Franklin
WISCONSIN

2027

Mayor’s Recommended Budget

City of Franklin, Wisconsin

Common Council Presentation • September 15, 2026

Responsible today. Sustainable tomorrow.

The 2027 Budget in One Sentence

The financial story before the spreadsheets

Franklin is growing, but the cost of providing municipal services is growing faster than the recurring revenue available to fund them.

Protect essential services
Police, Fire/EMS, streets, public works, elections, inspections, planning, health, library and core administration.

Preserve financial flexibility
Maintain reserves, manage debt prudently, and avoid using one-time money for ongoing obligations.

Plan beyond one year
Use the 2027 budget to position Franklin for capital, workforce and revenue decisions that extend beyond 2027.

The recommended budget is intended to balance service continuity, affordability, and long-term fiscal sustainability.

Budget Built on Clear Principles

FRAMEWORK

The same discipline, sharpened for 2027

Essential services first

Maintain reliable core municipal services.

People are the service

Recognize that municipal service delivery is labor-intensive.

Ongoing pays for ongoing

Match recurring expenditures with recurring revenues.

Capital is planned

Prioritize lifecycle needs instead of reacting to failures.

Debt is a tool, not a solution

Borrow for long-lived assets within conservative limits.

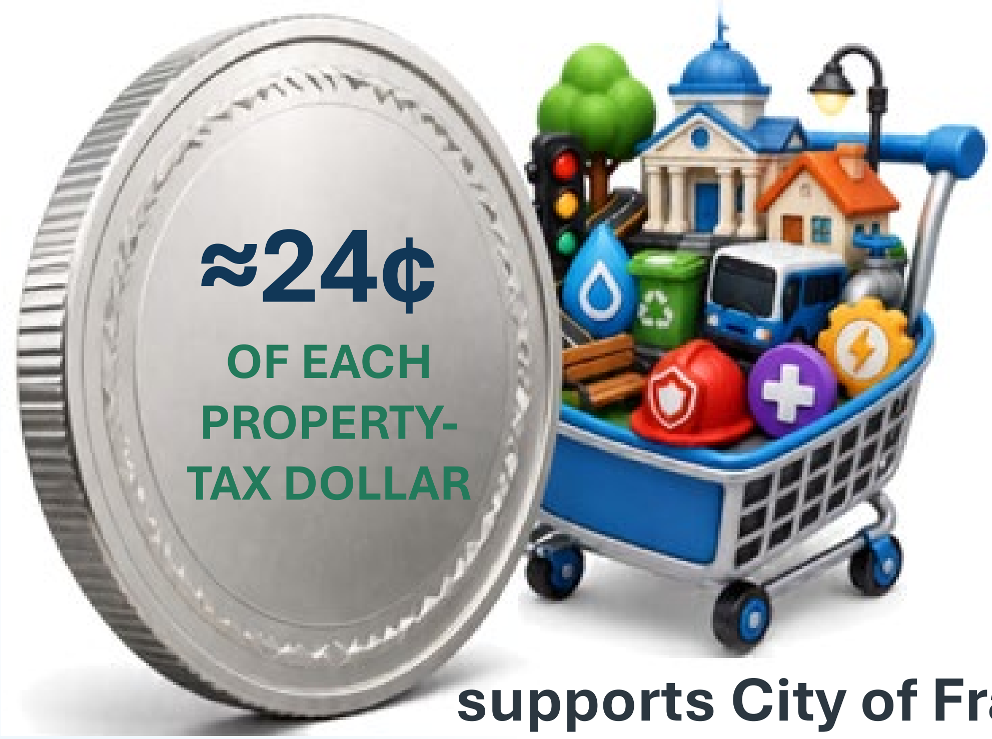
Taxpayer impact matters

Evaluate choices through both service and affordability lenses.

Your Property Tax Bill Is Bigger Than City Government

TAXPAYER CONTEXT

The City receives only one portion of the total property tax bill



supports City of Franklin services

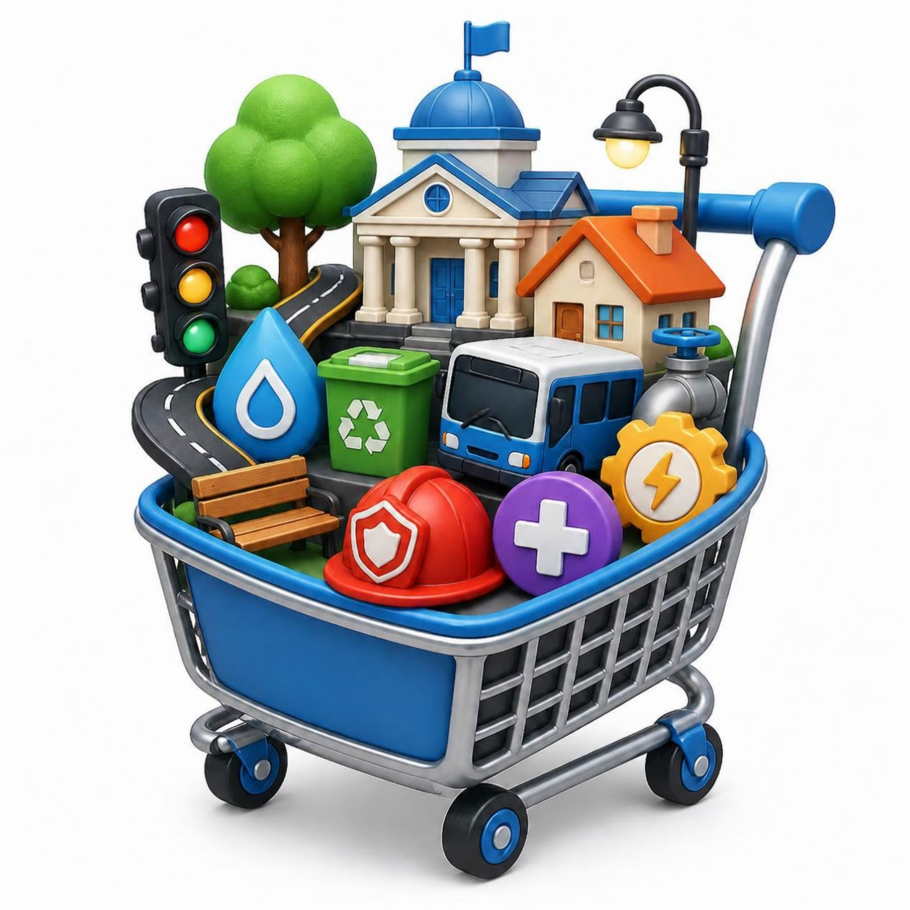
The City receives only one portion of the total property-tax bill.

≈24¢ is an approximate share; actual distribution varies by property and applicable taxing jurisdictions.

What Does the City’s Share Buy?

TAXPAYER CONTEXT

The municipal portion of the tax bill supports services residents use every day



WHAT THE CITY’S SHARE BUYS

- PUBLIC SAFETY
- ROADS + SNOW REMOVAL
- PARKS + PUBLIC WORKS
- LIBRARY + HEALTH
- ELECTIONS + PLANNING
- ADMINISTRATION + SUPPORT

The challenge is balancing the services residents expect with the resources available to provide them.

Franklin in Milwaukee County Context

TAXPAYER CONTEXT

Franklin's levy growth has remained modest over the most recent completed comparative period

CITY OF FRANKLIN	FRANKLIN SCHOOLS	OAK CREEK-FRANKLIN	WHITNALL	MMSD	MILWAUKEE COUNTY	MATC
18.6%	24.6%	38.1%	36.4%	33.5%	16.9%	14.8%

2016–2025 CUMULATIVE LEVY GROWTH

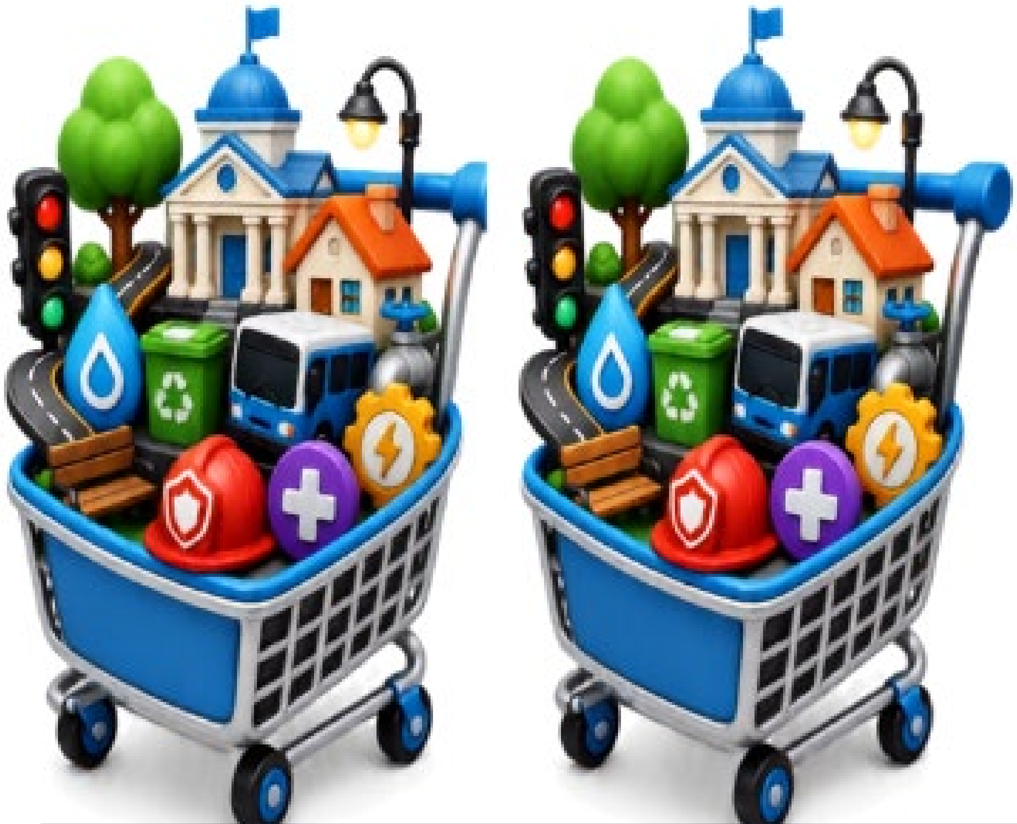
Franklin's municipal levy growth remained modest compared with several major overlapping taxing jurisdictions.

Source: City of Franklin Finance Department, 2025 Tax Facts.

Same Service Cart. Higher Price.

COST PRESSURES

Franklin must continue purchasing the inputs required to deliver municipal services



SAME CART.

HIGHER PRICE.

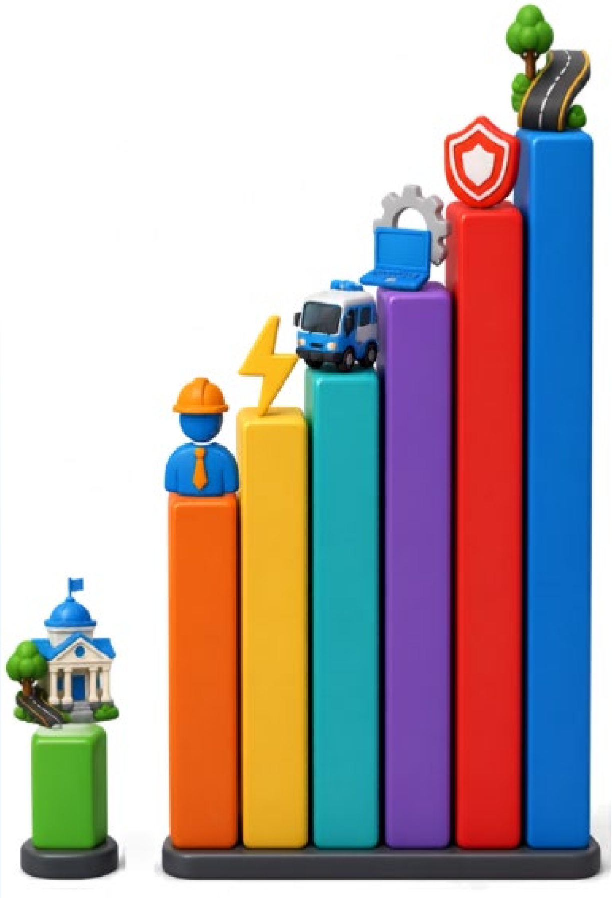
Wages • Insurance • Fuel • Salt • Utilities • Vehicles • Technology • Construction • Contracts

Higher costs do not necessarily mean more services. Sometimes it simply costs more to provide the same services.

The Core Wisconsin Municipal Finance Challenge

REVENUE

Growth in community value does not automatically translate into equal growth in operating revenue



0.782%

NET NEW CONSTRUCTION

Levy capacity is constrained. Service costs are market-driven. The difference compounds.

Franklin's challenge is whether recurring municipal revenues can keep pace with the recurring cost of today's services.

2027 General Fund Snapshot

The Mayor's Recommended Budget now reflects the completed General Fund revenue and expenditure schedules

$33.96M
GENERAL FUND REVENUE

$33.89M
GENERAL FUND EXPENDITURES

$22.31M
GENERAL FUND LEVY

$25.22M
TOTAL CITY LEVY

0.782%
NET NEW CONSTRUCTION

227.31
AUTHORIZED FTE

Where General Fund Revenue Comes From

Recurring revenue capacity determines recurring service capacity

74.3%

PROPERTY TAX SHARE OF GENERAL FUND REVENUE

$1.395M

Shared Revenue

$1.90M

Ambulance / EMS

$1.23M

Permits

$950K

Water Utility Tax Equivalent

$620K

Interest

$550K

Landfill to General Fund

Recurring revenue capacity determines recurring service capacity.

Where the General Fund Goes

Municipal services are delivered primarily by people

$26.31M

PERSONNEL

$20.76M

PUBLIC SAFETY PERSONNEL

$7.58M

NON-PERSONNEL OPERATING

Municipal services are delivered primarily by people.

At a certain point, expenditure reductions become decisions about service capacity, staffing, maintenance or planned investment.

The Structural Gap Is the Decision Point

A recurring imbalance cannot be solved permanently with one-time actions

RECURRING PROBLEM → **RECURRING SOLUTION**

COST CONTROL
Service Redesign
Contract Review

CAPACITY
Staffing Choices
Modernization

REVENUE
Fees • Aid
Sustainable Sources

Fund balance can provide timing flexibility. It cannot permanently finance an ongoing operating imbalance.

What Franklin Is Already Doing

MANAGEMENT

The 2027 budget is part of a broader management response

Organizational review

Evaluate staffing models, responsibilities and service delivery across departments.

Contract discipline

Strengthen administrative and financial review of contracts and recurring commitments.

Capital prioritization

Separate urgent lifecycle needs from desirable projects and phase investment.

Fee review

Modernize fees and cost recovery where appropriate and legally permissible.

Grant strategy

Pursue outside funding while accounting for match and ongoing-cost obligations.

Performance management

Improve project tracking, accountability, financial controls and management information.

The Workforce Is a Financial Strategy

Service quality, recruitment, retention and compensation are linked

City services do not exist independently of the employees who deliver them.

Competitive compensation
Competitive compensation, benefits and organizational capacity affect recruitment, retention and continuity of service.

Recruitment & retention

Vacancies and turnover create service disruption, overtime, training costs and institutional knowledge loss.

Lean staffing

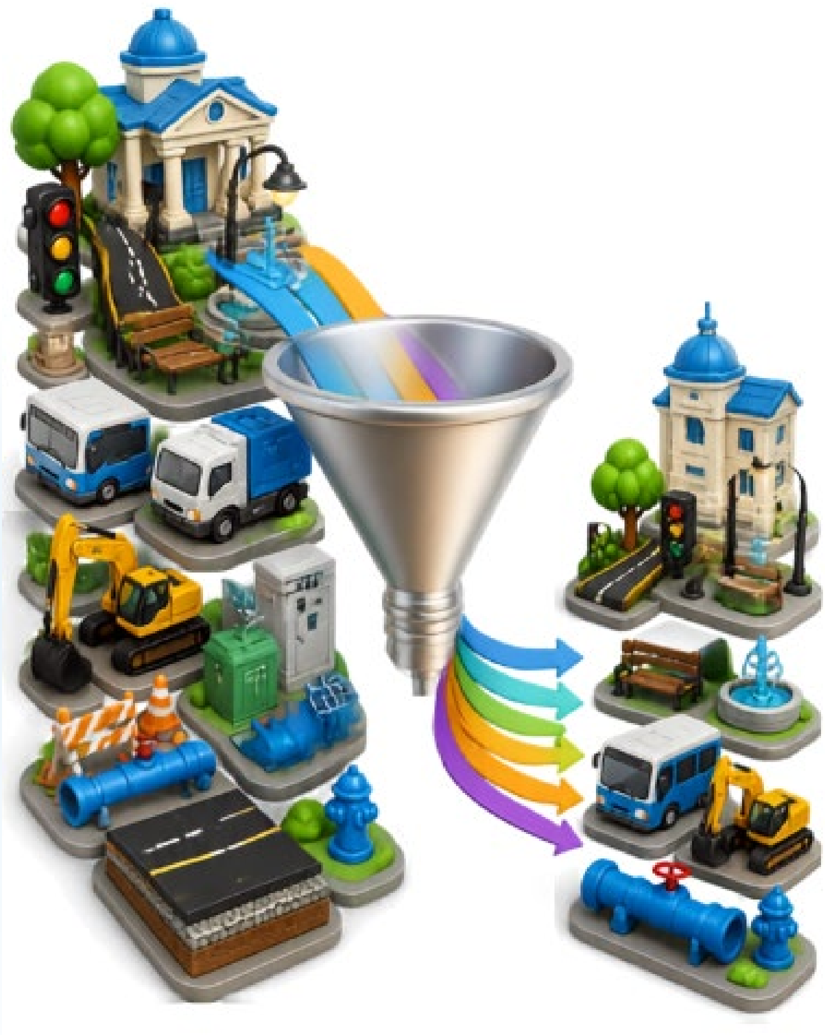
Franklin must distinguish efficiency from understaffing and align positions with actual service expectations.

2027 Objective: Maintain a compensation structure that is fiscally responsible, internally coherent, and capable of supporting the workforce the City requires.

Capital: Plan the Cost Before the Failure

CAPITAL

Roads, facilities, fleet and equipment are multi-year obligations



$36.66M

DEPARTMENT REQUESTS

↓

$26.22M

MAYOR RECOMMENDED

$10.45M LESS | 28.5% BELOW REQUESTS

Lifecycle Management Reduces Budget Volatility

A disciplined replacement cycle turns emergencies into planned decisions

The goal is not to eliminate capital spending. It is to make capital spending predictable, prioritized, and financially sustainable.

1. **PLAN**
   Condition + useful life
2. **PRIORITIZE**
   Risk + service impact
3. **FUND**
   Cash + debt + grants
4. **REPLACE**
   Before failure
5. **RESET**
   Next lifecycle

Debt: Use Capacity Deliberately

DEBT

Franklin maintains both statutory and self-imposed debt constraints

5%

Legal limit

Wisconsin law limits general obligation debt to 5% of equalized value.

< State Cap

City policy

Franklin applies more conservative internal debt-management standards than the State maximum.

$33.89M

2027 borrowing

Recommended borrowing should be tied to long-lived assets and evaluated against future levy capacity.

Debt is appropriate when:

- The asset benefits multiple years of taxpayers
- The project is necessary and cannot reasonably be cash-funded
- Repayment fits within long-range financial capacity
- The borrowing preserves rather than consumes future flexibility

TIDs: Growth Today, Revenue Opportunity Later

TIF / TID

Tax increment supports eligible district costs during the TID's life

CREATE → **INVEST** → **GROW** → **CLOSE** → **TAX BASE RETURNS**

Future TID closures can expand the tax base available to the overlapping taxing jurisdictions, including the City.

Near-term focus

Monitor TID performance, obligations, development timing, and debt exposure.

Long-term opportunity

TID #5 is currently anticipated to be the next significant closure opportunity, subject to final financial conditions and obligations.

2027 Opportunities

Where Franklin can strengthen its long-term position

- **Continued development and long-term tax-base growth**
- **Future TID closures and return of increment to the tax base**
- **Capital prioritization and lifecycle management**
- **Strategic, disciplined use of debt**
- **Grants and intergovernmental partnerships**
- **Fee and cost-recovery modernization**
- **Process modernization and performance management**
- **Technology and cybersecurity investment**
- **Organizational and service-delivery innovation**

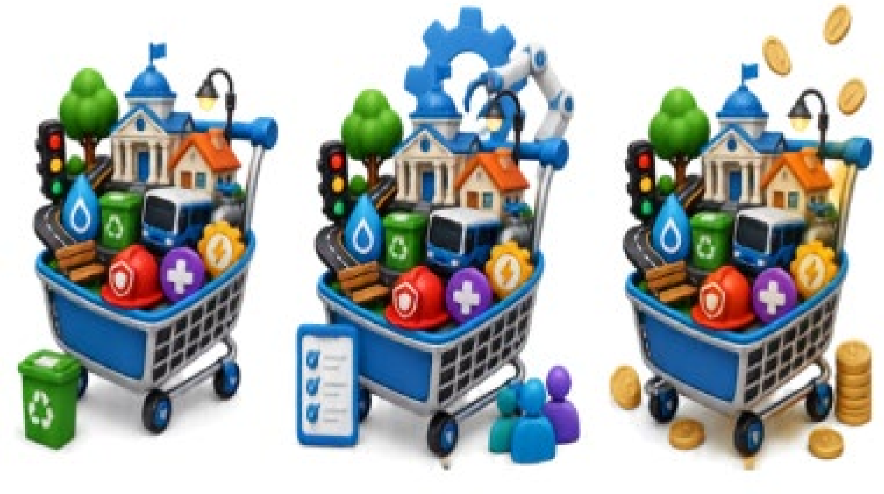
2027 Threats

Risks that require deliberate management rather than short-term reaction

- Wisconsin municipal revenue constraints
- Structural operating imbalance
- Personnel, benefits, recruitment and retention pressures
- Infrastructure and deferred maintenance
- Debt capacity and taxpayer impact
- Inflation and market volatility
- Expiring, declining or uncertain revenues
- Development timing and TID performance
- Technology and cybersecurity exposure
- Grant match and continuing obligations
- State and federal policy changes
- Economic or emergency risks

The Choices Are Interconnected

Every balancing action has a service, financial, or future-year consequence



1 PUT SOMETHING BACK

2 FIND A BETTER WAY TO BUY IT

3 INCREASE THE GROCERY BUDGET

The goal is not to avoid difficult choices. It is to make them deliberately.

Mayor's Recommended 2027 Budget

RECOMMENDATION

A balanced recommendation with a multi-year view

$25.22M

TOTAL CITY LEVY

$22.31M GF • $1.50M LIBRARY
$1.415M DEBT • $0 CAPITAL LEVY

ESSENTIAL SERVICES | maintained

CAPITAL | prioritized

DEBT | used strategically

RESERVES | preserved

MANAGEMENT | reforms continue

A balanced recommendation with a multi-year view.

From Recommendation to Adoption

PROCESS

The next phase is review, refinement, public notice and Council action

1	**Mayor's Recommended Budget**	September 15
2	**Finance Committee Review**	September 16 to October 9
3	**Committee / Council Refinement**	October 20
4	**Public Hearing & Notice**	October 28
5	**Common Council Adoption**	November 17

Responsible Today.
Sustainable Tomorrow.

The 2027 Mayor’s Recommended Budget is designed to preserve the services Franklin relies on today while protecting the City’s ability to meet tomorrow’s obligations.

Questions & Council Discussion