



November 10, 2025

Dear President Moore and Members of the Common Council,

The 2026 Budget is the result of an open and collaborative process between the City Council and Administration. Together, we strive to provide strategic city services and community partnerships that enhance the quality of life for our residents by reducing crime, increasing affordable housing opportunities, and facilitating community investment. These efforts depend on strong partnerships and our shared commitment to working toward common goals.

Across all departments and functions, we have an obligation to our residents and businesses to continue delivering excellent services. Accordingly, the 2026 Budget includes the following high-priority items that enhance and improve our service delivery.

1. Property Tax Rate – The 2026 Budget will decrease the City's assessed tax rate by \$2.65 per \$1,000 of assessed value which is a 26.55% decrease.
2. Property Tax Levy - The City's tax levy increased \$630,653 or 4.78%. Under state law, the levy is allowed to increase 4.23%, plus increased debt service requirements. This levy increase is less than the maximum permitted under state law.
3. Budgeted Expenditures – Budgeted General Fund expenditures for 2026 are \$20,706,263 – an increase of 4.7%. This allows the city to continually qualify for the State Expenditure Restraint Program Aid. The City has qualified every year since the inception of the program.
4. General Fund Balance – Our General Fund Balance is projected to be \$6,135,563 on December 31, 2025. This fund balance exceeds the Council objective of \$5,176,566 at year end, which allows the City to continue to receive excellent bond rating resulting in lower interest rates when issuing future debt. Keeping the fund balance at 30% operating is optimal in the credit industry.
5. Level of Service and Capital Improvements – The 2026 Capital Improvement Program will see investments in our community to provide long lasting, positive effects and spur urban growth.

In 2026, we continue to invest in our trail network by extending the Kakalin Trail behind the Kaukauna Public Library.

At Strassburg Park, some new playground equipment and basketball court were recently installed. The open-air shelter, Gaga pit and baseball backstop are anticipated to be completed in early Spring. Repurposed play equipment from Haen School, generously provided by the Kaukauna Area School District, further enhanced this neighborhood park. This fall, we will seek proposals to redesign LaFollette Park, including restroom upgrades and resurfacing of the basketball court and parking lot.

City staff continue to collaborate with the Kaukauna High School Civic Engagement Class on the Grignon Park Project, which includes expanding the pavilion, adding a tow rope to the Mount Misery sledding hill, and creating an ice rink. We are also evaluating a multi-use stage or pavilion at Central or Hydro Park to further support community gatherings and events. I remain committed to improving and maintaining our city parks to provide exceptional recreational opportunities and vital green spaces for all residents.

Our 2026 CIP also includes \$10,370,000 in major infrastructure investments — including new concrete street paving, street and alley reconstruction, sanitary and storm sewer upgrades, and the replacement of

defective sidewalks. These projects reflect our continued commitment to maintaining the essential infrastructure that supports a high quality of life in Kaukauna.

6. Economic Development - The Commerce Crossing Business Park continues to thrive. The final phase of the five-building Legacy Creekside Apartment complex will be completed later this year, adding 35 additional units to our much-needed housing stock. In total, we estimate 131 new dwelling units will be built by December 31, 2025.

On October 20th, we celebrated the opening of the highly anticipated GrandStay Hotel, a 4-story, 76-room facility within Commerce Crossing. We also anticipate closing this fall on The Reserve, an independent, assisted living, and memory care facility, with construction expected to begin this winter.

In 2026, we plan to update our zoning code to support potential data center development, continue developing the remaining lots in Commerce Crossing and N.E.W. Prosperity Center, and explore industrial park expansion through annexation.

7. Statements on Budget – As a city, we continue to lead with resilience, guided by fiscal responsibility and transparency. I am extremely proud of our leadership team for preparing another thoughtful and fiscally responsible budget that meets the Council's priorities while honoring the trust placed in us by our residents.

New or reclassified positions in the 2026 budget include:

Human Resource Coordinator – Supporting citywide staffing, compliance with State and Federal laws, and employee engagement.

Account Specialist (Accounts Receivable) – Transitioning from part-time to full-time to strengthen internal controls and support Finance and Clerk operations.

Assistant Library Director – Enhancing leadership capacity, expanding programming, and ensuring continuity as the library grows.

Parks Foreman – Providing dedicated oversight for parks, trails, and facilities as the city expands, including maintenance, event coordination, and contractor management.

My ongoing focus is to anticipate the long-term needs of our city and make decisions that benefit Kaukauna's future. The 2026 Budget reflects this unwavering pledge to deliver the highest caliber of service to every resident and business.

Looking ahead, we will continue to balance fiscal responsibility with the City Council's priorities – ensuring strong public safety, reliable essential services, sound infrastructure, and vibrant community programs that make Kaukauna a truly exceptional place to live.

Sincerely,

A handwritten signature in black ink, appearing to read 'Anthony J. Penferman', with a stylized, flowing script.

Anthony J. Penferman  
Mayor, City of Kaukauna