



Wauwatosa, WI

Financial Affairs Committee

Meeting Agenda - Final

7725 W. North Avenue
Wauwatosa, WI 53213

Tuesday, April 14, 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

FINANCIAL AFFAIRS COMMITTEE ITEMS

1. Consideration of 2026 Community Development Block Grant (CDBG) funding requests [26-0686](#)
2. Consideration of request for approval of a level three fund transfer to recognize insurance proceeds to purchase 2 replacement police squads [26-0623](#)
3. Consideration of City participation in Six Remnant Defendants Opioid Settlement [26-0606](#)
4. Consideration for approval of a term sheet for tax incremental financing with JJH3 Group for a multi-family development at 7746 Menomonee River Parkway [26-0625](#)
The Committee may convene into closed session regarding this item pursuant to Wis. Stat. §19.85 (1)(e), to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The Committee may reconvene into open session to consider the balance of the agenda.
5. Report on 2025 Unaudited Financial Results [26-0051](#)

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 clerk@wauwatosa.net, with as much advance notice as possible.

A. Issue

Review and approval of 2026 Community Development Block Grant (CDBG) funding requests.

B. Background/Options

The CDBG Committee met in February, 2026 to review applications and set funding levels for the City's 2026 CDBG program year based on an estimated \$1,000,000 grant award. The City recently received the official funding notice from the Department of Housing and Urban Development (HUD) that the City's 2026 CDBG grant award is \$970,535, a \$29,465 decrease from the estimated amount.

CDBG funds are broken into three project categories: (1) Administration/Planning, (2) Public Services, and (3) Public Facilities - Economic Development, and Rehabilitation. Per HUD's regulations, Administration/Planning funds are limited to 20% of the total grant award and Public Services funds are limited to 15% of the total grant award. There is no funding cap for the Public Facilities, Economic Development, and Rehabilitation category.

In Administration and Public Services categories, the CDBG Committee recommended amounts were reduced approximately 3% to match the grant award. In the Public Facilities, (2) of the CDBG committee recommended project amounts were reduced to match the 2026 grant award.

Attached is a breakdown of the 2026 funding requests along with a brief project summary, and the recommendation for 2026 grant funding. These projects and their funded amounts will be included in the 2026 CDBG Annual Plan submitted to HUD.

C. Fiscal Impact

There is no direct impact on the City budget as a result of CDBG funding.

D. Recommendation

Approval of 2026 CDBG funding levels with a Level III fund transfer and final approval by the Common Council.

City of Wauwatosa 2026 Community Development Block Grant (CDBG) Program

Amount of 2026 CDBG Funds: \$970,535

ADMINISTRATION & PLANNING - \$194,107 / 20% spending cap in this category

	2025 Funded Amount	2026 Request	2026 Recommendation
Project Name. Program Administration	\$ 156,306	\$ 200,000	\$ 154,000
<p>Description: Provides for all costs associated with the administration of the CDBG Program including salaries and fringe benefits, supplies, notices, and training travel expenses.</p>			
Project Name. Metropolitan Milwaukee Fair Housing Council	\$ 41,440	\$ 46,012	\$ 40,107
<p>Description: Provision of a comprehensive Fair Housing program, including fair housing enforcement services, fair housing/fair lending outreach and education, inclusive communities services, and fair lending services.</p>			
Total Administrative & Planning	\$ 197,746	\$ 246,012	\$ 194,107

PUBLIC SERVICES - \$145,580 / 15% spending cap in this category

	2025 Funded Amount	2026 Request	2026 Recommendation
Project Name. Senior Center /Recreation Department	\$ 79,212	\$ 84,000	\$ 77,640
Description: The Wauwatosa School District Recreation Department manages activities and other programs for the Senior Centers at Hart Park and City Hall. Operation costs include staff salaries and benefits, equipment and supplies, and publicity/promotion.			
Project Name. Tosa Cares	\$ 6,774	\$ 10,000	\$ 7,770
Description: Tosa Cares provides food and assistance to families in need and conducts several service projects a year to collect and distribute food supplies, hygiene products and clothing. Funds are used to purchase food and supplies.			
Project Name. Life Navigators	\$ 24,907	\$ 30,000	\$ 26,200
Description: Life Navigators Self Advocacy and Independence Program assists individuals disabilities in living, working, volunteering and fully participating in the community. Grant funds pay for staff salaries/costs.			
Project Name. Vision Forward	\$ 6,774	\$ 9,802	\$ 7,770
Description: Vision Forward will provide education, training, and therapeutic services that support adults and seniors living with blindness or visual impairment in maintaining independence and quality of life. Grant funds pay for staff salaries/costs.			
Project Name. ERAS Senior Network	\$ 25,865	\$ 27,098	\$ 26,200
Description: Neighborhood Outreach Program (NOP) coordinates community volunteers to older adults have access to healthcare, nutrition, safety and socialization services.			
Total Public Services	\$ 143,532	\$ 160,900	\$ 145,580

Public Facilities, Economic Development & Rehabilitation

There is not a funding cap in this category.			
	2025 Funded Amount	2026 Request	2026 Recommendation
Project Name. Wisconsin Women's Business Initiative Corporation (WWBIC)	\$ 34,605	\$ 40,000	\$ 40,000
Description: WWBIC provides one-on-one technical assistance and business education classes to for-profit businesses to foster small or micro-business start ups and expansions.			
Project Name. Lutheran Home	\$ 128,535	\$ 188,578	\$ 179,424
Description: The Lutheran Home provides residential care for elderly and frail individuals who have experienced a substantial physical or mental decline and cannot safely live on their own. The Lutheran Home is requesting funds to replace outdated windows located in resident use areas.			
Project Name. Luther Manor	\$ 158,198	\$ 186,090	\$ 171,424
Description: Luther Manor is a Continuing Care Retirement Community offering life-long, comprehensive housing care and services for older adults. Funds will be used for Project Safety and Access.			
Project Name. Community Development Authority	\$ 321,340	\$ 255,000	\$ 240,000
Description: Funds will be used to provide assistance for affordable housing units that would not be viable without CDBG funding. Funds could also be used to undertake owner occupied housing rehabilitation efforts as part of the City's housing rehabilitation program.			
Total Public Facilities, Economic Development & Rehabilitation	\$ 642,678	\$ 669,668	\$ 630,848
Total CDBG Requests		\$ 1,076,580	\$ 970,535



Staff Report

File #: 26-0623

Agenda Date: 4/14/2026

Agenda #: 2.

Consideration of request for approval of a level three fund transfer to recognize insurance proceeds to purchase 2 replacement police squads

Submitted by:

John Ruggini

Department:

Finance Department

A. Issue

Two Police Department squads were totaled in December. Both were insured and a fund transfer is required to recognize the insurance proceeds and increase the expenditure budget for their replacement.

B. Background/Options

Police squads P-264 and P-297 were both totaled when P-297 was stolen, chased and ultimately disabled by P-264. Both squads were covered by insurance. In this case, a \$25,000 deductible was spread across these two vehicles and a third that was damaged. P-297 was insured for replacement plus added equipment which can't be re-used. P-264 was older than 5 years (2021 model year) and thus insured for actual cash value which was determined to be \$17,116 plus added equipment that cannot be reused.

A large amount of snow fell onto Squad 261 from the I-45 overpass damaging the windshield and front pillars. The repair costs exceeded the replacement value so this vehicle was declared a total loss. The City received \$37,990 from insurance.

Lastly Squad 272 was at a traffic stop at far right with emergency lights and was rear ended by another vehicle. The squad was totaled and insurance proceeds will reimburse the City \$14,927 as this was an older vehicle insured for cash value.

The Fleet Superintendent was able to work with Ewald's Ford to receive their 2025 pricing. A fund transfer is needed to increase the budget to purchase these 4 vehicles and will be partially offset by insurance proceeds. The remainder will need to be from the contingency fund. Given the number of damaged police vehicles, it is necessary, and more cost effective, to replace both vehicles now rather than wait for the 2027 Budget.

C. Strategic Plan (Area of Focus)

Public Safety

D. Fiscal Impact

Two new squads will cost \$53,510 each for a total of \$107,020 not included added on equipment. Insurance will cover \$70,626 leaving \$36,394 unreimbursed (assuming that all added on equipment is covered)

E. Recommendation

Approve a fund transfer increasing expenditure authority for the purchase of 4 new police squads in the Fleet Equipment Reserve by \$191,382 plus the amount needed for add-on equipment and increasing insurance proceeds by \$123,508 and the general fund transfer to the Fleet Equipment Reserve by the balance of \$67,874 funded by contingency plus any amount for add-on equipment not covered by insurance proceeds.



Ewald Automotive Group

Chrissy Gensch | 262-673-9400 | chrissy.gensch@ewaldauto.com

City of Wauwatosa

Prepared For: Mike Hahn

414-471-8424

mhahn@wauwatosa.net

Vehicle: [Fleet] 2025 Ford Police Interceptor Utility (K8A) AWD





Ewald Automotive Group

Chrissy Gensch | 262-673-9400 | chrissy.gensch@ewaldauto.com

Vehicle: [Fleet] 2025 Ford Police Interceptor Utility (K8A) AWD (Complete)

Quote Worksheet

	MSRP
Base Price	\$49,515.00
Dest Charge	\$1,595.00
Total Options	\$2,399.50
Subtotal	\$53,509.50
Subtotal Pre-Tax Adjustments	
	\$0.00
Less Customer Discount	(\$5,664.00)
Subtotal Discount	(\$5,664.00)
Trade-In	\$0.00
Subtotal Trade-In	\$0.00
Taxable Price	
	\$47,845.50
Sales Tax	\$0.00
Subtotal Taxes	\$0.00
Subtotal Post-Tax Adjustments	
	\$0.00
Total Sales Price	
	\$47,845.50

Comments:

2026 Ford Interceptor Utility to the specifications as detailed. Registration Fees are included. Due to current market, lead time can not be guaranteed.

Dealer Signature / Date

Customer Signature / Date

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Data Version: 25845. Data Updated: Jun 29, 2025 6:46:00 PM PDT.



Ewald Automotive Group

Chrissy Gensch | 262-673-9400 | chrissy.gensch@ewaldauto.com

Vehicle: [Fleet] 2025 Ford Police Interceptor Utility (K8A) AWD (Complete)

Standard Equipment

Mechanical

Engine: 3.3L V6 Direct-Injection Hybrid System -inc: (136-MPH top speed) (STD)

Transmission: 10-Speed Automatic (STD)

3.73 Axle Ratio (STD)

50-State Emissions System Flexible Fuel Vehicle (FFV) system is standard equipment for vehicles equipped with the 3.3L V6 Direct-Injection engine.

Transmission w/Driver Selectable Mode and Oil Cooler

Automatic Full-Time All-Wheel

Engine Oil Cooler

92-Amp/Hr 850CCA Maintenance-Free Battery

Hybrid Electric Motor 220 Amp Alternator

Class III Towing Equipment -inc: Hitch

Trailer Wiring Harness

Police/Fire

1670# Maximum Payload

GVWR: 6,840 lbs (3,103 kgs)

Gas-Pressurized Shock Absorbers

Front And Rear Anti-Roll Bars

Electric Power-Assist Steering

19 Gal. Fuel Tank

Dual Stainless Steel Exhaust

Permanent Locking Hubs

Strut Front Suspension w/Coil Springs

Multi-Link Rear Suspension w/Coil Springs

Regenerative 4-Wheel Disc Brakes w/4-Wheel ABS, Front And Rear Vented Discs, Brake Assist and Hill Hold Control

Exterior

Wheels: 18" x 8" 5-Spoke Painted Black Steel -inc: polished stainless steel hub cover and center caps

Tires: 255/60R18 AS BSW

Steel Spare Wheel

Full-Size Spare Tire Mounted Inside Under Cargo

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Ewald Automotive Group

Chrissy Gensch | 262-673-9400 | chrissy.gensch@ewaldauto.com

Vehicle: [Fleet] 2025 Ford Police Interceptor Utility (K8A) AWD (Complete)

Exterior

- Body-Colored Front Bumper w/Black Rub Strip/Fascia Accent and 1 Tow Hook
- Body-Colored Rear Bumper w/Black Rub Strip/Fascia Accent
- Body-Colored Bodyside Cladding and Black Wheel Well Trim
- Black Side Windows Trim and Black Front Windshield Trim
- Black Door Handles
- Black Power Side Mirrors w/Convex Spotter and Manual Folding
- Fixed Rear Window w/Wiper, Heated Wiper Park and Defroster
- Deep Tinted Glass
- Speed Sensitive Variable Intermittent Wipers
- Galvanized Steel/Aluminum Panels
- Lip Spoiler
- Black Grille
- Liftgate Rear Cargo Access
- Tailgate/Rear Door Lock Included w/Power Door Locks
- Auto On/Off Projector Beam Led Low/High Beam Headlamps
- LED Brakelights

Entertainment

- Radio w/Seek-Scan and Speed Compensated Volume Control
- Radio: AM/FM/MP3 Capable -inc: 100 watt siren/speaker prep kit, clock, 4 speakers, 1 USB port and 8" color LCD screen center-stack smart display, supports Android Auto and Apple CarPlay and fleet telematics modem Allows data to be provided to support Ford Pro telematics and data services via optional subscription, including but not limited to vehicle location, speed, idle time, fuel, vehicle diagnostics and maintenance alerts. Device enables optional telematics services through Ford or authorized providers via paid subscription. Subscribe at <https://fordpro.com/en-us/telematics/> or call 1-833-811-FORD (3673).
- SYNC Phoenix Communication & Entertainment System -inc: hands-free voice command support compatible w/most Bluetooth connected mobile devices, 911 Assist, VHR, SYNC Services, AppLink, Bluetooth, steering wheel controls, USB port and auxiliary input jack
- Integrated Roof Antenna
- 1 LCD Monitor In The Front

Interior

- 8-Way Driver Seat
- Passenger Seat
- 35-30-35 Folding Split-Bench Front Facing Fold Forward Seatback Rear Seat

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Chrissy Gensch | 262-673-9400 | chrissy.gensch@ewaldauto.com

Vehicle: [Fleet] 2025 Ford Police Interceptor Utility (K8A) AWD (Complete)

Interior

- Manual Tilt/Telescoping Steering Column
- Gauges -inc: Speedometer, Odometer, Engine Coolant Temp, Tachometer, Engine Hour Meter, Traction Battery Level, Trip Odometer and Trip Computer
- Power Rear Windows and Fixed 3rd Row Windows
- Remote Keyless Entry
- Remote Releases -Inc: Power Cargo Access
- Cruise Control w/Steering Wheel Controls
- Dual Zone Front Automatic Air Conditioning
- Rear HVAC
- HVAC -inc: Underseat Ducts
- Locking Glove Box
- Driver Foot Rest
- Unique HD Cloth Front Bucket Seats w/Vinyl Rear -inc: reduced bolsters, 6-way power track driver seat (fore/aft, up/down, tilt w/manual recline, 2-way manual lumbar), 8-way power track passenger seat w/2-way power recline and 2-way power lumbar and built-in steel intrusion plates in both driver/passenger seatbacks
- Interior Trim -inc: Metal-Look Instrument Panel Insert, Metal-Look Door Panel Insert and Metal-Look Interior Accents
- Full Cloth Headliner
- Urethane Gear Shifter Material
- Day-Night Rearview Mirror
- Driver And Passenger Visor Vanity Mirrors
- Mini Overhead Console w/Storage and 2 12V DC Power Outlets
- Front And Rear Map Lights
- Fade-To-Off Interior Lighting
- Full Vinyl/Rubber Floor Covering
- Carpet Floor Trim
- Cargo Features -inc: Cargo Tray/Organizer
- Cargo Space Lights
- Fleet Telematics Modem Tracker System
- Dashboard Storage, Driver And Passenger Door Bins
- Power 1st Row Windows w/Driver And Passenger 1-Touch Up/Down
- Delayed Accessory Power

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Vehicle: [Fleet] 2025 Ford Police Interceptor Utility (K8A) AWD (Complete)

Interior

Power Door Locks

Driver Information Center

Redundant Digital Speedometer

Trip Computer

Digital/Analog Appearance

Seats w/Vinyl Back Material

Manual Adjustable Front Head Restraints and Manual Adjustable Rear Head Restraints

Perimeter Alarm

2 12V DC Power Outlets

Air Filtration

Safety-Mechanical

Electronic Stability Control (ESC) And Roll Stability Control (RSC)

ABS And Driveline Traction Control

Safety-Exterior

Side Impact Beams

Safety-Interior

Dual Stage Driver And Passenger Seat-Mounted Side Airbags

Reverse Sensing System Rear Parking Sensors

BLIS (Blind Spot Information System) Blind Spot

Pre-Collision Assist with Pedestrian Detection

Rear Cross-Traffic Braking

Collision Mitigation-Front

Tire Specific Low Tire Pressure Warning

Dual Stage Driver And Passenger Front Airbags

Curtain 1st And 2nd Row Airbags

Airbag Occupancy Sensor

Passenger Knee Airbag

Rear Child Safety Locks

Outboard Front Lap And Shoulder Safety Belts -inc: Rear Center 3 Point, Height Adjusters and Pretensioners

Back-Up Camera w/Washer

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Vehicle: [Fleet] 2025 Ford Police Interceptor Utility (K8A) AWD ( Complete)

WARRANTY

Basic Years: 3
Basic Miles/km: 36,000
Drivetrain Years: 5
Drivetrain Miles/km: 100,000
Corrosion Years: 5
Corrosion Miles/km: Unlimited
Hybrid/Electric Components Years: 8
Hybrid/Electric Components Miles/km: 100,000
Roadside Assistance Years: 5
Roadside Assistance Miles/km: 60,000

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Vehicle: [Fleet] 2025 Ford Police Interceptor Utility (K8A) AWD (Complete)

Selected Model and Options

MODEL

CODE	MODEL	MSRP
K8A	2025 Ford Police Interceptor Utility AWD	\$49,515.00

COLORS

CODE	DESCRIPTION
UM	Agate Black

ENGINE

CODE	DESCRIPTION	MSRP
99B	Engine: 3.3L V6 Direct-Injection -inc: (136-MPH top speed), Deletes regenerative braking and lithium-ion battery pack; adds 250-amp alternator and replaces 19-gallon tank w/21.4-gallon tank *CREDIT*	(\$2,330.00)

TRANSMISSION

CODE	DESCRIPTION	MSRP
44U	Transmission: 10-Speed Automatic (44U)	\$0.00

OPTION PACKAGE

CODE	DESCRIPTION	MSRP
500A	Order Code 500A	\$0.00

AXLE RATIO

CODE	DESCRIPTION	MSRP
---	3.73 Axle Ratio (STD)	\$0.00

PRIMARY PAINT

CODE	DESCRIPTION	MSRP
UM	Agate Black	\$0.00

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Chrissy Gensch | 262-673-9400 | chrissy.gensch@ewaldauto.com

Vehicle: [Fleet] 2025 Ford Police Interceptor Utility (K8A) AWD (✔ Complete)

SEAT TYPE

CODE	DESCRIPTION	MSRP
9W	Charcoal Black, Unique HD Cloth Front Bucket Seats w/Vinyl Rear -inc: reduced bolsters, 6-way power track driver seat (fore/aft, up/down, tilt w/manual recline, 2-way manual lumbar), 8-way power track passenger seat w/2-way power recline and 2-way power lumbar and built-in steel intrusion plates in both driver/passenger seatbacks	\$0.00

ADDITIONAL EQUIPMENT - PACKAGE

CODE	DESCRIPTION	MSRP
67U	Ultimate Wiring Package -inc: wiring harness instrument panel to rear cargo area (overlay), (2) light cables - supports up to (6) LED lights (engine compartment/grille), (1) 10-amp siren/speaker circuit engine compartment and rear hatch/cargo area wiring - supports up to (6) rear LED lights, Does not include LED lights, side connectors or controller, Rear Console Plate, Contours through 2nd row; channel for wiring, Grille LED Lights, Siren & Speaker Pre-Wiring	\$640.00

ADDITIONAL EQUIPMENT - EXTERIOR

CODE	DESCRIPTION	MSRP
153	Front License Plate Bracket	\$0.00
51R	Driver Only LED Bulb Spot Lamp (Unity)	\$400.00
59B	Keyed Alike - 1284x	\$50.00
66A	Front Headlamp Lighting Solution -inc: LED low beam/high beam headlamp, wig-wag function and (2) red/blue/white LED side warning lights in each headlamp (factory configured: driver's side white/red/passenger side white/blue), Wiring and LED lights included (in headlamps only; grille lights not included), Controller not included, Grille LED Lights, Siren & Speaker Pre-Wiring	\$900.00
66B	Tail Lamp Lighting Solution -inc: LED tail lamp wig-wag module (red/white - red brake lights and white reverse lights, LED lights only, Wiring and controller not included	\$430.00
66C	Rear Lighting Solution -inc: (2) backlit flashing linear high-intensity LED lights (driver's side red/passenger side blue) mounted to inside liftgate glass and (2) backlit flashing linear high-intensity LED lights (driver's side red/passenger side blue) installed on inside lip of liftgate (lights activate when liftgate is open), LED lights only, Wiring and controller not included	\$460.00
96T	Rear Spoiler Traffic Warning LED Lights -inc: Fully integrated in rear spoiler for enhanced visibility, Provides red/blue/amber directional lighting - fully programmable	\$1,500.00


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Vehicle: [Fleet] 2025 Ford Police Interceptor Utility (K8A) AWD ( Complete)

ADDITIONAL EQUIPMENT - INTERIOR

CODE	DESCRIPTION	MSRP
18D	Global Lock/Unlock Feature -inc: Door-panel switches will lock/unlock all doors and rear liftgate, Eliminates the 45-second liftgate lock release + paitro timer, Overhead liftgate button and blue liftgate release button on key fob will not have any function when pressed w/this option	\$0.00
60R	Noise Suppression Bonds (Ground Straps)	\$100.00
68G	Rear-Door Controls Inoperable -inc: Locks, handles and windows, Can manually remove window or door disable plate w/special tool, Locks/windows operable from driver's door switches	\$80.00
85R	Rear Console Plate -inc: Contours through 2nd row; channel for wiring	Inc.

CUSTOM EQUIPMENT

CODE	DESCRIPTION	MSRP
DI-1	NEW OFFICIAL PLATES	\$169.50
Options Total		\$2,399.50

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Vehicle: [Fleet] 2025 Ford Police Interceptor Utility (K8A) AWD ( Complete)

Price Summary

PRICE SUMMARY

	MSRP
Base Price	\$49,515.00
Total Options	\$2,399.50
Vehicle Subtotal	\$51,914.50
Destination Charge	\$1,595.00
Grand Total	\$53,509.50

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To: **Financial Affairs Committee**

From: **Jennifer Tate, City Attorney**

Date: **April 14, 2026**

Subject: **City of Wauwatosa participation in Six Remnant Defendant Opioid Settlement**

The National Opioid Settlement has contacted the City to alert of another class action settlement related to the consequences of the opioid epidemic on various communities throughout the country. This settlement includes the following manufacturers: (1) Associated Pharmacies, Inc. (and American Associated Pharmacies); (2) JM Smith Corporation; (3) Morris and Dickson Co., LLC; (4) Louisiana Wholesale Drug Company, Inc.; (5) North Carolina Mutual Wholesale Drug Company, Inc.; and (6) United Natural Foods, Inc. (and SuperValu). At this time, the City does not know the dollar amount of its particular payment; however, the money will be used by our Substance Use Specialist for opioid remediation within the Wauwatosa community.

If the City does not opt in to the settlement, the only other path for receiving payment from any of these defendants would be to pursue individual lawsuits on behalf of the City.

Recommendation:

I recommend that the City opt in to participate in the Six Remnant Defendant Opioid Settlement.

Please see attached Participation Agreement. Additional documentation is available on the National Opioid Settlement website: <https://nationalopioidsettlement.com/remnant-settlements/>.

EXHIBIT G

**Six (6) Remnant Defendants’
Combined Subdivision Participation and Release Form
 (“Combined Participation Form”)**

Governmental Entity:	State:
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 the six (6) Remnant Defendants’ Settlement Agreement (“RDSA”), dated February 23, 2026, and described further in Paragraph 1, and acting through the undersigned authorized official, hereby elects to participate in the RDSA, release all Released Claims against all Released Entities, and agrees as follows:

1. The Governmental Entity hereby elects to participate in the RDSA as a Participating Subdivision with each of the following six (6) Remnant Defendants that are parties to the RDSA: (1) Associated Pharmacies, Inc. (and American Associated Pharmacies), (2) J M Smith Corporation, (3) Morris and Dickson Co., L.L.C., (4) Louisiana Wholesale Drug Company, Inc., (5) North Carolina Mutual Wholesale Drug Company, Inc., and (6) United Natural Foods, Inc. (and SuperValu).
2. The Governmental Entity is aware of and has reviewed the RDSA, understands that all capitalized terms not defined in this Combined Participation Form have the meanings defined in the RDSA, and agrees that by executing this Combined Participation Form, the Governmental Entity elects to participate in the RDSA and become a Participating Subdivision as provided in the RDSAs.
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 the RDSA. 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 six (6) Remnant Defendants 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 RDSA pertaining to Participating Subdivisions as defined therein.

5. By agreeing to the terms of the RDSA 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 the RDSA solely for the purposes provided therein.
7. The Governmental Entity submits to the jurisdiction of the MDL Court and agrees to follow the process for resolving any disputes described in the RDSA.
8. The Governmental Entity has the right to enforce the RDSA as provided therein.
9. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes of the RDSA, including without limitation all provisions related to release of any claims, 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 the RDSA in any forum whatsoever. The release provided for in the RDSA is intended by the Parties to be broad and shall be interpreted so as to give the Released Entities in the RDSA the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The RDSA shall be a complete bar to any Released Claim against the Released Entities.
10. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision as set forth in the RDSA.
11. In connection with the releases provided in the RDSA, 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 the RDSA, 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 the RDSA.

12. The Governmental Entity understands and acknowledges that nothing herein is intended to modify in any way the terms of any of the RDSA, to which Governmental Entity hereby agrees. To the extent this Combined Participation Form is interpreted differently from the RDSA in any respect, the RDSA controls.

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

File #: 26-0625

Agenda Date: 4/14/2026

Agenda #: 4.

Consideration for approval of a term sheet for tax incremental financing with JJH3 Group for a multi-family development at 7746 Menomonee River Parkway

Submitted by:

Mark Hammond and John Ruggini

Department:

Development and Finance

A. Issue

JJH3Group LLC (the "Developer") has submitted a Tax Increment Financing application requesting that the City incorporate a proposed 14-unit rental development at 7746 Menomonee River Parkway into the existing Tax Incremental District No. 11 (TID 11) and provide a Pay-As-You-Go (PAYGO) Developer Municipal Revenue Obligation (MRO) of approximately \$880,000 for the remaining duration of the TID to support the development. This property is owned by the Wauwatosa Community Development Authority and the Developer has an offer to purchase agreement.

B. Background/Options

Project Overview

The proposed development consists of 14 total rental units at 7746 Menomonee River Parkway. The project includes four three-story townhouses configured as two side-by-side duplexes, each approximately 1,620 square feet with 2-bedroom/2.5-bathroom layouts, roof-level den/office space, large roof patios, and built over a 2-car garage. These townhouse units are projected to rent for approximately \$4,800 per month.

The remaining ten units are 1-bedroom/1-bathroom apartments distributed across three floors, with each apartment having an assigned parking space in one of two grade-level garages. The apartment units break down as follows: three 800-square-foot units at approximately \$2,000 per month, four 900-square-foot units at approximately \$2,250 per month, and three 950-square-foot units at approximately \$2,375 per month. All utilities will be provided from existing street mains and separately metered to each unit.

Groundbreaking is planned for Fall 2026 with occupancy expected in October 2027. The Developer estimates total project costs of \$6,490,341, to be financed through a combination of \$4,680,542 in debt and \$1,809,799 in equity (which includes a \$200,000 developer fee). The Developer projects an increase in incremental construction value of

\$5,200,000 and an estimated annual incremental property tax value of \$99,268 when stabilized.

Affordable Housing

As approved by the Wauwatosa Community Development Authority, this project does not include affordable housing components, nor does the executed offer to purchase require payments in lieu. Staff notes that this is a missing middle housing project on an extremely difficult site to develop, with only 14 units and a limited TIF assistance amount given the short remaining period of TID 11. Given these constraints, requiring an affordable housing contribution would further jeopardize the financial feasibility of a project type that the community has identified as a critical need yet which the market has largely failed to deliver.

Workforce Participation

The Developer has agreed to work with the City to develop and implement a Participation Plan through which the Developer will make commercially reasonable efforts to hire or subcontract with Disadvantaged Business Enterprises and set a goal of hiring 25% of the additional construction workforce needed for the project from distressed ZIP codes within Milwaukee County. The costs for any consultants engaged to support these efforts will be paid by the City through the overall TID budget.

Current Market Conditions

The multifamily housing development market continues to face significant headwinds that make projects like this particularly challenging to finance and execute. Rising construction costs, elevated interest rates, increased material expenses, and labor shortages have substantially impacted development feasibility across the region. These market conditions have resulted in the delay or cancellation of numerous residential projects throughout southeastern Wisconsin. The confluence of these factors has created a financing environment where even well-conceived projects in strong locations struggle to achieve financial feasibility without some form of public-private partnership.

Financial Analysis

An independent financial feasibility analysis was conducted by Robert W. Baird & Co. (Baird) to evaluate the project's economic viability and the appropriateness of the requested TIF assistance. Baird examined the Developer's financial projections using cap rate analysis, cash-on-cash analysis, and internal rate of return (IRR) analysis.

Key findings from the Baird analysis include:

- Cap Rate Analysis: Baird's model shows a Non-TIF 10-Year Cap Rate of 5.61% and a With-TIF 10-Year Cap Rate of 7.08%. When modeled with a 5-year sale assumption, the Non-TIF 5-Year Cap Rate is 5.47% and the With-TIF 5-Year Cap Rate is 6.73%. Baird considers an acceptable cap rate to be within the 6-9% range, and the proposal falls within this range with TIF assistance
- Cash-on-Cash Analysis: After year 10, the estimated cash-on-cash return is between 6-8%. Industry standards indicate a target range of 8-12%. The proposal falls slightly below this range when the developer fee is excluded, and within the range when included. Staff found this acceptable

- Internal Rate of Return: Without TIF assistance, the 10-Year IRR utilizing net operating income is 13.82% including debt service. However, when accounting for a projected Year 5 sale and payoff of the outstanding mezzanine loan (approximately \$722,105 remaining balance), the IRR drops to 8.99%. With the requested PAYGO incentive of \$880,000 incorporated, the Net Cash Flows IRR increases to 12.41%. Industry standards for conservative/low-risk real estate returns are typically between 8-15%, and the request falls within that range
- The Developer will receive up to 100% of annual property taxes refunded via the MRO through the life of TID 11, with total gross payments not to exceed \$1,679,719
- The proforma estimates the net present value of the PAYGO to be \$894,398, assuming a discount rate of 6%
- The proforma increment is estimated using the City's current net tax rate of \$19.09 per \$1,000 of equalized value, based on a construction increment of \$5,200,000 being achieved by January 1, 2029
- The PAYGO structure utilizing TID 11 is the recommended approach, as it shifts risk from the City onto the Developer and leverages the remaining life of an existing TID

TID 11 Incorporation

This project would be incorporated into the existing Tax Incremental District No. 11, utilizing the remaining life of the district (understood to extend through 2043). Incorporating the development into an existing TID allows the City to leverage available capacity without the administrative cost and complexity of creating a new district.

C. Strategic Plan (Area of Focus)

This project aligns with multiple areas of the City's Strategic Plan:

Economic Development: The project represents over \$6.4 million in private investment in the community and contributes to the tax base by adding an estimated \$5,200,000 in incremental construction value. The Developer's commitment to a Participation Plan supporting Disadvantaged Business Enterprises and workforce hiring from distressed ZIP codes further advances the City's economic development and equity objectives.

Housing: This development directly addresses the critical need for "missing middle" housing in Wauwatosa - a housing type that the market has largely failed to produce despite strong demand. The 14-unit project, featuring a mix of rental townhomes and smaller apartments, fills two underserved niches: rental townhome offerings that provide older homeowners an attractive option to downsize and stay in a neighborhood they love, freeing up single-family homes for younger families; and apartments attractive to younger professionals, particularly those working at the nearby Regional Medical Complex. This is the type of housing that the Joint Housing Coalition and community stakeholders have consistently identified as a priority, yet which has seen very little private development activity. Supporting projects that deliver missing middle housing is essential to maintaining a diverse and accessible housing stock in Wauwatosa.

D. Fiscal Impact

The fiscal impact of this project may be discussed in open session to the extent that proprietary and confidential developer information is not disclosed. The City reserves the right to discuss specific financial details in closed

session as permitted under Wisconsin's open meetings law.

At a high level, the Developer projects an increase in incremental construction value of \$5,200,000 and an estimated annual incremental property tax value of \$99,268 when stabilized. The requested PAYGO MRO has a net present value of approximately \$894,398, with total gross payments not to exceed \$1,679,719 over the remaining life of TID 11.

E. Recommendation

Staff recommends approval of the attached term sheet including a Municipal Revenue Obligation with a present value of \$894,398 and sending this to the Common Council for consideration.

This recommendation is based on the following considerations:

- The project addresses a demonstrated market need for missing middle housing in a challenging development environment
- Independent financial analysis by Baird confirms the project's viability and the appropriateness of the requested PAYGO assistance
- The Developer's cap rate, cash-on-cash return, and IRR all fall within or near industry standard ranges, indicating the requested assistance level is reasonable and not excessive
- The PAYGO structure protects the City's financial interests by ensuring payment only occurs as increment is actually generated
- Incorporation into the existing TID 11 leverages available district capacity without requiring creation of a new TID
- The Developer's commitment to a Participation Plan for Disadvantaged Business Enterprises and workforce hiring from distressed ZIP codes advances the City's equity objectives
- The project will generate new tax increment from a substantial increase in assessed value within TID 11

The Committee may convene into closed session regarding this item pursuant to Wis. Stat. §19.85 (1)(e), to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The Committee may reconvene into open session to consider the balance of the agenda.



Wauwatosa, WI

7725 W. North Avenue
Wauwatosa, WI 53213

Staff Report

File #: 26-0051

Agenda Date: 4/14/2026

Agenda #: 5.

Report on 2025 Unaudited Financial Results

Submitted by:

John Ruggini

Department:

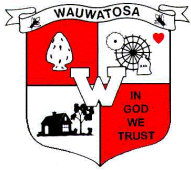
Finance

A. Issue

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

See the attached memo.

CITY OF WAUWATOSA
MEMO



To: **Financial Affairs Committee**

From: **John Ruggini, Finance Director**

Date: **April 10, 2026**

Subject: **Presentation of preliminary 2025 Financial Results**

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.

General Fund

The General Fund, ended the year with a \$1,820,690 surplus which equates to 2.3% of total budgeted expenditures. The tables below provide detail by expenditures and revenue categories. In general, the \$10,000,000 settlement with Froedtert caused significant revenue and expenditure variances and “static” in the year-end results that requires some explanation.

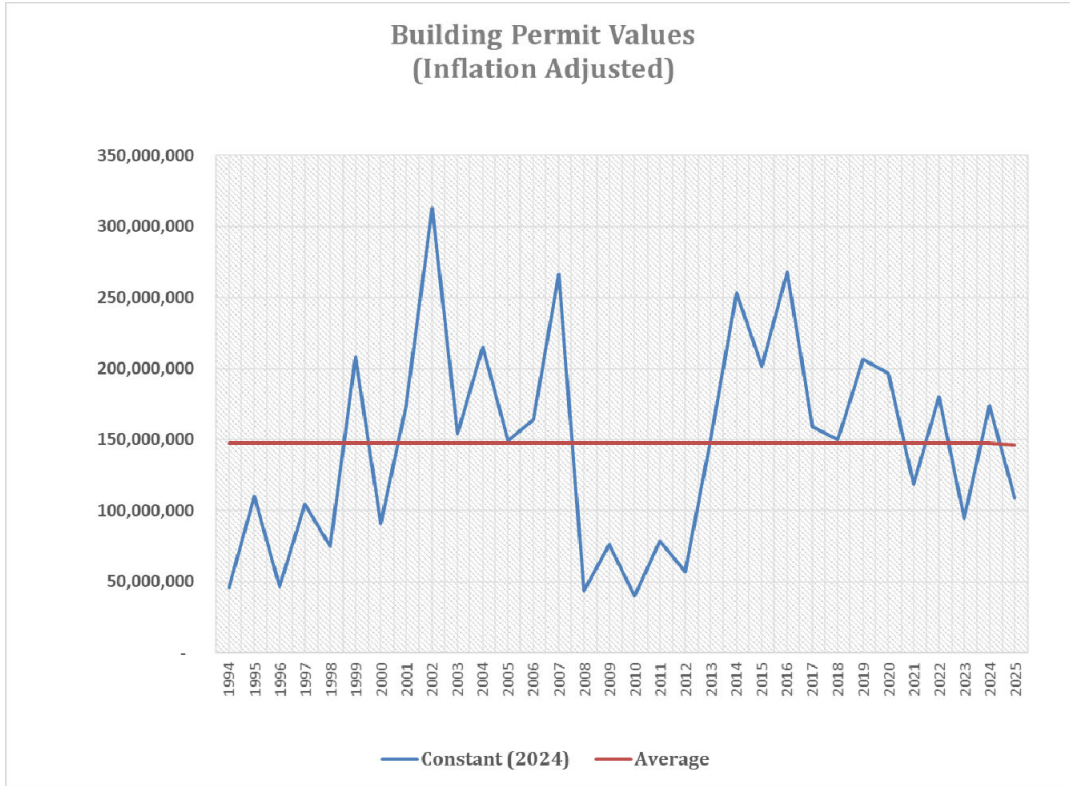
General Fund Revenues

In total, actual general fund revenues were 111.5% of the original budget, a surplus of \$9.14 million. This is broken down by revenue category below. The graph below uses a “stop-light” formatting to indicate which revenue categories exceeded the revised budget (green), were within 90% of budget (yellow) or were less than 90% (red). Also included is a comparison to prior year actuals.

Row Labels	2025B	2025 EST	Variance to Original Revenue Budget	% Var to Original Revenue Budget	Year over Year Trend	Prior YTD Variance
1-REVENUES	79,653,637	88,791,538	9,137,902	11.5%	↗	11,847,319
⊕ 01-TAXES	54,693,923	61,160,977	6,467,054	11.8%	↗	6,926,793
⊕ 02-STATE SHARED TAXES	7,956,282	7,948,024	(8,258)	-0.1%	↗	1,225,081
⊕ 03-LICENSES AND PERMITS	1,777,950	2,186,729	408,779	23.0%	→	(42,241)
⊕ 04-FEES	4,843,919	4,751,564	(92,355)	-1.9%	↗	343,213
⊕ 05-LAW AND ORDINANCE VIOLATIONS	1,128,500	1,028,518	(99,982)	-8.9%	→	29,742
⊕ 07-FEDERAL AND STATE GRANTS	431,668	747,417	315,749	73.1%	↓	(336,154)
⊕ 08-LOCAL INTERGOVT REVENUE	153,184	206,682	53,498	34.9%	↑	48,416
⊕ 09-INTEREST	2,400,000	5,071,944	2,671,944	111.3%	↘	(452,181)
⊕ 10-MISC REVENUES	553,843	534,304	(19,539)	-3.5%	↑	171,557
⊕ 11-INTER-DEPT REVENUE	218,867	218,869	2	0.0%	↗	42,698
⊕ 12-BOND PROCEEDS	-	-	-	N/A	N/A	-
⊕ 13-INTER-FUND TRANSFERS	5,495,500	4,936,510	(558,990)	-10.2%	↑	3,890,394

“Taxes” is not a category that typically varies from budget however “chargebacks” are considered a tax and made up 99% of the variance. The chargebacks were revenue received from the other taxing jurisdiction for their share of the Froedtert settlement.

Building permits drove the 23% revenue surplus in category 03 despite the value of building construction being down 37% year over year (Figure 2). This is due to timing issues – the Medical College and Three Leaf projects construction value was counted in 2024 but the revenue was earned in 2025. If you average the construction value over those 2 years, it equals \$139 million which slightly below average (\$146 million). As you can see from the graph below, the City is trending down in the value of building activity since 2015. This will have impacts on future net new construction.

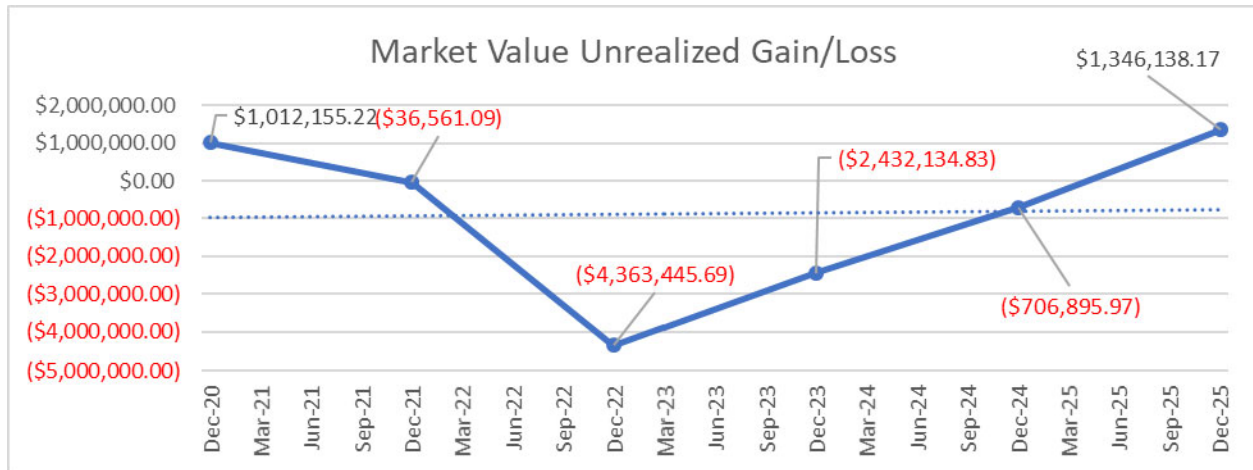


Shortfalls in Court Penalties drove the 9% deficit in Law and Ordinance Violation revenue. We earned \$349,462 of a budgeted \$481,000 as we continue to feel the effects of past and current police vacancies. This was consistent with 2024. Notably, Parking Violations exceed budget by 11.1% and was \$42,327 over last year, despite having parking checker vacancies in the fourth quarter. Federal and State Grant revenue surplus is for grants received that were not known at the time of the adopted budget and are offset by expenditures so they have no impact on the net surplus.

“09-Interest” was at 111.3% of budget with a \$2.7 million surplus. Approximately 23% of this total, \$619,000, were real gains. This surplus was driven by higher than budgeted interest rates. The 2025 budget assumed 125 basis points in cuts in the Fed Funds rate as compared to the actual 75 basis points. The City has held larger balances of liquid investment as it was anticipated that higher than usual cash balances would be needed to cover the Froedtert property tax settlement and increased cash financing later in the year. That, plus the lack of rate cuts contributed to the surplus earnings in the liquid portfolio

The required mark-to-market adjustment increased the surplus by another \$2.1 million. As interest rates decrease, bond prices increase so the City’s portfolio now exceeds its par value by \$1.3 million. So long as the City holds its investments to maturity, which it has sufficient cash to do so, those paper gains will not be realized (just like our paper losses in 2022 and 2023 were not realized). Due to the volatility of the mark-to-market adjustment made annually as of 12/31 and its non-cash nature, the City does not budget for it.

The chart below shows the historical changes in value due to the mark-to-market.



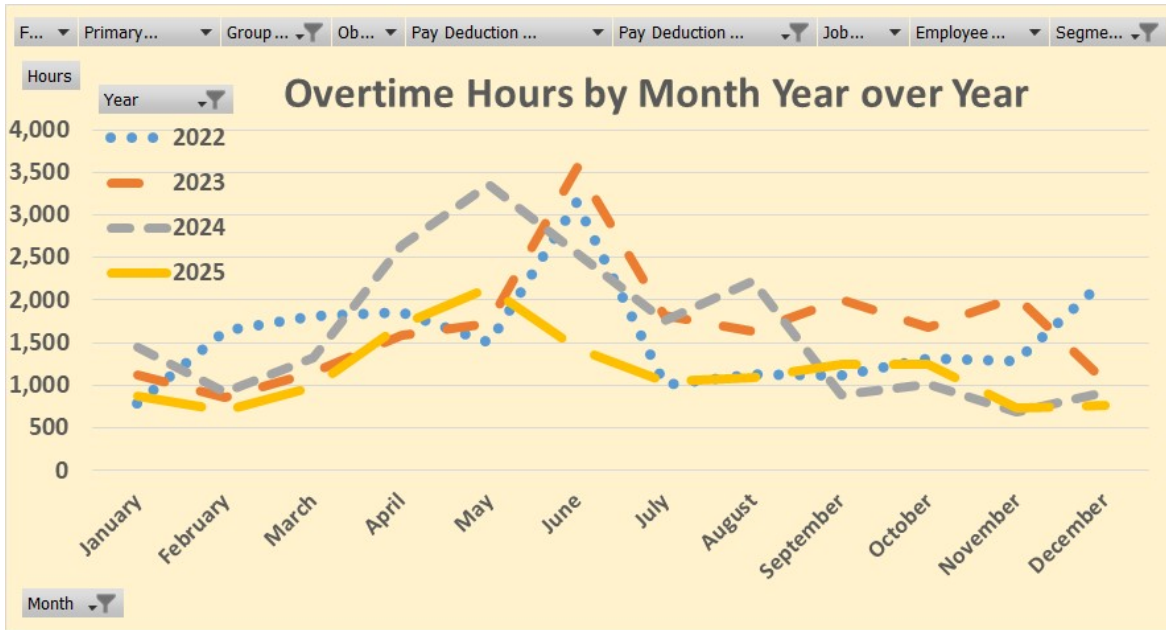
Finally, transfers were short of budget by 10.2% however, there are multiple moving pieces. All things equal, revenues should be short by \$4,000,000 (as would expenditures) as a result of the Expenditure Restraint state aid contingency which is a budget-only figure. However, \$3.55 million was transferred from contingency to the General Fund to cover the City's portion of the Froedtert settlement. So the only material impact on year-end surplus among the transfers was the \$129,000 shortfall in the transfer from the Water Utility – this is a payment in lieu of taxes and the budget assumed a higher tax rate than actual.

General Fund Expenditures

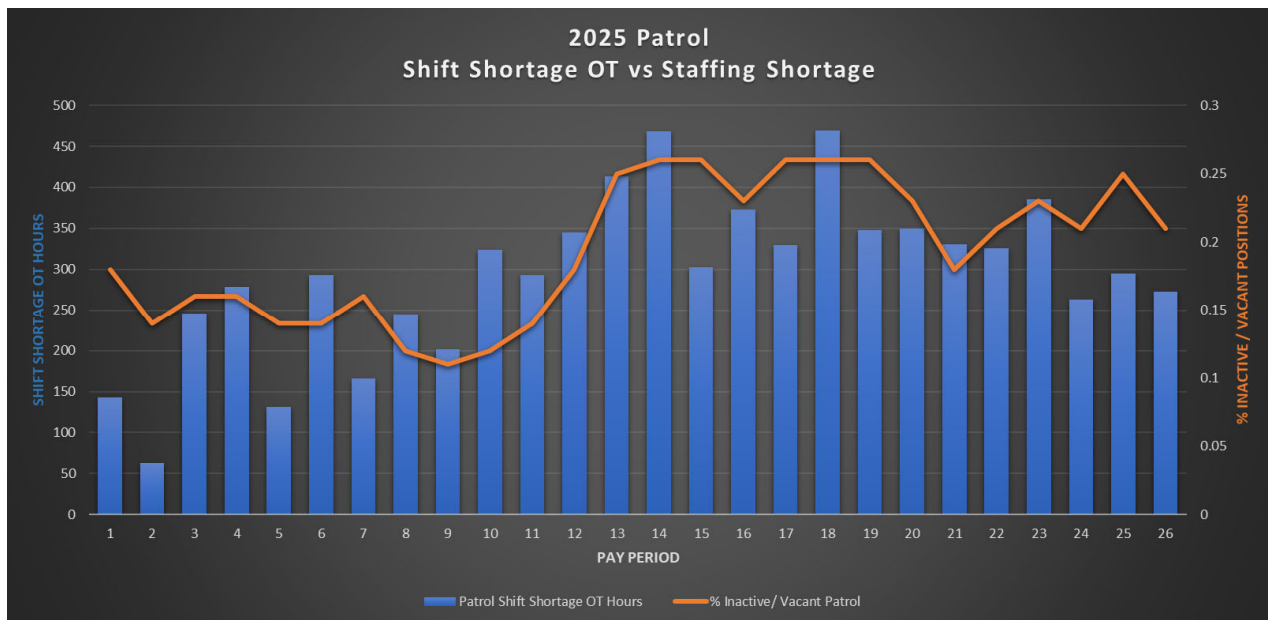
In total, General Fund expenditures exceeded budget by \$7.3 million, which represents a 9.2% variance of budget. This large variance was driven by the Froedtert settlement as well as the Medical College property tax court judgement which will be discussed more below.

Row Labels	2025BA	2025 EST	Var. to Original Budget	% Var to Original Budget	Year over Year Trend	Prior YTD Variance
2-EXPENDITURES	79,653,637	86,970,848	(7,317,212)	-9.2%	↔	13,237,187
01-WAGES	33,141,804	33,472,793	(330,989)	-1.0%	→	1,235,927
01A-REGULAR PAY-POLICE SWORN	10,534,308	10,186,119	348,189	3.3%	↗	492,896
01B-REGULAR PAY-FIRE SWORN	10,425,647	10,335,386	90,261	0.9%	→	472,635
01C-REGULAR PAY-GENERAL	10,750,877	10,654,786	96,091	0.9%	→	481,580
02A-OVERTIME-POLICE SWORN	898,132	1,517,219	(619,087)	-68.9%	↘	(117,537)
02B-OVERTIME-FIRE SWORN	320,000	526,484	(206,484)	-64.5%	↘	(158,824)
02C-OVERTIME-GENERAL	212,840	252,799	(39,959)	-18.8%	↑	65,177
02-BENEFITS	14,255,222	14,767,347	(512,125)	-3.6%	→	611,529
03-OPERATING EXPENDITURES	5,778,505	17,728,249	(11,949,744)	-206.8%	↑	12,016,375
04-UTILITIES	779,860	774,642	5,219	0.7%	↗	41,226
05-OTHER EXPENSES	413,450	114,374	299,076	72.3%	↓	(277,236)
08-INTER-DEPT CHARGES	4,418,580	3,965,621	452,960	10.3%	↘	(418,811)
09-CAPITAL IMPROVEMENTS	557,712	175,888	381,824	68.5%	↑	58,018
12-INTER-FUND TRANSFERS	20,308,502	15,971,934	4,336,568	21.4%	→	(29,843)

The City saw a 1% deficit in wages as overtime overages exceeded salary savings in both the police and fire departments. Positively for the Fire Department, year-over-year overtime was down \$158,824 and as can be seen in the graph below, the department was successful in managing the overtime by avoid summertime spikes as had occurred in prior years. This was done primarily by proactively limiting overtime call-backs which did have an impact of staffing a fire apparatus with 3 instead of 4 firefighters more frequently. Overtime was driven by vacancies and paid time off. The department ran a 5% vacancy rate in its union positions, the equivalent of 4.0 FTE. However, vacation payouts limited the associated salary savings to offset overtime. Offtime (sick and vacation) was also a significant overtime driver.



Police overtime was driven more largely by staffing shortages. In fact 44% of total overtime was due to patrol and dispatch vacancies. The table below produced by the police department below shows that shift shortage is due to vacant and inactive positions (primarily military and workers compensation leave) which peaked at 25% and remained elevated at year-end.



The benefits category exceeded budget due to pension and social security costs being calculated as a percentage of pay.

“Operating Expenditures” greatly exceeded budget as the Froedtert settlement (\$10.0 million) and the Medical College judgement (\$2.1 million) were incurred in this category. As described under “Revenues”, the Froedtert expenses was offset by chargeback and contingency revenue. However, due to the timing of the Medical College judgement which was paid after Oct. 1, that chargeback revenue will not be received until February 2027 so accounting rules prohibited to recognizing it in 2025. Were it not for these expenses, we would have realized a small surplus in this category.

The surplus in “Other Expenses” was driven by a favorable timing issue in the police department budget related to the body worn camera and taser contract.

“Interdept Charges” 10% surplus was driven nearly entirely by Public Works operations and Engineering billing more time than budgeted towards capital projects (as opposed to their operating budgets). This is a positive development and both departments should be commended.

“Capital Improvements” surplus by \$381,000, most of which are projects funded by the vehicle registration fee and will be completed in 2026.

\$4.0 million of the “Inter-Fund Transfers” surplus was offset by the revenue deficit related to the Expenditure Restraint Aid contingency. The majority of the remainder was due to utilizing unbudgeted bond premium to pay for a portion of debt service which would have otherwise been paid for with property taxes.

General Fund Balance

The total General Fund Balance increased \$1,868,626, a 8.% increase.

In total, the Unassigned Reserve is estimated at \$15,140,000 which reflects 72 days of operating expenditures. The City’s policy is to maintain 60 days of operating expenses in reserve so the City is at 118% of its benchmark; a surplus of \$2.3 million. As the chart below shows, this continues an upward trend in % of unreserved fund balance.

While \$2.05 million of this increase is unrealized gains, it will be offset by yet-to-be recognized chargeback revenue of approximately \$1.5 million. Taking into account these adjustments, the City has 69 days of reserves available.

