

WAUKESHA

Finance Committee reviewing 2021 preliminary operating budget

Increase in health
care costs, no
new programs or
positions budgeted

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WAUKESHA — As budget season continues, since reviewing and approving the Capital Improvement Plan budgets for the city, the Finance Committee presented a status quo preliminary 2021 operating budget — which doesn't include new programs nor positions for the city in 2021.

City Administrator Kevin Lahner presented the 2021 operating budget.

"Our current financial situation has improved significantly over the last few years," he said, attributing it to conservative budgeting and practices.

Lahner showed the city has steadily grown its overall assessed value. In 2015 the value was \$5.6 billion and in 2019 the number was \$6.7 billion.

Lahner said some influential factors of the budget is the increase in health care costs by 7%, costs shared by employees and the city — which resulted in a 2% increase in general fund expenditures.

"We are self-insured," Lahner said. "For a number of years we kept our health care costs very minimally increased or almost not at all; however, the last two years we've had high-claims years that have influenced our renewal."

Due to this, Lahner presented estimated numbers on the tax levy, which he said is expected to increase to \$42 per \$1,000 of assessed value for each average Waukesha home (valued at \$200,000). Of the \$42 increase, \$30 is toward debt and \$12 is toward operating costs.

Finance Director Bridgett Souffrant and Alderman Joe Pieper said that number is

City Hall TID finances approved

St. Paul apartments held from agenda

The senior housing development called the Springhouse, located across from the new City Hall, which was approved by the Common Council, had its term sheet outlining potential TID assistance for the development approved by the Finance Committee Tuesday night.

Horizon Group, Inc. is proposing the development, which includes 78 units and 24 townhomes.

The term sheet will move on to the Common Council.

The developer is requesting a city contribution of \$4.3 million, which would include \$500,000 in upfront funding that would be payable at the time of occupancy, and \$3.8 million as pay-as-you-go financing — this would reimburse the developer as tax increment is generated.

It's expected the TID would close in 20 years during 2040. Alderman Aaron Perry said he feels the "juice is worth the squeeze on this one."

"I'm glad that there's senior housing because there's a shortage in Wisconsin overall, so, we're not going to have to worry about this place not being full," Perry said.

Alderman Joe Pieper echoed Perry's sentiment, and said this development will support the downtown area and the area by the new City Hall.

The development is expected to begin construction in the spring.

An item was held from the agenda Wednesday — a finance term sheet related to the TIF for luxury apartments that were proposed for vacant land on the south side of St. Paul Avenue. The development is for a four- or five-story 114-unit apartment.

A new tax incremental financing district would be created for the development.

expected to change as the budget is reviewed the next couple of months. The 2021 proposed tax rate has not yet been released.

What was turned down in the budget were requests for a fire department position and police sergeant position, which Lahner said will have to be addressed in the near future.

The preliminary proposed 2021 operating budget for 2021 is \$72.1 million. In 2020 the projected total was \$70.5 million, a 2.1% increase.

A sustainability study and an internship program with the fire department also had influencing factors on the city's budget.

"One of the things that we have discussed over the years is attracting new recruits ... in both the police and fire areas," he said.

"This is really a status quo budget and we haven't changed much of anything from 2020 to 2021, the approach here is to be conservative with our estimates in trying to hedge against any sort of value loss or revenue loss going into 2021," Lahner said. "The point being is, it's a really uncertain time."

To view the next Finance Committee meeting or to view the city's operating budget, visit <https://www.waukesha.legistar.com/Calendar.aspx>.

At the Tuesday meeting, the committee reviewed the Department of Public Works 2021 operating budget. The Finance Committee will continue to review the budget for other departments before it's presented to the Common Council.