



Wauwatosa, WI

Financial Affairs Committee

Meeting Agenda - Final

7725 W. North Avenue
Wauwatosa, WI 53213

Tuesday, June 9, 2026

6:30 PM

Committee Room #1 and Zoom:
<https://servetosa.zoom.us/j/82091946645>,
Meeting ID: 820 9194 6645

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

UNFINISHED BUSINESS

1. Presentation of 2025 Other Fund Results Fund Balance Policy [26-0736](#)

FINANCIAL AFFAIRS COMMITTEE ITEMS

1. Report from the Finance Department on the 2026 First Quarter General Fund Financial Results [26-1061](#)
2. Report from the Finance Director on the 2027-2031 Five-Year General Fund Forecast [26-0055](#)

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, with as much advance notice as possible.



Wauwatosa, WI

7725 W. North Avenue
Wauwatosa, WI 53213

Staff Report

File #: 26-0736

Agenda Date: 6/9/2026

Agenda #: 1.

Presentation of 2025 Other Fund Results Fund Balance Policy

Submitted by:

John Ruggini

Department:

Finance Department

A. Issue

The Finance Department has finished closing the 2025 fiscal year and the preliminary and unaudited results are available for discussion.

B. Background/Options

At the close of each fiscal year, the Finance Department presents the preliminary financial results. At this time, those results have not been audited. The final audited financial statements are expected in June.

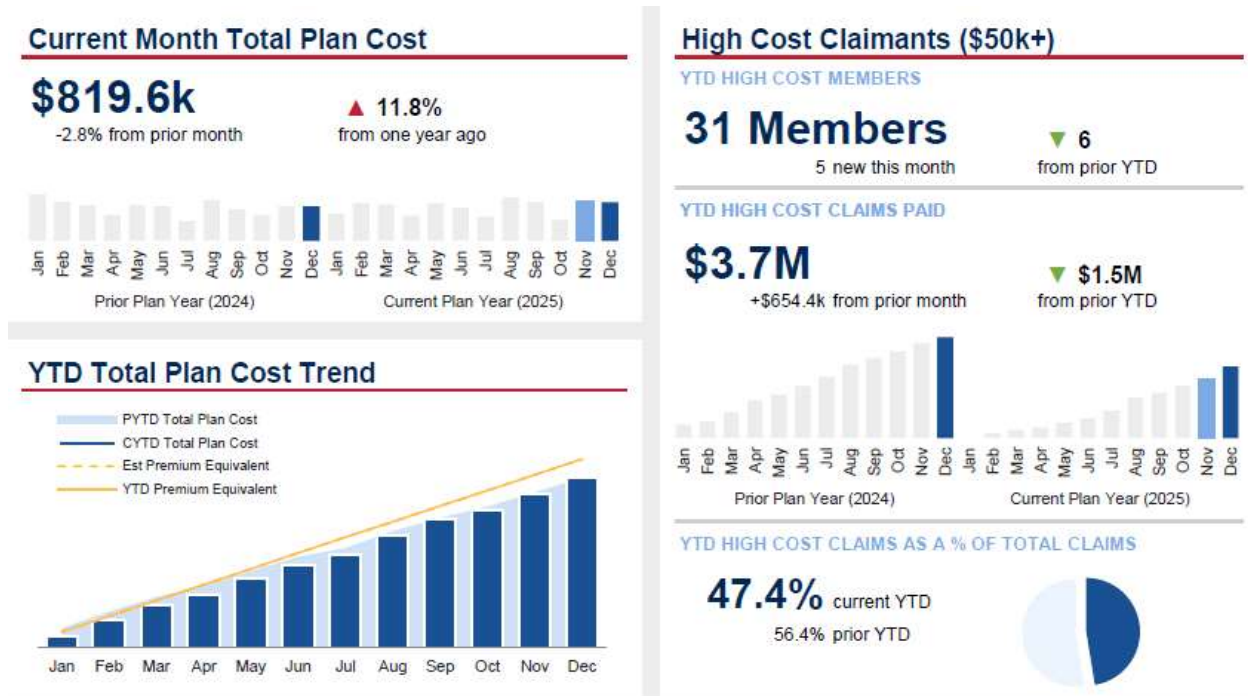
Other Funds

The ending balance, net change and performance against the fund balance policy where applicable for each fund is included as an attachment. The draft fund balance policy is also attached. A few significant changes are described below.

Health Insurance Fund

+	2025 Surplus/Deficit	2025 Adjusted Balance	Benchmark	2025 Performance	2025% of Benchmark	2025 Over/ (Under) Benchmark	Status
Health/Life	\$ (204,207)	\$ 7,132,708	claims expense + sick time payout liability	91%	133%	\$ 1,779,671	<input checked="" type="checkbox"/>

The Health Insurance program ran at 90.0% of the premium equivalent as claims were 4.4% lower than the prior year and \$487,000 under budget (6%). Also notably, high cost claimants were down 6 from the prior year representing a \$1.5 million decrease in claims costs from the prior year. In total, year-to-date plan costs decreased 0.2% with a 1.8% decrease in enrollment.



This resulted in a \$955,973 surplus prior to a \$410,180 prior year dividend shared with employees and transferring \$750,000 to the Workers Compensation Fund to offset deficits.

Health Life 2025 Performance

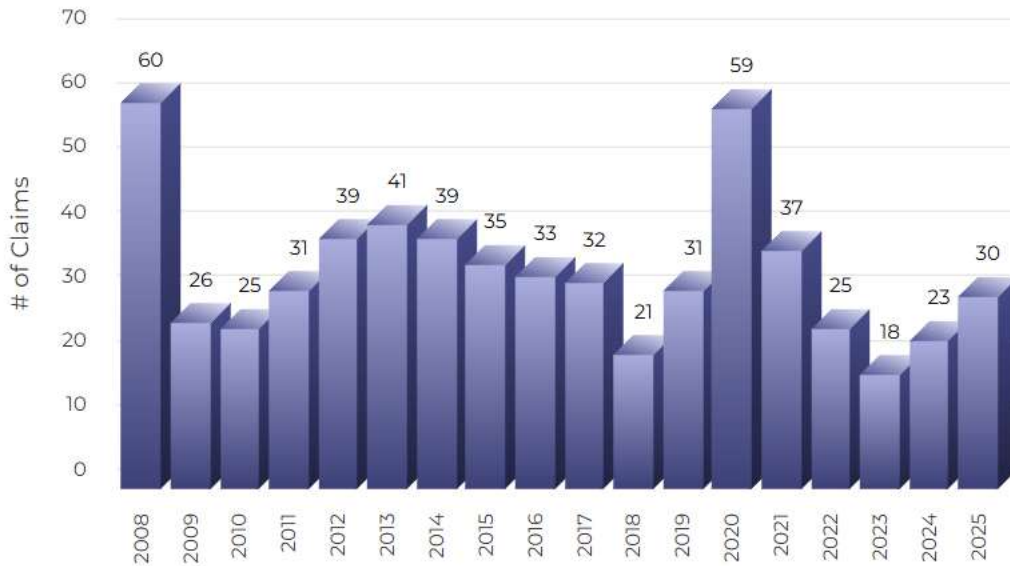
Surplus/(Deficit)	\$ (204,207)
Transfer to Workers Comp	\$ 750,000
Prior Year Employee Dividend	\$ 410,180
Revised Surplus	\$ 955,973
Recommended Dividend	\$ 205,973

The fund is at 133% of the policy benchmark (30% of 3-year claims expense average plus the accrued sick leave liability) which equates to \$1.8M over the target balance. Given that the year-end surplus (prior to the Worker Comp transfer) was a direct result of employees making healthy choices, participating in wellness programming and continuing to utilize Tier 1 providers, I recommend a \$205,973 dividend be issued to employees which equates to approximately \$500 per employee on the health plan.

General Liability

The City had another low-claim year for general liability and even though claims increased from 2024, the amount of total claims cost paid by our insurer remained less than \$10,000

Total Claims By Year



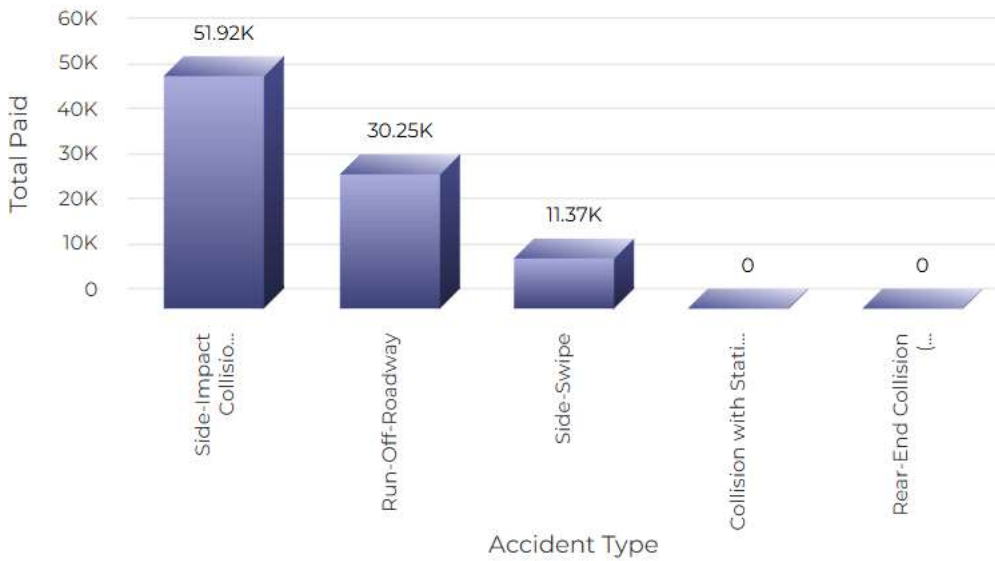
The City did see the highest year for auto physical claims driven largely by the increased number of police pursuits, which represented a trend within our insurance pool and nationwide. We are likely to see premium increases because of this changing risk profile.

Yearly View of Vehicle Claims and Incidents



The \$79,350 in claims paid by our insurer were related to damaged police vehicles and as shown below, all related to collisions with other moving vehicles.

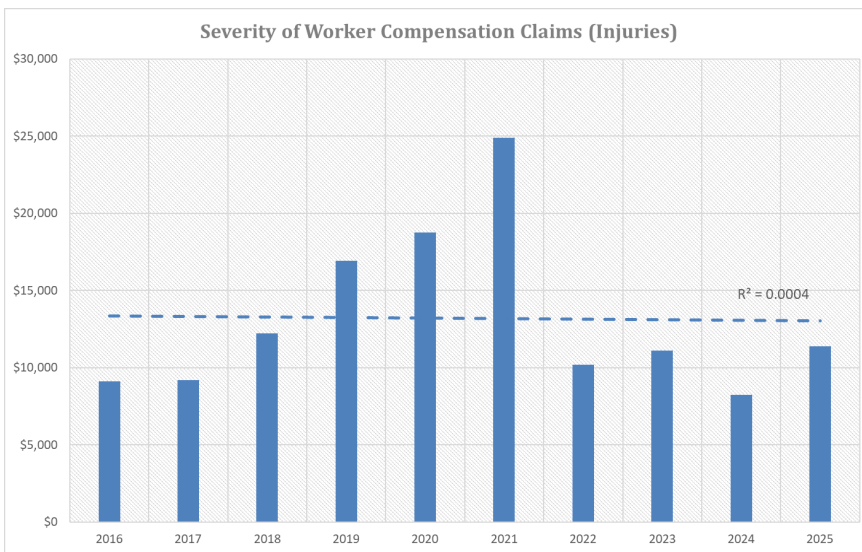
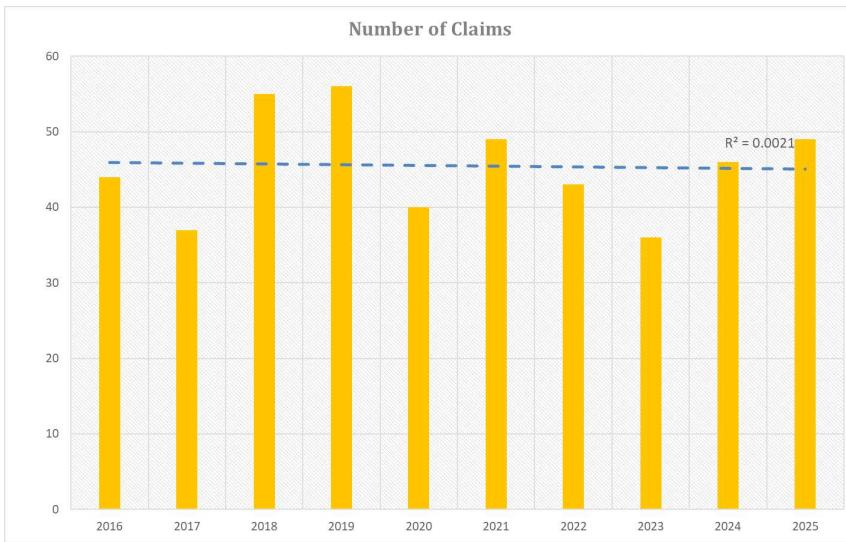
Top Five Paid Vehicle Accident Types



Workers Compensation

	2025 Surplus/Deficit	2025 Adjusted Balance	Benchmark	2025 Performance	2025% of Benchmark	2025 Over/ (Under) Benchmark	Status
Worker Comp	\$ (78,249)	\$ 479,895	1.5 X SIR amount - \$750,000	0.96	74%	\$ (270,105)	■

The number of claims increased 7% in 2025 from the prior year but the severity of those claims (total \$ incurred/number of claims) decreased 51%. In fact, the \$11,398 cost per claim was the third lowest since 2018. Despite this decrease in severity, this was a challenging fiscal year for the Worker Compensation Fund due largely to worsening claims incurred in prior years (and thus the cost is reported in that year). In fact, reserves for prior year claims increased \$1,147,338. The fund would have deficated by \$828,249 were it not for a transfer of surplus from the Health Life fund but this still was insufficient to prevent the fund from falling to 74% of its fund balance policy benchmark.






Community Development Authority

	2025 Surplus/Deficit	2025 Adjusted Balance	Benchmark	2025 Performance	2025% of Benchmark	2025 Over/ (Under) Benchmark	Status
Community Development Authority	\$ (3,762,710)	\$ 1,370,395				TBD	
Affordable Housing	\$ -	\$ 619,023	Affordable Housing long-term plan			NA	
Housing	\$ -	\$ 81,341	Affordable Housing long-term plan			NA	
Revolving Loans	\$ 3,774	\$ 485,256	NA			NA	
Home Repair Loans	\$ -	-	NA			NA	
Encumbrances	\$ (23,236)	\$ 23,236	NA			NA	
Unrestricted	\$ (3,743,248)	\$ 161,539	Available for property acquisition			NA	

While not under the authority of the Common Council, the Community Development Authority deficit of \$3,762,710

deserves an explanation. This was caused by the planned exchange of the Boston Store at no cost for the elimination of the real estate agreements at Mayfair Mall that prohibited residential development and for the recruitment of the Scheels retail store. As a result, the CDA had to write down the purchased cost of the Boston Store. This did not have a cash impact on the CDA as TIF 10 - Mayfair Reserve had financed the debt necessary for the acquisition. The CDA maintains a \$1.4 million fund balance reserved for different purposes as shown above.

Utilities

	2025 Surplus/Deficit	2025 Adjusted Balance	Benchmark	2025 Performance	2025% of Benchmark	2025 Over/ (Under) Benchmark	Status
Water	\$ 5,170,821	\$ 9,189,320	funding for next ten years of tank paintings	244	272%	TBD	
Sanitary Reserve	\$ 2,859,514	\$ 18,949,460	financing for East Tosa Sewershed project	553	614%	TBD	
Stormwater	\$ 2,765,608	\$ 5,877,191	financing for East Tosa Sewershed project	306	340%	TBD	

Approximately half of the Water Utility’s \$5.2 million increase was driven by asset growth while the remainder was driven by net income. \$3.1 million of this asset growth was related to the on-going construction of the west-side pumping station which was recorded as a revenue as it was financed by Federal COVID response American Rescue Plan grants and considered “contributed capital”. While the water utility has 244 days of operating expenditures in reserve, which exceeds it’s 90-day benchmark by 272%, the utility also keeps in reserve sufficient funds to cash finance water tank paintings that will occur over the subsequent ten years.

Similarly, while the Sanitary and Storm Utilities also exceed their 90-day benchmark, funds are being set aside to cash finance a portion of the East Tosa Sewershed Flood Mitigation project, whose cost is estimated between \$50-\$100 million depending on which option is ultimately chosen.

C. Fiscal Impact

The only action recommended is to issue an employee health insurance dividend of \$205,973. This would result in a reduction of fund balance in the Health/Life fund performance benchmark from 133% to 129% leaving a fund balance of \$6.93 million.


E. Recommendation


I recommend a level three fund transfer to increase expenditure authority within the Health Life fund by \$205,973 for the purposes of issuing an employee health insurance dividend.


Year End Fund Balances and Benchmarks






Fund Balance Scorecard

Icon





 when value is

 when < 0.95 and




 when < 0.8

	2025 Surplus/Deficit	2025 Adjusted Balance	Benchmark	2025 Performance	2025% of Benchmark	2025 Over/ (Under) Benchmark	Status
and Working Capital Reserve	\$ 1,784,008	\$ 15,140,269	60 days expenses (subsequent year budget)	71.46	117%	\$ 2,251,575	
General Fund - Amortization Fund	NA	\$ 9,161,125	125% of Levy Funded Principal and Interest	107%	85%	\$ (1,554,084)	
General Fund - Contingency Reserve	NA	\$ 333,767	.5% of expenses (subsequent year budget)	0.43%	86%	\$ (52,894)	
General Fund - Capital Improvements	NA	\$ 1,202,572	N/A		N/A	N/A	
General Fund - Plant Beds/ Medians	NA	\$ 15,914	N/A		N/A	N/A	
General Fund - Recycling Stabilization	NA	\$ 413,483	Current Year Estimated Total Annual Commodity Value X 2		84%	\$ (81,517)	
Debt Service	\$ (247,528)	\$ 1,873,696	N/A		N/A	N/A	
Capital Projects - Working Capital	\$ 3,795,610	\$ 8,288,615	20% above 3 year average of max monthly cash deficit	34%	170%	\$ 2,101,942	
CDBG Program	\$ (10,206)	\$ (17,096)	N/A		N/A	N/A	
Revolving Fund	\$ 47,739	\$ 254,966					
Agency Fund	\$ (238)	\$ 712,315			N/A	N/A	
Firefighters Endowment	\$ 332	\$ 10,743			N/A	N/A	
Dick Bachman Flag Fund	\$ -	\$ 1,661			N/A	N/A	
Land Conservation Fund	\$ -	\$ 187,770			N/A	N/A	
Automated License Plate Reader	\$ 4,200	\$ 35,051			N/A	N/A	
Hart Park Senior Center	\$ (9,971)	\$ 82,765			N/A	N/A	
Cemetery Trust	\$ 11,500	\$ 48,988			N/A	N/A	
Library Trust	\$ 1,512	\$ 344,066			N/A	N/A	
Health/Life	\$ (204,207)	\$ 7,132,708	claims expense + sick time payout liability	91%	133%	\$ 1,779,671	

Year End Fund Balances and Benchmarks

	2025 Surplus/Deficit	2025 Adjusted Balance	Benchmark	2025 Performance	2025% of Benchmark	2025 Over/ (Under) Benchmark	Status
Dental Reserve	\$ 6,627	\$ 252,551	30% of most recent 3-year average claims expense	107%	403%	\$ 169,150	
General Liability	\$ (2,541,431)	\$ 3,244,578	SIR amount + contingency		TBD	TBD	TBD
Worker Comp	\$ (78,249)	\$ 479,895	1.5 X SIR amount - \$750,000	0.96	74%	\$ (270,105)	
Fleet	\$ (97,323)	\$ 176,319	30% of avg. fuel cost of past 3 years	29%	97%	\$ (4,533)	
Fleet Equipment Reserve	\$ 406,119	\$ 1,175,195	Based on 5-year purchase plan			TBD	
Muni Complex	\$ 179,414	\$ 604,939	TBD - Depends on Munic Complex Plan			TBD	
Information Systems	\$ (112,664)	\$ 1,187,047	TBD - related to cyber security and fiber			TBD	
Information Systems Capital Reserve	\$ 79,915	\$ 1,806,243	Five year Information Systems capital plan			TBD	
Public Works Building	\$ (22,691)	\$ 255,466	TBD - related to maintenance			TBD	
Public Works Building Improvements	\$ (236,265)	\$ 76,862	Five year capital plan			TBD	
Redevelopment Reserve	\$ 9,049	\$ 1,024,104	NA - Designated for TIF closure surplus funds			TBD	
Community Development Authority	\$ (3,762,710)	\$ 1,370,395				TBD	
Affordable Housing	\$ -	\$ 619,023	Affordable Housing long-term plan			NA	
Housing	\$ -	\$ 81,341	Affordable Housing long-term plan			NA	
Revolving Loans	\$ 3,774	\$ 485,256	NA			NA	
Home Repair Loans	\$ -	-	NA			NA	
Encumbrances	\$ (23,236)	\$ 23,236	NA			NA	
Unrestricted	\$ (3,743,248)	\$ 161,539	Available for property aquisition			NA	
Tourism	\$ 65,592	\$ 1,265,445	Fully funded Operating Reserve		100%	\$ -	
Special Assessments	\$ -	\$ -				NA	
Parks	\$ 424,448	\$ 1,571,816	Prefunding of track and turf			TBD	
Library	\$ 3,280	\$ -	Suprlus is transferred to Library Trust				

Year End Fund Balances and Benchmarks

	2025 Surplus/Deficit	2025 Adjusted Balance	Benchmark	2025 Performance	2025% of Benchmark	2025 Over/ (Under) Benchmark	Status
TIF Funds	\$ 2,133,986	\$ 8,589,779	Maintain 1.25 Debt Coverage Ratio and work towards cash financing			TBD	
Hospital Policing	\$ (17,833)	\$ 22,876	TBD			TBD	
Special Grants	\$ (34,027)	\$ 0	Dependent on grant status	NA	NA	NA	
Water	\$ 5,170,821	\$ 9,189,320	funding for next ten years of tank paintings	244	272%	TBD	
Sanitary Reserve	\$ 2,859,514	\$ 18,949,460	financing for East Tosa Sewershed project	553	614%	TBD	
Stormwater	\$ 2,765,608	\$ 5,877,191	financing for East Tosa Sewershed project	306	340%	TBD	

Financial Reserve Policy – City of Wauwatosa

Why a Reserve Policy Is Important

A financial reserve provides protection from risk. The City of Wauwatosa faces risks like revenue shortfalls during recessions and losses from extra-ordinary events, like a pandemic or extreme weather event. Reserves help make sure that the City can respond quickly and decisively to extreme events. Reserves also support vital public services during revenue declines. A reserve policy describes how much we will try to retain in our reserve. It also describes acceptable uses of reserves.

Acceptable Uses of Reserves

Reserves are meant to address unexpected, nonrecurring costs. Reserves should not be used for recurring annual operating costs. An exception is poor economic conditions or events that disrupt the City’s revenues. In such cases, reserves may be used to provide short-term relief so that the City can restructure its operations in an orderly manner.

Replenishment of Reserves

If the City uses its reserves and those reserves are below the allowed minimum, then the Finance Director will propose a plan for the replacement of the reserves. The Financial Affairs Committee will review and approve the plan. The City will try to replace the reserves within the minimum amount of time that is practical.

If the maximum reserve is exceeded during the forecast period, the City may spend the excess reserves on allowable uses. Reserves should be treated as a one-time revenue, as per the City’s policy on one-time revenues.

The City’s finance department will conduct long-range forecasting to determine if City is likely to stay within its range of reserves.

Authority to Use Reserves

The Finance Director may authorize the use of reserves for purposes consistent with this policy.

The Size of the City of Wauwatosa’s Reserve

The City of Wauwatosa will endeavor to hold the following amounts in reserves by fund:

General Fund (10)

The General Fund Reserves include non-spendable, restricted and unrestricted balances. See attachment 1 for definitions of these categories. The unrestricted balances include:

Emergency and Working Capital Reserve (Unassigned)

Minimum	Two months of General Fund expenditures (16.7%) from the current year original adopted budget
Maximum	Three months of General Fund expenditures (20%)

Justification	Recommendation by the Government Finance Officers Association for an appropriate level of reserves for communities with a moderate risk profile. Provides sufficient working capital for year-end when debt service payments are due prior to property tax receipts
Reasons reserves may be used	<ul style="list-style-type: none"> • Response to emergencies (e.g. natural disasters, pandemics, terrorism) • Catastrophic infrastructure damage • Service sustention during a severe fiscal crisis • Short-term revenue bridging (i.e. awaiting property tax receipts in December)
Acceptable Use of Excess Reserves	<ul style="list-style-type: none"> • Capital Expenditures • Extra-ordinary economic development opportunities • Pay-down debt
Source of Funds	<ul style="list-style-type: none"> • Year-end Surplus • Budgeted funds

Contingency Fund (Unassigned)

Minimum	.5% of General Fund Expenditures of the current year original adopted budget
Maximum	Refreshed annually so should never exceed minimum
Justification	Based on prior years’ experience and revenue constraints
Reasons reserves may be used	<ul style="list-style-type: none"> • Unplanned departmental budgetary shortfall (but not as an ongoing source of budgetary revenue) due to one-time events (severe winter weather, extra-ordinary public safety event, unanticipated litigation, pandemic, etc.)
Acceptable Use of Excess Reserves	<ul style="list-style-type: none"> • N/A
Source of Funds	<ul style="list-style-type: none"> • Must be replenished annually from the Emergency Reserve as of January 1.

Amortization Fund – Debt Coverage (Unassigned)

Minimum	125% of annual levy funded principal and interest payments (subsequent year budget) excluding short-term and refunding borrowings
Maximum	135%
Justification	Maintenance of Aaa bond rating is secured, in part, by this reserve as payment of debt service is pledged. Reserve secures repayment.
Reasons reserves may be used	<ul style="list-style-type: none"> • Extra-ordinary catastrophe causing an extreme cash flow shortage preventing debt service payments
Acceptable Use of Excess Reserves	<ul style="list-style-type: none"> • Cash-financing to avoid borrowing • Reducing outstanding debt • Smoothing mark-to-market fluctuations

	<i>Use of excess reserve requires approval of Public Debt Commission</i>
Source of Funds	<ul style="list-style-type: none"> • Surplus interest earnings • Bond premium

Capital Improvements - (Assigned)

Minimum	N/A
Maximum	N/A
Justification	Source of additional funding for cash financing capital projects
Reasons reserves may be used	<ul style="list-style-type: none"> • Cash financing capital projects that would otherwise require borrowing
Acceptable Use of Excess Reserves	<ul style="list-style-type: none"> • Cash-financing to avoid borrowing
Source of Funds	<ul style="list-style-type: none"> • Sale of public land owned by the City • Other one-time revenues designated by the Common Council

Welcome to Wauwatosa Plant Beds/Medians - (Assigned)

Minimum	N/A
Maximum	N/A
Justification	Donated funds with expressed purpose for the “care and maintenance of the Welcome to Wauwatosa Sign plant beds and the plant beds in the medians.
Reasons reserves may be used	See above
Acceptable Use of Excess Reserves	N/A
Source of Funds	Donated from the dissolved “Beautification Committee” in 2019.

Recycling Stabilization - (Assigned)

Minimum	None
Maximum	Current Year Estimated Total Annual Commodity Value X 2
Justification	The City receives revenue based on the market value of its recyclables. This market is subject to significant volatility, which can cause stress on the Solid Waste budget as this function depends on this revenue to offset the cost of the program. This reserve will smooth out year-to-year fluctuations, which in the past have been significant and unpredictable.
Reasons reserves may be used	<ul style="list-style-type: none"> • Actual or anticipated decrease in recycling revenues that would cause a budgetary shortfall requiring the City to budget additional levy for the solid waste function • Year-end shortfall in recycling revenue compared to budget contributing to a general fund deficit. This is generally not

	realized as a revenue loss, rather a deficit in the expense budgeted to pay the recycling vendor.
Acceptable Use of Excess Reserves	<ul style="list-style-type: none"> One-time expenditures related to the solid waste function
Source of Funds	<ul style="list-style-type: none"> Surplus recycling revenue

Non-lapsing Funds - (Assigned)

Minimum	N/A
Maximum	N/A
Justification	The City designates certain accounts as “non-lapsing” as part of the annual budget resolution so that any year-end balance automatically carries over. The Senior Commission, Youth Commission and Commission for Persons with Disabilities are all examples of non-lapsing accounts as well as funds donated for specific purposes, such as for the Police K-9 unit. For a full listing, please see the most recent operating budget resolution.
Reasons reserves may be used	<ul style="list-style-type: none"> Must be used for the assigned function
Acceptable Use of Excess Reserves	<ul style="list-style-type: none"> Per Common Council discretion
Source of Funds	<ul style="list-style-type: none"> Year-end surplus in the relevant accounts

Reserve for Subsequent Year Expenditures - (Assigned)

Any funds carried over from the prior year must be reserved as assigned fund balance in the year from which they are carried over. For example, funds carried over from 2022 to 2023 will be held in reserve as subsequent year expenditures in the 2022 Subsequent Year Expenditure Reserve. The 2023 expenditure budget must be amended to reflect the increased expenditure authority with a revenue offset shown as “Appropriated Surplus Applied” to reflect the future use of funds held in reserve. Had these funds not been carried over, they would have otherwise increased the Unassigned Fund Balances. The Finance Department updates this reserve balance manually each year as part of the year-end close process. This reserve will exist in any fund for which there are carry-overs.

Reserve for Encumbrances - (Assigned)

Similar to the Reserve for Subsequent Year Expenditures, any funds encumbered for a purchase order or contract at year-end, will automatically carry-over into the subsequent year and be reserved as assigned fund balance in the year from which they are carried over. For example, purchase order and contract balances carried over from 2022 to 2023 will be held in reserve in the 2022 Reserve for Encumbrances. The 2023 expenditure budget must be amended to reflect the increased expenditure authority with a revenue offset shown as “Appropriated Surplus Applied” to reflect the future use of funds held in reserve. This reserve will decrease automatically as the funds are spent. This reserve will exist in any fund for which there are year-end encumbrances.

Debt Service Fund (11)

The Debt Service Fund is used to pay all non-utility principal and interest debt payments as well as debt issuance expenses. Special revenue funds, such as Tax Incremental Districts, transfer funds to this fund for the debt service owed. The Debt Service Fund includes a non-spendable balance for a loan provided to the Milwaukee Area Domestic Animal Control Commission that will be paid off in 2036. The designated fund balance includes bond premium that is held to be used for subsequent year's interest payments. No additional fund balance may accumulate, per state statute.

Capital Projects Fund (12)

The Capital Projects Fund is used for expenses and revenues related to constructing, improving or acquiring a non-utility asset. Examples includes roads, bridges, fire apparatus and public building renovations. Unspent bond proceeds are held in reserve and considered restricted.

Public Works Building and Yard Improvements (Assigned)

Minimum	NA
Maximum	NA
Justification	This balance was created with funds received by the Department of Transportation for temporary easements necessary for the Zoo interchange reconstruction.
Reasons reserves may be used	<ul style="list-style-type: none"> Improvements to the Public Works yard and buildings
Acceptable Use of Excess Reserves	NA
Source of Funds	<ul style="list-style-type: none"> One time revenues associated with the Public Works complex

Capital Projects Cash Flow Reserve (Restricted)

Minimum	10% greater than 3 year average of maximum monthly cash deficit
Maximum	30 % greater than 3 year average of maximum monthly cash deficit
Justification	The capital projects fund often expends funds prior to receiving revenues such as bond proceeds and grants so it is necessary to maintain a working capital reserve for cash flow.
Reasons reserves may be used	<ul style="list-style-type: none"> To cover cash flow shortages for the fund
Acceptable Use of Excess Reserves	<ul style="list-style-type: none"> Cash finance capital improvements
Source of Funds	<ul style="list-style-type: none"> Capital project surplus

Community Development Block Grant Fund (13)

The Community Development Block Grant (CDBG) Fund is used expending funds received from the Federal Government's Department of Housing and Urban Development's block grant program. The majority of the funds are provided to third party entities known as sub-recipients. As expenses are paid on a reimbursement basis, any fund balance, is the result of timing delays in receiving those reimbursements and is restricted for already incurred expenses for program activities.

Revolving Fund (14)

Certain funds that are donated or provided to the City for specific purposes are maintained in the Revolving Fund. The fund is known as a "revolving" fund because funds deposited in this fund automatically become available to be spent for the designated fund. Programs included in this fund are:

Police Department Forfeiture funds. Funds the City receives from the state and federal government when assets are seized as part of criminal activity.

Fire Department EMT Grant. Funds received by the Fire Department from the State of Wisconsin for Emergency Medical Technician expenses.

Fire Department Training Tower. Other Fire Departments pay an annual subscription fee to use Wauwatosa's Training tower. Funds are used to maintain the tower.

Fire Department Donations. Donations made from the public specifically to the Fire Department

Fire Department Equipment Reserve. Proceeds from the sale of fire vehicles are deposited here and then used to offset the cost of outfitting new vehicles.

Agency Fund (15)

The City is the fiscal fiduciary over several different programs. As these funds are not technically governed by the Common Council, they are held in "Agency" in this fund. By definition, any fund balance is restricted to the purpose for which the funds were received. The current programs held in agency include:

- **Wauwatosa Firefighters Union Scholarship Endowment.** The City holds funds donated on behalf of the Fire Union which are then awarded by the Union for scholarships.
- **Dick Bachman Flag Fund.** In the past the local civic organization such as the Rotary Club, collected funds to maintain the flags on North Avenue.
- **Land Conservation Fund.** The City established a "Big Box" ordinance that requires new large retail stores to contribute to a fund that can be used to maintain or demolish any vacant big box properties.
- **Automated License Plater Reader.** The City is the fiscal agent for a coalition of police departments that share license plate data from their automated license plate readers.
- **Hart Park Senior Center.** Funds raised by the Senior Center members to be used for improving the Senior Center building and equipment.
- **Cemetery Trust Fund.** Funds required to be set aside by the Cemetery for the perpetual grounds of the Cemetery and not yet invested.

- **Library Trust.** Funds donated to the Library or earned from operating budget surplus that are governed by the Library Board.

Health/Life Insurance Fund (16)

The Health/Life Insurance Fund pays for all health and life insurance expenses. Direct program revenues are deposited in this account as well as the fees charged to departments with employees who are enrolled in these programs. As an internal service fund, the fund is designed to cover all of its costs.

Minimum	30% of most recent 3 years of actual claims costs plus the actuarially determined value of the sick leave payout liability
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 27% spike in 2002.
Reasons reserves may be used	<ul style="list-style-type: none"> • To cover one-time spikes in health insurance claims costs, including stop loss insurance.
Acceptable Use of Excess Reserves	<ul style="list-style-type: none"> • Replace or expand City workout equipment • Issue one-time dividends to departments and/or employees • One-time Wellness or Health Insurance program expenses • One-time expenses to reduce City’s retiree health insurance liability. • Contributions to a trust to pay for the City’s retiree health liability.
Source of Funds	<ul style="list-style-type: none"> • Year-end surplus in the Health/Life Insurance Fund

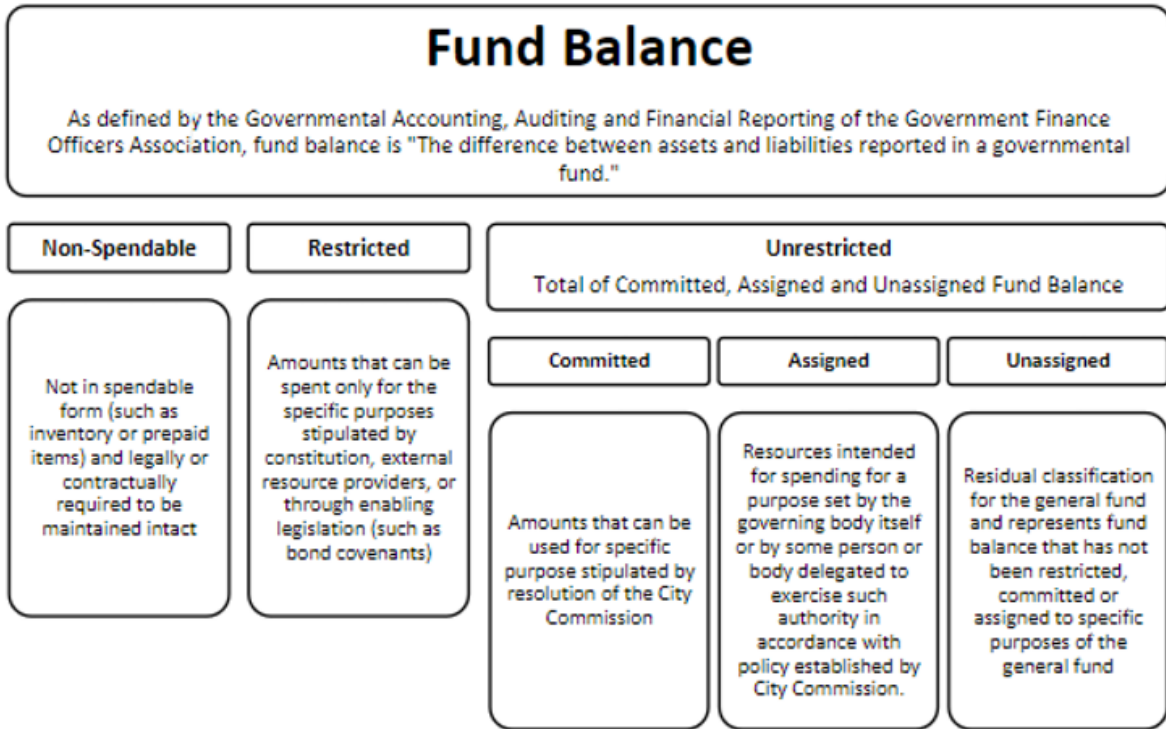
Dental Insurance Fund (17)

The Dental Insurance Fund pays for all dental insurance expenses. Direct program revenues are deposited in this account as well as the fees charged to departments with employees who are enrolled in these programs. As an internal service fund, the fund is designed to cover all of its costs.

Minimum	30% of most recent 3 years of actual claims costs
Maximum	No maximum so long as the City has an unfunded retiree health insurance liability.
Justification	Largest and most volatile expense is dental claims. Largest percent change since 2002 was a 21% spike.
Reasons reserves may be used	<ul style="list-style-type: none"> • To cover one-time spikes in dental insurance claims costs
Acceptable Use of Excess Reserves	<ul style="list-style-type: none"> • Issue one-time dividends to departments and/or employees • One-time Wellness program expenses

	<ul style="list-style-type: none">• One-time expenses to reduce City’s retiree health insurance liability.• Contributions to a trust to pay for the City’s retiree health liability.
Source of Funds	<ul style="list-style-type: none">• Year-end surplus in the Dental Insurance Fund

Attachment 1



- City Commission refers to the Common Council.



Wauwatosa, WI

7725 W. North Avenue
Wauwatosa, WI 53213

Staff Report

File #: 26-1061

Agenda Date: 6/9/2026

Agenda #: 1.

Report from the Finance Department on the 2026 First Quarter General Fund Financial Results

Submitted by:

John Ruggini, Finance Director

Department:

Finance Department

A. Issue

An important component of budget management is monitoring current year expenditures and revenues as compared to budget. In order to facilitate this comparison, the Finance Department produces a quarterly projection of year-end General Fund revenues and expenditure surplus and deficits.

B. Background/Options

In order to monitor expenditures and revenues, a quarterly report is provided to the Financial Affairs Committee. A presentation is attached that summarizes the projected year-end General Fund results based on actual performance from January-March 2026.

A stop-light analysis is shown with a positive variance receiving a green light; a negative variance up to 10% would be orange and any variance below negative 10% would be red. In addition, period over period trends would be indicated with an arrow as shown below using 2026 data through March. The legend for the year-over-year trend arrows is also shown below.

In this example, revenues in total based on actuals through October, are projected by year-end to surplus 6.1% (a green light since the percentage is positive) and are \$2.2 million above the prior. This 3.2% period over period increase earns a vertical arrow. Under "Law and Ordinance Violations" which is showing red, I've drilled down into a lower level of categories to identify where the potential issue is.

EXAMPLE ONLY - NOT ACTUAL DATA

Row Labels	2023YTD	2024YTD	2024BA	2024 EST	Sum of Variance	Sum of % Va	Year over Year Trend	Prior YTD Variance
1-REVENUES	67,967,735	70,169,694	76,923,348	81,616,458	4,693,110	6.1%	→	2,201,959
01-TAXES	51,558,964	53,003,824	54,030,272	54,108,058	77,786	0.1%	→	1,444,859
02-STATE SHARED TAXES	4,604,468	4,421,281	6,676,816	6,700,816	24,000	0.4%	→	(183,188)
03-LICENSES AND PERMITS	1,385,262	1,612,142	1,800,600	2,124,608	324,008	18.0%	↔	226,879
04-FEES	1,937,178	3,238,140	4,512,934	4,213,484	(299,450)	-6.6%	↑	1,300,961
05-LAW AND ORDINANCE VIOLATIONS	586,659	708,198	1,128,500	916,448	(212,052)	-18.8%	↔	121,539
17-COURT PENALTIES	258,518	245,898	481,000	305,398	(175,602)	-36.5%	→	(12,619)
18-PARKING VIOLATIONS	266,941	388,770	542,500	511,270	(31,230)	-5.8%	↑	121,829
19-OTHER LAW AND ORDINANCE REVENUE	61,200	73,530	105,000	99,780	(5,220)	-5.0%	↔	12,330

The year over year change icons are based on the following rules:

Display each icon according to these rules:

Icon	when value is	Value	Type
↑	when value is	>= 0.25	Number
↔	when < 0.25 and	>= 0.05	Number
→	when < 0.05 and	>= -0.05	Number
↔	when < -0.05 and	>= -0.25	Number
↓	when < -0.25		

A presentation with the actual results is attached to this memo and staff will discuss in detail during the meeting.

C. Strategic Plan (Area of Focus)

Financial Resilience

D. Fiscal Impact

Informational only

E. Recommendation

This report is for informational purposes only.

2026 Budget

Q1 Forecast

Financial Affairs
May 12, 2026



2026 Q1 Forecast | Methodology

- Use actual expense and revenue figures through end of quarter
- Group actuals into category groups (i.e. wages, benefits, utilities, etc.)
- Use proprietary excel-based forecasting model to project through year end
- Incorporate other information sources (Hotel/Motel monthly report, Health Insurance Report)

How to interpret tables

Row Labels	Variance to Original Revenue Budget	Year over Year Trend	% Var to Original Revenue Budget	Prior YTD Variance
03-LICENSES AND PERMITS	360,422	↑ ●	17.2%	453,531
10-BUILDING PERMITS	342,865	↑ ●	26.6%	422,852

Is the forecasted amount problematic? (traffic signal analysis)

2026Q1 – 2025Q1

% forecasted variance from budget at year-end

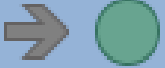
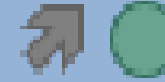

Highest level account grouping for expenditures or revenues

Forecast typically at Account Type grouping

How much this category will exceed or fall (short) of budget

Is the year to quarter amount this year more or less than the same period last year?

2026 Q1 Forecast | Summary

General Fund	BUDGET	FORECAST	VARIANCE \$	VARIANCE %
REVENUES	\$ 81,101,334	\$ 81,252,099	\$ 150,765	 0.2%
EXPENDITURES	\$ 81,101,334	\$ 79,485,388	\$1,615,946	 2.0%
SURPLUS/(DEFICIT)			\$ 1,766,711	
	STARTING BALANCE	CHANGE	ENDING BALANCE	% OF POLICY
FUND BALANCE	\$ 28,420,215	\$ 1,766,711	\$ 30,186,926	 131%

2026 Q1 Forecast | Revenues

Row Labels	Variance to Original Revenue Budget	Year over Year Trend	% Var to Original Revenue Budget	Prior YTD Variance
1-REVENUES	150,765	→ ●	0.2%	(472,470)
01-TAXES	39,900	→ ●	0.1%	1,107,695
02-STATE SHARED TAXES	1,486	→ ●	0.0%	(7,949)
03-LICENSES AND PERMITS	360,422	↑ ●	17.2%	453,531
04-FEES	(124,997)	→ ●	-2.5%	(38,972)
05-LAW AND ORDINANCE VIOLATIONS	(171,980)	↘ ●	-15.4%	(66,945)
07-FEDERAL AND STATE GRANTS	-	↓ ●	0.0%	(57,509)
08-LOCAL INTERGOVT REVENUE	(173)	↓ ●	-0.1%	(17,199)
09-INTEREST	(8,645)	↓ ●	-0.3%	(1,935,105)
10-MISC REVENUES	54,672	↑ ●	17.1%	37,094
11-INTER-DEPT REVENUE	80	↗ ●	0.0%	2,889
12-BOND PROCEEDS	-	N/A	N/A	-
13-INTER-FUND TRANSFERS	-	N/A ●	0.0%	50,000

Display each icon according to these rules:

Icon **Value**

- when value is ≥ 0
- when < 0 and ≥ -0.1
- when < -0.1

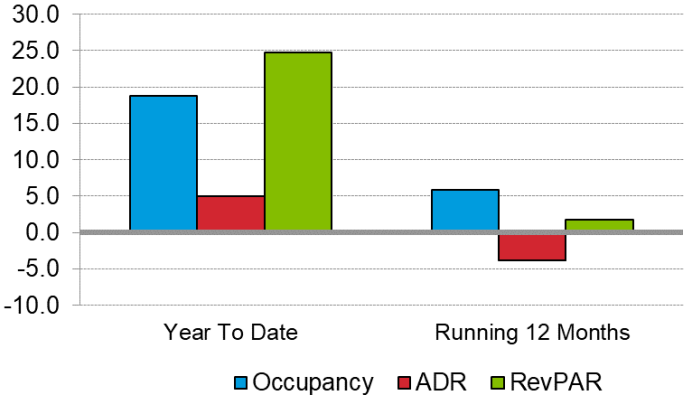
Display each icon according to these rules:

Icon **Value**

- ↑ when value is ≥ 0.25
- ↗ when < 0.25 and ≥ 0.05
- when < 0.05 and ≥ -0.05
- ↘ when < -0.05 and ≥ -0.25
- ↓ when < -0.25

2026 Q1 Forecast | HOTEL TAXES

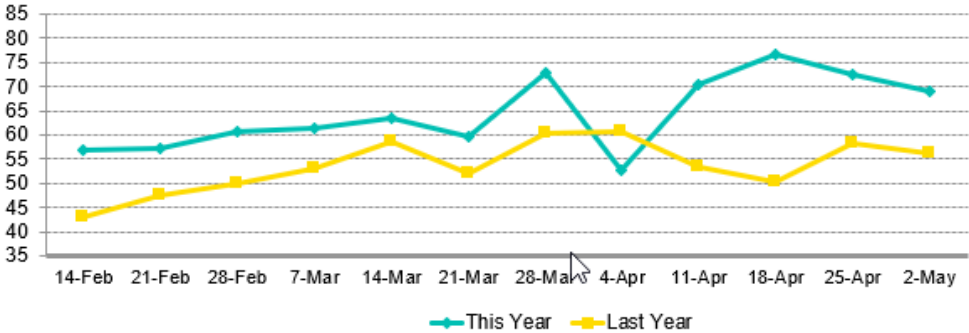
Overall Percent Change



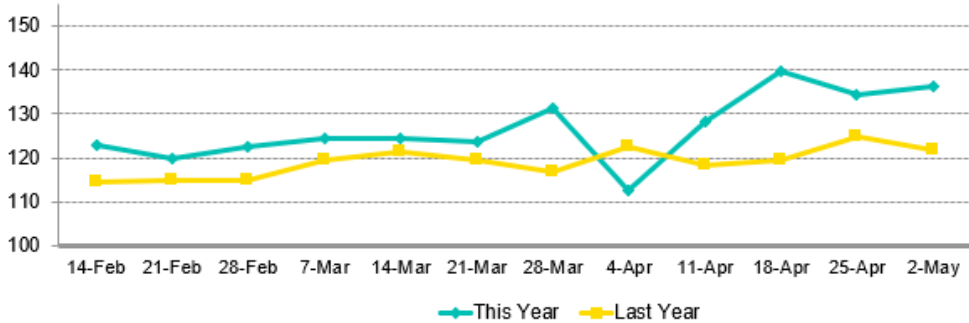
Variance to Original Revenue Budget	Year over Year Trend	% Var to Original Revenue Budget	Prior YTD Variance
37,226	↗	1.9%	29,503

Tab 2 - DayTrend City of Wauwatosa, WI+: City of Wauwatosa
 City of Wauwatosa
 For the Week of April 26, 2026 to May 02, 2026

Weekly Occ (%) - Feb 14, 2026 to May 02, 2026



Weekly ADR - Feb 14, 2026 to May 02, 2026



2026 Q1 Forecast| Permits

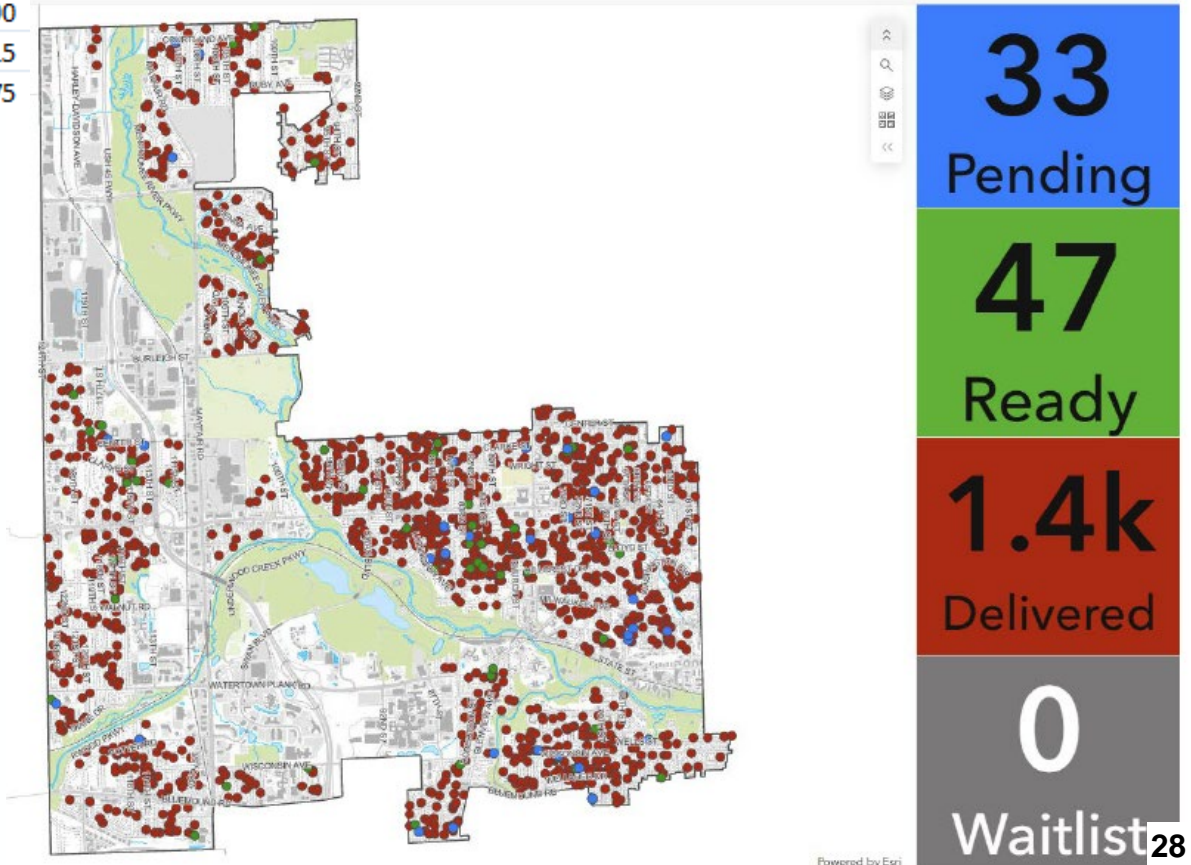
Row Labels	Variance to Original Revenue Budget	Year over Year Trend	% Var to Original Revenue Budget	Prior YTD Variance
[-] 03-LICENSES AND PERMITS	360,422	↑ ●	17.2%	453,531
[+] 10-BUILDING PERMITS	342,865	↑ ●	26.6%	422,852

Metric	April Monthly Actual	YTD Actual	Annual Goal	% to goal	Prior Year YTD
Total Department Revenue	\$165,446.00	\$805,269.00	\$1,463,260.00	55%	\$160,527
Building Permit Revenue	\$120,867.00	\$592,746.00	\$900,000.00	66%	\$76,938
Residential Construction Value	\$2,225,795.00	\$8,056,832.00			\$5,864,177.00
Commercial Construction Value	\$2,059,743.00	\$56,828,964.00			\$16,122,348.00
Residential Permits Issued	46	183			138
Commercial Permits Issued	12	50			24

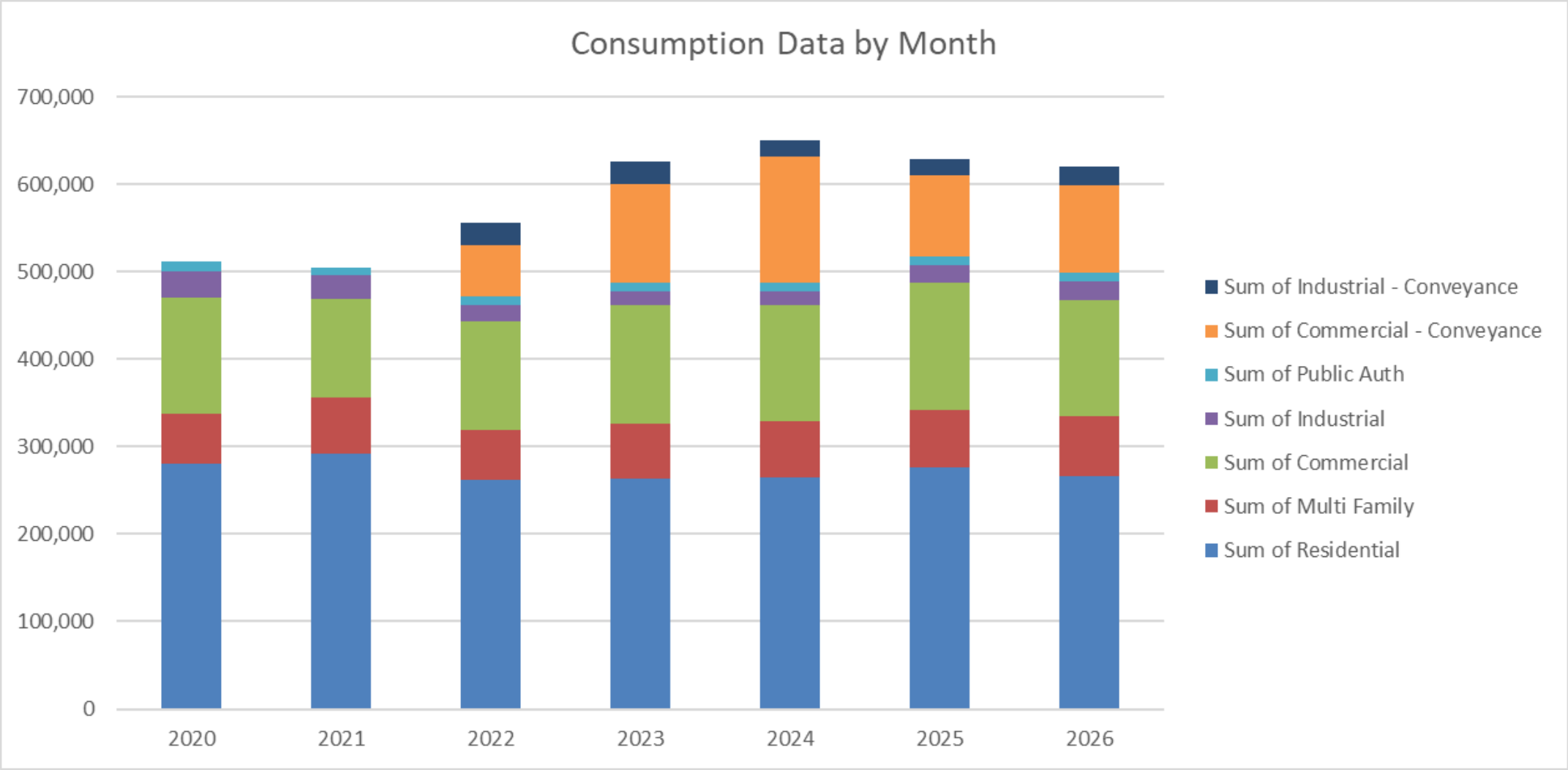
2026 Q1 Forecast | Fees

Row Labels	Variance to Original Revenue Budget	Year over Year Trend	% Var to Original Revenue Budget	Prior YTD Variance
04-FEES	(124,745)	→	-2.5%	(38,972)
12-OTHER FEES	85,730	↑	7.5%	221,598
13-OTHER PUBLIC SAFETY FEES	(199,492)	→	-30.4%	2,590
4614-MAYFAIR MALL OFFICER FEE	(79,246)	↗	-35.4%	1,815
4616-SCHOOL RESOURCE OFFICER FEE	(120,246)	→	-27.8%	775

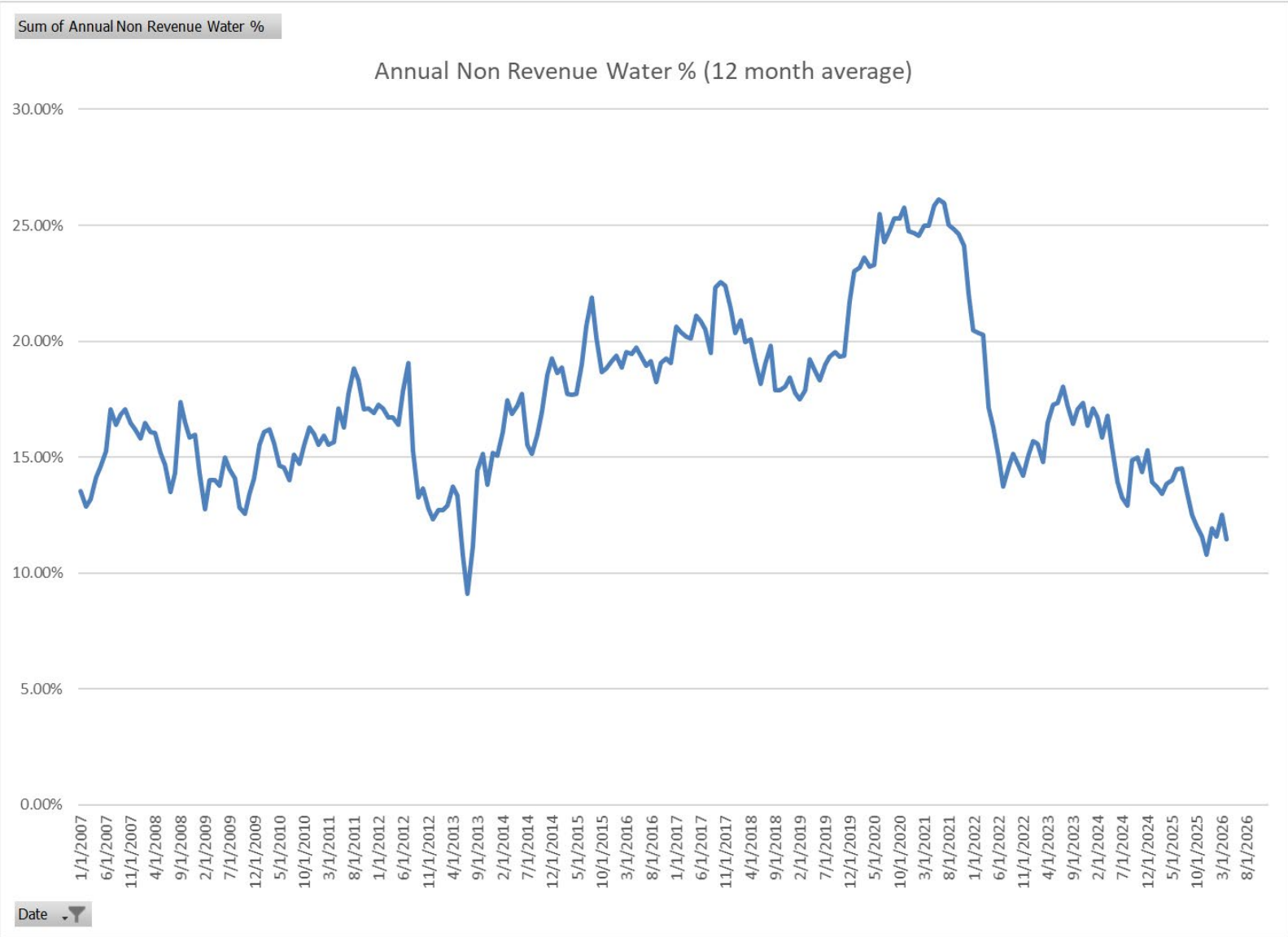
Yard Waste Carts Purchased and Delivered in 2026



2026 Q1 Forecast | Water Revenue



2026 Q1 Forecast | Water Revenue



2026 Q1 Forecast | Expenditures

Row Labels	Var. to Original Budget	Year over Year Trend	% Var to Original Budget	Prior YTD Variance
2-EXPENDITURES	N/A	N/A		901,561
01-WAGES	1,220,618	↓	3.5%	(757,663)
02-BENEFITS	N/A	↘	N/A	(183,480)
03-OPERATING EXPENDITURES	134,954	→	2.3%	19,854
04-UTILITIES	44,051	↘	5.4%	(44,387)
05-OTHER EXPENSES	6,865	↑	0.8%	491,452
08-INTER-DEPT CHARGES	(54,848)	↗	-1.4%	161,520
09-CAPITAL IMPROVEMENTS	-	↓	0.0%	(52,379)
12-INTER-FUND TRANSFERS	0	N/A	0.0%	1,266,644

Display each icon according to these rules:

Icon

- Green circle: when value is ≥ 0
- Yellow circle: when < 0 and ≥ -0.1
- Red circle: when < -0.1

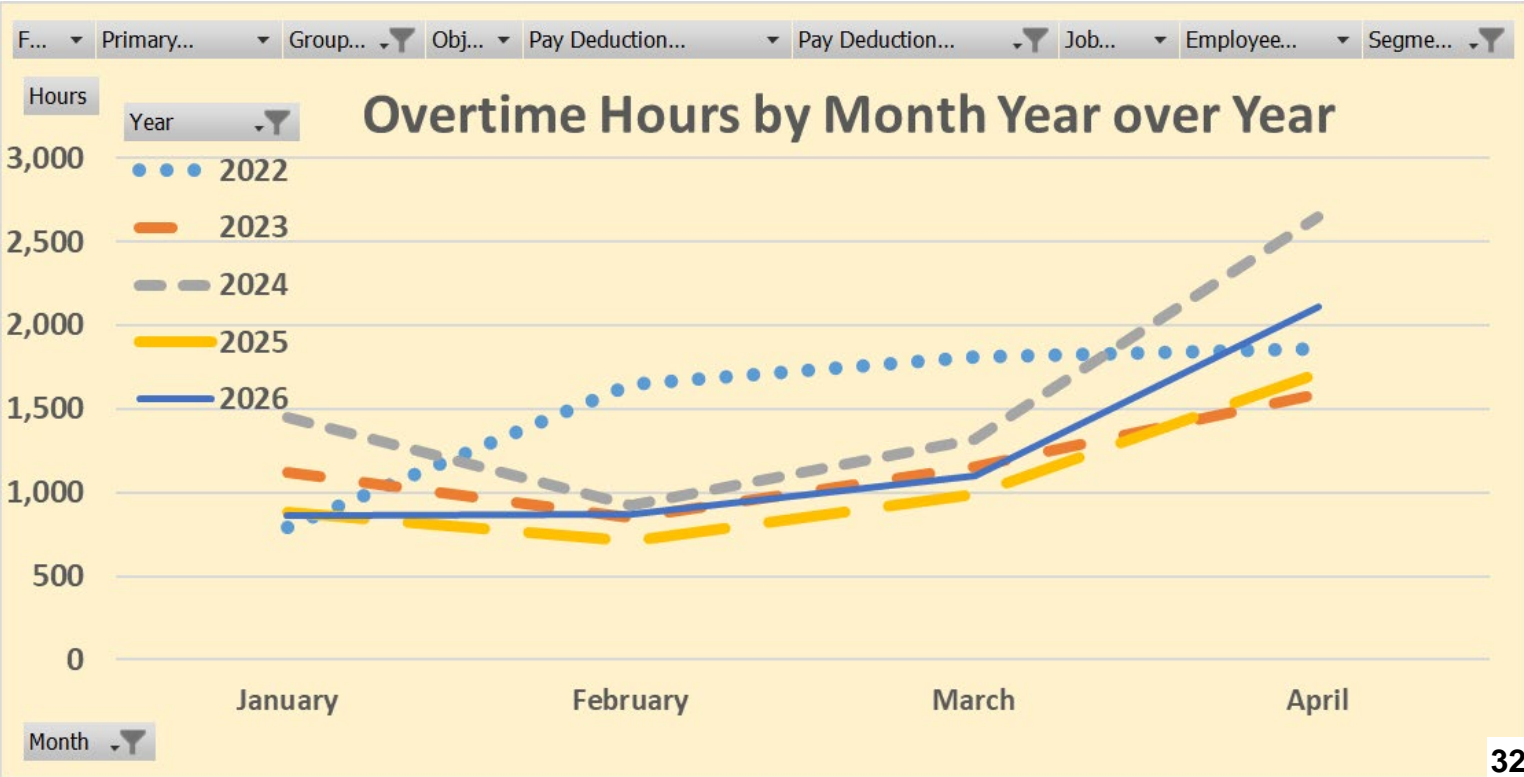
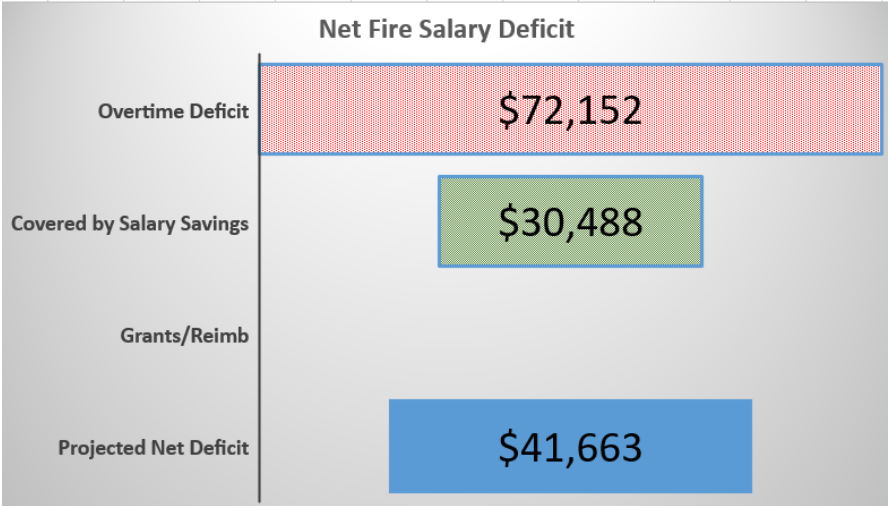
Display each icon according to these rules:

Icon

- Up arrow: when value is ≥ 0.25
- Up-right arrow: when < 0.25 and ≥ 0.05
- Right arrow: when < 0.05 and ≥ -0.05
- Down-right arrow: when < -0.05 and ≥ -0.25
- Down arrow: when < -0.25

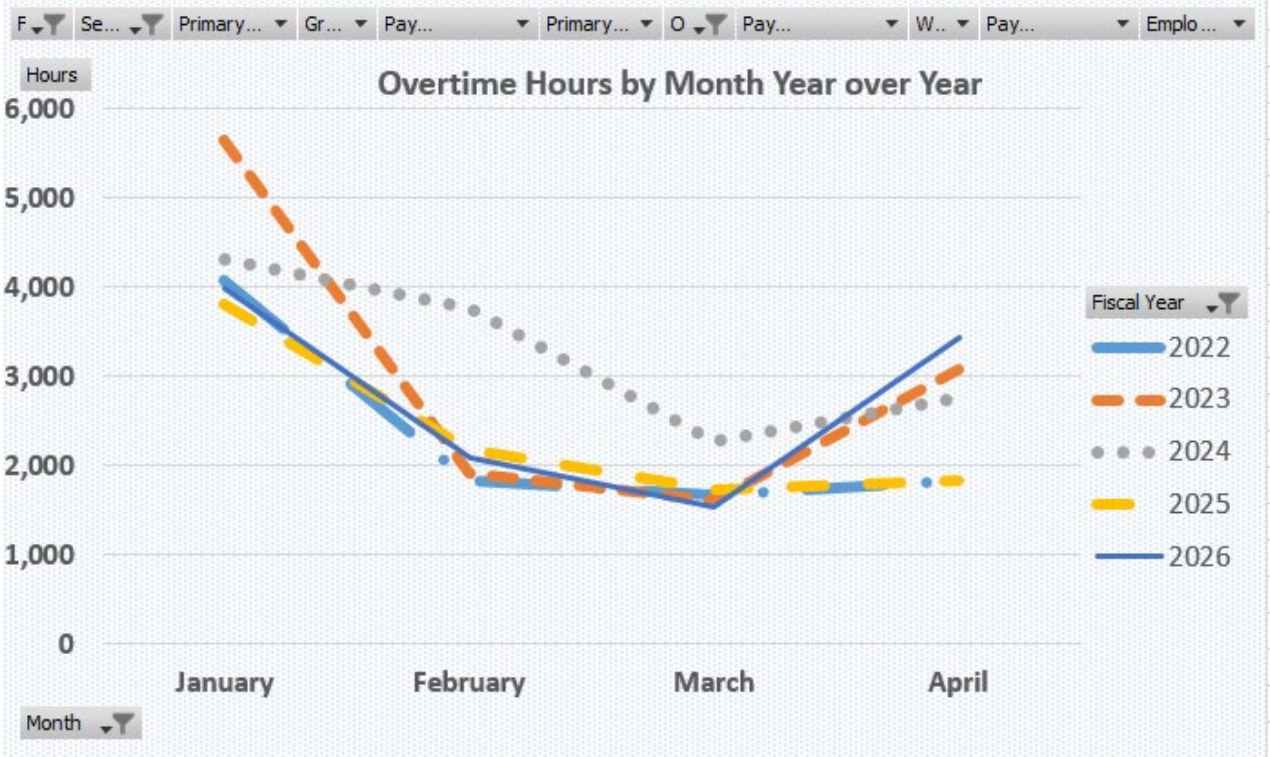
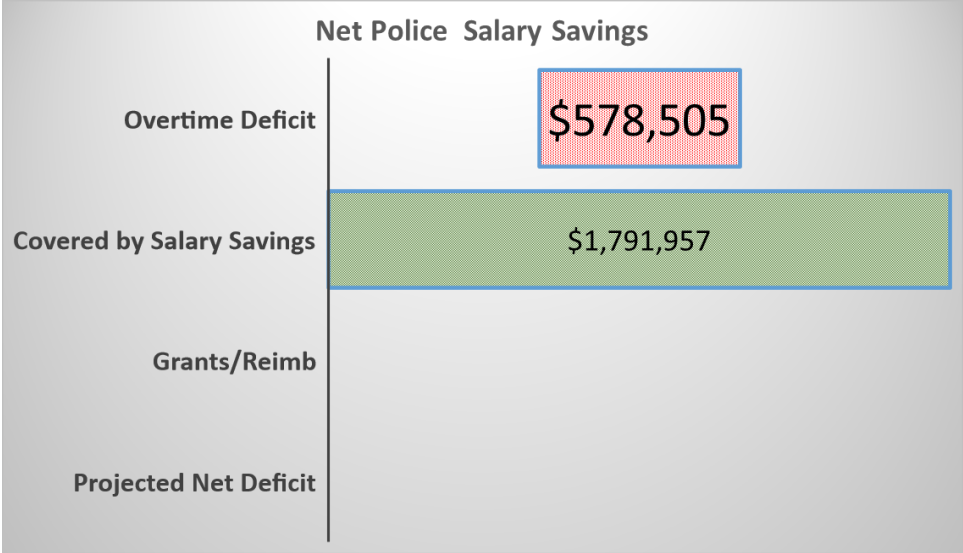
2026 Q1 Forecast | Fire Wages and Overtime

Row Labels	Var. to Original Budget	Year over Year Trend	% Var to Original Budget	Prior YTD Variance
2-EXPENDITURES	1,615,946	↗	2.0%	901,561
01-WAGES	1,220,618	↘	3.5%	(757,663)
01B-REGULAR PAY-FIRE SWORN	38,832	↘	0.4%	(607,834)
02B-OVERTIME-FIRE SWORN	(72,155)	↘	-17.9%	(42,698)



2026 Q1 Forecast | Police Wages and Overtime

Row Labels	Var. to Original Budget	Year over Year Trend	% Var to Original Budget	Prior YTD Variance
2-EXPENDITURES	1,615,946	+	2.0%	901,561
01-WAGES	1,220,618	+	3.5%	(757,663)
01A-REGULAR PAY-POLICE SWORN	1,792,000		16.4%	(137,006)
02A-OVERTIME-POLICE SWORN	(578,000)		-61.9%	14,451



2026 Q1 Forecast | Health Insurance

YTD % of Premium Equivalent

106.6%

YTD Fixed Costs

\$704k ▲ 56.7% vs. prior YTD

YTD Net Paid Claims

\$2.0M ▲ 15.3% vs. prior YTD

YTD Total Plan Costs

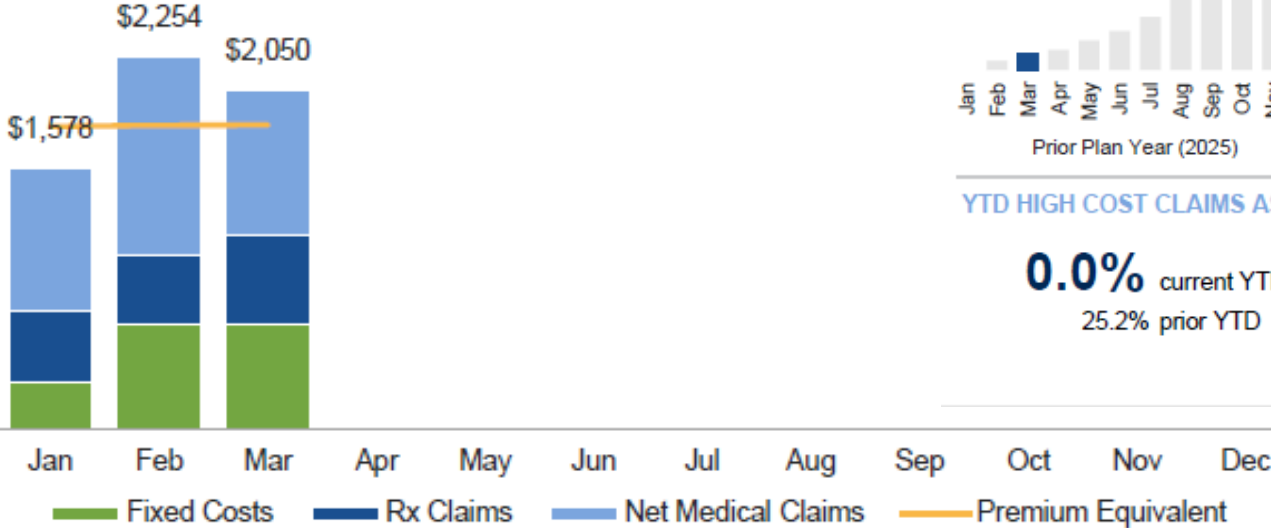
\$2.7M ▲ 23.9% vs. prior YTD

Average Enrolled Employees

455 ▲ 1.5% vs. prior year

Contract size **2.60** vs. 2.62 for prior year

Monthly Plan Cost Per Employee



High Cost Claimants (\$50k+)

YTD HIGH COST MEMBERS

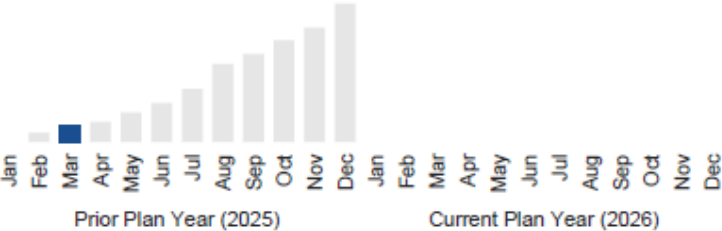
0 Members ▼ 6 from prior YTD

0 new this month

YTD HIGH COST CLAIMS PAID

\$0.0k ▼ \$431.1k from prior YTD

no change from prior month



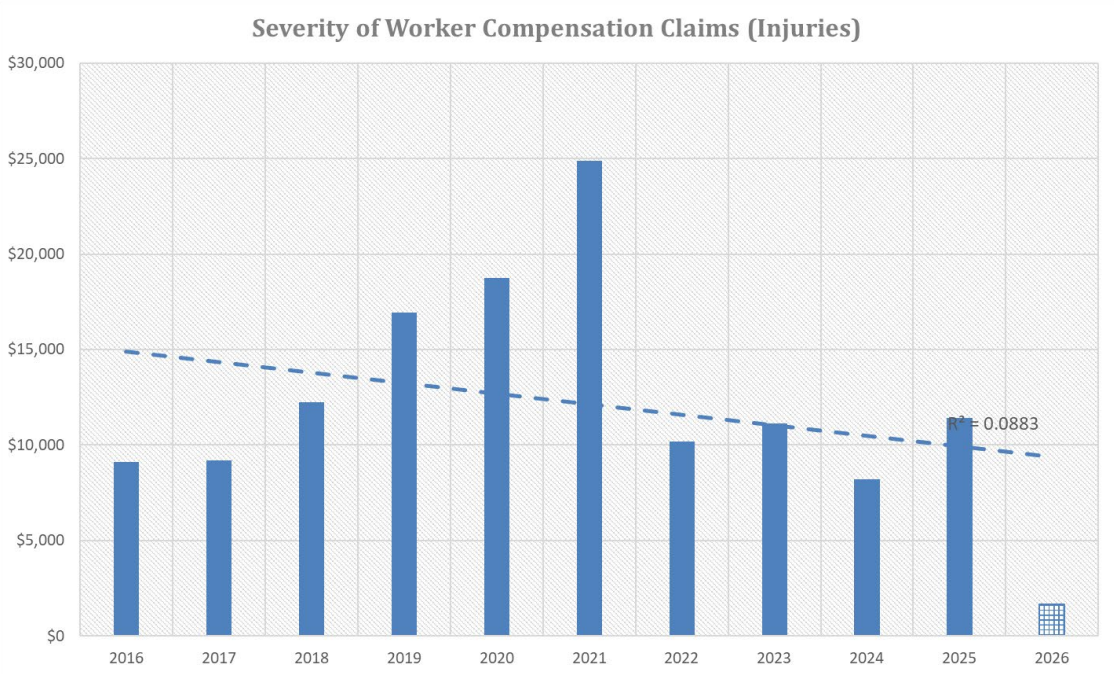
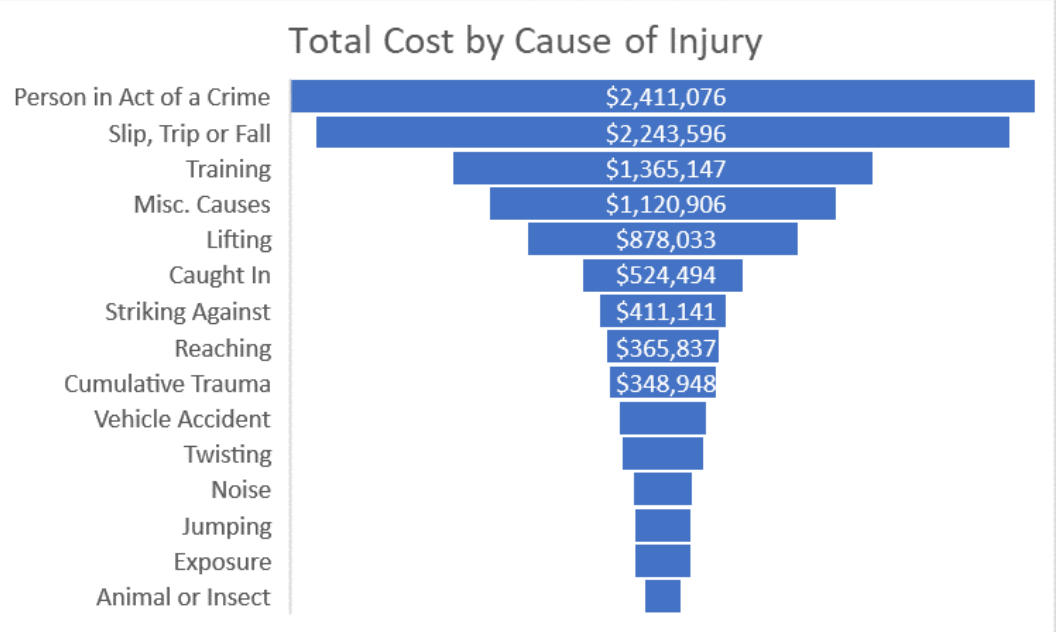
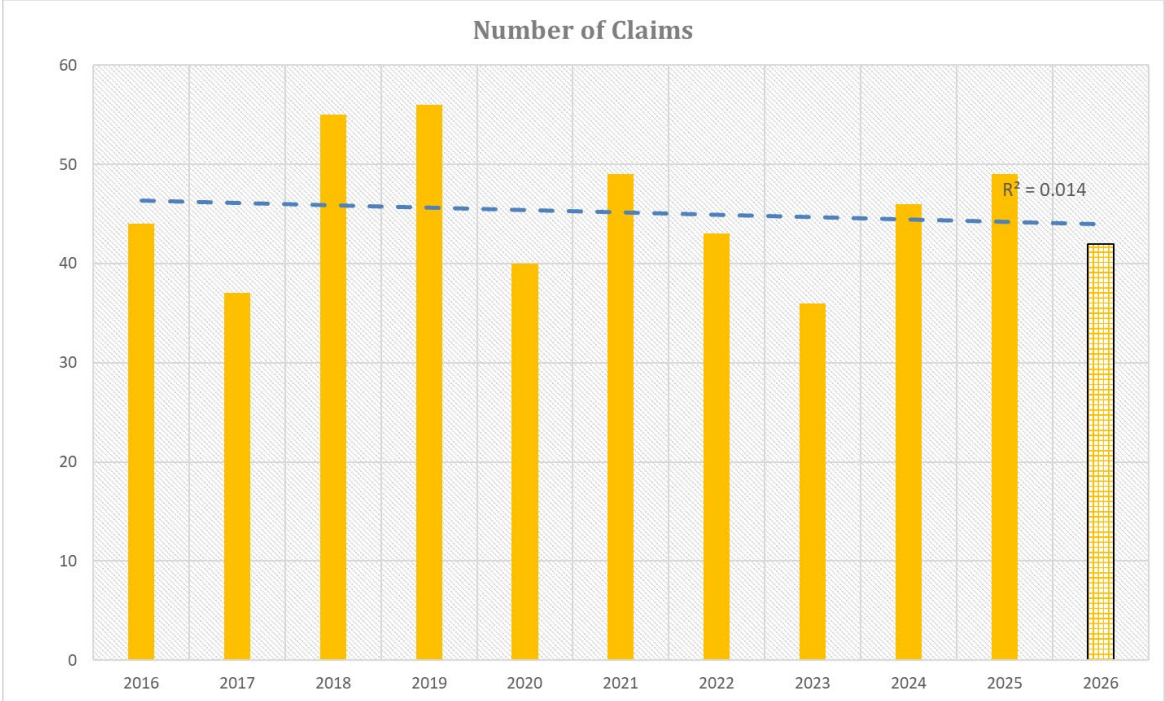
YTD HIGH COST CLAIMS AS A % OF TOTAL CLAIMS

0.0% current YTD

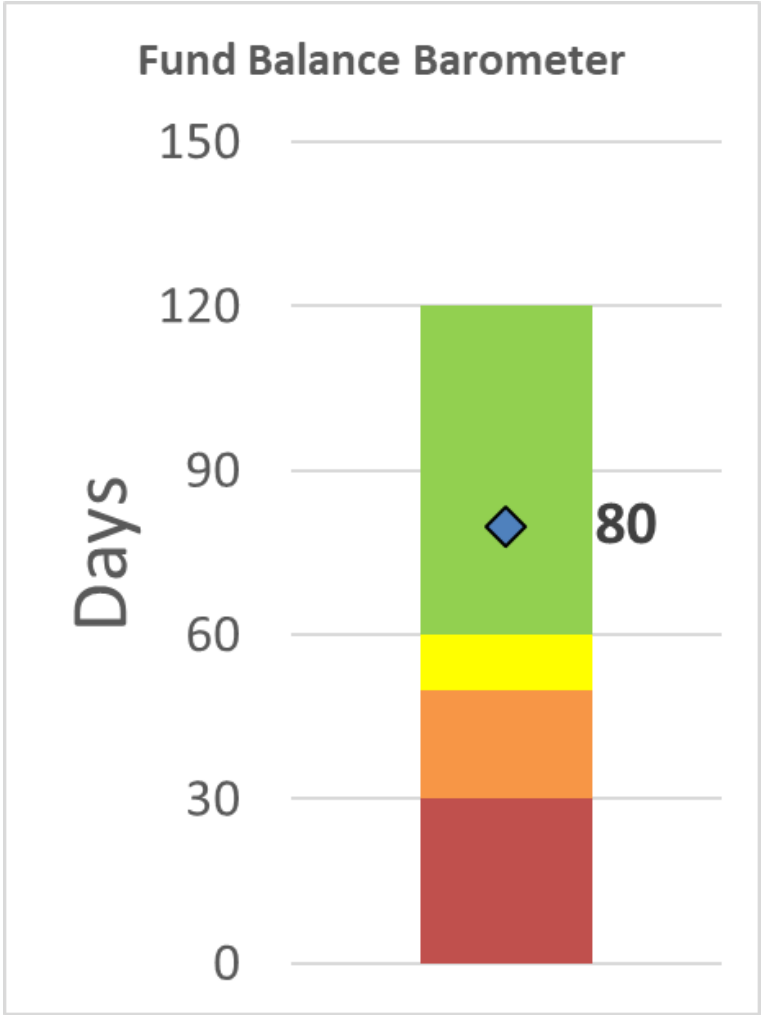
25.2% prior YTD



2026 Q1 Forecast | Workers Compensation



2026 Q1 Forecast | Fund Balance



- ▲ Q1 – 80 Days
- ◆ Q2 – TBD Days



Wauwatosa, WI

7725 W. North Avenue
Wauwatosa, WI 53213

Staff Report

File #: 26-0055

Agenda Date: 6/9/2026

Agenda #: 2.

Report from the Finance Director on the 2027-2031 Five-Year General Fund Forecast

Submitted by:

John Ruggini

Department:

Finance Department

PRESENTATION NOT YET AVAILABLE. WILL BE INCLUDED AS AN ATTACHMENT WHEN AVAILABLE.