

Stability Today.
Sustainability Tomorrow.

CITY COUNCIL WORK SESSION

Monday, November 24, 2025 at 6:00 PM
Council Chambers - City Hall, 3rd Floor
1717 E. Park Street, Two Rivers, WI 54241



Families.
Nature.
Affordability.
Quality of Life.

CITY OF TWO RIVERS 2026 BUDGET





**TWO
RIVERS**
WISCONSIN

Proposed 2026 Budget

City of Two River's *draft* 2026 Budget

- Total GF impact: 3% lift for revenue + 3% lift for expenses
- Almost a “status quo budget.” Stabilization is the goal
- Weeks of meetings between Staff + Personnel & Finance Committee
- Provides resources for the operation of all City departments (125 FTE's)
- Investment in capital equipment + facilities + infrastructure + people

FY26 Budget Challenges – A Tough One

- Keeping tax levy at 0% last year, we fell behind
- Health insurance premiums up 8%. (\$57K increase for 22 retirees)
- Escalating cost of chemical / beach maintenance / MMT
- Lack of development / low building permit fees
- Unfunded mandate: Certified Waste Collections Operator
- Unfunded mandate: required DOT bridge inspections next year



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Proposed 2026 Budget

Transparency. Eyes Wide Open. Treading Water. Squeezing By.

This budget is balanced only by assumptions & one-time fixes.

- Industrial land sales (+\$150k)
- Use of debt premium (+\$160k)
- Reduced hours for DPW seasonals (+\$20K)
- 50% of Certified Collection System Operator (+\$33K)
- One-time payment for cell tower lease agreement (+\$305K)

That's \$668K that we'll need to close for FY 2027.



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Proposed 2026 Budget

With all funds taken into account, the 2026 Budget is a plan for investment of \$42.2 million of the public's resources.

Funds of the City are classed as follows:

- **Tax-Supported Funds:** General, Debt Service and Library
- **Capital Projects Funds:** For investments in capital equipment, facilities and infrastructure; generally funded with debt and grant funding
- **Special Revenue Funds:** Activities and projects funded from special revenue sources, including tax incremental financing districts, room tax, special charges and state and federal grants
- **Utility Funds:** Also known as enterprise funds, with revenues from user charges
 - ` Electric Utility
 - ` Water Utility
 - ` Sanitary Sewer Utility
 - ` Storm Water Utility
 - ` Solid Waste Utility
 - ` Telecommunications Utility



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Proposed 2026 Budget



The proposed 2026 City Budget proposes an increase of \$223,712 total property taxes to be collected by the City. The property tax levy would increase 3.8% from 2025, for a total levy of \$5,731,438.

[less than ~2% over 2 years}



The proposed 2026 Budget proposes no changes in rates for City electric, water, storm water and solid waste. The new rate structure for waste water is included in the 26' budget, which is expected to bring in ~\$250,000 in added revenue for the Waste Water Utility.



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Proposed 2026 Budget

Things We've Already Cut.

- Full-time Civil Engineer new position (*imminent retirements*)
- Slashed hours in ½ for Certified Collection System Operator (required for WPDES)
- Snow Watch operational efficiencies (*police now to handle*)
- Reduction in OT & part-time seasonal staffing.
- Replacement of two SRO squads that are at end of life (*7-9 year old*).
- Water leak detection equipment
- \$1 per hour raises for seasonals / part-time staff (*.50 instead*)
- Good thing we already switched muni insurance (*+\$120k per yr*)
- Net revenue received from concessions stand directed towards General Fund



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Proposed 2026 Budget

Tax-Supported Funds: General Fund

Proposed total spending of \$12,934,329 is up 3% from 2025, within the requirements of Wisconsin's Expenditure Restraint Program (*allows 3% percent increase*)

Major operating budgets in the General Fund include Police, Fire/EMS, Public Works, Parks/Rec/Cemeteries/Forestry, and Admin

This budget is nearly 90% investing in humans (personnel) and provides for:

- No reductions in force + Community Development Director + Certified Collections System Operator (1/2 Year) = 125 FTE's
- 3% wage increase for non-union employees
- 3% wage increases per contract for Public Safety Union employees
- 8% increase in health insurance premiums



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Proposed 2026 Budget

Cost of Living Adjustments

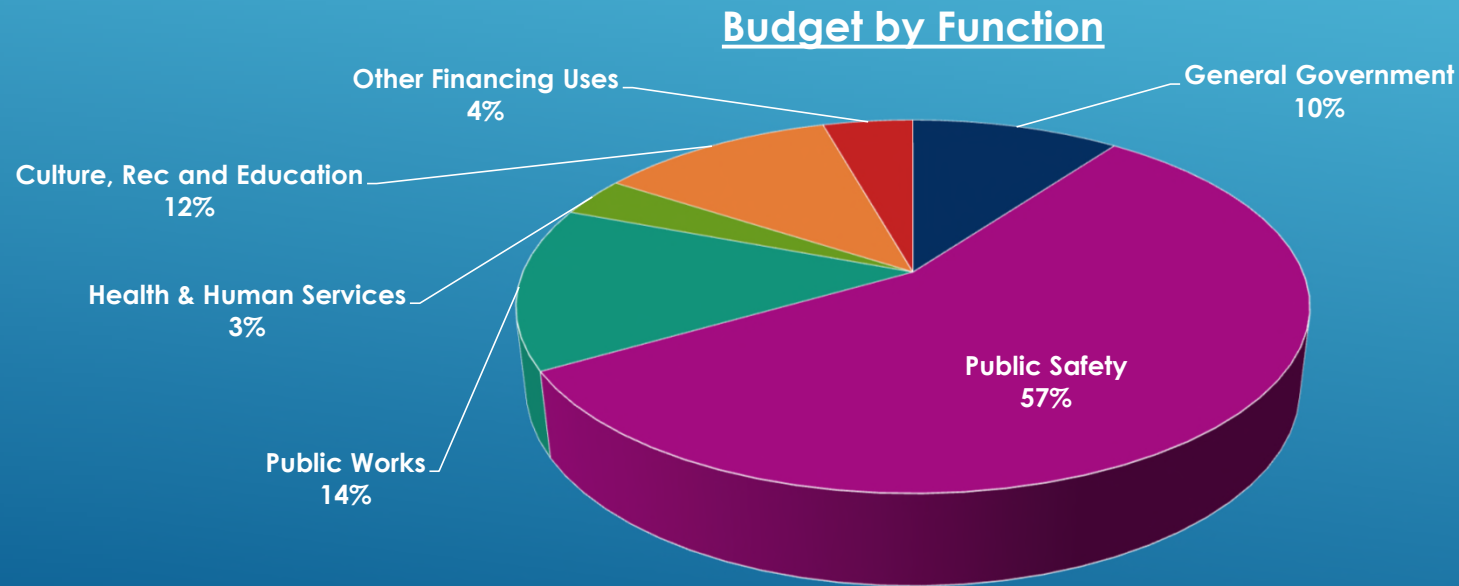
- Council Goal: Retain and attract qualified dedicated talent
- COLA helps ensure City employees don't fall behind as everyday expenses rise, protecting workforce stability and morale
- CPI Increase: +3.1% for BLS Midwest region for year ending Sept 2025
 - 2.5% COLA would only save \$15K
 - 2% COLA would only save \$30K



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Proposed 2026 Budget

General Fund. Where the Money is Going...





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Proposed 2026 Budget

Tax-Supported Funds: General Fund

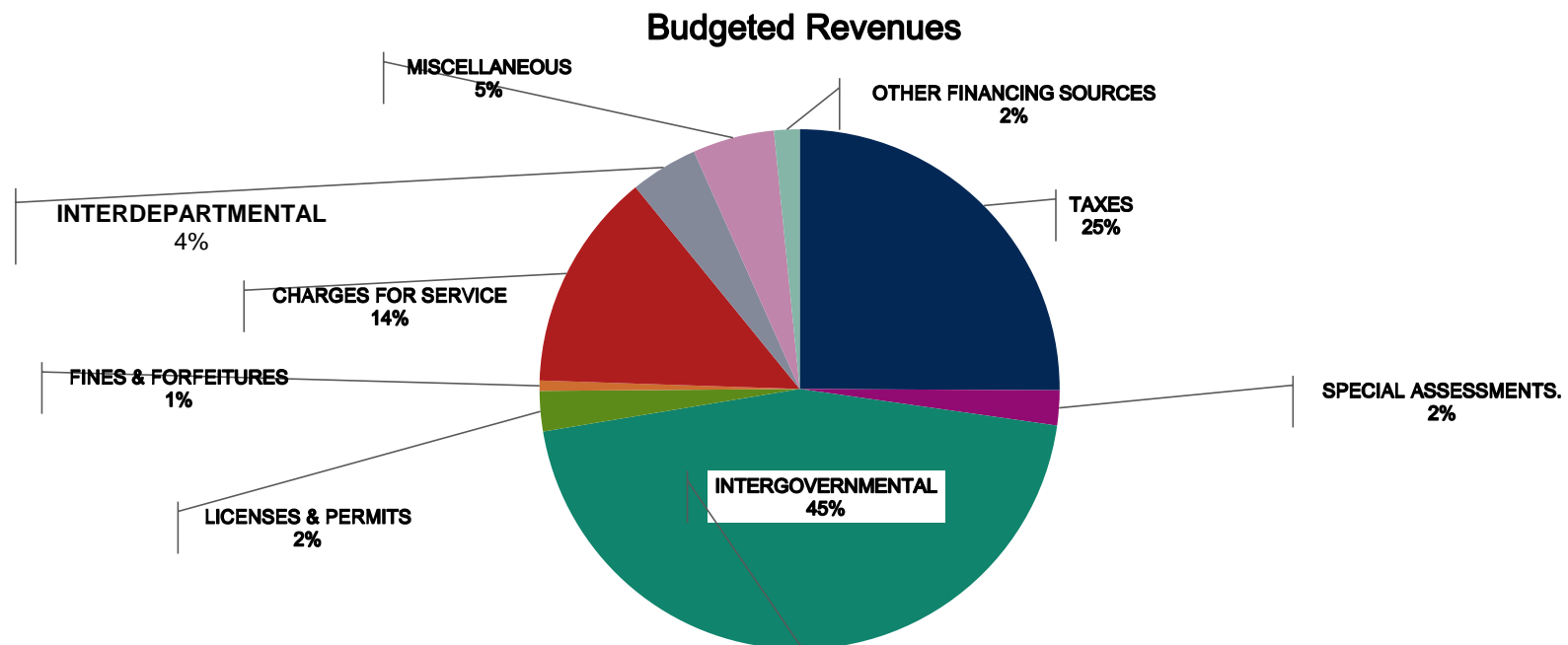
- Revenues are up 3% percent, and include:
- **State Funding Assistance totaling \$5,812,516, up 1.9% overall, including:**
 - State-Shared Revenues of \$4,903,848, up \$160,225 or 3.4% from 2025
 - General Transportation Aids for Local Streets and Connecting Highways totaling \$499,537, up \$28,280 or 6% from 2025
 - Expenditure Restraint Payment of \$103,960, down \$57,237 from 2025
- **Property taxes, totaling \$2,413,045, up \$125,012 or 5.46% percent over 2025**
- **Other Revenues include charges for service (\$1.7M), special assessments (\$280K), and interest earnings (\$150K)**



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Proposed 2026 Budget

General Fund. Where the Money Comes From...





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Proposed 2026 Budget

2026 City Goals

- Get Shovels in the Ground with Multi-Family Housing Development
- Refocus and evolve our industrial recruitment strategy
- Evaluate & Terminate Underperforming TIF Districts to Strengthen the GF Tax Base
- Revitalize Riverside Park and Strengthen South Side Neighborhood Investment
- Transition to New Employee Health Insurance Program
- Succession Planning for Key City Departments
- Strengthen Neighborhood Pride Through Proactive Code Compliance
- Civic Engagement, Buy-in for Community Vision is Needed
- Advance Redevelopment of the Former Hamilton Manufacturing Property



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Proposed 2026 Budget

Tax-Supported Funds: Debt Service Fund

Proposed 2026 tax levy for principal and interest payments on City General Obligation Debt totals \$3.2 million, up \$113k or 3.7% from 2025

In 2025, \$2.27 million in existing G.O. debt principal was retired. In 2026, \$2.3 million in existing G.O. debt principal is being retired; \$2.19 million in new, tax-supported G.O. debt (all with a term of 10 years) is proposed for 2026 capital projects

This 2026 Budget also covers \$610K in interest payments on existing and new debt



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Proposed 2026 Budget

Capital Projects Funds

\$2.19 million in new, general obligation debt is proposed, in support of the City's 2026 capital projects.

Capital Projects proposed for 2026 include...

- Replace 1994 pumper truck - \$850K
- Resurfacing of 18th & 19th from Jackson to Emmet: Emmet to 17th & 22nd - \$453K
- Neshotah concession building - \$255K
- Riverside Park renovations - \$179K
- City Hall parking deck - \$70K
- Two squad car cameras systems - \$30K
- Lawn mower/gator replacements - \$80K
- Concrete pavement repairs & sidewalk replacements - \$130K
- Battery Tester + auto scanner - \$15K



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Proposed 2026 Budget

Tax-Supported Funds: Library

Setting the annual budget for the Lester Public Library is the statutory authority of the Library Board. The amount of property tax support for library operations is determined by the City Council

The City Manager recommended a 2% increase (+\$13,635) in City tax levy funding, which would amount to \$695,425. The Personnel & Finance Committee trimmed this down with a recommended levy increase of 0%

Total Library operating budget as drafted is \$1,037,497 up 3.44% over 2024



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Proposed 2026 Budget

Special Revenue Funds

Special Revenue Funds include:

- The City's 12 active tax incremental financing districts
- Room Tax and Tourism funds
- Economic Development Loan Fund
- Housing Loan Fund
- Affordable Housing Fund
- Urban Forestry and Tree Planting Funds
- Parks Concessions and Special Events Funds
- Senior Center Fund
- EMS Grant Fund
- ...and others



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Proposed 2026 Budget

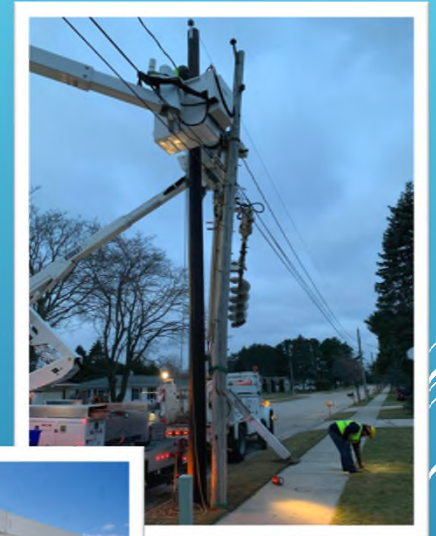
Utility Funds: Electric Utility

The Electric Utility proposed budget for 2026 is \$9,976,585, up 4% over 2025

About 72% of that operating budget is the cost of wholesale purchased power, through energy supplier WPPI energy

Net of purchased power, the utility's operating budget is \$157K up 5.9% over 2026

No rate increase is proposed for 2026 but the need for one will probably be there soon (*last was in 2020*).





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Proposed 2026 Budget

Utility Funds: Water Utility

The Water Utility budget covers the cost of treating water from Lake Michigan, filtering and treating it at the water plant, and pumping it out to more than 5,000 system customers. The distribution system includes more than 50 miles of mains, two elevated storage tanks and a ground reservoir.

Proposed 2026 operating budget is \$2,831,365 down 4.9% over 2025. No rate increase is proposed for 2026 but the need for one will probably be there soon (*last was in 2023*).



**GET THE
LEAD OUT**



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Proposed 2026 Budget

Utility Funds: Sanitary Sewer Utility

2026 operating budget is \$3,117,324 up 3.87% from 2025.

- State DOA notified City of revenue shortfall to meet required debt coverage ratio for Clean Water Fund projects. (~\$280K over 2 years)
- Restructured 2026 sewer rate with small increases for base charge and larger increases for larger water users. \$3 – \$5 monthly increase for most residents.





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Utility Funds: Storm Water Utility

The Storm Water Utility is funded from a monthly charge of \$6.90 on single family residential properties; other properties pay a fee based on the “equivalent residential units” (ERU's) that the impervious surface area of their property represents.

The fund pays for capital improvements to the storm sewer collection / treatment system and the cost of maintaining that system.

2026 operating budget is proposed at \$469,099, down 11.6% from the 2025 Budget.

No rate increase is proposed for 2026.





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Utility Funds: Solid Waste Utility

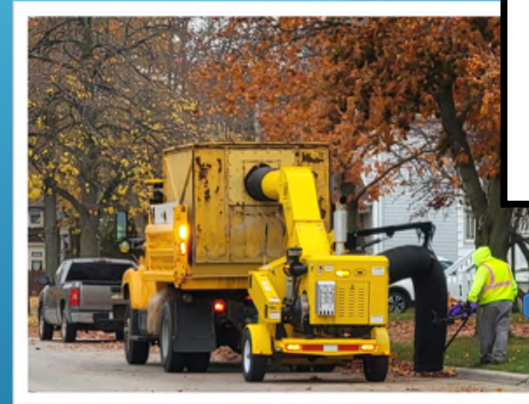
The Solid Waste Utility funds curbside collection of garbage and recyclables by Manitowoc Disposal, plus landfill charges for garbage disposal. Fall leaf collection is also funded from this utility.

Revenue sources include the monthly environmental fee on utility bills, \$3.00 garbage sticker fee, and state recycling grants.

Total proposed budget for 2026 is \$932,778 up 2.64% over 2025.

No rate increase is proposed for 2026.

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QUESTIONS?
Please call:
920-793-5539

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GARBAGE ONLY

\$3.00





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Council Discussion