City of WHITEWATER
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2027 BUDGET BRIEFING

Common Council
John Weidl, City Manager
Rachelle Blitch, Finance & Administrative Services Director
November 2026

2027 BUDGET BRIEFING

BUDGET TIMELINE

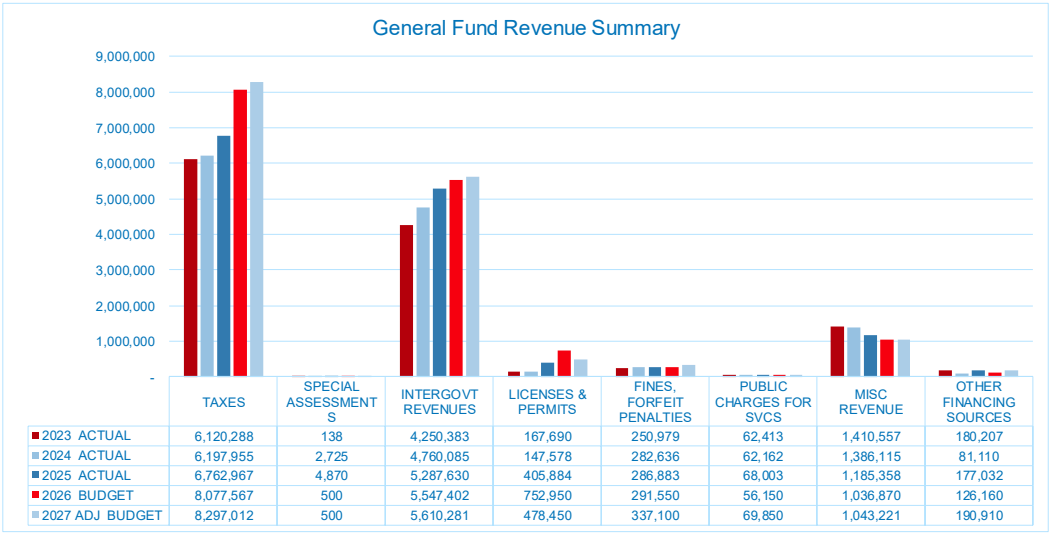
- 10/6/2026 –DRAFT BUDGET/HIGHLIGHTS PRESENTATION VIDEO
- 10/12/2026 – FINANCE COMMITTEE MEETING (1 OF 4) VIDEO
  - GENERAL ADMINISTRATION, PUBLIC WORKS, FIRE/EMS, UTILITIES
- 10/14/2026 – FINANCE COMMITTEE MEETING (2 OF 4) VIDEO
  - LIBRARY, MEDIA SERVICES, COMMUNITY & ECONOMIC DEVELOPMENT, GENERAL FUND, DEBT SERVICE, RIDE SHARE
- 10/19/2026 – FINANCE COMMITTEE MEETING (3 OF 4) VIDEO
  - PARKS & RECREATION, FACILITIES

2027 BUDGET BRIEFING

BUDGET TIMELINE

- 10/20/2026—CITY MANAGER'S DRAFT BUDGET PRESENTATION VIDEO
- 10/27/2026—FINANCE COMMITTEE MEETING (4 OF 4) VIDEO
  - POLICE, LAKES, CAPITAL PROJECT FUND, TAX LEVY
- *11/5/2026 – FORMAL PRESENTATION OF THE BUDGET*
- 11/17/2026 – BUDGET HEARING AND FORMAL ADOPTION

2027 BUDGET BRIEFING

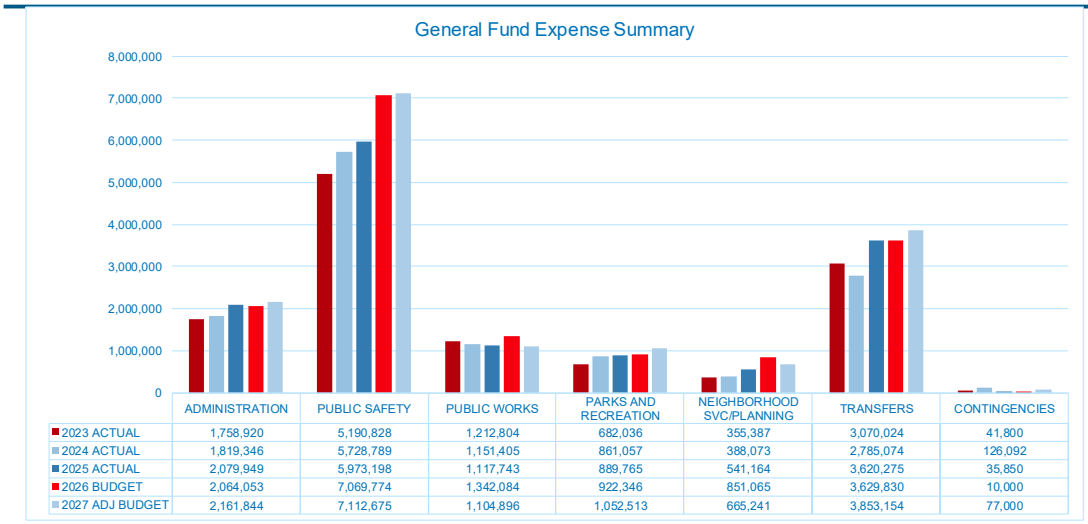


	TAXES	SPECIAL ASSESSMENTS	INTERGOVT REVENUES	LICENSES & PERMITS	FINES, FORFEIT PENALTIES	PUBLIC CHARGES FOR SVCS	MISC REVENUE	OTHER FINANCING SOURCES
2023 ACTUAL	6,120,288	138	4,250,383	167,690	250,979	62,413	1,410,557	180,207
2024 ACTUAL	6,197,955	2,725	4,760,085	147,578	282,636	62,162	1,386,115	81,110
2025 ACTUAL	6,762,967	4,870	5,287,630	405,884	286,883	68,003	1,185,358	177,032
2026 BUDGET	8,077,567	500	5,547,402	752,950	291,550	56,150	1,036,870	126,160
2027 ADJ BUDGET	8,297,012	500	5,610,281	478,450	337,100	69,850	1,043,221	190,910

This slide compares 2023-2025 actual with 2026-2027 budgeted revenues.

- Taxes continue to be the City's largest and most stable revenue source.
- Intergovernmental revenues also show consistent growth over time, reflecting increases in state aid and shared revenues, which help support the general fund.
- License and Permits remain relatively stable, with only modest year to year fluctuations tied to development activity.
- Fine and Forfeitures have been increasing gradually, though they represent a small portion of overall revenues.
- Public Charges for Services remain fairly consistent, with only minor changes across the years.
- Miscellaneous Revenue drops slightly in 2026 and stabilizes in 2027. Prior years reflect a higher interest earning environment.
- Other Financing Sources vary from year to year, reflecting one-time or non-recurring funding decisions.

2027 BUDGET BRIEFING

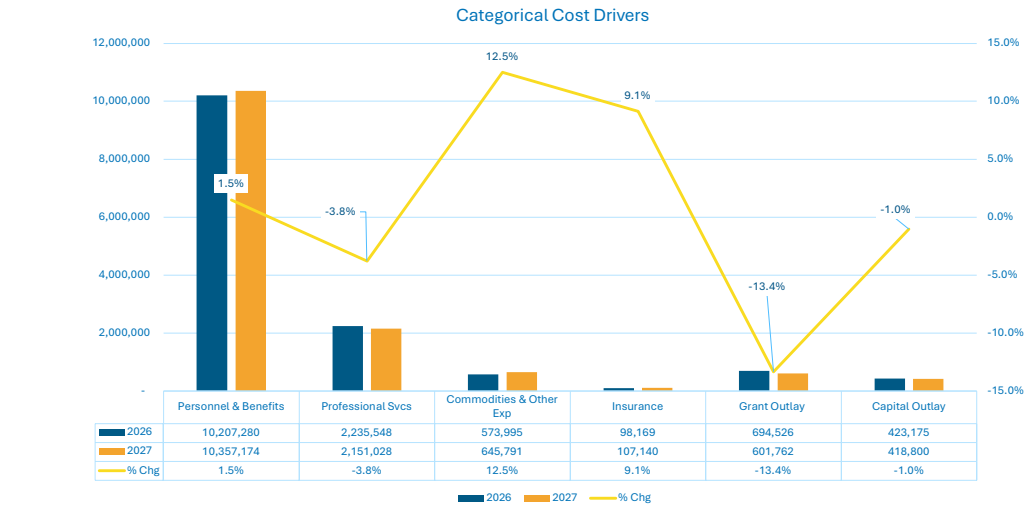


	ADMINISTRATION	PUBLIC SAFETY	PUBLIC WORKS	PARKS AND RECREATION	NEIGHBORHOOD SVC/PLANNING	TRANSFERS	CONTINGENCIES
2023 ACTUAL	1,758,920	5,190,828	1,212,804	682,036	355,387	3,070,024	41,800
2024 ACTUAL	1,819,346	5,728,789	1,151,405	861,057	388,073	2,785,074	126,092
2025 ACTUAL	2,079,949	5,973,198	1,117,743	889,765	541,164	3,620,275	35,850
2026 BUDGET	2,064,053	7,069,774	1,342,084	922,346	851,065	3,629,830	10,000
2027 ADJ BUDGET	2,161,844	7,112,675	1,104,896	1,052,513	665,241	3,853,154	77,000

This graph compares 2023-2025 actual with 2026-2027 budgeted expenses.

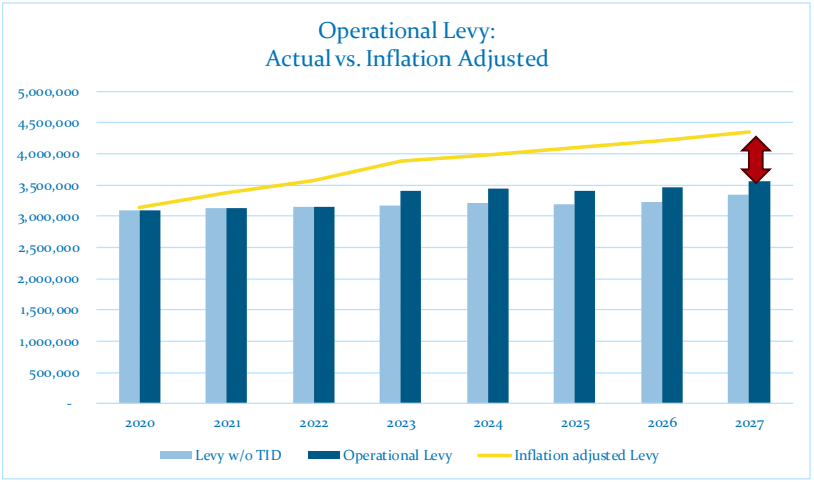
- Administration expenses remain stable with only modest growth, reflecting consistent operational needs and limited year-to-year variability.
- Public Safety continues to be the largest expense category and shows steady increases each year. This growth reflects rising personnel costs, equipment needs and service demands across police and fire/EMS operations.
- Public Works expenses fluctuate slightly but generally trend upward, driven by maintenance needs, material costs and infrastructure support.
- Parks and Recreation shows gradual annual increases as programming, maintenance and facility needs continue to expand.
- Community Development (Neighborhood Services) experiences moderate growth ties to development activity and community service demands.
- Transfers see a noticeable increase in the 2026 and 2027 budgets, representing internal funding commitments such as support for debt service, capital needs or operational support for other designated funds.

2027 BUDGET BRIEFING



- This graph compares the 2026 and 2027 budget and highlights the various cost drivers from year to year.
- Personnel & Benefits remains the largest cost driver (total dollars). While only an increase of 1.5%, it represents an overall increase of approximately $150,000.
- Commodities and other expenses increased significantly as we have adjusted the budget to reflect rising fuel prices.
- Insurance costs rise by 9.1% continuing a trend across all municipal coverage types

2027 BUDGET BRIEFING



The gap:
$788,857 -
$1,008,210

This chart compares the City's actual operational levy to what it would have been if it had grown with inflation. Referendum impacts are removed since they added staff rather than offset inflation. A separate column shows the levy without the 2023 TID-closure adjustment. The gap between the actual and inflation-adjusted levy reflects the City's loss of purchasing power over time.

2027 BUDGET BRIEFING

CAPITAL PROJECTS – GENERAL FUND

- DPW Facility Design $500,000
- Lakes Management $150,000
- Whitewater Street/Cravath Park Brick Replacement $210,000
- Air Handler Replacement (Library) $185,000
- Zoning Code Rewrite $120,000
- Design for 7 street improvement/reconstruction projects in 2028
- 2 Street improvement/overlay projects $390,000

2027 BUDGET BRIEFING

CAPITAL PROJECTS – GENERAL FUND (DEFERRALS)

- Birge Fountain
- Moraine View

These projects were recommended to be deferred to 2028 by the Finance Committee since the project details are not finalized at this time.

2027 BUDGET BRIEFING

CAPITAL PROJECTS – UTILITIES

- Starin Park Underground Detention Pond $3,625,000
- Detention basin dredging $345,000
- Starin Rd water main relocation $265,000
- Water meter replacements $225,000
- Water facility assessment $128,000
- Sludge thickener/dewatering $250,000

2027 BUDGET BRIEFING

FUND BALANCE POSITION

- City's policy 20% of operating costs
- Estimated fund balance at year end $3,197,905 or 23.2%
- How does fund balance support long-term stability?

The City's fund balance policy requires 20% of operational costs in a given year. The City estimates its fund balance to be $3,197,905 at the end of the year. This represents 23.2% of operating costs (debt levy not included in the calculation).

Having a healthy fund balance supports long-term stability in several ways:

- Protects the City from revenue volatility
- Supports cash flow throughout the year
- Stabilizes the budget over multiple years
- Improves financial flexibility
- Strengthens credit ratings and reduces borrowing costs
- Helps the City manage long-term capital planning
- Prevents disruptive service cuts

G.O. Debt Capacity

Existing Debt					Proposed Debt						
Year Ending	Projected Equalized Value (TID IN)[1]	Debt Limit 5% of EV	Existing Principal Outstanding	% of Limit	2026 STF Loan	2027 G.O. Notes	2027 CWF Loan	Combined Principal Existing & Proposed	% of Limit	Residual Capacity	Year Ending
2026	1,177,050,300	58,852,515	31,825,924	**54.08%**	2,500,000			$34,325,924	**58.33%**	$24,526,591	2026
2027	1,233,022,697	61,651,135	29,392,011	**47.67%**	2,453,793	2,150,000	800,000	$34,795,804	**56.44%**	$26,855,331	2027
2028	1,291,300,108	64,565,005	27,204,014	**42.13%**	2,342,978	2,120,000	759,261	$32,426,254	**50.22%**	$32,138,751	2028
2029	1,344,477,454	67,223,873	25,055,367	**37.27%**	2,224,683	2,045,000	727,809	$30,052,859	**44.71%**	$37,171,013	2029
2030	1,399,844,710	69,992,236	23,012,611	**32.88%**	2,098,403	1,965,000	695,544	$27,771,558	**39.68%**	$42,220,678	2030
2031	1,457,492,059	72,874,603	20,909,182	**28.69%**	1,963,987	1,885,000	662,445	$25,420,614	**34.88%**	$47,453,989	2031
2032	1,517,513,397	75,875,670	18,765,787	**24.73%**	1,820,110	1,795,000	628,490	$23,009,387	**30.33%**	$52,866,282	2032
2033	1,580,006,489	79,000,324	16,559,237	**20.96%**	1,666,521	1,695,000	593,658	$20,514,416	**25.97%**	$58,485,908	2033
2034	1,645,073,124	82,253,656	14,372,309	**17.47%**	1,502,565	1,510,000	557,925	$17,942,799	**21.81%**	$64,310,857	2034
2035	1,712,819,284	85,640,964	12,225,000	**14.27%**	1,327,820	1,315,000	521,269	$15,389,088	**17.97%**	$70,251,876	2035
2036	1,783,355,315	89,167,766	10,185,000	**11.42%**	1,141,001	1,110,000	483,665	$12,919,666	**14.49%**	$76,248,100	2036
2037	1,856,796,108	92,839,805	8,405,000	**9.05%**	941,573	900,000	445,088	$10,691,661	**11.52%**	$82,148,144	2037
2038	1,933,261,284	96,663,064	7,060,000	**7.30%**	728,683	735,000	405,515	$8,929,198	**9.24%**	$87,733,867	2038
2039	2,012,875,392	100,643,770	5,670,000	**5.63%**	501,557	565,000	364,919	$7,101,476	**7.06%**	$93,542,294	2039
2040	2,095,768,107	104,788,405	4,395,000	**4.19%**	258,966	385,000	323,273	$5,362,239	**5.12%**	$99,426,166	2040
2041	2,182,074,448	109,103,722	3,260,000	**2.99%**		195,000	280,551	$3,735,551	**3.42%**	$105,368,172	2041
2042	2,271,934,991	113,596,750	2,460,000	**2.17%**		0	236,724	$2,696,724	**2.37%**	$110,900,025	2042
2043	2,365,496,104	118,274,805	1,650,000	**1.40%**		0	191,765	$1,841,765	**1.56%**	$116,433,041	2043
2044	2,462,910,179	123,145,509	895,000	**0.73%**			145,643	$1,040,643	**0.85%**	$122,104,866	2044
2045	2,564,335,888	128,216,794	445,000	**0.35%**			98,329	$543,329	**0.42%**	$127,673,466	2045
2046	2,669,938,433	133,496,922	(0)	**0.00%**			49,792	$49,792	**0.04%**	$133,447,130	2046
2047	2,779,889,823	138,994,491		**0.00%**			(0)	$0	**0.00%**	$138,994,491	2047

Notes:
1) Projected TID IN EV based on 5-year average at 4.76% annual inflation.
2) Projected EV also includes Summerset Marine value

EHLERS PUBLIC FINANCE ADVISORS

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This slide is from the City's financial advisor, Ehlers. It shows the debt capacity with the existing debt and the change when we incorporate the proposed debt. The proposed debt would move the City from 54% to 58% of the state imposed limits.

Tax Impact Analysis

Year Ending	Existing Debt: Net Debt Service Levy	Existing Debt: Equalized Value (TID OUT)	Proposed Debt: 2026 STF Loan 2,500,000 Dated: 12/5/2026 Total P&I	Proposed Debt: 2027 G.O. Notes 2,150,000 Dated: 5/1/2027 Total P&I	Proposed Debt: 2027 CWF Loan 800,000 Dated: 5/1/2027 Total P&I	Abatements: Less: Storm Water	Abatements: Less: TID #10	Debt Service Levy: Total Net Debt Service Levy	Debt Service Levy: Levy Change from Prior Year	Taxes: Total Tax Rate for Debt Service	Taxes: Annual Taxes $100,000 of value	Taxes: Annual Taxes New Debt Only	Year Ending
			6.75%	3.86%-4.90%	2.59%								
2026	1,879,330							1,879,330					2026
2027	1,982,530	1,100,131,800	0	0	0			1,982,530	103,200	$1.80	$180		2027
2028	1,988,283	1,136,917,407	276,446	176,480	60,892	(119,961)	(276,446)	2,105,695	123,165	$1.85	$185	$10	2028
2029	1,987,540	1,174,933,030	276,446	170,412	50,672	(108,495)	(276,446)	2,100,128	(5,567)	$1.79	$179	$10	2029
2030	1,983,889	1,214,219,800	276,446	172,346	50,662	(106,903)	(276,446)	2,099,994	(134)	$1.73	$173	$10	2030
2031	1,981,977	1,254,820,219	276,446	169,102	50,651	(105,270)	(276,446)	2,096,459	(3,535)	$1.67	$167	$9	2031
2032	1,974,397	1,296,778,212	276,446	175,564	50,640	(108,490)	(276,446)	2,092,111	(4,349)	$1.61	$161	$9	2032
2033	1,966,264	1,340,139,175	276,446	181,524	50,629	(106,566)	(276,446)	2,091,850	(261)	$1.56	$156	$9	2033
2034	1,870,051	1,384,950,017	276,446	260,341	50,617	(109,497)	(276,446)	2,071,512	(20,338)	$1.50	$150	$15	2034
2035	1,756,164	1,431,259,220	276,446	261,969	50,605	(112,171)	(276,446)	1,956,566	(114,946)	$1.37	$137	$14	2035
2036	1,732,889	1,479,116,884	276,446	262,966	50,593	(114,570)	(276,446)	1,931,878	(24,689)	$1.31	$131	$13	2036
2037	1,405,351	1,528,574,787	276,446	258,315	50,580	(106,887)	(276,446)	1,607,360	(324,518)	$1.05	$105	$13	2037
2038	1,169,176	1,579,686,437	276,446	204,409	50,567	(50,567)	(276,446)	1,373,585	(233,775)	$0.87	$87	$13	2038
2039	1,152,001	1,632,507,130	276,446	201,453	50,554	(50,554)	(276,446)	1,353,454	(20,131)	$0.83	$83	$12	2039
2040	1,092,616	1,687,094,012	276,446	203,140	50,541	(50,541)	(276,446)	1,295,756	(57,698)	$0.77	$77	$12	2040
2041	1,053,231	1,743,506,141	276,446	204,210	50,527	(50,527)	(276,446)	1,257,441	(38,315)	$0.72	$72	$12	2041
2042	762,581	1,801,804,548	276,446	199,778	50,512	(50,512)	(276,446)	962,359	(295,083)	$0.53	$53	$11	2042
2043	953,272	1,862,052,305		0	50,498	(50,498)		953,272	(9,087)	$0.51	$51	$0	2043
2044	654,288	1,924,314,593		0	50,483	(50,483)		654,288	(298,984)	$0.34	$34	$0	2044
2045	350,213	1,988,658,774		0	50,467	(50,467)		350,213	(304,075)	$0.18	$18	$0	2045
2046	336,806	2,055,154,461		0	50,452	(50,452)		336,806	(13,406)	$0.16	$16	$0	2046
2047	0	2,123,873,594		0	50,435	(50,435)		0	(336,806)	$0.00	$0	$0	2047
Total	28,153,520		4,146,694	3,102,005	1,021,578	(1,603,847)	(4,146,694)					172	Total

EHLERS PUBLIC FINANCE ADVISORS

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This slide is also from the City's financial advisors and covers the tax impact of the proposed borrowing. The current tax rate for debt service is $1.80 per $100,000 of equalized value. The proposed debt is expected to increase the tax rate for debt service to $1.85 for 2028.

2027 BUDGET BRIEFING

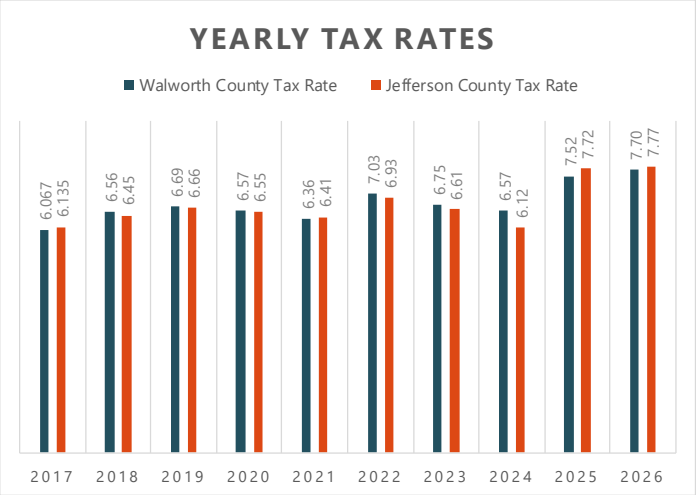
DEBT PROFILE AND TRENDS

- Current debt levels and future obligations
  - 53% of State's 5% limit
  - 75.7% of City's 3.5% policy
- Debt service as a percentage of the budget
  - 12.4%
- How does upcoming capital planning affect borrowing capacity?

GFOA recommends keeping the debt service as a percentage of the operating budget under 15%.
15-20% is considered elevated and anything over 20% is considered high risk.
Upcoming capital planning has a direct impact on the city's borrowing capacity because long-term borrowing decisions must anticipate not only what we need today but what we will need to finance over the next several years.

- Future capital projects create future debt obligations
- Helps avoid exceeding debt service targets
- A strong capital plan prevents "crowding out"
- Improves credit rating stability
- Supports timing decisions
- Enhances financial flexibility
- Ensures levy impact is manageable

2027 BUDGET BRIEFING



This chart shows the historical tax rates for Walworth and Jefferson Counties from 2017-2026.

- Both counties have generally experienced modest fluctuations over time.
- 2022 and 2025 show sharper increases from voter approved public safety referendums.

2027 BUDGET BRIEFING

MILL RATE IMPACTS – WALWORTH COUNTY

Assessed Value	2025 City Taxes	2026 City Taxes	$ Chg	% Chg
$150,000	$1,128	$1,157	$29	2.53%
$200,000	$1,504	$1,542	$38	2.53%
$250,000	$1,880	$1,928	$48	2.53%
$300,000	$2,256	$2,313	$57	2.53%
$350,000	$2,632	$2,699	$67	2.53%
$400,000	$3,008	$3,084	$76	2.53%
$450,000	$3,470	$3,470	$86	2.53%

Walworth County's mill rate increased by 0.19, which represents a 2.53% rise. For a resident with a home assessed at $350,000, this change amounts to approximately $67 more per year, or about $5.58 per month on their tax bill.

2027 BUDGET BRIEFING

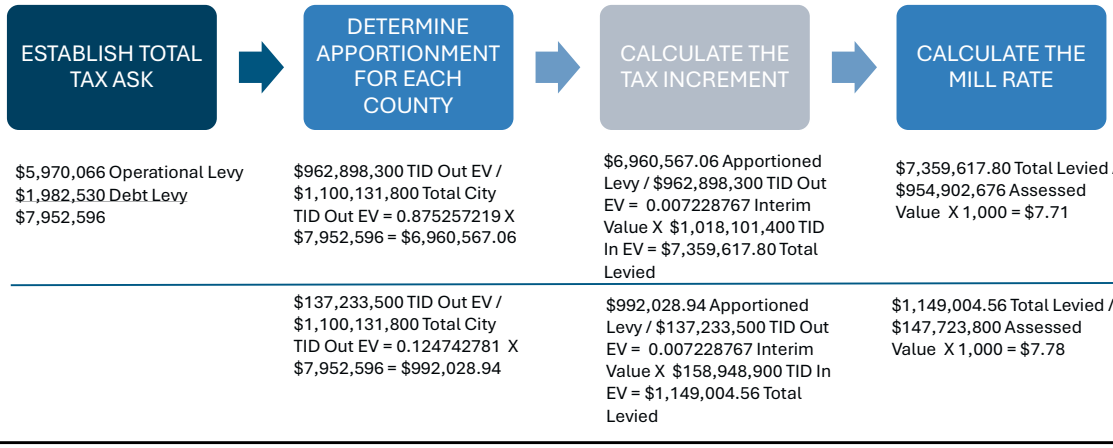
MILL RATE IMPACTS – JEFFERSON COUNTY

Assessed Value	2025 City Taxes	2026 City Taxes	$ Chg	% Chg
$150,000	$1,158	$1,167	$9	0.78%
$200,000	$1,544	$1,556	$12	0.78%
$250,000	$1,930	$1,945	$15	0.78%
$300,000	$2,316	$2,334	$18	0.78%
$350,000	$2,702	$2,723	$21	0.78%
$400,000	$3,088	$3,112	$24	0.78%
$450,000	$3,474	$3,501	$27	0.78%

Jefferson County's mill rate increased by 0.05, which represents a 0.78% rise. For a resident with a home assessed at $350,000, this change amounts to approximately $21 more per year, or about $1.75 per month on their tax bill.

2027 BUDGET BRIEFING

HOW DOES THE CITY DETERMINE THE MILL RATE?



We begin by determining the total tax ask, which is the combined amount of the operational levy and the debt levy. Next, we calculate how much of that levy should be assigned to each county. To do this, we divide each county's TID-Out equalized value by the City's total TID-Out equalized value. This gives us the percentage share each county is responsible for. We then apply that percentage to the total levy to determine the levy amount allocated to each county.

From there, we calculate the tax increment. We take the county-apportioned levy amount and divide it by the county's TID-Out equalized value to obtain an interim rate. That interim rate is then multiplied by the county's TID-In equalized value to determine the total amount of tax increment being levied.

Finally, to determine the mill rate, we take the total levy (including increment) for each county, divide it by the assessed value, and multiply by 1,000.

2027 BUDGET BRIEFING

TAXPAYER IMPACTS BEYOND THE MILL RATE

- Maintenance year for assessments
- Levy drivers
  - Personnel costs
  - Debt service payments
  - Inflation on goods and services

This year was a maintenance year for property assessments, meaning only properties that were sold or had significant permitted work received a reassessment.
Our primary cost drivers were outlined in a previous slide. The largest increases continue to come from personnel costs (in terms of total dollars) and inflation in goods and services (in terms of percentage), particularly fuel. Debt service and rising interest rates also remain significant factors affecting the budget.

2027 BUDGET BRIEFING

LONG-TERM FINANCIAL OUTLOOK

- Key risks and pressures
  - Inflation out pacing levy limits
  - Aging infrastructure and rising capital needs
- Opportunities
  - Health Insurance
- Strategic Priorities for the next budget cycle
  - Capital planning and replacement schedules
  - Revenue stability and diversification

The City continues to face structural cost pressures, particularly in personnel expenses and inflation on goods and services—both of which are growing faster than allowable revenues. This imbalance will continue to constrain future budgets. In addition, our roads, facilities, and equipment require ongoing investment, and delaying maintenance only increases long-term liabilities. Upcoming capital needs, including the DPW facility, will place additional pressure on borrowing capacity and future debt service, underscoring the importance of long-term financial planning.

Health insurance remains one of the fastest-growing employer costs; however, the structural changes implemented in 2025 are producing positive results. While 2025 saw substantial savings, the 2026 budget reflected higher utilization of the Direct Care Providers (DCP) and several plan adjustments. Continued education on benefit use and refining incentives around DCP utilization have helped limit the 2027 premium increase to just 3%. Our goal is to maintain access to high-quality care while keeping costs manageable for both employees and the City.

Strategic priorities for the next budget cycle include strengthening capital planning and debt management by updating the multi-year capital improvement plan, refining prioritization criteria, and identifying which projects should shift to cash-funding to preserve borrowing capacity. Another key priority is revenue stability and diversification.

The City will be reviewing fee structures to ensure they reflect true costs and exploring opportunities to increase non-levy revenues to reduce pressure on the tax base.

2027 BUDGET BRIEFING

ITEMS REQUIRINIG COUNCIL DIRECTION

- Potential Budget Cuts & Impact
  - Budgeting HRA for 50% utilization; $30,000
  - Mobile studio; $7,000
  - Utilize fund balance for additional Library transfer; $77,000
  - Aurelian; $31,000
  - Shop/Fleet repair line reduced by $10-$15,000
  - Equipment rental line reduced by $2,500
  - No increases to wages in 2027; $71,000 (non-union personnel only)
  - Staffing cuts

The Council and Finance Committee set a goal of keeping taxes flat for 2027. The budget being presented is balanced and has already gone through two rounds of reductions. To keep Walworth's mill rate flat, however, an additional $189,000 in cuts would be required. At this point, reductions of that size would almost certainly require holding wages flat or eliminating positions, as remaining discretionary areas are limited.

For context, the proposed increase in Walworth equates to approximately $67 per year—or $5.58 per month—for a home assessed at $350,000. Jefferson County would see a $16 annual increase on the same property.

These cuts were reviewed by the Finance Committee, and they elected to bring them to the full Council.

Potential reductions include:

- Budget the HRA at 50% utilization, saving $30,000 in the General Fund. While this would help reduce the mill rate, it would set a precedent for underfunding a liability.
- Remove the mobile studio from the budget, saving $7,000. Doing so may limit our ability to address technical needs for meetings held outside the Council Chambers.
- Use fund balance for the additional Library transfer, saving $77,000.
- Reduce the Shop/Fleet repair line by $10,000–$15,000. Although budgeted at $27,000, the City has spent only about $10,000 in each of the last two years. The risk is that major repairs can arise unexpectedly.
- Reduce an equipment rental line for snow and ice control by $2,500.

- Remove the new dispatch software (Aurelian) requested by the Police Department, saving $31,000.
- Hold wages flat for 2027, saving $71,000. Only applies to non-union personnel and is not recommended due to significant negative impacts on recruitment, retention, and morale, but it remains an option.

Anything beyond these reductions would require eliminating positions. As a reference point, every $10,000 cut reduces the mill rate by approximately $0.01, or $1 per $100,000 of assessed value.

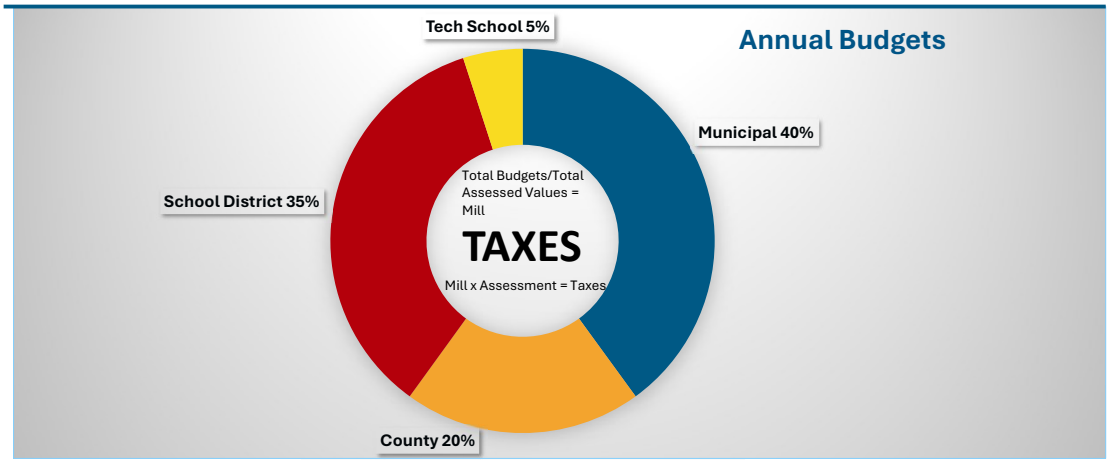
2027 BUDGET BRIEFING

WHAT TO EXPECT AT THE NEXT MEETING

- Budget hearing November 17, 2026
- Total tax rate

The budget hearing is scheduled for November 17, 2026, at which time the budget—along with any approved changes—will be presented for adoption. You can also expect to receive the total tax rate for all taxing jurisdictions, with the exception of the state tax credits, which are typically updated later in November.

2027 BUDGET BRIEFING



City of WHITEWATER
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QUESTIONS?

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