



## Finance Committee Meeting

Whitewater Municipal Building City Manager's  
Conference Room, 312 West Whitewater St.,  
Whitewater, WI 53190 \*In Person and Virtual

**Tuesday, August 26, 2025 - 5:00 PM**

Citizens are welcome (and encouraged) to join our webinar via computer, smart phone, or telephone.  
Citizen participation is welcome during topic discussion periods.

Please click the link below to join the webinar:

***When: Aug 26, 2025 05:00 PM Central Time (US and Canada)***

***Topic: Finance Committee***

***Join from PC, Mac, iPad, or Android:***

***<https://us06web.zoom.us/j/87134989060>***

***Phone one-tap:***

***+13126266799, 87134989060# US (Chicago)***

***Join via audio:***

***+1 312 626 6799 US (Chicago)***

***Webinar ID: 871 3498 9060***

Please note that although every effort will be made to provide for virtual participation, unforeseen technical difficulties may prevent this, in which case the meeting may still proceed as long as there is a quorum. Should you wish to make a comment in this situation, you are welcome to call this number: (262) 473-0108.

## AGENDA

**Amended as of August 25, 2025 at 10:15 a.m. to add: 1. Waiver of 72-Hour Transparency Ordinance and 2. Discussion with Whitewater Arts Alliance and possible direction regarding future partnership opportunities with the City of Whitewater.**

### CALL TO ORDER

Request for authorization to waive the 72-hour notice required by the City of Whitewater Transparency Ordinance to amend the Agenda to

1. Add item number 2 Discussion with Whitewater Arts Alliance and possible direction regarding future partnership opportunities with the City of Whitewater.

### ROLL CALL

**CONSENT AGENDA**

*Items on the Consent Agenda will be approved together unless any committee member requests that an item be removed for individual consideration.*

1. July 22, 2025 Finance Committee Meeting Minutes

**HEARING OF CITIZEN COMMENTS**

*No formal Committee action will be taken during this meeting although issues raised may become a part of a future agenda. Participants are allotted a three minute speaking period. Specific items listed on the agenda may not be discussed at this time; however, citizens are invited to speak to those specific issues at the time the Committee discusses that particular item.*

***To make a comment during this period, or during any agenda item: On a computer or handheld device, locate the controls on your computer to raise your hand. You may need to move your mouse to see these controls. On a traditional telephone, dial \*6 to unmute your phone and dial \*9 to raise your hand.***

**CONSIDERATIONS / DISCUSSIONS / REPORTS**

2. Review of Sample Tax Increment Financing (TIF) Analyses Presentation from Ehler's Inc. on sample Tax Increment Financing analyses conducted in other Wisconsin communities.
3. Discussion with Whitewater Arts Alliance and possible direction regarding future partnership opportunities with the City of Whitewater
4. July 2025 Financials
5. Discussion and possible action to recommend an amendment to the Procurement Policy
6. Discussion and possible action to schedule special budget meetings for the Finance Committee

**FUTURE AGENDA ITEMS**

7. Discussion and updated financial status of the City's health insurance fund

**ADJOURNMENT**

A quorum of the Common Council may be present. This notice is given to inform the public that no formal action will be taken at this meeting.

**Anyone requiring special arrangements is asked to call the Office of the City Manager / City Clerk (262-473-0102) at least 72 hours prior to the meeting.**



## Finance Committee Meeting Item 1.

Cravath Lakefront room 2nd floor 312 West  
Whitewater Str, Whitewater, WI, 53190 \*In Person  
and Virtual

**Tuesday, July 22, 2025 - 5:00 PM**

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Please click the link below to join the webinar:

<https://us06web.zoom.us/j/83198282604?pwd=cDdLWjUvTTRqRUQ4UVcwQWcrcW1BUT09>

**Telephone:** +1 (312) 626-6799 US (Chicago) (Houston)

**Webinar ID:** 831 9828 2604

**Passcode:** 137945

**Please note that although every effort will be made to provide for virtual participation, unforeseen technical difficulties may prevent this, in which case the meeting may still proceed as long as there is a quorum. Should you wish to make a comment in this situation, you are welcome to call this number: (262) 473-0108.**

## **AGENDA**

### **CALL TO ORDER**

The meeting was called to order at 5:00 p.m. by Brian Schanen.

### **ROLL CALL**

Present: Brian Schanen, Patrick Singer and Mike Smith. Absent: None.

Additional Attendees: Rachelle Blitch, Director of Finance

### **CONSENT AGENDA**

*Items on the Consent Agenda will be approved together unless any committee member requests that an item be removed for individual consideration.*

1. Finance Committee Meeting Minutes from June 18, 2025
2. Closed Session Minutes

A motion to approve the consent agenda made by Mike Smith, Seconded by Brian Schanen.

Voting Yes: Brian Schanen, Patrick Singer and Mike Smith. Voting No: None.

### **HEARING OF CITIZEN COMMENTS**

*No formal Committee action will be taken during this meeting although issues raised may become a part of a future agenda. Participants are allotted a three minute speaking period. Specific items listed on the agenda may not be discussed at this time; however, citizens are invited to speak to those specific issues at the time the Committee discusses that particular item.*

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***these controls. On a traditional telephone, dial \*6 to unmute your phone and dial \*9 to raise your hand.***

### **CONSIDERATIONS / DISCUSSIONS / REPORTS**

3. Discussion and possible action to amend the Budget Amendment Policy and recommend to Common Council

A motion made to recommend the amended policy with a change to 3A to reflect approval of the Finance Committee to Common Council made by Patrick Singer, Seconded by Brian Schanen.

Voting Yes: Brian Schanen, Patrick Singer and Mike Smith. Voting No: None.

4. Review and discussion of the updated cash flow projections related to the Library's donation funds, including recent contributions, expenditures, and anticipated funding timelines
5. Discussion and possible action to recommend amending Ordinance 2.48.080 Removal of Members
6. Discussion and possible action to recommend the creation of Ordinance 2.12.013 Committee Member Removal Ordinance
7. Review and discussion of the Compensation Policy (Draft).
8. Discussion and possible action to approve and recommend an amendment to the EMS Employee Benefit Policy to Common Council

A motion made to recommend the amended policy to Common Council made by Patrick Singer, Seconded by Mike Smith.

Voting Yes: Brian Schanen, Patrick Singer and Mike Smith. Voting No: None.

### **FUTURE AGENDA ITEMS**

### **ADJOURNMENT**

Motion to adjourn made by Patrick Singer, Seconded by Brian Schanen.

Voting Yes: Brian Schanen, Patrick Singer and Mike Smith. Voting No: None.

The meeting adjourned at 5:38 p.m.

A quorum of the Common Council may be present. This notice is given to inform the public that no formal action will be taken at this meeting.

**Anyone requiring special arrangements is asked to call the Office of the City Manager / City Clerk (262-473-0102) at least 72 hours prior to the meeting.**



## Finance Committee Agenda Item

Meeting Date:	August 26, 2025
Agenda Item:	Presentation from Ehler's on Sample Tax Increment Financing (TIF) Tool
Staff Contact (name, email, phone):	Rachelle Blitch, <a href="mailto:rblitch@whitewater-wi.gov">rblitch@whitewater-wi.gov</a> , 262-473-1380

### BACKGROUND

(Enter the who, what when, where, why)

Per City Manager, Ehler's will present samples of their proformas used in other municipalities.

### PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

### FINANCIAL IMPACT

(If none, state N/A)

N/A

### STAFF RECOMMENDATION

### ATTACHMENT(S) INCLUDED

(If none, state N/A)

1. Analysis Memo 2-6-23
2. Analysis Memo 2-26-25

## MEMORANDUM

**TO:** Michael Zimmerman – Economic Development Director  
Misty Dodge – Finance Director

**FROM:** Keith Dahl – Ehlers  
Greg Johnson - Ehlers

**DATE:** February 6, 2023

**SUBJECT:** Avante Properties Tax Increment Financing (TID #13) Request and Recommendation

The City received a financial assistance request from Avante Properties (the “Developer”) to construct a mixed-use apartment building (“The Arlo”) at 5134 East Cheryl Parkway. The Developer requested a Municipal Revenue Obligation (MRO) Note in the principal amount of \$780,00 to offset soil correction and abatement work. The Arlo is proposed to be a 57-unit apartment with 2,310 square feet of retail space (the “Project”). The Project would consist of studio, 1, 2, and 3-bedroom units. Construction is proposed to start this spring with an anticipated development cost slightly over \$15 million or \$263,607 per unit.

This memo has been prepared by Ehlers, at the request of the City, in conjunction with a review of the Project, specifically the budget and pro forma based on general industry standards for construction, land acquisition, and project costs; as well as to ensure that all development costs, rental revenues, and expenditures have been appropriately accounted for and considered. General industry standards for purposes of this memo were determined by review of similar projects within Minnesota and Wisconsin over the last two years.

Based on our review, **we’ve concluded an MRO Note in the principal amount of \$780,000 is supported for the Project.** The tables below provide a synopsis of the sources and uses for the Project with the supported amount of public assistance.

SOURCES			
	Amount	Pct.	Per Unit
First Mortgage	11,500,000	77%	201,754
MRO Note	780,000	5%	13,684
Equity	2,745,619	18%	48,169
<b>TOTAL SOURCES</b>	<b>15,025,619</b>	<b>100%</b>	<b>263,607</b>

USES			
	Amount	Pct.	Per Unit
Acquisition Costs	274,610	2%	4,818
Construction Costs	13,726,009	91%	240,807
Professional Services	400,000	3%	7,018
Financing Costs	405,000	3%	7,105
Developer Fee	100,000	1%	1,754
Cash Accounts/Escrows/Reserves	120,000	1%	2,105
<b>TOTAL USES</b>	<b>15,025,619</b>	<b>100%</b>	<b>263,607</b>

## Pro Forma Analysis:

1. **Financing** – The Developer’s initial submittal contemplated financing the Project with a first mortgage that was approximately 80% of total development costs with an interest rate of 5.50%. Based on current underwriting conditions, interest rate and lender sizing constraints, the Developer may be too aggressive in sizing its first mortgage debt proceeds. For our analysis, we reduced the first mortgage to approximately 75% of total development costs and increased the interest rate to 6.00%. The remaining balance of the total development costs would be covered by equity and a privately financed MRO Mortgage.
2. **Total Development Costs (TDC)** – The TDC is approximately \$15 million or \$263,607 per unit. Under current market conditions, similar projects have generally ranged between \$270,000 and \$350,000 per unit. While the TDC per unit is slightly below the typical range we’ve seen within the last two years for similar projects in Wisconsin and Minnesota, we are starting to see price softening within the construction industry. The TDC per unit is reasonable under current market conditions.
3. **Acquisition Costs** – The acquisition cost is \$274,610, or \$4,818 per unit. Similar developments have ranged between \$5,000 to \$15,000 per unit. The land acquisition is slightly below the typical range, but the lower acquisition cost benefits the overall financial feasibility of the Project. The acquisition costs are reasonable for this project.
4. **Developer Fee** – The proposed developer fee is \$100,000 or 1% of TDC. For developments requesting City assistance, we typically see a developer fee between 3% to 5% of TDC.
5. **Residential Rents** – Proposed market rate rents range between \$1,469 per month for a studio unit to \$2,833 per month for a 3-bedroom unit. On a per square foot basis, market rate rents range between \$1.91 to \$2.65, averaging \$2.17. Based on review of a CoStar multi-family market report for similar developments in Fitchburg and the surrounding area, the proposed rents appear to be reasonable. On an average per square foot basis, other market rate apartments within the City ranged between \$1.88 and \$2.07.
6. **Commercial Rent** – The commercial rents will be structured as triple net leases, meaning the tenant is responsible for paying their respective expenses of the property including property taxes, insurance, and maintenance. The commercial rent that will be collected by the Developer will be \$25.97 per square foot for retail space. The proposed triple net rents appear to be reasonable for the market. Other retail spaces in the City and the surrounding area have triple net lease rates ranging between \$15.00 and \$30.00 per square foot.
7. **Operating Expenses** – The operating expenses on a per unit basis are \$3,527, which is within the typical market range of \$3,500 to \$4,500 per unit per year. Please note that this per unit expense is before management fees, property taxes, and replacement reserves. The management fee is 5% of the effective gross income (EGI) of the Project. The typical range for management fees range between 3% to 5% of EGI.

### Available Tax Increment:

The Project is currently contemplated to be located within the City's Tax Increment District (TID) #13 and the Developer requested 50% of the annual increment to pay the MRO Note. In consultation with the City Assessor, it is estimated the market value of the Project will be \$16,500,000 and is estimated to generate over \$300,000 of annual tax increment upon full build out. Based upon an annual 0.50% inflation factor, 50% of tax increment being available to the Developer, and a financing rate of 6.50%, the Project could support an MRO Note in the maximum principal amount of \$780,000 over an anticipated 8-year term. In total, principal and interest, public assistance to the Project would be \$1,037,000.

This would leave 50% of the annually collected tax increment available to the City over the term of the MRO Note and 100% of the annually collected tax increment after the MRO Note is paid. In total, the future value sum collected by the City over the remaining term of the TID could be approximately \$3,350,000. Attached for illustration purposes are cashflow projections of the Project's MRO Note and existing obligations of TID #13.

**Note:** The percentage of increment pledged to pay an MRO Note and the rate of financing are negotiable terms memorialized in a Developer Agreement.

### Projected Return on Investment:

As part of this analysis, we want to ensure that any public assistance in the project does not result in a return on investment greater than what is typical within the industry. Return on investment (ROI) is a performance measure used to evaluate development projects. There are a few common metrics used; however, we reviewed the project based on a review of yield-on-cost and an internal rate of return (IRR). The typical industry standard for yield-on-cost is 6.5 – 7.0% and internal rate of return in year 10 may range between 12 – 15%.

1. **Yield-on-Cost (YOC):** YOC is calculated by dividing the net operating income (before debt service) by the total development cost of the project less any upfront grants received for construction costs. YOC is a metric used by investors to ensure a project is not over or under leveraged since it removes debt service from the equation. In year of stabilization the YOC is 6.6%. During the anticipated 8-year duration of public assistance, the average annual YOC reaches 7.1%. If public assistance isn't provided, the YOC in stabilization would be 5.5% and the average over 8-years would be 6.2%.
2. **Internal Rate of Return (IRR):** IRR calculates the time value of money over a specific holding period. It estimates a project's profitability from its initial equity investment by accounting for annual net cashflows, sale proceeds, and debt repayment from a future sale. In year 10 of the Project the IRR is 14.96%. If public assistance isn't provided, the IRR would be 11.80%.



### Recommendation:

Based on our review of the Developer's pro forma and under current market conditions, the Project may not reasonably be expected to occur solely through private investment within the near future. The cost associated with development of the Project is only feasible, in part, through public financial assistance offsetting the soil correction work by the City. We conclude an MRO Note in the principal amount of \$780,000 with an interest rate the lesser of 6.50% or the Developer's actual rate of financing, and payable from 50% of the available tax increment over an anticipated term of 8 years is supported for this project.

Please contact Keith Dahl at 651-697-8595 or Greg Johnson at 262-796-6168 with any questions.

# City of Fitchburg, Wisconsin

## Tax Increment District # 13

### Development Assumptions

Construction Year		Actual	Arlo Project	Estimated Net New Construction (Kwik Trip)	Annual Total	Construction Year	
1	2018	3,033,000			3,033,000	2018	1
2	2019	2,387,900			2,387,900	2019	2
3	2020	8,413,500			8,413,500	2020	3
4	2021	3,548,400			3,548,400	2021	4
5	2022			3,440,000	3,440,000	2022	5
6	2023		4,125,000		4,125,000	2023	6
7	2024		8,250,000		8,250,000	2024	7
8	2025		4,125,000		4,125,000	2025	8
9	2026				0	2026	9
10	2027				0	2027	10
11	2028				0	2028	11
12	2029				0	2029	12
13	2030				0	2030	13
14	2031				0	2031	14
15	2032				0	2032	15
16	2033				0	2033	16
17	2034				0	2034	17
18	2035				0	2035	18
19	2036				0	2036	19
20	2037				0	2037	20
Totals		17,382,800	16,500,000	3,440,000	37,322,800		

Notes:

# City of Fitchburg, Wisconsin

## Tax Increment District # 13

### Tax Increment Projection Worksheet

Type of District	Mixed Use	Base Value	16,139,100
District Creation Date	September 11, 2018	Appreciation Factor	0.50%
Valuation Date	Jan 1, 2018	Base Tax Rate	
Max Life (Years)	20	Rate Adjustment Factor (after 2024)	-1.00%
Expenditure Period/Termination	15 9/11/2033		
Revenue Periods/Final Year	20 2039		
Extension Eligibility/Years	Yes 3	Tax Exempt Discount Rate	N/A
Recipient District	No	Taxable Discount Rate	N/A

Construction	Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment
1	2018	3,033,000	2019		3,033,000	2020	\$22.72	68,903
2	2019	2,387,900	2020		5,420,900	2021	\$22.68	122,922
3	2020	8,413,500	2021		13,834,400	2022	\$21.38	295,845
4	2021	3,548,400	2022		17,382,800	2023	\$20.20	351,213
5	2022	3,440,000	2023		20,822,800	2024	\$20.00	416,510
6	2023	4,125,000	2024	104,114	25,051,914	2025	\$19.80	496,092
7	2024	8,250,000	2025	125,260	33,427,174	2026	\$19.60	655,324
8	2025	4,125,000	2026	167,136	37,719,309	2027	\$19.41	732,075
9	2026	0	2027	188,597	37,907,906	2028	\$19.21	728,378
10	2027	0	2028	189,540	38,097,446	2029	\$19.02	724,700
11	2028	0	2029	190,487	38,287,933	2030	\$18.83	721,040
12	2029	0	2030	191,440	38,479,372	2031	\$18.64	717,399
13	2030	0	2031	192,397	38,671,769	2032	\$18.46	713,776
14	2031	0	2032	193,359	38,865,128	2033	\$18.27	710,171
15	2032	0	2033	194,326	39,059,454	2034	\$18.09	706,585
16	2033	0	2034	195,297	39,254,751	2035	\$17.91	703,017
17	2034	0	2035	196,274	39,451,025	2036	\$17.73	699,467
18	2035	0	2036	197,255	39,648,280	2037	\$17.55	695,934
19	2036	0	2037	198,241	39,846,521	2038	\$17.38	692,420
20	2037	0	2038	199,233	40,045,754	2039	\$17.20	688,923
<b>Totals</b>		<b>37,322,800</b>		<b>2,722,954</b>		<b>Future Value of Increment</b>		<b>11,640,693</b>

#### Notes:

Actual results will vary depending on development, inflation of overall tax rates.

NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).

## City of Fitchburg, Wisconsin

Tax Increment District # 13

Cash Flow Projection

Year	Projected Revenues				Expenditures										Balances			Year					
	Tax Increments	Investment income	Transfer from TID #9	Total Revenues	Municipal Revenue Obligation \$2,100,000 Phoenix Industries		G.O. Bonds Series 2021A \$1,515,000 Dated: 12/1/2021		Municipal Revenue Obligation \$780,000 Arlo (50% of increment applied)				Interest & Fiscal Charges		Capital Outlay	Total Expenditures	Annual		Cumulative	Principal Outstanding (MRO & Debt)			
					Annual Payment	Principal Outstanding	Principal	Interest	Principal	Est. Rate	Interest	Total Payment	Princ. Outstanding	Admin.									
2018			3	3		6%			6.50%							22,957	(22,954)	(22,954)		2018			
2019			32	32											22,832	1,235	540	1,775	(1,743)	(24,697)		2019	
2020	68,903		33	68,936											18,148	427	26,629	45,204	23,732	(965)		2020	
2021	122,922		24	122,946	165,697	2,050,000									5,786	438	20,100	192,021	(69,075)	(70,041)	2,050,000	2021	
2022	295,845				1,515,000	1,810,845	210,300	1,960,000							25,000		1,802,000	2,037,300	(226,455)	(296,496)	3,475,000	2022	
2023	351,213			351,213	209,750	1,865,000		42,244							25,000			276,994	74,219	(222,277)	3,380,000	2023	
2024	416,510			416,510	213,750	1,760,000	95,000	42,244					780,000		25,000			375,994	40,516	(181,760)	3,960,000	2024	
2025	496,092			496,092	212,300	1,650,000	80,000	38,444			50,700	50,700	780,000		25,000			406,444	89,648	(92,112)	3,770,000	2025	
2026	655,324			655,324	215,400	1,530,000	85,000	35,244	70,805	6.50%	50,700	121,505	709,195		25,000			482,149	173,175	81,064	3,494,195	2026	
2027	732,075			732,075	213,050	1,405,000	85,000	31,844	114,824	6.50%	46,098	160,922	594,371		25,000			515,815	216,260	297,323	3,169,371	2027	
2028	728,378			728,378	215,250	1,270,000	90,000	28,444	121,475	6.50%	38,634	160,109	472,896		25,000			518,803	209,575	506,898	2,822,896	2028	
2029	724,700			724,700	212,000	1,130,000	95,000	24,844	128,562	6.50%	30,738	159,301	344,333		25,000			516,144	208,556	715,454	2,459,333	2029	
2030	721,040			721,040	218,150	975,000	95,000	21,044	136,114	6.50%	22,382	158,496	208,219		25,000			517,690	203,350	918,804	2,073,219	2030	
2031	717,399			717,399	218,550	810,000	100,000	17,244	144,161	6.50%	13,534	157,696	64,058		25,000			518,489	198,909	1,117,714	1,664,058	2031	
2032	713,776			713,776	218,350	635,000	155,000	13,244	64,058	6.50%	4,164	68,222	(0)		25,000			479,816	233,960	1,351,674	1,270,000	2032	
2033	710,171			710,171	217,550	450,000	155,000	10,919						25,000				408,469	301,703	1,653,377	930,000	2033	
2034	706,585			706,585	216,150	255,000	160,000	8,400										384,550	322,035	1,975,412	575,000	2034	
2035	703,017			703,017	214,150	50,000	160,000	5,800										379,950	323,067	2,298,479	210,000	2035	
2036	699,467			699,467	51,500	0	160,000	3,000										214,500	484,967	2,783,445	0	2036	
2037	695,934			695,934														0	695,934	3,479,379	0	0	2037
2038	692,420			692,420														0	692,420	4,171,799	0	0	2038
2039	688,923			688,923														0	688,923	4,860,722	0	0	2039
Total	11,640,693	92	1,515,000	13,155,785	3,221,897		1,515,000	6,349,928	780,000		256,950	1,036,950		348,001	1,530	1,848,729	8,295,063						Total

Notes:

Projected TID Closure

## MEMORANDUM

TO: Michael Zimmerman – Economic Development Director  
Misty Dodge – Finance Director

FROM: Keith Dahl & Greg Johnson - Ehlers

DATE: February 26, 2025

SUBJECT: Economic Development Analysis for the proposed Uptown Hills Development

The City received an application for financial assistance from Northpointe Development (the “Developer”) seeking tax increment financing (TIF) assistance in the principal amount of \$418,000 from Tax Increment District #14 over 17 years to construct 24 units of affordable rental housing disbursed between 6 three-story townhomes and a two-story townhome style apartment building with underground parking (the “Project”). The Project is proposed to commence construction by end of this year with an anticipated total development cost of approximately \$10.25 million.

This memo has been prepared by Ehlers, at the request of the City, to conduct a review of the Project, specifically the budget and pro forma based on industry standards under current market conditions and trends for 1) development costs, 2) available funding sources, 3) financial structure, 4) underwritten financial assumptions, 5) Developer contributions, 6) affordable housing rental rates, 7) utility allowance, 8) operating expenses, 9) phasing and timing of construction, and 10) projected cash flows. Our approach to this review was to ensure all development costs, revenues, and expenditures have been appropriately accounted for and considered, and to independently verify private funding sources are being maximized.

Based on our review, the Project generally meets our expectations of a low-income housing tax credit (LIHTC) development utilizing federal 4% credits. The financial structure is consistent with industry standards under current market conditions and complies with the Wisconsin Housing and Economic Development Authority’s (WHEDA) underwriting standards. However, based on our analysis, the requested amount of financial assistance is more than what is necessary for the Project to be “financially feasible”. **We’ve concluded that assistance in form of a deferred loan from the City’s Affordable Housing Extension Funds in the principal amount of \$330,000 is supported for this development.**

SOURCES			
	Amount	Pct.	Per Unit
First Mortgage	2,748,000	27%	114,500
Subordinate Debt	130,882	1%	5,453
City Deferred Loan	330,000	3%	13,750
Tax Credits	3,142,969	31%	130,957
Deferred Developer Fee (62% of Total Fee)	739,611	7%	30,817
Other Public Sources	1,160,000	11%	48,333
Private Sources	2,000,000	20%	83,333
<b>TOTAL SOURCES</b>	<b>10,251,462</b>	<b>100%</b>	<b>427,144</b>

USES			
	Amount	Pct.	Per Unit
Acquisition Costs	500,000	5%	20,833
Construction Costs	7,368,052	72%	307,002
Professional Services	311,400	3%	12,975
Financing Costs	642,010	6%	26,750
Developer Fee	1,200,000	12%	50,000
Cash Accounts/Escrows/Reserves	230,000	2%	9,583
<b>TOTAL USES</b>	<b>10,251,462</b>	<b>100%</b>	<b>427,144</b>

### Pro Forma Analysis:

Overall, the Project generally meets our expectations of a low-income housing tax credit (LIHTC) development with regards to the financial structure, projected revenues, and on-going operational costs. The overview of our analysis is as follows:

1. **Tax Credits** – The project anticipates receiving tax credit pricing of \$0.86 for every \$1.00 of available federal tax credits, which generates about \$3.14 million of proceeds for the Project. Federal tax credit pricing on many current projects range between \$0.835 to \$0.87.
2. **First Mortgage** – The Developer has secured a term sheet commitment letter from WHEDA to provide the construction and permanent mortgage financing for the Project. The permanent mortgage includes long-term bonds in the amount of \$2,748,000, underwritten to an interest rate of 6.30% with a 35-year term / amortization. In addition, WHEDA is also providing subordinate debt in the amount of \$130,882, underwritten to an interest rate of 3.00% with a 17-year term / 35-year amortization. Based on WHEDA's underwriting, the Project appears to be maximizing its permanent mortgage.
3. **Developer Fee and Deferred Developer Fee** – The proposed developer fee is approximately 11.7% of the TDC, or \$50,000 per unit. In addition, the Developer will defer approximately 62% of its fee to help close the financial gap. Instead of the Developer being compensated up-front for their time, energy and resources spent on the Project, they will be paid out from available cash flow on the back end of the Project after its constructed and stabilized. Currently, the deferred developer fee is projected to be repaid within 12 years after stabilization.
4. **Acquisition Costs** – The land acquisition cost is \$500,000, or \$20,833 per unit. Similar projects typically range between \$7,500 to \$18,000 per unit. While the cost for land acquisition is on the higher end of the range, the subject property has an estimated fair market value of \$520,923. The land acquisition cost is reasonable, and the Developer does not appear to be overpaying for the land.
5. **Total Development Costs (TDC)** – The TDC is approximately \$10.25 million or \$427,000 per unit. Under current market conditions, townhome style projects have ranged between \$350,000 – \$450,000 per unit. Given the lower density, style of development, and the incorporation of underground parking due to lot limitations, costs appear to be reasonable under current market conditions.

6. **Rents** – The Project will have units reserved for households at or below 30%, 50%, and 80% of the area median income (AMI) disbursed amounts the 24 three-bedroom units. Incomes and rents are derived by the United States Department of Housing and Urban Development (HUD) on an annual basis and include a utility allowance. Below are the rent maximums for Dane County.

#### Maximum Gross Rents by Bedroom Size (2024)

	Studio	1	2	3	4	5	6
30%	661	708	850	982	1,095	1,209	1,321
50%	1,102	1,181	1,417	1,636	1,826	2,015	2,203
80%	1,764	1,890	2,268	2,619	2,922	3,224	3,525

In addition, WHEDA limits the maximum allowable rent at and above 60% AMI to the lesser of 95% of the maximum gross rent or 90% of estimated achievable market rent noted in a market study. Based on the market study, it appears the rents are maximized.

7. **Operating Expenses** – The operating expenses on a per unit basis for the Project are \$4,080, which is within the typical range of \$3,500 to \$4,500 per unit per year on other LIHTC projects. Please note that this per unit expense is before management fees, property taxes, and replacement reserves.
8. **Reserves** – The annual deposit to replacement reserves is set at \$300 per unit per year. Typical deposits to the replacement reserve range between \$250 - \$450 but lenders vary on this requirement.

#### Recommendation:

Based on our review of the Developer's proforma and under current market conditions, the requested assistance in the principal amount of \$418,000 is more than what is necessary for the Project to become "financially feasible". However, there is a financial gap present in the Project, and it may not reasonably be expected to occur solely through private investment within the near future. The affordability and cost associated with development of this project is only feasible, in part, through public financial assistance from the City. We conclude assistance in the principal amount of \$330,000 is warranted for the Project.

Given the amount of the financial gap in the Project and the availability of Affordable Housing Extension Funds at the City, we would also recommend providing an up-front deferred loan in the principal amount of \$330,000 instead of providing a Municipal Revenue Obligation Note on a pay-as-you-go basis. This would allow the City to recapture the \$330,000 of assistance at 2% interest the earlier of 15 years, re-syndication, or sale of the Project.

Please contact Keith Dahl or Greg Johnson with any questions.



## GENERAL FUND REVENUE SUMMARY

SEC #	DESCRIPTION	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 YTD-JULY
41000	TAXES	4,339,875	4,624,990	6,120,288	6,197,955	6,784,037	4,765,720
42000	SPECIAL ASSESSMENTS	3,308	150	138	2,725	1,050	430
43000	INTERGOVT REVENUES	4,589,357	4,590,742	4,250,383	4,760,085	5,023,961	1,692,087
44000	LICENSES & PERMITS	148,817	89,048	167,690	147,578	394,523	221,384
45000	FINES, FORFEIT PENALTIES	295,355	296,072	250,979	282,636	286,550	157,187
46000	PUBLIC CHARGES FOR SVCS	68,739	87,843	62,413	62,162	45,625	35,831
48000	MISC REVENUE	462,853	595,927	1,410,557	1,313,292	919,842	463,966
49000	OTHER FINANCING SOURCES	395,840	99,675	180,207	81,110	116,614	0
	<b>TOTAL:</b>	<b>10,304,142</b>	<b>10,384,446</b>	<b>12,442,655</b>	<b>12,847,544</b>	<b>13,572,202</b>	<b>7,336,604</b>

Favorable (Unfavorable)

2025 Act v Bud	
\$	%
(2,018,317)	(29.8%)
(620)	(59.1%)
(3,331,875)	(66.3%)
(173,139)	(43.9%)
(129,363)	(45.1%)
(9,794)	(21.5%)
(455,876)	(49.6%)
(116,614)	(100.0%)
(6,235,598)	(50.2%)

2025 YTD vs. PY		
2024 YTD	\$ Chg	% Chg
4,172,277	593,443	14.2%
1,275	(845)	(66.3%)
191,956	1,500,131	781.5%
25,843	195,541	756.6%
69,645	87,542	125.7%
10,353	25,478	246.1%
285,154	178,812	62.7%
0	0	-
<b>4,756,502</b>	<b>2,580,102</b>	<b>54.2%</b>

## GENERAL FUND EXPENDITURE SUMMARY

SEC #	DESCRIPTION	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 YTD-JULY
1	ADMINISTRATION	1,628,541	1,736,296	1,758,920	1,817,779	1,837,586	1,054,858
2	PUBLIC SAFETY	3,421,090	3,566,454	3,932,213	4,323,704	4,288,761	2,487,360
3	PUBLIC WORKS	1,121,114	1,139,541	1,212,804	1,151,075	1,223,166	546,038
4	PARKS AND RECREATION	673,505	724,655	682,036	795,814	670,114	304,798
5	NEIGHBORHOOD SVC/PLANNING	349,565	309,932	355,387	387,996	566,380	248,701
6	TRANSFERS	2,892,162	2,587,789	4,328,639	4,187,867	4,986,194	995,480
7	CONTINGENCIES	17,258	0	41,800	126,092	0	0
	<b>TOTAL</b>	<b>10,103,236</b>	<b>10,064,668</b>	<b>12,311,799</b>	<b>12,790,327</b>	<b>13,572,202</b>	<b>5,637,236</b>

2025 Act v Bud	
\$	%
(782,728)	(42.6%)
(1,801,401)	(42.0%)
(677,128)	(55.4%)
(365,316)	(54.5%)
(317,679)	(56.1%)
(3,990,714)	(80.0%)
-	-
(7,934,966)	(63.9%)

2025 YTD vs. PY		
2024 YTD	\$ Chg	% Chg
393,754	661,104	167.9%
1,077,997	1,409,364	130.7%
268,461	277,577	103.4%
340,118	(35,320)	(10.4%)
59,260	189,441	319.7%
291,178	704,302	241.9%
1,280	(1,280)	(100.0%)
<b>2,432,048</b>	<b>3,205,188</b>	<b>131.8%</b>

Net Surplus / (Deficit)      200,906      319,777      130,856      57,217      1,699,368      (14,170,564)      2,324,455      (2,267,238)





# General Fund Revenue Budget Summary

## GENERAL FUND REVENUES

	DESCRIPTION	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 YTD-APRIL
<b>TAXES</b>							
100-41110-00	LOCAL TAX LEVY	3,133,033	3,154,970	4,499,748	4,538,657	4,507,730	4,617,298
100-41111-00	DEBT SERVICE TAX LEVY	946,352	1,045,965	1,257,105	1,313,705	1,952,572	-
100-41112-00	OMITTED PROPERTY TAXES	-	-	-	-	-	-
100-41113-00	RESCINDED TAXES-REAL ESTATE	-	6,611	2,625	-	-	-
100-41114-00	USE VALUE PENALTY	546	-	-	1,654	-	-
100-41140-00	MOBILE HOME FEES	38,885	57,754	41,587	43,569	58,000	10,737
100-41210-00	ROOM TAX-GROSS AMOUNT	192,583	233,465	237,932	224,246	230,000	99,272
100-41320-00	IN LIEU-UNIV GARDEN & WW MANOR	27,733	120,606	27,820	28,035	9,735	9,968
100-41800-00	INTEREST ON TAXES	744	5,620	32,372	40,079	26,000	28,177
	<b>TOTAL TAXES</b>	<b>4,339,875</b>	<b>4,624,990</b>	<b>6,120,288</b>	<b>6,197,955</b>	<b>6,784,037</b>	<b>4,765,720</b>
<b>SPECIAL ASSESSMENTS</b>							
100-42010-00	INTEREST ON SP ASSESS.	53	-	-	-	-	-
100-42100-61	WATER MAINS	-	-	-	-	-	-
100-42200-62	SEWER MAINS & LATERALS	316	-	-	-	-	-
100-42300-53	ST CONST. - PAVING	-	-	-	-	-	-
100-42310-53	CURB & GUTTER	58	-	-	-	-	-
100-42320-53	SIDEWALKS	32	-	-	-	-	-
100-42350-53	TRAFFIC SIGNAL	-	-	-	-	-	-
100-42400-53	SNOW REMOVAL	1,675	150	-	975	800	127
100-42500-53	FAILURE TO MOW FINES	1,175	-	138	1,750	250	303
100-42550-53	EQUIPMENT USED-DPW	-	-	-	-	-	-
	<b>TOTAL SPECIAL ASSESSEMENTS</b>	<b>3,308</b>	<b>150</b>	<b>138</b>	<b>2,725</b>	<b>1,050</b>	<b>430</b>
<b>INTERGOVERNMENTAL REVENUES</b>							
100-43344-00	EXPENDITURE RESTRAINT PROGM	71,382	63,331	53,306	-	-	-
100-43410-00	SHARED REVENUE-UTILITY	422,541	397,001	395,596	386,462	386,462	57,919
100-43420-00	SHARED REVENUE-BASE	2,836,783	2,836,846	2,836,844	3,534,954	3,534,954	542,407
100-43507-52	POLICE-MISC SAFETY GRANTS	6,841	8,013	4,164	50,571	-	10,198
100-43510-00	FEDERAL/STATE GRANTS-REIMBURSE	-	-	-	-	-	-
100-43520-52	LAW ENFORCEMENT TRNG REIMBURSE	-	-	8,103	-	-	-
100-43530-53	TRANSPORTATION AIDS	625,414	576,591	572,087	585,637	580,479	449,028
100-43531-52	STATE GRANT--PUBLIC SAFETY	-	9,356	38,060	-	-	-
100-43540-52	UNIVERSITY-LEASE-PARKING	45,000	45,000	-	45,000	45,000	-
100-43550-52	MOU-DISPATCH SERVICE	170,491	178,963	-	-	-	-
100-43610-52	MSP-STATE UNIVERSITY SVCS PYMT	279,097	329,598	192,781	7,304	265,933	325,614
100-43663-52	2% FIRE DUES-ST OF WISC	29,711	32,121	-	-	-	-
100-43670-60	EXEMPT COMPUTER AID-FR STATE	5,587	5,846	16,330	16,330	16,330	16,330
100-43670-61	PERSONAL PROPERTY AID	31,433	35,656	43,214	43,214	110,877	201,612
100-43745-52	WUSD-JUVENILE OFFICIER	58,228	65,117	65,211	83,294	76,646	84,909
100-43750-52	DRUG GRANT REIMBURSEMENT	-	-	94	-	-	-
100-43760-00	WEIGHTS & MEASURES RECOVERY	2,800	3,408	1,583	3,000	3,000	-
100-43765-00	REIMB-HIST SOC-DEPOT-EL/GAS	1,571	1,416	2,029	1,839	1,800	1,590
100-43767-52	REIMB-BADGERNET-FORT ATKINSON	2,480	2,480	2,480	2,480	2,480	2,480
100-43775-52	FEDERAL EXCISE TAX REIMB	-	-	-	-	-	-
	<b>TOTAL INTERGOVT REVENUES</b>	<b>4,589,357</b>	<b>4,590,742</b>	<b>4,231,883</b>	<b>4,760,085</b>	<b>5,023,961</b>	<b>1,692,087</b>
<b>LICENSES &amp; PERMITS</b>							

Favorable (Unfavorable)

2025 Act v Bud		2025 YTD vs. PY		
\$	%	2024 YTD	Variance	%
(109,568)	-2%	4,090,943	526,356	13%
1,952,572	100%	0	0	-
0	-	0	0	-
0	-	0	0	-
0	-	0	0	-
47,263	81%	12,090	(1,353)	-11%
130,728	57%	0	99,272	-
(233)	-2%	28,035	(18,067)	-64%
(2,177)	-8%	33,199	(5,022)	-15%
<b>2,018,317</b>	<b>225%</b>	<b>4,172,277</b>	<b>593,443</b>	<b>-175%</b>
0	-	0	0	-
0	-	0	0	-
0	-	0	0	-
0	-	0	0	-
0	-	0	0	-
0	-	0	0	-
0	-	0	0	-
673	84%	1,275	(1,148)	-90%
(53)	-21%	0	303	-
0	-	0	0	-
<b>620</b>	<b>63%</b>	<b>1,275</b>	<b>(845)</b>	<b>-90%</b>
0	-	0	0	-
328,543	85%	0	57,919	-
2,992,547	85%	0	542,407	-
(10,198)	-	0	10,198	-
0	-	0	0	-
0	-	0	0	-
0	-	0	0	-
131,451	23%	146,409	302,619	207%
0	-	0	0	-
45,000	100%	0	0	-
0	-	0	0	-
(59,681)	-22%	7,304	318,310	4358%
0	-	0	0	-
(0)	0%	0	16,330	-
(90,734)	-82%	0	201,612	-
(8,262)	-11%	33,923	50,985	150%
0	-	0	0	-
3,000	100%	0	0	-
210	12%	1,839	(249)	-14%
0	0%	2,480	0	0%
0	-	0	0	-
<b>3,331,875</b>	<b>289%</b>	<b>191,956</b>	<b>1,500,131</b>	<b>4701%</b>



General Fund  
Revenue Budget Summary

## GENERAL FUND REVENUES

	DESCRIPTION	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 YTD-APRIL
100-44110-51	Liquor & Beer	18,400	18,608	18,858	19,720	19,710	18,550
100-44120-51	CIGARETTE	1,350	1,540	1,300	733	733	907
100-44122-51	BEVERAGE OPERATORS	4,360	3,020	3,515	3,668	4,000	2,598
100-44200-51	MISC. LICENSES	1,725	2,233	2,873	1,159	2,000	2,595
100-44300-53	BLDG/ZONING PERMITS	94,149	42,537	110,560	82,609	275,000	100,939
100-44310-53	ELECTRICAL PERMITS	8,752	6,911	9,298	10,796	35,115	11,281
100-44320-53	PLUMBING PERMITS	12,059	7,785	9,396	11,575	31,800	35,711
100-44330-53	HVAC PERMITS	5,646	4,668	7,216	9,569	20,500	35,680
100-44340-53	STREET OPENING PERMITS	250	100	200	50	50	300
100-44350-53	SIGN PERMITS	1,703	952	1,310	2,280	1,550	1,965
100-44370-51	WATERFOWL PERMITS	-	-	320	500	500	-
100-44900-51	MISC PERMITS	423	695	2,845	4,921	3,565	10,858
	<b>TOTAL LICENSES &amp; PERMITS</b>	<b>148,817</b>	<b>89,048</b>	<b>167,690</b>	<b>147,578</b>	<b>394,523</b>	<b>221,384</b>
<b>FINES, FORFEITURES - PENALTIES</b>							
100-45110-52	ORDINANCE VIOLATIONS	216,906	234,661	179,505	191,914	210,000	112,233
100-45113-52	MISC COURT RESEARCH FEE	285	360	200	50	50	80
100-45114-52	VIOLATIONS PAID-OTHER AGENCIES	-	(200)	520	151	-	(150)
100-45130-52	PARKING VIOLATIONS	64,364	52,826	58,224	56,896	60,000	31,149
100-45135-53	REFUSE/RECYCLING TOTES FINES	5,750	7,125	9,550	1,175	1,500	-
100-45145-53	RE-INSPECTION FINES	8,050	1,300	2,980	32,450	15,000	13,875
	<b>TOTAL FINES, FORFEIT - PENALTIES</b>	<b>295,355</b>	<b>296,072</b>	<b>250,979</b>	<b>282,636</b>	<b>286,550</b>	<b>157,187</b>
<b>PUBLIC CHARGES FOR SERVICES</b>							
100-46110-51	CLERK	-	-	-	1,738	-	44
100-46120-51	TREASURER	4,625	4,500	3,935	4,745	3,600	2,316
100-46210-52	POLICE-DISPATCH-MOU-UNIV	42,120	41,520	-	-	-	-
100-46220-52	FALSE ALARM FINES	2,550	750	2,100	1,200	1,500	1,000
100-46230-52	AMBULANCE	(8,640)	12,174	-	-	-	-
100-46240-52	CRASH CALLS	-	164	-	-	-	-
100-46310-53	DPW MISC REVENUE	13,526	9,853	30,298	19,585	12,000	14,130
100-46311-53	SALE OF MATERIALS	10	202	2	-	-	193
100-46312-51	MISC DEPT EARNINGS	1,435	100	-	405	-	434
100-46320-53	SAND & SALT CHARGES	1,433	1,056	-	-	-	-
100-46350-51	CITY PLANNER-SERVICES	-	135	360	8,144	9,000	1,909
100-46450-52	SPECIAL EVENTS-POLICE/DPW	-	-	-	-	-	-
100-46730-55	RECR/FEES	-	-	-	-	-	-
100-46733-55	SR CITZ OFFSET	803	-	-	-	-	-
100-46736-55	ATTRACTION TICKETS	42	-	-	-	-	-
100-46743-51	FACILITY RENTALS	10,710	17,289	25,683	26,301	19,500	15,805
100-46746-55	SPECIAL EVENT FEES	125	100	35	45	25	-
	<b>TOTAL PUBLIC CHARGES FOR SVCS</b>	<b>68,739</b>	<b>87,843</b>	<b>62,413</b>	<b>62,162</b>	<b>45,625</b>	<b>35,831</b>
<b>MISC. REVENUES</b>							
100-48100-00	INTEREST INCOME	6,396	179,090	814,758	861,125	493,292	377,306
100-48200-00	LONG TERM RENTALS	4,800	4,800	4,800	5,700	6,000	5,100
100-48210-55	RENTAL INCOME	-	-	1,000	1,000	-	1,000
100-48220-55	DEPOSITS-FORFEITED	-	380	50	4,225	50	-
100-48300-00	OTHER PROP/EASEMENT SALES	-	7,500	-	-	-	-

## Favorable (Unfavorable)

2025 Act v Bud		2025 YTD vs. PY		
\$	%	2024 YTD	Variance	%
1,160	6%	790	17,760	2248%
(174)	-24%	233	674	289%
1,402	35%	914	1,684	184%
(595)	-30%	911	1,684	185%
174,061	63%	16,778	84,161	502%
23,834	68%	2,412	8,870	368%
(3,911)	-12%	996	34,715	3485%
(15,180)	-74%	1,295	34,385	2656%
(250)	-500%	50	250	500%
(415)	-27%	430	1,535	357%
500	100%	0	0	-
(7,293)	-205%	1,035	9,823	949%
<b>173,139</b>	<b>-599%</b>	<b>25,843</b>	<b>195,541</b>	<b>11722%</b>
97,767	47%	46,838	65,395	140%
(30)	-60%	50	30	60%
150	-	150	(300)	-200%
28,851	48%	16,832	14,317	85%
1,500	100%	325	(325)	-100%
1,125	8%	5,450	8,425	155%
<b>129,363</b>	<b>142%</b>	<b>69,645</b>	<b>87,542</b>	<b>139%</b>
(44)	-	0	44	-
1,284	36%	1,440	876	61%
0	-	0	0	-
500	33%	100	900	900%
0	-	0	0	-
0	-	0	0	-
(2,130)	-18%	851	13,279	1560%
(193)	-	1	192	19230%
(434)	-	405	29	7%
0	-	0	0	-
7,091	79%	0	1,909	-
0	-	0	0	-
0	-	0	0	-
0	-	0	0	-
0	-	0	0	-
3,695	19%	7,546	8,259	109%
25	100%	10	(10)	-100%
<b>9,794</b>	<b>249%</b>	<b>10,353</b>	<b>25,478</b>	<b>21767%</b>
115,986	24%	242,750	134,555	55%
900	15%	1,200	3,900	325%
(1,000)	-	0	1,000	-
50	100%	0	0	-
0	-	0	0	-



General Fund  
Revenue Budget Summary

## GENERAL FUND REVENUES

	DESCRIPTION	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 YTD-APRIL
100-48300-55	PROP SALES-AUCTION PROCEEDS	-	-	-	-	-	-
100-48400-00	INS./FEMA / CLAIM RECOVERY	446	-	1,313	-	-	750
100-48410-00	WORKERS COMP-RETURN PREMIUM	-	-	13,514	3,934	-	11,351
100-48415-00	RESTITUTION-DAMAGES	1,121	7,690	5,539	7,241	3,000	2,509
100-48420-00	INSURANCE DIVIDEND	50,436	10,878	51,535	29,412	29,000	38,668
100-48425-00	WORKERS COMP-REIMBURSEMENT	-	-	18,779	-	-	-
100-48430-00	INSURANCE-REIMBURSEMENT	-	-	1,000	-	-	6,779
100-48442-00	RADON KIT SALES	-	-	-	-	-	-
100-48500-55	DONATIONS-PARKS-DOG PARK	-	125	-	-	-	-
100-48520-55	DONATIONS-PARK & REC	-	1,500	-	-	-	-
100-48535-00	P CARD REBATE REVENUE	33,761	29,227	28,971	37,054	35,000	17,858
100-48545-00	DONATION-GENERAL	-	-	-	-	-	-
100-48546-55	MISC GRANT INCOME	7,000	8,000	87,043	46,010	7,000	2,500
100-48600-00	MISC REVENUE-NON RECURRING	1,262	2,331	2,155	3,212	-	146
100-48700-00	WATER UTILITY TAXES	357,531	344,406	346,697	362,935	346,500	-
	<b>TOTAL MISC REVENUE</b>	<b>462,753</b>	<b>595,927</b>	<b>1,377,154</b>	<b>1,361,847</b>	<b>919,842</b>	<b>463,966</b>
<b>OTHER FINANCING SOURCES</b>							
100-49260-00	TRANSFER FROM 610 WATER	8,000	8,000	8,500	8,500	8,500	-
100-49261-00	TRANSFER FROM 620 WASTEWATER	12,000	12,000	12,500	12,500	12,500	-
100-49262-00	TRANSFER FROM 440 TID 4	-	-	-	-	-	-
100-49264-00	TRANSFER FROM 200 CABLE TV	-	-	-	-	-	-
100-49265-00	TRANSFER FROM 630 STORMWATER	8,500	8,500	8,500	8,500	8,500	-
100-49266-00	GIS TRANSFER-UTILITIES	12,340	15,720	18,974	16,260	16,410	-
100-49267-00	TRANSFER FROM 208 PARKING	35,927	35,000	35,350	35,350	35,704	-
100-49269-00	TRANSFER FROM 250 FORESTRY	-	-	-	-	-	-
100-49270-00	TRANSFER FROM 446 TID 6	-	-	-	-	-	-
100-49275-00	TRANSFER FROM 205 27TH PAYROLL	-	-	-	-	-	-
100-49280-00	TRANSFER FROM 260 SICK LEAVE	-	-	-	-	-	-
100-49285-00	TRANSFER FROM 900 CDA	-	-	91,383	-	-	-
100-49290-00	TRANSFER IN FROM OTHER FUNDS	319,073	5,533	5,000	-	35,000	-
100-49291-00	TRANSFER FROM 450 CIP	-	-	-	-	-	-
100-49295-00	TRANSFER FROM 248 PARK & REC	-	14,922	-	-	-	-
100-49300-00	FUND BALANCE APPLIED	-	-	-	-	-	-
	<b>TOTAL OTHER FINANCING SOURCES</b>	<b>395,840</b>	<b>99,675</b>	<b>180,207</b>	<b>81,110</b>	<b>116,614</b>	<b>-</b>
	<b>TOTAL GEN FUND REVENUES</b>	<b>10,304,042</b>	<b>10,384,446</b>	<b>12,390,752</b>	<b>12,896,099</b>	<b>13,572,202</b>	<b>7,336,604</b>

Favorable (Unfavorable)

2025 Act v Bud		
\$	%	
0	-	
(750)	-	
(11,351)	-	
491	16%	
(9,668)	-33%	
0	-	
(6,779)	-	
0	-	
0	-	
0	-	
17,142	49%	
0	-	
4,500	64%	
(146)	-	
346,500	100%	
<b>455,876</b>	<b>335%</b>	
8,500	100%	
12,500	100%	
0	-	
0	-	
8,500	100%	
16,410	100%	
35,704	100%	
0	-	
0	-	
0	-	
0	-	
0	-	
0	-	
35,000	100%	
0	-	
0	-	
0	-	
0	-	
<b>116,614</b>	<b>600%</b>	
<b>6,235,598</b>	<b>1304%</b>	

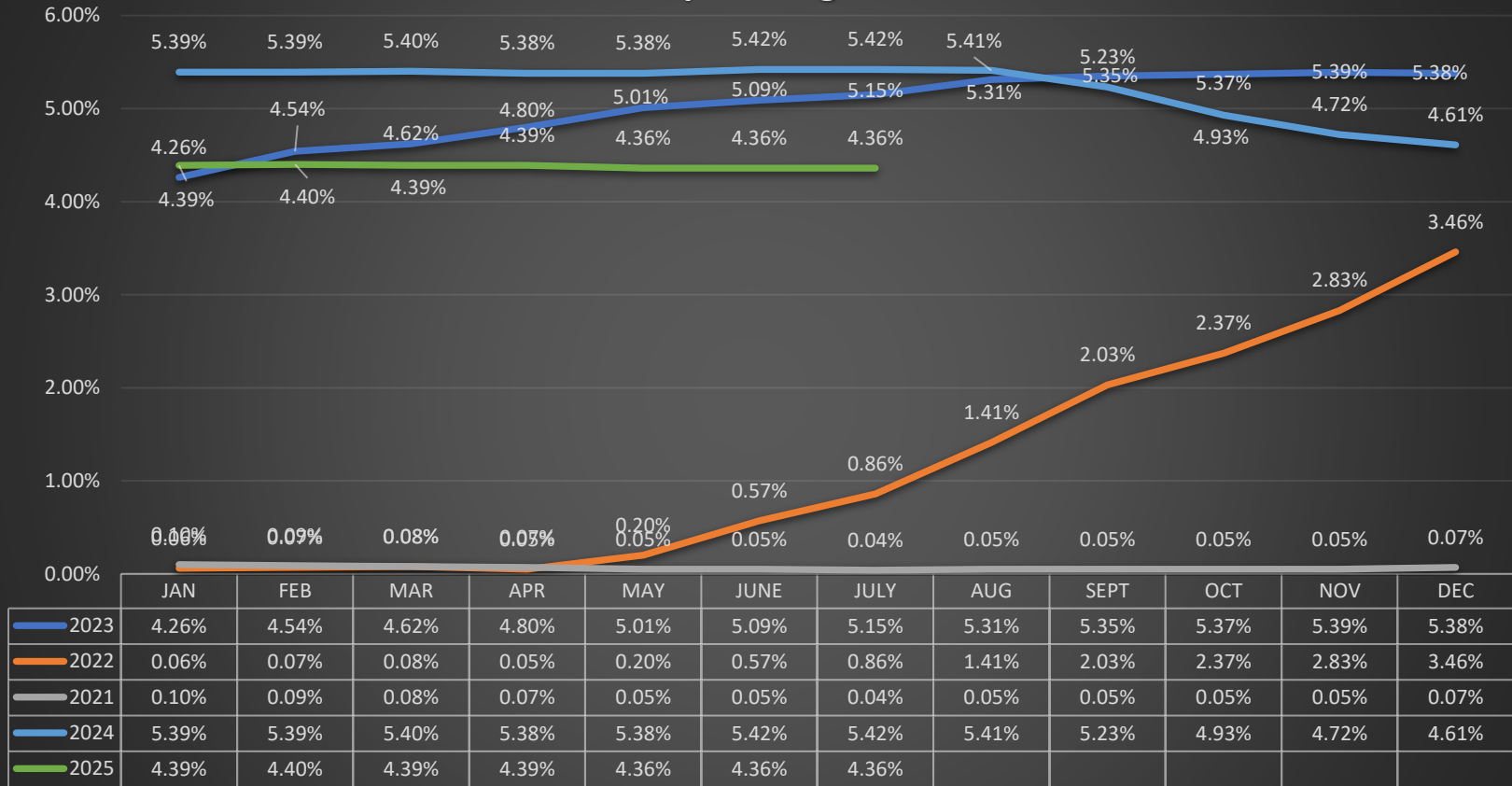
2025 YTD vs. PY		
2024 YTD	Variance	%
0	0	-
0	750	-
0	11,351	-
3,970	(1,461)	-37%
29,412	9,256	31%
0	0	-
0	6,779	-
0	0	-
0	0	-
0	0	-
8,059	9,798	122%
0	0	-
0	2,500	-
(239)	385	-161%
0	0	-
<b>285,154</b>	<b>178,812</b>	<b>336%</b>
0	0	-
0	0	-
0	0	-
0	0	-
0	0	-
0	0	-
0	0	-
0	0	-
0	0	-
0	0	-
0	0	-
0	0	-
0	0	-
0	0	-
0	0	-
0	0	-
<b>0</b>	<b>0</b>	<b>0%</b>
<b>4,756,502</b>	<b>2,580,102</b>	<b>38401%</b>

## GENERAL FUND EXPENDITURE GROUPINGS

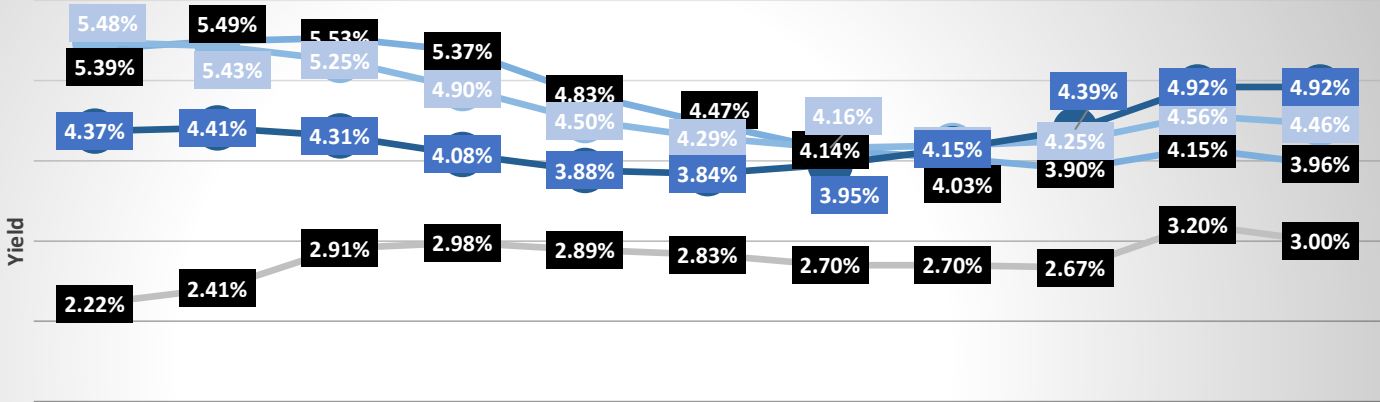
Favorable (Unfavorable)

SEC #	DESCRIPTION	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 YTD-JULY	2025 Act v Bud		2025 YTD vs. PY		
								\$	%	2024 YTD	\$ Chg	% Chg
51100	Total Legislative Support	234,884	263,085	269,611	251,696	263,689	75,333	(188,356)	(71.4%)	16,649	58,684	352.5%
51110	Total Contingencies	17,258	-	41,800	126,092	0	0	0	-	1,280	(1,280)	(100.0%)
51200	Total Court	75,869	81,915	85,807	97,790	86,907	61,275	(25,632)	(29.5%)	27,729	33,547	121.0%
51300	Total Legal	72,504	72,901	83,516	86,571	90,435	64,558	(25,876)	(28.6%)	13,579	50,979	375.4%
51400	Total General Administration	370,144	426,841	369,760	430,886	408,552	247,817	(160,735)	(39.3%)	66,396	181,421	273.2%
51450	Total Information Technology	83,395	65,345	114,144	129,250	165,545	90,629	(74,916)	(45.3%)	24,513	66,116	269.7%
51500	Total Financial Administration	206,731	215,000	229,735	247,824	244,703	134,922	(109,781)	(44.9%)	60,041	74,881	124.7%
51540	Total Insurance/Risk Mgt.	97,278	105,745	83,981	84,195	97,952	87,935	(10,017)	(10.2%)	84,195	3,739	4.4%
51600	Total Facilities Maintenance	429,937	449,597	467,311	435,101	421,824	257,440	(164,384)	(39.0%)	89,395	168,044	188.0%
52100	Total Police Administration	669,231	709,476	799,470	844,713	853,149	487,490	(365,659)	(42.9%)	245,524	241,966	98.6%
52110	Total Police Patrol	1,877,722	1,914,817	2,082,340	2,261,056	2,218,326	1,307,458	(910,868)	(41.1%)	536,029	771,429	143.9%
52120	Total Police Investigation	378,879	419,193	524,244	571,999	561,782	324,716	(237,066)	(42.2%)	139,566	185,151	132.7%
52130	Total Crossing Guard	-	-	-	0	0	0	0	-	-	0	-
52140	Total Comm Service Program	27,498	32,429	33,068	40,014	44,149	39,324	(4,825)	(10.9%)	10,946	28,378	259.3%
52200	Total Fire Department	-	-	-	0	0	0	0	-	-	0	-
52210	Total Crash Crew	-	-	-	0	0	0	0	-	-	0	-
52300	Total Rescue Service (Amb.)	-	-	-	0	0	0	0	-	-	0	-
52400	Total Neighbor Svcs & Planning	349,565	309,932	355,387	387,996	566,380	248,701	(317,679)	(56.1%)	59,260	189,441	319.7%
52500	Total Emergency Preparedness	6,754	10,971	9,490	13,256	10,363	2,127	(8,235)	(79.5%)	665	1,462	219.8%
52600	Total Communications/Dispatch	461,006	479,568	483,601	592,667	600,993	326,245	(274,748)	(45.7%)	145,267	180,978	124.6%
53100	Total Public Works Administration	40,109	45,026	48,109	54,957	53,061	23,702	(29,359)	(55.3%)	11,449	12,253	107.0%
53230	Total Shop/Fleet Operations	170,149	210,224	235,267	190,431	180,977	143,356	(37,621)	(20.8%)	35,591	107,765	302.8%
53270	Total Parks Maintenance	207,028	224,661	233,524	286,050	287,429	232,441	(54,988)	(19.1%)	37,394	195,047	521.6%
53300	Total Street Maintenance	535,830	527,315	538,881	529,574	595,796	163,662	(432,134)	(72.5%)	95,978	67,684	70.5%
53320	Total Snow & Ice	147,570	106,517	125,096	123,235	144,171	78,435	(65,737)	(45.6%)	77,041	1,393	1.8%
53420	Total Street Lights	227,456	250,459	265,450	252,877	249,161	136,884	(112,277)	(45.1%)	48,403	88,482	182.8%
55111	Total Young Library Building	57,800	55,867	55,057	54,466	57,980	34,950	(23,030)	(39.7%)	11,258	23,692	210.4%
55200	Total Parks Administration	46,542	48,615	102,161	100,414	105,155	58,074	(47,082)	(44.8%)	24,047	34,027	141.5%
55210	Total Recreation Administration	196,989	257,934	-	0	0	199	199	-	212	(12)	(5.9%)
55300	Total Recreation Programs	718	3,393	1,055	0	0	0	0	-	-	0	-
55310	Total Senior Citizen's Program	55,071	-	-	0	0	0	0	-	-	0	-
55320	Total Community Events	14,157	12,052	15,538	14,073	11,000	14,084	3,084	28.0%	466	13,618	2921.9%
55330	Total Comm. Based-Coop Projects	153,000	178,000	329,759	395,277	266,530	0	(266,530)	(100.0%)	278,000	(278,000)	(100.0%)
59220	Total Transfers to Other Funds	1,745,442	1,297,705	1,751,181	1,470,859	1,380,927	0	(1,380,927)	(100.0%)	195,500	(195,500)	(100.0%)
59230	Total Transfer to Debt Service Fund	942,883	1,043,530	1,318,343	1,313,714	1,952,572	995,480	(957,092)	(49.0%)	95,678	899,802	940.5%
59240	Total Transfer to Fire Department	203,837	199,564	1,258,615	1,402,794	1,370,112	0	(1,370,112)	(100.0%)	-	0	-
59240	Total Transfers to Special Funds	-	46,991	500	500	282,583	0	(282,583)	(100.0%)	-	0	-
	<b>Grand Totals</b>	<b>10,103,236</b>	<b>10,064,668</b>	<b>12,311,799</b>	<b>12,790,327</b>	<b>13,572,202</b>	<b>5,637,236</b>	<b>(7,934,966)</b>	<b>(63.9%)</b>	<b>2,432,048</b>	<b>3,205,188</b>	<b>131.8%</b>

## General Fund Operating Account Yield

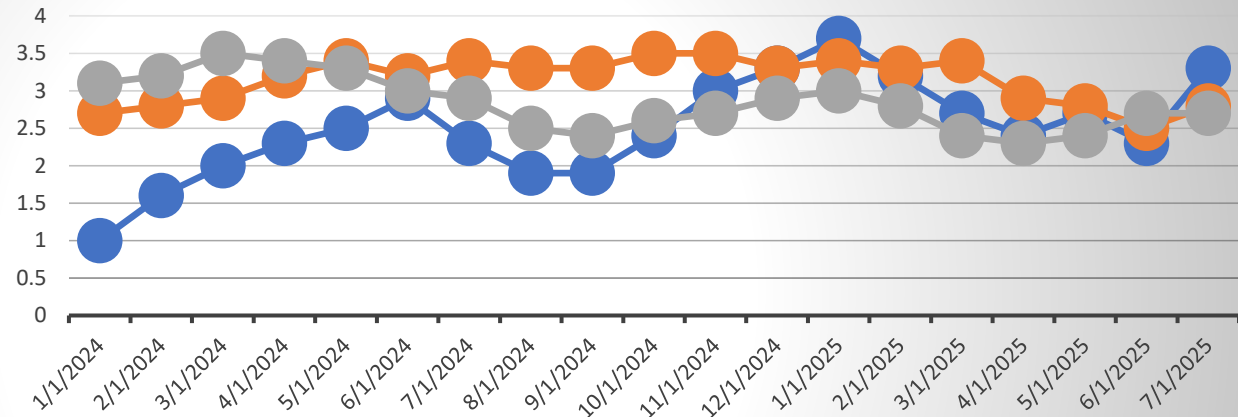


# US Treasury: Constant Maturity



	1 mo	3 mo	6 mo	12 mo	2 yr	3 yr	5 yr	7 yr	10 yr	20 yr	30 yr
7/29/2022	2.22%	2.41%	2.91%	2.98%	2.89%	2.83%	2.70%	2.70%	2.67%	3.20%	3.00%
7/31/2023	5.39%	5.49%	5.53%	5.37%	4.83%	4.47%	4.14%	4.03%	3.90%	4.15%	3.96%
7/31/2024	5.48%	5.43%	5.25%	4.90%	4.50%	4.29%	4.16%	4.19%	4.25%	4.56%	4.46%
7/31/2025	4.37%	4.41%	4.31%	4.08%	3.88%	3.84%	3.95%	4.15%	4.39%	4.92%	4.92%

## 12-Month Inflation Measures



	1/31/ 2024	2/29/ 2024	3/31/ 2024	4/30/ 2024	5/31/ 2024	6/30/ 2024	7/31/ 2024	8/31/ 2024	9/30/ 2024	10/31/ 2024	11/30/ 2024	12/31/ 2024	1/31/ 2025	2/28/ 2025	3/31/ 2025	4/30/ 2025	5/31/ 2025	6/30/ 2025	7/31/ 2025
—●— PPI Final Demand	1	1.6	2	2.3	2.5	2.9	2.3	1.9	1.9	2.4	3	3.3	3.7	3.2	2.7	2.4	2.7	2.3	3.3
—●— PPI final Demand (less Food, Energy, Trade Svcs)	2.7	2.8	2.9	3.2	3.4	3.2	3.4	3.3	3.3	3.5	3.5	3.3	3.4	3.3	3.4	2.9	2.8	2.5	2.8
—●— CPI-U (All Items)	3.1	3.2	3.5	3.4	3.3	3.0	2.9	2.5	2.4	2.6	2.7	2.9	3.0	2.8	2.4	2.3	2.4	2.7	2.7

—●— PPI Final Demand

—●— PPI final Demand (less Food, Energy, Trade Svcs)

—●— CPI-U (All Items)



## Finance Committee Agenda Item

Meeting Date:	August 26, 2025
Agenda Item:	Amendment to the Procurement Policy
Staff Contact (name, email, phone):	Rachelle Blitch, <a href="mailto:rblitch@whitewater-wi.gov">rblitch@whitewater-wi.gov</a> , 262-473-1380

### BACKGROUND

(Enter the who, what when, where, why)

Because policies are living documents, regular review and refinement are necessary to maintain alignment with best practices and principles of sound fiscal management. In the area of professional services—where selection is based on qualifications rather than simply the lowest cost—we recognized the need for additional safeguards to ensure responsible fiscal stewardship.

To address this, an addendum specific to professional services has been introduced. It establishes guidelines regarding the maximum duration a municipal advisor’s contract may be extended without issuing a new RFP. In addition, we developed a performance monitoring tool to provide clear documentation supporting our decisions and to further strengthen accountability.

### PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

4/2024 – Common Council approved an amendment to the procurement policy

### FINANCIAL IMPACT

(If none, state N/A)

N/A

### STAFF RECOMMENDATION


Staff recommends approval of the proposed amendment to the Procurement Policy and further recommends its adoption by the Common Council.

### ATTACHMENT(S) INCLUDED

(If none, state N/A)

1. Procurement Policy, as updated
2. Municipal Advisor Monitoring Tool



		Policy 501.04.10 Procurement			
Owner:	Finance Director	Approving Position:	Common Council	Pages:	13
Issue Date:	04/2013	Revision Date:	04/2025	Review Date:	
Notes:	Addendum added to include procurement protest procedures				

## I. PURPOSE

The purpose of this policy is to provide guidance and procedures to be followed for procurement of goods and services for all City departments. The controls and procedures set forth are intended to provide reasonable assurance that the lowest cost, highest quality good or service is obtained, while balancing the need for flexibility in department operations.

## II. AUTHORITY

The Common Council of the City of Whitewater provides that the Department Heads shall have the authority to purchase materials, supplies, equipment, and contractual services budgeted for their respective departments. This authority is subject to Council approval for any purchase of materials, service or supplies over \$25,000 and not of a routine or recurring nature. The Finance Department services the procurement program by processing purchase order requests, audits, and payments.

This procurement program extends from the departmental determination of requirements for materials or services, through their requisitioning, bidding, purchasing, receiving, audit and payment, to their final consumption or disposal. The technical services of the Finance Department are available throughout the entire program.

## III. SCOPE AND RESPONSIBILITY

In servicing the entire scope of procurement, the Department Head or designee has the following responsibilities:

1. To purchase, in ethical practice, at economical cost consistent with quality, requirements and delivery.
2. To ensure procurement in compliance with the statutory requirements of the State of Wisconsin, the administrative directives of the Common Council, the City Manager, and the administrative policies of the City of Whitewater.

3. The City Manager is responsible for supervising the procurement process.
4. The Finance Department is responsible to monitor compliance with City procurement policies and procedures.

#### IV. ETHICS

All City employees acting as an agent for the City are expected to conduct themselves with integrity and in an ethical manner when making purchases. Staff are expected to act with stewardship when making purchases with public funds. Likewise, staff should act in accordance with the City Values of prioritizing people, acting with integrity and transparency, serving our community, and embracing change. As such:

1. The splitting of purchases to stay within a purchasing band is strictly prohibited and may lead to disciplinary action.
2. A reasonable effort should be made by all employees to bring all rebates to a member of the Finance Department so they may be submitted. **All rebates, gift cards, and other discounts that result from official City purchases are the property of the City of Whitewater.** Personal use of any of these items is strictly prohibited and may lead to disciplinary action, including termination.
3. Employees, elected officials, board and commission members are not to engage in any procurement related activities that would actually or potentially create a conflict of interest, or which might reasonably be expected to contribute to the appearance of such a conflict.
4. Employees, elected officials, board and commission members must maintain strict confidentiality in the procurement process and shall not impart privileged information to any contractors that would give them advantage over other potential contractors.

#### V. STANDARDS, POLICIES, AND PROCEDURES

##### A. GENERAL POLICIES

This section sets forth the basic procedure for the purchasing program from the pre-requisition period through inventory and disposal.

1. **APPROVALS.** Vendor invoices shall be approved for payment by the Department Head or designee. Official City purchases made by City employees from personal funds should be limited. Receipts are required for any purchase made from personal funds. It is the responsibility of the employee making the purchase to ensure the sales tax is not included. Reimbursements payable to City employees shall be signed for approval as follows:
  - **COUNCIL:** Approved by the City Manager, Comptroller, or designee.
  - **CITY MANAGER:** Approved by the Council.

- **DEPARTMENT HEAD:** Approved by the City Manager or designee.
- **OTHER EMPLOYEES:** Approved by their direct supervisor, Department Head, or designee.

**Employees may NOT approve their own reimbursement.**

- 2. BUDGET ADJUSTMENTS WITHIN A DEPARTMENT.** The City Manager establishes the budgetary vision for the City with the support of the Common Council through the budget adoption process. Circumstances may require that budgeted expenditures be modified during the fiscal year across fund or function within a department. Department Heads, with the approval of the City Manager, may reallocate budgeted expenditures within a department, with the exception of personnel. The Budget Amendment Policy should be referenced when adjustments need to be made.
- 3. ACCOUNTS PAYABLE.** Invoices that are received by accounts payable will be processed by the Finance Department. For all invoices, Department Heads or designees will verify that the invoiced items have been received and that the invoiced amount is correct.

Tax-exempt forms are available from the Finance Department. All employees are responsible for ensuring that tax is not paid on items purchased for official City business.

#### **4. PAYMENT PROCESSING:**

- **CHECKS AND ELECTRONIC PAYMENTS.** Payments are processed on Friday's. Special requests outside this time period should be made to the Finance Director.
  - **PURCHASE CARDS.** Purchase cards may be issued to employees that are authorized to make purchases. See Purchase Card Policies and Procedures for more information.
  - **PETTY CASH.** Employees may be reimbursed from petty cash funds for authorized purchases that cover minor purchases that do not exceed the established petty cash limit (\$150). However, it is preferred that employees use purchase cards rather than petty cash.
  - **TRAVEL EXPENSES.** All expense payments or reimbursements for travel and/or subsistence expenses must meet the requirements set forth in the City of Whitewater's Personnel Policy which establishes policy and procedure to obtain travel authorization and expenditure or reimbursement for travel and subsistence expenses incurred in conduct of City business practices.
- 5. INFORMATION.** Department personnel are not to divulge any information concerning bids or purchases with persons outside the City, unless required by State public records laws.

## 6. SIGNING OF CONTRACTS AND CLOSING DOCUMENTS

By law (Wisc. Stat. §62.15 (12)), the City Manager and City Clerk sign contracts on behalf of the City. However, the Council hereby delegates the authority to approve and sign contracts to the City Manager and City Clerk or designee in accordance with the thresholds set forth below in the “General Purchases” section. When Council approval is required the City Manager and Clerk shall sign such contracts.

- The City Attorney should be consulted for a legal review of all contracts.
- All contracts shall be signed by the City Manager and City Clerk or designee.
- All contracts over \$25,000 must be approved by the Common Council.

### B. INSURANCE CERTIFICATES

Contracts may require Insurance Certificates that indemnify and hold harmless the City. For requirements and questions regarding Insurance Certificates, please contact the Finance Department.

### C. GENERAL PURCHASES \$1,000 - \$5,000

#### Approval Requirements

- Department Head approval is required prior to purchase.

#### Competitive Quote Requirements

- A competitive bidding process is not required for purchases less than \$5,000.
- For new and nonrecurring purchases, it is required that two quotes be obtained. The purchaser is responsible for maintaining the quotes.

#### Standard Process

- Department Head approves purchase of goods or services based on cost, departmental needs, prior experience, and qualifications of the vendor.
- Once approval is obtained, the contract may be signed, or goods/services requested. Payment may be made with a purchase card or via invoice to Accounts Payable.
- The City Clerk must be given a copy of any signed contract(s).

### D. GENERAL PURCHASES \$5,001 - \$10,000

#### Approval Requirements

- Department Head and City Manager approval is required.

#### Competitive Quote Requirements

- For new and nonrecurring purchases, at least two quotes must be obtained. The purchaser is responsible for maintaining the quotes.

#### Standard Process

- Department Head and City Manager approves purchase of goods or services based on cost, department needs, prior experience, and qualifications of the vendor.

- Once the purchase is approved, the contract may be signed or goods/services may be obtained. Payment may be made via purchase card or an invoice to Accounts Payable.
- The City Clerk must be given a copy of any signed contract(s).

#### **E. GENERAL PURCHASES \$10,001 - \$25,000**

##### Approval Requirements (Budgeted Expenses Only)

- Department Head and City Manager approval required.

##### Competitive Quote Requirements

- For new and nonrecurring purchases, at least two quotes must be obtained. Quotes must be submitted to the City Manager. The purchaser is responsible for maintaining the quotes.

##### Standard Process

- Department Head and City Manager approves purchase of goods or services based on cost, department needs, prior experience, and qualifications of the vendor.
- Once the purchase is approved, the contract may be signed or goods/services may be obtained. Payment may be made via purchase card or an invoice to Accounts Payable.
- The City Clerk must be given a copy of any signed contract(s).

#### **F. GENERAL AND INVENTORY PURCHASES \$25,001 - \$50,000**

##### Approval Requirements

- Department Head, City Manager, and Common Council approval is required prior to purchase or contract extension.

##### Competitive Quote Requirements

- For new and nonrecurring purchases, at least three quotes must be obtained. Quotes must be submitted to the Common Council. The purchaser is responsible for maintaining the quotes.

##### Standard Process

- Once the purchase is approved, the contract may be signed or goods/services may be obtained. Payment may be made via an invoice to Accounts Payable.
- The City Clerk must be given a copy of any signed contract(s).

#### **G. GENERAL AND INVENTORY PURCHASES \$50,001+**

##### Approval Requirements

- Department Head, City Manager, and Common Council approval is required prior to purchase or contract extension.

##### Competitive Quote Requirements

- A Class 1 Notice and a sealed bidding process is required.

#### Standard Process

- Common Council approves purchase of goods or services based on cost, department needs, prior experience, and qualifications of the vendor.
- A Class 1 Notice is issued, and sealed bidding process takes place.
- The department making the purchase brings it before Council.
- Once approval from Common Council is obtained a contract may be signed or goods/services may be purchased. Payment may be made via invoice to Accounts Payable.
- The City Clerk must be given a copy of any signed contract(s).

### **H. PUBLIC CONSTRUCTION \$5,000 - \$25,000**

#### Approval Requirements

- Department Head and City Manager approval is required prior to purchase or contract extension.

#### Competitive Quote Requirements

- A Class 1 Notice is required, and a sealed bidding process is required.

#### Standard Process

- Department Head and City Manager approves purchase of goods or services based on cost, department needs, prior experience, and qualifications of the vendor.
- A Class 1 Notice is issued, and sealed bidding process takes place.
- Once the purchase is approved, the contract may be signed or goods/services may be obtained. Payment may be made via an invoice to Accounts Payable.
- The City Clerk must be given a copy of any signed contract(s).

### **I. PUBLIC CONSTRUCTION \$50,001+**

#### Approval Requirements

- Department Head, City Manager, and Common Council approval is required prior to purchase or contract extension.

#### Competitive Quote Requirements

- A Class 2 Notice is required, and a sealed bidding process is required.

#### Standard Process

- Department Head, City Manager, and Common Council approves the purchase of goods or services based on cost, department needs, prior experience, and qualifications of the vendor.
- A Class 2 Notice is issued and sealed bidding takes place.
- The department making the purchase bring it before Council.
- Once the purchase is approved, the contract may be signed or goods/services may be obtained. Payment may be made via an invoice to Accounts Payable.
- The City Clerk must be given a copy of any signed contract(s).

## **J. PROFESSIONAL SERVICES**

Professional services are usually highly customized and differentiated on factors other than price, such as knowledge and expertise. The specific form of the services will vary according to the need of the customer. Experiences gained from one project provide insight into other projects, but are not directly applicable. Professional services are often performed by licensed individuals.

1. A qualifications-based selection process shall be used in obtaining professional services. Selection for professional services should take into consideration the overall value of such contracts including; demonstrated competence, knowledge and qualifications in related services, continuity of the various phases of a project, operational efficiencies, scope of services, and reasonableness of proposed fee.
2. The normal purchasing policy thresholds outlined in the “General Purchases” section above shall be used for retaining consultants for specific projects.
3. Professionals are sometimes retained for their expertise on an as needed basis to serve in an advisory role to the City vs. being retained for a specific project. In the circumstance where the specific scope of service or length of engagement cannot be determined and the purchasing policy thresholds therefore cannot be used to determine level of approval, the approval process is as follows:
  - All legal, planning, and engineering services require Common Council approval prior to retaining the professional.
  - The City Attorney, upon approval of the City Manager, may retain outside legal counsel to serve in an advisory role to the City Attorney in an amount not to exceed \$5,000.
  - For all other services identified in the approved budget, the Department Head and/or City Manager is delegated the authority to retain the professional (e.g. title searches, physicals, water testing).
  - Some professional service industries do not customarily use contracts to formalize the relationship and scope of work between the consultant and their client. In such circumstances, the City encourages the use of scope of service proposals, memorandum of understandings or engagement letters where applicable.

## **K. EMERGENCY PURCHASES**

When an emergency situation will not permit the use of the competitive processes outlined in this policy, the applicable Department Head and City Manager may determine the procurement methodology most appropriate to the situation. Appropriate documentation of the basis for the emergency should be maintained.

## **L. CHANGE ORDERS AND CANCELLATIONS**

1. Change orders are required for changes in project scope for construction or similar contracts.
2. Quantity changes are defined as increased quantities of bid items in a unit price contract.
3. Change orders can be approved by the Department Head and City Manager for an amount up to \$10,000. The Department Head shall notify the Council in writing of such changes.
4. Change orders in excess of the amount defined above require approval of the Common Council.
5. When project scope changes are necessary to prevent project delays the Department Head is delegated the authority to approve such change orders. The Department Head shall notify the City Manager and Council in writing of such change orders.
6. Quantity changes in unit price contracts can be approved for payment by the Department Head.
7. Any change order must be in compliance with the public bidding statutes and the applicable contract.

## **M. PUBLIC CONSTRUCTION PROJECTS**

Wisc. Stat. §62.15 provides that all public works projects including material and contractual services, where the estimated cost exceeds \$25,000 shall be purchased from the lowest responsible bidder after sealed bids have been received. Written specifications must be prepared for all bids with a Class 2 Notice if the expected cost is over \$25,000. Sealed bids must be scheduled to be formally opened and read publicly by the City Clerk.

In addition to sealed bid procedures, the transactions require:

- a. The publication of a Class 1 Notice if the estimated cost of production is between \$5,000 and \$25,000 under Chapter 985 of Wisconsin Statutes. However, this does not apply to public construction in situations where materials are donated, or labor is volunteered.
- b. A longer scheduled lead time to prepare the bid.
- c. Careful planning, specifications writing, and special conditions of the bid.
- d. A letter of justification rejecting a low bid shall include a definitive statement by the lowest bidder. The Common Council will approve all sealed bid transactions above \$50,000 before a contract is signed.



Letters of justification rejecting a low bid shall include a definitive statement by the departmental position, advising specifically why the low bid is not acceptable. Such letters of rejection must contain objective reasons.

#### N. UTILITY INVENTORY

1. Inventory purchases are made for approved utility capital and maintenance infrastructure projects, developer capital projects, and stock items. Special consideration of these types of purchases is warranted for operational efficiency purposes.
2. Each utility Operations Manager is responsible for the oversight and coordination of utility inventory purchases.
3. Quotes shall be solicited as outlined above in the “General Purchases” section.
4. The City Manager is delegated the authority to approve all utility inventory purchases over \$5,000.

#### O. MISCELLANEOUS

1. **BID AWARDS.** Bid awards do not need to be made to the lowest cost bidder. However, when the low bid is rejected, written objective justification must be placed in the bid file. The requesting department must evaluate alternative bids to determine the lowest responsible bidder, providing objective justification to accept or reject a low bid.
2. **LIFE CYCLE COST ESTIMATES.** Wisc. Stat. §66.0131 (5) provides that the City shall award orders and contracts for materials, supplies, or equipment on the basis of life cycle cost estimates whenever appropriate. The life cycle cost formula may include, but is not limited to, the applicable cost of energy efficiency, acquisition and conversion, money, transportation, warehousing and distribution, training, operation and maintenance, and disposition or resale.

The statute above requires that when making purchasing decisions, staff must consider the life expectancy costs of the product and not just the initial or quoted price of the product.

#### P. PROTEST PROCEDURES

**Protest Procedure:** Any individual, agency, or business whose direct economic interest has been affected by the City of Whitewater’s procurement procedures shall have the right to have their protest heard in an economical and expeditious manner. Protests shall be handled and resolved in the following manner:

1. Written Submission: An interested party wishing to protest a matter involving a proposed procurement or contract award shall file, with the Procurement Administrator, a written submission addressing, at a minimum, the following:

- a. The name and address of the interested party and its relationship to the procurement sufficient to establish its interest;
  - b. Solicitation or contract number;
  - c. Statement of the grounds of the protest, including the federal or state law/regulation or the City of Whitewater's procedure upon which the protest is based;
  - d. Statement of the specific relief requested; and
  - e. Any documents relevant to the protest that the protesting party desires the City of Whitewater to consider should be attached.
2. Procedure for Protests Regarding Solicitation: Any protest regarding a solicitation by the City of Whitewater must be filed no later than five (5) business days before the opening of bids. Any protest filed after that date which raises issues regarding the solicitation will not be considered. Upon receipt of a timely filed protest regarding the solicitation, The City of Whitewater may postpone the opening of Bids until resolution of the protest; no additional bids will be accepted during the period of postponement.
3. Procedure for Protests Regarding Bid Evaluation: Any protest regarding the evaluation of bids by the City of Whitewater must be filed no later than twenty (20) business days after the opening of bids. Any protest filed after that date which raises issues regarding the bid evaluation will not be considered, unless the issue arose after the initial twenty (20) business day period and before contract execution. Upon receipt of a timely filed protest regarding the evaluation of bids, the City of Whitewater will determine if the protestor has established that there is substantial evidence regarding the non-responsiveness of a bid or the non-responsibility of a bidder or doubt regarding the City of Whitewater's compliance with Federal or State law or these procedures. If the protestor submits sufficient evidence supporting its protest to show that the protest is not vexatious or frivolous, the City of Whitewater may suspend its evaluation of all bids submitted until resolution of the protest.
4. D. Procedure for Protests Regarding Award of Contract: Any protest regarding the award of a contract must be filed no later than ten (10) business days after the date of the award. Any protest regarding the award of the contract filed after that date will not be considered. Upon receipt of a timely filed protest regarding the award of a contract, the City of Whitewater will issue a stop work order, if necessary, until the resolution of the protest.

## VI. JOB AIDS

Summary of the General Procurement of Goods and Services							
City purchases are subject to authorization and quote/bid requirements as follows:							
	Quote	Competitive Quote	Sealed Bid Required	Notice Required	Department Head Approval	City Manager Approval	Common Council Approval
General Purchases <\$1,000	Department Head authorization only; solicitation of quotes is not needed						
General Purchases \$1,000-\$5,000	X	At least 2			X		
General Purchases \$5,001-\$10,000	X	At least 2			X	X	
General Purchases \$10,001-\$25,000	X	At least 3			X	X	
General Purchases \$25,001-\$50,000	X	At least 3			X	X	X
General Purchases >\$50,001	X		X	Class 1	X	X	X
Public Construction Project \$5,000-\$25,000	X			Class 1	X	X	
Public Construction Project \$25,001 - \$50,000	X		X	Class 2	X	X	X
Public Construction Project \$50,000+	X		X	Class 2	X	X	X
Utility Inventory \$5,000+	X	At least 2			X	X	

**Professional Services is defined as customized services such as consulting, engineering or assessing, which involves a contract between the City and the vendor. Approvals follow the general purchases**

\*This template can be used when the project or purchase involves complex requirements or a high degree of customization and you need detailed proposals outlining how each bidder plans to meet those requirements. This information should be posted on the City's website in addition to the requirements for a Class 1 or 2 Notice.

# Request for Proposal (RFP) Template

## [Project Title]

### 1. Introduction

[Provide a brief introduction to the project, the organization issuing the RFP, and the purpose of the RFP.]

### 2. Background

[Give background information about the organization and the project. Explain why the project is necessary and what problems it aims to solve.]

### 3. Project Goals and Scope of Services

**Goals:** [List the specific goals of the project.]

**Scope of Services:** [Detail the services and deliverables required. Be as specific as possible to provide clear guidance to potential vendors.]

### 4. Proposal Requirements

**Proposal Format:** [Specify the required format for the proposals, including sections such as executive summary, company background, project approach, timeline, pricing, and references.]

#### Content Requirements:

- **Executive Summary:** [Brief overview of the proposal.]
- **Company Information:** [Company history, qualifications, and experience.]
- **Project Approach:** [Detailed description of how the vendor intends to achieve the project goals.]
- **Project Timeline:** [Estimated timeline for project completion, including milestones.]
- **Pricing:** [Detailed cost breakdown, including any potential additional costs.]

- **References:** [Contact information for references and examples of similar projects.]

## 5. Evaluation Criteria

[Describe the criteria that will be used to evaluate proposals, such as experience, project approach, timeline, cost, and references.]

## 6. Submission Guidelines

**Submission Deadline:** [Specify the deadline for proposal submission.]

**Submission Method:** [Provide details on how and where to submit proposals, including email addresses or physical addresses.]

**Contact Information:** [Provide contact information for questions and clarifications.]

## 7. Timeline

[Include a timeline for the RFP process, such as the date of issue, submission deadline, evaluation period, and anticipated award date.]

## 8. Terms and Conditions

[Outline any terms and conditions, including confidentiality requirements, rights to accept or reject any proposal, and any other legal or procedural requirements.]

\*This template should be used when the specifications for a project are known. This should be posted on the City's website in addition to the requirements for the Class 1 or 2 Notice.

## Invitation for Bid (IFB) Template

Bid Title:

Start Date:

End Date:

Description:

Addendum Date:

Pre-Bidding Date:

Fee:

Contact:

Business Hours:

## ADDENDUM

### Professional Services

#### Monitoring

To ensure continued value, accountability, and alignment with the municipality's goals, all professional service providers under ongoing contracts—including municipal financial advisors, engineering, consultants and assessors—shall be subject to routine monitoring and evaluation. The following best practices shall guide the oversight of these engagements:

#### 1. Performance Review and Benchmarking

- Providers shall be evaluated annually against established performance benchmarks, including:
  - Accuracy and timeliness of projects, reports and/or analysis
  - Responsiveness to municipal needs and requests
  - Proactive communication and strategic guidance
  - Compliance with regulatory standards and responsibilities
  - Ability to stay within the approved project or service budget and demonstrate sound cost control practices
  - Limiting the frequency and scope of provider-initiated change orders, ensuring they are used only when justified and properly authorized (% could be used here)
- The municipality may compare the provider's fees and performance with other similarly sized communities or industry benchmarks to ensure competitiveness.

#### 2. Documentation and Reporting

- Providers shall provide regular reports summarizing services rendered, deliverables, and strategic recommendations.
- Meeting attendance, project updates, and key advice shall be documented for transparency and historical reference.

#### 3. Staff Feedback and Internal Assessment

- Municipal staff who directly engage with the provider shall conduct informal assessments at least annually, reviewing:
  - Quality of support and communication
  - Alignment with municipal financial goals
  - Ability to anticipate and address issues proactively

#### 4. Scheduled Check-ins

- At a minimum, a formal check-in meeting shall be scheduled annually with the provider to review:

- Past-year performance
- Emerging financial trends or risks
- Anticipated service needs for the coming year

## **5. RFP Requirement**

- As a matter of policy, all professional service providers, including municipal advisors, engineering, consultants and assessors shall be subject to a competitive Request for Proposal (RFP) process at least once every **7 years**, regardless of vendor performance or renewal interest. This ensures transparency, encourages innovation, and reinforces the municipality's commitment to fair and competitive procurement practices.



## Professional Service Provider Monitoring Tool

### General Information

<b>Advisor Name/</b>
Firm Name
Contract Start Date
Contract Expiration Date
Lead Contact at Firm
Review Period
Staff Reviewer(s)

### Service Delivery & Responsiveness

Evaluation Criteria	Rating (1-5) Comments/Examples
Timely delivery of reports and analysis	
Responsiveness to emails and calls	
Availability for meetings and consultations	
Ability to meet deadlines and commitments	

### Technical Expertise & Strategic Guidance

Evaluation Criteria	Rating (1-5) Comments/Examples
Accuracy and clarity of data or financial projections	
Knowledge of municipal laws and regulations	
Quality of debt issuance support (financial advisor only)	
Usefulness of recommendations to staff and council	
Proactive identification of risks and opportunities	

### Collaboration & Communication

Evaluation Criteria	Rating (1-5) Comments/Examples
Works well with internal staff and leadership	

Understands and supports the municipality's goals	
Communicates complex information clearly	

### Compliance & Documentation

Evaluation Criteria	Rating (1-5) Comments/Examples
Adherence to contractual terms and deliverables	
Consistent record-keeping and reporting	
Disclosure of potential conflicts of interest	

### Benchmarking & Cost

Evaluation Criteria	Rating (1-5) Comments/Examples
Fees are reasonable compared to similar firms	
Demonstrates value for cost	
Services align with original contract scope	

### Staffs Overall Comments and Recommendations

- What are the advisor's strengths?
- What areas need improvement?
- Do you recommend continuing the engagement? Why or why not?
- Should this service go out for RFP in the next cycle?

### Reviewer Certification

*I certify that the above evaluation is based on observed performance and documented interactions with the advisor during the stated review period.*

Staff Signature \_\_\_\_\_

Date \_\_\_\_\_

Date: August 26, 2025

To: Finance Committee

From: Rachelle Blitch, Finance & Administrative Services Director

Re: 2026-2027 Municipal Budget Calendar

As we begin the 2026-2027 budget season, it is essential to update the budget calendar timeline for this year. Traditionally, the Finance Committee holds three special meetings in late September/ early October to review departmental budgets. These meetings provide the committee with the opportunity to engage with staff and ask more in-depth questions regarding any budgetary changes or requests. Ideally, these meeting dates should be finalized at the August meeting, allowing sufficient time to coordinate with individual directors and ensure their availability for discussion. This also presents a good opportunity to review the individual tasks within the budget process and determine if any adjustments are necessary, whether that involves adding new tasks or removing existing ones.

Finalizing these details early will help ensure a smooth and efficient budget review process. Your timely input and collaboration are crucial to making this year's budget cycle successful. Please be prepared to discuss and confirm the proposed dates and any potential adjustments at our upcoming meeting. Below is a list of available dates in October. Please review your schedules in advance and be prepared to list the times that work for you. Thank you for your attention to this important matter.

<b><u>Dates</u></b>	<b><u>Potential Conflicts</u></b>
Wednesday, October 1, 2025	Landmarks Committee
Monday, October 6, 2025	
Wednesday, October 8, 2025	
Thursday, October 9, 2025	Pedestrian & Bicycle Advisory Committee
Monday, October 13, 2025	PARC Meeting
Tuesday, October 14, 2025	Public Work Committee
Wednesday, October 15, 2025	Parks & Recreation Board Meeting
Thursday, October 16, 2025	CDA Meeting
Monday, October 20, 2025	Library Board Meeting
Wednesday, October 22, 2025	
Thursday, October 23, 2025	
Monday, October 27, 2025	UFC Meeting

2026-2027 Municipal Budget Calendar	Section Start	Section Complete	Who	Target Timeline
Departments #1: 2025-2030 CIP, review for changes			MT	Thurs, July 31, 2025
Departments #2: Review projections for revenues, payroll, and personnel	Friday, July 25, 2025	Friday, August 15, 2025	MT	Fri, Aug 15, 2025
Finance Committee			FC	Tues, Aug 26, 2025
Depart. Directors Meeting - Budget Kick-Off			MT	Fri, Aug 22, 2025
Common Council Meeting			CC	Tues, Sept 2, 2025
Fin. Dir. Meetings w/ Dept Heads - Guidance/Questions	Monday, August 25, 2025	Friday, September 5, 2025	MT	Fri, Sept 5, 2025
Departments #3: Complete Operating Budget sections along with 2025 Operating Projects/Initiatives	Tuesday, September 2, 2025	Friday, September 12, 2025	MT	Fri, Sept 12, 2025
Common Council Meeting			CC	Tues, Sept 16, 2025
Review of department budgets by the city manager	Monday, September 15, 2025	Friday, September 19, 2025	MT	Fri, Sept 19, 2025
Finance Committee			FC	Tues, Sept 23, 2025
Staff drafts document narrative, budget summary, and budget graphics.	Monday, September 22, 2025	Friday, October 3, 2025	MT	Fri, Oct 3, 2025
Produce Budget Update Document - Distribute in Council Packet			MT	
City Manager provides budget presentation to the Common Council along with the complete draft budget document.			CC	Tues, Oct 7, 2025
Finance Committee Review, Department Q&A:			FC	**NEED DATE
Post Notice of Public Hearing				
Finance Committee Review, Department Q&A:			FC	**NEED DATE
Finance Committee Review, Department Q&A:			FC	**NEED DATE
Common Council Meeting			CC	Tues, Oct 21, 2025
Finance Committee			FC	Tues, Oct 28, 2025
Staff assembles and presents draft budget for final internal review.			MT	Thurs, Oct 30, 2025
Common Council Meeting - Distribution of Final 2026-2027 Budget Document			CC	Tues, Nov 4, 2025
Public hearing and Possible adoption of the municipal budget and establishment of Municipal Levy for 2026			CC	Tues, Nov 18, 2025

CC = Common Council MT = Management Team FC = Finance Committee