



# Wauwatosa, WI

## Financial Affairs Committee

### Meeting Agenda - Final

7725 W. North Avenue  
Wauwatosa, WI 53213

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Tuesday, September 23, 2025

7:30 PM

Committee Room #1 and Zoom:  
<https://servetosa.zoom.us/j/81144274572>,  
Meeting ID: 811 4427 4572

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#### Regular Meeting

#### HYBRID MEETING INFORMATION

Members of the public may observe and participate in the meeting in-person or via Zoom at the link above. To access the Zoom meeting via phone, call 1-312-626-6799 and enter the Meeting ID.

#### CALL TO ORDER

#### ROLL CALL

#### FINANCIAL AFFAIRS COMMITTEE ITEMS

1. Consideration of request by the Sustainability Manager for approval to enter into a contract with Arch Electric for installation of solar photovoltaic arrays on five City buildings and approval to expend up to 10% of the 2026 funds in advance of approval of the 2026 capital improvement budget [25-1580](#)
2. Consideration of request by Facilities Manager for approval of final invoice payment to Statz Restoration for bathroom remodel construction, exceeding the original contract amount by \$17,580 [25-1561](#)
3. Consideration of request from the Engineering Division to approve an agreement with Union Pacific Railroad (UPRR) for activities involved with a diagnostic review of the Walnut Road private crossing and to approve a fund transfer of \$50,000 from Bus Stop Improvements (CIP #9008) to Engineering consulting services for said diagnostic review [25-1609](#)
4. Consideration of request by Director of Public Works to authorize staff to enter into a construction management services agreement for the renovation of the Library & City Hall facility to CG Schmidt in the amount of \$69,200 [25-1589](#)
5. Consideration of approval of City participation in the National Opioids Secondary Manufacturers Settlement [25-1600](#)

6. Consideration of approval of 25-year extension of T-mobile cellular antennae on the water tower at 10331 Watertown Plank Road [25-1272](#)
7. Consideration of recommendation to utilize the 2024 Health Insurance surplus to establish a sick leave pay-out, provide a dividend to employees and create a flood reimbursement reserve [25-1273](#)
8. Consideration of approval of August 2025 flood-related emergency purchases and fund transfers and update on initial assessment of public sector damage [25-1563](#)
9. Consideration of recommendation by Finance Director for approval of 2025 General Obligation Notes [25-1560](#)

## **ADJOURNMENT**

### NOTICE TO PERSONS WITH A DISABILITY

Persons with a disability who need assistance to participate in this meeting should call the City Clerk's office at (414) 479-8917 or send an email to [tclerk@wauwatosa.net](mailto:tclerk@wauwatosa.net), with as much advance notice as possible.



## Staff Report

**File #:** 25-1580

**Agenda Date:** 9/23/2025

**Agenda #:** 1.

Consideration of request by the Sustainability Manager for approval to enter into a contract with Arch Electric for installation of solar photovoltaic arrays on five City buildings and approval to expend up to 10% of the 2026 funds in advance of approval of the 2026 capital improvement budget

**Submitted by:**

Megan Conway, Sustainability Manager

**Department:**

Department of Public Works

**A. Issue**

In line with the goals of the 2020 City of Wauwatosa Energy Resolution to source at least 25% of all energy used for municipal operations from local renewable sources by 2025, reduce municipal greenhouse gas emissions 50% by 2030, and achieve carbon neutrality by 2050, staff seeks authorization to accelerate installation of rooftop solar photovoltaic systems on remaining municipal buildings to meet recently adjusted federal deadlines to secure federal funding from the Inflation Reduction Act.

The federal One Big Beautiful Bill Act (OBBBA/HR1), effective July 4, 2025, made significant changes to the Clean Energy Investment Tax Credits that provide 30% of solar photovoltaic project costs to municipalities and other public entities through the elective pay mechanism. While solar would still be a cost saving measure for the City over the life of the system without federal funding, there is an opportunity for substantial savings (over \$175,000) through meeting these accelerated deadlines. Additionally, PSC-approved electricity rate increases will drive up utility costs again next year, increasing taxpayer savings with on-site renewable energy generation.

**B. Background/Options**

The City of Wauwatosa has invested in solar photovoltaic systems across our municipal buildings resulting in reduced greenhouse gas emissions and lower electricity costs. There are five remaining municipal buildings that have solar-feasible rooftops that do not yet have solar systems installed - Fire Station 51 (1610 Underwood Avenue), Fire Station 52 (4187 N Mayfair Road), Fire Station 53 (10525 W Watertown Plank Road), Fire Training Building (11100 W Walnut Road), and Hart Park Administration Building (7300 W Chestnut Street). Installing solar on these remaining buildings would be a notable achievement for the City of Wauwatosa and make significant progress toward our climate action goals.

In order to remain eligible for the 30% federal cost reimbursement through the Clean Energy Investment Tax Credits for commercial solar under the new timelines and supply chain parameters established with OBBBA/HR1, we must commence construction on a significantly accelerated schedule. To qualify, the project must be under contract and at least 5% of the total project cost paid before January 1, 2026.

A request for proposals for rooftop solar photovoltaic systems on the five remaining buildings was issued on

August 14, 2025 and three proposals were received on September 9, 2025. Proposals for the five systems ranged in size from 247.07 to 268.47 kilowatts (kW) and ranged in cost from \$577,135.00 to \$586,302.50. City staff reviewed the proposals and considered many factors including system size, cost, installer experience, component selection, and demonstrated understanding of shifting federal requirements and timelines to ensure eligibility for the Inflation Reduction Act 30% credit. After considering these factors, staff recommend the City enter into a contract with Arch Electric. Arch Electric has proposed the lowest cost per kW of solar photovoltaic system and a timeline that will allow us to receive federal funding before the accelerated deadline takes effect.

#### Proposal from Arch Solar:

|                             | Fire Station 51 | Fire Station 52 | Fire Station 53 | Fire Training | Hark Park Admin |
|-----------------------------|-----------------|-----------------|-----------------|---------------|-----------------|
| <b>Project Cost</b>         | \$212,034.00    | \$131,353.00    | \$146,571.00    | \$34,749.00   | \$60,084.00     |
| <b>Federal Credit*</b>      | (\$63,610.20)   | (\$39,405.90)   | (\$43,971.30)   | (\$10,424.70) | (\$18,025.20)   |
| <b>Focus Incentive</b>      | (\$5,002.00)    | (\$2,691.00)    | (\$3,393.00)    | (\$643.50)    | (\$1,122.00)    |
| <b>Net City Cost</b>        | \$143,421.80    | \$89,526.10     | \$99,206.70     | \$23,680.80   | \$40,936.80     |
| <b>Annu. Elec. Saving**</b> | (\$11,538)      | (\$7,490)       | (\$10,056.00)   | (\$1,206)     | (\$3,232)       |
| <b>Payback Period</b>       | 11.1 years      | 10.7 years      | 9 years         | 16.5 years    | 11.3 years      |
| <b>Array Size (kW)</b>      | 100.04          | 53.82           | 67.86           | 12.87         | 22.44           |
| <b>Elec. Use Covered</b>    | 36.99%          | 100%            | 93.85%          | 100%          | 59.63%          |

#### Total Project Summary

- TOTAL Arch Electric Project Cost: \$584,791.00
- TOTAL Federal Credits\*: (\$175,437.30)
- TOTAL Focus on Energy Incentives: (\$12,851.50)
- TOTAL Net City Cost: \$396,502.20
- TOTAL Annual Electricity Savings (Year 1)\*\*: (\$33,522.00)
- TOTAL Solar PV Size: 257.39 kW
- TOTAL Electricity Use Covered (across these five buildings): 59%

*\*The end-date for Inflation Reduction Act Clean Energy Investment Tax Credits has been accelerated with the passing of OBBBA/HR1. The City of Wauwatosa will need to commence construction on remaining solar projects by the end of 2025 to receive these credits.*

*\*\*Annual savings calculated from 12-month historical energy usage and current electricity rates, savings are expected to increase with approved utility rate increases*

### C. Strategic Plan (Area of Focus)

Priority Area Three: Infrastructure

Priority Area Five: Quality of Life

### D. Fiscal Impact

The total cost of installation is proposed at \$584,791.00 with \$188,288.80 in credits and incentives (\$175,437.30 in federal tax credits and \$12,851.50 from Focus on Energy) resulting in a net cost to the City of \$396,502.20.

Due to recent changes established in the OBBBA/HR1, projects that commence construction after December 31,

2025 will lose eligibility for the federal tax credits.

The annual electricity savings once installed and commissioned are expected to be \$33,522.00 based on 12-month historical electricity use data and current electricity rates. Annual savings will increase with future electricity rate increases.

**E. Recommendation**

Authorize entering into contract with Arch Electric for rooftop solar photovoltaic installations on Fire Station 51, Fire Station 52, Fire Station 53, Fire Training Building, and Hart Park Administration Building and securing 30% federal credits by commencing construction in 2025 in advance of approval of the 2026 Capital Improvement Budget.



# City of Wauwatosa Solar PV Proposal: Fire Stations and Hart Park Administration Building

September 23, 2025  
Financial Affairs Committee Meeting





# Wauwatosa's Sustainability Goals



Photo: Arch Electric

## Clean Energy Commitments in Wauwatosa

*The goals of the **Energy Resolution** passed by Common Council in 2020 include:*

Source at least **25% of all energy** used for municipal operations from **local renewable sources** by 2025

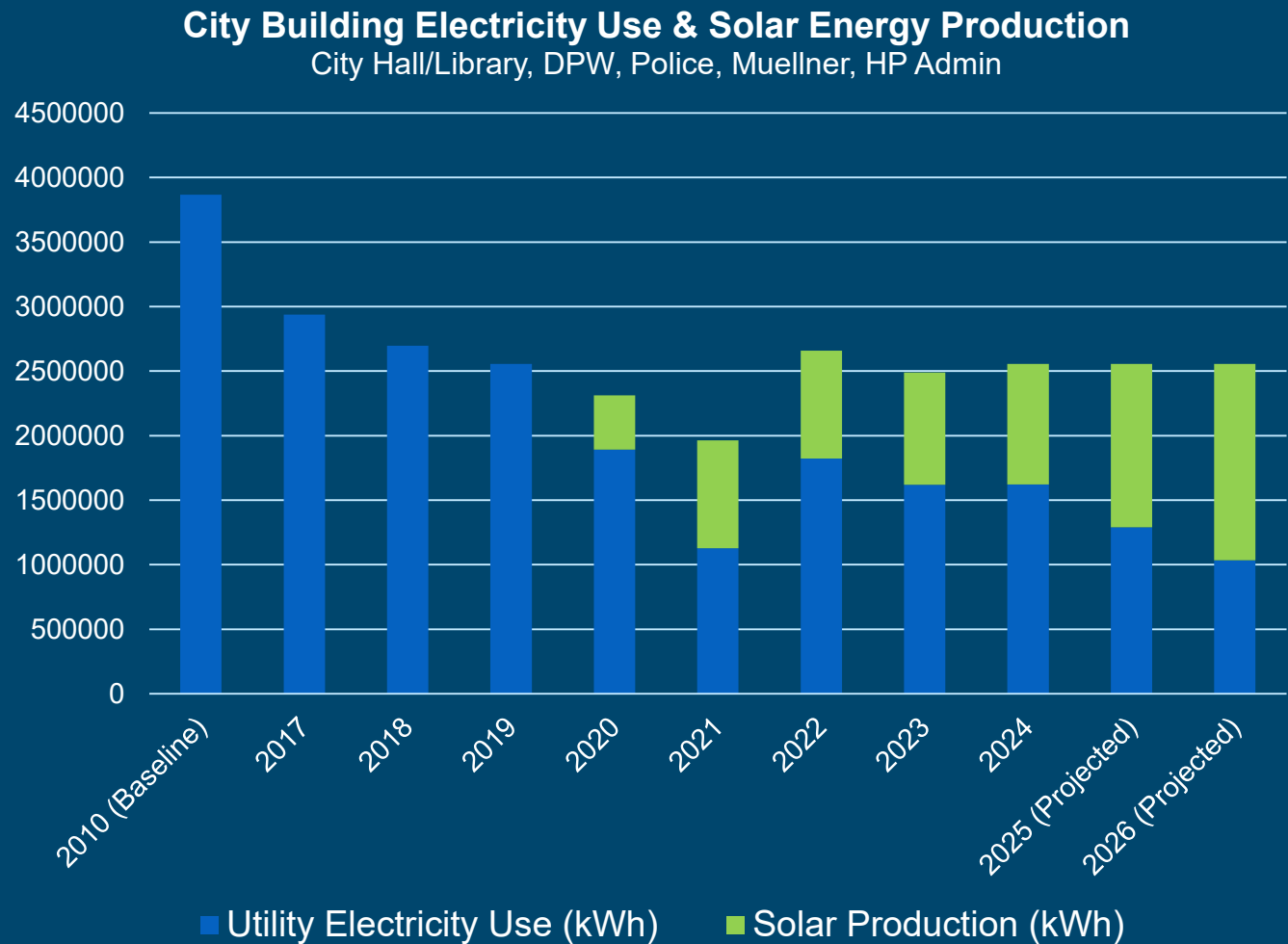
Reduce **municipal greenhouse gas emissions 50%** by 2030

Achieve **community-wide carbon neutrality** by 2050

# Renewable Energy | GHG Emissions Reduction and Cost Savings

Wauwatosa has already seen **energy and cost savings from existing rooftop solar installations** on the City Hall and Library building, Department of Public Works, Police Station, and Muellner Buildings, as well as other facilities like the Potter Road Pumping Station and Firefly Grove Park.

Adding solar photovoltaic systems to Fire Station 51, Fire Station 52, Fire Station 53, Fire Training Building, and Hart Park Administration Building would be a **significant achievement for the City with on-site renewable energy on all solar-feasible municipal facilities.**





# Solar PV Project Proposal – Arch Electric

|                               | Fire Station 51 | Fire Station 52 | Fire Station 53 | Fire Training Building | Hark Park Admin |
|-------------------------------|-----------------|-----------------|-----------------|------------------------|-----------------|
| Arch Electric Project Cost    | \$212,034.00    | \$131,353.00    | \$146,571.00    | \$34,749.00            | \$60,084.00     |
| Federal Credit*               | (\$63,610.20)   | (\$39,405.90)   | (\$43,971.30)   | (\$10,424.70)          | (\$18,025.20)   |
| Focus on Energy Incentive     | (\$5,002.00)    | (\$2,691.00)    | (\$3,393.00)    | (\$643.50)             | (\$1,122.00)    |
| Net City Cost                 | \$143,421.80    | \$89,526.10     | \$99,206.70     | \$23,680.80            | \$40,936.80     |
| Annual Elec. Savings (Yr 1)** | (\$11,538)      | (\$7,490)       | (\$10,056.00)   | (\$1,206)              | (\$3,232)       |
| Payback Period                | 11.1 years      | 10.7 years      | 9 years         | 16.5 years             | 11.3 years      |
| Array Size (kW)               | 100.04          | 53.82           | 67.86           | 12.87                  | 22.44           |
| Electricity Use Covered       | 36.99%          | 100%            | 93.85%          | 100%                   | 59.63%          |

## Total Project Summary

|   |                       |
|---|-----------------------|
| Project Cost:                           | <b>\$584,791.00</b>   |
| Federal Credits*:                       | <b>(\$175,437.30)</b> |
| Focus Incentives:                       | <b>(\$12,851.50)</b>  |
| Net City Cost:                          | <b>\$396,502.20</b>   |
| Annual Electricity Savings (Year 1)**:  | <b>(\$33,522.00)</b>  |
| Solar PV Size:                          | <b>257.39 kW</b>      |
| Elec. Use Covered (across 5 buildings): | <b>59%</b>            |
| Warranty                                | <b>25 years</b>       |

*\*The end-date for IRA Clean Energy Investment Tax Credits has been accelerated with the passing of OBBBA/HR1. The City of Wauwatosa will need to commence construction on remaining solar projects by the end of 2025 to receive these credits.*

*\*\*Annual savings calculated from 12-month historical energy usage and current electricity rates, savings are expected to increase with approved utility rate increases*

# Why Now?



Photo: Hart Park Muellner Building

The **federal budget bill (OBBBA/HR1)**, effective July 4, 2025, made **significant changes** to the Clean Energy Investment Tax Credits that provide 30% of solar photovoltaic project costs to municipalities and other public entities through the elective pay mechanism.

While solar would still be cost saving measure for the City over the life of the system without federal funding, there is an **opportunity for substantial savings (over \$175,000) through meeting these accelerated deadlines.** Additionally, PSC-approved electricity rate increases will drive up utility costs again next year, increasing taxpayer savings with on-site renewable energy generation.

In order to remain eligible for federal Clean Energy Investment Tax Credits without supply chain restrictions, **commercial solar installations must commence construction before January 1, 2026.**



# Wauwatosa, WI

7725 W. North Avenue  
Wauwatosa, WI 53213

## Staff Report

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**File #:** 25-1561

**Agenda Date:** 9/23/2025

**Agenda #:** 2.

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Consideration of request by Facilities Manager for approval of final invoice payment to Statz Restoration for bathroom remodel construction, exceeding the original contract amount by \$17,580

**Submitted by:**

Charles Pomerence, Facilities Manager

**Department:**

Public Works

**A. Issue**

During the renovation of the lower level restrooms in City Hall, the contractor, Statz Restorations, over spent on their scope of work in the amount of \$17,580 without prior approval from the City.

**B. Background/Options**

Statz Restorations, a pre-qualified vendor, was issued a Purchase Order (PO) in the amount of \$24,900 to complete certain tasks in the renovation of the lower level restrooms in City Hall. During the construction process, some unforeseen conditions were discovered that affected their scope of work and the contractor underestimated the labor hours required to complete the work. This resulted in the contractor incurring costs in excess of the approved PO, and the work was nearly complete when the contractor brought this to staff's attention. Because the extra work brought the total costs over \$25,000, Common Council approval is needed in order to pay the overage. Statz Restorations has submitted an invoice for the amount over the original PO amount and I believe that the invoice accurately reflects their incurred costs.

**C. Strategic Plan (Area of Focus)**

Well-maintained City infrastructure.

**D. Fiscal Impact**

None. This work was completed within the total project budget, even with this overage.

**E. Recommendation**

Staff recommends approving the payment to Statz Restorations for the work completed and invoiced for a total cost of \$42,480.



## Staff Report

**File #:** 25-1609

**Agenda Date:** 9/23/2025

**Agenda #:** 3.

Consideration of request from the Engineering Division to approve an agreement with Union Pacific Railroad (UPRR) for activities involved with a diagnostic review of the Walnut Road private crossing and to approve a fund transfer of \$50,000 from Bus Stop Improvements (CIP #9008) to Engineering consulting services for said diagnostic review

**Submitted by:**

Michael May, PE, PTOE, RSP2

**Department:**

DPW-Engineering

**A. Issue**

The Walnut Road private crossing is not currently in the quiet zone and requires a diagnostic review.

**B. Background/Options**

In early 2025, the Federal Rail Administration (FRA) notified the City of the need to reaffirm its two quiet zones. Staff completed the reaffirmation by early spring.

The FRA notified the City that the Walnut Road private crossing was not included in the original “pre-rule” quiet zone along the UPRR decades ago and that it must be added to the quiet zone in order to keep it. If changes are not made, the pre-rule quiet zone could be rescinded.

FRA minimum requirements for a private crossing in a pre-rule quiet zone includes various signs and markings. Sign and marking changes on the approaches to railroad crossings are the responsibility of the City. Signs like crossbucks are the responsibility of the railroad. Staff contacted UPRR to inform them of the need for crossbuck signs at the crossing. UPRR indicated that it will require a full diagnostic review of the Walnut Road crossing before it will make any changes to the crossing. Additionally, UPRR is requiring that all of its costs associated with the diagnostic review must be borne by the City. As a private crossing, UPRR has this authority.

UPRR is requiring the signing of an agreement for up to \$50,000 for its team’s participation in and leadership of a diagnostic review. The diagnostic review includes pre-meeting activities in a virtual setting to understand the crossing. An in-person meeting will then be assembled at the crossing consisting of UPRR staff, their consultant, and City staff. UPRR will then stipulate what changes - if any - are necessary at the private crossing. The City will then be required to pay for said requirements. Once the work is complete, the FRA has indicated that the City can then amend its current pre-rule quiet zone to include the Walnut Road private crossing.

**C. Strategic Plan (Area of Focus)**

Priority 2: Public Safety, Goal 2. Proactively address pedestrian, bicycle, and vehicular safety



**D. Fiscal Impact**

Staff is proposing a fund transfer of \$50,000 from Bus Stop Improvements (CIP #9008) to Engineering consulting services to pay for diagnostic review activities. This funding source was chosen because this is a cash funded capital improvement item that currently has no urgent need for the available funds. Should additional funds be needed for bus stops staff will make a request in a future capital budget request for the Common Council's consideration.

**E. Recommendation**

Approve the agreement with Union Pacific Railroad (UPRR) for activities involved with a diagnostic review of the Walnut Road private crossing and approve a Level 3 fund transfer of \$50,000 from Bus Stop Improvements (CIP #9008) to Engineering consulting services for said diagnostic review.

**REIMBURSEMENT AGREEMENT  
PRELIMINARY ENGINEERING SERVICES**

**Effective Date:**

**Estimate: \$50,000.00**

THIS REIMBURSEMENT AGREEMENT (**Agreement**) is made and entered into as of the **Effective Date**, by and between UNION PACIFIC RAILROAD COMPANY, a Delaware corporation (**Railroad**), and THE CITY OF WAUWATOSA, WISCONSIN (**Agency**).

**RECITALS**

A. Agency desires to initiate the project more particularly described on Exhibit A attached hereto (**Project**).

B. The Project will affect Railroad's track, right of way, or operations at or near the Project area more particularly described on Exhibit A.

C. Railroad agrees to collaborate with Agency on the conceptualization and development of the Project in accordance with the terms and conditions of this Agreement and any federal regulations.

**AGREEMENT**

NOW THEREFORE, the parties hereto agree as follows:

1. Railroad, and/or its representatives, at Agency's sole cost and expense, agrees to perform (or shall cause a third-party consultant to perform on Railroad's behalf) the preliminary engineering services work described on Exhibit B attached hereto (**PE Work**). Agency acknowledges and agrees that: (a) Railroad's review of any Project designs, plans and/or specifications, as part of the PE Work, is limited exclusively to potential impacts on existing and future Railroad facilities and operations; (b) Railroad makes no representations or warranties as to the validity, accuracy, legal compliance, or completeness of the PE Work; and (c) Agency's reliance on the PE Work is at Agency's own risk.

2. Notwithstanding the Estimate (**Estimate**), Agency agrees to reimburse Railroad and/or Railroad's third-party consultant, as applicable, for one hundred percent (100%) of all actual costs and expenses incurred for the PE Work. During the performance of the PE Work, Railroad will provide (and/or will cause its third-party consultant to provide) progressive billing to Agency based on actual costs in connection with the PE Work. After completion of the PE Work, Railroad will submit (and/or will cause its third-party consultant to submit) a final billing to Agency for any balance owed for the PE Work. Agency shall pay Railroad (and/or its third-party consultant, as applicable) within thirty (30) days after Agency's receipt of any progressive and final bills submitted for the PE Work. Bills will be submitted to the Agency using the contact information provided on Exhibit C. Agency's obligation hereunder to reimburse Railroad (and/or its third-party consultant, as applicable) for the PE Work shall apply regardless whether Agency declines to proceed with the Project or Railroad elects not to approve the Project.

3. Agency acknowledges and agrees that Railroad may withhold its approval for the Project for any reason in its sole discretion, including without limitation, impacts to Railroad's safety, facilities, or operations. If Railroad approves the Project, Railroad will continue to work with Agency to develop final plans and specifications, and prepare material and force cost estimates for any Project related work performed by Railroad.

4. If the Project is approved by Railroad, Railroad shall prepare and forward to Agency a Construction and Maintenance Agreement (**C&M Agreement**) which shall provide the terms and conditions for the construction and ongoing maintenance of the Project. Unless otherwise expressly set forth in the C&M Agreement, the construction and maintenance of the Project shall be at no cost to Railroad. No construction work on the Project affecting Railroad's property or operations shall commence until the C&M Agreement is finalized and executed by Agency and Railroad.

5. Neither party shall assign this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned, or delayed.

6. No amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties.

7. This Agreement sets forth the entire agreement between the parties regarding the Project and PE Work. To the extent that any terms or provisions of this Agreement regarding the PE Work are inconsistent with the terms or provisions set forth in any existing agreement related to the Project, such terms and provisions shall be deemed superseded by this Agreement to the extent of such inconsistency.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date.

**CITY OF WAUWATOSA, WISCONSIN**

**UNION PACIFIC RAILROAD COMPANY,**  
a Delaware Corporation

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

Bailey McAlpine  
Printed Name

\_\_\_\_\_  
Title

Manager I, Industry & Public Projects  
Title

## Exhibit A

### Project Description and Location

#### Project Description

The City of Wauwatosa, Wisconsin, proposes to make crossing modifications in support of the City's quiet zone project at the crossing locations referenced below.

#### Location

Milwaukee Subdivision

| DOT     | Crossing Type | Milepost | Street Name      |
|---------|---------------|----------|------------------|
| 177261R | Private       | 91.61    | West Walnut Road |



## **Exhibit B**

### **Scope of Project Services**

Scope of work includes, but is not limited to the following:

- Field diagnostic(s) and inspections
- Review of construction documents (plans, specifications, etc.)
- Quiet Zone documentation review and comments
- Project design
- Implementation efforts
- Preparation of Project estimate for force account or other work performed by the Railroad
- Grade crossing inventory updates
- Meetings and travel

## Exhibit C

### Billing Contact Information

|                               |  |
|-------------------------------|--|
| <b>Name</b>                   | Michael May                                      |
| <b>Title</b>                  | Senior Civil Engineer - Traffic & Transportation |
| <b>Address</b>                | 7725 W. North Avenue, Wauwatosa, Wisconsin 53213 |
| <b>Work Phone</b>             | (414) 479-8900                                   |
| <b>Cell Phone</b>             |  |
| <b>Email</b>                  | mmay@wauwatosa.net                               |
| <b>Agency<br/>Project No.</b> |  |



## Staff Report

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**File #:** 25-1589

**Agenda Date:** 9/23/2025

**Agenda #:** 7.

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Consideration of request by Director of Public Works to authorize staff to enter into a construction management services agreement for the renovation of the Library & City Hall facility to CG Schmidt in the amount of \$69,200

**Submitted by:**

David Simpson, Director of Public Works

**Department**

Public Works

**A. Issue**

The City's Capital Improvements Program (CIP) includes funding to continue with design work for the remodel and expansion of the City's Library and City Hall Complex. In order to continue onto the design and fundraising phase of this project a Request for Proposals (RFP) was issued to hire a Construction Manager for the project.

**B. Background/Options**

With the decision made to keep the Civic Center/Library/City Hall facility in its current location, the first step toward an eventual remodel of the facility was the completion of a feasibility study, which was completed and presented to the Committee of the Whole in early 2023. The 5-year CIP was subsequently developed and approved to include \$500,000, which is intended for detailed design work through the hiring of a Construction Manager and an Architectural Design Team.

The Common Council recommended that the City hire a Construction Manager as our next step toward evaluating the feasibility of the project and utilizing Construction Management at Risk (CMaR) model is being recommended for the Library & City Hall Renovation Project. A Construction Manager is a construction professional who operates similarly to a general contractor, however, every aspect of the project is publicly bid in smaller bid packages to allow for very competitive bids from subcontractors as well as various other trade professionals. This approach has become very common and helps owners, architects, and the contracting trade to partner on projects to achieve all goals of a project while ensuring budgets are met. The City has elected to utilize a CMaR contracting approach which will ultimately transfer project budget risk to the Construction Management firm instead of the City. This is done by entering into a contract with the CMaR after final design is completed that will establish a guaranteed maximum price for the City so that we can be reassured the project will be built for the City's established budget for the project.

A RFP was issued on June 12th for Construction Management at Risk services for the Library & City Hall Renovation Project. The City received ten proposals and a Selection Committee of eight members was formed

to review the proposals. Of the ten companies who submitted proposals, five were invited to interview after extensive review of their proposals. All five companies accepted the invite and interviews were conducted by the eight-member Selection Committee over the course of two days. The Committee then met to determine which company would be recommended to the Common Council for potential contract award. The Committee utilized many factors to determine which company to recommend for this project including, but not limited to, project approach, timeline, project references, similar work experience, successful past projects, staff availability, occupied space renovation experience, value engineering experience, sustainability initiatives, budgeting experience, team experience, and cost.

After an extensive process and a very detailed and lengthy discussion the Selection Committee has voted unanimously to recommend that the City enter into a contract with CG Schmidt for this incredibly important project. The CG Schmidt team, led by a Wauwatosa resident, has experience building dozens of libraries and community projects that align very well with the goals of this project. Examples of recent library projects include the New Glarus Public Library, Greenfield Library, Concordia Library Addition, Notre Dame School of Milwaukee Addition and Library, Todd Wehr Library Renovation at the Medical College of Wisconsin. Recent notable community projects include ThriveOn King Community & Residential Projects, Urban Ecology Center Riverland Event Hall, PEAK Initiative Program Center, West Allis West Milwaukee Recreation Center. They have experience ranging from smaller projects all the way up to very large projects such as the new Northwestern Mutual New Office Building on Milwaukee's waterfront. Some local projects you may be familiar with are the Tosa Pool at Hoyt Park & The Landing, Medical College of Wisconsin - Hub for Collaborative Medicine, Irgens - Innovation One, Kathy's House, and Ronald McDonald House Expansion. The Committee feels strongly that the City will have a very successful project if CG Schmidt is selected as the Construction Manager for this project.

Construction contracts for this project will consist of two phases. Phase One of the project will consist of alternatives analysis work in partnership with the architect, staff, Common Council, and Library Board, which will select a design and budget that would then move the project on to Phase Two after Common Council approval. The value of this work is \$62,000, however, CG Schmidt will be discounting this work for a total cost to the City of \$14,200. Phase Two of the project will consist of pre-construction work with a value of \$100,000, however, the City's cost will be \$55,000 after discounts. Phase Two construction work consists of percentage of construction-based fees for General Conditions and Construction Management Fees, which will vary based on final project budget. The General Conditions staff time will range from 3-3.5% of the project cost and the CMaR fee will range from 1.15-1.25% of the project cost and this will only be authorized by the Common Council if the project moves to construction.

If CG Schmidt is hired, next steps will include hiring design professionals and proceeding with an alternatives analysis, value engineering, community feedback, and ultimately, approval of a final concept by the Library Board and Common Council to move ahead into final design. As a reminder, there is currently no budget allocated for the construction portion of this project so fundraising activities and capital budgeting discussions will be occurring simultaneous to this work.



**C. Strategic Plan (Area of Focus)**

Priority 3: Infrastructure & Priority 5: Quality of Life

**D. Fiscal Impact**

Phase One work will be \$14,200 and Phase Two work will be \$55,000 in pre-construction work plus a percentage based off final budget for the construction phase. The percentage-based cost portion of the project would be authorized at a later date by the Common Council if the project were to move forward to construction. These costs are well within budget.

**E. Recommendation**

Authorize staff to enter into a contract with CG Schmidt for construction management preconstruction services for the renovation of the Library/City Hall complex in the amount of \$69,200.



## Staff Report

**File #:** 25-1600

**Agenda Date:** 9/23/2025

**Agenda #:** 5.

Consideration of approval of City participation in the National Opioids Secondary Manufacturers Settlement

**Submitted by:**

John Ruggini, Finance Director and Jennifer Tate, City Attorney

**Department:**

Finance and City Attorney

**A. Issue**

A new proposed national opioids settlement (“Secondary Manufacturers Settlements”) has been reached with eight opioids manufacturers: Alvogen, Amneal, Apotex, Hikma, Indivior, Mylan, Sun, and Zydus (“Settling Defendants”). The City is eligible to participate because the State of Wisconsin is participating in the Secondary Manufacturers Settlements. Participation requires Common Council approval.

**B. Background/Options**

The State of Wisconsin elected to participate in the following Secondary Manufacturers’ Settlements related to on-going litigation related to Opioid abuses as a participating entity:

- a. Settlement Agreement for Alvogen, Inc. dated April 4, 2025.
- b. Settlement Agreement for Apotex Corp. dated April 4, 2025.
- c. Settlement Agreement for Amneal Pharmaceuticals LLC dated April 4, 2025.
- d. Settlement Agreement for Hikma Pharmaceuticals USA Inc. dated April 4, 2025.
- e. Settlement Agreement for Indivior Inc. dated April 4, 2025.
- f. Settlement Agreement for Viartis Inc. (“Mylan”) dated April 4, 2025.
- g. Settlement Agreement for Sun Pharmaceutical Industries, Inc. dated April 4, 2025.
- h. Settlement Agreement for Zydus Pharmaceuticals (USA) Inc. dated April 4, 2025.

As with prior settlements, the Common Council must direct staff to participate with the settlement. By participating in the settlement, the City will accrue an undetermined financial benefit to offset the harm caused by the prescribing and manufacturing practices of Opioids. As with prior settlements, the funds must be used for approved purposes to prevent future Opioid abuse or assist with mitigating damages already done. The City’s current plan is to use these funds to pay for the Substance Abuse Specialist currently funded by American Rescue Plan funds that will expire on 12/31/2026.

To date, the City has received \$524,323.91 (inclusive of interest earned) and spent \$8,797.28 for a balance of \$515,526.63. There is no time-limit on when the funds must be spent.

**C. Strategic Plan (Area of Focus)**

Priority Area Five: Quality of Life

**D. Fiscal Impact**

The City will receive an undetermined amount of funds restricted for activities related to the prevention and treatment of Opioid abuse.

**E. Recommendation**

We recommend approval of participation in each of the Secondary Manufacturers Settlements noted above

New National Opioids Settlement: Secondary Manufacturers  
Opioids Implementation Administrator  
[opioidsparticipation@rubris.com](mailto:opioidsparticipation@rubris.com)

Wauwatosa city, WI  
Reference Number: CL-1770088

***TO LOCAL POLITICAL SUBDIVISIONS:***

**THIS PACKAGE CONTAINS DOCUMENTATION TO PARTICIPATE IN THE NEW NATIONAL OPIOIDS SECONDARY MANUFACTURERS SETTLEMENTS. YOU MUST TAKE ACTION IN ORDER TO PARTICIPATE.**

***Deadline: October 8, 2025***

A new proposed national opioids settlement ("*Secondary Manufacturers Settlements*") has been reached with eight opioids manufacturers: Alvogen, Amneal, Apotex, Hikma, Indivior, Mylan, Sun, and Zydus ("*Settling Defendants*"). This *Combined Participation Package* is a follow-up communication to the *Notice of National Opioids Settlement* recently received electronically by your subdivision.

You are receiving this *Combined Participation Package* because Wisconsin is participating in the Secondary Manufacturers Settlements.

If a state is not eligible to or does not participate in the settlement with a particular manufacturer, the subdivisions in that state are not eligible to participate in that manufacturer's settlement.

This electronic envelope contains:

- A *Combined Participation Form* for the *Secondary Manufacturers Settlements* that your subdivision is eligible to join, including a release of any claims.

**The *Combined Participation Form* must be executed, without alteration, and submitted on or before October 8, 2025, in order for your subdivision to be considered for initial participation calculations and payment eligibility under the *Secondary Manufacturers Settlement*.**

Based upon *Combined Participation Forms* received on or before October 8, 2025, the subdivision participation rate will be used to determine whether participation is sufficient for each settlement to move forward and whether a state earns its maximum potential payment under each settlement. If a settlement moves forward, your release will become effective. If a settlement does not move forward, that release will not become effective.

Any subdivision that does not participate cannot directly share in the settlement funds, even if the subdivision's state is settling and other participating subdivisions are sharing in settlement funds. Any subdivision that does not participate may also

reduce the amount of money for programs to remediate the opioid crisis in its state. Please note, a subdivision will not necessarily directly receive settlement funds by participating; decisions on how settlement funds will be allocated within a state are subject to intrastate agreements or state statutes.

You are encouraged to discuss the terms and benefits of the *Secondary Manufacturers Settlements* with your counsel, your Attorney General's Office, and other contacts within your state. Many states are implementing and allocating funds for this new settlement the same as they did for the prior opioids settlements but states may choose to treat this settlement differently.

Information and documents regarding the *Secondary Manufacturers Settlements*, implementation in your state, and how funds will be allocated within your state can be found on the national settlement website at <https://nationalopioidsettlement.com/>. This website will be supplemented as additional documents are created.

This *Participation Packet* is different than the participation packet you recently received from Rubris concerning a settlement with Purdue Pharma, L.P, and the Sackler Family. The *Secondary Manufacturers Settlements* discussed in this *Participation Packet* are different than the settlement with Purdue and the Sacklers, and you may participate in the *Secondary Manufacturers Settlements* regardless of whether you join the Purdue and Sackler settlement.

### **How to return signed forms:**

There are three methods for returning the executed *Combined Participation Form* and any supporting documentation to the Implementation Administrator:

- (1) *Electronic Signature via DocuSign*: Executing the *Combined Participation Form* electronically through DocuSign will return the signed form to the Implementation Administrator and associate your form with your subdivision's records. Electronic signature is the most efficient method for returning the *Combined Participation Form*, allowing for more timely participation and the potential to meet higher settlement payment thresholds, and is therefore strongly encouraged.
- (2) *Manual Signature returned via DocuSign*: DocuSign allows forms to be downloaded, signed manually, then uploaded to DocuSign and returned automatically to the Implementation Administrator. Please be sure to complete all fields. As with electronic signature, returning a manually signed *Combined Participation Form* via DocuSign will associate your signed forms with your subdivision's records.
- (3) *Manual Signature returned via electronic mail*: If your subdivision is unable to return an executed *Combined Participation Form* using DocuSign, the signed *Combined Participation Form* may be returned via electronic mail to [opioidsparticipation@rubris.com](mailto:opioidsparticipation@rubris.com). Please include the name, state, and

reference ID of your subdivision in the body of the email and use the subject line Combined Settlement Participation Form – [Subdivision Name, Subdivision State] – [Reference ID].

Detailed instructions on how to sign and return the *Combined Participation Form*, including changing the authorized signer, can be found at <https://nationalopioidsettlement.com/additional-settlements/>. You may also contact [opioidsparticipation@rubris.com](mailto:opioidsparticipation@rubris.com).

**The sign-on period for subdivisions ends on October 8, 2025.**

If you have any questions about executing the *Combined Participation Form*, please contact your counsel or the Implementation Administrator at [opioidsparticipation@rubris.com](mailto:opioidsparticipation@rubris.com).

Thank you,

Secondary Manufacturers Settlements Implementation Administrator

*The Implementation Administrator is retained to provide the settlement notice required by the Secondary Manufacturers Settlements and to manage the collection of the Combined Participation Form.*



**EXHIBIT K****Secondary Manufacturers' Combined Subdivision Participation and Release Form**  
**("Combined Participation Form")**

|                                     |           |
|-------------------------------------|-----------|
| Governmental Entity: Wauwatosa city | State: WI |
| Authorized Official:                |           |
| Address 1:                          |           |
| Address 2:                          |           |
| City, State, Zip:                   |           |
| Phone:                              |           |
| Email:                              |           |

The governmental entity identified above ("*Governmental Entity*"), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to each of the settlements which are listed in paragraph 1 below (each a "Secondary Manufacturer's Settlement" and collectively, "the Secondary Manufacturers' Settlements"), and acting through the undersigned authorized official, hereby elects to participate in each of the Secondary Manufacturers' Settlements, release all Released Claims against all Released Entities in each of the Secondary Manufacturers' Settlements, and agrees as follows.

1. The Participating Entity hereby elects to participate in each of the following Secondary Manufacturers' Settlements as a Participating Entity:
  - a. Settlement Agreement for Alvogen, Inc. dated April 4, 2025.
  - b. Settlement Agreement for Apotex Corp. dated April 4, 2025.
  - c. Settlement Agreement for Amneal Pharmaceuticals LLC dated April 4, 2025.
  - d. Settlement Agreement for Hikma Pharmaceuticals USA Inc. dated April 4, 2025.
  - e. Settlement Agreement for Indivior Inc. dated April 4, 2025.
  - f. Settlement Agreement for Viatris Inc. ("Mylan") dated April 4, 2025.
  - g. Settlement Agreement for Sun Pharmaceutical Industries, Inc. dated April 4, 2025.
  - h. Settlement Agreement for Zydus Pharmaceuticals (USA) Inc. dated April 4, 2025.
2. The Governmental Entity is aware of and has reviewed each of the Secondary Manufacturers' Settlements, understands that all capitalized terms not defined in this Combined Participation Form have the meanings defined in each of the Secondary Manufacturers' Settlements, and agrees that by executing this Combined Participation Form, the Governmental Entity elects to participate in each of the Secondary Manufacturers' Settlements and become a Participating Subdivision as provided in each of the Secondary Manufacturers' Settlements.
3. The Governmental Entity shall promptly, and in any event no later than 14 days after the Reference Date and prior to the filing of the Consent Judgment, dismiss with prejudice any Released Claims that it has filed against any Released Entity in each of the Secondary Manufacturers' Settlements. With respect to any Released Claims pending in *In re National Prescription Opiate Litigation*, MDL No. 2804, the Governmental Entity



authorizes the Plaintiffs' Executive Committee to execute and file on behalf of the Governmental Entity a Stipulation of Dismissal with Prejudice for each of the manufacturers listed in paragraph 1 above substantially in the form found at <https://nationalopioidsettlement.com/additional-settlements/>.

4. The Governmental Entity agrees to the terms of each of the Secondary Manufacturers' Settlements pertaining to Participating Subdivisions as defined therein.
5. By agreeing to the terms of each of the Secondary Manufacturers' Settlements and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
6. The Governmental Entity agrees to use any monies it receives through each of the Secondary Manufacturers' Settlements solely for the purposes provided therein.
7. The Governmental Entity submits to the jurisdiction of the court and agrees to follow the process for resolving any disputes related to each Secondary Manufacturer's Settlement as described in each of the Secondary Manufacturers' Settlements.<sup>1</sup>
8. The Governmental Entity has the right to enforce each of the Secondary Manufacturers' Settlements as provided therein.
9. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in each of the Secondary Manufacturers' Settlements, including without limitation all provisions related to release of any claims,<sup>2</sup> and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in his or her official capacity whether elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in each of the Secondary Manufacturers' Settlements in any forum whatsoever. The releases provided for in each of the Secondary Manufacturers' Settlements are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities in each of the Secondary Manufacturers' Settlements the broadest possible bar against any liability relating in any way to Released

<sup>1</sup> See Settlement Agreement for Alvogen, Inc. Section VII.F.2; Settlement Agreement for Apotex Corp. Section VII.F.2; Settlement Agreement for Amneal Pharmaceuticals LLC Section VII.F.2; Settlement Agreement for Hikma Pharmaceuticals USA Inc. Section VII.F.2; Settlement Agreement for Indivior Section VI.F.2; Settlement Agreement for Mylan Section VI.F.2; Settlement Agreement for Sun Pharmaceutical Industries, Inc. Section VII.F.2; Settlement Agreement for Zydus Pharmaceuticals (USA) Inc. Section VII.F.2.

<sup>2</sup> See Settlement Agreement for Alvogen, Inc. Section XI; Settlement Agreement for Amneal Pharmaceuticals LLC Section X; Settlement Agreement for Apotex Corp. Section XI; Settlement Agreement for Hikma Pharmaceuticals USA Inc. Section XI; Settlement Agreement for Indivior Section X; Settlement Agreement for Mylan Section X; Settlement Agreement for Sun Pharmaceutical Industries, Inc. Section XI; Settlement Agreement for Zydus Pharmaceuticals (USA) Inc. Section XI.



Claims and extend to the full extent of the power of the Governmental Entity to release claims. Each of the Secondary Manufacturers' Settlements shall be a complete bar to any Released Claim against that manufacturer's Released Entities.

10. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision as set forth in each of the Secondary Manufacturers' Settlements.
11. In connection with the releases provided for in each of the Secondary Manufacturers' Settlements, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

**General Release; extent.** A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims in each of the Secondary Manufacturers' Settlements, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in each of the Secondary Manufacturers' Settlements.

12. The Governmental Entity understands and acknowledges that each of the Secondary Manufacturers' Settlements is an independent agreement with its own terms and conditions. Nothing herein is intended to modify in any way the terms of any of the Secondary Manufacturers' Settlements, to which Governmental Entity hereby agrees, aside from the exceptions in paragraph 13 below. To the extent this Combined Participation Form is interpreted differently from any of the Secondary Manufacturers' Settlements in any respect, the individual Secondary Manufacturer's Settlement controls.
13. For the avoidance of doubt, in the event that some but not all of the Secondary Manufacturers' Settlements proceed past their respective Reference Dates, all releases and other commitments or obligations shall become void **only as to** those Secondary Manufacturers' Settlements that fail to proceed past their Reference Dates. All releases and other commitments or obligations (including those contained in this Combined Participation Form) shall remain in full effect as to each Secondary Manufacturer's Settlement that proceeds past its Reference Date, and this Combined Participation Form need not be modified, returned, or destroyed as long as any Secondary Manufacturer's Settlement proceeds past its Reference Date.



I have all necessary power and authorization to execute this Combined Participation Form on behalf of the Governmental Entity.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_





## Staff Report

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**File #:** 25-1272

**Agenda Date:** 9/23/2025

**Agenda #:** 6.

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Consideration of approval of 25-year extension of T-mobile cellular antennae on the water tower at 10331 Watertown Plank Road

**Submitted by:**

John Ruggini

**Department:**

Finance Department

**A. Issue**

The City of Wauwatosa took over ownership of the former County water tower in the Research Park at 10331 Watertown Plank Road in 2024. Since 2000, T-mobile has leased space on the tower for a cellular antenna and has proposed terms for a 25-year extension.

**B. Background/Options**

The City of Wauwatosa took over ownership of the former County water tower in the Research Park at 10331 Watertown Plank Road in 2024. Since 2000, T-mobile has leased space on the tower for a cellular antenna and has proposed maintaining the same terms for another 5 five-year terms (25 years total) with a 5% annual escalator. These terms are comparable with other lease agreements maintained by the City. The revenue is used to reduce the amount of water rates charged to customers.

**C. Strategic Plan (Area of Focus)**

Economic Development and Financial Resilience

**D. Fiscal Impact**

The current lease provides \$55,343 of revenue for the water utility. The net present value of the lease is \$1.6 million

**E. Recommendation**

I recommend approval of the extension of the lease with T-mobile for five 5-year terms.

**MILWAUKEE COUNTY  
WIRELESS COMMUNICATION FACILITY LEASE AGREEMENT**

This agreement made this 1st day of November 2000, between Milwaukee County, a municipal corporation, (hereinafter referred to as "Lessor") and Voicestream PCS II Corporation, (hereafter referred to as "Lessee").

WHEREAS, the Property located at 10331 Watertown Plank Road, Wauwatosa, WI is owned by Lessor and managed under the jurisdiction of the Department of Public Works; and

WHEREAS, Lessee has requested to lease space on said property including rights-of-way and easements for ingress and egress as shown on attached Exhibit A ("Premises") for a Wireless Communication Facility (WCF).

NOW, THEREFORE, in consideration of the mutual benefits accruing to each of the parties and in consideration of the mutual terms, covenants, and conditions set forth herein and of other good and valuable consideration, hereto, Lessor does hereby lease, demise and let unto the Lessee the Premises as described in Exhibit A under the following terms and conditions:

**I. Premises**

The Premises, generally known as the West Water Tower, are further described in Exhibit A, which is made a part of this lease. The Premises includes the shared use of the area used for installation and operation of the equipment as shown in Exhibit B and the shared use of rights-of-way and easements for ingress and egress.

The Premises are not for the exclusive use of Lessee. Lessor may co-locate other lessees on the Premises for compatible uses. The installation of equipment and operations of such co-located lessees shall not interfere with the operations of any existing lessee.

**II. Term**

This Lease shall be for an initial term of five (5) years ("Initial Term") commencing on November 1, 2000 ("Commencement Date") and terminating at midnight on October 31, 2005.

**III. Renewal**

Lessee shall have the right to renew this lease under the same terms and conditions for (4) four additional renewal terms of (5) five years commencing on the successive day following the termination date of the initial term. Lessee shall notify Lessor in writing at least 120 days prior to the expiration of the initial term of its intent to renew this lease.



At least ninety (90) days before the expiration of the Initial Term and each Renewal Term thereafter, Lessor and Lessee shall in good faith commence negotiations toward extending the term of the Lease for an additional Renewal Term of five (5) years, including renegotiations of the rental amount. If, at the end of the Initial Term and each Renewal Term thereafter, Lessor and Lessee have not executed an amendment to this Lease modifying the Term herein described, this Lease shall be deemed to have been extended by the parties for an additional Renewal Term at current rental amounts increased by five percent (5%) annually, unless either Lessee or Lessor notifies the other in writing at least sixty (60) days before the expiration of such Renewal Term, that it chooses to terminate this Lease rather than have it extended.

IV.

Termination

- a) Lessor shall have the right to terminate this Lease with six (6) months prior written notice to Lessee in the event Lessor intends to use the Premises in a specific manner which would necessarily exclude the use of the Premises by Lessee and all similar uses by other telecommunication carriers except Lessor itself.
- b) Either party may terminate this Lease upon thirty (30) days written notice if the other party defaults in the performance of any of the material provisions hereof including, but not limited to, non-payment or damage to property, or interference with Lessor's or Lessee's use of the Premises and such default is not cured within thirty (30) days after written notice thereof is provided to the defaulting party.
- c) Neither party shall knowingly do or permit any activity upon the Premises which is not occurring at the time of execution of this Lease and which would cause or permit physical, electronic or other interference with the radio transmission facilities, equipment or signal of the other party or Lessee's located in the area. In the event that either party causes, permits or allows such interference the other party not causing such interference shall have the right upon thirty (30) days written notice to terminate this Lease.
- d) Lessee may terminate Lease upon thirty (30) days written notice if it is unable to obtain, maintain or otherwise forfeits or cancels any license, permit or Governmental approval necessary to the construction, installation and/or operation of the WCF or Lessee's business.
- e) Lessee upon ninety (90) days written notice may terminate the Lease if Premises are to or become unacceptable for Lessee's design or engineering specifications for its WCF or systems.
- f) This Lease will terminate immediately upon written notice by either party if the Premises are destroyed or damaged so as to substantially and adversely affect the effective use of Lessee's WCF.

g) If a condemnation authority takes all of the Premises, or a portion sufficient in Lessee's determination, to render the Premises unsuitable for the use which Lessee was then making of the Premises, this Lease shall terminate as of the date title vests in the condemning authority.

V.

Rent

a) The sum to be paid for the rental of said Premises shall be sixteen thousand five hundred and no/100 dollars (\$16,500.00) per year payable annually to Lessor, beginning on the Commencement Date and thereafter payable annually on or before the anniversary of the Commencement date and every anniversary thereafter.

b) If this Lease is terminated at a time other than on the last day of a contract year, rent shall be prorated as of the date of termination.

c) For each year after the first year of the initial term the rental shall increase by five percent (5 %) over the previous years rent.

VI

Delinquent Payments

In accordance with Milwaukee County ordinance 56.32:

a) Interest. Unless waived by the County Board of Supervisors, Lessee shall be responsible for payment of interest on amounts not remitted in accordance with the terms of this Lease. The rate of interest shall be the statutory rate in effect for delinquent County property taxes as described in Subsection 74.80(1). Wis. Stats. The obligation for payment and calculation thereof shall commence upon the day following the due dates established herein.

b) Penalty. In addition to the interest described above, Lessee may be responsible for payment of penalties on amounts not remitted in accordance with the terms of this Lease, as may be determined by the Administrator of this Lease, or his designee. Said penalties shall be the statutory rate in effect for delinquent County property taxes as described in Milwaukee County Ordinance Subsection 6.06(1) and Subsection 74.80(2) Wis. Stats. The obligation for payment and calculation thereof shall commence upon the day following the due dates established herein.

c) Nonexclusivity. This provision permitting collection of interest and penalties by Lessor on delinquent payments is not to be considered Lessor's exclusive remedy for Lessee's default or breach with respect to delinquent payments. The exercise of this remedy is not a waiver by Lessor of any other remedy permitted under this Lease, including but not limited to termination of this Lease.

VII

Use of the Premises

Tenant agrees that the use of said Premises shall be confined to the activities related to the transmission and reception of wireless telephone, radio, data and other communication signals and for the construction, maintenance, repair or replacement of related facilities,

towers, antennas, equipment or buildings and related activities incidental to the operation of these activities. These activities shall in no way interfere with the primary purpose of the Premises. Any changes in the use of the Premises must be with the written consent of the Lessor. Lessee shall fully comply with all applicable statutes, orders, regulations, rules, ordinances and requirements of law and of the local board of fire underwriters with respect to its use of the Premises. Obtaining of permits, licenses or other approval documents from the jurisdictions including those required by the County (i.e. Municipal permits) shall be the responsibility of the Lessee and shall be obtained prior to construction.

#### VIII.

##### Environmental Pollutants

a) Lessor represents that it has no knowledge of any Hazardous Substances (as defined below) on the Property that is identified as hazardous, toxic or dangerous in any applicable Federal, State or local law or regulation. Lessee and Lessor shall not, either with or without negligence, cause or permit the escape, unlawful disposal, or release beyond lawful limits of any Hazardous Materials as hereinafter defined. Lessee and Lessor shall not bring onto the Premises and/or Property or knowingly allow the storage or use of Hazardous Materials in any manner if prohibited by law or if not sanctioned by the highest standards prevailing in the industry for the storage and use of such substances or materials. For the purposes of this paragraph, the term "Hazardous Materials" shall mean, (i) any substances defined as "hazardous substances," "pollutants," "contaminants," "hazardous materials," hazardous waste," or "hazardous and toxic substances" as now and hereafter defined in any applicable federal, state or local law, regulation, ordinances or directive, including, but not limited to the Resource Conservation and Recovery Act of 1976 (42 USC Sec 6901 et. seq.); the Comprehensive Environmental Response, Compensation and Liability Act of 1980, amended by SARA, 42 USC Sec. 9601), et. seq.; the Hazardous Materials Transportation Act, 49 USC Sec. 1801 et. seq.; the Toxic control substance Act, 15USC Sec. 2601, et. seq.; the Resource Conservation and Recovery Act, as amended (42 USC Sec 9601, et. seq.; the Clean Water Act, 33 USC Sec. 1251 et. seq.; the Clean Air Act, 42 USC Sec 7412, et. seq.; as any such act may be amended, modified, or supplemental; (ii) those substances listed or otherwise identified in the regulations adopted and publication issued, as may be amended, modified or supplemented, pursuant to any of the above referenced statutes; (iii) any friable asbestos, airborne asbestos, or any substances or material containing asbestos; (iv) any substances, the presence of which on the Premises or Property is prohibited by any legal requirement of any governmental authority or which may give rise to an assessment of a governmental authority; and (v) any other substance which by legal requirement of any governmental authority requires special handling in its collection, storage, treatment or disposal.

b) If, either during the term hereof or within two years of its expiration, a federal or state agency shall, in its reasonable discretion, require testing to ascertain whether or not there has been any release of Hazardous Materials by Lessee, then the reasonable costs thereof

shall be reimbursed by Lessee to Lessor upon demand to the extent such testing is attributable to Lessee as additional Rent if such requirement applies to Lessee's use of the Premises or Property. If testing conducted by Lessor pursuant to this subparagraph identifies the presence of any release of Hazardous Materials by Lessee, Lessee shall have the right and opportunity to perform, at Lessee's costs, a retest to confirm or refute the results of Lessor's testing. Lessee shall execute affidavits, representations and the like from time to time during the term hereof or within two years of its expiration, at Lessor's reasonable request concerning Lessee's best knowledge and belief regarding the presence of Hazardous Materials on the Premises or Property.

d) Lessee Indemnification of Lessor. Lessee shall indemnify and hold harmless Lessor, its officers, employees, agents, successors and assigns from and against any and all losses, claims, damages, penalties, liabilities, costs and expenses (including reasonable attorney's fees and court costs), fines, injuries, penalties, response costs (including costs of any required or necessary investigation, testing, monitoring, repair cleanup, detoxification, preparation of any closure or other required plans or other removal, response or remedial action at or relating to the Property) (collectively, the "Claims and costs"), with respect to, as a direct or indirect result of, or arising out of any of the following: (i) any legal requirements, lawsuit (bought or threatened), reasonable settlement, or requirement of any insurer of the Premise or Property or any portion thereof, relating to the generation, presence, management, disposal, release (or threatened release), escape, seepage, leakage or cleanup of any Hazardous Materials at or from or under all or a portion of the Premises or Property to the extent which Lessee, its agents, contractors or invitees are responsible, or (ii) the migration of Hazardous Materials to the extent caused by Lessee from the Premises or Property to any other property or onto the Premises or Property; or (iii) the treatment, disposal or storage of Hazardous Materials from the Premises or Property by Lessee, its agents, contractors or invitees, or (iv) the incorporation by Lessee of any Hazardous Materials in the Premises.

e) Lessor Indemnification of Lessee. Lessor shall indemnify, defend and hold Lessee and its officers, partners, employees and agents harmless from any claims, judgments, damages, penalties, fines costs, liabilities (including sums paid in settlements of claims) or loss including attorney's fees, consultants fees and expert fees which arise during or after the term of this Lease from or in connection with the presence in the soil, groundwater or soil vapor on or under the Property of Hazardous Materials, unless the Hazardous Materials are present-solely as a result of the negligence or willful misconduct of Lessee, its officers, employees or agents. Without limiting the generality of the foregoing, the indemnification provided by this paragraph VIII (c) shall specifically cover costs incurred in connection with any investigation of site conditions or any cleanup, remediation, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of the presence of Hazardous Material in the soil, groundwater or soil vapor on or under the Property, unless the Hazardous Materials are present solely as a result of the negligence or willful misconduct of Lessee, its officers, employees or agents. Without limiting the generality of any of the foregoing the

indemnification provided by paragraph VIII (c) shall also specifically cover costs incurred in connection with:

1. Hazardous Materials present in the soil, groundwater or soil vapor on or under the Property before the term of this Lease commenced;
2. Hazardous Materials that migrate, flow, percolate, diffuse or in any way move onto or under the Property after the commencement of this Lease, except to the extent caused by Lessee; or
3. Hazardous Materials present on or under the Property as a result of any discharge, dumping, or spilling, (accidental or otherwise) on to the Property, prior to, during or after the term of this Lease by any persons, corporation, partnership or entity other than Lessee

IX.

Alterations, Improvements and Maintenance

- a) Lessor represents that Lessor's Property (including without limitation, the location for the Premises) and all improvements thereto, are in compliance with all building, life-safety, disability, and other laws, codes and regulations of any governmental or quasi-governmental authority. Lessee agrees that, subject to Lessor's compliance with the terms of this paragraph, any improvements constructed by Lessee on the Premises and all of the operations of Lessee within the Premises shall be in compliance with all applicable laws, codes and regulations.
- b) Lessee shall install the equipment as approved by the Lessor in the Exhibit B with appropriate repair to paint and have site completed within project schedule.
- c) Lessee may, after initial installation at its expense, make such improvements or add additional equipment as it deems necessary from time to time for the operation of its equipment. Any alterations, modifications or changes to original and subsequent equipment installation that alter the size, weight, height or number of towers shall require a written request for Lessor's approval. Such approval shall not be unreasonably withheld, delayed or conditioned. Placement of additional antennas or equipment that exclude the possibility of co-location by another carrier will be cause for renegotiations of rental rate.
- d) Lessee shall at its expense maintain the equipment now and hereafter located on the Premises in reasonable condition and repair during the term of this Lease, normal wear and tear excepted. Any additional costs for maintenance or work specifically related to Lessee's equipment or its movement shall be paid by Lessee.
- e) If the Premises as described is a tower governed by FAA or FCC regulations Lessor will agree to maintain the Premises as required by these FAA or FCC regulation and any additional costs for work such as painting that is specifically related to Lessee's equipment or its movement shall be paid by Lessee.
- f) Lessee may at its expense, use any appropriate means of restricting access to the WCF including the construction of a fence with the approval of the Lessor.

g) Lessee shall have access to the Premises at all times during the terms of this Lease and any renewal terms.

X. Removal of Abandoned Equipment

At such time that Lessee plans to abandon or discontinue, or is required to discontinue, the operation of a WCF, Lessee shall notify the Lessor in writing of the proposed date of abandonment or discontinuation of operations. In the event that Lessee fails to give such notice, the equipment shall be considered abandoned if it is not operated for a continuous period of twelve (12) months. Upon abandonment or discontinuation of use, Lessee shall physically remove the equipment within ninety (90) days from the date of abandonment or discontinuation of use. "Physically remove" should be limited to (i) removal of the equipment; and (ii) returning the Premises to Lessor in "good, usable condition wear and tear excepted. If such equipment is not removed within said ninety (90) days in accordance with the above, the Lessor may remove such equipment at Lessee's expense. If there are two or more users of a single WCF, then this provision shall not become effective until all users cease using the WCF. Lessee will provide bond in the amount of \$5,000 to cover Lessor's cost in the event the Lessee fails to return the Property to Lessor in good usable condition, normal wear and tear excepted or Lessee shall promptly reimburse Lessor for any expenses incurred by Lessor with respect to removal of abandoned Property.

XI. Utilities

a) Lessee shall have the right to install utilities, at Lessee's expense, and to improve the present utilities on the Premises (including but not limited to the installation of a emergency power generators if approved in writing with the initial or subsequent application). Lessor grants an easement to permanently place any utilities on, or to bring utilities across, the Property in order to service the Property, the building and WCF. In the event separate meters are not installed, Lessee shall pay such periodic charges for all utilities attributable to Lessee's use as may be agreed upon between the parties. Lessee shall have the right to install necessary conduit and sleeving to the point of connection with the building or tower. Lessor shall diligently correct variation, interruption or failure of utility service.

b) Lessor grants Lessee or Lessee's agents, contractors or employees an easement for ingress, egress and access to the Premises adequate to install and maintain utilities, which include, but are not limited to the installation of overhead (if approved in writing) and underground power and telephone service cables, and to service the Premises and the WCF at all times during the term of this Lease or any Renewal Term.

c) Lessor shall have the right at Lessor's expense and with written notice to relocate easement, provided such new location shall not materially interfere with Lessee's operation and will continue at full power.



XII.

Taxes

Lessee shall pay any personal property taxes assessed on, or any portion of such taxes attributable to the WCF.

XIII.

Sale of Property

Should Lessor, at any time during the term of this Lease, decide to sell, Lease or otherwise convey all or any part of the Premises to a party other than the Lessee, such conveyance shall be under and subject to this Lease and Lessee's right hereunder, and any conveyance by Lessor of the portion of Lessor's Property underlying any and all rights-of-way and easements for ingress, egress and utilities herein granted shall be under, and subject to the rights of Lessee in and to such right-of-way and easements.

XIV.

Assignment and Subleasing

This Lease may not be sold, assigned, or transferred at any time by Lessee without the prior written consent of Lessor, except to Lessee's partners, affiliates or subsidiaries. Requests for Lessor's consent on assignment shall be joined in by the proposed assignee and shall provide that assignee agrees to assume all of the obligations and liabilities of the Lessee, unless release of the Lessee is not requested. The proposed assignee shall be of equal or substantially similar credit worthiness as the Lessee. The Lessor may not unreasonably withhold consent to such requested assignment. Written notice of any assignment must be given to Lessor.

XV.

Insurance

Lessee agrees to evidence and maintain proof of financial responsibility to cover costs as may arise from claims of tort, statutes and benefits under Worker's Compensation laws and/or vicarious liability arising from employees. Such evidence shall include insurance coverage from Worker's Compensation claims as required by the State of Wisconsin, including employers liability and business insurance covering general liability and automobile coverage in the following minimum amounts.

**Types of Coverage**

**Minimum Limits**

Wisconsin Worker's Compensation  
or Proof of All States Coverage  
Employer's Liability

Statutory  
\$100,000/\$500,000/  
\$100,000

**Comprehensive General Liability**

Bodily Injury & Property

\$1,000,000 per occurrence

Damage (Including Personal  
Injury, Fire Legal &  
Contractual & Products/  
Completed Operations

\$2,000,000 general aggregate

**Fire Legal Liability**

\$50,000

**Automobile Liability** (for Company owned automobiles if applicable)

Bodily Injury & Property

Damage

\$1,000,000 per accident

All autos owned, non-owned  
and or hired

Uninsured Motorist

Per Wisconsin Requirements

Lessor shall be named as additional insured, as its interests may appear, and be afforded a thirty day (30) written notice of cancellation or non-renewal. A certificate indicating the above coverage shall be submitted for review and approval by Lessor for the duration of this Lease. Coverage shall be placed with an insurance company approved by the State of Wisconsin and rated "A" per Best's Key Rating Guide. Additional information as to policy form, retroactive date, discovery provisions and applicable retentions shall be submitted to Lessor, if requested, to obtain approval of insurance requirements. Any deviations, including use of purchasing groups, risk retention groups, etc., or requests for waiver from the above requirements shall be submitted in writing to the Lessor for approval prior to the commencement of activities under this Lease.

**XVI.**

Warranty of Title; Quiet Enjoyment

Lessor warrants that Lessor has title to the Premises in fee simple free of all liens, charges and encumbrances and that Lessor has full right and authority to enter into this Lease. Lessor covenants and agrees that so long as Lessee shall duly and punctually perform and observe all of the terms and conditions hereof, Lessee shall peaceably and quietly have, hold and enjoy the Premises without any hindrance or molestation from any person or entity. Lessor shall at all times guarantee to Lessee appropriate and adequate ingress and egress to and from the Premises.

**XVII.**

Default, Remedies.

a) Lessee's Payment Defaults. If Lessee fails to pay when due a payment required to be made by Lessee hereunder, and such default or failure shall continue for thirty (30) days, then Lessor may elect to terminate this Lease, to reenter the Premises or any part thereof, to expel and remove Lessee or any person or persons occupying the same and to repossess and enjoy the Premises.

b) Other Defaults by Lessee. If default be made by Lessee in performance or observance of any substantial covenant or condition herein other than those specified in (a) above, and such default shall continue (i) for thirty (30) days after written notice thereof shall have been received by Lessee or (ii) if such default is not of a type that can reasonably be corrected within thirty (30) days, for a period of time reasonably required for curing the same, and if Lessee has not proceeded to and diligently pursued the curing thereof within a period of time reasonably required for curing the same, then Lessor shall have the right to cure the default of Lessee and charge the reasonable cost and expense of curing such default to Lessee and to proceed to claim and collect in court the amount of said cost and

expense as a debt due if not paid within ten (10) days after written demand that Lessee pay the same.

c) Lessor's Default. If default be made by Lessor in the performance or observance of a substantial covenant or condition herein and such default shall continue (i) for thirty (30) days after written notice thereof shall have been received by Lessor or (ii) if such default is not of a type that can reasonably be corrected within thirty (30) days, for a period of time reasonably required for curing the same, and if Lessor has not proceeded to and diligently pursued the curing thereof within a period reasonably required for curing the same, then Lessee shall have the right to cure the default of Lessor and to proceed to claim and collect in court the amount of said reasonable cost and expense as a debt due if not paid within ninety (90) days after written demand that Lessor pay the same.

d) Remedies Not Exclusive. The failure of Lessor or Lessee to insist upon strict performance of any of the terms, covenants or conditions herein contained shall not be deemed a waiver of any subsequent breach or default in any of the terms, covenants or conditions.

XVIII. Indemnity.

Lessee hereby agrees that it will at all times during the term thereof indemnify, defend and hold harmless the Lessor, its County Executive, the members of the Board of Supervisors and its officers and agents, against any and all liability, losses, charges, costs or expenses including attorney's fees by reason of liability for damages including suits at law or in equity to the extent caused by or resulting from any wrongful intentional or negligent acts or omissions of Lessee or any of the officers, employees, agents or representatives of Lessee which may result in any person suffering personal injury, death or property loss or damage while on the Premises.

XIX. Nondiscrimination and Equal Employment Opportunities.

a) Lessee, in the use of the Premises and the operation of its equipment will not discriminate or permit discrimination in any manner against any person or group of persons on account of sex, age, race, creed, color, handicap or national origin. Lessee further agrees that it will fully comply in its operation of the facility with all applicable statutes, orders, regulations, ordinances and other requirements of law, including those of the federal government, the State of Wisconsin and any county, municipality or other public authority prohibiting discrimination.

b) In the performance of work the Lessee shall not discriminate against any employee or applicant for employment because of race, color, national origin, age, sex or handicap, which shall include but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeships. The Lessee will post in conspicuous places, available for employment, notice to be provided by the Lessor setting forth the provisions of the non-discriminatory clause. A violation of this

provision shall be sufficient cause for the Lessor to terminate the contract without liability for the uncompleted portion or for any materials or services purchased or paid for by the Lessee for use in completing the contract.

XX. Surrender of Premises

On the last day of the term of this Lease, or on the sooner termination thereof, Lessee shall peaceably surrender the Leased Premises in good condition and repair, ordinary wear and tear excepted, consistent with Lessee's duty to make repairs as provided. Lessee shall at its expense, remove all of its property and contents from the Premises.

XXI. Applicable Law

This Lease shall be governed by the laws of the State of Wisconsin.

XXII. Waiver

All rights and remedies of the Lessor or Lessee herein enumerated shall be cumulative and shall not exclude any other right or remedies allowed by law, and such rights and remedies may be exercised and enforced concurrently and whenever and as often as the occasion therefor arises. No failure by Lessor or Lessee to enforce any covenants, promises or other obligations of Lessee or Lessor, as the case may be, therein contained, nor any waiver of any right hereunder by Lessor or Lessee, unless in writing, shall discharge or invalidate such covenants, promises or other obligations or affect Lessor's or Lessee's rights to enforce the same in the event of any subsequent breach or default.

XXIII. Amendment

This Lease shall not be amended without the written agreement of both Lessor and Lessee.

XXIV. Entire Agreement

This Lease with Exhibits constitute the entire agreement of the parties and supersede any prior representations, oral or written, of either party.

XXV. Counterparts

This Lease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one document.

XXVI. Severability

The invalidation of any one or more provisions herein shall not affect the validity of the remaining provisions.

XXVII. Notices

All notices and requests shall be in writing and delivered, in the case of the Lessor to:

WCF Coordinator  
Department of Administration  
Courthouse Room 307C  
901 North 9<sup>th</sup> Street  
Milwaukee, WI 53233

and in the case of the Lessee:

Voicestream PCS II Corporation  
N19 W24075 Riverwood Dr.  
Waukesha, WI 53188  
Attn: PCS Lease Administrator

with a copy to: PCS II Corp.  
~~Voicestream Wireless~~  
12920 SE 38<sup>th</sup>  
Bellevue, WA 98006  
Attn: PCS Lease Administrator

XXVIII. Miscellaneous

- a) The substantially prevailing party arising hereunder shall be entitled to its reasonable attorney's fees and court costs, including appeals, if any.
  - b) If either party is represented by a real estate broker in this transaction, that party shall be fully responsible for any fee due such broker and shall hold the other party harmless from any claims for commission by such broker.
  - c) Each party agrees to cooperate with the other in executing any document (including Memorandum of Lease) necessary to protect its rights or use of the Premises. The Memorandum of Lease may be recorded in place of this Lease by either party.
  - d) The persons who have executed this Lease represent and warrant that they are duly authorized to execute this Lease in their individual or representative capacity as indicated.
  - e) The submission of this document for examination does not constitute an offer to Lease or reservation of or option for the Premises and shall become effective only upon execution by both Lessor and Lessee.
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# Wauwatosa, WI

7725 W. North Avenue  
Wauwatosa, WI 53213

## Staff Report

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**File #:** 25-1273

**Agenda Date:** 9/23/2025

**Agenda #:** 7.

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Consideration of recommendation to utilize the 2024 Health Insurance surplus to establish a sick leave pay-out, provide a dividend to employees and create a flood reimbursement reserve

**Submitted by:**

John Ruggini and Beth Mbow

**Department**

Finance and Human Resources

**A. Issue**

The Health Life Fund posted a \$1,286,023 surplus in 2024. Given that a significant driver of that surplus was better than expected member claims, we recommend sharing a portion of that surplus with employees.

**B. Background/Options**

The City of Wauwatosa maintains a self-insured health insurance program. Being self-funded, the City pays for claims expenses up to \$100,000. As a result, employee and dependent personal health decisions have a direct financial impact on the City's budget. The Health Life Fund posted a \$1,286,023 surplus in 2024. As part of the year-end process, \$415,324 was rebated to fund balance leaving \$870,699. Given that member health claims savings compared to budget provided \$691,044, we recommend sharing a portion of that surplus with employees.

In order to determine an appropriate amount, we recommend reviewing and adopting a fund balance policy for the Health Life Fund. The following was presented last year to the Financial Affairs committee in draft form. The underlined portion has been added.

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|                                   |   |
|-----------------------------------|---|
| Minimum                           | 30% of most recent 3 years of actual claims costs <b>plus the actuarially determined value of the sick leave payout liability</b>   |
| Maximum                           | No maximum so long as the City has an unfunded retiree health insurance liability.  |
| Justification                     | Largest and most volatile expense is health insurance claims. Largest percent change since 2002 was a 31% spike.  |
| Reasons reserves may be used      | <ul style="list-style-type: none"> <li>To cover one -time spikes in health insurance claims costs, including stop loss insurance.</li> </ul>  |
| Acceptable Use of Excess Reserves | <ul style="list-style-type: none"> <li>Replace or expand City workout equipment</li> <li>Issue one -time dividends to departments and/or employees</li> <li>One -time Wellness or Health Insurance program expenses</li> <li>One -time expenses to reduce City's retiree health insurance liability.</li> <li>Contributions to a trust to pay for the City's retiree health liability.</li> </ul> |
| Source of Funds                   | <ul style="list-style-type: none"> <li>Year -end surplus in the Health/Life Insurance Fund</li> </ul>   |

Based on 2024 results, the fund balance target is \$5.13 million based on 30% of \$7.9 million in 3-year average claims and a \$2.7 million sick time payout accrued liability. As of the end of 2024, the Health Life Fund had a fund balance of \$7.3 million. This places it at 143% of target with a surplus of \$2.2 million.

We recommend dividing the \$1.3 million three ways (\$425,000 each). One-third allocated to fund balance (which already took place via year-end), one-third allocated to employee dividends and one-third held in reserve pending determination of FEMA reimbursement. If we have unreimbursed flood expenses, then that 1/3<sup>rd</sup> would be used to offset those losses.

In terms of the employee dividend, as of the end of July there were 450 employees actively enrolled in the plan. This would result in approximately a \$944 dividend per employee.

### C. Strategic Plan (Area of Focus)

Healthy and motivated employees support each of our strategic areas of focus.

### D. Fiscal Impact

Health Life fund balance would be reduced from \$7,336,914 to \$6,486,914 which would be 125% of our target balance.

### E. Recommendation

We recommend issuing a \$425,000 insurance dividend to active employees enrolled in the health insurance plan as of 12/31/2024 and setting aside an additional \$425,000 to be used first for any unreimbursed flood expenses.



# Wauwatosa, WI

7725 W. North Avenue  
Wauwatosa, WI 53213

## Staff Report

**File #:** 25-1563

**Agenda Date:** 9/23/2025

**Agenda #:** 8.

Consideration of approval of August 2025 flood-related emergency purchases and fund transfers and update on initial assessment of public sector damage

**Submitted by:**

John Ruggini

**Department:**

Finance

**A. Issue**

City staff responded with emergency measures with our initial response and on-going recovery efforts to the August floods. As such, approval of emergency purchases and interim fund transfers are required.

**B. Background/Options**

Nearly 14 inches of rain fell over a 12-hour period from August 9-10<sup>th</sup> causing the Menomonee River to overflow its banks resulting in overland flooding. The Mayor declared an emergency and the Fire Chief activated the City's Emergency Operations Center which convened at 9:00am on Sunday, August 10<sup>th</sup>. Public Works Fire and Police departments responded to rescue residents and their pets and secure and protect public infrastructure. In accordance with emergency operation procedures, purchasing and expenditure control procedures were waived where necessary and subsequent approval is requested.

The following emergency purchases were made without competitive solicitations and require approval:

*Table 1*

| Vendor                         | Description                                   | Amount     |
|--------------------------------|---|------------|
| DAVIS SEASONAL MAINTENANCE INC | 8/20-8/27 COLLECTION & DISPOSAL OF DEBRIS     | \$ 34,282  |
| CENTURY FENCE COMPANY          | HART PARK FENCE WORK                          | \$ 10,286  |
| ATI Restoration                | Muellner Building Flood recovery 2025         | \$ 350,000 |
| M&M Tree Care                  | City Tree Removal                             | \$ 24,850  |
| GRAEF                          | Hart Park Flood Inspection Assistance         | \$ 40,000  |
| Astroturf Great Lakes          | Hart Park Stadium Turf Removal                | \$ 35,930  |
| Lemberg Electric               | Flood 2025 Muellner- Electrical Repairs       | \$ 15,802  |
| Lemberg Electric               | Flood of 2025 - Electrical Equipment Muellner | \$ 19,381  |
| TOTAL                          |   | \$ 530,531 |

It should be noted that the ATI Restoration company was on the state contract, so it was competitively solicited but since it is over \$25,000 would have otherwise required Council approval.

In addition, fund transfers are needed in multiple departments. Initially, we are projecting the following to cover costs incurred and near future costs:

Table 2

| FUND AND DEPARTMENT       | AMOUNT             |
|---------------------------|--------------------|
| <b>10 - GENERAL FUND</b>  | \$102,300          |
| 210 - Police              | \$1,400            |
| 220 - FIRE                | \$4,800            |
| 315 - ROADWAY MAINTENANCE | \$5,800            |
| 320 - TRAFFIC CONTROL     | \$500              |
| 325 - ELECTRICAL SERVICES | \$800              |
| 330 - SOLID WASTE         | \$55,500           |
| 340 - FORESTRY            | \$26,700           |
| 625 - ENGINEERING         | \$6,800            |
| <b>20 - FLEET</b>         | \$3,700            |
| <b>21 - FLEET CAPITAL</b> | \$101,700          |
| <b>34 - PARKS</b>         | \$1,000,000        |
| <b>50 - WATER</b>         | \$5,000            |
| <b>51 - SANITARY</b>      | \$5,100            |
| <b>52 - STORM SEWER</b>   | \$2,800            |
| <b>Grand Total</b>        | <b>\$1,220,600</b> |

We propose covering the General Fund and Parks costs from the General Fund Unassigned Reserve and the other funds from their own fund balances. These amounts could be reimbursed in the future when a FEMA determination has been made. In the meantime, we are expecting the following insurance reimbursements and recommend fund transfers to recognize the revenue (\* indicates estimates not yet approved):

Table 3

| Type of Insurance   | Carrier                                     | Description  | Amount (Less Deductables) |
|---------------------|---|--|---------------------------|
| Auto insurance      | Cities and Villages Mutual Insurance        | 2022 Chevy Colorado and 2021 Ford F350 dump                      | \$ 86,531                 |
| Property insurance* | Municipal Property Insurance                | Work to revive approx. 20 pieces of motorized off-road equipment | \$ 20,000                 |
| Flood insurance*    | Assurant (National Flood Insurance Program) | Muellner, Garage and Administration buildings                    | \$ 455,830                |
| <b>TOTAL</b>        |   |  | <b>\$ 562,361</b>         |

The City was also fortunate to receive a \$1,000,000 donation from the Tosa Foundation and requests a fund transfer to recognize this revenue in the Parks Fund.

Finally, we have submitted the following cost estimates to the Federal Emergency Management Agency for potential reimbursement:

Table 4

| FEMA CATEGORIES                   | AMOUNT              |
|-----------------------------------|---------------------|
| A- Debris Removal                 | \$ 255,576          |
| B- Emergency Protective Measures  | \$ 370,083          |
| E- Buildings and Equipment        | \$ 1,328,750        |
| F- Publicly Owned Utilities       | \$ 357,500          |
| G- Parks, Recreational, and Other | \$ 1,903,344        |
| <b>TOTAL:</b>                     | <b>\$ 4,215,253</b> |

Detail is attached. These figures are net insurance recoveries but include reimbursement of deductibles and costs not covered by insurance.

**C. Strategic Plan (Area of Focus)**

**Priority Area One: Economic Development & Financial Resilience**

**Priority Area Two: Public Safety**

**Priority Area Three: Infrastructure**

**Priority Area Five: Quality of Life**

**D. Fiscal Impact**

Expenditures across all funds would increase \$1,220,600. At this time, it would be offset by \$530,531 in insurance proceeds and \$1,000,000 in donations. However, we anticipate an estimated \$2,994,653 in additional expenditures resulting in a net reduction of fund balance of \$1,994,653 assuming no FEMA reimbursements.

**E. Recommendation**

I recommend the approval of \$575,556 of emergency purchases detailed in table 1. I recommend approval of \$1,220,600 of increased expenditures as detailed in table 2 and \$562,361 in insurance proceeds revenue and \$1,000,000 in donations.

| FEMA Categories                   | Asset Type          | Site # | Location  | Description of Damage  | Budgetary Estimate (subtotal) | Engineering (10%) | TOTALS       |
|-----------------------------------|---------------------|--------|---|--|-------------------------------|-------------------|--------------|
| A- Debris Removal                 | N/A                 | 101    | Various   | Debris removal in waterways, streets, drainage structures, and around City facilities.                           | \$ 255,576                    | \$ -              | \$ 255,576   |
| B- Emergency Protective Measures  | N/A                 | 102    | Various   | Search and rescue, policing, emergency pumping, emergency signage, and temporary repairs                         | \$ 16,295                     | \$ -              | \$ 16,295    |
|                                   | Bridge              | 107    | N. 70th St. over the Menomonee River              | Significant erosion in NW corner of bridge. Possible undermining of wingwall in NW corner of bridge.             | \$ 53,750                     | \$ 5,375          | \$ 59,125    |
|                                   | Bridge              | 109    | Wisconsin Ave. over Honey Creek                   | Significant erosion at construction site where bridge is being replaced  | \$ 33,000                     | \$ 3,300          | \$ 36,300    |
|                                   | Roadway             | 110    | N. 117th St. and W. Vliet                         | Buckling of pavement   | \$ 50,000                     | \$ 5,000          | \$ 55,000    |
|                                   | Roadway             | 111    | N. 104th St. and W. Concordia Ave.                | Buckling of pavement   | \$ 44,095                     | \$ 4,410          | \$ 48,505    |
|                                   | Roadway/Parking Lot | 112    | City lot under Harmonee Ave. Bridge               | Significant erosion of parking lot, multi-use path, and bridge piers adjacent to Oak Leaf Trail                  | \$ 14,500                     | \$ 1,450          | \$ 15,950    |
|                                   | Roadway             | 113    | N. 100th St. and W. Ruby Ave.                     | Erosion/washout in NW corner of intersection   | \$ 26,280                     | \$ 2,628          | \$ 28,908    |
|                                   | Parking Lot/Trails  | 114    | Hart Park   | Asphalt pavement washed out and significant erosion  | \$ 100,000                    | \$ 10,000         | \$ 110,000   |
| D- Water Control Facilities       |                     |        |   |  |                               | \$ -              | \$ -         |
| E- Buildings and Equipment        | Building            | 115    | Muellner building at Hart Park                    | Significant flood damage to interior, electrical and mechanical systems, maintenance equipment, and furnishings  | \$ 1,105,000                  | \$ -              | \$ 1,105,000 |
|                                   | Building            | 125    | Hart Park Admin Bldg                              | Minor flood damage to interior, clean up of spaces and equipment replacement                                     | \$ 13,000                     | \$ -              | \$ 13,000    |
|                                   | Building            | 126    | Seed Shed at Hart Park                            | Minor flood damage to interior, clean up and minimal equipment loss  | \$ 6,500                      | \$ -              | \$ 6,500     |
|                                   | Building            | 127    | Storage Shed at northwest side of Hart Park track | Minor flood damage to interior, clean up and minimal equipment loss  | \$ 6,500                      | \$ -              | \$ 6,500     |
|                                   | Building            | 128    | Rotary Stage                                      | Cleanup to storage rooms, loss of renters contents in storage rooms  | \$ 2,600                      | \$ -              | \$ 2,600     |
|                                   | Vehicles            | 116    | Various   | Vehicles and equipment stored in garages   | \$ 130,000                    | \$ -              | \$ 130,000   |
|                                   | Building            | 117    | Little Red Store in Village                       | Significant flood damage to interior, electrical and mechanical systems, furnishings, sidewalks, outside grading | \$ 59,227                     | \$ 5,923          | \$ 65,150    |
| F- Publicly Owned Utilities       | Storm Sewer         | 118    | Geralyne Ct storm sewer and outfall               | Storm sewer outfalls damaged due to erosion and high flows   | \$ 150,000                    | \$ 15,000         | \$ 165,000   |
|                                   | Storm Sewer         | 130    | Railroad bridge outfall                           | Storm sewer outfall damaged and will need to be replaced   | \$ 100,000                    | \$ 10,000         | \$ 110,000   |
|                                   | Storm Sewer         | 129    | 103rd St Storm Sewer                              | Erosion/washout near box culvert connection at back of walk  | \$ 25,000                     | \$ 2,500          | \$ 27,500    |
|                                   | Water               | 119    | Under N. 70th Street bridge deck                  | Insulation and brackets are damaged. Inspection and repair needed.   | \$ 50,000                     | \$ 5,000          | \$ 55,000    |
| G- Parks, Recreational, and Other | Park                | 120    | Hart Park   | Playground - turf destroyed, needs regrading, portion of asphalt path and curb and gutter damaged.               | \$ 150,000                    | \$ 15,000         | \$ 165,000   |
|                                   | Park                | 121    | Hart Park   | Football field - complete loss of turf, field facilities, bleachers, and storage units                           | \$ 1,350,849                  | \$ 135,085        | \$ 1,485,934 |
|                                   | Park                | 122    | Hart Park   | Softball - clay infield destroyed  | \$ 164,600                    | \$ 16,460         | \$ 181,060   |
|                                   | Park                | 123    | Hart Park   | Site furnishings - free standing bleachers, picnic tables, garbage cans, storage boxes, and other furnishings    | \$ 65,850                     | \$ -              | \$ 65,850    |
|                                   | Park                | 124    | Hart Park   | Volleyball courts - material washed out  | \$ 5,000                      | \$ 500            | \$ 5,500     |
| TOTALS                            |                     |        |   |  | \$ 3,977,622                  | \$ 237,630        | \$ 4,215,253 |



# Wauwatosa, WI

7725 W. North Avenue  
Wauwatosa, WI 53213

## Staff Report

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**File #:** 25-1560

**Agenda Date:** 9/23/2025

**Agenda #:** 9.

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Consideration of recommendation by Finance Director for approval of 2025 General Obligation Notes

**Submitted by:**

John Ruggini

**Department:**

Finance Director

**A. Issue**

As part of the 2025-2029 Capital Improvement Plan, bond proceeds are required to fund approved capital projects. As a result, it is necessary to authorize the issuance of these general obligation and water revenue bonds. It is important to consider the impact of these bonds on the City's total debt capacity, tax and utility rates.

**B. Background/Options**

### Capital Budget

The 2025-2029 Capital Improvement Budget included \$35.3 million in general obligation note proceeds for approved projects as shown in Figure 1. The total amount to be borrowed is \$26.6 million. This is a not-to-exceed amount although we don't anticipate the amount to change.

Levy-backed bonds are \$5.2 million less than budgeted due largely to better than budgeted contract results for the Watertown Plank paving project and delaying real estate acquisition for the State Highway 181 project.

The Storm borrowing is \$3.1 million less than budgeted due also to better than budgeted contract figures for the Watertown Plank project inclusive of the 70<sup>th</sup> Storm Sewer project. This was slightly offset by requiring additional funds for the 2024 paving program.

The bond amortization schedules have been adjusted so that the same impact on the 2026 Budget is maintained and sufficient funds are included in the 2026 Budget to cover the debt service associated with this bond offering. Within that issuance, the levy funded portion will be repaid over 15 years, sanitary and storm over 10 and water over 20 years. As was the case in previous years, General Obligation Notes are proposed instead of Revenue Bonds for the water projects. This is recommended to reduce interest costs, eliminate the need for a debt reserve and provide debt coverage relief

*Figure 1*

| Revenue Source               | 2025                 | Bond Amount          | Variance              |
|------------------------------|----------------------|----------------------|-----------------------|
| Levy-backed Bonds            | \$ 17,402,769        | \$ 12,239,000        | \$ (5,163,769)        |
| Rate-backed Bonds - Sanitary | \$ 1,966,165         | \$ 1,366,000         | \$ (600,165)          |
| Rate-backed Bonds - Storm    | \$ 14,389,104        | \$ 11,320,720        | \$ (3,068,384)        |
| Rate-backed Bonds - Water    | \$ 1,573,350         | \$ 1,705,000         | \$ 131,650            |
| TIF supported Bonds          | \$ -                 | \$ -                 | \$ -                  |
| <b>TOTAL</b>                 | <b>\$ 35,331,388</b> | <b>\$ 26,630,720</b> | <b>\$ (8,700,668)</b> |

The specific projects included in these totals are shown in Attachment 1 which were all part of the approved 2024-2028 capital budget. That document can be found here:

<https://www.wauwatosa.net/home/showpublisheddocument/5944/638739074520430000>

## Debt Capacity

An important component of assessing a debt issuance is measuring its impact on debt capacity as governed by the Debt Management Policy (Attachment 2). Figure 2 compares the City of Wauwatosa's debt profile (assuming issuance of this debt) to its policy goals and to the Aaa average.

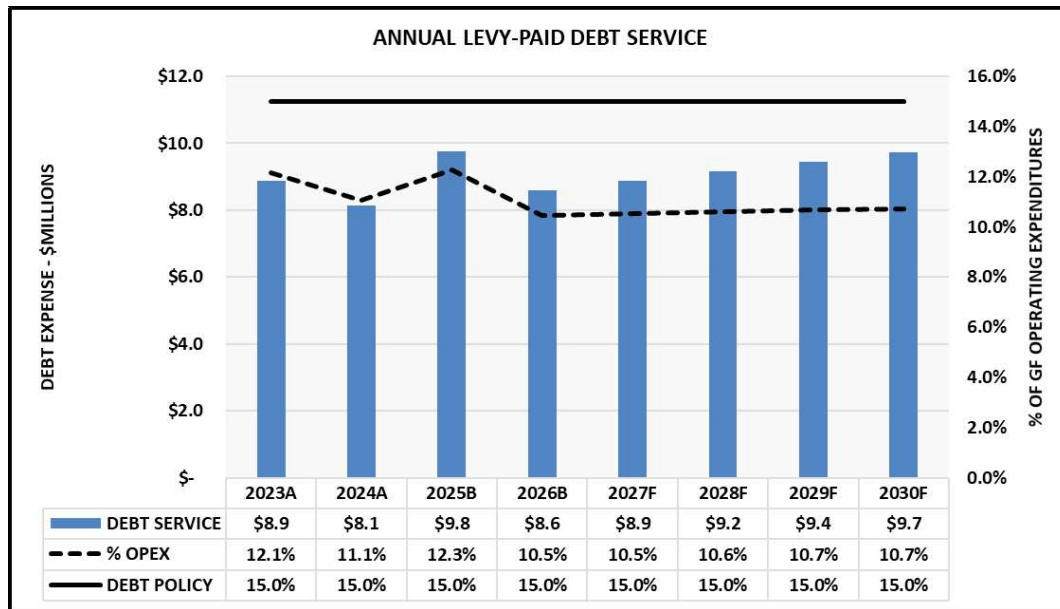
Assuming this debt issuance, the City will have \$147,650,000 in outstanding General Obligation debt; an increase of \$10,735,000, or 8%, from the prior year. This includes all debt backed by property taxes, but does not include water revenue bonds. The amount of debt actually paid for with general fund property taxes (net debt) is \$56,495,000; an increase of \$6,238,491 or 12%. This does not include general obligation debt paid for by the utilities or debt paid for by TIF Districts.

The City is below its stated debt policy goal for total debt as a percentage of full value - 1.44% compared to 4.0% per the City policy and below the 5.0% allowable under state statute. The City also remains below its policy goal of net debt service as a percentage of expenditures to not exceed 15%. It is estimated to be 12.3% in Figure 2 and remain relatively flat over the next 5 years. This is shown in Figure 3.

*Figure 2 - Debt Profile Comparisons*

TO BE ADDED

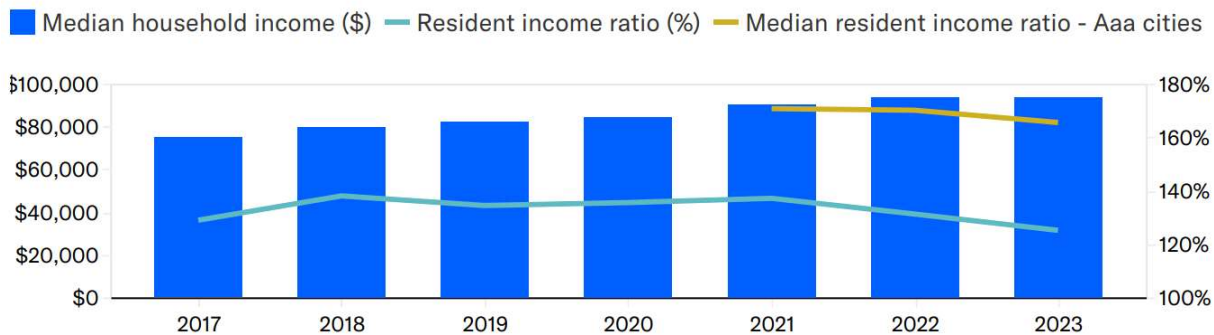
*Figure 3 - Projected Annual Levy Debt Service*



The debt profile is just one measure used for determining a bond rating. Figures 4 and 5 present several other measures used to assess financial and economic strength. These figures are based on the 2024 financial results and also are compared to the most recent available Moody's Aaa medians. While the City's financial and economic profiles are strong, some of the benchmarks come in lower than Aaa peers.

*Figure 4 - Economic Comparisons*

Resident incomes are stable but are lower than peers



Source: US Census Bureau - American Community Survey 5-Year Estimates; US Bureau of Economic Analysis; Moody's Ratings

*Figure 5- Financial Operations*

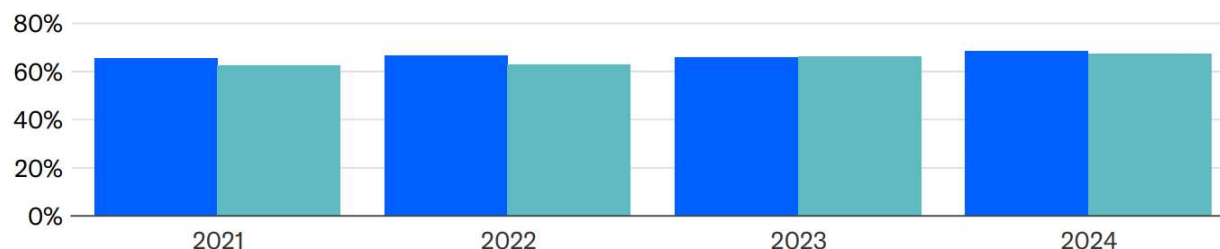


## Financial operations

Exhibit 3

Reserves have been very stable since 2021

■ Available fund balance ratio ■ Median available fund balance ratio - Aaa cities



Source: Audited financial statements; Moody's Ratings

Figure 6 presents the analysis from the City's bond rating agency, Moody's, as of the last full rating in September 2025 which demonstrates how the strength of our finances and growing tax base help overcome other weaknesses and maintain our Aaa rating.

Figure 6- Moody's Rating Scorecard

Exhibit 1

Wauwatosa (City of) WI

|   | 2021        | 2022        | 2023        | 2024         | Aaa Medians |
|---|-------------|-------------|-------------|--------------|-------------|
| <b>Economy</b>                                      |             |             |             |              |             |
| Resident income ratio (%)                           | 1371%       | 131.2%      | 125.1%      | N/A          | 168.9%      |
| Full Value (\$000)                                  | \$7,545,982 | \$9,006,577 | \$9,618,351 | \$10,284,775 | \$9,011,663 |
| Population  | 48,072      | 47,919      | 47,718      | N/A          | 36,103      |
| Full value per capita (\$)                          | \$156,972   | \$187,954   | \$201,567   | N/A          | \$218,941   |
| Annual Growth in Real GDP                           | 4.3%        | 2.7%        | 1.4%        | N/A          | 2.4%        |
| <b>Financial Performance</b>                        |             |             |             |              |             |
| Revenue (\$000)                                     | \$104,234   | \$108,259   | \$121,613   | \$135,044    | \$108,194   |
| Available fund balance (\$000)                      | \$68,420    | \$72,130    | \$80,172    | \$92,514     | \$68,159    |
| Net unrestricted cash (\$000)                       | \$115,425   | \$127,498   | \$137,083   | \$145,857    | \$99,090    |
| Available fund balance ratio (%)                    | 65.6%       | 66.6%       | 65.9%       | 68.5%        | 62.6%       |
| Liquidity ratio (%)                                 | 110.7%      | 117.8%      | 112.7%      | 108.0%       | 95.0%       |
| <b>Leverage</b>                                     |             |             |             |              |             |
| Debt (\$000)  | \$170,778   | \$179,197   | \$176,890   | \$177,970    | \$72,678    |
| Adjusted net pension liabilities (\$000)            | \$182,066   | \$173,642   | \$87,995    | \$88,645     | \$89,696    |
| Adjusted net OPEB liabilities (\$000)               | \$35,532    | \$39,532    | \$33,544    | \$35,170     | \$10,915    |
| Other long-term liabilities (\$000)                 | \$2,898     | \$3,436     | \$3,379     | \$12,197     | \$4,029     |
| Long-term liabilities ratio (%)                     | 375.4%      | 365.6%      | 248.2%      | 232.5%       | 217.2%      |
| <b>Fixed costs</b>                                  |             |             |             |              |             |
| Implied debt service (\$000)                        | \$12,528    | \$11,978    | \$12,515    | \$12,288     | \$4,949     |
| Pension tread water contribution (\$000)            | \$1,521     | \$1,707     | \$4,546     | N/A          | \$2,629     |
| OPEB contributions (\$000)                          | \$2,836     | \$3,314     | \$3,694     | \$2,703      | \$594       |
| Implied cost of other long-term liabilities (\$000) | \$201       | \$203       | \$240       | \$235        | \$274       |
| Fixed-costs ratio (%)                               | 16.4%       | 15.9%       | 17.3%       | 14.6%        | 10.0%       |

Finally, it is important to examine the sanitary, storm and water coverage ratios and cash surplus. It is recommended to maintain a 1.10 coverage ratio and 25% cash surplus. A coverage ratio is the net operating income divided by the debt service amount.

## Sanitary

Assuming the debt necessary to finance the 2025-2029 capital budget, the sanitary sewer fund maintains a 1.40 average coverage ratio through 2030. (Figure 7). With this coverage ratio, the cash balance will continue to grow through 2030 at which point it assumed to drop as a significant portion is used for the Schoonmaker Creek project but it will remain above

the 25% policy requirement. (Figure 8)

For 2026, we are considering a 3% rate increase. Rate increases are assumed for 2026-2030 to offset rising debt service. (Figure 9)

Figure 7

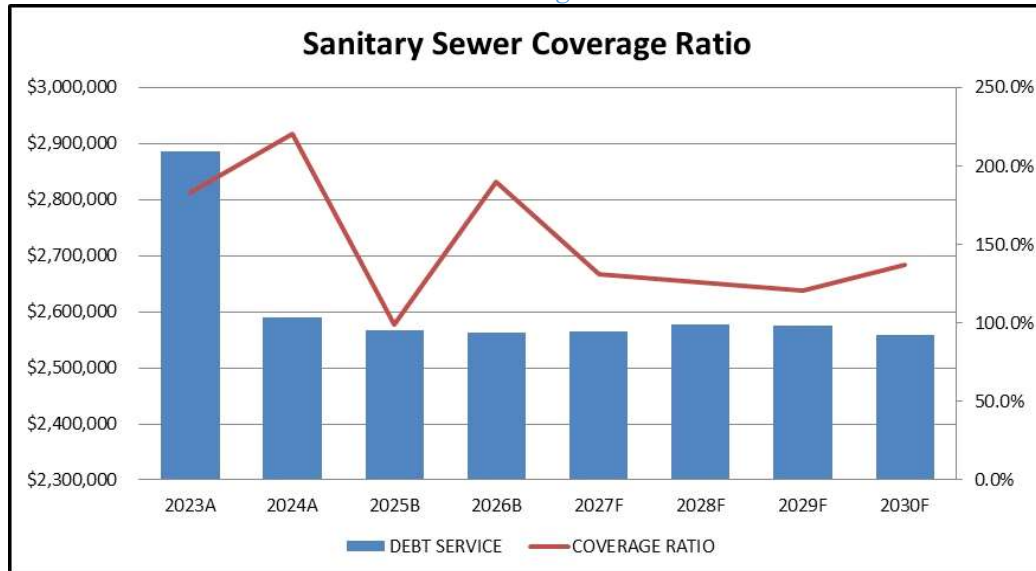


Figure 8

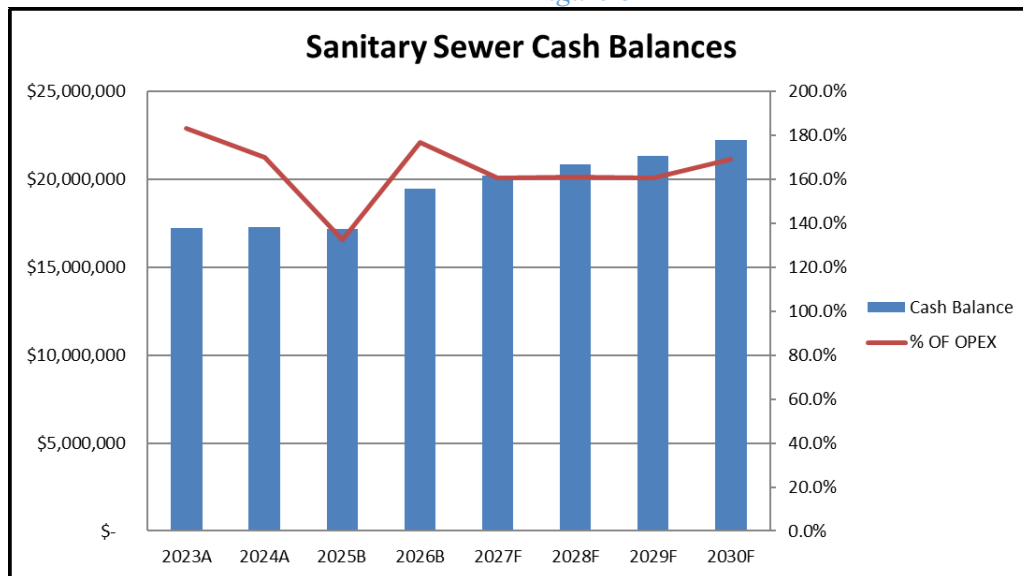
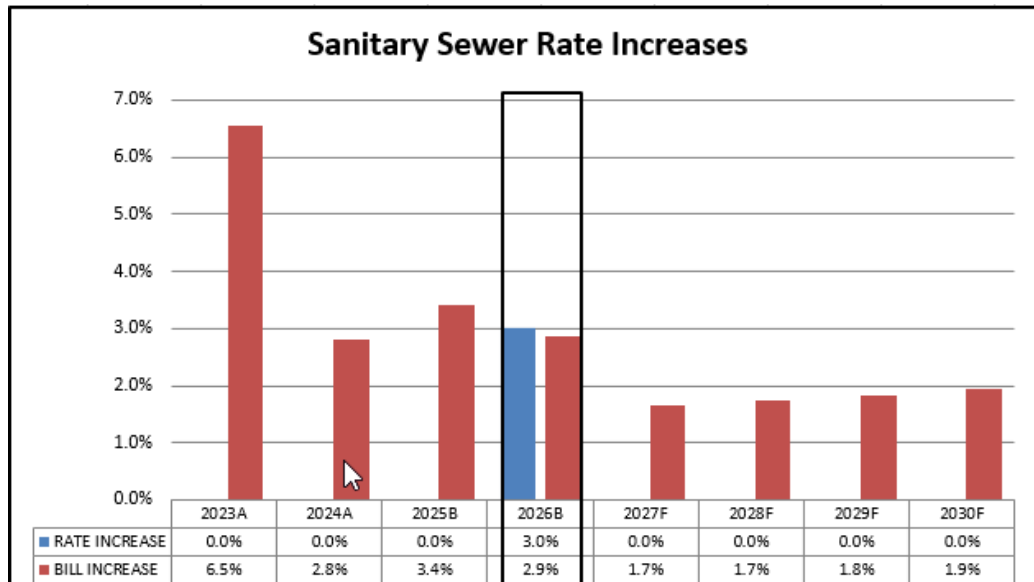


Figure 9



### Storm

Assuming the issuance of the 2025 bonds as well as the debt necessary to finance the 2026-2030 capital budget, the storm sewer will maintain a 1.05 coverage ratio through 2030 (Figure 10). The Storm Sewer cash balance is forecasted to be 35% of operating expenditures in 2026 (Figure 11) and remain constant until a planned reduction in for the Schoonmaker Creek project. A 5% increase is considered in 2026. The necessary rate increases to support the 2025-2029 capital budget and coverage ratio are shown below in figure 12.

Figure 10

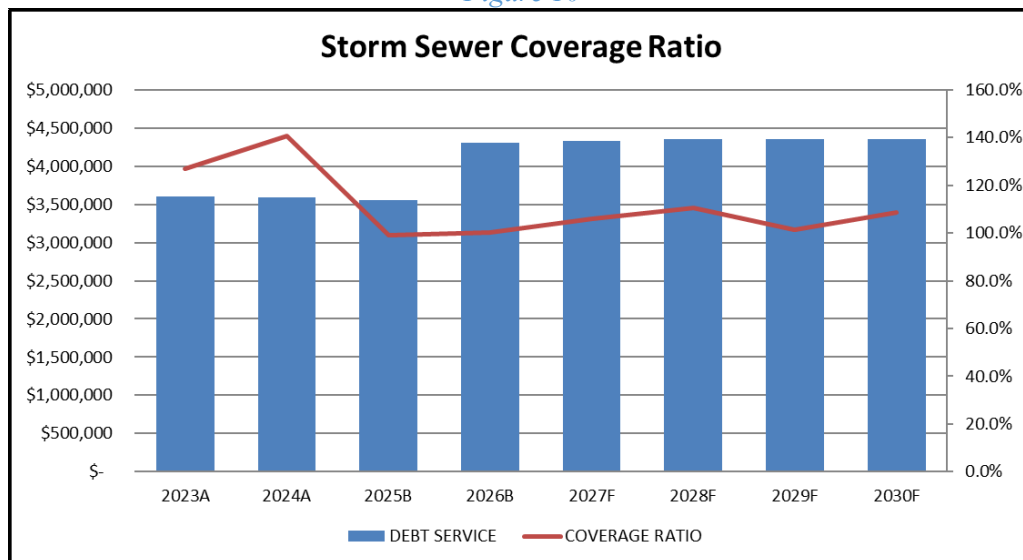


Figure 11

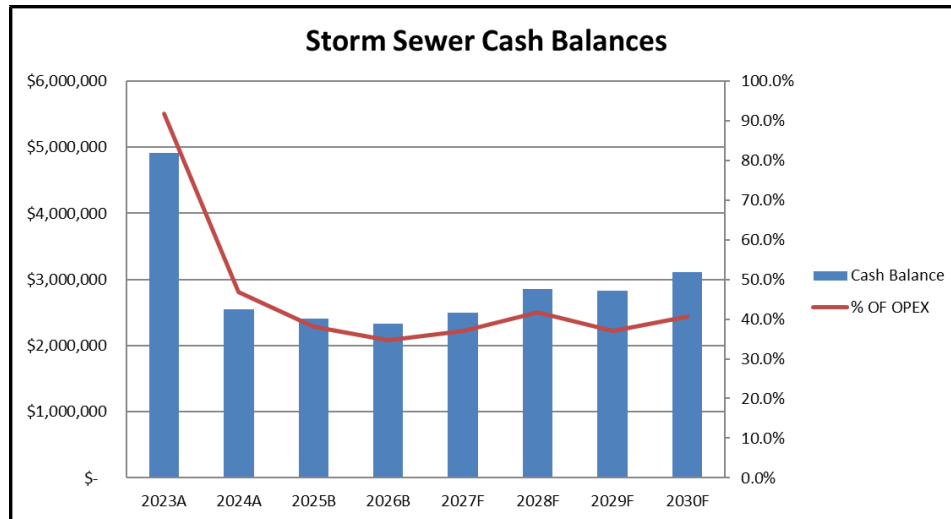
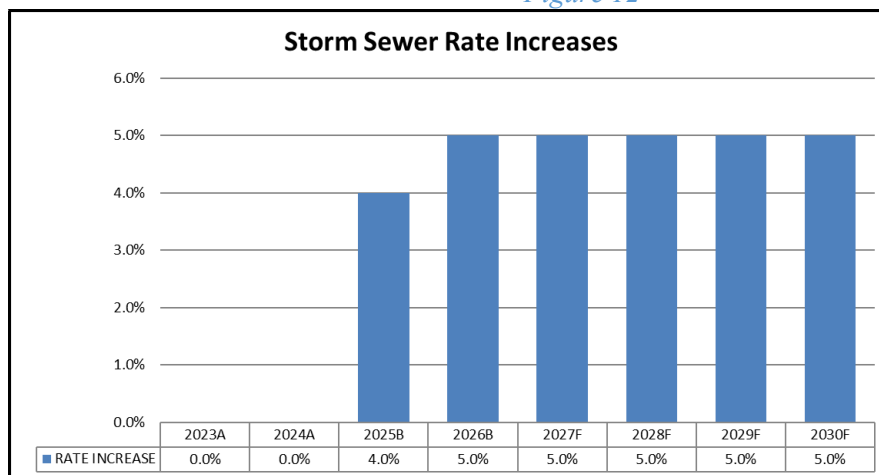


Figure 12

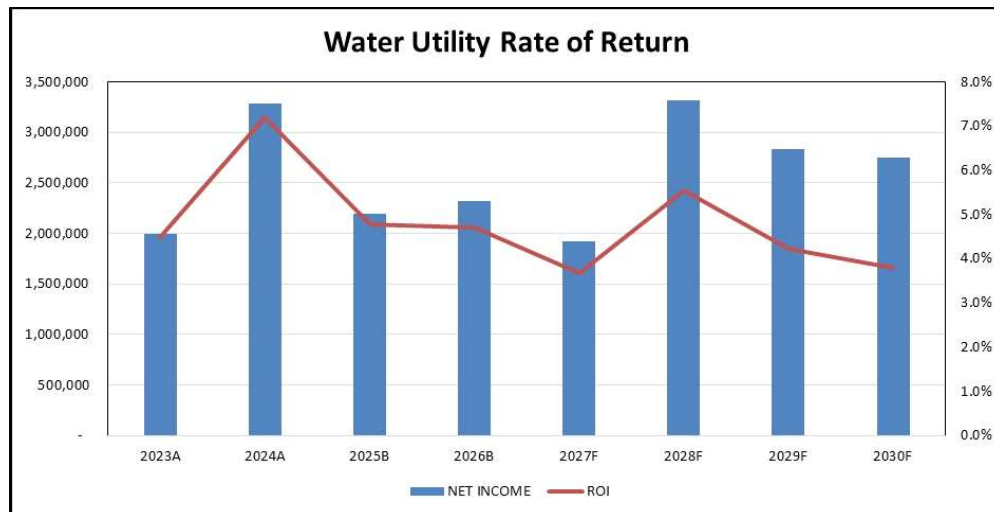


## Water

Like Storm and Sanitary, it is important to understand the impact of borrowing funds on the Water Utility's coverage ratio, surplus and rate projections. In addition, the impact on the rate of return must also be considered as displayed in Figure 13. For all of these projections, the 2025-29 borrowing is assumed.

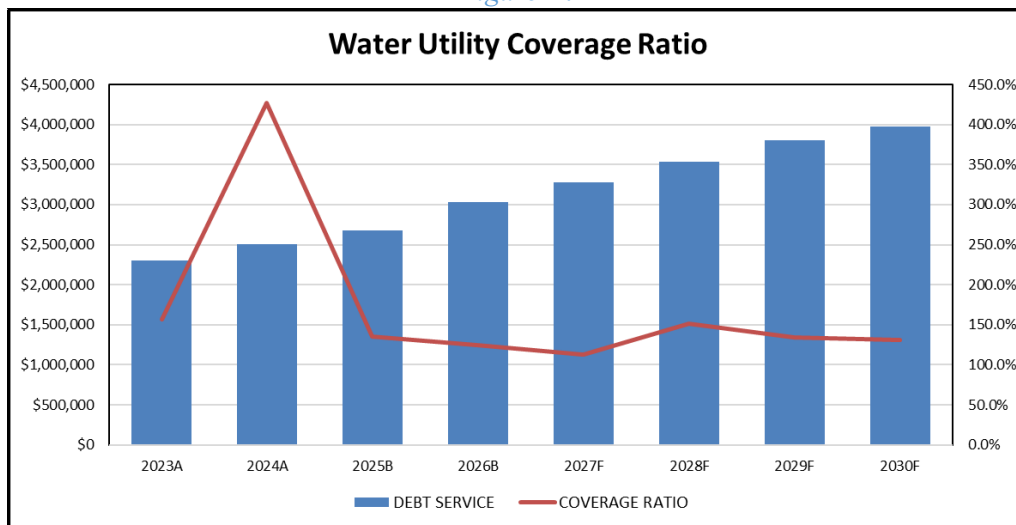
The rate of return is calculated by dividing the net operating income by the net value of the Water Utility's physical infrastructure. The Public Service Commission sets a cap, currently 6.25% and typically a rate increase is required if the rate of return falls below 2.0%. As shown below, the rate of return is anticipated to drop to approximately 4.5% from the current 7% requiring a conventional rate increase in 2027 due largely to annual net cash as shown in Figure 13.

Figure 13



By bond covenant, the Water Utility coverage ratio must remain above 1.25. Figure 14 shows that the coverage ratio will remain at approximately 1.3 through 2030. With the transition to General Obligation Bonding; however, the coverage ratio minimum can decrease to 1.10 with fewer restrictions.

*Figure 14*



Due to increasing to total debt service (including general obligation debt not included above), and increased operating spending on infrastructure repairs and the use of fund balance for tank paintings cash balance is projected to decrease through 2027 as shown in Figure 15 and then begin to rise in 2028 assuming a conventional rate case in 2027. The policy minimum is 25%.

*Figure 15*

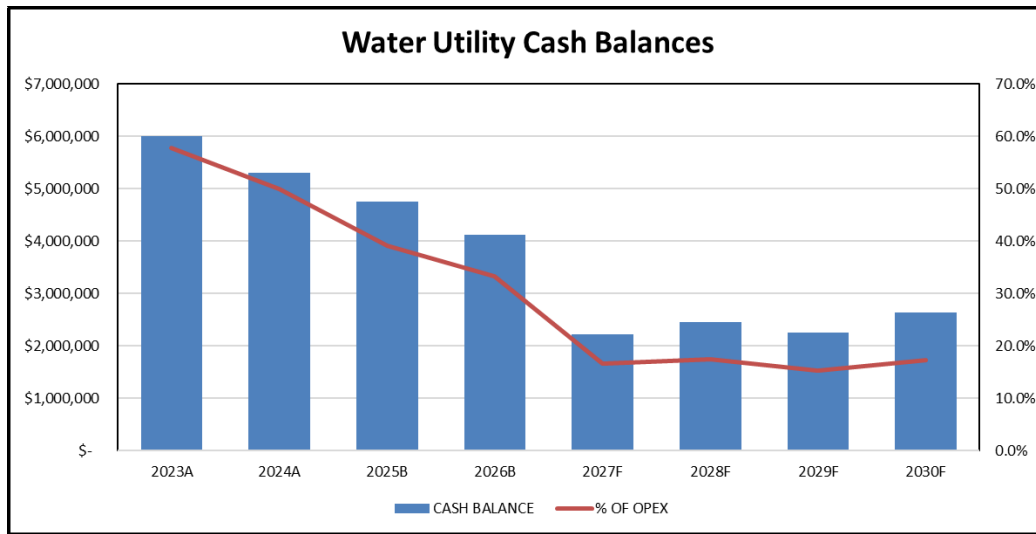
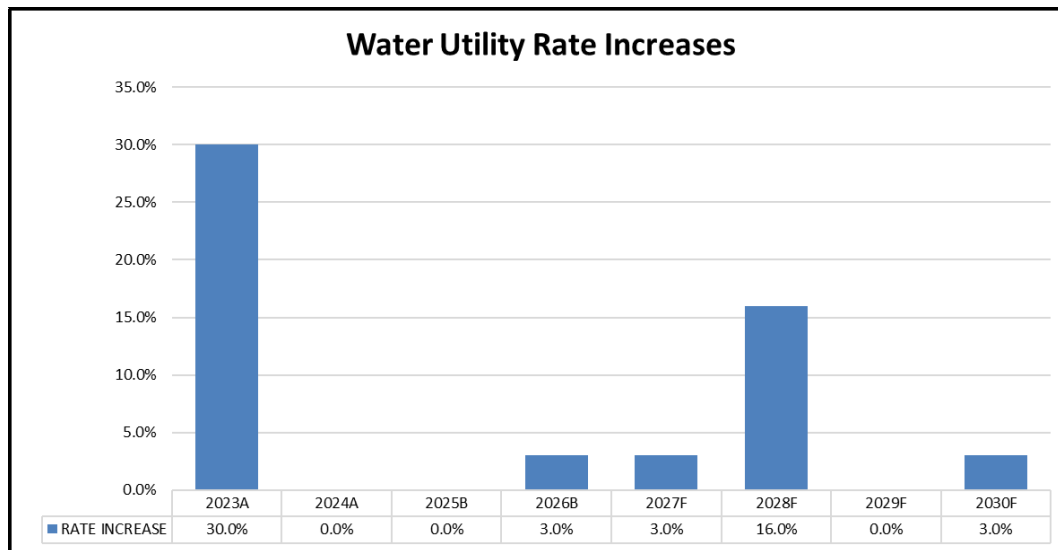


Figure 16 shows the planned rate increases necessary to fund the borrowing assumed in the 2025-2029 Capital Budget.

*Figure 16*



### Debt Issuance Process

Due to a positive change in state legislation, the City no longer has to issue bonds but can exclusively issue promissory notes. This simplifies the borrowing process. As a result, the Council must only approve the Parameters Resolution included with this report. The actual sale date for the 2025 general obligation bonds is scheduled to be the week of October 6th as a competitive sale. Moody's reviewed the sale with City staff and reaffirmed our Aaa rating which is attached. The credit strengths and challenges are noted below.

**Credit strengths**

- » Very strong and stable reserve position that is expected to hold in the near-term
- » Robust local economy with strong resident incomes

**Credit challenges**

- » Ongoing capital needs
- » Levy constrained by state-imposed limits on growth

**Rating outlook**

We do not assign outlooks to local government issuers with this amount of debt outstanding.

**Factors that could lead to an upgrade**

- » Not applicable

**Factors that could lead to a downgrade**

- » A long-term liabilities ratio consistently approaching 350% of revenues
- » An available fund balance ratio below 40%

**C. Strategic Plan (Area of Focus)**

Priority Area Three: Infrastructure

**D. Fiscal Impact**

Annual debt service costs are included in the 2026 Budget.

**E. Recommendation**

I recommend the approval of the debt issuance not to exceed the amounts and terms shown below.

| Category                 | Type of Bond | Tax Status | Term | Funding Source | Total Principal  |
|--------------------------|--------------|------------|------|----------------|------------------|
| Transportation           | GO Note      | Tax Exempt | 15   | Levy           | \$ 10,762.00     |
| Parks and public grounds | GO Note      | Tax Exempt | 15   | Levy           | \$ -             |
| General                  | GO Note      | Tax Exempt | 10   | Levy           | \$ 1,282.00      |
| Fire Protection          | GO Note      | Tax Exempt | 15   | Levy           | \$ 195,000       |
| Police                   | GO Note      | Tax Exempt | 15   | Levy           | \$ -             |
| Sanitary                 | GO Note      | Tax Exempt | 10   | Rates          | \$ 1,366.00      |
| Storm                    | GO Note      | Tax Exempt | 10   | Rates          | \$ 11,321.00     |
| Water                    | GO Note      | Tax Exempt | 20   | Rates          | \$ 1,705.00      |
|                          |              |            |      | <b>TOTAL</b>   | <b>26,631.00</b> |

# City of Wauwatosa

## Debt Management Policy

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Revised 10/1/2020

### I. Overview

Debt issuance is a useful tool for financing capital assets and other long term projects as well as providing a cost-effective source of funding for other purposes including economic development. It allows the City to continually invest in its infrastructure and accomplish other public purposes while more equitably spreading the tax burden over time. However, debt must be cautiously managed to ensure affordability, compliance and fiscal health.

### II. Policy Goal

To establish parameters and provide guidance governing the issuance and management of debt obligations so that the City of Wauwatosa:

- A. Maintains a high investment grade rating to minimize borrowing costs and to preserve ready access to capital;
- B. Minimizes financial risk;
- C. Achieves a balance between affordable debt levels and an appropriate amount of infrastructure and other investments;
- D. Organizes the City's debt mix (i.e., short term and long term; general obligation, revenue obligation and RDA) to maximize fiscal strength and flexibility.

### III. Policy Guidelines

- A. Purposes of Debt Issuance
  - 1. Debt proceeds should be limited to financing capital assets or long-term projects with a useful life of at least the term of the debt.
  - 2. Debt financing should not be used for any recurring purpose such as current operating expenditures.
  - 3. Priority should be given to using debt proceeds for maintaining existing infrastructure followed by investments that would provide for tax base expansion and economic development.
  - 4. Debt proceeds should only be used for projects approved by the Common Council as part of the 5-year Capital Improvement Plan unless there is an



emergency, extenuating circumstance or a compelling public purpose opportunity.

B. Allowable Types of Debt

1. Debt financing will include general obligation bonds and notes, revenue bonds, State Trust Fund loans and special assessment bonds. Other types of debt instruments can be used as appropriate if their use is necessary or advantageous to the City. All bond and note issues must be authorized under Wisconsin Statutes, Chapter 66 or 67. State Trust Fund Loans are authorized under Wisconsin Statutes Chapter 24.66.
2. Refunding debt issues are permitted provided that they either produce a positive present value savings or restructure debt service payments in a manner that would be advantageous to the City. In general, advance refundings for economic savings will be undertaken when the net present value savings of at least 3.0% of the refunded debt can be achieved. Current refundings that produce net present value savings of less than 3.0% may be considered when there is a compelling public policy objective.

C. Debt Limitations

1. Property-tax backed General Obligation Debt
  - a) *The State of Wisconsin limits total general-obligation debt to be no greater than five percent of equalized valuation of taxable property within the City. However, recognizing the important role of debt capacity in financial sustainability, the City will follow a stricter standard of no greater than 4.0%*
  - b) *To further ensure that annual debt service payments do not put unsustainable strain on the operating budget, total annual debt service for property-tax paid general obligation debt shall not exceed 15% of total general fund expenditure (including transfers) absent an emergency, extenuating circumstance or compelling public policy opportunity.*
  - c) *Staff will monitor Direct Net Debt as a percentage of equalized value as compared to the national median of Aaa communities. Direct net debt represents general obligation debt, including State Trust Fund loans, net of debt supported by non-property tax revenues. This does not include debt incurred by the Redevelopment Authority and the Water, Sanitary and Storm sewer systems.*

2. Rate revenue supported General Obligation Debt
    - a) *The City currently issues general obligation debt to finance storm and sewer utility projects. The debt service is funded through the sewer rates. Prior to issuing any general obligation debt to-be-paid for through utility rates, an analysis must be completed demonstrating the impact of the debt service on the fund balance. Should operating funds and the fund balance be insufficient to support the term of the debt, the likely impact on rates must be included in that analysis and communicated to policy makers.*
  3. Revenue Bonds
    - a) *The City currently issues bonds backed by revenue for the Water Utility. In order to ensure adequate revenues, a coverage ratio of debt to equity of 1.25 will be maintained as a minimum level with a goal of maintaining a ratio of 1.50.*
  4. Cash Financing
    - a) Recognizing the important role of cash financing in maintaining an appropriate balance between debt and capital infrastructure renewal, 40% of the capital budget, not including tax increment financing, will be cash financed (i.e. use funds on-hand instead of borrowing) by 2030.
- D. Structure of Debt
1. Debt schedules should be structured to minimize fluctuations in total debt service payments while achieving 75% of principal retirement of all general obligation debt within 10 years.
  2. In order to limit the amount of debt issued by the City, any cash balances in excess of the City's stated general fund balance target should be used for capital projects. One-time revenues should be used for capital projects to reduce borrowing or for debt elimination.
- E. Debt Issuance and Management Practices
1. The City may issue debt on either a negotiated or public sale basis at its sole discretion. If the issue is negotiated, a compelling business case must be documented as to the unique circumstances that make a negotiated sale preferable and a minimum of three similar issuances in size, ratings, and purpose on or near the sale date should be presented in order to evaluate the negotiated price.

2. The City may employ outside financial specialists to assist in developing a financing strategy, preparing bond documents and marketing the issue to investors. Independent bond counsel shall also be retained in order to ensure the bond sale complies with all state law and federal regulations and to assist in preparing legal documents.
3. Interfund borrowing will be considered to finance high priority needs on a case-by-case basis, only when planned expenditures in the fund making the loan would not be affected. Interfund borrowing may be used when it would reduce costs of interest, debt issuance, and/or administration. An interest rate based on that fund's expected investment earnings shall be charged.

F. Compliance

1. The City will seek to maintain its current bond rating and will ordinarily not consider long-term debt that, through its issuance, would likely cause the City's bond rating to be lowered.
2. The City will strive to maintain good relations with the rating agency and keep them informed of significant developments that could affect the City's credit rating.
3. The City will monitor compliance with bond covenants and adhere to state and federal law including IRS arbitrage regulations. The City has in place a compliance procedure and checklist to ensure adherence to IRS arbitrage regulations for each issuance of debt. To this end, bond proceeds will be kept in a segregated account at the State of Wisconsin Local Government Investment Pool. Interest earnings will be tracked quarterly and allocated to the capital project fund. The spending of proceeds will be tracked by issuance. Any instances of non-compliance will be reported to the Common Council.
4. All factual information submitted for official statements and other relevant disclosures shall be submitted to and reviewed by a Disclosure Group, which shall consist of representatives of the Finance Department, City Attorney, Human Resources, Economic Development and each department which will be utilizing the proceeds of that particular borrowing. The Disclosure Group shall determine and utilize best practices in order to ascertain and assure full compliance with all relevant disclosure requirements at the time of each borrowing.
5. The City is committed to full and complete financial disclosure, and to cooperating fully with rating agencies, institutional investors, other units of governments, and the general public to share clear comprehensible and accurate financial information. The Finance Department will provide continuing

disclosure in compliance with continuing certifications made at the time of each debt issue.

## Definitions

**Arbitrage** is the ability to obtain low-yielding tax-exempt bond proceeds and invest the funds in higher yielding taxable securities, resulting in a profit. In order to maintain tax-exempt bond status the IRS requires yield restrictions and that the bond proceeds be utilized in a specific duration of time.

A **bond** is a debt security issued by certain institutions such as companies and governments. A bond entitles the holder to repayment of the principal sum, plus interest. Bonds are issued to investors in a marketplace when an institution wishes to borrow money. Bonds have a fixed lifetime, usually a number of years; with long-term bonds, lasting over 30 years, being less common. At the end of the bond's life the money should be repaid in full. Interest may be added to the end payment, or can be paid in regular installments (known as coupons) during the life of the bond. Bonds may be traded in the bond markets, and are widely used as relatively safe investments in comparison to equity.

**Capital Assets** are any asset used in operations with an initial useful life extending beyond one reporting period. Typically capital assets are physical structures, larger pieces of equipment or land.

**Debt** is simply funds that have been borrowed and must be repaid with interest. In terms of municipal finance, debt typically refers to outstanding bonds which have been used to finance capital projects, typically infrastructure investments. Debt financing allows governments to spread the cost of a capital project over a period of time (typically 10-20 years). This has the advantage of allowing for the construction of public infrastructure such as roads, bridges and sewers on a more regular basis as opposed to waiting for sufficient funds to be set-aside. It also allows for the cost of projects to be paid for by a greater number of tax-payers who enjoy the project's benefit. This is often referred to as inter-generational equity.

**Debt Service** refers to annual principal and interest payments on outstanding debt.

**General Obligation Debt** represents debt that is backed by the full faith and credit of a governmental entity and its property tax base.

**Operating Expenditures** refers to the annual recurring costs associated with operating a government.

**Refunding Debt** is a type of debt used to refinance existing debt, typically to take advantage of lower interest rates.

**Revenue Obligation Debt** is debt which will be repaid using a non-property tax revenue such as water utility payments.

**Project Budgets and Bond Amounts**

| Project | Project Title                       | Levy-backed bonds |              | Rate-backed bonds Sanitary |            | Rate-backed bonds Storm |              | Water      |            |
|---------|-------------------------------------|-------------------|--------------|----------------------------|------------|-------------------------|--------------|------------|------------|
|         |                                     | Budget            | Bond         | Budget                     | Bond       | Budget                  | Bond         | Budget     | Bond       |
| 1024    | 2024 PAVING PROGRAM                 | \$ -              | \$ -         | \$ -                       | \$ -       | \$ -                    | \$ 410,000   | \$ -       | \$ -       |
| 1025    | 2025 PAVING PROGRAM                 | \$ 9,510,261      | \$ 6,695,000 | \$ 824,605                 | \$ 821,000 | \$ 10,634,750           | \$ 9,430,720 | \$ 931,250 | \$ 925,000 |
| 1026    | 2026 PAVING PROGRAM                 | \$ 430,008        | \$ 430,000   | \$ 96,560                  | \$ 100,000 | \$ 200,984              | \$ 200,000   | \$ 89,600  | \$ 90,000  |
| 1121    | STH 181 WISCONSIN AVE TO CENTER ST  | \$ 2,000,000      | \$ -         |                            | \$ -       |                         | \$ -         |            | \$ -       |
| 1127    | NORTH AVE FROM 73RD TO 95TH         | \$ 37,500         | \$ 40,000    | 37,500.00                  | \$ 40,000  | 37,500.00               | \$ 40,000    | \$ 37,500  | \$ 40,000  |
| 2025    | 2025 SIDEWALK PROGRAM               | \$ 230,550        | \$ 187,000   |                            | \$ -       |                         | \$ 35,000    |            | \$ -       |
| 2302    | TOSA TRAILS - COUNTY GROUNDS PARK C | \$ 11,700         | \$ 10,000    |                            | \$ -       | \$ 650                  | \$ -         |            | \$ -       |
| 2303    | WISCONSIN AVE BRIDGE OVER HONEY CRE | \$ 2,884,000      | \$ 3,200,000 | \$ 309,000                 | \$ 405,000 | \$ 1,648,000            | \$ 1,205,000 | \$ 515,000 | \$ 650,000 |
| 2308    | 112TH ST GREENWAY CONNECTION TO     | \$ 75,000         | \$ -         |                            | \$ -       |                         | \$ -         |            | \$ -       |
| 2403    | STREET LIGHT CONVERSION             | \$ 116,000        | \$ -         |                            | \$ -       |                         | \$ -         |            | \$ -       |
| 2404    | STREET LIGHTING CABINET REPLACEMENT | \$ 172,750        | \$ -         |                            | \$ -       |                         | \$ -         |            | \$ -       |
| 2625    | 2025 SIGNALIZED INTERSECTION IMPROV | \$ 184,500        | \$ 200,000   |                            | \$ -       |                         | \$ -         |            | \$ -       |
| 3011    | WA4004 SANITARY SEWER LINING        | \$ -              | \$ -         | \$ 200,000                 | \$ -       |                         | \$ -         |            | \$ -       |
| 3100    | SAN LINING INDEPENDENT OF PAVING    | \$ -              | \$ -         | \$ 277,500                 | \$ -       |                         | \$ -         |            | \$ -       |
| 4101    | 70TH ST STORM SEWER                 | \$ -              | \$ -         | \$ 221,000                 | \$ -       | \$ 1,815,720            | \$ -         |            | \$ -       |
| 6217    | REPLACEMENT OF SAND & GRAVEL STORGE | \$ 250,000        | \$ 250,000   |                            | \$ -       |                         | \$ -         |            | \$ -       |
| 6226    | AUTOMATED VEHICLE WASH STATION      | \$ 650,000        | \$ 650,000   |                            | \$ -       |                         | \$ -         |            | \$ -       |
| 6229    | JOHN DEERE 624 WHEEL LOADER         | \$ 365,000        | \$ 342,000   |                            | \$ -       |                         | \$ -         |            | \$ -       |
| 6232    | RESIDENTIAL DROP OFF CENTER EFF     | \$ 40,000         | \$ 40,000    |                            | \$ -       |                         | \$ -         |            | \$ -       |
| 6608    | SELF CONTAINED BREATHING APPARATUS  | \$ 85,000         | \$ 110,000   |                            | \$ -       |                         | \$ -         |            | \$ -       |
| 6626    | FIRE STATION 53 CONCRETE PAVEMENT   | \$ 217,500        | \$ -         |                            | \$ -       | \$ 51,500               | \$ -         |            | \$ -       |
| 6627    | FIRE STATION 51 NORTH PARKING LOT   | \$ 8,000          | \$ -         |                            | \$ -       |                         | \$ -         |            | \$ -       |

**Project Budgets and Bond Amounts**

| Project            | Project Title                | Levy-backed bonds |               | Rate-backed bonds Sanitary |              | Rate-backed bonds Storm |               | Water        |              |
|--------------------|------------------------------|-------------------|---------------|----------------------------|--------------|-------------------------|---------------|--------------|--------------|
|                    |                              | Budget            | Bond          | Budget                     | Bond         | Budget                  | Bond          | Budget       | Bond         |
| 6634               | STATION 51 FIRE ALARM SYSTEM | \$ 30,000         | \$ -          |                            | \$ -         |                         | \$ -          |              | \$ -         |
| 6685               | REPLACEMENT STAFF AUTOMOBILE | \$ 105,000        | \$ 85,000     |                            | \$ -         |                         | \$ -          |              | \$ -         |
| 8053               | PICKLEBALL COURTS SIX        | \$ -              | \$ -          |                            |              |                         |               |              |              |
| TOTAL              |                              | \$ 17,402,769     | \$ 12,239,000 | \$ 1,966,165               | \$ 1,366,000 | \$ 14,389,104           | \$ 11,320,720 | \$ 1,573,350 | \$ 1,705,000 |
|                    |                              | \$ -              |               | \$ -                       |              | \$ -                    |               | \$ -         |              |
| Cash Financing     |                              |                   |               |                            |              |                         |               |              |              |
| Net Bonding Amount |                              | 17,402,769        | 12,239,000    | 1,966,165                  | 1,366,000    | 14,389,104              | 11,320,720    | 1,573,350    | 1,705,000    |

**NEW ISSUE**

Not Bank Qualified

Moody's Rated "[ ]"

See "RATING" herein

*In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code") under existing law interest on the Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes. The Notes shall NOT be "Qualified Tax-Exempt Obligations" for purposes of Section 265(b)(3) of the Code.*

**\$26,635,000**  
**CITY OF WAUWATOSA**  
**MILWAUKEE COUNTY, WISCONSIN**  
**General Obligation Promissory Notes, Series 2025A**

Dated: November 3, 2025

Due: November 1, 2026-2045

The General Obligation Promissory Notes, Series 2025A (the "Notes") will be dated November 3, 2025, and will be in the denomination of \$5,000 each or any multiple thereof. The Notes mature serially on November 1 of the years 2026 through 2045. Interest on the Notes shall be payable commencing on May 1, 2026 and semi-annually thereafter on November 1 and May 1 of each year.

| (November 1) | Amount*     | Rate | Yield | CUSIP No.<br>943505 <sup>(1)</sup> | (November 1) | Amount*     | Rate | Yield | CUSIP No.<br>943505 <sup>(1)</sup> |
|--------------|-------------|------|-------|------------------------------------|--------------|-------------|------|-------|------------------------------------|
| 2026         | \$2,170,000 |      |       |                                    | 2036         | \$1,405,000 |      |       |                                    |
| 2027         | 1,260,000   |      |       |                                    | 2037         | 1,475,000   |      |       |                                    |
| 2028         | 1,315,000   |      |       |                                    | 2038         | 1,550,000   |      |       |                                    |
| 2029         | 1,390,000   |      |       |                                    | 2039         | 1,625,000   |      |       |                                    |
| 2030         | 1,455,000   |      |       |                                    | 2040         | 1,715,000   |      |       |                                    |
| 2031         | 1,230,000   |      |       |                                    | 2041         | 790,000     |      |       |                                    |
| 2032         | 1,295,000   |      |       |                                    | 2042         | 830,000     |      |       |                                    |
| 2033         | 1,360,000   |      |       |                                    | 2043         | 870,000     |      |       |                                    |
| 2034         | 1,425,000   |      |       |                                    | 2044         | 915,000     |      |       |                                    |
| 2035         | 1,500,000   |      |       |                                    | 2045         | 960,000     |      |       |                                    |

The Notes are being issued pursuant to Section 67.12(12) of the Wisconsin Statutes. The Notes will be general obligations of the City for which its full faith and credit and taxing powers are pledged which taxes may, under current law, be levied without limitation as to rate or amount. The Notes will be issued for public purposes, including paying the cost of projects included in the City's Capital Improvement Plan.

The Notes maturing on November 1, 2034 and thereafter are subject to call and prior redemption, at the option of the City, on November 1, 2033 or on any date thereafter, in whole or in part, and if in part, from maturities selected by the City and by lot within each maturity at a price of par plus accrued interest to the date of redemption. All or a portion of the Notes may be issued as one or more term bonds, upon election by the successful bidder of the Notes. (See "REDEMPTION PROVISIONS" herein.)

The Financial Advisor to the City is:



The Notes will be issued only as fully registered obligations in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository of the Notes. Individual purchases may be made in book entry form only in denominations of \$5,000 principal amount or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Notes purchased. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)

***The Notes are offered when, as and if issued, subject to the receipt of the approving opinion of Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel. Quarles & Brady LLP will also serve as Disclosure Counsel to the City. The anticipated settlement date for the Notes is on or about November 3, 2025.***

**SALE DATE: OCTOBER 7, 2025****SALE TIME: 10:00 A.M. (CT)**

<sup>1</sup>CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2025 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for services provided by CGS. CUSIP® numbers are provided for convenience of reference only. None of the City, the Financial Advisor, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

\*Preliminary, subject to change.



**CITY OF WAUWATOSA  
(Milwaukee County, Wisconsin)**

**MAYOR**

Dennis McBride

**COMMON COUNCIL**

Jason G. Wilke, President  
Margaret Arney, Alderperson  
Robin Brannin, Alderperson  
Aletha Champine, Alderperson  
Melissa Dolan, Alderperson  
Brad Foley, Alderperson  
Ernst Franzen, Alderperson  
Amanda Fuerst, Alderperson  
Rob Gustafson, Alderperson  
David R. Lewis, Alderperson  
Sean Lowe, Alderperson  
Joseph Makhlouf II, Alderperson  
Andrew Meindl, Alderperson  
James Moldenhauer, Alderperson  
Mike Morgan, Alderperson  
Joe Phillips, Alderperson

**ADMINISTRATIVE STAFF**

James Archambo, City Administrator  
John Ruggini, Finance Director  
Zachary Kessler, Interim City Clerk\*  
Jennifer Tate, City Attorney

**PROFESSIONAL SERVICES**

|                     |  |
|---------------------|--|
| Financial Advisor:  | Robert W. Baird & Co. Incorporated, Milwaukee, Wisconsin |
| Bond Counsel:       | Quarles & Brady LLP, Milwaukee, Wisconsin                |
| Disclosure Counsel: | Quarles & Brady LLP, Milwaukee, Wisconsin                |
| Paying Agent:       | Officers of the City **                                  |

\*The hiring process is underway for a new City Clerk, and the City anticipates having the position filled by fall 2025.

\*\* The contact person for fiscal agent matters is John Ruggini, Finance Director.

## REGARDING USE OF THIS OFFICIAL STATEMENT

This Official Statement is being distributed in connection with the sale of the Notes referred to in this Official Statement and may not be used, in whole or in part, for any other purpose. No dealer, broker, salesman or other person is authorized to make any representations concerning the Notes other than those contained in this Official Statement, and if given or made, such other information or representations may not be relied upon as statements of the City of Wauwatosa, Wisconsin (the "City"). This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful to make such an offer, solicitation or sale.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the City, from time to time (collectively, the "Official Statement"), may be treated as a final Official Statement with respect to the Notes described herein that is deemed final by the City as of the date hereof (or of any such supplement or amendment).

Unless otherwise indicated, the City is the source of the information contained in this Official Statement. Certain information in this Official Statement has been obtained by the City or on its behalf from The Depository Trust Company and other non-City sources that the City believes to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information. Nothing contained in this Official Statement is a promise of or representation by Robert W. Baird & Co. Incorporated (the "Financial Advisor"). The Financial Advisor has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed and the Underwriter will review the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor and the Underwriter do not guarantee the accuracy or completeness of such information. The information and opinions expressed in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale made under this Official Statement shall, under any circumstances, create any implication that there has been no change in the financial condition or operations of the City or other information in this Official Statement, since the date of this Official Statement.

This Official Statement contains statements that are "forward-looking statements" as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. When used in this Official Statement, the words "estimate," "intend," "project" or "projection," "expect" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are subject to risks and uncertainties, some of which are discussed herein, that could cause actual results to differ materially from those contemplated in such forward-looking statements. Investors and prospective investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this Official Statement.

This Official Statement should be considered in its entirety. No one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, ordinances, reports or other documents are referred to in this Official Statement, reference should be made to those documents for more complete information regarding their subject matter.

The Notes will not be registered under the Securities Act of 1933, as amended, or the securities laws of any state of the United States, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity shall have passed upon the accuracy or adequacy of this Official Statement.

IN CONNECTION WITH THE OFFERING OF THE NOTES, THE UNDERWRITER MAY OR MAY NOT OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE NOTES AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT NOTICE. THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE NOTES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER AFTER THE NOTES ARE RELEASED FOR SALE AND THE NOTES MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE NOTES INTO INVESTMENT ACCOUNTS.

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## SUMMARY

|                              |   |
|------------------------------|---|
| <b>Issuer:</b>               | City of Wauwatosa, Milwaukee County, Wisconsin (the "City").  |
| <b>Issue:</b>                | \$26,635,000 General Obligation Promissory Notes, Series 2025A (the "Notes")  |
| <b>Dated Date:</b>           | November 3, 2025  |
| <b>Interest Due:</b>         | Commencing May 1, 2026 and on each November 1 and May 1 thereafter. Interest on the Notes shall be computed upon the basis of a 360-day year of twelve 30-day months.   |
| <b>Principal Due:</b>        | November 1, 2026 through 2045.  |
| <b>Redemption Provision:</b> | <p>The Notes maturing on and after November 1, 2034 shall be subject to call and prior payment, at the option of the City, on November 1, 2033 or on any date thereafter at a price of par plus accrued interest. The amounts and maturities of the Notes to be redeemed shall be selected by the City. If less than the entire principal amount of any maturity is to be redeemed, the Notes of that maturity which are to be redeemed shall be selected by lot. Notice of such call shall be given by sending a notice thereof by registered or certified mail, facsimile or electronic transmission, overnight express delivery, or in any other manner required by DTC not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books.</p> <p>All or a portion of the Notes may be issued as one or more term bonds, upon election by the successful bidder of the Notes. (See "REDEMPTION PROVISIONS" herein.)</p> |
| <b>Security:</b>             | The full faith, credit and resources of the City are pledged to the payment of the principal of and the interest on the Notes as the same become due and, for said purposes, there are levied on all the taxable property in the City, direct, annual irrepealable taxes in each year and in such amounts which will be sufficient to meet such principal and interest payments when due. Under current law, such taxes may be levied without limitation as to rate or amount.  |
| <b>Purpose:</b>              | The Notes will be issued for public purposes, including paying the cost of projects included in the City's Capital Improvement Plan.  |
| <b>Tax Exemption:</b>        | Interest on the Notes is excludable from gross income for present Federal income tax purposes. (See "TAX EXEMPTION" herein.)  |
| <b>Not Bank Qualified:</b>   | The Notes shall NOT be "qualified tax-exempt obligations".  |
| <b>Credit Rating:</b>        | The Notes have been assigned a "[ ]" rating by Moody's Investors Service, Inc. (See "RATINGS" herein.)  |
| <b>Bond Years:</b>           | 257,347.03 years.   |
| <b>Average Life:</b>         | 9.662 years.  |
| <b>Record Date:</b>          | The 15 <sup>th</sup> day of the calendar month next preceding each interest payment date.   |

*Information set forth on this page is qualified by the entire Official Statement. A full review of the entire Official Statement should be made by potential investors.*

## INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the City of Wauwatosa, Wisconsin (the "City" and the "State," respectively) in connection with the sale of the City's \$26,635,000 General Obligation Promissory Notes, Series 2025A (the "Notes"). The Notes are issued pursuant to the Constitution and laws of the State and the parameters resolution (the "Parameters Resolution") adopted by the Common Council and other proceedings and determinations related thereto.

All summaries of statutes, documents and the Parameters Resolution contained in this Official Statement are subject to all the provisions of, and are qualified in their entirety by reference to such statutes, documents and the Parameters Resolution, and references herein to the Notes are qualified in their entirety by reference to the form thereof included in the Parameters Resolution. Copies of the Parameters Resolution may be obtained from the Financial Advisor (defined herein) upon request.

## THE FINANCING PLAN

The Notes will be issued for public purposes, including paying the cost of projects included in the City's Capital Improvement Plan.

## REDEMPTION PROVISIONS

### Optional Redemption

At the option of the City, the Notes maturing on November 1, 2034 and thereafter shall be subject to redemption prior to maturity on November 1, 2033 or on any date thereafter. Said Notes shall be redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot, at the principal amount thereof, plus accrued interest to the date of redemption. If less than all of the Notes of a maturity are to be redeemed, selection of the Notes to be so redeemed shall be by lot conducted by DTC in accordance with its rules and practices (see "BOOK-ENTRY-ONLY SYSTEM" herein).

### Mandatory Redemption

All or a portion of the Notes may be issued as one or more term bonds, upon election by the successful bidders as provided in the Official Notice of Sale.

Such term bonds shall be subject to mandatory sinking fund redemption. Such term bonds shall have a stated maturity or maturities of November 1 for the Notes, in such years as determined by the successful bidders. The term bonds shall be subject to mandatory sinking fund redemption and final payment(s) at maturity of 100% of the principal amount thereof, plus accrued interest to the redemption date or dates and in amounts consistent with the maturity schedule on the cover of this Official Statement.

## ESTIMATED SOURCES AND USES\*

### The Notes

#### **Sources of Funds**

|                         |           |
|-------------------------|-----------|
| Par Amount of Notes     | \$        |
| Reoffering Premium      |           |
| Total Sources of Funds: | <u>\$</u> |

#### **Uses of Funds**

|   |           |
|---|-----------|
| Deposit to Project Fund                             | \$        |
| Deposit to Debt Service Fund (Capitalized Interest) |           |
| Underwriter's Discount                              |           |
| Total Uses of Funds:                                | <u>\$</u> |

\*Preliminary, subject to change.

## **CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE CITY'S POWER TO INCUR INDEBTEDNESS**

The Constitution and laws of the State limit the power of the City (and other municipalities of the State) to issue obligations and to contract indebtedness. Such constitutional and legislative limitations include the following, in summary form and as generally applicable to the City.

### **Purpose**

The City may not borrow money or issue notes or bonds therefore for any purpose except those specified by statute, which include among others the purposes for which the Notes are being issued.

### **General Obligation Bonds**

The principal amount of every sum borrowed by the City and secured by an issue of bonds may be payable at one time in a single payment or at several times in two or more installments; however, no installment may be made payable later than the termination of twenty years immediately following the date of the bonds. The Common Council of the City is required to levy a direct, annual, irrevocable tax sufficient in amount to pay the interest on such bonds as it falls due and also to pay and discharge the principal thereof at maturity. Bonds issued by the City to refinance or refund outstanding notes or bonds issued by the City may be payable no later than twenty years following the original date of such notes or bonds.

### **Refunding Bonds**

In addition to being authorized to issue bonds, the City is authorized to borrow money using refunding bonds for refunding existing debt. To evidence such indebtedness, the City must issue its refunding bonds (with interest) payable within a period not exceeding twenty years following the initial date of the debt to be refunded. Such refunding bonds constitute a general obligation of the City. Refunding bonds are not subject to referendum.

### **Bond or Note Anticipation Notes**

In anticipation of issuing general obligation bonds or notes, the City is authorized to borrow money using bond or note anticipation notes. The bond or note anticipation notes shall in no event be general obligations of the City, and do not constitute an indebtedness of the City, nor a charge against its general credit or taxing power. The bond or note anticipation notes are payable only from (a) proceeds of the bond or note anticipation notes set aside for payment of interest on the bond or note anticipation notes as they become due, and, (b) proceeds to be derived from the issuance and sale of general obligation bonds or notes which proceeds are pledged for the payment of the principal of and interest on the bond or note anticipation notes. The maximum term of any bond or note anticipation notes (including any refunding) is five years.

### **Promissory Notes**

In addition to being authorized to issue bonds, the City is authorized to borrow money using promissory notes for any public purpose. To evidence such indebtedness, the City must issue to the lender its promissory notes (with interest) payable within a period not exceeding twenty years following the date of said notes. Such notes constitute a general obligation of the City. Notes may be issued to refinance or refund outstanding notes. However, such notes must be payable within 10 years and not later than twenty years following the original date of such notes.

### **Debt Limit**

The City has the power to contract indebtedness for purposes specified by statute so long as the principal amount thereof does not exceed five percent of the equalized value of taxable property within the City. For information with respect to the City's percent of legal debt incurred, see the caption "Debt Limit," herein.

## THE PARAMETERS RESOLUTION

The following is a summary of the Parameters Resolution adopted by the Common Council pursuant to the procedures prescribed by Wisconsin Statutes. Reference is made to the Parameters Resolution for a complete recital of its terms.

### **The Parameters Resolution**

By way of the Parameters Resolution adopted on September 30, 2025, the Common Council delegated authority to its Finance Director and City Attorney (collectively, the "Authorized Officers") to accept the bid for the Notes that results in the lowest true interest cost for the Notes (the "Proposal"), provided the Proposal met the parameters set forth in the Parameters Resolution, by executing an Approving Certificate (the "Approving Certificate"). The Common Council pledged the full faith, credit and resources of the City to the payment of the principal of and interest on the Notes pursuant to the Parameters Resolution. Pursuant to the Parameters Resolution, a direct annual irrevocable tax has been levied for collection in the years 2026 through 2045 in the amount which will be sufficient to meet the principal and interest payments on the Notes when due (or monies to pay such debt service will otherwise be appropriated). The Parameters Resolution establishes separate and distinct from all other funds of the City a separate debt service fund with respect to payment of principal and interest on the Notes.

### **Approving Certificate**

On \_\_\_\_\_, 2025, the Authorized Officers executed the Approving Certificate, approving the Preliminary Official Statement, accepting the Proposal, setting forth the details of the Notes, and specifying the amount of the direct annual irrevocable tax levied to pay the principal of and interest on the Notes.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

## THE CITY

### **The Common Council**

The City has a mayor/alderpersons form of government with the 16 members of the Common Council elected to serve alternating four-year terms. In April 2022, voters approved a referendum that will reduce the size of the Common Council to 12 members beginning in 2026. Therefore, the terms of all current members end in 2026, but alternating four-year terms will begin again thereafter. In addition, term limits will be put into place so that no person can serve more than two consecutive four-year terms. The Council President is elected to that position by the Council members. The Mayor is also elected for a four-year term and is responsible for conducting the Council meetings.

Dennis McBride, Mayor  
(Term Expires April 2028)

| <u>Name</u>                | <u>Aldermanic District</u> | <u>Term Expiration</u> |
|----------------------------|----------------------------|------------------------|
| James Moldenhauer          | 1                          | April 2026             |
| Andrew Meindl              | 1                          | April 2026             |
| Margaret Arney             | 2                          | April 2026             |
| Brad Foley                 | 2                          | April 2026             |
| Joseph Makhoul II          | 3                          | April 2026             |
| Robin Brannin              | 3                          | April 2026             |
| Ernst Franzen              | 4                          | April 2026             |
| David R. Lewis             | 4                          | April 2026             |
| Sean Lowe                  | 5                          | April 2026             |
| Rob Gustafson              | 5                          | April 2026             |
| Joe Phillips               | 6                          | April 2026             |
| Aletha Champine            | 6                          | April 2026             |
| Mike Morgan                | 7                          | April 2026             |
| Amanda Fuerst              | 7                          | April 2026             |
| Jason G. Wilke (President) | 8                          | April 2026             |
| Melissa Dolan              | 8                          | April 2026             |

Source: *The City*.

### **Board of Public Debt Commissioners**

The City created a Board of Public Debt Commissioners (the "Board") in May 1938. The Board consists of three resident citizens, the City Finance Director and Assistant Finance Director, three of whom shall constitute a quorum. The Mayor appoints, subject to the approval of a majority of the Common Council, three members for rotating three-year terms. The members receive no compensation, and the Board maintains its own records of proceedings, makes its own rules and provides for its own meetings, except when ordered by the Mayor. The Board oversees the issuance and retirement of municipal obligations issued by the City.

The current Board members are:

John Ruggini, Finance Director  
Derik Summerfield, Assistant Finance Director  
Laura Hyland  
Steven Kreklow  
Steven Mares

Source: *The City*.



## **Administration**

The City Administrator has the responsibility of administering the day-to-day operations of the City and executing the policy decisions of the Common Council. The Finance Director is responsible for the financial operations of the City and has responsibility for the formulation and enforcement of the budget for all departments. The present members of the administration and their years of service are listed below.

| <u>Name</u>     | <u>Position</u>    | <u>Years of Service</u> |
|-----------------|--------------------|-------------------------|
| James Archambo  | City Administrator | 20                      |
| John Ruggini    | Finance Director   | 15                      |
| Zachary Kessler | Interim City Clerk | *                       |
| Jennifer Tate   | City Attorney      | **                      |

\* Zachary Kessler was appointed Interim City Clerk on July 24, 2025. Mr. Kessler has served as the City's Deputy Clerk for one year. The hiring process is underway for a new City Clerk, and the City anticipates having the position filled by fall 2025.

\*\*Jennifer Tate was appointed City Attorney, effective June 9, 2025, and previously worked as a criminal attorney, in both defense and prosecution, for the past nine years.

Source: The City.

## **Employment Relations**

| <u>Department</u>              | <u>Number of Employees*</u> |
|--------------------------------|-----------------------------|
| Administrative Services        | 14.03                       |
| Assessor                       | 5.60                        |
| City Clerk/Elections           | 4.82                        |
| Development                    | 14.00                       |
| Engineering                    | 24.74                       |
| Finance                        | 10.05                       |
| Fire                           | 105.58                      |
| Fleet Maintenance              | 10.00                       |
| Health                         | 19.50                       |
| Information Systems            | 7.00                        |
| Library                        | 26.98                       |
| Mayor                          | 1.00                        |
| Municipal Complex              | 4.00                        |
| Municipal Court                | 1.89                        |
| Police                         | 132.82                      |
| Public Works                   | 63.98                       |
| Traffic Electrical Maintenance | 6.29                        |
| Tourism                        | 1.55                        |
| Water                          | 19.38                       |
| Total                          | <u>473.21</u>               |

\*Full-time equivalent ("FTE").

Source: The City. 2025 Adopted Budget

The following two bargaining units represent the respective number of City employees:

| <u>Union/Association</u>                         | <u>Contract Term</u> | <u>Number of Members</u> |
|--|----------------------|--------------------------|
| Wauwatosa Professional Firefighter's Association | 1/1/21 – 12/31/23*   | 93                       |
| Wauwatosa Peace Officers Association             | 1/1/22 – 12/31/25    | 78                       |

\*Having reached an impasse with the union in the mediation phase, a new agreement is currently proceeding to binding arbitration.

Source: The City.

According to the City, relations between the City and the bargaining units are termed satisfactory.

All eligible City personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and, after significant changes were made to the law in 2011, very limited rights to collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32.

As a result of the 2011 amendments to MERA, the City is prohibited from bargaining collectively with municipal employees, other than public safety employees and transit employees, with respect to any factor or condition of employment except total base wages. Even then, the City is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless the City were to seek approval for a higher increase through a referendum). Ultimately, the City can unilaterally implement the wages for a collective bargaining unit.\*

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the City, other than public safety employees and transit employees, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is total base wages, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

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*\* On July 3, 2024, a Wisconsin circuit court judge issued a decision in the case Abbotsford Education Association vs. Wisconsin Employment Relations Commission, Case No. 2023CV3152, denying the Wisconsin State Legislature's intervening motion to dismiss the plaintiffs' challenge to the different classifications the Act created regarding collective bargaining rights. The court's order denying the motion to dismiss stated that the Act violates the equal protection clause of the Wisconsin Constitution and declared those provisions of the Act relating to collective bargaining modifications unconstitutional and void. The decision further instructed the parties to make additional filings to the court as to whether the court should issue judgment on the pleadings in light of the court's order or take some other action to bring the case to a final judgment. On December 2, 2024, the court issued an order granting the plaintiffs' motion for judgment on the pleadings and striking down substantial portions of the Act. The court's decision has been appealed to the Wisconsin Court of Appeals. On January 23, 2025, the court granted a motion to stay the decision pending outcome of the appeal. No guarantee can be made regarding the outcome of the matter.*

## **Pension Plan**

All eligible employees in the City are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

City employees are generally required to contribute half of the actuarially determined contributions, and the City may not pay the employees' required contribution. During the fiscal years ended December 31, 2022, December 31, 2023, and the fiscal year ended December 31, 2024 ("Fiscal Year 2024"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$3,778,369, \$4,310,763 and \$4,789,427, respectively.

Governmental Accounting Standards Board Statement No. 68 ("GASB 68") requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2023, the total pension liability of the WRS was calculated as \$129.2 billion and the fiduciary net position of the WRS was calculated as \$127.7 billion, resulting in a net pension liability of \$1.5 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2024, the City reported a liability of \$4,734,657 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2023 based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. The City's proportion was 0.31844486% of the aggregate WRS net pension liability as of December 31, 2023.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 5. A. in "Appendix A - Annual Comprehensive Financial Report for the year ended December 31, 2024" attached hereto.

### **Other Post-Employment Benefits**

The City provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to employees who have terminated their employment with the City and have satisfied specified eligibility standards through a single-employer defined benefit plan. Membership of the plan consisted of 91 retirees receiving benefits and 286 active eligible plan members as of December 31, 2024, the date of the latest actuarial valuation. Such benefits are no longer offered to employees hired on or after January 1, 2015, other than public safety employees. Police represented employees and police supervisors hired after March 1, 2024 must have 15 years of service to be eligible. Under both the latest police union contract and firefighters union contract, certain eligible employees will receive a defined contribution benefit instead of the defined benefit OPEB.

OPEB calculations are required to be updated every two years and be prepared in accordance with Statements No. 74 and 75 of the Governmental Accounting Standards Board ("GASB 74/75"). An actuarial study for the plan was most recently completed pursuant to GASB 74/75 by Milliman, Inc. in March 2025 with an actuarial valuation date of December 31, 2024.

For Fiscal Year 2024, benefit payments to the plan totaled \$3,352,787. The City's current funding practice is to make annual contributions to the plan in the amounts at least equal to the benefits paid to retirees in a particular year on a "pay-as-you-go" basis.

Under GASB 74/75, a net OPEB liability (or asset) is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 and GASB 73 for pension plans.

As of December 31, 2024, the total OPEB liability was \$39,361,560 and the plan fiduciary net position was \$0, resulting in a net OPEB liability of \$39,361,560.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. For more detailed information regarding such actuarial assumptions, see Note 5.C. in "Appendix A - Annual Comprehensive Financial Report for the year ended December 31, 2024" attached hereto.

## **GENERAL INFORMATION**

### **Location**

The City is adjacent to the City of Milwaukee in Milwaukee County (the "County"). The City has been a municipal corporation since 1897. It encompasses 13.07 square miles and has a 2025 preliminary population estimate of 49,589.

### **Transportation**

The City is located along two interstate highways, three U.S. highways, and several state highways. The City is also served by passenger and freight railroads and Milwaukee Mitchell International Airport in the City of Milwaukee.

### **Services**

The City provides the full range of municipal services, including police and fire protection, parks, public works operations, parking, water and sewer utilities, community development, health services and general administrative services.

### **Public Safety**

The City has a police force of 132.82 FTE positions providing public safety and protection for the City's residents and a fire department of 105.58 FTEs providing fire protection and ambulance service.

### **Education**

The Wauwatosa School District serves the City and offers a comprehensive program for students in prekindergarten through the twelfth grade. The District currently has eleven elementary schools (including one STEM school and one Montessori school), two middle schools, two high schools and the Wauwatosa Virtual Academy. The District enrollment is approximately 6,700 students, and the District has 953.75 FTE employees.

Opportunities for post-secondary education may be obtained at the University of Wisconsin – Milwaukee, and various other colleges located within the Milwaukee metropolitan area. Milwaukee Area Technical College District, a two-year technical college, Wisconsin Lutheran College, which campus lies partially within the corporate boundaries of the City, and many others are within commuting distance, including Marquette University, Milwaukee School of Engineering, Concordia University Wisconsin, Mount Mary University, Alverno College and Carroll University.

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## DEMOGRAPHIC AND ECONOMIC INFORMATION

### **Population**

|                            | <u>Milwaukee<br/>County</u> | <u>City of<br/>Wauwatosa</u> |
|----------------------------|-----------------------------|------------------------------|
| Preliminary Estimate, 2025 | 945,292                     | 49,589                       |
| Estimate, 2024             | 941,139                     | 49,363                       |
| Estimate, 2023             | 937,259                     | 48,836                       |
| Estimate, 2022             | 939,487                     | 48,638                       |
| Census, 2020               | 939,489                     | 48,387                       |

Source: Wisconsin Department of Administration, Demographic Services Center

### **Per Return Adjusted Gross Income**

| <u>Year</u> | <u>State of<br/>Wisconsin</u> | <u>Milwaukee<br/>County</u> | <u>City of<br/>Wauwatosa</u> |
|-------------|-------------------------------|-----------------------------|------------------------------|
| 2023        | \$73,001                      | \$65,614                    | \$104,600                    |
| 2022        | 70,548                        | 63,901                      | 98,829                       |
| 2021        | 66,369                        | 57,444                      | 95,512                       |
| 2020        | 61,518                        | 52,751                      | 87,379                       |
| 2019        | 61,003                        | 54,920                      | 87,132                       |

Source: Wisconsin Department of Revenue, Division of Research & Policy

### **Unemployment Rate**

|                              | <u>State of<br/>Wisconsin</u> | <u>Milwaukee<br/>County</u> | <u>City of<br/>Wauwatosa</u> |
|------------------------------|-------------------------------|-----------------------------|------------------------------|
| July, 2025 <sup>(1)</sup>    | 3.2%                          | 4.2%                        | 2.8%                         |
| July, 2024                   | 3.2                           | 4.2                         | 3.0                          |
| Average, 2024 <sup>(1)</sup> | 3.0%                          | 3.7%                        | 2.7%                         |
| Average, 2023                | 2.8                           | 3.5                         | 2.5                          |
| Average, 2022                | 2.8                           | 3.5                         | 2.5                          |
| Average, 2021                | 3.8                           | 5.3                         | 3.3                          |
| Average, 2020                | 6.4                           | 8.3                         | 6.2                          |

<sup>(1)</sup> Preliminary.

Source: Wisconsin Department of Workforce Development.

### **Building Permits**

| <u>Year</u>         | <u>Construction Value of<br/>Building Permits</u> |
|---------------------|---|
| 2025 <sup>(1)</sup> | \$ 71,479,822                                     |
| 2024                | 169,059,266                                       |
| 2023                | 89,947,295  |
| 2022                | 164,484,932                                       |
| 2021                | 100,478,928                                       |
| 2020                | 158,138,733                                       |

<sup>(1)</sup>Through July 31, 2025.

Source: City of Wauwatosa Energov Permitting and Licensing System.

### **Largest Employers**

Listed below are the largest employers in the City.

| <u>Employer</u>                     | <u>Product/Business</u>                     | <u>Approximate Employment</u> |
|-------------------------------------|---|-------------------------------|
| Milwaukee Regional Medical Center   | Medical facilities, education and research  | 19,000                        |
| Wauwatosa School District           | Education                                   | 953.75 <sup>(1)</sup>         |
| Briggs & Stratton Corporation       | Small engine manufacturer                   | 800 <sup>(2)</sup>            |
| Harley-Davidson Inc. ("Harley")     | Motorcycle manufacturer                     | 650 <sup>(3)</sup>            |
| St. Camillus                        | Nursing homes, assisted living              | 555                           |
| The City                            | Municipal government                        | 473.21 <sup>(1)</sup>         |
| Luther Manor, A Life Plan Community | Nursing home; assisted living               | 350                           |
| Bostik, Inc.                        | Adhesives manufacturer/company headquarters | 270                           |
| Zywave                              | Custom software programming                 | 204                           |
| Grede, Inc.                         | Foundry – ductile iron castings             | 200                           |

<sup>(1)</sup> FTE.

<sup>(2)</sup> Includes locations in the Milwaukee metropolitan area. Briggs & Stratton Corporation previously announced plans to cease its production lines in the City, which phase-out has now begun, including the sale of the plant to a third party. In fall 2022, the company ceased lawn tractor and snow thrower production in the City. In January 2023, the company announced it would shut down two production lines at the plant in the City and lay off 160 employees by early 2024. In March 2024, the company confirmed additional workforce reductions but did not specify the number of employees, functions or locations. It is unknown how many employees remain in the location in the City.

<sup>(3)</sup> Harley-Davidson Inc. local employee count is 2,280 at its Milwaukee-area locations. In March 2024, it was announced that employees in Harley's location in the City's product development center would move to Milwaukee. R&D employees remain in the location in the City, but it is unknown how many employees remain in Harley's location in the City.

Source: D&B Finance Analytics, *Industry Select-MNI*, *Milwaukee Business Journal* "Largest Manufacturers in the Milwaukee Seven-County Area" (April 18, 2025), "Largest Milwaukee-Area Retirement Communities" (July 11, 2025), and "Milwaukee-Area Software Product Companies" (June 27, 2025), Wisconsin Department of Public Instruction, employer websites and the City, August, 2025.

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## **Largest Taxpayers**

Listed below are the largest taxpayers in the City:

| <u>Taxpayer</u>                                     | <u>Type of Business</u>                      | 2024 <sup>(1)</sup><br><u>Assessed</u><br><u>Valuation</u> | 2024 <sup>(2)</sup><br><u>Equalized</u><br><u>Valuation</u> |
|---|--|--|---|
| Froedtert Memorial Lutheran Hospital <sup>(3)</sup> | Hospital, Clinics & Medical Office Buildings | \$ 356,203,100   | \$ 509,662,470  |
| Mayfair Mall LLC <sup>(4)</sup>                     | Mayfair Shopping Center                      | 345,418,800  | 494,232,079   |
| Children's Hospital Wisconsin <sup>(3)</sup>        | Hospital, Clinics & Medical Office Buildings | 191,668,700  | 274,243,382   |
| Irgens Development Partners                         | Office buildings                             | 156,372,800  | 223,741,308   |
| HSA Commercial Real Estate                          | Mayfair Collection Shopping Center           | 122,462,100  | 175,221,205   |
| H S I   | State Street Station, Apartment Complexes    | 79,840,700   | 114,237,659   |
| Wheaton Franciscan Healthcare <sup>(3)</sup>        | Medical Office Buildings & Clinics           | 78,127,200   | 111,785,949   |
| Gateway Tosa HC LLC                                 | Medical Office Building                      | 53,805,000   | 76,985,263  |
| Phoenix Wauwatosa Investors                         | Industrial Buildings                         | 53,683,600   | 76,811,561  |
| Wangard Partners LLC                                | Office Buildings                             | 51,330,100   | 73,444,126  |
|   |  | <u>\$1,488,912,100</u>                                     | <u>\$2,130,365,002</u>                                      |

The above taxpayers represent 20.71% of the City's 2024 Equalized Value (TID IN) (\$10,284,774,700).

<sup>(1)</sup>The level of assessment is only estimated and has not been finalized by the Wisconsin Department of Revenue.

<sup>(2)</sup>Fair Market Values are only estimates--no finalized level of assessment from the Wisconsin Department of Revenue.

<sup>(3)</sup>Significant property value for certain medical campus taxpayers became taxable upon the sale of land from the County to the individual taxpayers in April 2020. These taxpayers disputed the taxability of all, or significant portions, of their taxable value. See "LITIGATION" herein. The City and Froedtert reached a settlement in June 2025, and the City will refund Froedtert \$10 million related to property taxes for the years 2021 through 2024.

<sup>(4)</sup>Assessment under appeal by taxpayer. The City is involved in litigation with General Growth Properties, the owner of Mayfair Mall, involving a dispute over the taxable value of Mayfair Mall of approximately \$100,000,000 over several years. See "LITIGATION" herein.

Source: City of Wauwatosa. Taxpayer valuations for 2025 are not yet available.

## **TAX LEVIES AND COLLECTIONS**

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31. Real property taxes may be paid in full by January 31 or in two equal installments payable by January 31 and July 31. Municipalities also have the option of adopting payment plans which allow taxpayers to pay their real property taxes and special assessments in three or more installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31 are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. Any amounts paid after July 31 are paid to the county treasurer. For municipalities which have not adopted an installment payment plan, the town, city or village treasurer settles with other taxing jurisdictions for collections through the preceding month on January 15 and February 20. For municipalities which have adopted an installment payment plan, the town, city or village treasurer settles with other taxing jurisdictions for collections through the preceding month on January 15, February 15 and the 15th day of each month following a month in which an installment payment is due. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. The County Board may authorize its County Treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Uncollected personal property taxes owed by an entity that had ceased operations or filed a petition for bankruptcy, or were due on personal property that had been removed from the next assessment role are collected from each taxing entity in the year following the levy year. The personal property tax has been repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax has been replaced with a payment from the State intended to replace the amount of property taxes imposed on personal property for the property tax assessments as

of January 1, 2023. Since, in practice, all delinquent real property taxes are withheld from the county's share of taxes, the City receives 100 percent of the real property taxes it levies for real property taxes. See "Levy Limits" herein for information on additional limitations on City tax levies.

Set forth below are tax levies for City purposes and the tax rate per \$1,000 assessed valuation on all taxable property in the City for collection years 2021 through 2025:

| <u>Levy/Collection Year</u> | <u>City Tax Rate</u> | <u>City Levy</u> | <u>Uncollected Personal Property Taxes as of May 31* of Each Year</u> | <u>Percent of Levy Collected</u> |
|-----------------------------|----------------------|------------------|---|----------------------------------|
| 2024/2025                   | \$7.82               | \$52,081,627     | \$ 0  | 100.00%                          |
| 2023/2024                   | 7.39                 | 51,475,377       | 146,813   | 99.71                            |
| 2022/2023                   | 7.19                 | 49,978,616       | 142,143   | 99.72                            |
| 2021/2022                   | 7.00                 | 48,693,938       | 98,211  | 99.80                            |
| 2020/2021                   | 7.17                 | 45,461,749       | 84,388  | 99.81                            |

\* Due to accounting changes, beginning in 2020/2021, the uncollected personal property taxes are shown as of May 31 of the collection year and are not updated in subsequent years despite collections being on-going. As of May 31, 2025, \$86,889 in prior year delinquent property taxes remained uncollected and not written off. The personal property tax has been repealed, starting with the property tax assessments as of January 1, 2024.

Source: The City.

## REVENUE FROM THE STATE

In addition to local property taxes described above, a number of state programs exist which provide revenue to the City. One such program is commonly known as shared revenue which, pursuant to sec. 79.036, Wis. Stats., provides funding to the City that can be used for any public purpose. Chapter 79, Wis. Stats. includes other revenue sharing programs, which each have their own requirements. 2023 Wisconsin Act 12 ("Act 12") created a supplement to shared revenue, with payments to the City beginning in 2024. This supplemental shared revenue may be used only for the purposes specified in section 79.037, Wis. Stats. In 2024, the City received approximately \$2,518,000 in shared revenue under Chapter 79, Wis. Stats., an increase from the approximately \$1,770,000 received in 2023. The City is currently estimated to receive approximately \$2,556,000 in shared revenue under Chapter 79, Wis. Stats., in 2025. In future years, the amount of supplemental shared revenue could grow if State sales tax collections grow.

## ASSESSED TAX RATES

The following are the mill rates per \$1,000 of assessed value for the City for the last five collection years.

|                                      | <u>2025</u>   | <u>2024</u>   | <u>2023</u>   | <u>2022</u>   | <u>2021</u>   |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|
| County                               | \$6.07        | \$ 5.70       | \$ 6.00       | \$ 5.50       | \$ 5.77       |
| Sewer District                       | 1.80          | 1.67          | 1.67          | 1.53          | 1.63          |
| Technical College District           | 1.16          | 1.09          | 1.10          | 1.04          | 1.18          |
| School District                      | 9.08          | 8.69          | 8.48          | 8.20          | 8.69          |
| City                                 | 7.82          | 7.39          | 7.19          | 7.00          | 7.17          |
| School and County Tax Credits        | <u>(3.41)</u> | <u>(3.14)</u> | <u>(2.64)</u> | <u>(2.40)</u> | <u>(2.43)</u> |
| Net Tax Rate                         | \$22.52       | \$21.40       | \$21.79       | \$20.87       | \$22.01       |
| Ratio of Assessed to Equalized Value | 68.71%        | 76.62%        | 84.38%        | 97.43%        | 97.37%        |

Source: The City.

## LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent; for a tax incremental district created after December 31, 2024, the valuation factor includes 90% of the equalized value increase due to new construction that is located in a tax incremental



district, but does not include any improvements removed in a tax incremental district). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

Beginning with levies imposed in 2015, if a political subdivision does not make an adjustment in its levy as described in the above paragraph in the current year, the political subdivision may increase its levy by the aggregate amount of the differences between the political subdivision's valuation factor in the previous year and the actual percent increase in a political subdivision's levy attributable to the political subdivision's valuation factor in the previous year, for the five years before the current year, less any amount of such aggregate amount already claimed as an adjustment in any of the previous five years. The calculation of the aggregate amount available for such adjustment may not include any year before 2014, and the maximum adjustment allowed may not exceed 5%. The use of the adjustment described in this paragraph requires approval by a two-thirds vote of the political subdivision's governing body, and the adjustment may only be used if the political subdivision's level of outstanding general obligation debt in the current year is less than or equal to the political subdivision's level of outstanding general obligation debt in the previous year.

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other adjustments to and exclusions from the tax levy limit. Among the exclusions, Section 66.0602(3)(e)5. of the Wisconsin Statutes provides that the levy limit does not apply to "the amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 by that political subdivision." Recent positions taken by the Wisconsin Department of Revenue ("DOR") call into question the availability of this exception if the revenue shortfall is planned or ongoing. To date, such DOR positions have not been expressed formally in a declaratory ruling under Section 227.41(5)(a) of the Wisconsin Statutes, nor have they been the subject of any court challenge or resulting court ruling.

With respect to general obligation debt service, the following provisions are made:

(a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.

(b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.

(c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

The Notes were authorized after July 1, 2005 and therefore the levy limits do not apply to taxes levied to pay debt service on the Notes.

## ASSESSED AND EQUALIZED VALUATIONS

All equalized valuations of property in the State of Wisconsin are determined by the State of Wisconsin, Department of Revenue, Supervisor of Assessments Office. Equalized valuations are the State's estimate of full market value. The State determines assessed valuations of all manufacturing property in the State. Assessed valuations of residential and commercial property are determined by local assessors.

Set forth in the table below are the assessed and equalized valuations of property located within the City for the years 2021 through 2025. The City's equalized valuation (TID IN) has increased by 34.14 percent since 2021 with an average annual increase of 7.62 percent.

| Year | Assessed<br>Valuation | Equalized<br>Valuation (TID IN) | Equalized<br>Valuation (TID OUT) |
|------|-----------------------|---------------------------------|----------------------------------|
| 2025 | Not Available         | \$ 10,122,294,400               | \$9,492,444,900                  |
| 2024 | \$7,072,729,800       | 10,284,774,700                  | 9,689,981,800                    |
| 2023 | 7,393,482,500         | 9,618,350,900                   | 9,058,010,700                    |
| 2022 | 7,351,154,700         | 9,006,577,400                   | 8,519,107,200                    |
| 2021 | 7,354,644,800         | 7,545,981,900                   | 7,139,586,600                    |

Source: Wisconsin Department of Revenue.

The equalized valuation by class in the City for 2025 (TID IN) is as follows:

|               | 2025 Equalized<br>Value | Percent of Total |
|---------------|-------------------------|------------------|
| Real Estate   |                         |                  |
| Residential   | \$ 6,206,169,900        | 61.31%           |
| Commercial    | 3,856,549,700           | 38.10            |
| Manufacturing | 59,574,800              | 0.59             |
| Total         | <u>\$10,122,294,400</u> | <u>100.00%</u>   |

Source: Wisconsin Department of Revenue.

### **Tax Incremental Districts**

The City has Tax Incremental Districts ("TIDs") created under Wisconsin Statutes Section 66.1105. TID valuations totaling \$629,849,500 have been excluded from the City's tax base for 2025.

| TID # | TID Creation<br>Date | Base Value   | 2025<br>Current Value | Increment            |
|-------|----------------------|--------------|-----------------------|----------------------|
| 006   | 2010                 | \$26,768,400 | \$137,375,400         | \$110,607,000        |
| 007   | 2013                 | 20,811,900   | 214,740,400           | 193,928,500          |
| 008   | 2014                 | 21,009,000   | 122,248,900           | 101,239,900          |
| 009   | 2015                 | 4,878,000    | 30,808,800            | 25,930,800           |
| 010   | 2015                 | 3,911,600    | 55,005,400            | 51,093,800           |
| 011   | 2015                 | 10,779,000   | 81,773,400            | 70,994,400           |
| 012   | 2018                 | 31,990,100   | 70,356,000            | 38,365,900           |
| 013   | 2020                 | 2,985,200    | 40,035,700            | 37,050,500           |
| 014   | 2022                 | 2,932,500    | 3,035,100             | 102,600              |
| 015   | 2023                 | 16,950,900   | 17,487,000            | 536,100              |
| Total |                      |              |                       | <u>\$629,849,500</u> |

Source: Wisconsin Department of Revenue.

## CITY DEBT STRUCTURE

### Total Outstanding General Obligation Debt Summary (As of November 3, 2025)

| <u>Type of Obligation</u>  | <u>Date of Issue</u> | <u>Original Amount Issued</u> | <u>Final Maturity Dates</u> | <u>Current Amount Outstanding</u> |
|--|----------------------|-------------------------------|-----------------------------|-----------------------------------|
| General Obligation Community Development Bonds, Series 2015A         | 4/01/15              | \$ 6,200,000                  | 4/01/35                     | \$ 4,325,000                      |
| General Obligation Corporate Purpose Bonds, Series 2015B             | 12/01/15             | 26,375,000                    | 12/01/30                    | 7,650,000                         |
| Taxable General Obligation Community Development Bonds, Series 2015C | 12/01/15             | 7,400,000                     | 12/01/30                    | 2,275,000                         |
| General Obligation Corporate Purpose Bonds, Series 2016B             | 12/20/16             | 15,190,000                    | 12/01/36                    | 8,230,000                         |
| General Obligation Corporate Purpose Bonds, Series 2017A             | 11/03/17             | 14,280,000                    | 11/01/32                    | 6,640,000                         |
| Taxable General Obligation Community Development Bonds, Series 2018A | 11/20/18             | 3,690,000                     | 11/01/34                    | 2,355,000                         |
| General Obligation Corporate Purpose Bonds, Series 2018B             | 11/20/18             | 10,020,000                    | 11/01/33                    | 4,820,000                         |
| General Obligation Promissory Notes, Series 2018C                    | 11/20/18             | 6,350,000                     | 11/01/28                    | 2,700,000                         |
| General Obligation Corporate Purpose Bonds, Series 2019A             | 12/02/19             | 12,765,000                    | 12/01/39                    | 9,060,000                         |
| Taxable General Obligation Community Development Bonds, Series 2019B | 12/02/19             | 1,260,000                     | 12/01/34                    | 900,000                           |
| General Obligation Corporate Purpose Bonds, Series 2020A             | 12/01/20             | 8,600,000                     | 12/01/40                    | 6,695,000                         |
| General Obligation Promissory Notes, Series 2020B                    | 12/01/20             | 5,335,000                     | 12/01/30                    | 3,115,000                         |
| General Obligation Corporate Purpose Bonds, Series 2021A             | 12/01/21             | 8,300,000                     | 12/01/41                    | 6,680,000                         |
| General Obligation Promissory Notes, Series 2021B                    | 12/01/21             | 2,970,000                     | 12/01/31                    | 2,150,000                         |
| Taxable General Obligation Refunding Bonds, Series 2021C             | 12/01/21             | 12,235,000                    | 11/01/34                    | 8,080,000                         |
| Taxable General Obligation Community Development Bonds, Series 2022A | 04/28/22             | 12,030,000                    | 12/01/38                    | 12,030,000                        |
| General Obligation Corporate Purpose Bonds, Series 2022B             | 12/01/22             | 3,660,000                     | 12/01/37                    | 3,240,000                         |
| General Obligation Promissory Notes, Series 2022C                    | 12/01/22             | 4,270,000                     | 12/01/32                    | 3,180,000                         |
| Taxable General Obligation Community Development Bonds, Series 2022D | 12/01/22             | 5,520,000                     | 12/01/37                    | 5,520,000                         |
| General Obligation Corporate Purpose Bonds, Series 2023A             | 12/04/23             | 12,440,000                    | 12/01/43                    | 11,870,000                        |
| General Obligation Promissory Notes, Series 2023B                    | 12/04/23             | 3,935,000                     | 12/01/33                    | 3,150,000                         |
| General Obligation Promissory Notes, Series 2024A                    | 11/04/24             | 17,440,000                    | 11/01/44                    | 15,400,000                        |
| General Obligation Promissory Notes, Series 2025A                    | 11/03/25             | 26,635,000                    | 11/01/45                    | <u>26,635,000</u> <sup>1</sup>    |
| Total General Obligation Debt  |                      |                               |                             | \$156,700,000                     |
| Less Remaining 2025 Principal Payments                               |                      |                               |                             | ( 9,050,000)                      |
| Net General Obligation Debt  |                      |                               |                             | <u>\$147,650,000</u>              |

<sup>1</sup> New issue. Preliminary, subject to change.

### Direct Indebtedness

Set forth below is the direct general obligation indebtedness of the City, including principal and interest payments due on existing debt, as well as debt service on the Notes. Interest on the Notes has been estimated using an average rate of 5.00 percent. The bond years for the Notes are 257,347.03, and the average life is 9.662 years.

| Year               | Outstanding Bonds & Notes |                     | The Notes*          |                     | Total*               | Less: Projected Offsetting Revenues** |                       |                      | Total Projected Net Debt Service Requirements* |
|--------------------|---------------------------|---------------------|---------------------|---------------------|----------------------|---------------------------------------|-----------------------|----------------------|--|
|                    | Principal                 | Interest            | Principal*          | Interest*           |                      | Enterprise                            | TID                   | MADACC               |  |
| 2025               | \$ 15,900,000             | \$ 4,680,079        |                     |                     | \$ 20,580,079        | (\$ 8,078,223)                        | (\$ 3,213,909)        | (\$ 215,031)         | \$ 9,072,917                                   |
| 2026               | 13,235,000                | 4,136,418           | \$ 2,270,000        | \$ 1,324,351        | 20,965,769           | (9,184,210)                           | (2,954,646)           | (208,031)            | 8,618,881                                      |
| 2027               | 12,490,000                | 3,711,898           | 1,260,000           | 1,218,250           | 18,680,148           | (8,175,539)                           | (3,505,746)           | (202,781)            | 6,796,081                                      |
| 2028               | 12,565,000                | 3,294,398           | 1,315,000           | 1,155,250           | 18,329,648           | (7,462,739)                           | (3,870,521)           | (197,531)            | 6,798,856                                      |
| 2029               | 12,005,000                | 2,888,390           | 1,390,000           | 1,089,500           | 17,372,890           | (6,610,221)                           | (3,868,106)           | (192,281)            | 6,702,281                                      |
| 2030               | 11,760,000                | 2,494,741           | 1,455,000           | 1,020,000           | 16,729,741           | (5,924,064)                           | (3,862,696)           | (186,813)            | 6,756,169                                      |
| 2031               | 9,955,000                 | 2,116,769           | 1,230,000           | 947,250             | 14,249,019           | (5,224,208)                           | (2,969,949)           | (181,125)            | 5,873,738                                      |
| 2032               | 9,995,000                 | 1,771,949           | 1,295,000           | 885,750             | 13,947,699           | (5,161,336)                           | (3,100,906)           | -                    | 5,685,456                                      |
| 2033               | 9,430,000                 | 1,415,413           | 1,360,000           | 821,000             | 13,026,413           | (4,812,049)                           | (3,252,776)           | -                    | 4,961,588                                      |
| 2034               | 7,625,000                 | 1,105,518           | 1,425,000           | 753,000             | 10,908,518           | (3,829,253)                           | (3,223,847)           | -                    | 3,855,419                                      |
| 2035               | 5,585,000                 | 847,375             | 1,500,000           | 681,750             | 8,614,125            | (2,387,638)                           | (2,844,213)           | -                    | 3,382,275                                      |
| 2036               | 4,925,000                 | 654,271             | 1,405,000           | 606,750             | 7,591,021            | (2,377,269)                           | (2,321,915)           | -                    | 2,891,838                                      |
| 2037               | 4,040,000                 | 464,599             | 1,475,000           | 536,500             | 6,516,099            | (2,208,744)                           | (1,912,955)           | -                    | 2,394,400                                      |
| 2038               | 3,240,000                 | 293,730             | 1,550,000           | 462,750             | 5,546,480            | (2,131,950)                           | (1,288,980)           | -                    | 2,125,550                                      |
| 2039               | 1,340,000                 | 162,425             | 1,625,000           | 385,250             | 3,512,675            | (2,139,975)                           | -                     | -                    | 1,372,700                                      |
| 2040               | 835,000                   | 114,013             | 1,715,000           | 304,000             | 2,968,013            | (1,960,013)                           | -                     | -                    | 1,008,000                                      |
| 2041               | 640,000                   | 84,344              | 790,000             | 218,250             | 1,732,594            | (1,732,594)                           | -                     | -                    | -  |
| 2042               | 550,000                   | 58,525              | 830,000             | 178,750             | 1,617,275            | (1,617,275)                           | -                     | -                    | -  |
| 2043               | 580,000                   | 34,194              | 870,000             | 137,250             | 1,621,444            | (1,621,444)                           | -                     | -                    | -  |
| 2044               | 220,000                   | 8,525               | 915,000             | 93,750              | 1,237,275            | (1,237,275)                           | -                     | -                    | -  |
| 2045               | -                         | -                   | 960,000             | 48,000              | 1,008,000            | (1,008,000)                           | -                     | -                    | -  |
|                    | 136,915,000               | 30,337,571          | 26,635,000          | 12,867,351          | 206,754,923          | (84,884,015)                          | (42,191,166)          | (1,383,594)          | 78,296,148                                     |
| Less 2025 Payments | (15,900,000)              | (4,680,079)         | -                   | -                   | (20,580,079)         | 8,078,223                             | 3,213,909             | 215,031              | (9,072,917)                                    |
| <b>TOTAL</b>       | <b>\$121,015,000</b>      | <b>\$25,657,492</b> | <b>\$26,635,000</b> | <b>\$12,867,351</b> | <b>\$186,174,843</b> | <b>(\$76,805,793)</b>                 | <b>(\$38,977,257)</b> | <b>(\$1,168,563)</b> | <b>\$69,223,231</b>                            |

\*Preliminary, subject to change.

\*\*Offsetting revenues includes water, storm sewer, sanitary sewer and TID revenues and payments received from the Milwaukee Area Domestic Animal Control Commission. The actual amount of these offsetting revenues is not guaranteed. Under State law, the City is required to levy an amount sufficient to meet the debt service on its outstanding general obligation debt, but such levy may be abated by the use of such offsetting revenues, if and to the extent available.

### **Total Outstanding Revenue Debt Summary (as of November 3, 2025)**

#### **Waterworks System**

| Type of<br>Obligation                | Date<br>of Issue | Original<br>Amount | Final Maturity<br>Dates | Current<br>Amount Outstanding |
|--------------------------------------|------------------|--------------------|-------------------------|-------------------------------|
| Revenue Bonds, Series 2016A          | 6/21/16          | \$ 4,225,000       | 1/01/36                 | \$ 2,525,000                  |
| Revenue Bonds, Series 2017B          | 11/03/17         | 3,000,000          | 1/01/37                 | 2,225,000                     |
| Revenue Bonds, Series 2018D          | 11/20/18         | 3,620,000          | 1/01/38                 | <u>2,565,000</u>              |
| Total Waterworks System Revenue Debt |                  |                    |                         | <u>\$ 7,315,000</u>           |

### **No Default on City Indebtedness**

The City has no record of default on any prior debt repayment obligations.

The City was responsible for the interest due on July 1, 2022 for the unrefunded portion of its Waterworks System Revenue Bonds, Series 2013, dated November 19, 2013 (the "2013 Bonds"). The City made the correct payment to DTC on time. Associated Trust Company, National Association, the escrow agent for the refunded portion of the 2013 Bonds (the "Escrow Agent"), was responsible for making payment to DTC for the interest due on July 1, 2022 for the refunded portion of the 2013 Bonds, but it failed to make timely payment. The Escrow Agent does not receive payment notifications from DTC because it does not serve as paying agent for the 2013 Bonds. The missed payment was caught in the Escrow Agent's manual end-of-day process, but payment was not made. Once the Escrow Agent became aware of the missed payment, payment was made to DTC on July 6, 2022. The Escrow Agent has amended its process to add a second check for its end-of-day process to prevent missed payments going forward.

### **Future Financings**

The City borrows annually for its capital projects. The City expects to issue approximately \$10.6 million in general obligation debt in 2026 but this amount could be impacted by pending applications for federal infrastructure funding. The City also is in the process of applying for a State Trust Fund Loan in the amount of \$665,000 expected to close in late 2025 to avoid a negative levy limit consequence and increase cash financing in lieu of debt financing. (See "LEVY LIMITS" above). [The City currently has tentative agreements with the owner of the Mayfair Mall, Brookfield Properties, and a residential developer for the redevelopment at and in the vicinity of the site of the former Boston Store at Mayfair Mall. A closing and property transfer between all three parties is anticipated by the end of 2025. If the project moves forward, the City expects it would include a general obligation debt issuance in the amount of approximately \$27 million in 2026 contingent upon the developer receiving United States Housing and Urban Development financing. The residential developer has met the conditions for a predevelopment loan of \$2.5 million from the City. Partial disbursement began in September 2024 using fund balance. The City also expects to make a \$500,000 loan to the Wauwatosa Curling Club by the end of 2025, which may be financed either through fund balance or through borrowing a State Trust Fund Loan.] [To discuss] Other than the preceding, the City currently anticipates issuing no additional debt in the next 12 months.

### **Debt Ratios**

Outstanding general obligation direct debt as a percentage of equalized value and on a per capita basis for the current year as of November 3, 2025, and for the past five years ended December 31 follows:

| Ratios of General Obligation Debt to<br>Equalized Valuation and Population |   |                        |                               |                           |               |
|--|---|------------------------|-------------------------------|---------------------------|---------------|
| Year   | Outstanding<br>General Obligation<br>Debt | Equalized<br>Valuation | Percent of<br>Equalized Value | Population <sup>(1)</sup> | Per<br>Capita |
| 2025   | \$ 156,700,000 <sup>(2)</sup>             | \$ 10,122,294,400      | 1.55%                         | 49,589                    | \$ 3,159.97   |
| 2024   | 137,580,000                               | 10,284,774,700         | 1.34                          | 49,363                    | 2,787.11      |
| 2023   | 135,675,000                               | 9,618,350,900          | 1.41                          | 48,836                    | 2,778.18      |
| 2022   | 135,305,000                               | 9,006,577,400          | 1.50                          | 48,638                    | 2,781.88      |
| 2021   | 124,675,000                               | 7,545,981,900          | 1.65                          | 48,604                    | 2,565.12      |
| 2020   | 124,330,000                               | 6,863,838,600          | 1.81                          | 48,387                    | 2,569.49      |

<sup>1</sup> Estimated by the Wisconsin Department of Administration. The figure for 2025 is a preliminary estimate.

<sup>2</sup> Includes the Notes. Preliminary, subject to change. Unaudited.

## **Overlapping Indebtedness**

Set forth below is information relating to the outstanding overlapping and underlying indebtedness of the City.

| <u>Name of Entity</u>                                   | <u>Amount of Debt<br/>(Net of 2025 Principal<br/>Payments)</u> | <u>Percent<br/>Chargeable<br/>to City</u> | <u>Outstanding<br/>Debt Chargeable<br/>to City</u> |
|---|--|---|--|
| Wauwatosa School District <sup>(1)</sup>                | \$ 97,020,000  | 100.00%                                   | \$ 97,020,000                                      |
| Milwaukee County <sup>(2)</sup>                         | 327,850,000  | 10.10                                     | 33,112,850   |
| Milwaukee Metropolitan Sewerage District <sup>(3)</sup> | 877,487,564  | 10.29                                     | 90,293,470   |
| Milwaukee Area Technical College <sup>(4)</sup>         | 99,225,000   | 8.15                                      | 8,086,838  |
| <b>TOTAL</b>  | <b>\$1,401,582,564</b>   |   | <b>\$228,513,158</b>                               |

<sup>1</sup> In November 2024, voters in the Wauwatosa School District (the "District") approved a \$60,000,000 capital referendum for school building and facilities projects. The District issued \$15,000,000 general obligation promissory notes in April 2025 and expects to issue the remaining \$45 million of referendum-approved debt in early 2026.

<sup>2</sup> Milwaukee County anticipates the issuance of approximately \$[96.7] million of general obligation debt in November 2025. Such amount is preliminary, subject to change and is not included in the above table.

<sup>3</sup> The Milwaukee Metropolitan Sewerage District anticipates the issuance of an additional approximately \$23.0 million of general obligation debt through December 31, 2025. This amount is preliminary and subject to change. The amount included in the table above includes Clean Water Fund Program Loans totaling \$343,524,062 as of August 25, 2025.

<sup>4</sup> The Milwaukee Area Technical College District anticipates the issuance of an additional \$13.5 million of general obligation debt in fiscal year 2025-26. This amount is preliminary and subject to change.

NOTE: This summary may not reflect all of the City's outstanding overlapping and underlying indebtedness.

Source: Wisconsin Department of Revenue. Information provided by each municipal entity through publicly available disclosure documents available on [EMMA.msrb.org](https://emma.msrb.org) and direct inquiries.

## **Statistical Summary**

The table below reflects direct, overlapping and underlying bonded indebtedness net of all 2025 principal payments.

|  |                  |
|--|------------------|
| Equalized Valuation (2025) as certified by Wisconsin Department of Revenue                                   | \$10,122,294,400 |
| Direct Bonded Indebtedness Including the Notes <sup>(1)</sup>  | \$147,650,000    |
| Direct, Overlapping and Underlying Bonded Indebtedness Including the Notes <sup>(1)</sup>                    | \$376,163,158    |
| Direct Bonded Indebtedness as a Percentage of Equalized Valuation <sup>(1)</sup>                             | 1.46%            |
| Direct, Overlapping and Underlying Bonded Indebtedness as a Percentage of Equalized Valuation <sup>(1)</sup> | 3.72%            |
| Population of City (2025 Preliminary Estimate)*  | 49,589           |
| Direct Bonded Indebtedness Per Capita <sup>(1)</sup>   | \$2,977.47       |
| Direct, Overlapping and Underlying Bonded Indebtedness Per Capita <sup>(1)</sup>                             | \$7,585.62       |

<sup>(1)</sup> Preliminary, subject to change.

\*Source: Wisconsin Department of Administration, Demographic Services Center

### **Debt Limit**

As described under the caption "CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE CITY'S POWER TO INCUR INDEBTEDNESS—*Debt Limit*," the total indebtedness of the City may not exceed five percent of the equalized value of property in the City. Set forth in the table below is a comparison of the outstanding indebtedness of the City, as of the closing of the Notes, as a percentage of the applicable debt limit.

|  |                      |
|--|----------------------|
| Equalized Valuation (2025) as certified by Wisconsin Department of Revenue | \$10,122,294,400     |
| Legal Debt Percentage Allowed <sup>(1)</sup>                               | <u>5.00%</u>         |
| Legal Debt Limit   | \$506,114,720        |
| General Obligation Debt Outstanding Including the Notes <sup>(2)</sup>     | <u>\$156,700,000</u> |
| Unused Margin of Indebtedness  | \$349,414,720        |
| Percent of Legal Debt Incurred <sup>(2)</sup>                              | 30.96%               |
| Percentage of Legal Debt Available <sup>(2)</sup>                          | 69.04%               |

<sup>(1)</sup> The City has established a Debt Management Policy that sets a guideline of limiting general obligation debt to no more than 4% of the equalized valuation of property in the City.

<sup>(2)</sup> Preliminary, subject to change.

### **FINANCIAL INFORMATION**

The financial operations of the City are accounted for primarily through its general fund. Most taxes and non-tax revenues (such as license fees, fines and costs and user's fees) are paid into the general fund and current operating expenditures are made from the general fund pursuant to appropriations made by the Common Council.

### **Budgeting Process**

The City is required by State law to annually formulate a budget and to hold public hearings thereon prior to the determination of the amounts to be financed, in whole or in part, by general property taxes, funds on hand or estimated revenues from other sources. The budget must list all existing indebtedness of the City and include anticipated revenues from all sources during the ensuing year, and must list all proposed appropriations for each department, activity and reserve account during the ensuing year. The budget must show actual revenues and expenditures for the preceding year, actual revenues and expenditures for not less than the first six months of the current year and estimated revenues and expenditures for the balance of the current year.

As part of the budgeting process, public hearings are held on the proposed budget, at which time any resident or taxpayer in the City may be heard. At an annual budget meeting in November or December of each year the Common Council adopts the final budget for the succeeding year and levies taxes based on assessed valuations of property less any increment attributable to Tax Increment Districts. The amounts of taxes so levied and the amounts of the various appropriations in the final budget (after any alterations made pursuant to public hearings) may not be changed unless authorized by a vote of two-thirds of the entire membership of the Common Council. Failure to publish notice of any such alteration within ten days thereafter shall preclude any change in the budget.

**GENERAL FUND SUMMARY  
FOR THE YEARS ENDED DECEMBER 31**

|  | 2025<br><u>Budget</u> <sup>(1)</sup> | 2024<br><u>Audit</u> <sup>(1)</sup> | 2023<br><u>Audit</u> <sup>(1)</sup> | 2022<br><u>Audit</u> <sup>(1)</sup> | 2021<br><u>Actual</u> |
|--|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-----------------------|
| Revenues:  |                                      |                                     |                                     |                                     |                       |
| Taxes  | \$54,805,923                         | \$54,383,030                        | \$53,023,155                        | \$51,141,135                        | \$47,762,111          |
| Intergovernmental revenues                                     | 8,407,450                            | 7,825,278                           | 7,125,630                           | 6,944,401                           | 7,006,006             |
| Licenses and permits   | 1,777,950                            | 2,212,093                           | 1,807,748                           | 2,484,896                           | 1,767,638             |
| Penalties and forfeitures                                      | 1,051,500                            | 953,307                             | 758,662                             | 692,853                             | 812,623               |
| Public improvement revenues                                    | 20,000                               | 32,105                              | 16,043                              | 11,695                              | 23,360                |
| Public charges for services                                    | 3,700,919                            | 3,164,048                           | 2,997,144                           | 3,076,279                           | 3,154,704             |
| Intergovernmental charges for services                         | 1,560,551                            | 1,590,673                           | 1,697,069                           | 1,841,675                           | 1,766,190             |
| Commercial revenues  | <u>2,573,824</u>                     | <u>5,733,853</u>                    | <u>5,318,592</u>                    | <u>( 3,032,976)</u> <sup>(2)</sup>  | <u>346,371</u>        |
| Total Revenues   | \$73,898,117                         | \$75,894,387                        | \$72,744,043                        | 63,159,958                          | 62,639,003            |
| Expenditures:  |                                      |                                     |                                     |                                     |                       |
| Current:   |                                      |                                     |                                     |                                     |                       |
| General government   | 7,667,628                            | 7,290,545                           | 7,760,221                           | 6,710,934                           | 5,773,970             |
| Protection of persons and property<br>( <i>Public Safety</i> ) | 37,921,878                           | 38,269,551                          | 36,949,103                          | 35,069,839                          | 33,492,900            |
| Health and sanitation<br>( <i>Health and Human Services</i> )  | 1,859,743                            | 1,985,776                           | 1,772,973                           | 2,068,452                           | 1,994,383             |
| Highway and transportation<br>( <i>Public Works</i> )          | 9,190,005                            | 7,226,380                           | 7,955,353                           | 7,299,695                           | 7,048,021             |
| Conservation and development                                   | 2,705,881                            | 2,858,036                           | 2,895,953                           | 2,412,736                           | 2,362,921             |
| Unclassified   | 0                                    | 0                                   | 0                                   | 0                                   | 0                     |
| Debt service   | 0                                    | 0                                   | 157,632                             | 0                                   | 0                     |
| Capital outlay   | <u>0</u>                             | <u>201,305</u>                      | <u>92,370</u>                       | <u>117,631</u>                      | <u>516,426</u>        |
| Total Expenditures   | <u>59,345,135</u>                    | <u>57,831,593</u>                   | <u>57,583,605</u>                   | <u>53,679,287</u>                   | <u>51,188,621</u>     |
| Excess of Revenues Over<br>(Under) Expenditures                | <u>14,552,982</u>                    | <u>18,062,794</u>                   | <u>15,160,438</u>                   | <u>9,480,671</u>                    | <u>11,450,382</u>     |
| Other Financing Sources (Uses)                                 |                                      |                                     |                                     |                                     |                       |
| Subscription proceeds  | 0                                    | 99,715                              | 0                                   | 0                                   | 0                     |
| Insurance Recoveries   | 0                                    | 0                                   | 17,144                              | 15,551                              | 0                     |
| Proceeds from sale of assets                                   | 0                                    | 3,714                               | 347                                 | 1,174                               | 150                   |
| Operating transfers in   | 5,755,520                            | 1,046,115                           | 1,326,252                           | 1,843,782                           | 1,573,317             |
| Operating transfers out  | <u>(20,308,502)</u>                  | <u>(16,001,777)</u>                 | <u>(15,407,683)</u>                 | <u>(14,261,840)</u>                 | <u>(12,898,086)</u>   |
| Net change in fund balances                                    | 0                                    | 3,210,561                           | 1,096,498                           | (2,920,662)                         | 125,763               |
| Fund Balances – Beginning of Year                              | <u>26,551,590</u>                    | <u>23,341,029</u>                   | <u>22,244,531</u>                   | <u>25,165,193</u>                   | <u>25,039,430</u>     |
| Fund Balances - End of Year                                    | <u>\$26,551,590</u>                  | <u>\$26,551,590</u>                 | <u>\$23,341,029</u>                 | <u>\$22,244,531</u>                 | <u>\$25,165,193</u>   |

<sup>(1)</sup> Expenditure categories starting in 2022 have been reclassified (shown in parentheses and italics) but prior years have not been restated. [Southeastern Wisconsin experienced significant flooding in August 2025, including the City, which caused significant damage. The City expects to have uninsured expenses of approximately \$5,000,000 to \$7,000,000. The State of Wisconsin submitted a request for a damage assessment to FEMA, which process is ongoing. The City does not yet know whether or how much aid it may receive for such expenses. The City expects to use available fund balance for such expenses in the meantime, and the City may consider the need for future borrowing, if necessary.]

<sup>(2)</sup> In 2022, the City had to record a large negative mark-to-market adjustment due to the rising interest rate environment resulting in a large commercial revenue deficit. It is the City's practice to hold its investments to maturity so no resulting cash reduction is anticipated. The City experienced in 2023, and anticipates for the next several years, positive mark-to-market adjustments to offset the 2022 loss.

The amounts shown for the years ended December 31, 2021 through 2024 are excerpts from the audit reports which have been examined by CliftonLarsonAllen LLP, Certified Public Accountants, Milwaukee, Wisconsin (the "Auditor"). The amounts shown for the year ending December 31, 2025 are shown on a budgetary basis as provided by the City. The comparative statement of revenues and expenditures should be read in conjunction with other financial statements and notes thereto appearing in Appendix A to this Official Statement.



## **Financial Information**

A copy of the City's Annual Comprehensive Financial Report for the fiscal year ended December 31, 2024, including the accompanying independent auditor's report, is included as Appendix A to this Official Statement. Potential purchasers should read such financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessment, procedures or evaluation with respect to such financial statements since the date thereof, or relating to this Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Notes, the City represents that there has been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

## **UNDERWRITING**

The Notes have been purchased at a public sale by a group of Underwriters for whom \_\_\_\_\_ is acting as Managing Underwriter (the "Underwriter"). The Underwriter intends to offer the Notes to the public initially at the prices which produce the yields set forth on the cover of this Official Statement plus accrued interest from November 3, 2025, if any, which prices may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Notes to the public. The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) at prices lower than the public offering prices. In connection with this offering, the Underwriter may over allocate or effect transactions which stabilize or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

## **RATING**

The Notes have been assigned a "\_\_\_\_\_" rating by Moody's Investors Service, Inc. ("Moody's"). Such rating reflects only the view of Moody's, and an explanation of the significance of such rating may be obtained therefrom. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will remain in effect for any given period of time or that it will not be revised, either upward or downward, or withdrawn entirely, by Moody's if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Notes.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Notes, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Undertakings described under the heading "CONTINUING DISCLOSURE" neither the City nor the Underwriter undertake responsibility to bring to the attention of the owners of the Notes any proposed change in or withdrawal of such rating or to oppose any such revision or withdrawal.

## **TAX EXEMPTION**

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Notes under existing law substantially in the following form:

"The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue

to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The City has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the City comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes."

The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the Notes should be aware that ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Notes should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Notes. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Notes may be enacted. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

See Appendix B "Form of Legal Opinion for the Notes".

### **Original Issue Discount**

To the extent that the initial public offering price of certain of the Notes is less than the principal amount payable at maturity, such Notes (collectively, "Discounted Bonds") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Bonds were sold (issue price). With respect to a taxpayer who purchases a Discounted Bond in the initial public offering at the issue price and who holds such Discounted Bond to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Bond for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Bond upon maturity.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Bond, on days that are determined by reference to the maturity date of such Discounted Bond. The amount treated as original issue discount on a Discounted Bond for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Bond at the beginning of the particular accrual period if held by the original purchaser; and less (b) the amount of any interest payable for such Discounted Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Bond is sold or exchanged between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

For federal income tax purposes, the amount of original issue discount that is treated as having accrued with respect to such Discounted Bond is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Bond (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain.

The accrual or receipt of original issue discount on the Discounted Bonds may result in certain collateral federal income tax consequences for the owners of such Discounted Bonds. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction.

The Code contains additional provisions relating to the accrual of original issue discount. Owners who purchase Discounted Bonds at a price other than the issue price or who purchase such Discounted Bonds in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Bonds. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year. Owners of Discounted Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Bonds.

### **Bond Premium**

To the extent that the initial offering price of certain of the Notes is more than the principal amount payable at maturity, such Notes ("Premium Bonds") will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Bonds. Owners of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

### **Not Qualified Tax-Exempt Obligations**

The Notes shall NOT be "qualified tax-exempt obligations" for purposes of Section 265 of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

## **CONTINUING DISCLOSURE**

In order to assist the Underwriter, which will reoffer the Notes, in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934 (the "Rule"), the City shall covenant pursuant to the Parameters Resolution adopted by the Common Council to enter into an undertaking (the "Undertaking") for the benefit of holders including beneficial holders of the Notes to provide certain financial information and operating data relating to the City annually to the Municipal Securities Rulemaking Board (the "MSRB"), and to provide notices of the occurrence of certain events enumerated in the Rule electronically or in the manner otherwise prescribed by the MSRB to the MSRB. **The Undertaking provides that the annual report will be filed not later than 270 days after the end of each fiscal year. The City's fiscal year ends December 31<sup>st</sup>.** The details and terms of the Undertaking, as well as the information to be contained in the annual report or the notices of material events, are set forth in the Continuing Disclosure Certificate to be executed and delivered by the City at the time the Notes are delivered. Such Certificate will be in substantially the form attached hereto as Appendix C. A failure by the City to comply with the Undertaking will not constitute an event of default on the Notes (although holders will have the right to obtain specific performance of the obligations under the Undertaking). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Notes in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

[The City's audited financial statements and operating data for the year ended December 31, 2019 were timely filed but were inadvertently not associated with the CUSIP numbers of bonds issued in 2019 that had new base CUSIP numbers. The City has since made corrective filings. Except to the extent the preceding is deemed to be material.] in

the previous five years the City has not failed to comply in all material respects with any previous undertakings under the Rule. [Bracketed language to be removed if printing 9/29 or later.]

The City will file its continuing disclosure information using the Electronic Municipal Market Access (“EMMA”) system. Investors will be able to access continuing disclosure information filed with the MSRB at [www.emma.msrb.org](http://www.emma.msrb.org).

### **BOOK-ENTRY-ONLY SYSTEM**

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for each maturity of the Notes, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial

Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Notes purchased or tendered, through its Participant, to Agent, and shall effect delivery of such Notes by causing the Direct Participant to transfer the Participant's interest in the Notes, on DTC's records, to Agent. The requirement for physical delivery of Notes in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Notes are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Notes to Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the City or Registrar. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but City takes no responsibility for the accuracy thereof.

## LITIGATION

There is no controversy or litigation of any nature now pending or, to the knowledge of the City, threatened, restraining or enjoining the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any proceedings of the City taken with respect to the issuance or sale thereof.

The City is in the midst of property tax litigation with the owner of Mayfair Mall. The matter is titled as Mayfair Mall LLC v. City of Wauwatosa. The case involves a dispute in the taxable value of one of the City's largest taxpayers, Mayfair Mall, and involves potential exposure of up to \$7.1 million of a tax refund. Following a trial and a reconsideration of certain issues, the matter involving the years 2013 to 2015 recently concluded with a finding in favor of the City, and the appeal window is closed. Similar disputes regarding the taxable value of Mayfair Mall for the years 2016 through 2024 have been stayed pending the outcome of the appeal and are currently being addressed by the courts. The City is currently in discussion in which Mayfair Mall may voluntarily dismiss their claims for refund for some of the earlier tax years and litigation will likely ultimately focus on claims for the later tax years, 2020 to 2024.

A significant property value for certain medical campus taxpayers became taxable upon the sale of land from the County to individual taxpayers in April 2020. These taxpayers are disputing the taxability of all, or significant portions, of that new taxable value. The City has ongoing litigation with Froedtert, Medical College of Wisconsin, and Children's

Hospital in which the medical entities are questioning the exempt status of some of their properties. The City recently entered into a settlement with Froedtert resolving litigation for the 2021 through 2024 tax years. The City is also involved in litigation with the Ascension property on Mayfair Road in which they also claim exempt status.

Under Wisconsin Statutes, a disagreement regarding assessment cannot be made unless a property holder pays the assessment that is levied against them. As a result, the amounts have been assessed against Mayfair Mall and the medical campus taxpayers and have been paid by the property owners. The taxes have been paid and disputed since 2016 for Mayfair Mall and since 2021 for the medical campus entities. The claim for refund in taxes is approximately \$7.1 million for Mayfair Mall and \$7.1 million for the medical campus. The City cannot predict the outcome of these matters but is vigorously defending the assessments. If the property owner is successful, the taxing jurisdictions will have to reimburse the taxpayer for the excessive assessments that have been paid in prior years.

The City experienced significant civil unrest and protests periodically from July through October 2020, related to announcement of the District Attorney's decision declining to bring charges against a former Wauwatosa Police Officer who fatally shot three people in 2015, 2016 and 2020, respectively, during active duty. The officer was not charged in connection with any of these shootings, but that decision resulted in civil unrest and protests in the City. The officer has been sued civilly by the family of the individual shot in 2020, and that case is going to be re-tried beginning on September 8, 2025, in federal court. The case was previously tried, and the jury could not reach a decision, but the City's trial attorney learned that but for one hold out juror, the Verdict would have been in favor of the officer. The City believes it has a strong defense in each of these litigation matters and also expects that its insurance coverage will apply in all such matters to significantly reduce financial risk. The City has been fairly successful in addressing most of the outstanding issues being litigated in this regard, although some questions remain on appeal, and the City can never fully predict the outcome of any litigation.

## **LEGAL MATTERS**

Legal matters incident to the authorization and issuance of the Notes are subject to the unqualified approving legal opinion of Quarles & Brady LLP, Bond Counsel. Such opinion will be issued on the basis of the law existing at the time of the issuance of the Notes. A copy of such opinion will be available at the time of the delivery of the Notes.

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Notes. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Notes and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

Quarles & Brady LLP from time to time serves as counsel to the Financial Advisor with respect to issuers other than the City and transactions other than the issuance of the Notes.

## **MUNICIPAL BANKRUPTCY**

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Notes are outstanding, in a way that would allow the City to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the City to file for relief under Chapter 9. If, in the future, the City were to file a bankruptcy case under

Chapter 9, the relevant bankruptcy court would need to consider whether the City could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the City is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the City could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Notes could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Notes, and there could ultimately be no assurance that holders of the Notes would be paid in full or in part on the Notes. Further, under such circumstances, there could be no assurance that the Notes would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Notes could be viewed as having no priority (a) over claims of other creditors of the City; (b) to any particular assets of the City, or (c) to revenues otherwise designated for payment to holders of the Notes.

Moreover, if the City were determined not to be a “municipality” for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Notes would not occur.

### **FINANCIAL ADVISOR**

Robert W. Baird & Co. Incorporated, Milwaukee, Wisconsin, has been retained as financial advisor (the “Financial Advisor” or “Baird”) in connection with the issuance of the Notes. To the best of the Financial Advisor’s knowledge, the information contained in this Official Statement is true and accurate. However, the Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

The Financial Advisor’s duties, responsibilities, and fees in connection with this issuance arise solely from the services for which it is engaged to perform as financial advisor on the Notes. Baird’s compensation for serving as financial advisor on the Notes is conditional on the successful closing of the Notes.

### **MISCELLANEOUS**

Any statement made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement by its Interim City Clerk has been duly authorized by the City.

In accordance with the Rule, the Preliminary Official Statement is deemed final except for the omission of certain information described in the Rule.

### **AUTHORIZATION**

This Official Statement has been approved for distribution to prospective purchasers and the Underwriter of the Notes. The City, acting through its Mayor and Interim City Clerk will provide to the Underwriter of the Notes at the time of delivery of the Notes, a certificate confirming that, to the best of its knowledge and belief, the Official Statement with respect to the Notes, together with any supplements thereto, at the time of execution of the Approving Certificate and at the time of delivery of the Notes, was true and correct in all material respect and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated, where necessary to make the statements in light of the circumstances under which they were made, not misleading.

### **CITY OF WAUWATOSA**

By \_\_\_\_\_  
Interim City Clerk

## **APPENDIX A**

### **ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2024**

**CITY OF WAUWATOSA  
MILWAUKEE COUNTY, WISCONSIN**

**CLIFTON LARSON ALLEN LLP  
MILWAUKEE, WISCONSIN**

A copy of the City's Annual Comprehensive Financial Report for the fiscal year ended December 31, 2024, including the accompanying independent auditor's report, is included as Appendix A to this Official Statement. Potential purchasers should read such financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessment, procedures or evaluation with respect to such financial statements since the date thereof, or relating to this Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Notes, the City represents that there has been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.



## **APPENDIX B**

### **FORM OF LEGAL OPINION FOR THE NOTES**

## **APPENDIX C**

### **FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE NOTES**

**APPENDIX D**  
**OFFICIAL NOTICE OF SALE**  
**FOR**  
**CITY OF WAUWATOSA**  
**Milwaukee County, Wisconsin**

**\$26,635,000 General Obligation Promissory Notes, Series 2025A**

**Sale Data:**

**DATE AND TIME:**

Tuesday, October 7, 2025  
10:00 a.m. (Central Time)

**PLACE:**

Robert W. Baird & Co.  
Public Finance Department  
777 East Wisconsin Avenue, 25th Floor  
Milwaukee, Wisconsin 53202

Attention: Kathy Voss  
Phone: (414) 765-3827  
Fax: (414) 298-7354

Bids will also be accepted electronically via PARITY.

## CREDIT OPINION

19 September 2025



Send Your Feedback

### Contacts

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Gera M. McGuire +1.312.706.9977  
Associate Managing Director  
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### CLIENT SERVICES

Americas 1-212-553-1653  
Asia Pacific 852-3551-3077  
Japan 81-3-5408-4100  
EMEA 44-20-7772-5454

## City of Wauwatosa, WI

### Update to credit analysis

#### Summary

[Wauwatosa \(City of\) WI's](#) (Aaa) credit profile is characterized by a healthy local economy near Milwaukee, strong financial performance, and long-term leverage that will remain near current levels because of additional borrowing plans.

#### Credit strengths

- » Very strong and stable reserve position that is expected to hold in the near-term
- » Robust local economy with strong resident incomes

#### Credit challenges

- » Ongoing capital needs
- » Levy constrained by state-imposed limits on growth

#### Rating outlook

We do not assign outlooks to local government issuers with this amount of debt outstanding.

#### Factors that could lead to an upgrade

- » Not applicable

#### Factors that could lead to a downgrade

- » A long-term liabilities ratio consistently approaching 350% of revenues
- » An available fund balance ratio below 40%

## Key indicators

Exhibit 1

### Wauwatosa (City of) WI

|   | 2021        | 2022        | 2023        | 2024         | Aaa Medians |
|---|-------------|-------------|-------------|--------------|-------------|
| <b>Economy</b>                                      |             |             |             |              |             |
| Resident income ratio (%)                           | 137.1%      | 131.2%      | 125.1%      | N/A          | 168.9%      |
| Full Value (\$000)                                  | \$7,545,982 | \$9,006,577 | \$9,618,351 | \$10,284,775 | \$9,011,663 |
| Population  | 48,072      | 47,919      | 47,718      | N/A          | 36,103      |
| Full value per capita (\$)                          | \$156,972   | \$187,954   | \$201,567   | N/A          | \$218,941   |
| Annual Growth in Real GDP                           | 4.3%        | 2.7%        | 1.4%        | N/A          | 2.4%        |
| <b>Financial Performance</b>                        |             |             |             |              |             |
| Revenue (\$000)                                     | \$104,234   | \$108,259   | \$121,613   | \$135,044    | \$108,194   |
| Available fund balance (\$000)                      | \$68,420    | \$72,130    | \$80,172    | \$92,514     | \$68,159    |
| Net unrestricted cash (\$000)                       | \$115,425   | \$127,498   | \$137,083   | \$145,857    | \$99,090    |
| Available fund balance ratio (%)                    | 65.6%       | 66.6%       | 65.9%       | 68.5%        | 62.6%       |
| Liquidity ratio (%)                                 | 110.7%      | 117.8%      | 112.7%      | 108.0%       | 95.0%       |
| <b>Leverage</b>                                     |             |             |             |              |             |
| Debt (\$000)  | \$170,778   | \$179,197   | \$176,890   | \$177,970    | \$72,678    |
| Adjusted net pension liabilities (\$000)            | \$182,066   | \$173,642   | \$87,995    | \$88,645     | \$89,696    |
| Adjusted net OPEB liabilities (\$000)               | \$35,532    | \$39,532    | \$33,544    | \$35,170     | \$10,915    |
| Other long-term liabilities (\$000)                 | \$2,898     | \$3,436     | \$3,379     | \$12,197     | \$4,029     |
| Long-term liabilities ratio (%)                     | 375.4%      | 365.6%      | 248.2%      | 232.5%       | 217.2%      |
| <b>Fixed costs</b>                                  |             |             |             |              |             |
| Implied debt service (\$000)                        | \$12,528    | \$11,978    | \$12,515    | \$12,288     | \$4,949     |
| Pension tread water contribution (\$000)            | \$1,521     | \$1,707     | \$4,546     | N/A          | \$2,629     |
| OPEB contributions (\$000)                          | \$2,836     | \$3,314     | \$3,694     | \$2,703      | \$594       |
| Implied cost of other long-term liabilities (\$000) | \$201       | \$203       | \$240       | \$235        | \$274       |
| Fixed-costs ratio (%)                               | 16.4%       | 15.9%       | 17.3%       | 14.6%        | 10.0%       |

For definitions of the metrics in the table above please refer to the [US Cities and Counties Methodology](#) or see the Glossary in the Appendix below. Metrics represented as N/A indicate the data were not available at the time of publication. The medians come from our most recently published [US Cities and Counties Median Report](#).

The real GDP annual growth metric cited above is for the Milwaukee-Waukesha, WI Metropolitan Statistical Area.

Sources: US Census Bureau, Wauwatosa (City of) WI's financial statements and Moody's Ratings, US Bureau of Economic Analysis

## Profile

Wauwatosa, WI is located just west of the city of Milwaukee. The city provides basic municipal services including police, fire, streets and utilities to a population of about 48,000 residents.

## Detailed credit considerations

Wauwatosa benefits from a growing tax base near Milwaukee and strong institutional presence led by the Milwaukee Regional Medical Center. Developments around the medical campus are ongoing along with other residential and commercial developments throughout the city. While the city's economic indicators are strong, they lag the medians for Aaa rated cities nationally. The city's financial position has remained strong for several years with reserves over 65% of revenues across governmental and business type funds (water, sewer, stormwater).

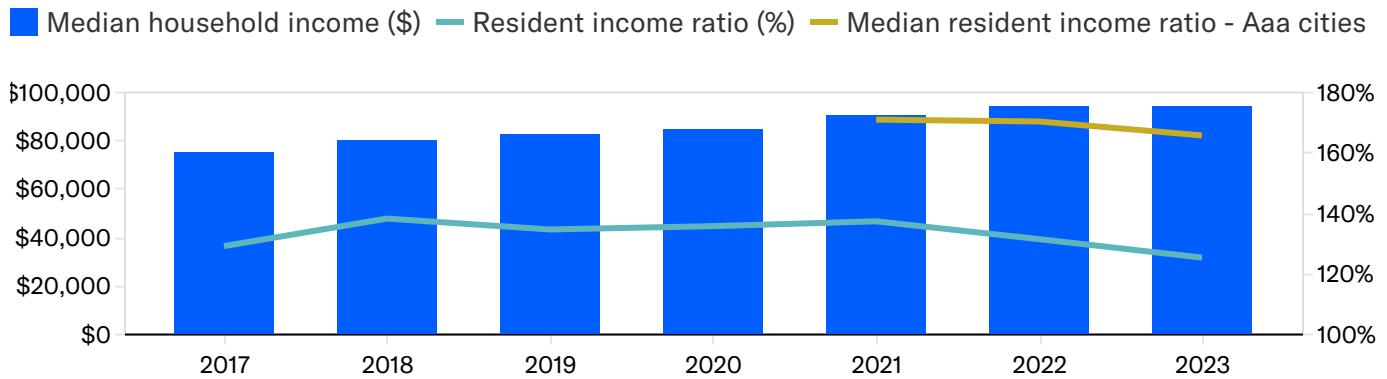
In August 2025, a large flooding event caused around \$7 million in damages within the city. The city is currently waiting to see if FEMA will reimburse costs associated with the damages. If FEMA does not provide the reimbursement, the city will be allowed by state law to temporarily increase the property tax levy for one year to cover the costs. In addition to this, the city settled a property tax appeal by a hospital and will have to pay \$10 million, \$6.6 million of which will be reimbursed by other taxing districts in fiscal 2026. Assuming the city uses reserves and does not receive any reimbursement in fiscal 2025 (year-end Dec. 31), the available fund balance will remain strong at around 60% of revenue. The city also has some unused levy capacity which can add some budget flexibility over the next few years. Currently, the city is issuing around \$26.6 million for various capital projects and will continue to issue bonds annually to address needs outlined in their long-term capital plan. Long-term leverage will remain near current levels through the rest of the decade.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

## Economy

Exhibit 2

Resident incomes are stable but are lower than peers



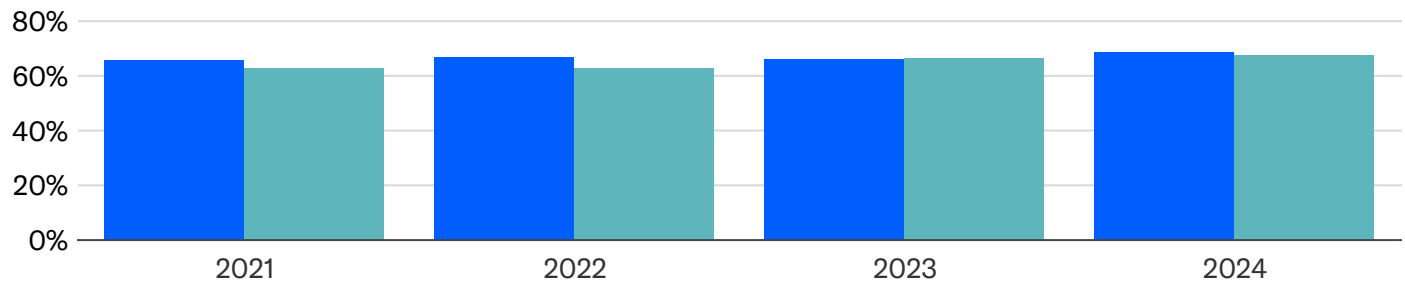
Source: US Census Bureau - American Community Survey 5-Year Estimates; US Bureau of Economic Analysis; Moody's Ratings

## Financial operations

Exhibit 3

Reserves have been very stable since 2021

■ Available fund balance ratio ■ Median available fund balance ratio - Aaa cities

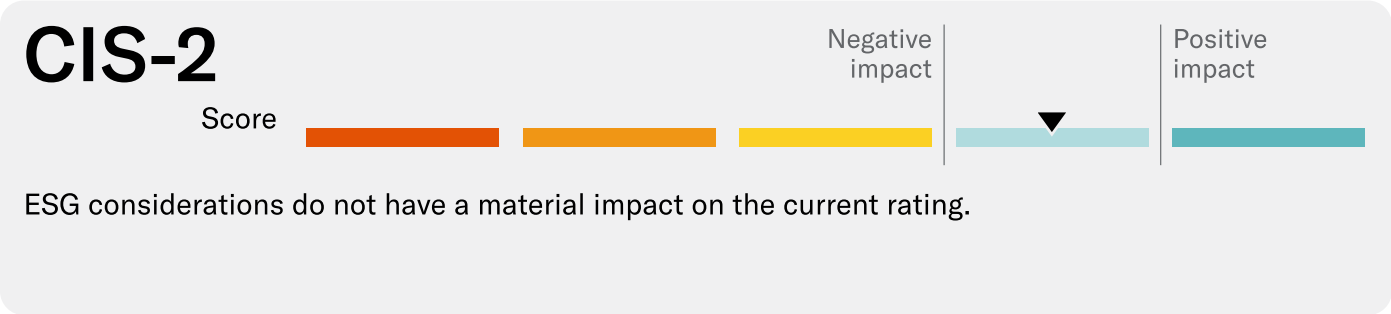


Source: Audited financial statements; Moody's Ratings

ESG considerations

Wauwatosa (City of) WI's ESG credit impact score is CIS-2

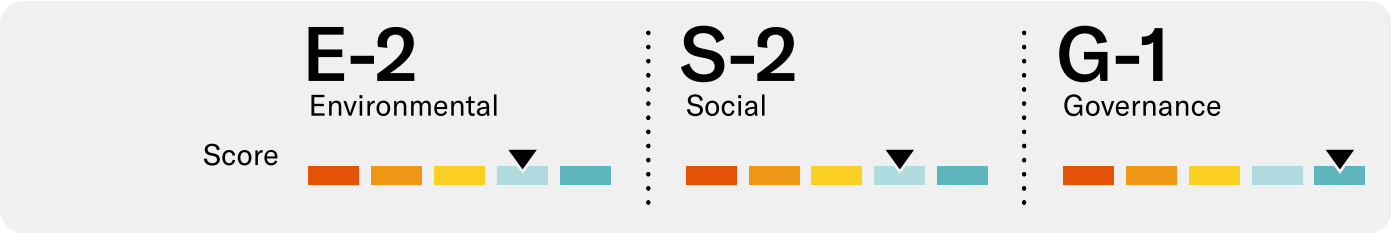
Exhibit 4  
ESG credit impact score



Source: Moody's Ratings

Wauwatosa, WI's overall ESG Credit Impact Score of **CIS-2** reflects moderate exposure to environmental and social risks, and positive exposure to governance risks.

Exhibit 5  
ESG issuer profile scores



Source: Moody's Ratings

Environmental

Wauwatosa's **E-2** issuer profile score reflects moderate exposure to environmental risks across all categories, including physical climate risk, carbon transition, natural resources management, waste and pollution. In the event of a disaster, Milwaukee County, where Wauwatosa is located, maintains a comprehensive plan for mitigation and response. In August 2025, a major flooding event occurred which caused around \$7 million in damages. The flooding mainly occurred in the city's floodplain but the rainfall was more than anticipated. The city will likely be reimbursed for the costs of the damages by FEMA and/or a temporary increase in the levy limit.

Social

Wauwatosa's **S-2** issuer profile score reflects minimal exposure to social risks. Demographic trends are solid as the population has grown modestly over the last decade. The city benefits from above average labor force participation and resident income, as well as educational attainment. Risk associated with housing, health and safety and access to basic services are similar to peers.

Governance

Wauwatosa's **G-1** issuer profile score is positive and reflects the city's good budgetary management balanced against a relatively restrictive institutional structure. The city's largest revenue source is property taxes, which are subject to a cap that limits increases to growth in net new construction. The city has an informal fund balance policy of maintaining two months of operating expenses in the general fund as unrestricted and unreserved and provides regular variance updates to the board that are posted on the city's website.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

## Rating methodology and scorecard factors

The US Cities and Counties Methodology includes a scorecard, which summarizes the rating factors generally most important to city and county credit profiles. Because the scorecard is a summary, and may not include every consideration in the credit analysis for a specific issuer, a scorecard-indicated outcome may or may not map closely to the actual rating assigned.

The assigned rating is higher than the scorecard-indicated outcome because of the city's long history of strong reserves despite levy limits and institutional presence that anchors the economy.

Exhibit 6

### Wauwatosa (City of) WI

|                                | Measure | Weight | Score      |
|--------------------------------|---------|--------|------------|
| <b>Economy</b>                 |         |        |            |
| Resident income ratio          | 125.1%  | 10.0%  | Aaa        |
| Full value per capita          | 212,127 | 10.0%  | Aaa        |
| Economic growth metric         | -1.2%   | 10.0%  | A          |
| <b>Financial Performance</b>   |         |        |            |
| Available fund balance ratio   | 68.5%   | 20.0%  | Aaa        |
| Liquidity ratio                | 108.0%  | 10.0%  | Aaa        |
| <b>Institutional Framework</b> |         |        |            |
| Institutional Framework        | A       | 10.0%  | A          |
| <b>Leverage</b>                |         |        |            |
| Long-term liabilities ratio    | 232.5%  | 20.0%  | A          |
| Fixed-costs ratio              | 14.6%   | 10.0%  | Aa         |
| <b>Notching factors</b>        |         |        |            |
| No notchings applied           |         |        |            |
| Scorecard-Indicated Outcome    |         |        | Aa2        |
| <b>Assigned Rating</b>         |         |        | <b>Aaa</b> |

The Economic Growth metric cited above compares the five-year CAGR of real GDP for Milwaukee-Waukesha, WI Metropolitan Statistical Area Metropolitan Statistical Area to the five-year CAGR of real GDP for the US.

Sources: US Census Bureau, Wauwatosa (City of) WI's financial statements and Moody's Ratings



## Appendix

Exhibit 7

### Key Indicators Glossary

|   | Definition  | Typical Source*   |
|---|---|---|
| <b>Economy</b>                          |   |   |
| Resident income ratio                   | Median Household Income (MHI) for the city or county, adjusted for Regional Price Parity (RPP), as a % of the US MHI  | MHI: US Census Bureau - American Community Survey 5-Year Estimates<br>RPP: US Bureau of Economic Analysis |
| Full value                              | Estimated market value of taxable property in the city or county  | State repositories; audited financial statements; continuing disclosures                                  |
| Population                              | Population of the city or county  | US Census Bureau - American Community Survey 5-Year Estimates   |
| Full value per capita                   | Full value / population   |   |
| Economic growth metric                  | Five year CAGR of real GDP for Metropolitan Statistical Area or county minus the five-year CAGR of real GDP for the US  | Real GDP: US Bureau of Economic Analysis  |
| <b>Financial performance</b>            |   |   |
| Revenue                                 | Sum of revenue from total governmental funds, operating and non-operating revenue from total business-type activities, and non-operating revenue from internal services funds, excluding transfers and one-time revenue, e.g., bond proceeds or capital contributions | Audited financial statements  |
| Available fund balance                  | Sum of all fund balances that are classified as unassigned, assigned or committed in the total governmental funds, plus unrestricted current assets minus current liabilities from the city's or county's business-type activities and internal services funds        | Audited financial statements  |
| Net unrestricted cash                   | Sum of unrestricted cash in governmental activities, business type activities and internal services fund, net of short-term debt  | Audited financial statements  |
| Available fund balance ratio            | Available fund balance (including net current assets from business-type activities and internal services funds) / Revenue   |   |
| Liquidity ratio                         | Net unrestricted cash / Revenue   |   |
| <b>Leverage</b>                         |   |   |
| Debt                                    | Outstanding long-term bonds and all other forms of long-term debt across the governmental and business-type activities, including debt of another entity for which it has provided a guarantee disclosed in its financial statements                                  | Audited financial statements; official statements   |
| Adjusted net pension liabilities (ANPL) | Total primary government's pension liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits   | Audited financial statements; Moody's Ratings   |
| Adjusted net OPEB liabilities (ANOL)    | Total primary government's net other post-employment benefit (OPEB) liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits  | Audited financial statements; Moody's Ratings   |
| Other long-term liabilities (OLTL)      | Miscellaneous long-term liabilities reported under the governmental and business-type activities entries  | Audited financial statements  |
| Long-term liabilities ratio             | Debt + ANPL + ANOL + OLTL / Revenue   |   |
| <b>Fixed costs</b>                      |   |   |
| Implied debt service                    | Annual cost to amortize city or county's long-term debt over 20 years with level payments   | Audited financial statements; official statements; Moody's Ratings  |
| Pension tread water contribution        | Pension contribution necessary to prevent reported unfunded pension liabilities from growing, year over year, in nominal dollars, if all actuarial assumptions are met  | Audited financial statements; Moody's Ratings   |
| OPEB contribution                       | City or county's actual contribution in a given period  | Audited financial statements  |
| Implied cost of OLTL                    | Annual cost to amortize city or county's other long-term liabilities over 20 years with level payments  | Audited financial statements; Moody's Ratings   |
| Fixed-costs ratio                       | Implied debt service + Pension tread water + OPEB contributions + Implied cost of OLTL / Revenue  |   |

\*Note: If typical data source is not available then alternative sources or proxy data may be considered. For more detailed definitions of the metrics listed above please refer to the [US Cities and Counties Methodology](#).

Source: Moody's Ratings

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