THE CITY OF WATERTOWN

FINANCE COMMITTEE MEETING MINUTES – 2027 BUDGET

TUESDAY, OCTOBER 06, 2026, THROUGH MONDAY, OCTOBER 19, 2026

MUNICIPAL BUILDING – 106 JONES STREET, WATERTOWN, WI 53094

Tuesday, October 6

Members present: Mayor Stocks, Alderpersons Arnett, Blanke, Moldenhauer, and Smith

Others present: Finance Director Stevens, Ald. Davis, Ald. Lampe, Ald. Nitecki, Ald. Haase, Ald. Berg, Fire Chief Reynen, Library Director Lopez, Attorney Panagopoulos, Park/Rec Director Schmidt, Jamie Hernandez, Public Works Director Beyer (video), Street Operations Manager Winkelman (video), Tim Hayden (video)

1. Call to order: Mayor Stock called the meeting to order at 6:22 p.m.
2. **2027 Budget Presentation**- Mayor Stocks highlighted a few items that have been incorporated into the budget proposal. All requests for new positions were included, but the only ones that the mayor is proposing be funded are one in IT and Parks. Further implementation of the McGrath pay study has been incorporated into the compensation proposal as part of this budget.
3. Mr. Stevens reviewed the budget book contents, the incorporated 2027 AMSO changes, and the General Fund compensation totals (pg 32) and impact to fund balance, Expenditure Restraint, and Contingency (pg 33).
4. **Debt [Fund 04**]: Mr. Stevens reviewed the projected payment schedule of principal and interest. The debt levy increases from $6,100,000 to $6,350,000.
5. **Capital Improvements [Fund 05**]: Mr. Stevens presented the latest iteration of the Capital Improvement Projects list with no time for meaningful discussion. The projects list proposed would require $8.1 M in General Obligation borrowing.
6. Adjournment. Ald. Blanke moved to adjourn at 7:11 pm, seconded by Ald. Arnett, and carried by unanimous voice vote.

Monday, October 12

Members present: Mayor Stocks, Alderpersons Arnett, Blanke, Moldenhauer, and Smith

Others present: Mark Stevens, Ali Panagopoulos, Mary Lopez, Lisa Schwartz, Deb Sybell, Stacy Winkelman (video), Ryan Schmidt (video), Lisa Famularo (video), Tanya Reynen (video)

1. Call to order: Mayor Stock called the meeting to order at 5:30 p.m.
2. Ald. Arnett moved, seconded by Ald. Moldenahuer, to **approve the minutes from September 28**, 2026. Unanimously approved.
3. Mr. Stevens reviewed the **General Fund income statement through September 30, 2026**.
4. Mr. Stevens provided a review of the decisions necessary to implement a **high deductible health plan (HDHP)** as an added option in the health insurance plan. Ald. Arnett, supported by Ald. Moldenhauer, moved to approve Dean plan 1-5 ($3500/$7000 embedded deductible/OOP limit)

paired with an HSA offering and city contributions of $1350 single and $2700 family (note: the contribution amount changed in the Oct 14 meeting). Unanimously approved.

Mayor Stocks relinquished the chair to Ald. Arnett for 2027 budget deliberations. Ald. Arnett began with a review of the structural deficit approach used in recent years that is not sustainable, nor able to be altered quickly.

5. **2027 budget** proposal discussion: **General Government** (Common Council, Mayor, Municipal Court, Attorney, Media Services/Communications, Information Technology, Human Resources, Employee Benefits, Finance, Elections, Assessor, Audit, Property/Liability Insurance) and **Public Service Enterprises**
   A. Consensus: revisit the Oak Hill Cemetery support. There should be a written arrangement to memorialize the relationship between the City and the cemetery organization before future support is provided through the Public Service Enterprise budget.
6. **2027 budget** proposal discussion: **Culture, Education, Recreation** (Library, Library Operations [Fund 11], Library Endowment/Trust [Funds 20 & 21])
   A. Consensus**:** revisit Contribution to Library (01-55-11-46)
7. **2027 budget** proposal discussion: **Other Funds** (Transit [Fund13], Tourism [Fund 22], Non-recurring Grants [Fund 24], Fiber Optic [Fund 25], Economic Development [Fund 60], CDB Housing [Fund 65], TIDs [Funds 08, 09, 10, 19, 23, 30, 31], Riverfest [Fund 12]
   A. Consensus: create resolutions to close TID #8 [Fund 08] and Riverfest [Fund 12]
   B. Consensus: create resolution to begin a new accounting fund for TID #10
8. **2027 budget** proposal discussion: follow-up from prior meetings
   A. Mr. Stevens presented a **hypothetical capital improvement financing model** from Baird outlining an initial borrowing of $7.5 million in 2027, followed by $7.5 million in each future year, with an increase of $2.0 million in 2028 to account for the anticipated purchase of the fire ladder truck as part of the overall financing plan.
9. Adjournment. Ald. Moldenhauer moved to adjourn at 7:08 pm, seconded by Ald. Arnett, and carried by unanimous voice vote.

<u>Wednesday, October 14</u>

Members present: Mayor Stocks, Alderpersons Arnett, Blanke, Moldenhauer, and Smith

Others present: Mark Stevens, David Brower, Carol Quest, Abby Kuehn, Ryan Schmidt, Tanya Reynen, Ald. Davis

1. Call to order: The meeting was called to order at 4:36 p.m. Mayor Stocks relinquished the chair to Ald. Arnett.
2. **2027 budget** proposal discussion: **Health** (Public Health, Environmental Health [Fund 14], Health Emergency Preparedness [Fund 15], Seal-a-Smile [Fund 18])
3. **2027 budget** proposal discussion: **Other Services** (Humane Society)
4. **2027 budget** proposal discussion: **Public Safety** (Police, Crossing Guards, Dispatch Center, Municipal Building, Fire, Emergency Government)

A. Consensus: revisit Police Compensation to consider the addition of an officer. Request Chief Brower provide officer-to-resident ratio statistics categorized by city population groups.

Ald Smith left the meeting to attend another municipal meeting.

5. **2027 budget** proposal discussion: **Culture, Education, Recreation** (Recreation, Pools, Senior/Community Center, Parks, Forestry, Parks Development [Fund 07], Town Square Future Fund [Fund 26]
   A. Consensus: add $30,000 to Fund 05 for Park pickup truck
   B. Consensus: add $50,000 to Fund 05 for Riverside Park electric improvements (to total $100K)
6. **2027 budget** proposal discussion: follow-up from prior meetings
   A. Further calculations have been completed to evaluate the incorporation of a HDHP and the cost savings compared to the City's current plan offerings. To maintain a consistent city contribution across all health plan options, employees who enroll in the HDHP would not be required to pay a shared premium. Our benefits broker noted that while roughly half of employers offering HDHPs contribute to an HAS, such contributions are common but not mandatory. In consideration of the upcoming benefits open enrollment period beginning next Monday, Ald. Blanke moved, seconded by Ald. Arnett, that the City **offer the HDHP to employees with a 0% shared premium and no city-funded HSA contribution**. Unanimously approved.
7. Adjournment. Ald. Moldenhauer moved to adjourn at 5:53 pm, seconded by Ald. Arnett, and carried by unanimous voice vote.

Thursday, October 15

Members present: Mayor Stocks, Alderpersons Arnett, Blanke, Moldenhauer, and Smith

Others present: Mark Stevens, Andrew Beyer, Brian Zirbes, Stacy Winkelman, Pete Hartz, Nathan Williams, Maureen McBroom, Ritchie Piltz, Jeff Baum (WI Aviation)

1. Call to order: The meeting was called to order at 4:36 p.m. Mayor Stocks relinquished the chair to Ald. Arnett.
2. **2027 budget** proposal discussion: **Public Works** (Airport, Engineering, Street Division), Wastewater [Fund 02], Water [Fund 03], Stormwater [Fund 16], Solid Waste [Fund 17], annual infrastructure [part of Fund 05]
   A. The airport manager requested a postponement of the lengthening of the taxi lane connected to runway 11/29 in exchange for funding preparations for hangar expansion area.
   B. Consensus: revisit Airport Capital Outlay (01-51-53-60) for flooring replacement
   C. The Street Division presented a modification in its Fund 05 requests, postponing the purchase of a truck and department gates to the future and requesting funding to complete a service door replacement instead.
   D. Consensus: revisit Wastewater Repair & Replacement (02-97-30-12) for dewatering equipment failure
   E. Consensus: revisit Water Supplies (03-90-30-18) for one-time billing equipment conversion costs

F. Request: update the Stormwater Capital Improvements list on the Capital Improvements 5-Yr list to synchronize with Fund 16 budget request for Capital Purchases.

3. **2027 budget** proposal discussion: follow-up from prior meetings

   A. Notices were received to modify State payments for the services to state facilities. The revenue account (01-42-73-51) has been updated.

   B. Mr. Stevens requested the committee act upon the requested **changes in the Street Division capital requests** in order to incorporate into an updated Capital Funds budget iteration before Monday's meeting. Ald. Blanke moved, seconded by Ald. Moldenhauer, to postpone the truck and department gates requests and add $45,000 for service door completion. Unanimously approved.

DATE	Account	Name	Original	Modified	Impact to Fund 01 Bottom Line	First	Second	Vote
10/15/2026								
Pg 01	01-42-73-51	Services to State Facilities	(6,175)	(5,609)	(566)	State notice rec'd		
Pg 57	05-54-11-70	Street: Truck	300,000	-	-	BB	MM	4:0
Pg 57	05-54-11-70	Street: department gates	12,000	-	-			
Pg 57	05-54-11-70	Street: service doors	-	45,000	-			

4. Adjournment. Ald. Moldenhauer moved to adjourn at 5:43 pm, seconded by Ald. Blanke, and carried a vote by unanimous voice.

Monday, October 19

Members present: Mayor Stocks (video), Alderpersons Arnett, Blanke, Moldenhauer, and Smith

Others present: Mark Stevens, Pete Hartz, Ali Panagopoulos, Mary Lopez, Ryan Schmidt, Andrew Beyer, Maureen McBroom, Charity Chandler (Library Board chair), Stacy Winkelman (video), Tanya Reynen (video), Lisa Famularo (video), Carol Quest (video)

1. Call to order: The meeting was called to order at 5:34 p.m. by Ald. Arnett.
2. An **intergovernmental agreement for Media Services** provided to the City of Lake Mills was presented to document what had been provided to Lake Mills during the first quarter of 2026. Ald. Smith moved to approve, supported by Ald. Moldenhauer. Unanimously approved.
3. Resolutions were presented to request the **annual exemption from paying the library taxes** to Dodge and Jefferson Counties. The City provides more than the required minimum contribution to our own library. Ald. Smith moved, seconded by Ald. Moldenhauer, to recommend both resolutions (one for each county) for approval by the Council. Unanimously approved.
4. A draft **resolution to close Fund 08 (TID #4)** effective December 31, 2026 was presented. A motion was made by Ald. Moldenhauer, supported by Ald. Blanke, to recommend closure to the Council. Unanimously approved.
5. A draft **resolution to close Fund 12 (Riverfest Celebration)** effective December 31, 2026 was presented. A motion was made by Ald. Blanke, supported by Ald. Smith, to recommend closure to the Council. Unanimously approved.
6. **2027 budget** proposal discussion: follow-up from prior meetings

a. Accounts with requests to revisit from the prior week's budget meetings were reviewed and voted upon according to the chart below (motions, supports, votes listed).

b. One budget item prompted additional discussion: the **Library Contribution** (01-55-11-46). A motion was offered by Ald. Smith, seconded by Ald. Moldenhauer, to increase the budget amount by $25,000. An amendment was submitted by Ald. Blanke to change the $25,000 to $35,000. This motion seconded by Ald. Arnett was not passed due to a 2:2 tie vote. The original motion was passed 3:1.

DATE	Account	Name	Original	Modified	Impact to Fund 01 Bottom Line	First	Second	Vote
10/19/2026								
Pg 38	02-97-30-12	WW: Repair or Replace	1,341,000	2,641,000		BB	FS	4:0
Pg 48	03-90-30-18	Wtr: Supplies	35,000	55,000				
Pg 57-60		Capital Improvements Projects						
Pg 58	05-54-53-70	Airport: taxi lane extension	50,000	-	-	FS	MM	4:0
Pg 58	05-54-53-70	Airport: hangar expansion prep	-	50,000	-			
Pg 58	05-55-41-70	Park: truck	-	30,000				
Pg 58	05-55-41-70	Park: Riverside Park imprvmnt	50,000	100,000				
Pg 3	01-44-21-25	EMS Charges	(1,130,000)	(1,130,000)	-	-	-	
Pg 8	01-51-41-18	Election Supplies	18,000	20,000	(2,000)	MM	BB	4:0
Pg 15	01-52-11-10	Police Salaries	3,454,026	3,567,411	(113,385)	FS	BB	4:0
Pg 15		"Police officers per 1,000" memo						
Pg 25	01-54-53-60	Airport: Capital Outlay	-	5,000	(5,000)	FS	MM	4:0
Pg 26	01-55-11-46	Library Contribution	~~750,000~~	~~785,000~~		~~BB~~	~~TA~~	~~2:2~~
			750,000	775,000	(25,000)	FS	MM	3:1
Pg 31	01-57-11-44	Oak Hill Cemetery	10,000		no change			

7. **2027 budget** proposal discussion: **Capital Purchases** [Fund 05]

a. Ald. Davis suggested that perhaps some Fund 05 funds might be available from completed projects of the past. Mr. Stevens reviewed the 2025 fund balances of all reserve and lapsing accounts. Most were either currently active accounts or funds for restricted purposes that have yet to be fulfilled (fire apparatus, airport runway, tree replacement, etc). A total of $242,500 was suggested that could reduce future borrowing for repurposing funds within the same departments for 2027 requests:

i. Concord Ave Micro Park 05-32-11-18 $6,392
ii. Recreation 05-55-20-70 $3,810
iii. Park 05-55-41-70 $20,000
- $30,000 Park pick-up truck

iv. Land Acquisition 05-32-11-48 $19,524
- $20,000 real estate acquisition

v. N Second St bridge 05-32-11-58 $51,077
- $50,000 annual streets projects

vi. Street Division 05-54-11-70 $120,000
- $75,000 patch roller
- $45,000 service doors

b. The fund balance list included the unassigned remainder of TID #4, $269,243. Ald. Smith, seconded by Ald. Moldenhauer, moved to **reallocate the available funds** to the 2027 requests

listed and **apply the TID #4 remainder** to Annual Street Projects, reducing the need to borrow for 2027 projects totaling $511,743 by using these "carryover" balances. Unanimously approved.

8. **2027 budget** proposal discussion: follow-up from prior meetings
    a. The original amount available to create a Contingency Fund and stay under the WI Expenditure Restraint Incentive Program was $239,594. After other considerations have been made, Ald. Smith moved, supported by Ald. Moldenhauer, to **assign $94,209 to the Contingency Fund** (01-51-81-56). Unanimously approved.
9. **2027 budget adoption**
    a. The **Debt levy** that has been proposed includes an **increase from $6.1 million to $6.35 million** for 2027 to adhere to the principal and interest debt management schedules of General Obligation debt.
    b. **General Fund**: The committee reviewed the General Fund tax levy. It was agreed to recommend a **3.9% increase of the General Fund levy from $10,560,000 to $10,972,000**. To maximize the Expenditure Restraint Program calculations, the contingency fund was funded to $94,209. The projected net decrease to the General Fund fund balance is <$1,251,834>, which would lower the **unassigned fund balance to 22.9%** of the annual expenditures budget, within the 20%-30% targeted range.
    c. **Capital Improvements**: The amount to be requested for the 2027 **borrowing for capital purchases will be $7,240,000**. The borrowed funds along with remaining "carryover" funds of approximately $1,002,000 will allow for **$8,435,000 of capital purchases**.
    d. A motion was made by Ald. Smith, supported by Ald. Moldenhauer, to **pass the modified budgets of all Funds** onto the Council for its approval. Approved by unanimous vote.
5. Adjournment. Mayor Stocks moved to adjourn at 7:07 pm, seconded by Ald. Blanke, and carried a vote by unanimous voice.

Attachment: document of all account changes

Respectfully submitted,

Mark Stevens, Finance Director

Note: These minutes have not yet been corrected. Any changes will be noted at the meeting where the minutes are officially approved.

2027 Budget Modifications			Attachment: Finance Com minutes of Oct 12-19, 2026					
Finance Committee								
DATE	**Account**	**Name**	**Original**	**Modified**	**Impact to Fund 01 Bottom Line**	**First**	**Second**	**Vote**
10/12/2026								
10/14/2026								
10/15/2026								
Pg 01	01-42-73-51	Services to State Facilities	(6,175)	(5,609)	(566)	State notice rec'd		
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Pg 3	01-44-21-25	EMS Charges	(1,130,000)	(1,130,000)	-	-	-	
Pg 8	01-51-41-18	Election Supplies	18,000	20,000	(2,000)	MM	BB	4:0
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Pg 15		"Police officers per 1,000" memo						
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Pg 26	01-55-11-46	Library Contribution	~~750,000~~	~~785,000~~		~~BB~~	~~TA~~	~~2:2~~
			750,000	775,000	(25,000)	FS	MM	3:1
Pg 31	01-57-11-44	Oak Hill Cemetery	10,000		no change			
Pg 5	01-49-99-16	General Fund Levy	(10,971,841)		no change			
Pg 11	01-51-81-56	Contingency Fund	-		(94,209)	FS	MM	4:0
	Subtotal of Changes				(240,160)			
	Subtotal of Changes				**(240,160)**			
	Mayor's Original Budget				**(1,011,833)**			
	Finance Com Budget (Impact to Fund Balance)				**(1,251,993)**			
	Expenditure Restraint							
	2027 max Expenditures			22,524,930				
	Mayor's proposed			22,285,336				
	Original amount to meet ERP				(239,594)			
	Finance Com changes to Fund 01 Expenses				239,594			
	Revised impact in meeting ERP (must be negative number)				-			