly, I "believe" there are specific considerations we should make that will help us see a way through this.

5 things I believe about the budget:

1. Even though it is late in the year, we should look at what General fund expenses for 2025 can still be reduced.
2. Despite this dire circumstance, we can find ways to shift resources to where they are most needed. But it will mean shifting resources away from other areas.
3. Our 2026 borrowing should be focused on needs, not wants. And the number 1 thing we hear about the most from citizens is the condition of city streets. That is the need.
4. We should exhaust other funding sources before we ask City residents to pay more. This includes accumulated balances tucked away in corners of the overall city budget.
5. We can't continue to do everything we have been doing, and we can't keep doing things the same way. The scale of the challenge requires big changes.

Thank you very much for your time and consideration.

Tony