

**RESOLUTION TO
NOT CONFORM TO EXPENDITURE RESTRAINT STANDARDS FOR THE
2026 BUDGET**

SPONSOR: MAYOR STOCKS

WHEREAS, the city has utilized the Expenditure Restraint Program (ERP) through the State of Wisconsin for many years; and,

WHEREAS, the ERP is an optional program that municipalities may opt into each year if they are eligible; and,

WHEREAS, in order for the municipality to be eligible for the ERP payment in the future year, the municipality's general fund expenditures (excluding principal and interest on long-term debt) cannot be increased over the prior year's budget by more than an inflation factor (US DOL CPI-U certified by WI DOR) plus a valuation factor (increase in net new construction); and,

WHEREAS, the unassigned fund balance of the general fund has grown for the past number of years to an amount greater than our fund balance policy requirements (range of 20%-30%), but the ERP calculation does not provide consideration for expenditure growth from the increased cash balance; and,

WHEREAS, it is not reasonable for the city to operate under the restraint amount for the 2026 budget considering expense increases requested and postponed in 2025 and the desired implementation of a 2026 pay table modification; and,

WHEREAS, the city would benefit by not conforming to the ERP standards when creating the 2026 budget, resetting the total expenditure level, forgoing the ERP payment in 2027 when the anticipation of a larger 2026 net new construction takes place, then opting back in for the 2027 budget.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF WATERTOWN, WISCONSIN:

That the Common Council is hereby in support of not conforming to the Expenditure Restraint Program standards for the 2026 budget.

That this Resolution shall be in full force and effect upon its passage and adoption.

	YES	NO
DAVIS		
LAMPE		
BERG		
BARTZ		
BLANKE		
SMITH		
ARNETT		
WETZEL		
MOLDENHAUER		
MAYOR STOCKS		
TOTAL		

ADOPTED August 19, 2025

CITY CLERK

APPROVED August 19, 2025

MAYOR