GENERAL FUND REVENUES
Fund 01

PROGRAM DESCRIPTION:
City general fund revenues are typically relatively predictable. Most general fund revenue is obtained from property taxes, state-shared revenue, and transportation aides, which are known by the time the budget year begins. Revenues have historically not been dependent on changes in economic factors. However, varying factors, including the local economy, can cause fluctuations in certain revenue items from year to year.

Property Taxes
Property taxes are levied upon all real property and business personal property owners at a calculated rate per $1,000 assessed value. As is typical for most Wisconsin municipalities, the property tax is the primary revenue for the City's government operations. The trend for property taxes, as a percentage of General Fund Revenue, is as follows:

Budget Year	**2022**	**2023**	**2024**	**2025**	**2026**
Tax Levy	$19,931,500	$20,455,400	$23,450,500	$23,883,500	$24,328,925
Revenue	$28,213,729	$28,931,075	$30,812,960	$31,502,477	$32,312,032
Levy to Revenue	**70.6%**	**70.7%**	**76.1%**	**75.8%**	**75.3%**

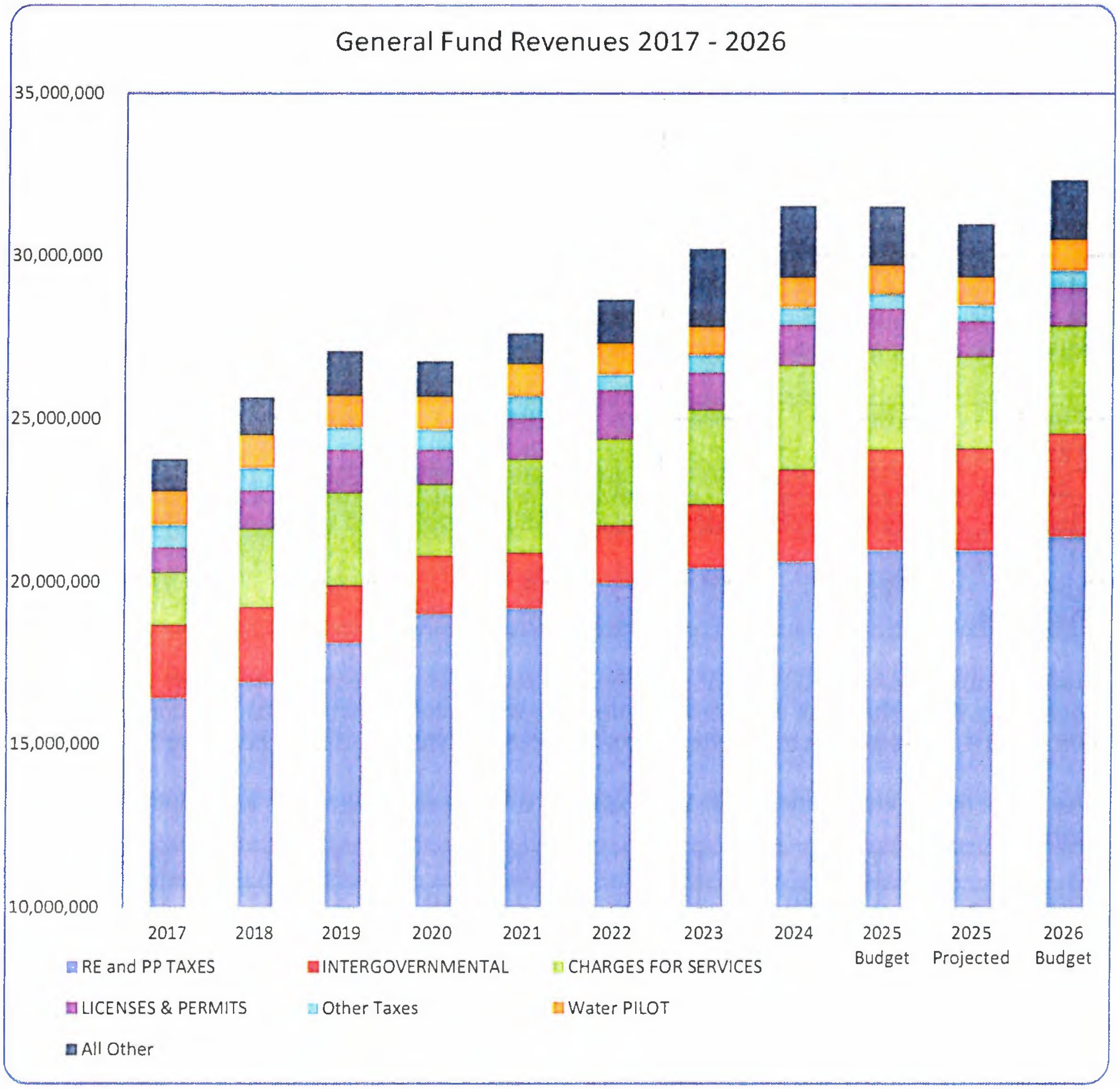
Property taxes as a percentage of general fund revenues will increase or decrease depending on fluctuations in other revenues, the amount of growth in net new construction, and whether increases in expenditures are needed to meet the City's service needs.

The Chart below shows the tax levy by purpose and the amount of levy per capita for each purpose.

	2022	**2023**	**2024**	**2025**	**2026**
Prior Year Population	36,646	35,895	36,259	36,417	36,882
Tax Levy	Actual	Actual	Actual	Actual	Budget
General Fund	$19,931,500	$20,455,400	$20,616,100	$20,975,600	$21,391,875
Library	$1,347,200	$1,374,000	$1,442,700	$1,467,700	$1,497,050
Capital	$53,300	$0	$291,700	$300,000	$300,000
Debt Service	$1,100,000	$1,100,000	$1,100,000	$1,140,000	$1,140,000
Total Tax Levy	**$22,432,000**	**$22,929,400**	**$23,450,500**	**$23,883,300**	**$24,328,925**
Per Capita					
General Fund	$543.89	$569.87	$576.62	$575.98	$580.00
Library	$36.76	$38.28	$39.79	$40.30	$40.59
Capital	$1.46	$0	$8.04	$8.24	$8.13
Debt Service	$30.02	$30.65	$30.34	$31.30	$30.91
Total Tax Levy	**$612.13**	**$638.80**	**$646.75**	**$655.82**	**$659.63**

City of Franklin, WI
2026 General Fund Revenue

Note that the population used in the chart is for the year before the budget year.



The chart above demonstrates the change in revenue mix from 2017 through the 2026 Budget. The Taxes, Intergovernmental Charges, Charges for Services, Penalties & Forfeitures, and Water Utility PILOT increased over this period, while Intergovernmental Revenues, Other Taxes, Investment Earnings, and All Other Categories have declined.

City of Franklin, WI
2026 General Fund Revenue

In 2019, General Transportation Aids (GTAs) were partially shifted to the Street Improvement Fund. GTAs have grown substantially related to street work done in the Tax Incremental Financing Districts in recent years. Landfill sitting revenues, included in Charges for Services, aid the General Fund in that up to 20% of these revenues go into the General Fund, with the majority, 80%, going to the Capital Funds.

Utility Tax Equivalent
The Franklin Water Utility makes a payment instead of property taxes, as the Public Service Commission requires, by applying the local municipal and school tax rates against the total value of the Utility plant in service and infrastructure. As the plant in service has grown due to the continued development in the City, this revenue has also increased. Much of the plant value added has been contributed by developers, Tax Incremental Financing Districts, and projects at least partially funded by special assessments. For 2026, the estimated payment was $950,000. The Water Utility has preliminary projects that are being discussed for further recommendation.

Hotel/Motel Room Tax
Hotels and motels charge a room tax that benefits the City of Franklin. The development of a hotel on South 27th Street resulted in the City receiving increased room taxes starting in 2009. A second hotel opened in July 2015 near S. 76th Street and W. Rawson Avenue. The 2015-16 state budget included a provision that directs a portion of this revenue to tourism beginning in 2017. In 2016, before the new restriction, this revenue provided $327,191. In 2021, the City raised the tax rate from 6% to 8%, effectively increasing the rate by 33%. For 2026, the General Fund revenue is capped at $179,460, with the balance directed to the Franklin Tourism Commission. The addition of planned hotels in the near future will allow the General Fund portion of the Hotel/Motel Tax to increase.

Cable Franchise Fees
The City charges a franchise fee on cable television services, which has decreased recently. Declining trends in the number of cable subscribers have impacted this revenue. For 2026, the estimated cost is $320,000, which represents a substantial decline from the last 10 years.

In the 2019-20 State Budget, the legislature lowered the cable tax rate from 5% to 4%, beginning in January 2020. A new state aid was created to replace the impact of the tax rate reduction. The combined effect is zero, while the fees appear to decline and Intergovernmental Revenues increase. That revenue is expected to be $98,500 in 2026, unchanged from the prior year.

State Shared Revenue
State Shared Revenue is based on a formula that considers per capita and aidable revenue factors, including the City's relative property value and local revenue generated. In recent years, the State has either not increased or decreased the amount received. In 2017, the City received $641,300; in 2025, shared revenue was $1,321,410, representing a significant increase due to WI Act 12, which provides municipalities with supplemental aid. 2026 projected shared revenue is $1,366,300, a 3.3% over 2025.

The State provides Expenditure Restraint payments to communities that limit their General Fund spending to a specified percentage increase over the prior year. The percentage limit considers inflation and growth in new construction in the City. Communities are only eligible for their equalized tax rate of five mills, at least $5.00 per $ 1,000 of assessed value. In 2015, the City of Franklin received more than $284,000; however, it ceased receiving this aid beginning in 2022, when its equalized tax rate dipped below $5.00 per thousand of value.

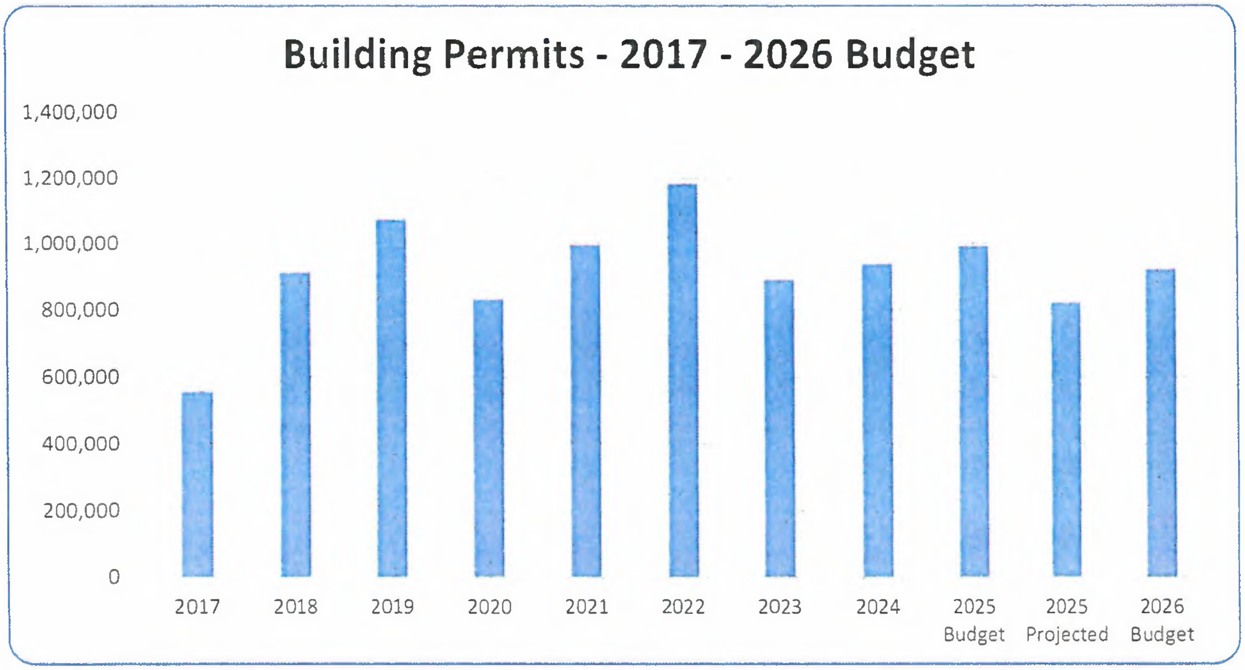
The state provides general transportation aid to local communities. These aids are based on a formula established by the State that considers the cost of maintaining the City's transportation system, including maintenance, traffic enforcement, and capital street construction costs. This formula uses Franklin's highway expenditures over a rolling 6-year period to determine the aid amount. In 2017, the City of Franklin received $1,093,339. For 2025, transportation aids are estimated at $2,086,000 – a 90.8% increase. GTA funding is released in mid-October each year, so the 2026 amount will be determined at that time, and the budget will be adjusted if needed. Street improvements in several of the City's Tax Incremental Financing Districts will impact transportation aids for several years. Beginning in 2019, only a portion of these Aid funds will fund the General Fund operations, with the balance supporting the Street Improvement Fund.

A 1997 legislative change exempted business computers from being subject to property tax. It also provided for a state aid payment to municipalities to offset the loss of this income. The Legislature froze the program in the 2017-18 budget, with a 1.47% increase in 2019 from 2018 levels. In the same budget, a new class of personal property was exempted, with a new Personal Property Aid payment. However, the new aid payment reduces the allowable levy increase dollar for dollar. For 2022, the exempt computer aids are $346,700, an increase of approximately $118,700 due to the closure of TID #3, and the exempt personal property aid is roughly $86,400.

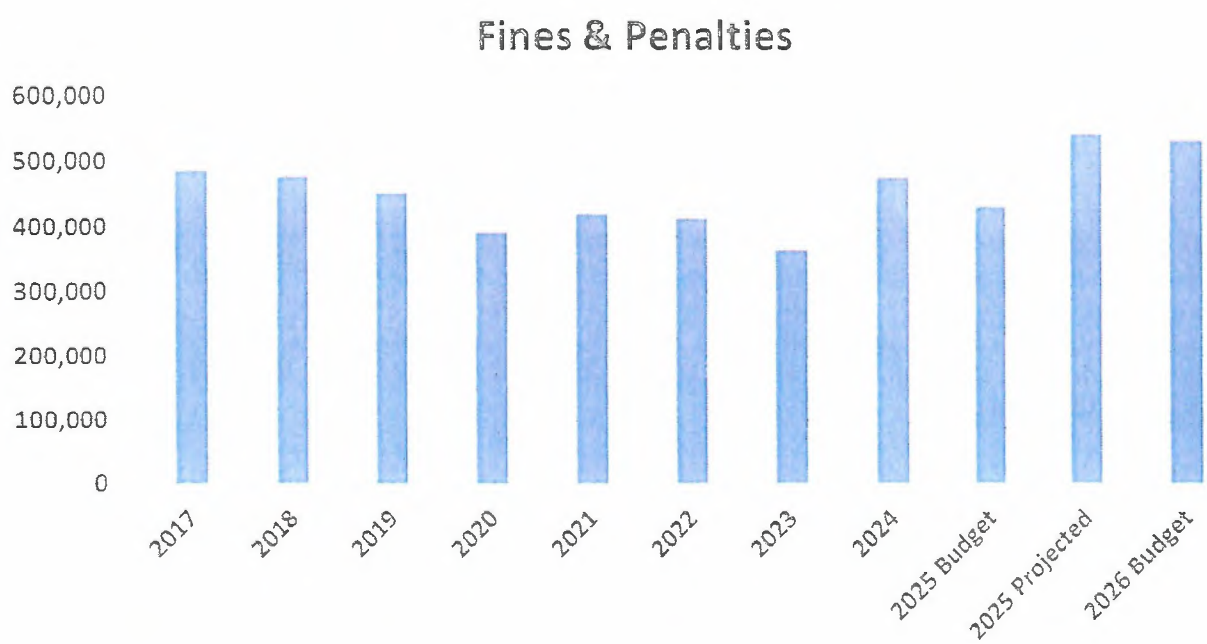
Overall, support from the Intergovernmental Revenues has remained relatively stable over the last few years, with the increase in 2023 mainly coming from the rise in exempt computer aid, as noted above. Generally, Franklin's shared revenue per capita is near the very bottom for cities of a similar size in the State, which relates to the higher per capita income and lack of utility property in the City.

Licenses and Permits

The City issues numerous licenses and permits in performing its regulatory functions, such as building, electrical, plumbing, liquor, bartender, peddler, food, pet, contractor, and others. Most such revenue items do not fluctuate significantly from year to year, and in some cases, change is limited by state statutes. The primary revenue in the permit category, accounting for approximately 78% of the category, is generated from building, plumbing, and electrical permits. The 2026 budget anticipates $920,000 in Building, Plumbing, and Electrical permit revenues. That compares to $990,000 budget, as expected, in 2025. The Tax Increment Districts provide the prospect of increased building permit revenue.



Penalties and Forfeitures
This category represents the City's share of fines from violations of City ordinances, state statutes, and parking ticket revenue. The 2026 projection is $530,000, a significant increase from 2022. The COVID-19 Pandemic adversely impacted 2021 Penalties and Forfeitures, as residents did not travel as much. Offsetting this reduction was the addition of the Tax Intercept collection process. That statewide collection effort has advanced the time at which fines and penalties are received.



Charges for Services
This revenue includes charges for the use of City services. The primary revenue in this category is generated from ambulance services (56%), as well as planning, engineering, and administrative fees, and charges to developers in connection with development agreements.

The 2026 ambulance fees are estimated at $1,850,000; this represents an increase compared to the 2024 revenue. Additional senior housing projects, if built, are expected to impact future ambulance revenues.

In 2026, Landfill siting revenues dedicated to the General Fund will increase to $549,000. This is a conservative estimate, as actual landfill siting revenues have been favorable to the 2025 budgeted amount. The Common Council directed that up to 20% of expected landfill siting revenues be dedicated to operating activities. See below for further discussion of landfill siting revenues.

Landfill Siting Revenues
The granting of a landfill license to Waste Management in 2010 by the Wisconsin Department of Natural Revenues saw the beginning of new revenue for the City and surrounding communities. A Landfill Siting Agreement was completed, requiring a payment for each ton of fill going into the site, which is shared as 75% to the City of Franklin, as the home City, and the remaining 25% to six other communities. The initial license was for 1.2 million tons. In 2018, the first expansion license was obtained, expanding the landfill by 9 million tons. With that expansion, the fee increased by 25%. Waste Management controlled the material accepted until the expansion permit was obtained. Revenues in recent years are listed here:

2018 - $968,368
2019 - $2,593,804
2020 - $2,321,287
2021 - $2,515,603
2022 - $2,580,937
2023 - $2,547,823
2024 - $3,067,593
2025 - $2,650,000– Budget
2026 - $3,050,000 – Budget

This revenue will end when the landfill license is exhausted, so limiting the funding of current operations to 20% of revenue is a prudent way to ensure that City operations do not become too reliant on the revenues. As noted earlier, the City uses 80% of the funding for capital projects. The site has the potential for 19 million tons of waste, assuming one additional 9-million-ton license renewal, so it is expected that these revenues will be available for several years into the future.

Intergovernmental Charges for Services

In addition to the Emergency Medical Services revenue included in the charges for services above, a Milwaukee County subsidy is received. In 2012, the County negotiated a three-year agreement with Franklin, receiving $125,000 annually in Emergency Medical Service aid. For 2026, revenues are expected to be $405,000. This includes an increase due to the Milwaukee County Community Paramedic Program funding available. As noted, this revenue is subject to adjustment and reductions and should be monitored for its future impact on the General Fund.

In 2015, the Franklin School District resumed a program with a School Liaison Officer, who is primarily funded by the School District and contributes most of the officer's cost. This program is expected to continue in 2026. In 2025, the City and Franklin School District approved a second School Liaison Officer, with the school district funding 75% per the agreed-upon contract. Funding in the 2026 budget has been accounted for.

Interest Revenue

Investment earnings are one of the two main revenues in this category. Investment interest has declined following the fall in short-term interest rates since 2009. Short-term investment returns rose rapidly in 2018 and 2019. Economic pressures related to the COVID-19 pandemic pushed rates back toward zero; however, in 2022, interest rates began to increase. This revenue will fluctuate in line with market interest rate movements. Current market rates have started to decline, with further recommendations to find other avenues to supplement interest income projections.

Another component of investment results is realized and unrealized gains/losses on fixed-income investments. The City's investment policy limits the term of investments to a maximum of seven years, which provides downside protection from investment losses related to longer-duration securities. Investments are reflected at market values, generating unrealized gains and losses. However, as investments are anticipated to be held to maturity, unrealized losses are not expected to be realized, barring any premature forced sale for an emergency.

The last major component is interest charged at the statutory rate of 12% per annum on delinquent property taxes. The City retains any interest collected before it turns over uncollected Real Estate Tax Bills to Milwaukee County in August of each year. Personal Property Tax Bills are retained and pursued for collections by the City due to a 2011 State law change. In 2024, WI legislation changes have exempted personal property.

Miscellaneous Revenue

Water Tower rentals to cell phone companies and insurance dividends are the main components of miscellaneous revenue. This category is budgeted conservatively, as the revenues collected vary significantly more than those in other revenue categories.

City of Franklin, WI
General Fund Revenues

GL NUMBER	DESCRIPTION	2026 ORIGINAL BUDGET	2026 DEPT REQUEST BUDGET	2025 PROJECTED ACTIVITY	2025 AMENDED BUDGET	2024 ACTIVITY
REAL ESTATE TAXES						
01-0000-4011	GENERAL PROPERTY TAX	21,391,875	21,801,875	20,975,600	20,975,600	20,616,100
	REAL ESTATE TAXES	21,391,875	21,801,875	20,975,600	20,975,600	20,616,100
TAXES						
01-0000-4012	PROPERTY TAX-SPECIAL-PAY IN L	13,411	13,411	13,075	13,125	12,783
01-0000-4014	MOBILE HOME TAX	20,000	20,000	20,000	20,000	19,167
01-0000-4022	MOTEL ROOM TAX	179,460	179,460	153,180	153,180	151,900
01-0000-4025	CABLE TV&VIDEO FRANCHISE FEE	320,000	320,000	321,500	300,000	351,941
	TAXES	532,871	532,871	507,755	486,305	535,791
FUND TRANSFERS						
01-0000-4031	TAX EQUIVALENT	950,000	950,000	877,200	877,200	953,331
	FUND TRANSFERS	950,000	950,000	877,200	877,200	953,331
INTERGOVERNMENTAL						
01-0000-4121	PER CAPITA	1,366,300	1,366,300	1,321,410	1,321,410	1,291,734
01-0000-4122	STATE MEDICAL TRANSPORT AID				34,000	
01-0000-4125	SPECIAL UTILITY	141,750	141,750	147,655	130,730	136,177
01-0000-4126	STATE EXEMPT COMPUTER AID	350,800	350,000	350,800	350,000	350,802
01-0000-4127	FIRE INSURANCE TAX	275,000	275,000	272,595	220,000	248,863
01-0000-4128	EXEMPT PERS PROP AID	95,630	95,630	95,630	95,630	95,630
01-0000-4129	VIDEO SERVICE PROVIDER AIDS	98,515	98,515	98,515	98,515	98,516
01-0000-4130	EXEMPT PERS PROP AID ACT 12	210,947	210,947	210,947	210,945	
01-0000-4144	GEN TRANS AIDS	635,000	600,000	600,000	600,000	599,500
	INTERGOVERNMENTAL	3,173,942	3,138,142	3,097,552	3,061,230	2,821,222
LICENSES & PERMITS						
01-0000-4201	BEER & ALCOHOL	31,000	31,000	31,000	35,000	31,507
01-0000-4209	BARTENDER/OPERATOR LICENSE	22,000	22,000	22,000	20,000	25,306
01-0000-4213	AMUSEMENT & ENTERTAIN LICEN	8,000	8,000	8,000	8,000	7,990
01-0000-4217	ENTERTAINMENT & AMUSEMENT	25	25	25	25	25
01-0000-4219	PEDDLER/TRANSIENT/DOOR-TO-D	5,700	5,700	5,700	4,500	5,280
01-0000-4222	FOOD PRE-INSPECTION	6,000	6,000	6,000	6,000	8,112
01-0000-4223	FOOD LICENSE	7,000	7,000	8,000	5,500	6,870
01-0000-4229	CIGARETTE LICENSE	2,400	2,400	2,400	2,400	2,600
01-0000-4241	OTHERLIC/PUBLIC GRT/TAXEXMPT	2,800	2,800	2,800	3,000	3,230
01-0000-4242	TECHNOLOGY FEE	19,000	19,000	19,000	20,000	24,521
01-0000-4257	BICYCLE LICENSE	25	25	25		7
01-0000-4261	ANIMAL& MOBILE HOME LICENSES	5,100	5,100	5,100	5,500	5,560
01-0000-4262	RETAIL FOOD ESTABLMT LICENSE	26,000	26,000	28,000	23,000	26,916
01-0000-4263	RESTAURANT LICENSE & MISC FE	45,000	45,000	47,000	40,000	41,307
01-0000-4264	APPLICATION&OTHER HEALTH LIC	9,500	9,500	9,500	8,500	9,584
01-0000-4265	POOL LICENSE FEES	11,500	11,500	11,500	9,500	10,875
01-0000-4266	HOTEL/MOTEL LODGING LICENSE	5,100	5,100	5,100	5,000	5,007
01-0000-4268	HEALTH LATE FEES			800		300
01-0000-4269	HEALTH REINSPECTION FEES			1,120		585
01-0000-4270	HEALTH PREINSPECTION FEES	500	500	500	500	237
01-0000-4271	BUILDING PERMITS	650,000	550,000	575,000	700,000	641,236
01-0000-4272	Agent DSPS Plan Review Fees					23,250
01-0000-4273	ELECTRICAL PERMITS	120,000	120,000	120,000	140,000	138,867
01-0000-4274	Agent DSPS Submittal Fee					4,500
01-0000-4275	PLUMBING PERMITS	150,000	150,000	124,000	150,000	155,160
01-0000-4277	STREET EXCAVATION PERMITS	5,000	5,000	2,600	5,000	4,450
01-0000-4281	SIGN PERMITS	9,500	9,500	9,500	10,000	9,890
01-0000-4285	SPECIAL EVENT PERMIT				500	
01-0000-4287	PARK & FIELD RESERVATION-TAX	35,000	35,000	35,000	35,000	32,328
01-0000-4288	FIRE BURNING & OTHER PERMITS	2,500	2,500	2,700	2,500	2,775
01-0000-4289	ALARM/BARRICADE/MINING PERM	2,600	2,600	2,570	2,600	7,805
	LICENSES & PERMITS	1,181,250	1,081,250	1,084,940	1,242,025	1,236,080

City of Franklin, WI
General Fund Revenues

GL NUMBER	DESCRIPTION	2026 ORIGINAL BUDGET	2026 DEPT REQUEST BUDGET	2025 PROJECTED ACTIVITY	2025 AMENDED BUDGET	2024 ACTIVITY
PENALTIES & FORFEITURES						
01-0000-4311	FINES/PENALTY/RESTITUTION/MIS	530,000	530,000	540,000	430,000	473,808
	PENALTIES & FORFEITURES	530,000	530,000	540,000	430,000	473,808
CHARGES FOR SERVICES						
01-0000-4401	SUBDIVISION FILING	5,000	5,000	5,000	5,000	10,600
01-0000-4402	LAND COMBINATION FILING	25,000	25,000	27,000	25,000	39,301
01-0000-4403	CSM FILING	5,000	5,000	5,000	1,500	3,670
01-0000-4404	SITE PLAN REVIEW FILING	75,000	75,000	120,000	60,000	72,984
01-0000-4405	VARIANCE & APPEALS FILING	1,500	1,500	1,800	1,500	3,200
01-0000-4406	SPECIAL USE FILING	18,000	18,000	18,000	12,000	16,800
01-0000-4407	REZONING FILING	25,000	25,000	26,000	10,000	17,690
01-0000-4409	OTHER FILING & PLANNING CHAR	8,500	8,500	8,300	5,000	9,835
01-0000-4410	E-PLAN REVIEW FEE	8,000	8,000	6,500	10,000	518
01-0000-4411	PUBLICATIONS & RECORDING	1,000	1,000	1,300	1,000	2,330
01-0000-4413	PROPERTY STATUS REPORTS	12,000	12,000	12,000	8,000	9,575
01-0000-4415	COPYING CHARGES	150	150	150	100	190
01-0000-4417	CHARGES - OPEN RECORDS REQ	500	500	600	500	1,721
01-0000-4421	MAP & CD SALES-TAXABLE	300	300	300	300	(78)
01-0000-4425	ARCHITECTURAL BOARD REVIEW	5,000	5,000	5,000	5,000	5,060
01-0000-4431	POLICE SERVICES	3,200	3,200	3,200	2,500	2,470
01-0000-4432	SPECIAL EVENT PUBLIC SAFETY	25,000	25,000	22,000	50,000	118,315
01-0000-4440	AMBULANCE SERVICES - ALS	1,980,000	1,850,000	1,590,000	1,748,950	1,692,185
01-0000-4442	FIRE SAFETY, CPR TRAINING, FINE	6,000	6,000	6,000	6,000	25,792
01-0000-4443	FIRE PLAN REVW/WITNESS/TEST	5,000	5,000	5,000	5,000	4,700
01-0000-4445	QUARRY REIMBURSEMENT	55,000	55,000	55,000	55,000	53,800
01-0000-4449	WEIGHTS & MEASURES CHARGES	5,000	5,000	5,000	5,000	7,386
01-0000-4452	CLINIC SERVICES	35,000	35,000	30,000	35,000	47,585
01-0000-4453	SALE OF RADON TEST KITS	500	500	500	500	630
01-0000-4456	HEALTH LABOR CHARGED TO GRA	45,000	45,000	60,000	45,400	23,305
01-0000-4470	WEED CONTROL	4,000	4,000	4,000	4,000	4,840
01-0000-4471	STREET LIGHTING	30,000	30,000	30,000	20,000	26,838
01-0000-4479	ENGINEERING FEES	350,000	350,000	210,000	315,000	336,049
01-0000-4480	DPW CHARGES	55,000	55,000	55,000	55,000	83,827
01-0000-4493	LANDFILL OPERATIONS-SITING	549,000	549,000	551,000	477,000	445,590
01-0000-4496	LANDFILL OPERTN-EMERALD PAR	90,000	90,000	92,800	90,000	115,821
	CHARGES FOR SERVICES	3,427,650	3,297,650	2,956,450	3,059,250	3,182,529
INTERGOVT CHGS FOR SERVICES						
01-0000-4611	COUNTY EMT-PARAMEDIC-ALS	405,000	405,000	212,000	220,000	229,765
01-0000-4615	SCHOOL LIAISON OFFICER	201,000	201,000	97,350	90,000	85,343
	INTERGOVT CHGS FOR SERVICES	606,000	606,000	309,350	310,000	315,108
INVESTMENT EARNINGS						
01-0000-4711	INTEREST ON INVESTMENTS	400,000	400,000	435,000	700,000	913,117
01-0000-4713	INVESTMENT GAINS/LOSSES					935
01-0000-4715	INTEREST-TAX ROLL	130,000	130,000	170,000	200,000	200,226
01-0000-4716	INTERFUND INTEREST	744	744	1,220	867	65,258
01-0000-4719	MISCELLANEOUS INTEREST	5,000	5,000	5,000	15,000	56,175
	INVESTMENT EARNINGS	535,744	535,744	611,220	915,867	1,235,711

City of Franklin, WI
General Fund Revenues

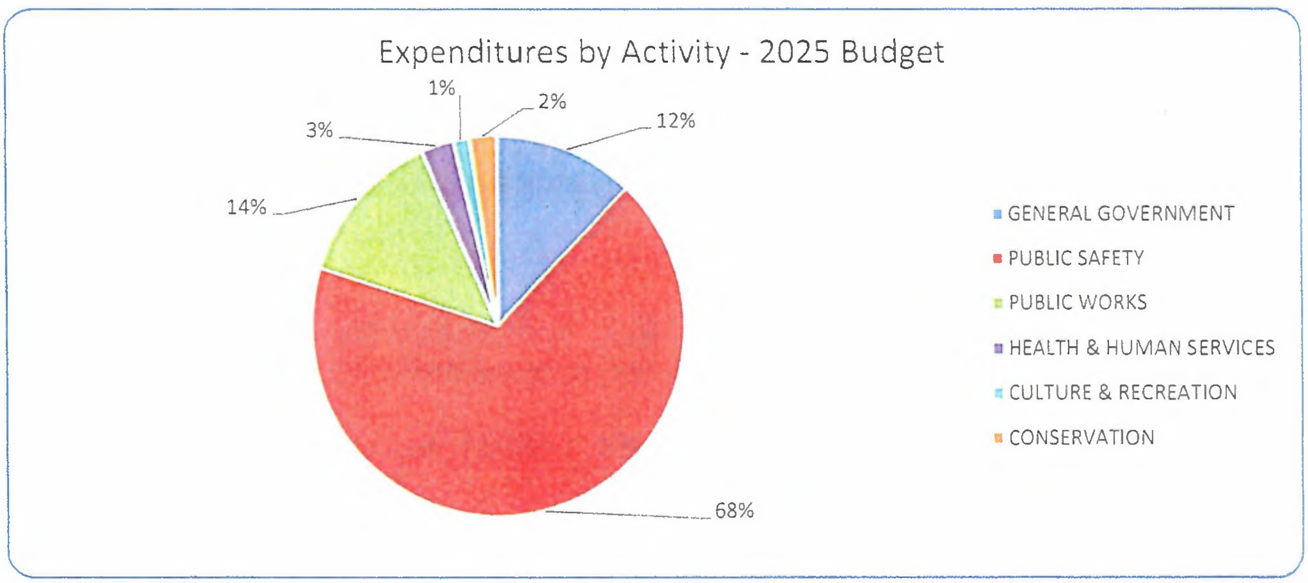
GL NUMBER	DESCRIPTION	2026 ORIGINAL BUDGET	2026 DEPT REQUEST BUDGET	2025 PROJECTED ACTIVITY	2025 AMENDED BUDGET	2024 ACTIVITY
MISCELLANEOUS REVENUE						
01-0000-4725	RENTAL-MUNICIPAL PROP	95,000	95,000	91,000	91,000	92,014
01-0000-4757	HOUSE NUMBER SALES			600	500	611
01-0000-4771	INSURANCE DIVIDEND	30,000	30,000	31,165	25,000	23,220
01-0000-4781	REFUNDS/REIMBURSEMENTS	20,000	20,000	20,000	29,500	33,021
01-0000-4782	REFUND/REIMBURSEMNT-ELECTION			1,121		865
01-0000-4784	MADACC ANML LIC SOLD/ORD FEE	2,500	2,500	2,500	2,500	4,178
01-0000-4798	CASH OVER(SHORT)					(37)
01-0000-4799	MISCELLANEOUS REVENUE	1,000	1,000	3,300	1,000	948
	MISCELLANEOUS REVENUE	148,500	148,500	149,686	149,500	154,820
	Total Revenues	32,477,832	32,622,032	31,109,753	31,506,977	31,524,500

General Fund Expenditures

PROGRAM DESCRIPTION:
City General Fund expenditures are divided into Activities and further reported by Category/Department. The Activities include General Government, Public Safety, Public Works, Health and Human Services, Culture and Recreation, and Conservation and Development.

A summary of the expenditures by Activity, in thousands, without the restricted contingency, as this is only able to be utilized with additional available revenues and a super-majority vote of the Common Council, is as follows:

	2021	2022	2023	2024	2025 Budget	2025 Amended	2026
General Gov't.	2,946	3,201	3,253	3,709	3,858	4,041	3,846
Public Safety	17,870	18,214	18,961	20,075	20,990	21,182	21,365
Public Works	4,199	4,201	4,389	4,163	4,685	4,773	4,268
Health/Human	706	702	723	750	809	809	890
Culture & Rec	329	308	324	291	481	507	610
Conservation	531	512	671	666	852	866	740
Transfers	374	24	24	71	71	858	828
Total	**26,955**	**27,162**	**28,345**	**29,724**	**32,635**	**33,035**	**32,545**



General Government
General government comprises 12 departments that provide specific services for the City or internal services to or on behalf of the departments providing services. General Government Expenditures are approximately 11.8% of the General Fund Expenditure Budget. General government expenditures are a disproportionate component of contract services as several functions have been contracted out, including Assessing and Legal Services. Certain General Government Services provide services for other funds, such as financial services to the Utilities and TIDs; those funds then reimburse the General Fund for those services.

Public Safety
Public Safety includes Police, Fire, Public Fire Protection, Inspection Services, and Weights and Measures. Its expenditures comprise approximately 65.6% of the General Fund Expenditure Budget.

Public Works
Public Works include Engineering, Highway, Street Lighting, and Weed Control. Public Works Expenditures comprise approximately 13.1% of the General Fund Expenditure Budget. Substantial expenditures in these budgets include the cost of road salt and fuel and the labor cost to provide the services.

Health and Human Services
Health and Human Services is comprised of Health and Animal Control Expenditures, which equate to approximately 2.7% of the General Fund Expenditure Budget. The pandemic emergency in 2020 demonstrated the impact of these services on the community.

Culture and Recreation
Culture and Recreation expenses are comprised of the Parks and Recreation expenses. These include amounts paid for St. Martin's Fair and Civic Celebrations. Culture and Recreation Expenses amount to approximately 1.4% of the General Fund Expenditure Budget.

Note: The Parks Budget is included in the Annual Budget under Public Works due to reporting authority.

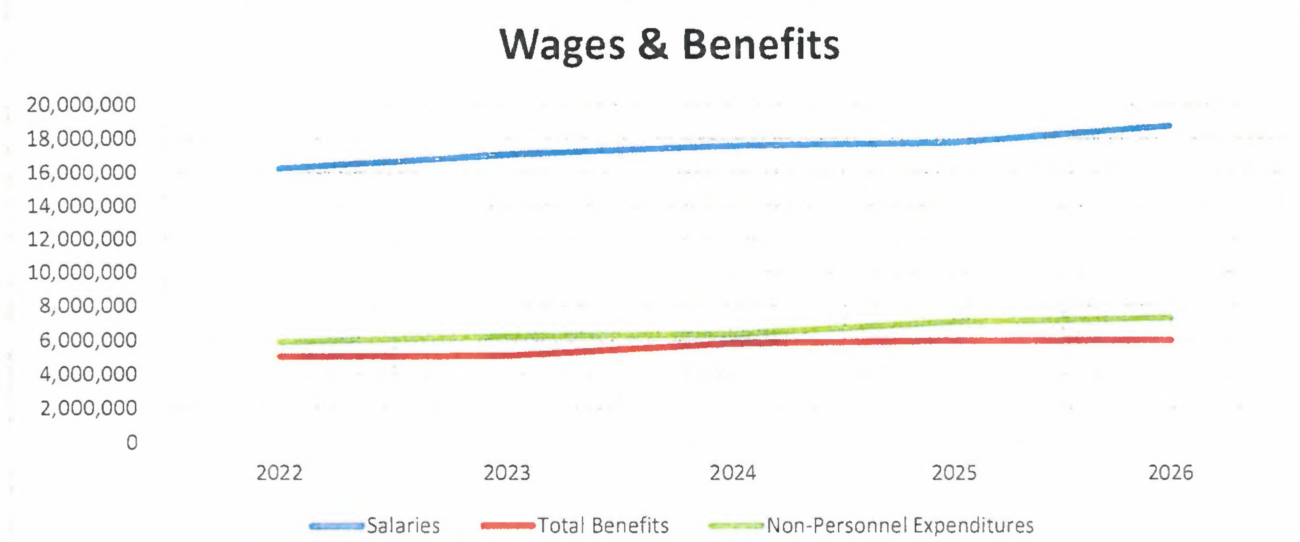
Conservation and Development
Conservation and Development are comprised of economic development and Planning functions. Conservation and Development expenditures comprise approximately 2.3% of the General Fund Expenditure Budget. In 2016, the City added a full-time economic development director to foster greater development.

Transfers and Contingency
Transfers relate to the General Fund's contributions to Recreation Departments and periodic one-time uses of excess General Fund monies for capital expenditures.

Contingency includes a provision for unexpected expenditures and to provide Restricted reserves for emergencies, such as the 2020 Pandemic.

General Fund Expenditures by Functional Category
The 2025 General Fund Expenditure Budget is presented by functional categories on the following page. Salaries, wages, and benefits comprise approximately 78.3% of the General Fund Budget.

Wages and benefits have grown from $21.26 million in 2022 to $24.69 million in 2026, or 16.1%, which equates to 3.2% per year on average. There are no additional FTE increases in the 2026 Budget.

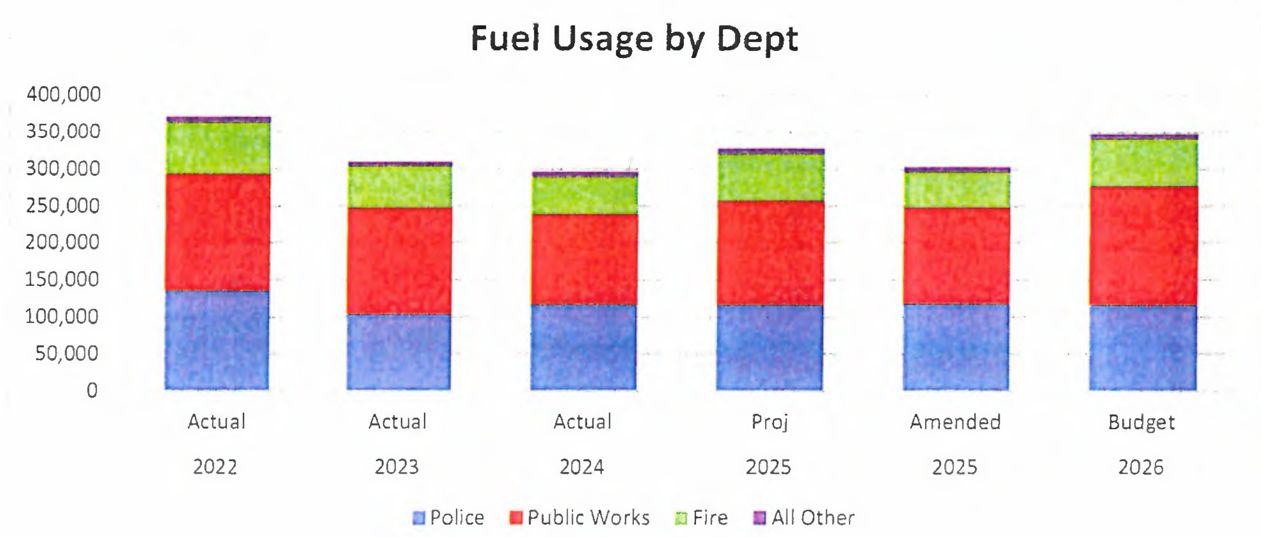


Employee benefits, which consist of Group Health and Dental, Retirement, Retiree Health, Life Insurance, and Employment Taxes, will increase slightly in 2026. This may decrease in future years based on claims and usage.

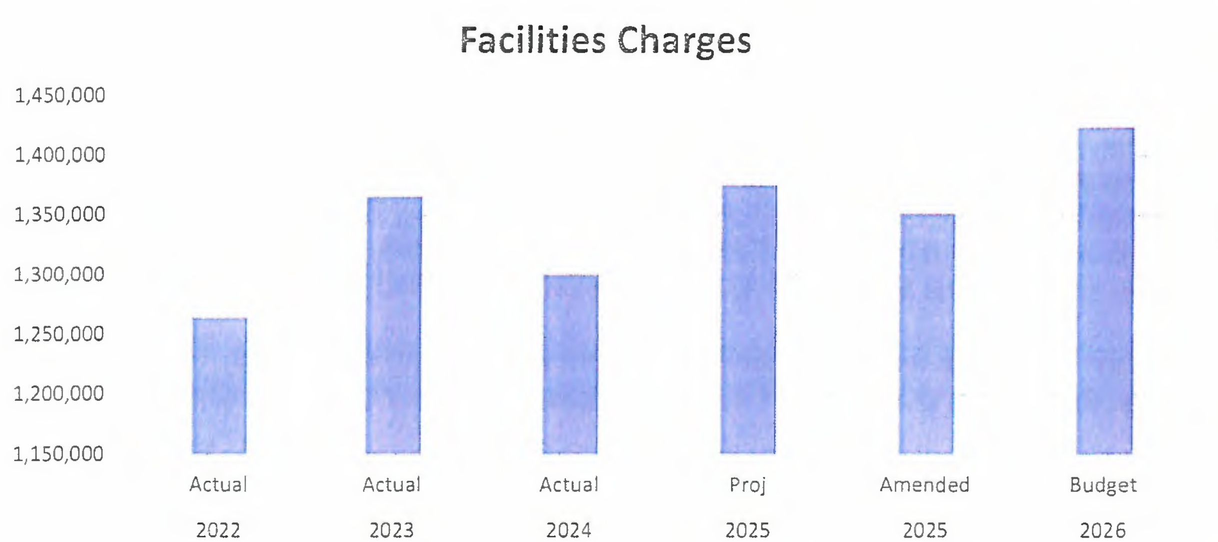
In 2019, the City elected the Wisconsin Retirement System pension plan for all new employees. Those employees in the old plans were provided the option of remaining in the old plans. In the short term, Public Works retirement costs will be elevated as the unpaid benefit costs of the old Public Works plan work through the system. In 2020, the City made a $325,000 special contribution to the Retiree Health Plan. Also, in 2020, the City General Fund made a $200,000 contribution to the Public Works Pension plan. In 2025, the plan will be funded enough to decrease contributions back down to the Actuarial Determined Contribution amount.

Non-personnel costs include Property Insurance, Contracted Services, Utilities, Operating Supplies, Services and Charges, Facility Charges, Other Costs, and Contingency.

Fuel costs are another major expenditure and vary with the price of oil. In recent years fuel costs have been fairly constant. Fuel costs vary closely with the price of oil, demonstrating the impact of volatile fuel prices on the City's operating costs. The City engaged in a fleet program with Enterprise Fleet in 2024 and hope to see a decrease in fuel costs due to newer vehicles being used.



The steadily rising facility charges indicate that the City's aging municipal building inventory will require more maintenance costs.



City of Franklin, WI
General Fund Operating Expenditures
Five Years Ended December 31, 2026

	2026 ORIGINAL BUDGET	2025 ACTIVITY	Pct Inc (Dec) 26 Bud 25 Projected	2025 AMENDED BUDGET	$$ Inc (Dec) 26 - '25 Proj	2024 ACTIVITY	2023 ACTIVITY	2022 ACTIVITY
Salaries	18,712,891	17,784,215	5.2%	18,629,185	928,676	17,594,797	17,064,525	16,240,757
Health & Dental	2,566,493	2,528,852	1.5%	2,670,607	37,641	2,482,029	1,999,796	2,199,241
Retirement	2,302,055	2,164,066	6.4%	2,235,307	137,989	2,013,628	1,866,162	1,645,404
Soc Security Taxes	1,431,589	1,304,229	9.8%	1,423,935	127,360	1,290,605	1,258,702	1,193,481
Retiree Health	291,900	344,436	-15.3%	344,313	(52,536)	404,685	159,831	172,545
Workman's Compensation Ins	313,370	230,550	35.9%	235,429	82,820	219,210	264,623	391,753
Other Benefits	62,445	59,577	4.8%	61,649	2,868	55,921	93,254	67,587
Charges to Other Funds	(989,210)	(675,056)	46.5%	(816,096)	(314,154)	(676,888)	(590,536)	(650,709)
Total Benefits	5,978,642	5,956,654	0.4%	6,155,144	21,988	5,789,190	5,051,832	5,019,302
Total Salaries & Benefits	24,691,533	23,740,869	4.0%	24,784,329	950,664	23,383,987	22,116,357	21,260,059
Contract Services	3,027,729	3,266,738	-7.3%	3,073,318	(239,009)	2,839,386	2,574,815	2,331,718
Supplies	1,829,240	1,642,903	11.3%	2,047,605	186,337	1,451,448	1,605,119	1,658,805
Services & Charges	715,792	663,100	7.9%	784,013	52,692	637,216	592,189	599,372
Facility Charges	1,423,230	1,350,647	5.4%	1,374,325	72,583	1,299,500	1,364,662	1,263,324
Other	48,700	51,304	-5.1%	57,604	(2,604)	41,758	67,759	24,693
Transfers Out	222,000	71,000	212.7%	928,800	151,000	71,000	24,000	24,000
Total Other Expenditures	7,266,691	7,045,692	3.1%	8,265,665	220,999	6,340,308	6,228,544	5,901,912
Total Expenditures	31,958,224	30,786,561	3.8%	33,049,994	1,171,663	29,724,295	28,344,901	27,161,971
Contingency	3,019,608	0		2,217,012	3,019,608	0	0	0
Total Expenditures	34,977,832	30,786,561	0	35,267,006	4,191,271	29,724,295	28,344,901	27,161,971

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