

CITY OF
WATERLOO, WISCONSIN
2026 MUNICIPAL BUDGET
DELIBERATIONS

**Finance, Insurance &
Personnel Committee
Recommended Budget
-- Narrative --**

Lana Nelson, Treasurer

November 17, 2025

BUDGET DELIBERATION PROCESS

On August 5, 2025 , Mayor Quimby issued budget parameters for the process:

CAPITAL PLAN SUBMITTAL DUE DATE. Department Heads are to submit a capital plan for at least the 2026-2030 period on or before August 20, 2025 (more out-years are welcomed). The plan consists of revisions to the existing plan. Capital expenditure will be the primary early focus of the budget process.

COMPLETE BUDGET SUBMITTAL DUE DATE. All Department Heads are to submit a complete 2026 budget submittal on or before August 30, 2025, to the Clerk/Treasurer's Office using the miViewPoint budgeting tool and other means provided.

GENERAL FUND BUDGET PARAMETERS. For the Clerk/Treasurer's Office, Mayor Office, Police Department, Public Works Department -- and other parts of the General Fund -- 2026 operational budget submittals are to be at, or below, the 2025 expenditure figure. NOTE: Expense for wages & benefits are excluded from the above calculation.

PROPERTY TAX LEVY TARGET. The 2026 municipal property tax levy target is: \$2,354,448. This figure is slightly higher than the 2025 tax levy.

WAGE RATE. The Waterloo Police Department wages under the union contract for 2026 as follows:

1/1/2026 3.5%

8/1/2026 1.0%

The 2026 wages for non-represented employees were based per department and ranged from 2.5% to 4.5%.

GAS FUEL RATE FOR BUDGETING. The estimate of \$4.00 per gallon is to be used when calculating fuel purchase expenditures.

CONTRACTUAL OBLIGATIONS. Budget for contract items per the terms of the respective contract.

HEALTH INSURANCE BENEFIT. Submit budgets for health insurance benefits at the current year levels. Projected increases will be established as part of the overall deliberations.

The Finance, Insurance & Personnel Committee members (Alders Haseleu, Kuhl and Weihert) met in public session on August 21st, September 3rd, September 4, September 15th, September 16th, September 22nd, October 2nd, October 6th, October 13th, October 16th, and October 20th It reviewed department submittals, had a dialogue with department heads and received citizen input.

On October 20, 2025, the Committee is scheduled to recommend a 2026 budget for City Council consideration. A budget summary has been scheduled for publication in the official newspaper, the Courier, on October 30, 2025.

A public hearing is scheduled for November 20, 2025, at 7:00 pm in the Council Chambers. Council consideration will take place the same night. After a budget is approved, property tax bills will be prepared and mailed by mid-December.

MUNICIPAL FUNDS DESCRIBED

The General Fund (Fund 100) accounts for the bulk of municipal operations including legislative and general government, elections, property assessment, police administration & police patrol, building & zoning inspections & permit issuance, civil defense, public works and planning.

The General Fund along with the funds listed below represent the Governmental Funds maintained by the City of Waterloo.

Separate stand-alone funds exist to account for the specific revenues and expenditures of the following:

- 200 - CATV/WLOO Cable TV Stations. Charter cable television stations channels 991 and 992.
- 220 – Waterloo Fire and Rescue Department Fund. Includes both operations and capital considerations for Waterloo Fire and Emergency Medical Services. The department serves the City of Waterloo and all, or a portion, of the Town of Waterloo, Town of Portland, Town of Shields and Town of Milford.
- 225 – Parks Department Fund. Includes all revenues & expenses for municipal parks, along with capital expenditure for parks.
- 300 – Debt Service Fund. Municipal debt excluding debt incurred by Waterloo Utilities.
- 400 – Capital Fund. Includes capital projects and equipment purchases for the departments in the General Fund.
- 402 – Special Assessment Fund. Maintains and tracks revenues and expenditures resulting from special assessment projects (typically sidewalk or other public infrastructure) approved by the City Council. Additionally, municipal loans to property owners for private lead service replacements are recorded and tracked in this fund
- 412, 413, 414, 415 – Tax Incremental Districts 2-5. These four funds maintain and track all new revenue (tax increment) and allowable expenditures for geographically distinct tax incremental finance districts created by the City Council. Each district has a statutory lifespan of between 15 and 22 years.
- 600 – Community Development Authority. The Waterloo Community Development Authority (CDA) is charged with economic development functions. This fund receives revenue from the rental of the Mauneshia Business Center at 117 East Madison Street. Rental revenue is meant to cover recurring operational expenditure. The Waterloo City Band and the Waterloo-Marshall Food Pantry use the facility. No revenue is collected from the band or food pantry.
- 812 – Library Fund. Dedicated to the operations and facility care of the Karl Junginger Memorial Library.

Three City of Waterloo funds not covered here operate under the auspices of Waterloo Utilities (water, sewer and electric) represent the Proprietary Funds maintained by the City of Waterloo.

- Waterloo Utilities. The public utility owned by the City of Waterloo provides water, sewer and electric service within the City of Waterloo and water & sewer service to a portion of the Town of Portland. As part of its financial responsibilities, Waterloo Utilities maintains three separate funds to account for each of these services.

REVENUE HIGHLIGHTS

Allocation State Computer Aid. \$166,250 in State Computer Aid is allocated to the Parks Department and \$271,532 is allocated to the Capital Fund.

Municipal Vehicle Registration Fee. On August 21, 2025, the City Council voted to continue a \$15 per vehicle registration fee collected as part of the Wisconsin Department of Transportation vehicle registration process. The fee will generate an estimated \$47,000 annually which by state law would be dedicated to improvements in transportation.

Municipal Borrowing. The budget for 2026 will call for borrowing due to upcoming road projects.

State Aids.

- Shared Revenue is slated to increase from \$449,157 to \$462,783.
- Supplemental Shared Revenue Aid increased from \$93,000 to \$96,163
- General Transportation Aid decreased from \$290,591 to \$276,069.
- DNR Recycling Aid is projected to increase from \$12,397 to \$12,400.
- LRIP Grant for \$19,825

EXPENDITURE HIGHLIGHTS

Police Department Staffing. The 2026 budget has allocated wages of a 4.5% increase for Police Administration staff that include the Police Chief, Lieutenant and Administrative Assistant. All other Police staff are covered by the collective bargaining agreement.

Employee Wages. The Finance, Insurance & Personnel Committee recommends the following:

- Wage increases for non-represented employees except for the Police Administration, Park Bartenders and Election Officials will receive a 2.5% increase in 2026.
- Employees covered under the collective bargaining agreement (Police Patrol Officers) will receive a 3.5% raise on 01/01/2026 and 1.0% on 08/01/26.

Employee Benefits.

The City offers employees a health insurance benefit program administered through the State of Wisconsin Department of Employee Trust Funds. The employer pays 88% of the average premium costs of qualified Tier 1 health plans within Jefferson County. In 2026, the City of Waterloo approved a plan change to the high-deductible plan through ETF. The City of Waterloo approved the offering of a HRA plan for all full-time employees covered under the city health plan. Employees that are covered under the family plan will receive \$3400 and employees under the single plan will receive \$1700 to cover the standard deductible.

Liability Insurance, Property Insurance and Worker's Compensation Insurance. Amounts vary across departments but in the aggregate insurance premiums for liability, property and worker compensation are

not expected to increase. The arrival of new assets such as the new Fire Department Truck is an example of an anticipated increase.

Economic Development.

\$15,766 (25%) of the City Clerk's salary is an expense for Tax Incremental District No. 2.

ADDITIONAL HIGHLIGHTS – BY FUND AND DEPARTMENTS

CATV (200). Revenues are \$49,323 for the 2026 budget year and expenses of \$47,280.

Waterloo Fire and Rescue Department (220). The revenue tax share from each of the municipalities served (City of Waterloo, Town of Waterloo, Town of Portland, Town of Milford and Town of Shields) The distribution of the respective shares changed due to changes in the equalized value of property. For the 2026 budget the City of Waterloo tax share increased from \$291,231 to \$297,556 For the 2026 budget, each municipality serviced by the Waterloo Fire and Rescue Department agreed to pay 50% of their portion due to help fund 2026 capital improvements. The amount was based on the same equalized value calculation used for the townships tax share and the City of Waterloo agreed to accept 50% of the full amount for 2026. A committee will be formed in 2026 with a representative from each township to develop a plan for future shared capital expense calculation for the municipalities serviced by the City of Waterloo.

The department has four full-time employees. We are currently in union negotiations with IAFF Local 877.

Parks Department – Fund (225). Proposed revenue increased from \$391,057 to \$394,277 from the prior year. Expenditures are expected to decrease from the budgeted \$396,838 to \$394,247. The Parks Facility Maintenance budget was increased from \$15,000 in 2025 to \$30,052 for 2026.

The department has a full-time Parks Coordinator, three part-time seasonal groundskeepers and seasonal bartenders.

Debt Service (300). Governmental fund debt service (non-Utility) is budgeted to pay principal of and interest of \$557,778. Revenue is transferred from tax incremental finance districts to this fund to specifically cover debt service incurred by the respective Districts. Taxes are levied to specifically cover debt service for capital projects. In 2025, Finance and Personnel approved that the debt for capital projects be adjusted to be paid from general property taxes rather than from capital improvements revenue base.

Capital Projects (400). The proposed budget allocates \$271,532 of State Computer Aid. All General Transportation Aid, \$276,069 and Wheel Tax, \$47,000 are also dedicated to current and future capital projects.

Seal Coating projected expenses is \$60,000 for 2026.

See the 5 Year Capital Plan (2026-2030) for current and future year department plans.

Special Assessment Fund (402). This fund tracks special assessments and lead loan program loans. No new special assessments are anticipated.

Tax Incremental District #2 (412). Revenue of \$19,700 is made up primarily of tax increment and fees paid in lieu of taxes from 575 West Madison Street. Top expenditures payments are 25% of the City Clerks wages of \$15,766 and Economic Development at an estimated \$6,000. Starting from 2026 to 2033, payments will be due to Hawthorn & Stone per the developers' agreement. The amounts will vary and are based on the general property taxes.

Tax Incremental District #3 (413). \$111,959 in revenue and \$126,005 in expense are projected, adding a net deficit of \$14,046. Expenditure is for debt service.

Tax Incremental District #4 (414). \$30,015 in Revenue and \$1,650 of Expenses.

Tax Incremental District #5 (415). \$29,372 in Revenue and \$2,500 of Expenses.

Community Development Authority District (600). Projected revenue consists of tax levy and building rental fees. Expenditures are focused on the operation of the Mauneshia Business Center at 117 East Madison.

Library Fund (812). The municipal contribution to this fund remained at 208,000 for 2026. This fund does not expect a deficit for 2026. The full-time received a 4% pay increase for 2026.

DISCLAIMER

The full budget detail associated summaries, and this narrative represents the full budget resolution going before the City Council for consideration. All documents are posted on the municipal website (www.waterloowi.us).

