



# Wauwatosa, WI

## Financial Affairs Committee

### Meeting Agenda - Final

7725 W. North Avenue  
Wauwatosa, WI 53213

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Tuesday, June 3, 2025

7:30 PM

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

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#### Regular Meeting

#### HYBRID MEETING INFORMATION

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

#### CALL TO ORDER

#### ROLL CALL

#### FINANCIAL AFFAIRS COMMITTEE ITEMS

1. Consideration of 2025 Community Development Block Grant (CDBG) funding requests [25-0674](#)
2. Consideration of request by Finance Director for approval of a six-year intergovernmental agreement with the City of Milwaukee for utilization of their workforce tracking software for economic development inclusion projects [25-0907](#)
3. Consideration for pursuing a website redesign [25-0881](#)
4. Report from the Finance Department on the 2025 First Quarter General Fund Financial Results [25-0681](#)
5. Report from the Finance Director on the 2026-2030 Five-Year General Fund Forecast [25-0909](#)

#### ADJOURNMENT

#### NOTICE TO PERSONS WITH A DISABILITY

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



# Wauwatosa, WI

7725 W. North Avenue  
Wauwatosa, WI 53213

## Staff Report

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**File #:** 25-0674

**Agenda Date:** 6/3/2025

**Agenda #:** 1.

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Consideration of 2025 Community Development Block Grant (CDBG) funding requests

**A. Issue**

Review and approval of 2025 Community Development Block Grant (CDBG) funding requests.

**B. Background/Options**

The CDBG Committee met in December, 2024 to review applications and set funding levels for the City's 2025 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 2025 CDBG grant award is \$988,733, an \$11,267 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 all three categories Administration, Public Services, and Public Facilities, the CDBG committee recommended project amounts were reduced by ~ 1% to match the 2025 grant award.

Attached is a breakdown of the 2025 funding requests along with a brief project summary, and the recommendation for 2025 grant funding. These projects and their ultimate funding amounts will be included in the 2025 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 2025 CDBG funding levels with a Level III fund transfer and final approval given by the Common Council.

## City of Wauwatosa 2025 Community Development Block Grant (CDBG) Program

Amount of 2025 CDBG Funds: \$988,733

### ADMINISTRATION & PLANNING - \$197,746 / 20% spending cap in this category

	2024 Funded Amount	2025 Request	2025 Recommendation
<b>Project Name.</b> Program Administration	\$ 158,412	\$ 200,000	\$ 156,306
<b>Description:</b> Provides for all costs associated with the administration of the CDBG Program including salaries and fringe benefits, supplies, notices, and training travel expenses. Funds are also used to support planning studies.			
<b>Project Name.</b> Metropolitan Milwaukee Fair Housing Council	\$ 42,000	\$ 45,197	\$ 41,440
<b>Description:</b> The Metropolitan Milwaukee Fair Housing Council is funded to provide fair housing opportunities through its Fair Housing Project (FHP), designed to further fair housing and eliminate unfair and illegal discrimination in the sale, renting, financing or insuring of housing. The Fair Housing Council provides fair housing information, counseling and investigative services and research and technical assistance. The fair housing component is a HUD requirement for each grant year.			
<b>Total Administrative &amp; Planning Requests</b>	<b>\$ 200,412</b>	<b>\$ 245,197</b>	<b>\$ 197,746</b>

**PUBLIC SERVICES - \$148,309 / 15% spending cap in this category**

	2024 Funded Amount	2025 Request	2025 Recommendation
<b>Project Name. Senior Center /Recreation Department</b>	\$ -	\$ 84,000	\$ 79,212
<b>Description:</b> 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.			
<b>Project Name. Tosa Cares</b>	\$ 7,099	\$ 10,000	\$ 6,774
<b>Description:</b> 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. Outside of CDBG funds, the program relies totally on donations and is all volunteer run.			
<b>Project Name. Life Navigators</b>	\$ 26,100	\$ 30,000	\$ 24,907
<b>Description:</b> 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.			
<b>Project Name. Vision Forward</b>	\$ 7,099	\$ 15,000	\$ 6,774
<b>Description:</b> Vision Forward provides vision rehabilitation services for adults who are blind and visially impaired. Services include assessent and training in low vision, activities of daily living, communication, orientation and mobility and technology. Grant funds pay for staff salaries/costs in proportion to the number of Wauwatosa residents served.			
<b>Project Name. ERAS Senior Network</b>	\$ 27,100	\$ 27,098	\$ 25,865
<b>Description:</b> The chief aim of the neighborhood outreach program is to help older adults live in their homes safely for as long as possible. The program recruits community volunteers to provide day-to-day services such as informational referrals, transportation assistance, home visits and minor home projects. CDBG funds are requested to cover staff salaries.			
<b>Project Name. TOSA Community Food Pantry</b>	\$ -	\$ 5,000	\$ 4,777
<b>Description:</b> TOSA Community Food Pantry provides food monthly to seniors, unemployed and homeless individuals. Funds will be used to purchase food matching Hunger Task Force donations.			
<b>Total Public Services Requests</b>	\$ 40,298	\$ 171,098	\$ 148,309

## Public Facilities, Economic Development & Rehabilitation

There is not a funding cap in this category.		2024 Funded Amount	2025 Request	2025 Recommendation
<b>Project Name.</b>	<b>Wisconsin Women's Business Initiative Corporation (WWBIC)</b>	\$ 40,000	\$ 42,500	\$ 34,605
<b>Description:</b>	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.			
<b>Project Name.</b>	<b>Lutheran Home</b>	\$ 179,986	\$ 227,738	\$ 128,535
<b>Description:</b>	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 primarily located in resident and day care areas.			
<b>Project Name.</b>	<b>Luther Manor</b>	\$ 141,304	\$ 199,300	\$ 158,198
<b>Description:</b>	Luther Manor is a Continuing Care Retirement Community offering life-long, comprehensive housing care and services for older adults. Funds will be used for sanitary sewer repairs and energy rehabilitation.			
<b>Project Name.</b>	<b>Community Development Authority</b>	\$ 247,960	\$ 450,000	\$ 321,340
<b>Description:</b>	Funds would 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.			
<b>Total Public Facilities, Economic Development &amp; Rehabilitation</b>		\$ 609,250	\$ 919,538	\$ 642,678
<b>Total CDBG Requests</b>			\$ 1,335,833	\$ 988,733



## Staff Report

**File #:** 25-0907

**Agenda Date:** 6/3/2025

**Agenda #:** 2.

Consideration of request by Finance Director for approval of a six-year intergovernmental agreement with the City of Milwaukee for utilization of their workforce tracking software for economic development inclusion projects

**Submitted by:**

John Ruggini

**Department:**

Finance

**A. Issue**

The Procurement Equity Policy requires Tax Increment Financing projects include required Distressed Zip Code hiring inclusion goals. Specialized software is necessary to track the workforce information necessary to determine whether developers have met this goal. The City has previously used a private cloud-based software provider. However, the City of Milwaukee has developed its own software program and is willing to make it available to the City of Wauwatosa for approximately a 25-50% savings.

**B. Background/Options**

Early in 2022, the City of Wauwatosa instituted and managed an Equity and Inclusion initiative for commercial developers seeking Tax Incremental Financing (TIF) to supplement their development projects. The inclusion program includes two major initiatives:

A. Developers seeking TIF support for commercial development projects are to make a Good Faith Effort (GFE) to utilize Disadvantaged businesses as follows.

- (1) 25% of Professional Service expenditures
- (2) 25% of Construction Goods and Service expenditures

B. Additionally, the program requires best efforts to have 25% of onsite labor hours for any newly hired workforce to come from residents living in the 12 most Distressed Milwaukee County Zip codes.

The workforce development goal requires specialize software so that contractor and sub-contractor can upload payroll information that can be then verified. For the three projects completed to date, we have used a private cloud-based software solution and the average cost has been \$10,200. Staff felt this was excessive given this made up 10-15% of the total project cost and in comparison, to other cloud-based solutions the City uses for other purposes. The vendor met with City staff but declined to provide a reduction in pricing.

The City's contracted monitor, Prism, made the City aware that the City of Milwaukee had similar frustrations and had recently completed developing its own in-house product. City staff and Prism consultants determined the Milwaukee product, "LCR" would meet City requirements and also create efficiencies - for example, Wauwatosa would not have to enter contractors that were already registered with the City of Milwaukee.

Attached is an intergovernmental agreement negotiated between our two cities to establish the terms and conditions under which the City of Wauwatosa will license Labor Compliance Reporting software (“LCR”) from the City of Milwaukee for a period of six years.

LCR is a web-based tool built, owned, and utilized by Milwaukee to track payroll and socio-demographic information of the workforce hired by Milwaukee’s private contractors and sub-contractors. Wauwatosa will utilize LCR to track payroll and socio-demographic information of the workforce hired by private developers involved in the construction of economic development projects receiving public support as required by our “Economic Development Procurement Inclusion” policy

We anticipate that this Agreement will save us an estimated 25-50% per project compared to its current expenses with a private third-party software company. That company was not willing to negotiate its pricing structure.

The Agreement is an intergovernmental cooperation agreement authorized by Wis. Stat. § 66.0301. and is also pending approval before the City of Milwaukee Common Council.

Both Cities intend to submit this agreement for an innovation grant sponsored by the State of Wisconsin and to present the partnership as a model to the Intergovernmental Cooperation Council of Milwaukee County.

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

Financial Resiliency and Economic Development

**C. Fiscal Impact**

Approximate savings of \$2,500 - \$7,500 per project. Savings will benefit the Tax Increment Districts.

**D. Recommendation**

I recommend approval of this intergovernmental agreement with the City of Milwaukee for a period of six years.



# **COOPERATIVE INTERGOVERNMENTAL SOFTWARE LICENSE AGREEMENT**

**Between the City of Milwaukee and the City of Wauwatosa**

**RE: Utilization of the City of Milwaukee's Labor Compliance Reporting Software**

## **I. Purpose and Intent**

1. The purpose of this Cooperative Intergovernmental Software License Agreement ("Agreement") is to establish the terms and conditions under which the City of Wauwatosa ("Licensee") will license Labor Compliance Reporting software ("LCR") from the City of Milwaukee ("Licensor") for a period of six years.
2. The parties enter into this Agreement through their collective pursuit of workforce development as a means to eliminate poverty, strengthen neighborhoods and serve as mechanism to share in the wealth created through economic development more broadly in the region. This Agreement also advances both parties' goals of city/suburban collaboration and local government innovation and efficiency.
3. LCR is a web-based tool built, owned, and utilized by Licensor to track payroll and socio-demographic information of the workforce hired by Licensor's private contractors and sub-contractors. Licensee will utilize LCR to track payroll and socio-demographic information of the workforce hired by Licensee involved in the construction of economic development projects receiving public support as required by Licensee's "Economic Development Procurement Inclusion" policy as further described herein (the "Purpose").
4. Licensee anticipates that this Agreement will save it an estimated 25-50% per project compared to its current expenses with a private third-party software company. That company was not willing to negotiate its pricing structure.
5. The Agreement is an intergovernmental cooperation agreement authorized by Wis. Stat. § 66.0301.

## **II. Term**

This Agreement shall be effective from the date of the final signatures below, and shall continue for a period of six years, unless otherwise extended via written amendment to this Agreement or terminated in accordance with the terms set forth herein (collectively the "Term").

## **III. Access and Services Provided**

1. Subject to and conditioned upon payment of Fees (as defined below) and compliance with all terms and conditions of this Agreement, Licensor grants Licensee a non-exclusive, non-transferable, revocable (as set forth herein) right to access and use LCR during the Term solely for the Purpose. In order to facilitate this license, Licensor agrees to provide Licensee's employees and contractors designated in writing by Licensee to Licensor via an email sent to webhelp@milwaukee.gov (the "Users") with access to LCR's online portal during the Term so that the Users may use LCR solely to fulfill the

Purpose. Licensee shall have no more than five Users at any given time unless otherwise agreed to in writing by Licensor.

2. In the event that Licensee experiences issues using LCR, Licensee shall email [webhelp@milwaukee.gov](mailto:webhelp@milwaukee.gov) for assistance. Licensee may also call Licensor at 414-286-2777 in addition to sending an email to [webhelp@milwaukee.gov](mailto:webhelp@milwaukee.gov).
3. Licensor shall provide commercially reasonable training to Users in the effective use of LCR after execution of this Agreement. The training to be provided to Licensee shall be designed to allow the initial Users trained on the use of LCR to thereafter train other subsequent Users; therefore Licensor shall only be required to provide the training once.
4. Licensor may, in its sole discretion, make commercially reasonable updates to LCR from time to time including improvements, corrections of substantial defects in LCR, periodic maintenance releases, and technical support regarding the use of LCR or response to errors in LCR.
5. Licensor shall establish a process for Licensee to request software enhancements in accordance with Section VII of this Agreement.
6. LCR shall be reasonably accessible to Licensee except for (i) scheduled maintenance and required repairs; and (ii) any interruption due to causes beyond Licensor's control or which are not reasonably foreseeable by Licensor, including, but not limited to, interruption or failure of telecommunication or digital transmission links and internet slow-downs or failures or other force majeure events.
7. Nothing contained herein shall transfer any ownership rights over LCR to Licensee from Licensor. All rights to access or use LCR shall terminate upon the expiration or termination of this Agreement.

#### **IV. Use Restrictions**

1. Licensee shall not use LCR for any purpose beyond the scope of the access granted in this Agreement.
2. Licensee shall not and will not permit any third party to:
  - i. use LCR for any unlawful purpose or in any manner not permitted by this Agreement;
  - ii. use LCR in any manner which could damage, disable, overburden, or impair LCR or interfere with any other party's use and enjoyment of LCR;
  - iii. modify or change LCR;
  - iv. reverse engineer, decompile, decrypt, hack, emulate, exploit, disassemble or make any attempt to discover the source code relevant to LCR;
  - v. circumvent or bypass any technological protection measures in or relating to LCR;
  - vi. publish, copy, rent, lease, sell, license, sublicense, assign, transfer, export, import, distribute, or lend or otherwise make LCR available to any third party;
  - vii. access, monitor or copy any content or information of LCR other than any of the same owned by Licensee;
  - viii. remove any proprietary notices from LCR;
  - ix. use LCR in any manner or for any purpose that infringes, misappropriates, or otherwise violates any intellectual property right or other right of Licensor or any third party;

- x. access or use LCR for purposes of competitive analysis of LCR, the development, provision, or use of a competing software service or product or any other purpose that is to Licensor's detriment or commercial disadvantage; or
- xi. introduce malicious code. Malicious code includes, without limitation, any virus, malware or undocumented or hidden functionality or performance capability contained within electronic files, data, or software.

## V. Licensee Obligations

1. Licensee is responsible for and must provide all required computer hardware, software and other services necessary to access LCR.
2. Licensee agrees to secure and protect LCR in a manner consistent with the maintenance of Licensor's rights and cause no harm to Licensor equipment, software, or processes used in connection with furnishing LCR and any entities from whom Licensor obtains network or web services.
3. LCR may require Users to obtain a user identification and password for access and use. Licensee shall ensure that Users use reasonable efforts, including reasonable security measures relating to access, to ensure that no unauthorized person, including any employee or contractor for any parent, subsidiaries, affiliated entities or third parties, gains access to LCR without Licensor's prior written consent. Licensee is solely responsible for maintaining the confidentiality of User identification, passwords and codes (collectively, "**User Information**") assigned to Users for any activity that occurs under any User's account as a result of Licensee or User's failing to keep User Information secure and confidential. Licensee shall promptly inform Licensor in writing via an email to [webhelp@milwaukee.gov](mailto:webhelp@milwaukee.gov) if any need to deactivate or replace any User Information due to security concerns arises. Licensor is not liable for any harm related to theft or disclosure of Licensee or any User's User Information or authorization to allow another person or entity to access and use LCR using Licensee or any User's User Information. Licensee agrees to notify Licensor immediately upon becoming aware of any unauthorized use of User Information. In the event of any unauthorized access or other reasonable threat to LCR by Licensee, any User, or any third party (whether or not caused by Licensee), Licensor shall be allowed to take any and all steps it reasonably determines are necessary or beneficial to take to protect LCR, Intellectual Property (as defined below), or any of Licensor's data or IT systems.
4. Licensee agrees to identify support staff who, to the maximum extent practicable, will be the primary source of IT communications under this Agreement from Licensee to Licensor.

## VI. Costs and Payment Structure

1. Licensee agrees to pay Licensor the following fees for each development project utilizing LCR (the "Fees"):
  - i. \$5,000 per development project with a total development cost of less than \$100,000,000.

- ii. \$8,000 per development project with a total development cost of more than \$100,000,000 but less than \$200,000,000.
  - iii. For any development project with a total development cost of more than \$200,000,000, an additional \$3,000 per \$100,000,000 of additional development cost shall be charged to Licensee. This additional Fee shall not be prorated (i.e. the Fee for a \$200,000,001 project would be \$11,000 and the Fee for a \$275,000,000 would also be \$11,000).
- 2. Each phase of a multi-phase project will be assessed a Fee based on the development cost of each individual phase. A multi-phase project is one that has a separate construction timeline for each phase or each phase could stand-alone as a separate project.
- 3. Within 30 days of approval of a development for which Licensee shall utilize LCR by Licensee's common council and mayor, Licensee shall provide Licensor with a copy of the development agreement and legislative file approving such development via email to **ENTER HERE MARY**. Thereafter Licensor shall invoice Licensee in accordance with the Fee schedule set forth above.
- 4. Licensee shall pay all Fees within 30 days of receiving an invoice from Licensor. Licensee shall not utilize LCR for any developments until the Fee associated with such development is paid in full to Licensor. A monthly late fee of 1% interest shall accrue on any unpaid Fee or portion thereof not paid within 30 days of the invoice due date associated with such Fee. Interest shall accrue only on the unpaid principal balance of the Fee and shall not be compounded.
- 5. Licensor reserves the right to request renegotiation the Fee structure and amount if Licensee's economic development projects differ significantly in size, scope, or duration from its historical pattern over the five years preceding execution of this Agreement (as reasonably determined by Licensor) and Licensee agrees to reasonably cooperate in such renegotiation. Any updated Fee shall not go into place until 60 days after the initial request to update the Fee is made by Licensor and the new pricing would only affect projects not yet under construction. In the event that no new Fee can be agreed to, no new developments can be entered into LCR.

## **VII. Software Enhancements**

- 1. Licensee may request enhancements to LCR by contacting [webhelp@milwaukee.gov](mailto:webhelp@milwaukee.gov) via electronic mail.
- 2. Licensor shall, in its sole discretion, determine whether to implement any enhancements requested by Licensee.
- 3. If, as determined by Licensor in its sole discretion, an enhancement requested by Licensee requires significant time and effort or is not deemed desirable or necessary for Licensor's purposes, Licensor may impose an additional Fee for such work, the amount of which shall be determined in Licensor's sole discretion based on the complexity of the requested enhancement. Licensor shall provide an estimate of any such additional Fees, which must be agreed upon in writing by Licensee and paid in full before Licensor shall commence work on such enhancement(s).

## **VIII. Data Security, Records, and Confidentiality**

1. Both Parties agree to take reasonable measures to protect the confidentiality and security of any data shared within LCR. Each party shall be deemed to be the owner of its own data as further set forth below in Section IX.
2. Both Parties agree the other is bound by the Wisconsin Public Records Law, Wis. Stat. §19.21, et. seq. Pursuant to Wis. Stat. §19.36(3), either Party may be obligated to produce, to a third party, the records of the other Party that are “produced or collected” under this Agreement (“Records”). Irrespective of any other term of this the Parties are obligated to: (1) retain Records for seven years from the date of the Record’s creation, and (2) produce such Records where the Wisconsin Public Records Law requires production of the Records to a third (3<sup>rd</sup>) party in response to a public records request.
3. Licensor will not share Licensee’s project data with third parties without prior written consent, except as required by any applicable laws, rules, regulations, or court orders including but not limited to Wisconsin’s Public Records Law, Wis. Stat. §19.21, et. seq.

## **IX. DATA OWNERSHIP**

1. **Licensor’s Intellectual Property.** At all times, LCR, including without limitation, the text, images, graphics, method of display and presentation, visual interfaces, user interfaces, photographs, copyrights, patents, trademarks, trade secrets, logos, sounds, music, artwork, computer code, and associated material and functionality contained therein (collectively “Intellectual Property”), shall remain the property of Licensor. Licensee acknowledges that LCR constitutes commercially valuable, proprietary products, the design and development of which reflect the effort of skilled development experts and the investment of considerable time and money by Licensor. Licensee further acknowledges that Licensor shall retain all right, title and interest in the Intellectual Property (including application development, business and technical methodologies, and implementation and business processes, used to develop or provide LCR), and any and all updates, enhancements, customizations, revisions, modifications, future releases and any other changes relating to the foregoing. Except for limited access and use rights granted pursuant to this Agreement, Licensee does not acquire any interest in LCR. Licensor reserves all rights not expressly granted to Licensee in this Agreement. Except for the limited rights expressly granted under this Agreement, nothing in this Agreement grants, by implication, waiver, estoppel, or otherwise, to Licensor or any third party, any intellectual property rights or other right, title, or interest in or to LCR.
2. **Licensee Data.** All information provided by Licensee, including, any technology, intellectual property, data, information, or material provided or submitted by Licensee or its Users in the course of using LCR shall be referred to as “Licensee Data”. Except as otherwise expressly provided for in this Agreement, all right, title, and interest in and to Licensee Data and results from processing Licensee Data are and shall remain Licensee’s property and no right, title, or interest in and to Licensee Data or the results from processing Licensee Data shall vest in Licensor. Licensee hereby irrevocably grants all such rights and permissions in or relating to Licensee Data as are necessary for Licensor to exercise its rights and perform its obligations hereunder including the right to fully view and audit any of Licensee Data on LCR to ensure all projects entered in LCR have been fully paid for in advance. Licensor will maintain commercially reasonable technical and security measures designed to prevent unauthorized disclosure of Licensee Data.

Licensor shall notify Licensee of any unauthorized use of Licensee Data, breach of security, or loss or theft of Licensee Data promptly upon discovery of such unauthorized use, breach, loss, or theft and shall take all commercially reasonable action for the protection of personal data and to mitigate such breach, loss, theft or unauthorized use.

## **X. Termination and Effect of Termination**

1. Either Party may terminate this agreement with 90 days' written notice to the other Party.
2. If either Party fails to fulfill in a timely and proper manner any of its obligations or violates any of the provisions of this Agreement, the other Party shall have the right to terminate this Agreement. The Party wishing to terminate the Agreement hereunder shall notify the other Party of its intent to terminate by giving such Party written notice identifying the alleged breach of the Agreement and shall give the breaching Party 30 days to cure such deficiencies prior to termination. Neither Party shall be relieved of liability to the other for damages sustained by virtue of any breach of the Agreement, and both Parties shall retain their remedies under the law.
3. Upon termination, Licensee shall immediately discontinue use of LCR, and Licensor may, in its sole discretion, revoke all Users' access to LCR.
4. Upon request of Licensee no more than one year after the effective date of termination of this Agreement, Licensor will provide Licensee with an electronic data extract (in excel or .csv format) of all past and current projects within LCR.
5. If this Agreement is terminated early by either Party, Licensor will be paid all amounts due by Licensee under this Agreement as of the effective date of termination.
6. Sections **FILL IN** and any other section(s) which by its/their meaning is/are implied to survive termination shall continue in force and effect following the termination or expiration of this Agreement.

## **XI. Dispute Resolution**

1. This Agreement shall be governed by, construed, interpreted, and enforced in accordance with the laws of the State of Wisconsin. The Parties agree that for any claim or suit or other dispute relating to this Agreement that cannot be mutually resolved, jurisdiction and venue shall be in Milwaukee County, Wisconsin, for matters arising under state law or, should federal courts have jurisdiction, the eastern district of Wisconsin. The parties agree to submit themselves to the jurisdiction of said courts, to the exclusion of any other court that may have jurisdiction over such a dispute according to any other law.
2. Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, (c) by facsimile, or (d) by a commercial overnight courier that guarantees next day delivery and provides a receipt, and such notices shall be addressed to Licensor at:

City of Milwaukee

**[INSERT]**

Or Licensee at:

City of Wauwatosa  
Attention: City Attorney  
7725 West North Avenue  
Wauwatosa, WI 53213

3. Nothing in this Agreement is meant to create or creates any rights, obligations, or benefits directly or indirectly to any party not a signatory of this Agreement.
4. It is recognized and acknowledged by Licensee that a breach of the covenants contained in this Agreement may cause irreparable damage to Licensor, the exact amount of which will be difficult or impossible to ascertain, and that the remedies at law for any such breach may be inadequate. Accordingly, Licensee agrees that in the event of a breach of this Agreement, in addition to any other remedy which may be available at law or in equity, the Licensor will be entitled to specific performance and injunctive relief without the requirement to post any bond.

## XII. INDEMNIFICATION AND IP CLAIMS.

Licensee shall indemnify Licensor and its officers, agents and employees for all losses, damages, costs, expenses, judgments, accrued interest, liabilities, or decrees arising out of any claim, action in a court, or proceeding before an administrative agency that is brought against Licensor or any of its subcontractors, officers, agents, or employees for the acts or omissions of Licensee, any Users, or any of Licensee's subcontractors, officers, agents, or employees in whole or in part which are a breach of this Agreement, or for injury or damage caused by negligent, willful, or intentional acts or omissions of Licensee, any Users, or any of Licensee's subcontractors, its officers, agents or employees. Licensor will, at its sole option, decide whether to tender the defense of any claim, action in court, or proceeding before an administrative agency in which Licensee has a duty to indemnify to Licensee or Licensee's insurer and upon such tender it shall be the duty of Licensee and Licensee's insurer to defend such claim, action, or proceeding without cost or expense to Licensor or its officers, agents, or employees using counsel selected by Licensee or Licensee's insurer and approved by Licensor. Licensee shall not settle any claim, action in any court, or proceeding before an administrative agency relating to Licensor unless Licensor consents to the settlement in writing.

## XIII. Liability and Warranty

1. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, LICENSOR HEREBY DISCLAIMS ALL WARRANTIES OF ANY KIND WHETHER, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT OR AS TO THE QUALITY, UTILITY OR PERFORMANCE OF LCR, ALL OF WHICH ARE HEREBY EXPRESSLY EXCLUDED. LICENSOR FURTHER MAKES NO WARRANTY THAT (i) LCR WILL MEET LICENSEE'S REQUIREMENTS, (ii) LCR WILL BE AVAILABLE, UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE, (iii) THE RESULTS THAT MAY BE OBTAINED FROM THE USE OF LCR WILL BE ACCURATE OR RELIABLE, OR (iv) THE QUALITY OF ANY PRODUCTS, SERVICES, INFORMATION, DATA, OR OTHER

MATERIAL ACCESSED BY LICENSEE OR THE USERS THROUGH LCR WILL MEET LICENSEE'S EXPECTATIONS. NO ADVICE OR INFORMATION, WHETHER ORAL OR WRITTEN, OBTAINED BY LICENSEE FROM LICENSOR SHALL CREATE ANY WARRANTY NOT EXPRESSLY STATED IN THIS AGREEMENT.

2. IN NO EVENT WILL LICENSOR BE LIABLE UNDER OR IN CONNECTION WITH THIS AGREEMENT UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, AND OTHERWISE, FOR ANY: CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, ENHANCED, OR PUNITIVE DAMAGES; (ii) LOSS OF GOODWILL OR REPUTATION; IN EACH CASE LICENSOR WAS ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES OR SUCH LOSSES OR DAMAGES WERE OTHERWISE FORESEEABLE. IN NO EVENT WILL LICENSOR'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, AND OTHERWISE EXCEED THE AMOUNTS ACTUALLY PAID TO LICENSOR UNDER THE AGREEMENT DURING THE TWELVE-MONTH PERIOD IMMEDIATELY PRECEDING THE FIRST INCIDENT OUT OF WHICH THE LIABILITY AROSE.
3. Through LCR, Licensee may have access to third-party applications, databases, directories, information, networks, products, programs, servers, services, software, systems, or websites, (collectively, "Third-Party Services"). Licensor has no control over such Third-Party Services and disclaims any and all responsibility and liability for the content, operation, or use of such Third-Party Services. All Third-Party Services are provided on an "as-is" basis, with no warranties of any kind.

#### **XIV. Miscellaneous**

1. This Agreement constitutes the entire agreement between the Parties and supersedes any prior agreements or understandings, whether written or oral, regarding the subject matter hereof including licensing LCR.
2. This Agreement may be amended only by a written agreement signed by authorized representatives of both Parties.
3. The Parties are independent contractors. Licensee and its officers, employees or agents are not employees of Licensor, nor are they entitled to any fringe benefits or any other benefits to which Licensor's employees are entitled to or are receiving. Licensor and its officers, employees or agents are not employees of Licensee, nor are they entitled to any fringe benefits or any other benefits to which Licensee's employees are entitled to or are receiving. Licensee and Licensor form no joint venture or partnership under this Agreement.
4. It is Licensor's policy not to discriminate against any qualified employee or qualified applicant for employment because of an individual's sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status, sexual orientation, gender identity or expression, victimhood of domestic abuse or sexual assault, past or present membership in the military service, HIV status, domestic



partnership, genetic identity, homelessness, familial status, or an individual's affiliation or perceived affiliation with any of these categories ("Protected Classes"). Pursuant to Milwaukee Code of Ordinances (MCO) Section 109-9 all of Licensor's contractors and their subcontractors employing any resident of the City of Milwaukee may not discriminate against any member of the Protected Classes, and such contractors must insert this clause into any subcontracts of subcontractors employing any resident of the City of Milwaukee. The parties do not intend that Licensee shall be a "contractor" as used in MCO Section 109-9.

5. If any term of this Agreement is, to any extent, held invalid or incapable of being enforced, such term shall be excluded only to the extent of such invalidity or unenforceability. All other terms hereof shall remain in full force and effect and, to the extent possible, any invalid or unenforceable term shall be deemed replaced by a term that is valid and enforceable and that comes closest to expressing the intention of such invalid or unenforceable term as reasonably determined by Licensor. If such invalid or unenforceable term has a material and adverse effect on a party and a valid and enforceable replacement that comes closest to expressing the intention of such invalid or unenforceable term as reasonably determined by Licensor cannot be created, the party materially and adversely impacted shall be allowed to terminate the Agreement pursuant to Section X(2) of this Agreement.
6. Should any local, state or national regulatory authority having jurisdiction over either Party impose a valid and enforceable order upon such Party which has the effect of changing or superseding any term or condition of the Agreement, such order shall be complied with, but only so long as such order remains in effect and only to the extent actually necessary under the law. In such event, the Agreement shall remain in effect and be modified or terminated in the manner provided for by this Section.
7. Neither party shall be required to perform any term, condition or covenant of this Agreement to the extent such performance is delayed or prevented by labor difficulties, governmental orders, civil commotions, pandemics, acts of God, or other conditions or circumstances beyond either party's reasonable control. Licensor shall not be liable for interruptions caused by failure of equipment or services not provided by Licensor, failure of communications, power outages, or other interruptions not within Licensor's complete control, and Licensor shall not be liable for performance deficiencies caused or created by Licensee's equipment. Licensor shall not be liable if changes in operation, procedures, or LCR require modification or alteration of Licensee's equipment or otherwise render the same obsolete or otherwise affect its performance. The foregoing shall not excuse either party from the payment of any monies due pursuant to this Agreement.
8. Nothing in this Agreement shall be construed to waive any privilege, defense, or immunity to which either Party is entitled under common law, or federal, state, or local law; waiver of any of the foregoing may only be accomplished in writing by an individual with the authority to bind such Party.
9. Neither Party shall assign or transfer any license rights, duties, or interest in this Agreement in any manner without the written consent of the other Party.
10. The Agreement may be executed in counterparts, each of which shall be deemed an original. All counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date last written below.

**City of Milwaukee**

\_\_\_\_\_  
David Henke, Chief Information Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Bill Christianson, Comptroller

\_\_\_\_\_  
Date

Approved as to form and execution:

\_\_\_\_\_  
Greg Kruse, Assistant City Attorney

\_\_\_\_\_  
Date

**City of Wauwatosa [As a five-year agreement  
this needs common council approval]**

\_\_\_\_\_  
Dennis McBride, Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Steven Braatz, City Clerk

\_\_\_\_\_  
Date

\_\_\_\_\_  
John Ruggini, Finance Director

\_\_\_\_\_  
Date

Approved as to form and execution:

\_\_\_\_\_  
Alan R. Kesner, City Attorney

\_\_\_\_\_  
Date



## Staff Report

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**File #:** 25-0881

**Agenda Date:** 6/3/2025

**Agenda #:** 3.

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Consideration for pursuing a website redesign

**Submitted by:**

Ashlyn Weber, Communications Specialist

**Department:**

Administration

**A. Issue**

The City of Wauwatosa's website, [www.wauwatosa.net](http://www.wauwatosa.net), has reached its useful shelf life. Our last website redesign was completed in 2017, leaving the city with almost 8 years of the same website functionality and customization options. To accommodate the changing landscape of website environments, including important accessibility standards and mobile-first optimization, it's in the city's best interest to pursue a website redesign. Additionally, we were just notified that our website's current platform, "Vision" by Granicus, will no longer be supported starting in July 2025.

**B. Background/Options**

We completed a website redesign with Granicus in 2017. Since then, the websites have evolved in best practices and standards, especially related to mobile-first optimization and accessibility.

To better understand current pricing for a project of this scope, the city has contacted vendors that offer content management systems tailored to government entities and municipalities. These vendors supplied an estimate of costs for their services. The city would need to go through the competitive RFP process to obtain services from any vendor. Pursuing this project is a forthcoming request in the 2026 budget.

**Option 1: Granicus**

Granicus is our current website provider. Over five years, the total cost of ownership of a newly designed website would be an estimated \$153,117.89. This includes one-time setup and design fees, as well as annual costs. While Granicus is our current provider and can offer a newly designed website in its platform that will have support, we continue to face customer service challenges and concerns.

**Option 2: GovStack**

Over five years, the total cost of ownership of a newly designed website would be an estimated \$92,500. This includes one-time setup and design fees, as well as annual costs. GovStack offers customizable website design templates, leading to a longer shelf life for a website.

**Option 3: Local agency**

The city could also explore working with a local agency to develop a newly designed website. While we haven't obtained recent quotes from any local agencies, we are confident that a local partner could meet our needs and provide a cost-effective option worth considering. It's possible that working with a local agency may involve

more cost on the front end of this project, but the annual hosting fees could be significantly lower compared to other content management system vendors.

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

This project could overlap many areas of our strategic plan, including transportation, safe community, healthy community, public spaces, and well-maintained infrastructure.

**D. Fiscal Impact**

For informational purposes only. This would be a 2026 proposed budget request.

**E. Recommendation**

For informational purposes only.



# Website Redesign:

Initial Cost Estimates and Other  
Considerations

Financial Affairs Committee  
June 3, 2025





# Why a website redesign?



## Mobile-first

Our current analytics show that anywhere between **50-70% of people access [www.wauwatosa.net](http://www.wauwatosa.net) on a mobile device**. We want to optimize our content to be accessible on any size device.



## Accessibility

The U.S. Department of Justice's final rule on website accessibility means that our city website will have to meet WCAG level AA by April 2027.



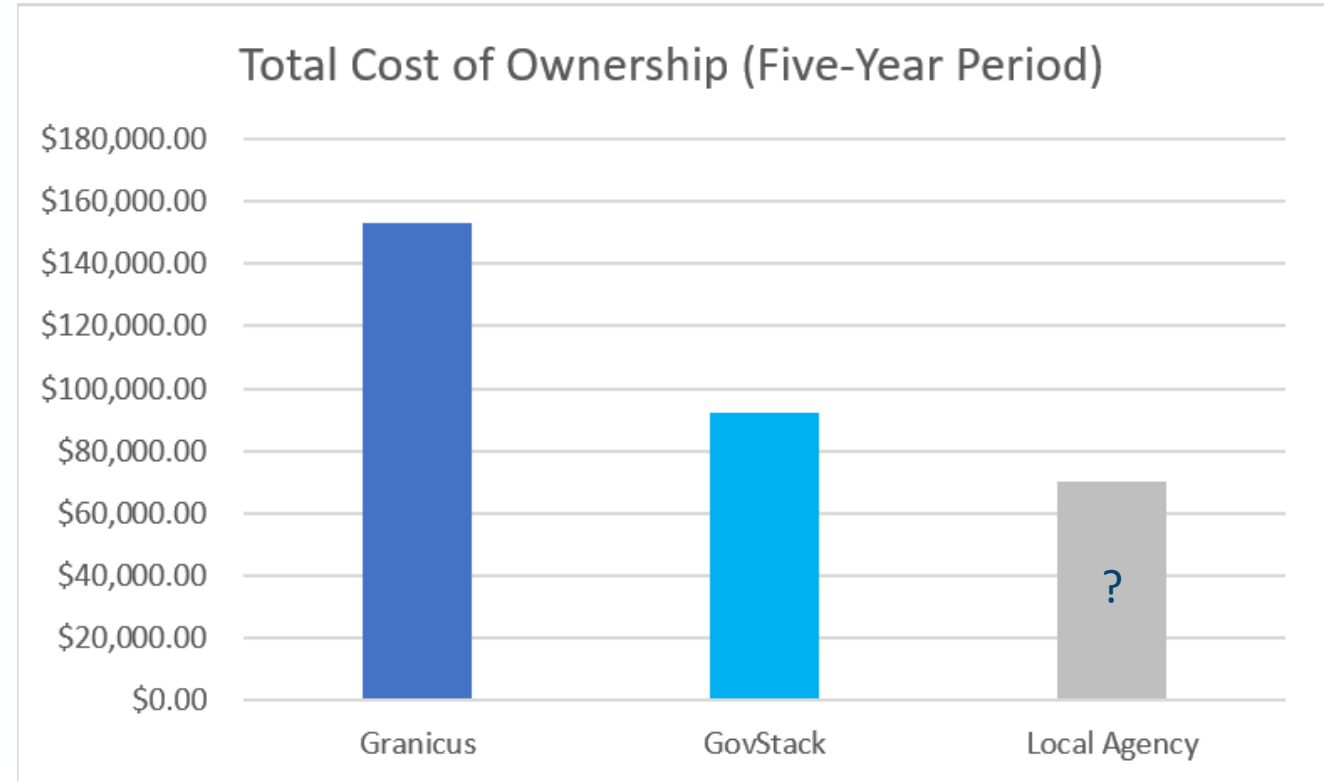
## Designing for the Future

We recognize that people's experiences with websites are constantly evolving. We want Wauwatosa's website to have an updated design and the ability to keep up with current web design best practices.

# APPROACH

## Who would we partner with?

1. **Granicus.** Over five years, the total cost of ownership of a newly designed website would be an estimated \$153,117.89.
2. **GovStack.** Over five years, the total cost of ownership of a newly designed website would be an estimated \$92,500.
3. **Local agency.** While we haven't obtained quotes from any local agencies, we are confident that a local partner could meet our needs and provide a cost-effective option worth considering.



# CONSIDERATIONS

1. **Granicus.** Beginning July 2025, our current website platform “Vision” will no longer be supported by Granicus. We continue to face other customer service challenges and concerns.
2. **GovStack.** The customizable website design templates are an area of interest with GovStack. This could lead to a longer website shelf life and would benefit our 20-30 web editors across the city. We want a solution that is easy to use so that they can continue to be empowered to make updates.
3. **Local agency.** Working with a local agency may involve more cost on the front end of this project; however, the annual hosting fees could be significantly lower compared to other content management system vendors.





# Coming Soon: 2026 Budget Request



# Wauwatosa, WI

7725 W. North Avenue  
Wauwatosa, WI 53213

## Staff Report

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**File #:** 25-0681

**Agenda Date:** 5/13/2025

**Agenda #:** 4.

---

Report from the Finance Department on the 2025 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 [NOT YET AVAILABLE] that summarizes the projected year-end General Fund results based on actual performance from January-March 2025.

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 2024 data through October. 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		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.



# 2025 Budget

## Q1 Forecast

Financial Affairs  
May 13, 2025






Agenda

# Financial Affairs

March 13, 2025



# 2025 Q1 Forecast | Summary

General Fund	BUDGET	FORCAST	VARIANCE \$	VARIANCE %
REVENUES	\$ 79,653,637	\$ 79,587,115	\$ (66,521)	 -0.1%
EXPENDITURES	\$ 79,653,637	\$ 79,611,097	\$ 42,539	 0.1%
CARRY-OVER			\$ 784,206	
	STARTING BALANCE	CHANGE	ENDING BALANCE	% OF POLICY
FUND BALANCE	\$26,589,492	\$ 760,224	\$27,349,716	 114%

## 2025 Q1 Forecast| Revenues

Row Labels	Var. to Original Budget	% Var to Original Budget	Year over Year Trend	Prior YTD Variance
1-REVENUES	(50,591)	-0.1%	➡	(2,103,596)
01-TAXES	80,355	0.1%	➡	623,508
02-STATE SHARED TAXES	(6,254)	-0.1%	➡	(13,378)
03-LICENSES AND PERMITS	(90,570)	-5.1%	⬇	(231,627)
04-FEES	(458,675)	-9.5%	↘	(310,623)
05-LAW AND ORDINANCE VIOLATIONS	(12,160)	-1.1%	↘	(32,764)
07-FEDERAL AND STATE GRANTS	5,305	1.2%	⬇	(402,876)
08-LOCAL INTERGOVT REVENUE	17,602	11.5%	⬆	16,151
09-INTEREST	400,542	16.7%	⬇	(1,761,614)
10-MISC REVENUES	(3,348)	-0.6%	↗	23,785
11-INTER-DEPT REVENUE	682	0.3%	⬇	(14,159)
12-BOND PROCEEDS	-	N/A	N/A	-
13-INTER-FUND TRANSFERS	-	0.0%	N/A	-

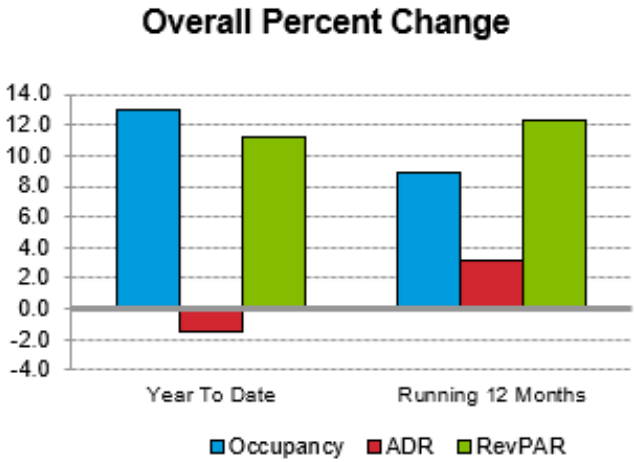
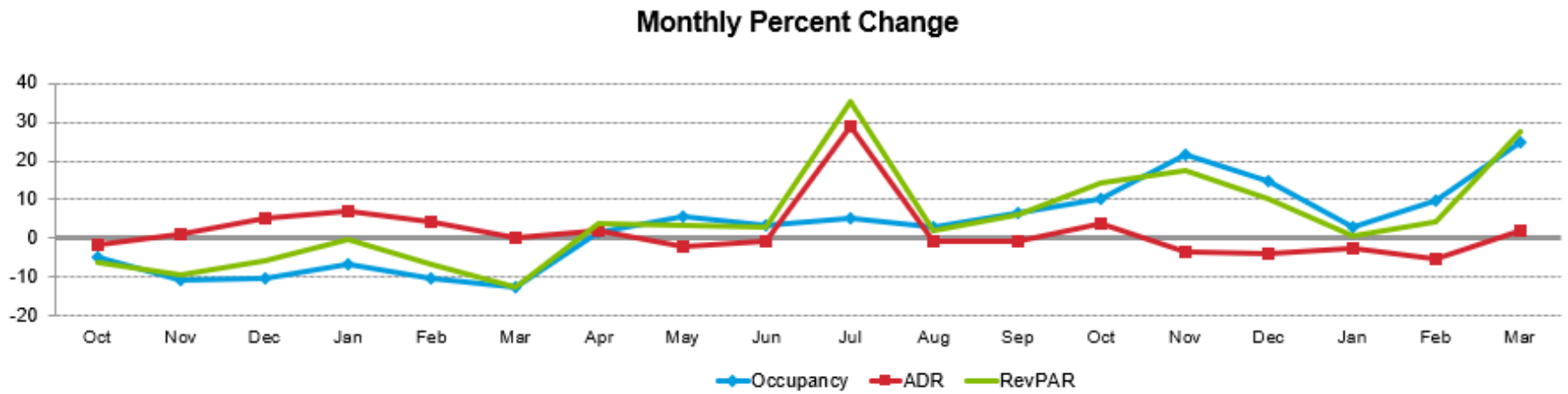


# 2025 Q1 Forecast| HOTEL TAXES

B C D E F G H I J K L M N O P

Tab 2 - Trend City of Wauwatosa WI+: City of Wauwatosa

City of Wauwatosa  
For the Month of March 2025

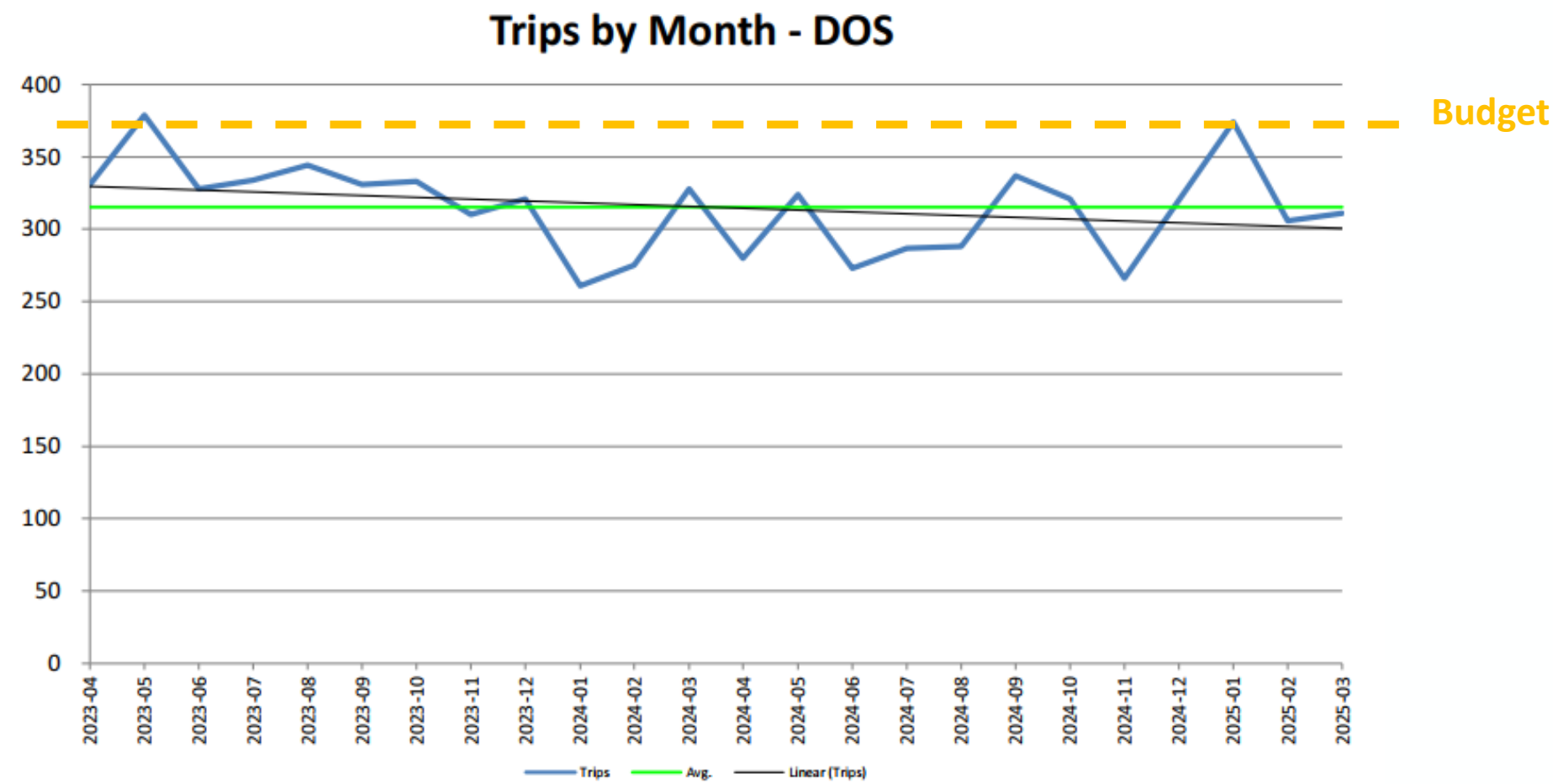




# 2025 Q1 Forecast| Permits

	Cost of Construction	Commercial Bldg permits	Residential Bldg permits*
YTD through April 2025	16,681,508	24	138
YTD through April 2024	140,187,517	41	208

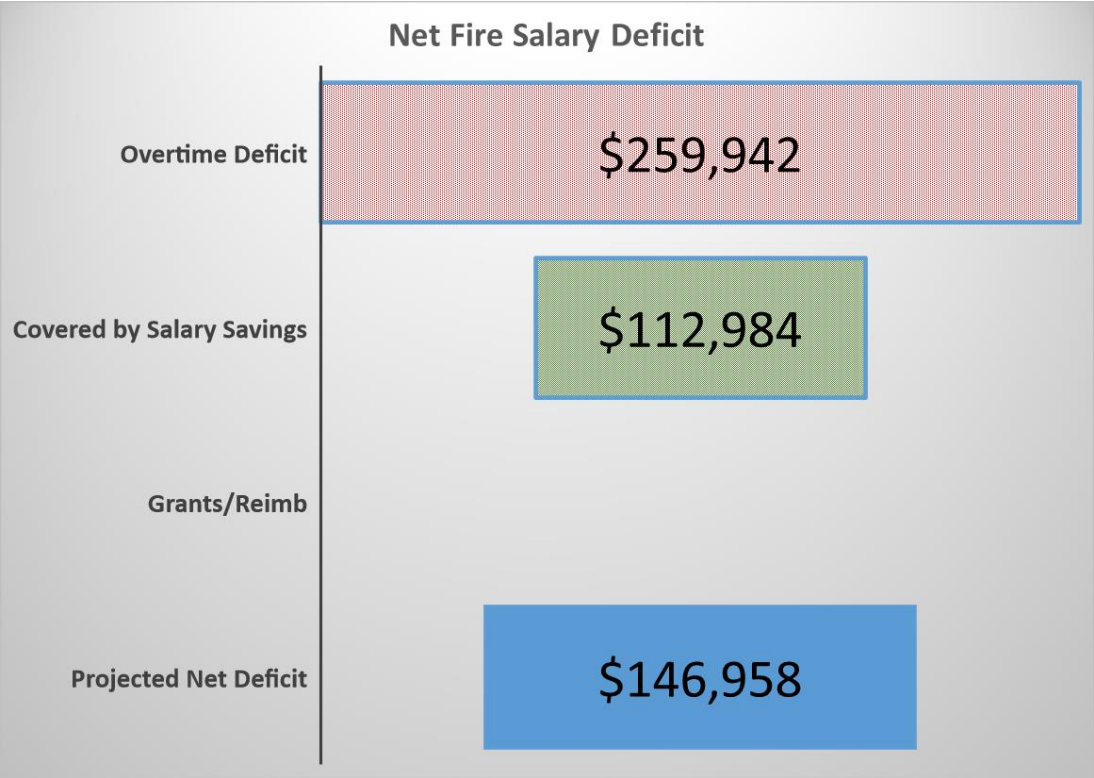
# 2025 Q1 Forecast| Ambulance Fees



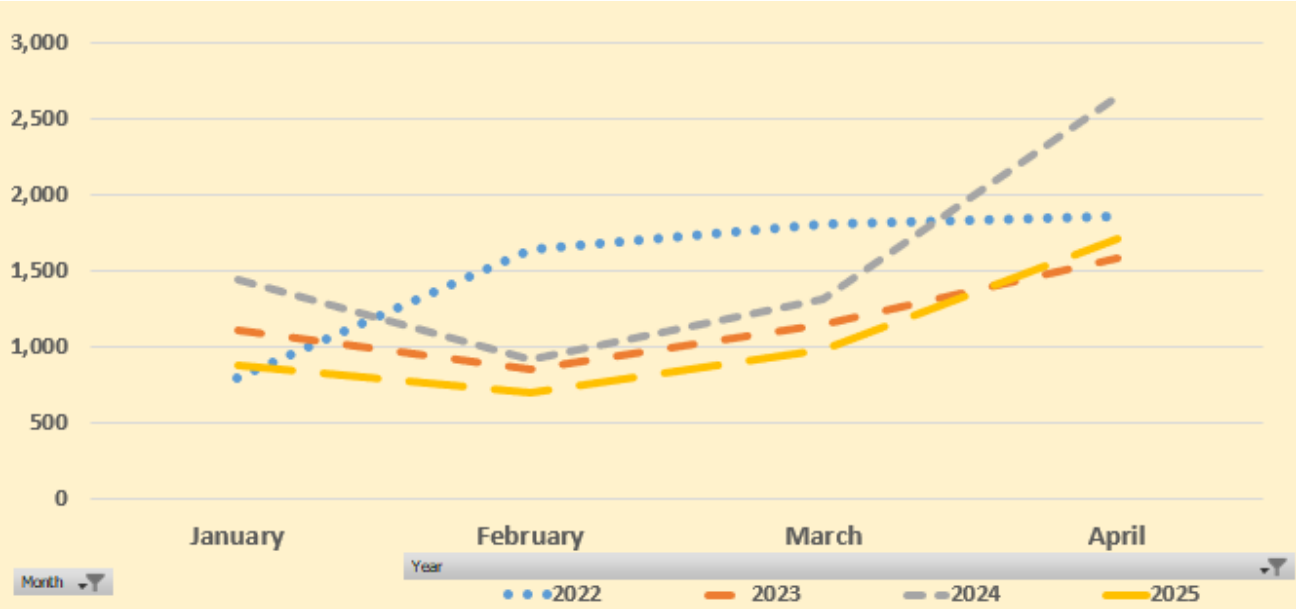
## 2025 Q1 Forecast| Expenditures

Row Labels	Var. to Original Budget	% Var to Original Budget	Year over Year Trend	Prior YTD Variance
2-EXPENDITURES	42,539	0.1%	→	160,230
01-WAGES	(361,721)	-1.1%	→	173,338
01A-REGULAR PAY-POLICE SWORN	96,681	0.9%	↗	255,875
01B-REGULAR PAY-FIRE SWORN	112,984	1.1%	↘	(92,499)
01C-REGULAR PAY-GENERAL	183,408	1.6%	→	55,719
02A-OVERTIME-POLICE SWORN	(472,717)	-52.6%	↘	(22,328)
02B-OVERTIME-FIRE SWORN	(259,942)	-81.2%	↓	(29,154)
02C-OVERTIME-GENERAL	(22,134)	-10.4%	↗	5,725
02-BENEFITS	597,420	4.2%	→	83,068
03-OPERATING EXPENDITURES	(456,500)	-7.9%	↗	119,207
04-UTILITIES	21,829	2.8%	↗	23,744
05-OTHER EXPENSES	122,225	29.6%	↓	(96,809)
08-INTER-DEPT CHARGES	93,738	2.1%	↘	(234,004)
09-CAPITAL IMPROVEMENTS	39,300	7.0%	↑	91,687
12-INTER-FUND TRANSFERS	(13,750)	-0.1%	N/A	-

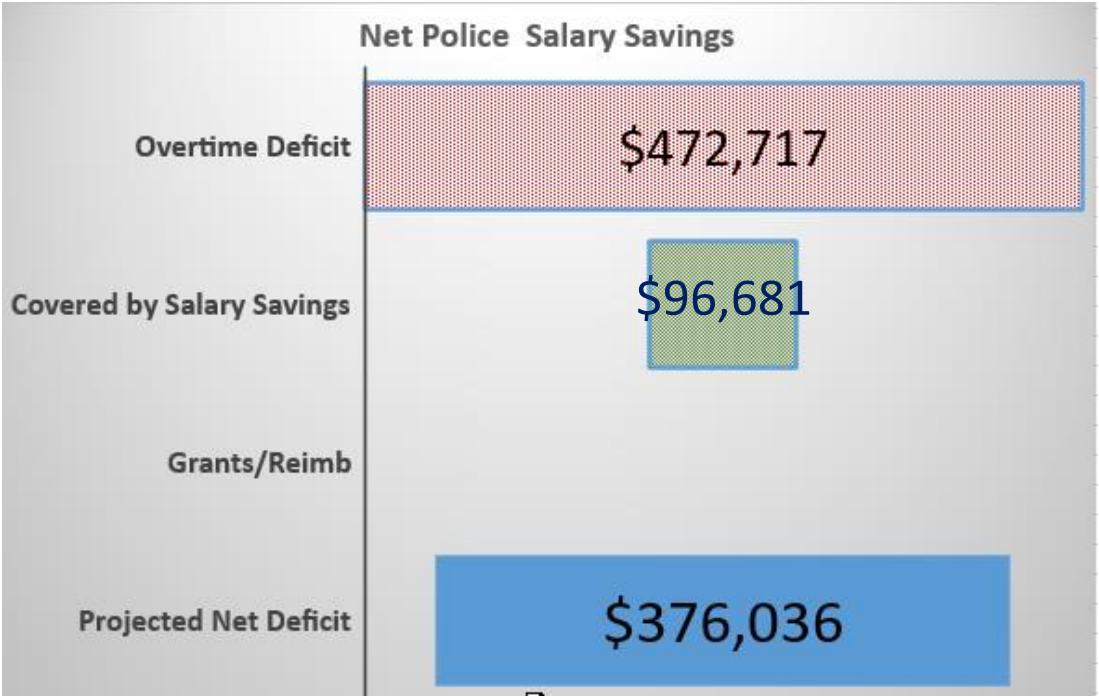
# 2025 Q1 Forecast| Fire Wages



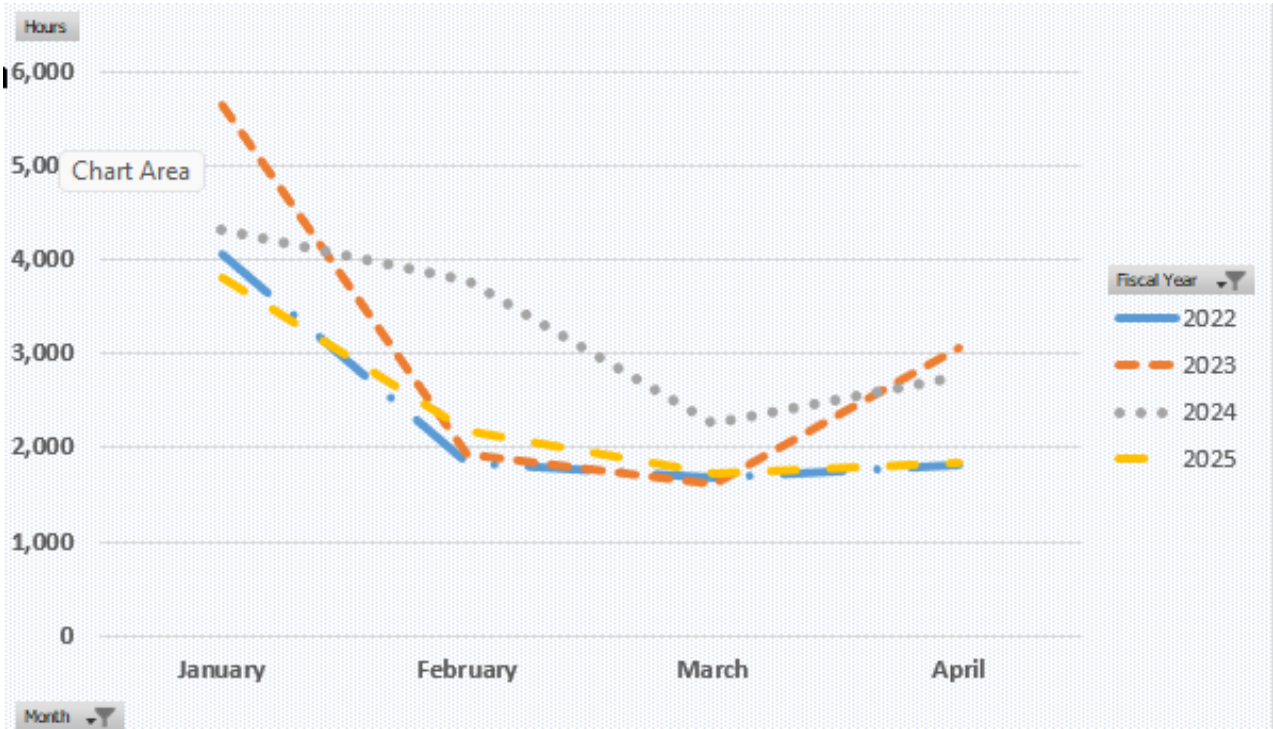
Overtime Hours by Month



# 2025 Q1 Forecast| Police Wages

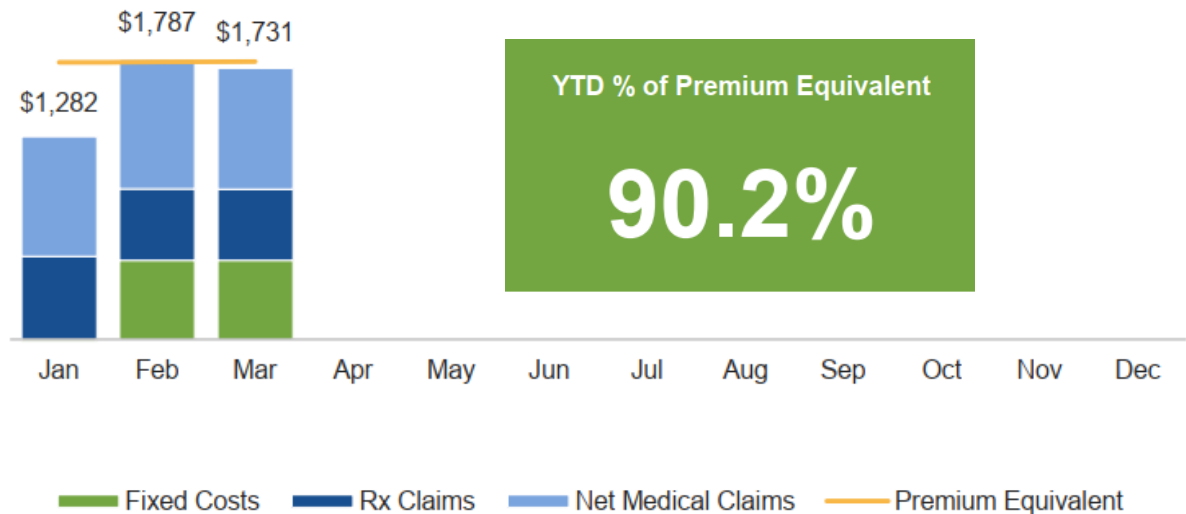


Overtime Hours by Month



# 2025 Q1 Forecast| Health Insurance

Monthly Plan Cost Per Employee



## High Cost Claimants (\$50k+)

YTD HIGH COST MEMBERS

6 Members

2 new this month

▼ 3

from prior YTD

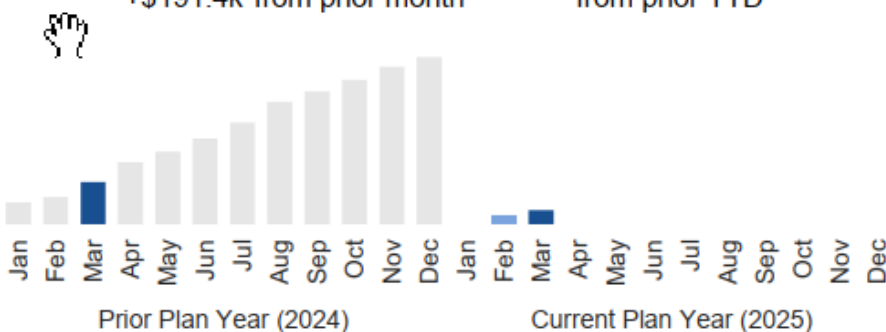
YTD HIGH COST CLAIMS PAID

\$431.1k

+\$191.4k from prior month

▼ \$872.5k

from prior YTD



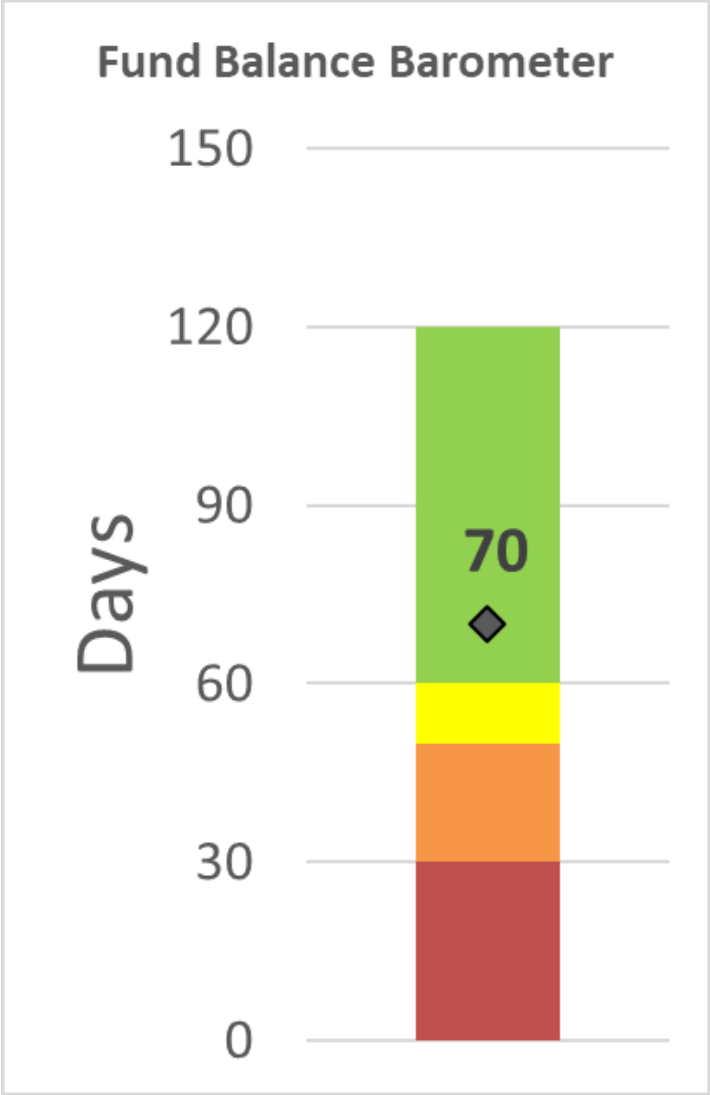
YTD HIGH COST CLAIMS AS A % OF TOTAL CLAIMS

25.2% current YTD

48.5% prior YTD



# 2025 Q1 Forecast| Fund Balance





# Wauwatosa, WI

7725 W. North Avenue  
Wauwatosa, WI 53213

## Staff Report

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**File #:** 25-0909

**Agenda Date:** 6/3/2025

**Agenda #:** 5.

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Report from the Finance Director on the 2026-2030 Five-Year General Fund Forecast

**Submitted by:**

John Ruggini

**Department:**

Finance Department

**REPORT INCLUDED AS AN ATTACHMENT DUE TO SIZE**



**Issue:** In preparation for the 2026 Budget, it is helpful to understand long-term revenue and expenditure trends for the General Fund.

**Background:** The 2026-2030 forecast was developed using the same methodology as the previous five-year forecast. Revenues and expenditures were grouped into like-categories and forecast assumptions were developed for each category based on historical data or known information such as the state budget. Those assumptions are applied to the 2024 Budget figures. It is important to emphasize that the forecast is policy neutral as it assumes the same services are provided with the same number of personnel and delivered in the same manner.

The model used to project the annual budget gap the City will face is for planning purposes. It is not meant to suggest that the City will not make any service changes, will deficit or will use fund balance. As in prior years, the budget will be balanced in each year. The model does not include any service level changes and does not assume what decision might be made to balance the budget. It does reflect the policy positions included in the Financial Resiliency policy as described below.

It is important to review the assumptions and sources for forecasted information.

#### Base Assumptions

- A 3.0% property tax levy increase for the operating budget and 0.5% for debt service for a total 3.5% property tax levy increase is assumed for 2026-2030. It is assumed the City loses its ability to exceed levy limit caps in 2030 and that there is \$141 million in net new construction in 2028 limiting the 2030 operating budget property tax levy increase to 1.2%

#### *Property Tax Levy Increase Assumptions*

	<b>Operating Budget Increase</b>	<b>Debt Service Increase</b>	<b>Total Increase</b>
2026-2029	3.0%	0.5%	3.5%
2030	1.2%	0.5%	1.7%

- Per the State of Wisconsin Legislative Fiscal Bureau forecast, a 4.0% increase in State Shared Revenue and assuming the change in CPI thereafter. A 50% decrease in Expenditure Restrain Aid is assumed due to the growth in the City's property value. Other State and Federal revenue are assumed to be flat over the five-year period
- There is no assumed utilization of the America Rescue Plan federal funds set aside for budget stabilization.
- Inflation assumed to be 2.4% in 2026 and 2.3% in 2027 and 2028 and gradually decrease to 2.2% by 2029 based on Congressional Budget Office forecasts.
- Assumed use of General Fund Surplus remains \$0.

- Annual cost of living increases in each of the five years based on inflation and current labor agreements. Typically the budgeted cost of living increase is based on the May over May change in the Consumer Price Index which is estimated to be 2.5%. Given prior year's inflation that exceeded cost of living increases, this was rounded up to 3.0%. We are out of contract with the Fire Union as of 12/31/23 and with the Police Union as of 12/31/26 so CPI projections were rounded up to the nearest whole number to be used as estimates.
- Pension contributions decrease .05 percentage points for employees and for the City. This is due to an increase in the 5-year investment returns earned by the Wisconsin Retirement Fund.
- Debt service based on 10-year capital spending reflected in 2025-2029 capital plan. Debt amortization continues to transition to a 15-year debt schedule as compared to a previous 10-year.
- Energy and fuel increases based on Department of Energy's 2024-2028 forecast assuming 2024 budgeted consumption.
- Building permit activity based on an approximate 12-year average of \$145,000,000 of construction activity.
- Interest earnings based on current portfolio size adjusted for known changes (such as the utilization of American Rescue Plan funds) and current portfolio earnings rate. Future interest rates based on the Congressional Budget Office Treasury bill forecast.
- Assume 2024 municipal citation levels with no increase over five-year period.
- Parking enforcement returns to pre-COVID levels with 14,000 estimated tickets for 2025. Assume a 2% annual decrease thereafter as enforcement drives compliance. Also assume a 10% increase in fees in 2027 and a 5% every 5 years thereafter.
- Assume 305 monthly billable ambulance runs in 2025 based on 2024 through present activity and a 1.5% increase thereafter. Also assume 2024-2025 year-to-date average reimbursement rate per trip for 2025 with a 10% assumed increase in 2025 due to the GEMT program and a 2% increase Medicare rate increase thereafter.
- No change in number of hotel rooms. Assume 2024 actual average tax revenue per room adjusted for 2025 based on running 12-month Average Daily Rate and Occupancy (RevPar) change. 2026-2030 annual change based on CPI.

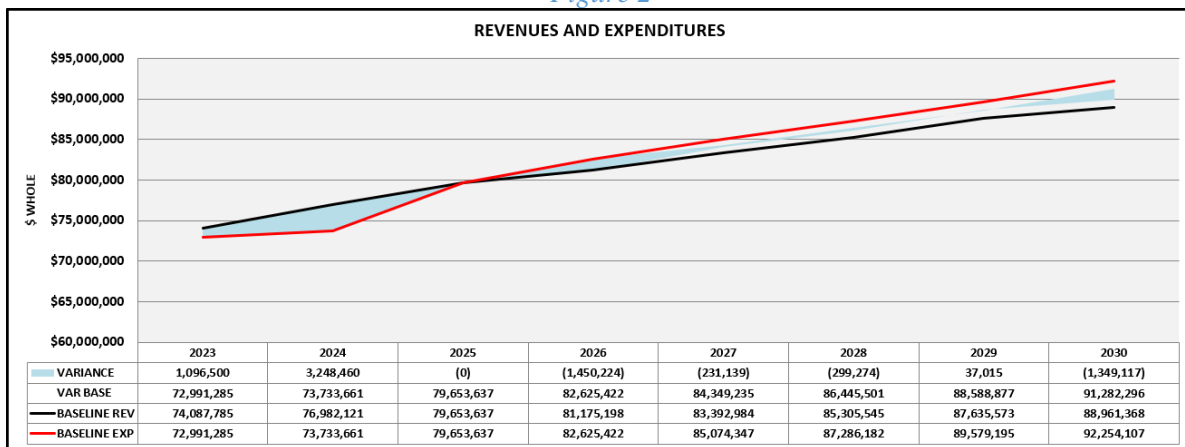
Figure 1 shows a comparison between the 2026-2030 and 2025-2029 forecasts. The new forecast shows a total 5-year gap of \$3.3 million or approximately a 45% improvement over the prior five-year forecast. This improvement is largely driven by a 0.5% percentage point increase in the property tax levy in 2026-2029.

Figure 1

	2025-2029	2026-2030
2025	(2,956,442)	-
2026	(480,586)	(1,450,224)
2027	(797,339)	(231,139)
2028	(640,071)	(299,274)
2029	(1,145,593)	37,015
2030		(1,349,117)
<b>TOTAL</b>	<b>(6,020,031)</b>	<b>(3,292,739)</b>
		-45%

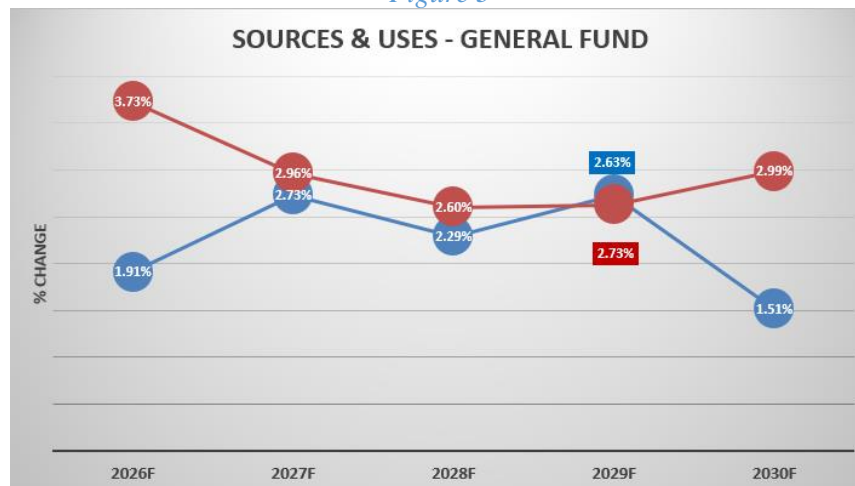
The five year-forecast demonstrates the persistence of a structural deficit that will continue to threaten service levels. This deficit is depicted in Figure 2.

Figure 2



Over the five-year period, expenditures grow on average 3.0% (up from the 2.5% from the prior forecast) while revenues are growing 2.2% (up slightly from 2.1% in the prior forecast) resulting in a 0.8% percentage point differential as shown in Figure 3. It is important to explain that while a five-year period is shown here, the gap would continue if additional years were shown. The only way to permanently fix the gap is to change the trend lines themselves - increase revenue growth, limit expenditure increases or preferably, a combination of both.

Figure 3



As a result of the differential between revenues and expenditures, the City will face an annual budget gap. If fund balance were simply used each year to balance the budget, the gap would grow to \$3.2 million by 2030 and unreserved fund balance would drop from \$13.4 million in 2024 to \$6.5 million by 2030 as shown in Figure 4. As a result, it is imperative that the budget gap is addressed each year through sustainable changes as the City has successfully done in prior years. A balanced approach is recommended that focuses on expenditure reductions, revenue increases and economic development that grows the property tax base.

Figure 4

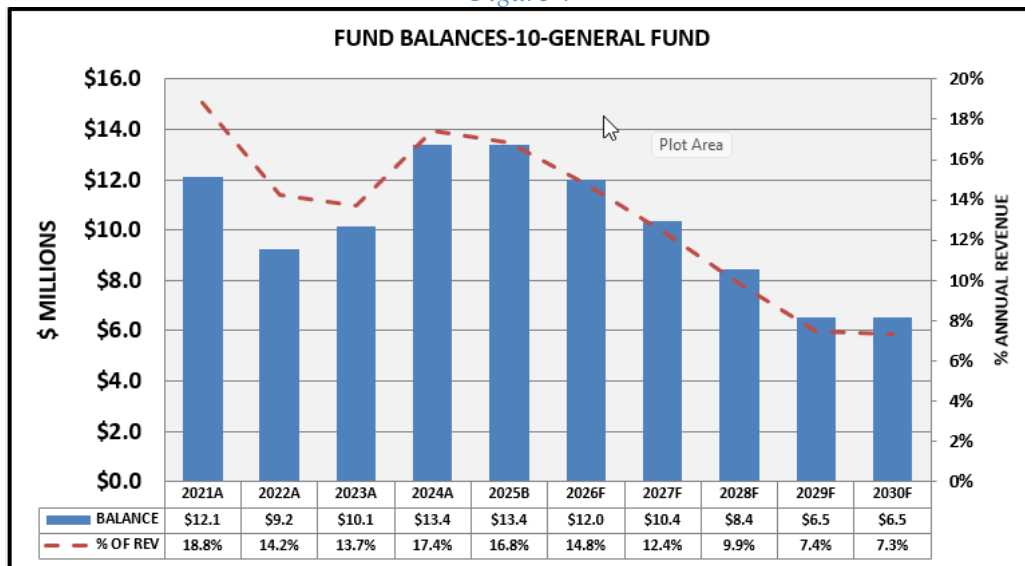
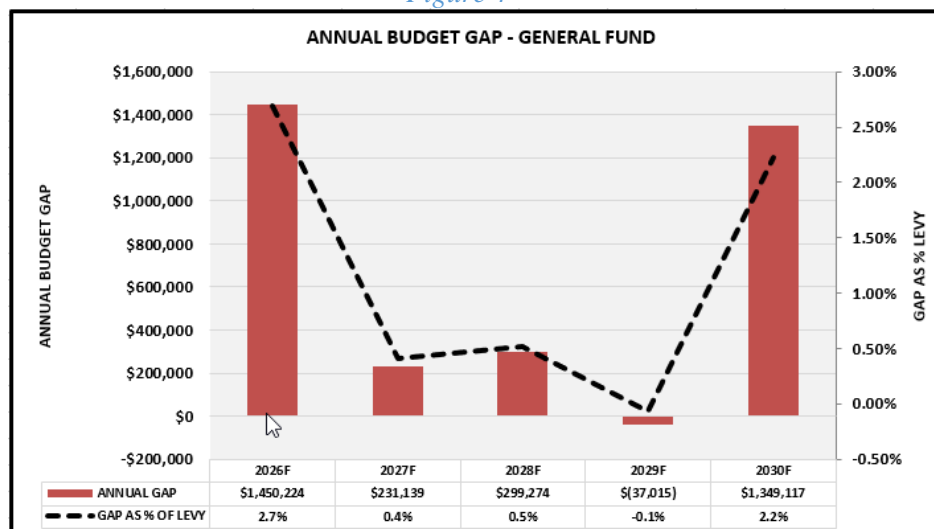


Figure 4 shows the annual forecasted budget gap. If sustainable changes are implemented, it represents the annual budget gap and it ranges from a balanced budget (2029) to a 2.7% deficit as a percentage of total property tax levy. While this may not seem significant it is important to consider that the City has been actively reducing costs since 2002.

Figure 4



It is illustrative to look at the 2026 gap to understand the main drivers of the structural deficit.

### Expenditures Compensation

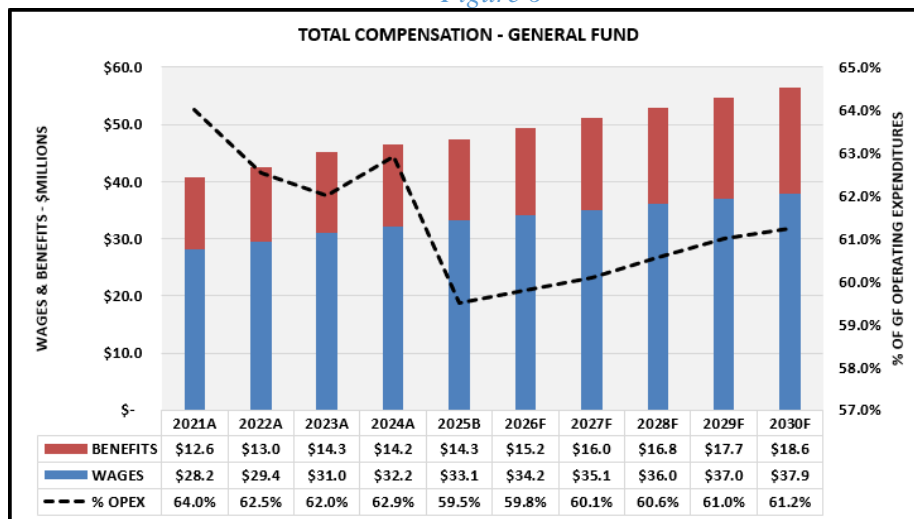
An assumed cost of living increase is built into each year of the model as well as assumptions related to fringe benefits. In total, wages are expected to increase 3.1% which totals \$1.0 million. This includes an assumed 3.0% cost of living increase for non-represented employees and a contractual increase for the police union that is estimated at 3.4%. It is important to note that the forecast assumes that step increases (the annual increase in pay that employees earn) are budget neutral; funded through natural turnover, the salary differential between the higher paid incumbent versus the lower paid new hire. However, it is likely in 2026 or 2027, step increases in the police department will not be budget neutral. This is due to the higher than normal amount of turn over and is not included in the forecast.

In 2026, health and dental insurance costs charged to the general fund increase 9.9% due to an assumed 5.3% increase in health care claim costs and a 9% stop loss excess insurance increase. This accounts for \$763 thousand increase in expenditures. Employees are assumed to continue to contribute 15% of total premium. Pension and social security costs will increase along with salary; however, that increase is mitigated to 2.9% by an assumed reduction in the employer pension contribution rate (which is equal to the employee contribution) from 6.95% to 6.90% for general employees. Due to multiple factors, there is a different employer contribution rate for police and fire but this rate too is assumed to decrease by 5 percentage points. This is due to above assumed interest earnings over the past five years by the Wisconsin Retirement System. In addition, worker compensation costs are assumed to increase at the rate of healthcare inflation.

In total, benefit costs will increase \$970,000 or nearly 7 %.

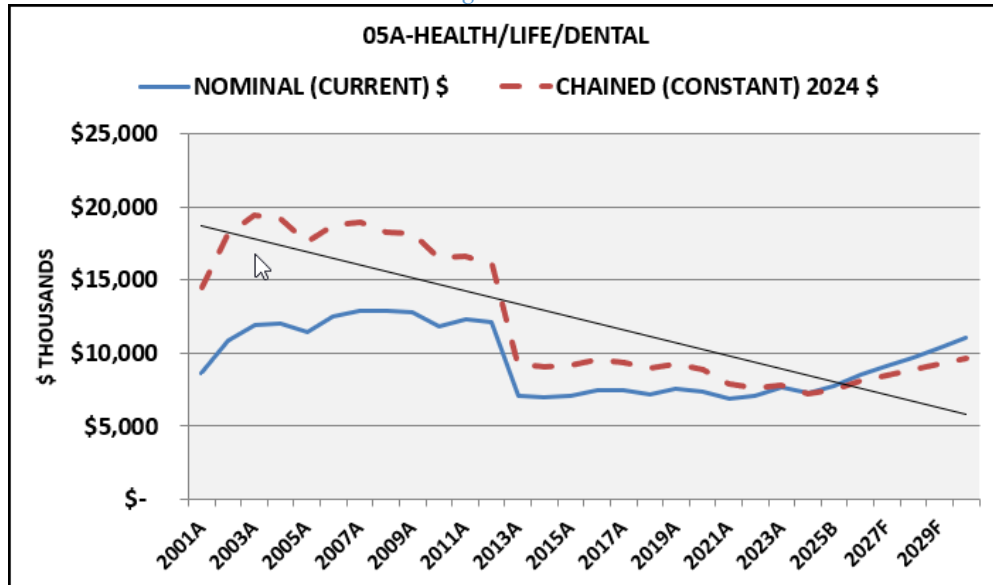
As a result, when including all of these changes, compensation increases 4.2% in 2026 for a total of \$2.0 million as shown in Figure 6 and compensation as a percentage of operating expenditures begins to grow. To put this in perspective, the City will receive a decrease of \$206,383 in State Shared revenues. Act 12 passed in 2024 by the State which was acclaimed as a generational increase in state shared revenue did not fundamentally change how broken local government funding is in the state of Wisconsin.

Figure 6



The City has aggressively managed healthcare costs through plan design changes, including changing its third-party administrator in 2008, moving to a high deductible plan in 2012, opening an employee clinic in 2016 as well as cost and risk-sharing with employees including changes to deductibles in 2018 and most recently, migration to a narrow network in 2024. In addition, a pension contribution was implemented in 2011. This can be seen in Figure 7 as the cost of health and life insurance in the general fund (the property tax impact) on an inflation adjusted basis is less in 2025 than it was in 2002 despite southeast Wisconsin having the some of the highest medical inflation rates in the country, typically exceeding 10%. However, the five-year forecast does not assume that the City will be able to maintain this historical experience.

Figure 7



### Debt Service

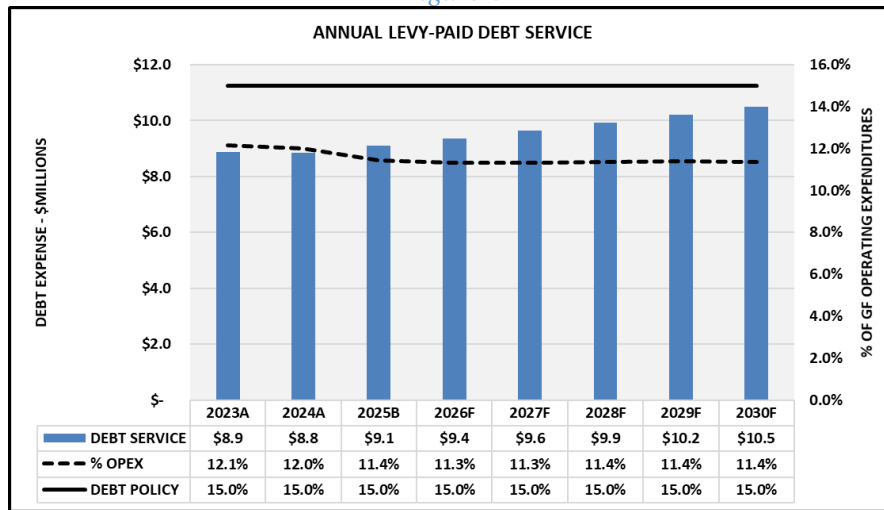
As discussed in prior reports and presentations, debt service will continue to increase as the City expands its capital improvement plan to address deferred maintenance and flooding. As part of this plan, levy-paid debt service (e.g. excluding sewer, water and TIF debt) is estimated to increase in 2026 by approximately \$197,857 or 2.2% increase from 2025.

Prior forecast included debt service increases in the 5-7% range. The reduction is the result of utilizing \$950,000 annually of property taxes generated by the portion of the hospital complex that became taxable in 2022 to cash finance capital (and borrow less). Should the hospitals be successful in their appeal of that decision, the City would have to replace this cash financing with borrowing.

The impact of this expense over the course of the forecast is based on the borrowing necessary to support the implementation of the 2025-2029 capital budget and is shown below in Figure 8. Increases have been limited to an approximate 1.0% property tax increase per year prior 2022 at which point it transitioned to 0.5% due to the additional revenue described above.

The forecast remains under the City's stated policy maximum of 15% debt service as a percentage of operating expenditures. Debt service for capital spending is expected to peak in approximately 2037 for levy funded capital assuming current capital spending. It should be noted however, that current capital spending is insufficient for the City to adequately maintain its roads and buildings.

Figure 8



### Revenues

As discussed above, revenue growth is not keeping pace with expenditures. This is largely due to reliance on the property tax levy, which will make up 66% of general fund revenues in 2026, and revenue shortfalls in other areas that will be described below.

For purposes of the forecast, property tax growth is assumed to equal 3.0% from 2026 through 2029. As described above, it is assumed we exhaust our excess levy capacity in 2029 and are limited to our net new construction growth percentage. Figure 9 below shows the projected annual changes.

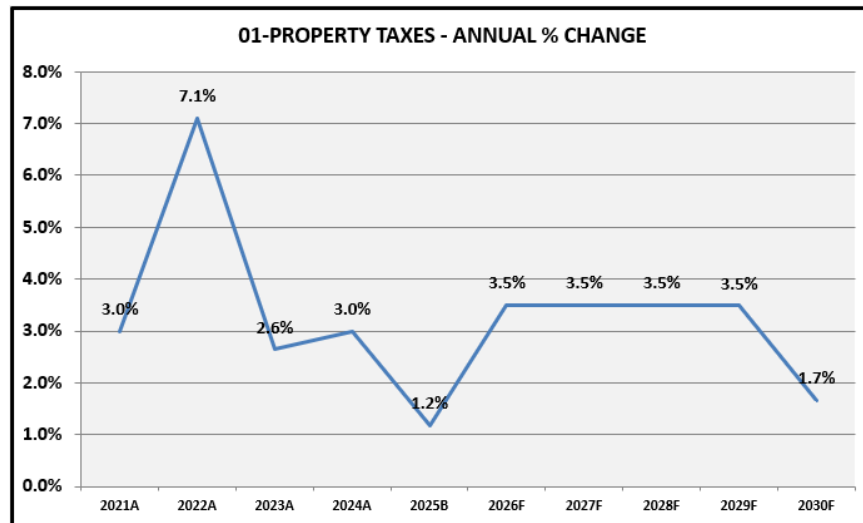
2022 was high due to the utilization of additional levy produced by the change in tax exempt status of approximately 40% of the hospital campus. The additional levy was used to:

- Create an annual cash financing contribution towards capital
- Reduce the County Fire Contract payment
- Fund a Human Resources Organizational Development Specialist
- Establish an annual affordable housing contribution to the Community Development Authority
- Mitigate future risk from a successful property tax appeal or legislative change

2025 was low due the replacement of personal property taxes with state aid.



Figure 9



Per the Fiscal Resiliency policy, this revenue growth will be achieved through net new construction, carryover or excess debt capacity. However, based on the levy increases shown below, it is important to emphasize, that absent changes in state law, the City will not be able to indefinitely increase the levy above net new construction. The table below, shows when the City's "excess capacity" might be exhausted depending on levels of net new construction achieved.

Figure 10

Years of Levy Capacity Available Assuming 3.0% for operations:		
Net New Construction as % Property Value	Years	
0.50%	2.18	
1.00%	2.72	
1.50%	3.63	
2.00%	5.44	

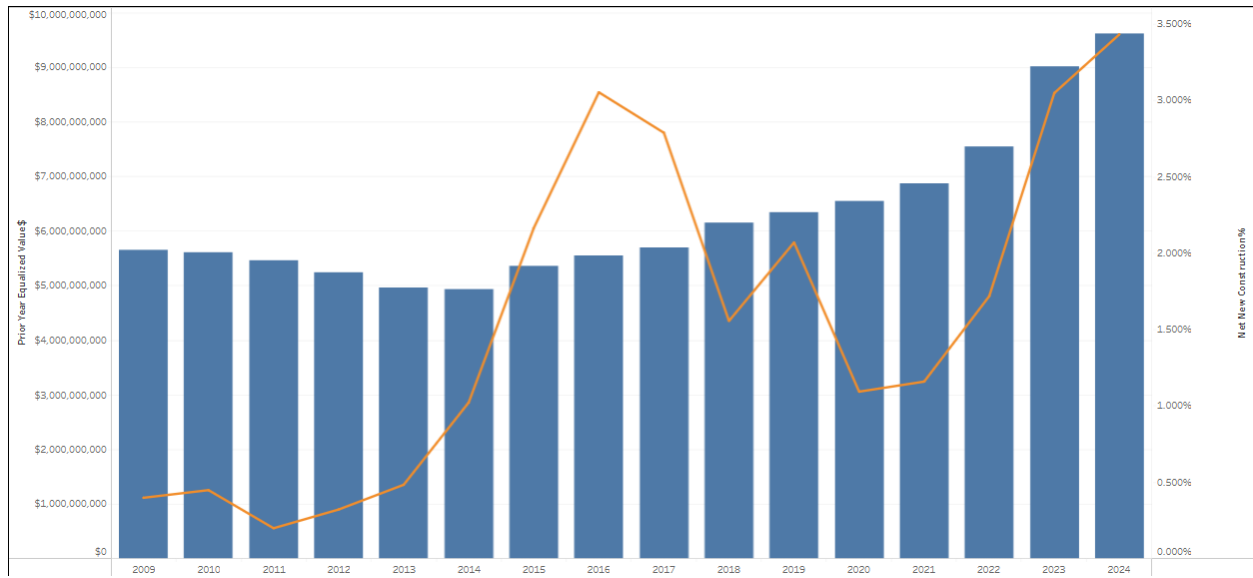
\* Assumed levy % for operations: 3.00%

\* NNC avg 2014-2023 2.21%

\* NNC avg prior 5 years 2.09%

For purposes of forecasting, it is assumed the excess capacity is used up in 2028 after which the City will only be able to raise the levy by the amount of net new construction plus the increase for debt service, absent a referendum or change in state law. The table below shows the historic amount of net new construction in the City. From 2009 to 2024, the annual average was 1.6% but ranged from .20% to 3.43%. As more redevelopment opportunities are realized, achieving higher rates of net new construction becomes increasingly difficult.

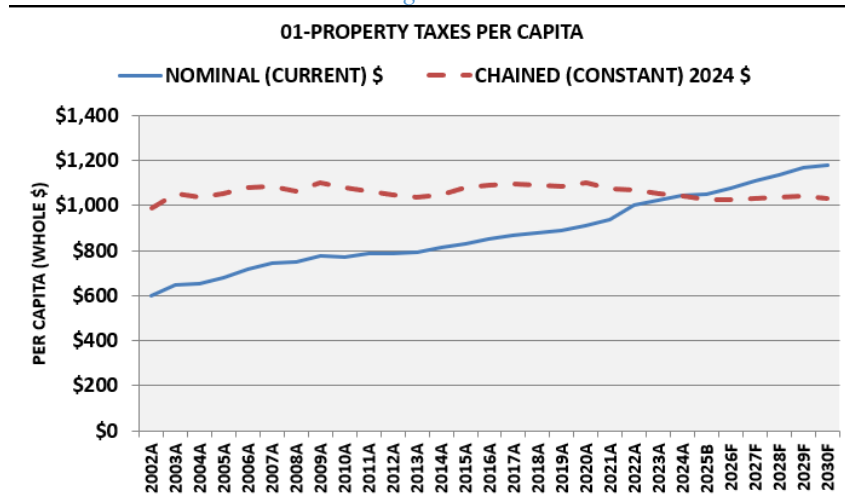
Figure 11



From State of Wisconsin Department of Revenue, Division of Research and Policy - <https://public.tableau.com/app/profile/research.policy>

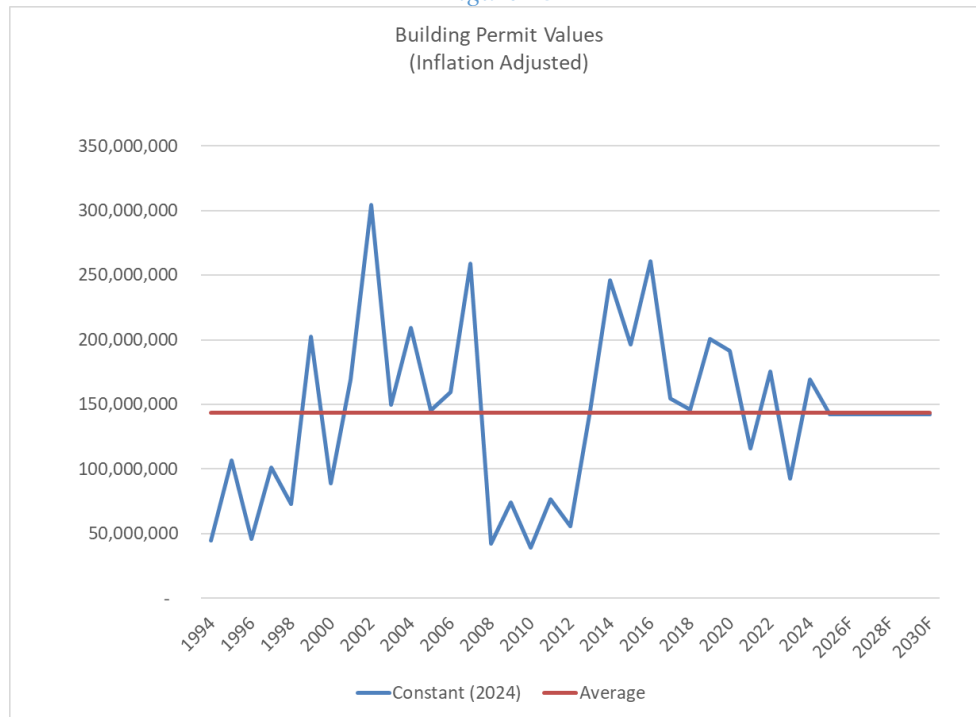
Figure 12 shows the levy adjusted for inflation per capita. On an inflation adjusted basis, the amount of property tax levy per capita is forecasted to be \$1,028 in 2026 as compared to \$991 in 2002. From 2002 through 2026, the compound annual growth rate adjusted for inflation is 0.2% despite a significant increase in calls for service across almost all areas.

Figure 12



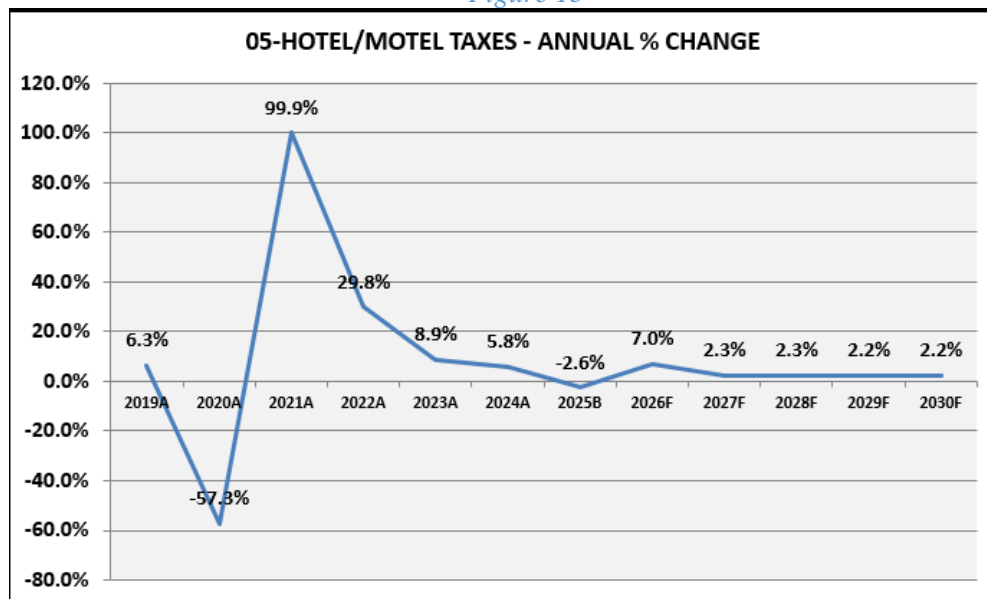
Building permit construction value is a predictor of subsequent years net new construction and the health of the local economy. Figure 13 depicts this activity since 1994. 2024 was above the historical average but the 10-year trend is certainly a decreasing one.

Figure 13



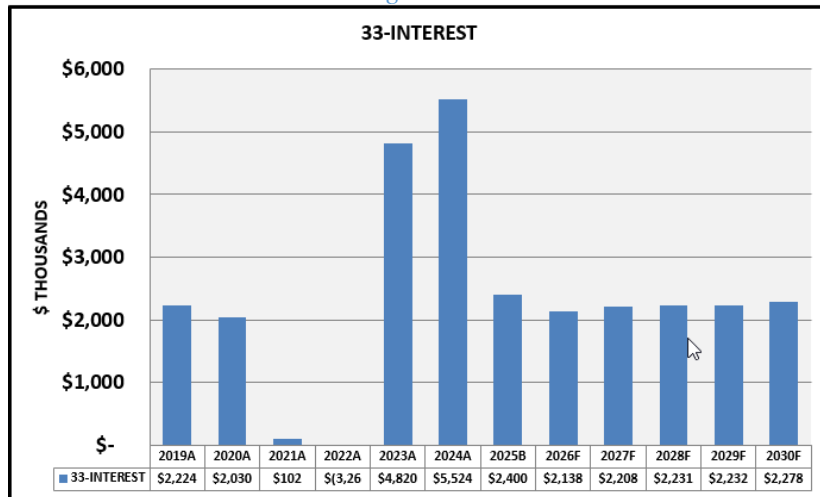
Only 30% of Hotel/Motel tax revenue increases go to the General Fund. However, hotel motel revenue is a good indicator of the health of the local economy and the Tourism Commission's programming depends on this revenue. Hotel/motel tax revenue suffered a 57% decrease in 2020 after 3 successive years of increases. It enjoyed a strong recovery through 2024 putting us above pre-COVID revenue numbers; however, that recovery appears to have waned and future years show much slower growth.

Figure 15



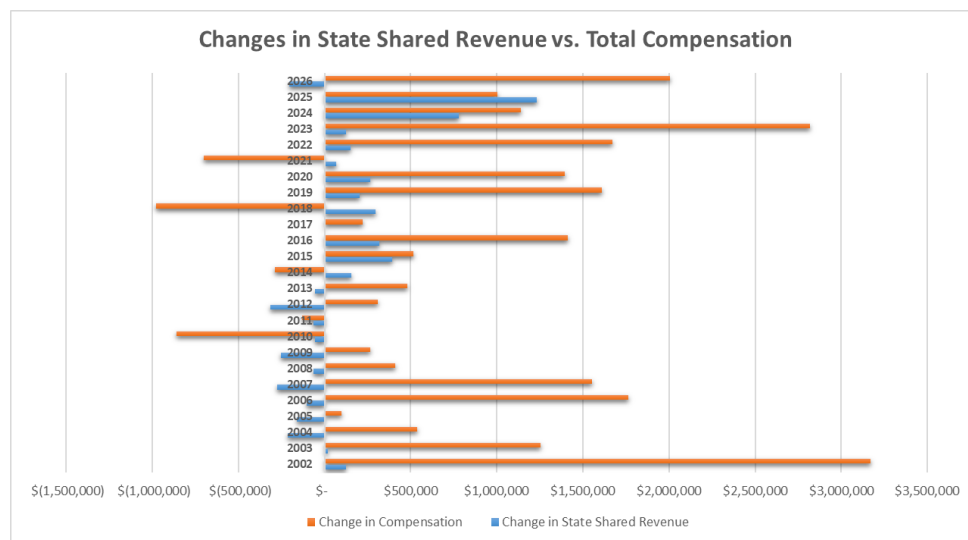
To combat inflation, the Federal Reserve rapidly increased interest rates from 2022-2024 years. In addition, the City's average cash balance increased, temporarily, due the American Rescue Plan Funds which were disbursed to the City in 2021 and 2022 and are being spent down through 2026. As a result, a rapid rise in interest earnings occurred as shown below resulting in revenue levels not seen since prior to the Great Recession. However, we are projecting that the City will earn 11% less in 2026 largely due to a \$10 million reduction in the amount invested. This results in a general fund reduction of \$262,000 – a contributor to the 2026 budget gap.

Figure 16



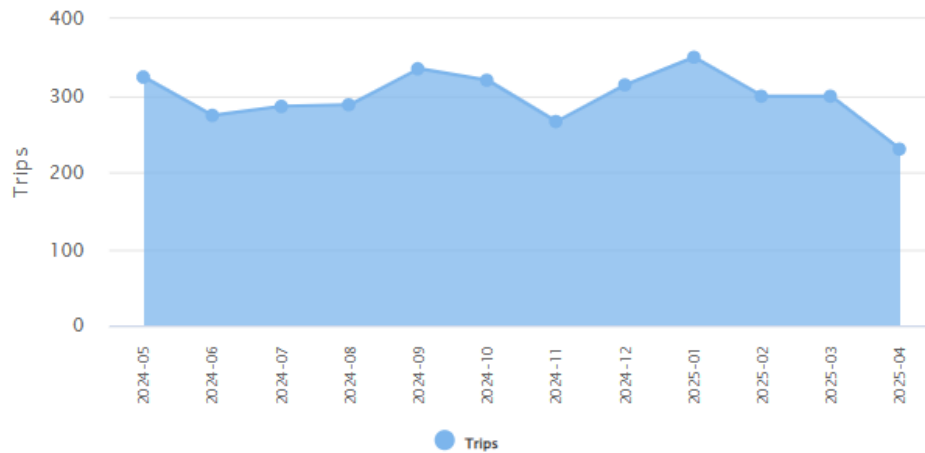
Reductions in state aid are another contributing factor of the 2026 budget gap. Expenditure Restraint Aid is projected to decrease \$281,987 due to increases in the City's property value. This is slightly mitigated by assumed growth in State Shared Revenue due to state-wide sales tax growth. Overall, state shared revenues are expected to decrease 2.6%. As shown in Figure 17, there has only been one year since 2002 that change in state shared revenue exceeded the increase in compensation and that year is not a fair comparison since the increased aid offset lost property tax revenue.

Figure 17



The final contributing factor in the 2026 Budget Gap are ambulance fees which are projected to decrease by 15% reducing total revenues by \$271,756. This is due to a 10% decrease in 2024 of billable ambulance trips which appears to be a permanent reset as we are averaging 305 trips per month over the most recent 12.

*Figure 17*



### **Balancing the Forecast**

The Financial Resiliency Policy directs us to provide strategies for balancing the five-year forecast. Staff propose the following:

### **TO BE PROVIDED AT A SUBSEQUENT MEETING**

#### **Recommendation:**

While this report is for informational purposes only, it is important that City staff and the Financial Affairs Committee take the long-range projections into account when making decisions for addressing the 2026 Budget.

As in the past, the City's goal is to focus on strategic budgetary changes as opposed to indiscriminate line-item adjustments. It is also important to emphasize that despite facing budgetary challenges, the City is in an excellent financial condition with adequate reserves and an excellent record of strong financial management practices.

However, it is extremely important to note a fiscal cliff is approaching due to the assumed exhaustion of excess levy capacity. Whether or not this happens in 2030 as forecasted is uncertain, but without a change in state law or community approval of a referendum, it is certain we will eventually face this precipice despite increased state aid. The detrimental impact on service levels cannot be understated.

Staff will develop the Executive Budget based on the assumptions included in this report so we do request feedback on those key assumptions, in particular levy increases, cost of living adjustments' and the strategies for balancing the forecast.