



FINANCE COMMITTEE MEETING AGENDA

TUESDAY, MAY 26, 2026 AT 5:00 PM

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

1. CALL TO ORDER

2. 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

3. BUSINESS

A. Review and take possible action: Authorize borrowing for Contract #11-26 Emmet Utility Extension Project

B. Convene into closed session per §§19.85(1)(c) and 19.85(1)(g) to consider employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility, and 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. (N.H.)

C. Reconvene into open session

4. 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

MEMO

Engineering Division of the Public Works Department

To: Mayor Stocks and Committee Members
From: Andrew Beyer, P.E., Public Works Director
Date: May 21, 2026
Subject: Finance Committee Meeting of May 26, 2026

Review and take possible action: Authorize borrowing for Contract #11-26 Emmet Utility Extension Project

Background

At the May 11, 2026 Finance Committee meeting, the Committee reviewed the proposed borrowing associated with Contract #11-26 Emmet Utility Extension Project and requested additional information regarding borrowing options prior to taking action.

Since that meeting, the Finance Director has been in contact with local lending institutions to obtain information on potential financing structures, estimated rates, and terms. That information will be presented at the May 26, 2026 Finance Committee meeting for Committee review and discussion.

No changes have been made to the project scope or funding approach since the May 11 packet. For background and project details, please refer to the attached May 11, 2026 Finance Committee packet.

Following Committee review, staff anticipates the borrowing authorization and project award will proceed to the Common Council for consideration.

Enclosed: May 11, 2026 Packet Information

MEMO

Engineering Division of the Public Works Department

To: Mayor Stocks and Committee Members
From: Andrew Beyer, P.E., Public Works Director
Date: May 5, 2026
Subject: Finance Committee Meeting of May 11, 2026

Review and take possible action: Authorize borrowing for Contract #11-26 Emmet Utility Extension Project

Background

The Emmet Utility Extension Project originates from the intergovernmental cooperative boundary agreement between the City of Watertown and the Town of Emmet, which required the attachment of the Highway 16 Residential Area, shown as Area 4 on the attached site map, to the City in 2024. Under the terms of the agreement, properties within this area are required to connect to municipal water and sanitary sewer within a defined timeframe following attachment.

In June 2024, the Public Works Commission reviewed servicing options for this area and directed staff to proceed with design of public water and sanitary sewer extensions, with the intent of utilizing the special assessment process to recover project costs. In May 2025, the Commission approved a design contract with SEH, Inc. Design was completed for utility extensions along Boulder Drive, Center Street, Prospect Street, and N. Second Street, along with associated roadway and drainage improvements due to existing infrastructure conditions.

The project was publicly bid in early 2026, with two bids received. Forest Landscaping and Construction, Inc. was the lowest responsible bidder. The Public Works Commission approved the contract award at its most recent meeting, contingent upon securing necessary project funding.

Borrowing Consideration

Available 2026 funding is not sufficient to cover the full construction cost and pay the contractor prior to recovery through the special assessment process. In order to proceed with construction, interim financing is required.

It is anticipated that approximately \$1.1 million will need to be borrowed to fund upfront construction costs. These funds would be used to pay the contractor during construction, with repayment to occur

MEMO

over time through special assessments to benefiting properties. Borrowed funds would be tracked separately and replenished as assessment payments are received.

Consistent with past practice, it is proposed that new improvements be assessed to benefiting property owners. This includes sanitary sewer and water main extensions, along with associated restoration costs within the utility trench limits. Existing infrastructure improvements, including storm sewer, drainage facilities, curb and gutter, and pavement outside of utility trench limits, would be funded through available City funds and/or borrowed 2026 funds. This approach is consistent with historical practice where reconstruction of existing facilities within a roadway and utility project is funded through City budgets, while new roadway or utility infrastructure is assessed to benefiting properties.

Staff has been coordinating with the Finance Director to evaluate borrowing options, including potential terms and interest rates. A proposed assessment repayment period of 5, 8, or 10 years is being considered, with 8 years preferred as it lines up with the City's typical borrowing payback schedule.

Next Steps

Following Finance Committee review and recommendation, the borrowing authorization and final project award will be brought to the Common Council for consideration. Upon approval, staff will proceed with project implementation and initiation of the special assessment process.

Financial Impact

Approximately \$410,000 in 2026 funding has been identified to support portions of the project related to replacement of existing infrastructure, including \$290,000 from the Annual Street Reserve and \$120,000 from the Stormwater Utility. These funds are intended to cover costs associated with storm sewer, drainage facilities, curb and gutter, and pavement outside of utility trench limits.

The remaining project costs, estimated at approximately \$1.1 million, would require borrowing to fund construction upfront. These borrowed funds are anticipated to be repaid over time through special assessments to benefiting properties for sanitary sewer and water main extensions and associated restoration, including design costs.

Recommendation

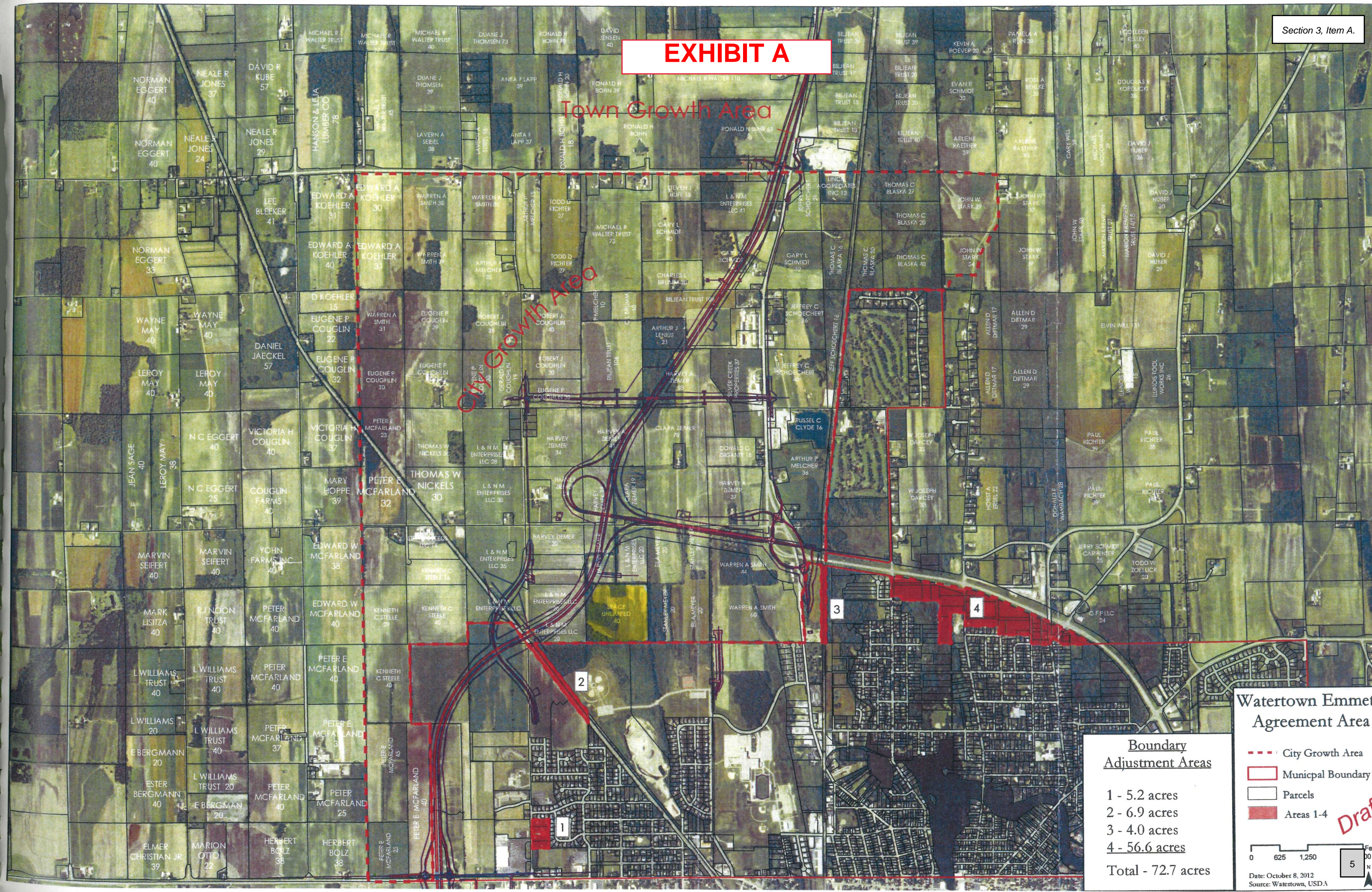
Public Works Department staff recommends that the Finance Committee review and recommend approval of borrowing in an amount not to exceed \$1.1 million to support the Emmet Utility Extension Project. Borrowed funds would be repaid through the special assessment process over a proposed term of 5, 8, or 10 years, with 8 years preferred.

Following Finance Committee recommendation, the borrowing authorization will be forwarded to the Common Council for consideration in conjunction with final project award.

EXHIBIT A

Town Growth Area

City Growth Area



Watertown Emmet Agreement Area

- Boundary Adjustment Areas**
- 1 - 5.2 acres
 - 2 - 6.9 acres
 - 3 - 4.0 acres
 - 4 - 56.6 acres
- Total - 72.7 acres**

- City Growth Area
- ▭ Municipal Boundary
- ▭ Parcels
- ▭ Areas 1-4

0 625 1,250 5 Feet

Date: October 8, 2012
Source: Watertown, USD.A

Draft

**City of Watertown
Line of Credit Quote**

Parameters

Estimate: \$1.1 million
 Purpose: Interim financing of water, wastewater, and storm water improvements for annexed parcels
 Draws: July - October, 2026
 Int rate: Fixed
 Refinancing: Mar/Apr 2027; line to be closed at refunding

Bank	Int Rate:	Fees:	Interest Due:	Prepay OK?
Ixon Bank	4.96% fixed	\$500 underwriting; Out-of-pocket: legal, title, recording	Semi-annually	Yes
BankFirst	6.25% fixed	\$1100 underwriting; Up to \$1700 legal	Monthly	Yes
BMO Bank	Index benchmark rate minus 0.25% Curr: 6.50%	\$500 documents Legal fees		Yes

Estimated costs (using low bid):

	Draw	Accum Draw	Interest & Fees
Fees			2,000
Jul	250,000	250,000	1,033
Aug	400,000	650,000	2,687
Sept	400,000	1,050,000	4,340
Oct	50,000	1,100,000	4,547
Nov		1,100,000	4,547
Dec		1,100,000	4,547
Jan		1,100,000	4,547
Feb		1,100,000	4,547
Mar		1,100,000	4,547
Total Estimate:			37,340