



City of Eau Claire, Wisconsin

Fiscal Stability Study

Background

Fiscal Challenges

- Address structural deficit while minimizing impact residents
- Increasing debt
- Increasing costs of core services

Steps Taken To Date

- Referendum to hire 12 public safety staff
- Vehicle registration fee
- Destination Development Revenue from Visit Eau Claire
- Scrutinized fiscal partnerships

Fiscal Challenges

Limited Revenues

- Levy Limits on Operating
- Issue Debt for Capital

Growing City

- Decreasing staff
- Increasing service needs

COVID Pandemic

- Reduced labor market
- Increased costs

Financial Management Plan

Understand Background

- Financial position
- Governing limitations (GO Debt capacity, Levy Limits, Expenditure Restraint, TID Legislation, etc.)

Define Operational & Capital Needs

- City Staff provide information to Ehlers
- Ehlers to present results and options to Council
- Council to provide direction

Refine the plan

- Prioritize future activities & projects
- Provide a financial road map
- Refine policies to steer key indicators

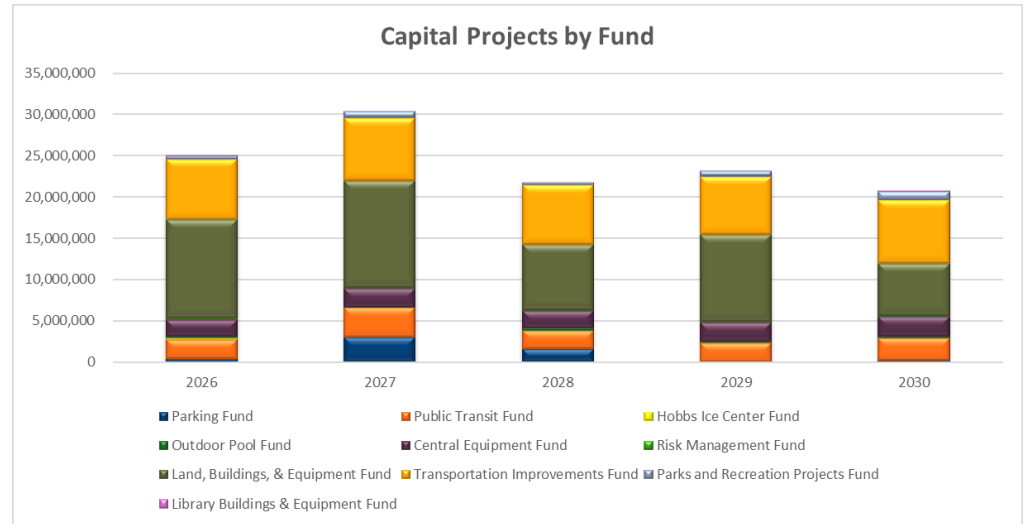
Initial Findings

- Robust CIP Plan
- Significant increases in Employee Benefit costs
 - ✓ 10% - 15% per year expected
- General Fund supports many funds
- Declining Fund Balances
 - ✓ General Fund
 - ✓ Public Library Fund
 - ✓ City-County Health

Capital Project Needs

- **\$121M** in capital projects over next five years (2026–2030)
 - ✓ Excludes utility funds and funds not included in the FMP

Fund Summary	Totals
Parking Fund	5,215,000
Public Transit Fund	13,213,725
Hobbs Ice Center Fund	167,000
Outdoor Pool Fund	924,000
Central Equipment Fund	11,266,500
Risk Management Fund	525,000
Land, Buildings, & Equipment Fund	49,540,700
Transportation Improvements Fund	36,920,000
Parks and Recreation Projects Fund	3,180,420
Library Buildings & Equipment Fund	118,400
Total	121,070,745



Projected Debt

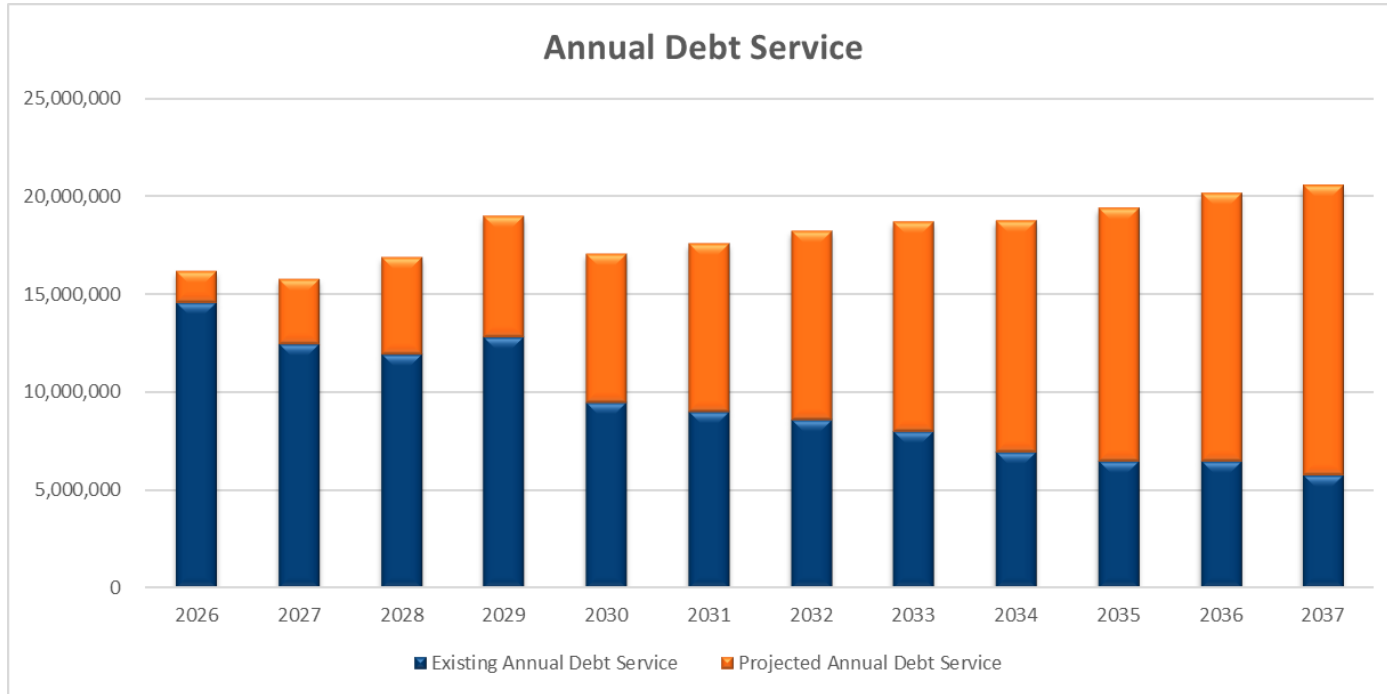
- **\$86.5M** in projected debt over next five years (2026–2030)

Year	Amount
2026	\$18,780,000
2027	22,655,000
2028	15,370,000
2029	16,820,000
2030	13,020,000
TOTALS	\$86,645,000

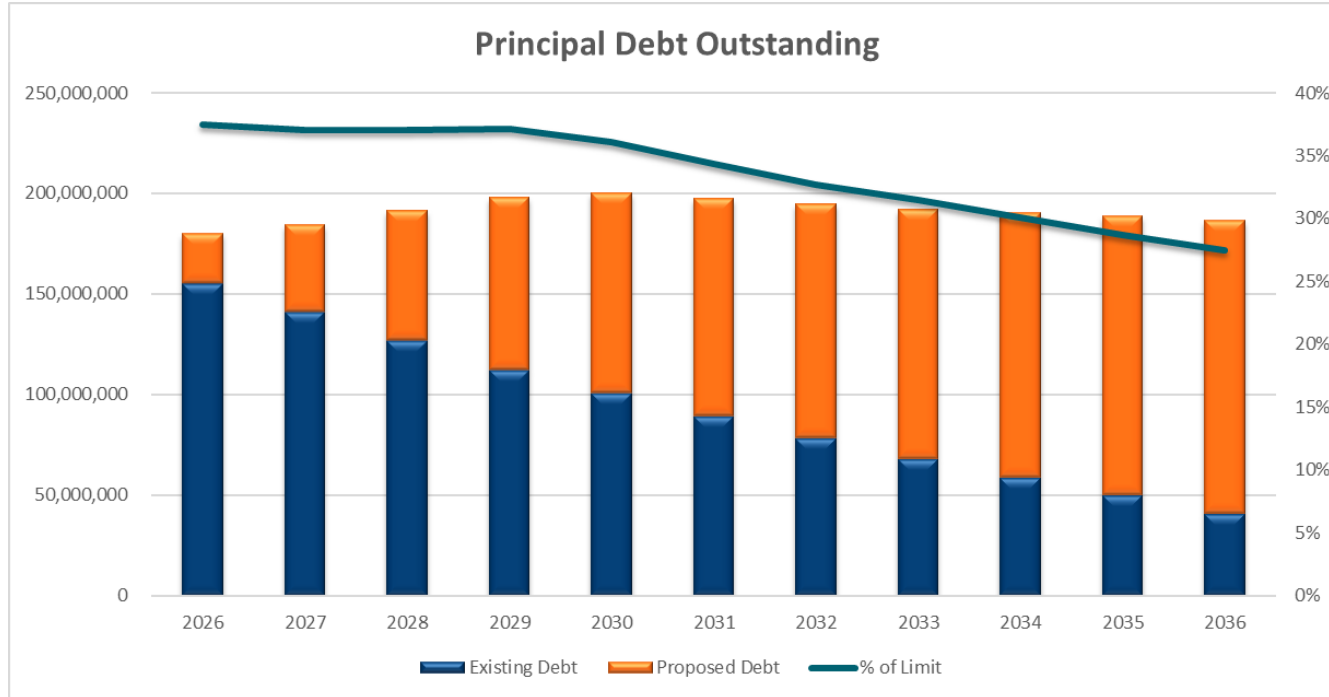
Highlights

- Excludes:
 - ✓ Revenue debt
 - ✓ TID debt
 - ✓ \$14.0M for Parking Fund

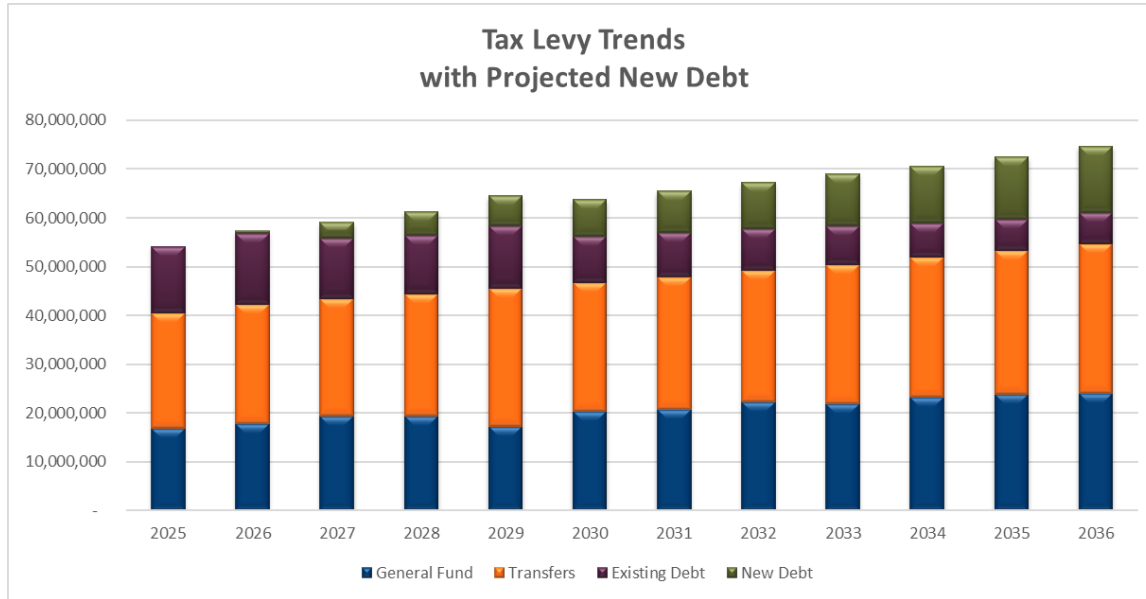
Existing and New Annual Debt Service



Existing and New G.O. Debt Outstanding



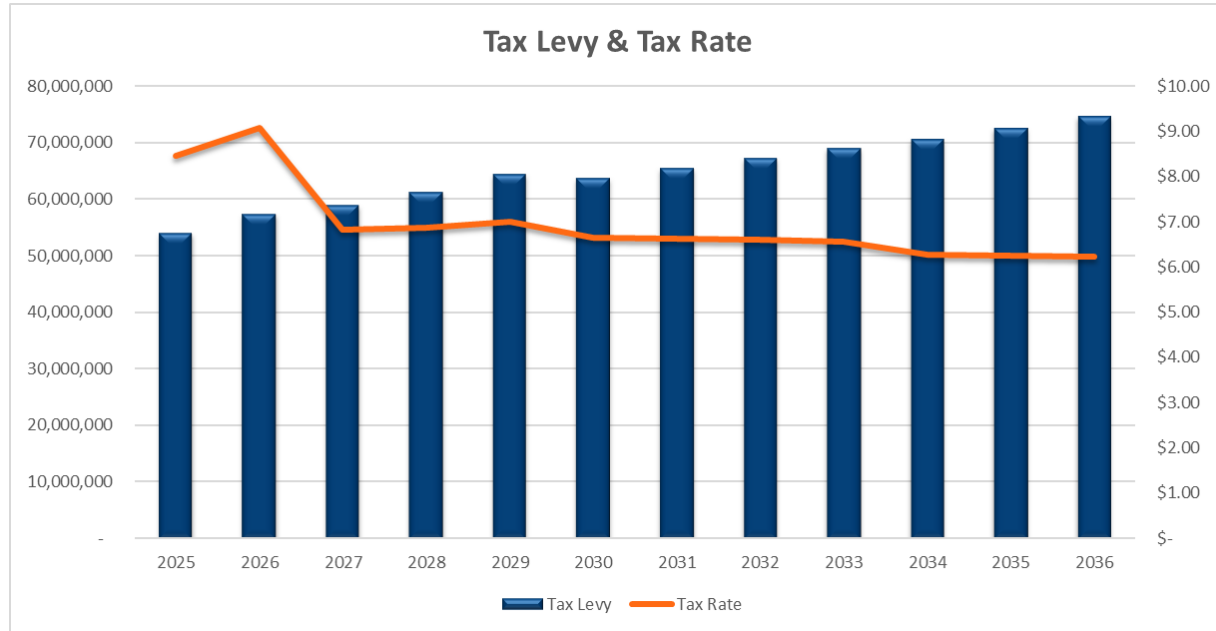
Tax Levy Breakdown



Levy Limit Assumptions

- NNC at 2.5% / year
- Personal Property Aid at \$360,000 / year
- Assumes maximum allowable levy each year

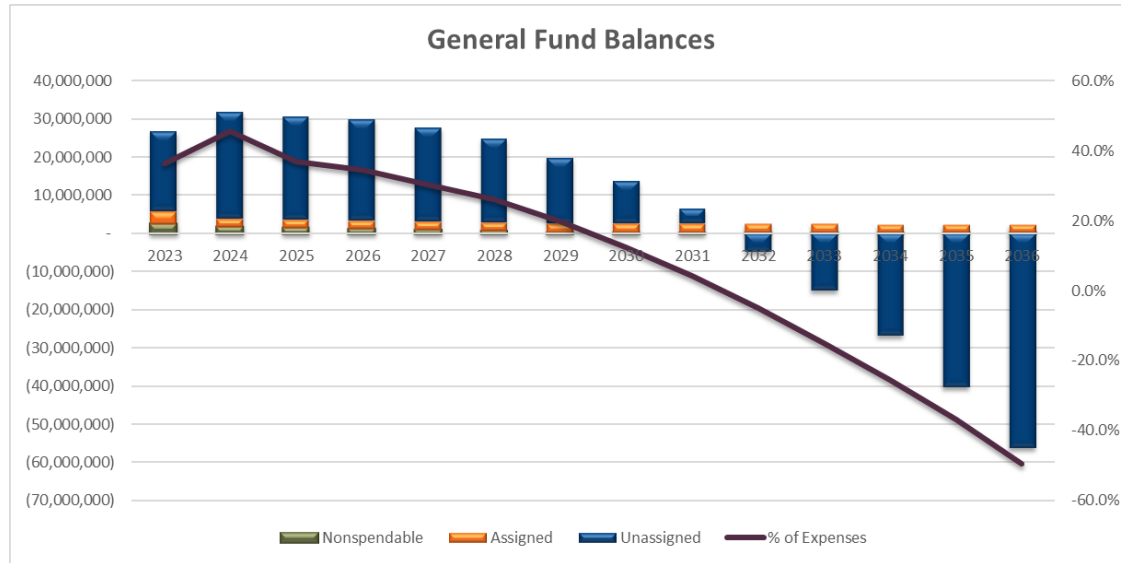
Tax Levy Trends



Highlights

- Tax rate on Assessed Value
 - ✓ Assumes reassessment for 2027
- Assumes TID 9 done in 2030
- Assumes TID 8 done in 2034

General Fund



Highlights

- Significant increases in employee health benefits
- Multiple funds rely on General Fund transfers
- Fund balance falls below 15% minimum by 2031
 - ✓ Negative by 2032
- Have time to address issues

General Fund Annual Needs

Year	Projected Gap
2027	\$2,130,719
2028	\$2,834,060
2029	\$5,081,724
2030	\$6,084,224
2031	\$7,237,943
2032	\$8,693,585
2033	\$10,290,279
2034	\$11,523,923
2035	\$13,615,891
2036	\$15,963,883

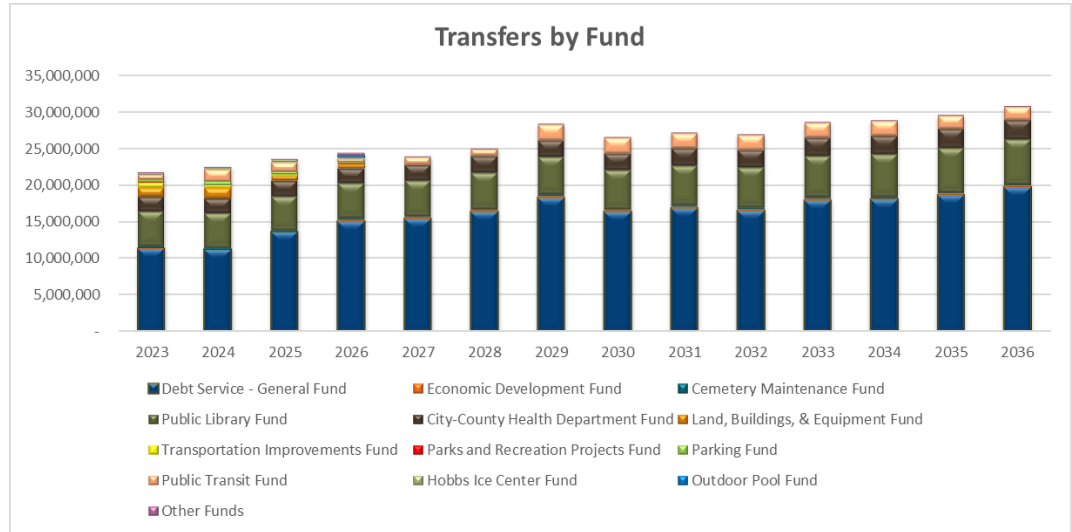
Highlights

- Loss of Wheel Tax in 2029
- 10% Health Insurance benefit increases

General Fund Support

Highlights

- Debt service = levy
- Eliminate support for:
 - ✓ LBE
 - ✓ Transportation Improv.
 - ✓ Parks & Rec
 - ✓ Parking Fund
 - ✓ Hobbs
 - ✓ Fairfax
- Support continues for:
 - ✓ Econ Dev Fund
 - ✓ Cemetery Maintenance
 - ✓ Public Library
 - ✓ City-County Health
 - ✓ Public Transit

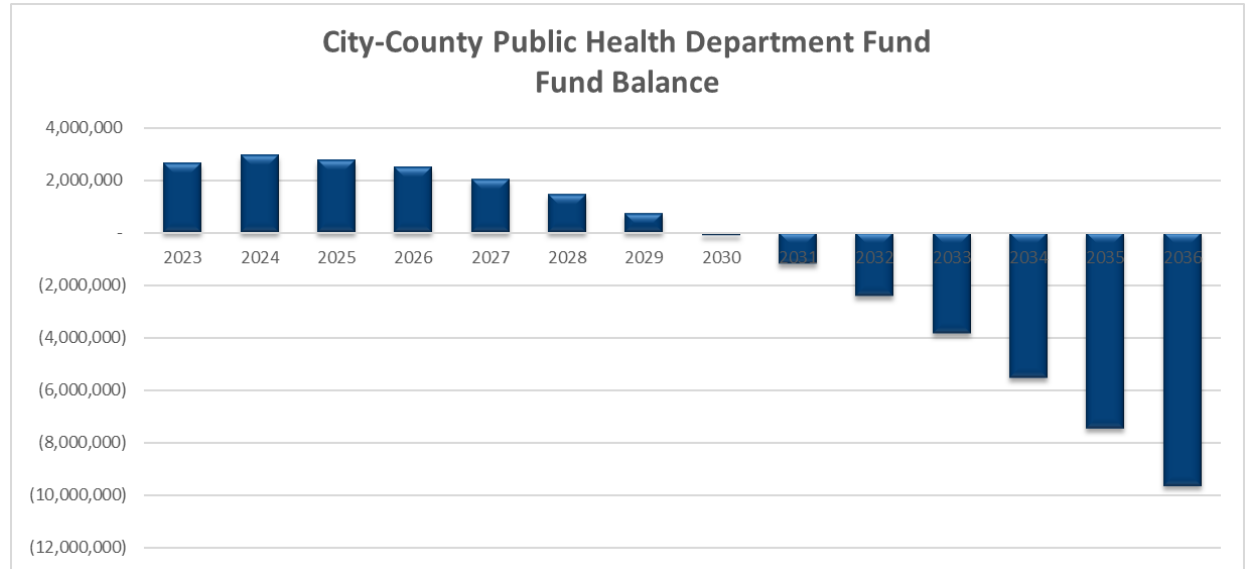


Note: Transfer to Public Transit expected to increase \$1.2M in 2029, when Wheel Tax sunsets

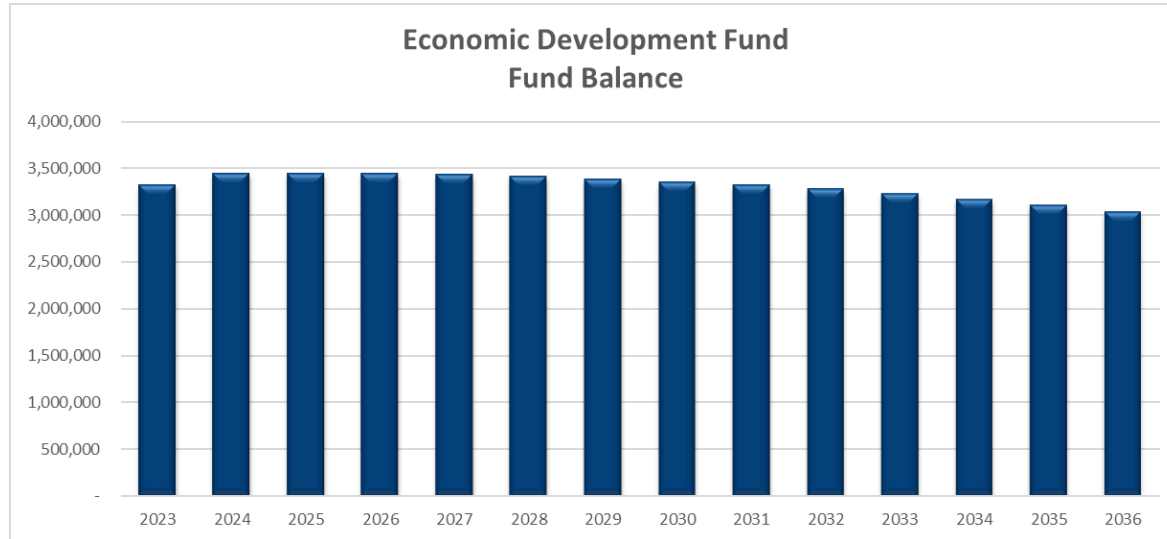
City-County Health Department Fund

Highlights

- General Fund support capped at NNC
- Fund balance expected to be negative by 2030



Economic Development Fund



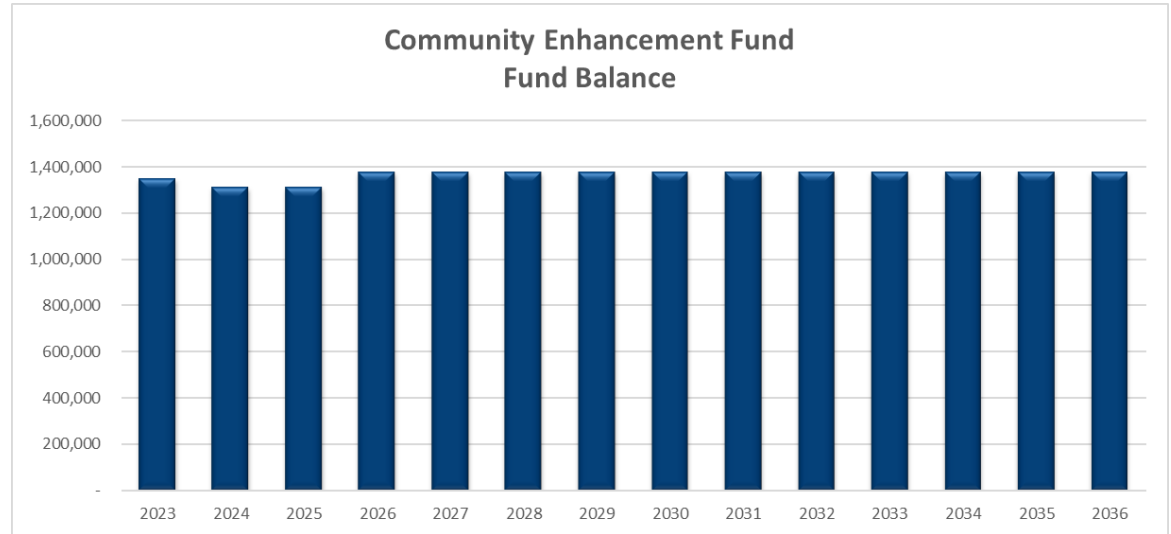
Highlights

- Fund Balance stable
- General Fund transfer in of \$226k/year

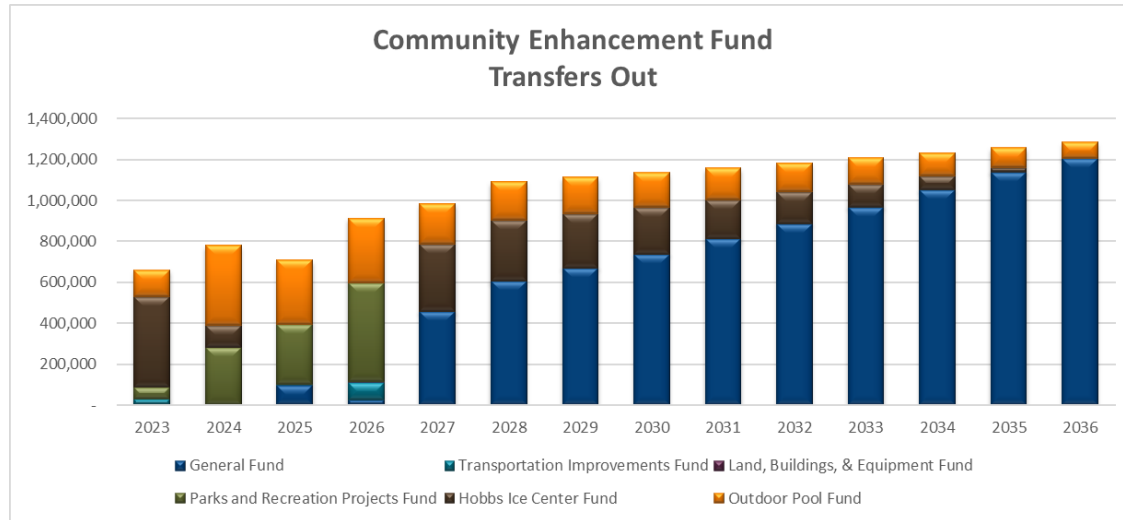
Community Enhancement Fund

Highlights

- New - Visit Eau Claire
 - ✓ 2026 & 2027: \$65k/yr
 - ✓ 2028 & Beyond: \$150k/yr
- Fund Balance stable



Community Enhancement Fund



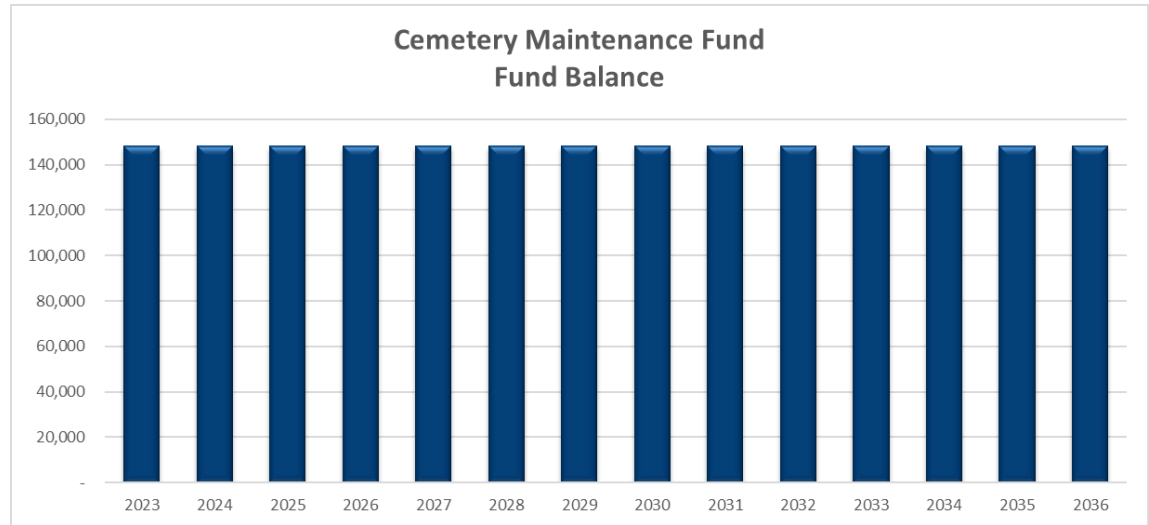
Highlights

- Excess revenues used to support Funds going forward:
 - ✓ Hobbs Ice Center (Operating)
 - ✓ Fairfax Outdoor Pool (Operating)
 - ✓ General Fund for Carson Park

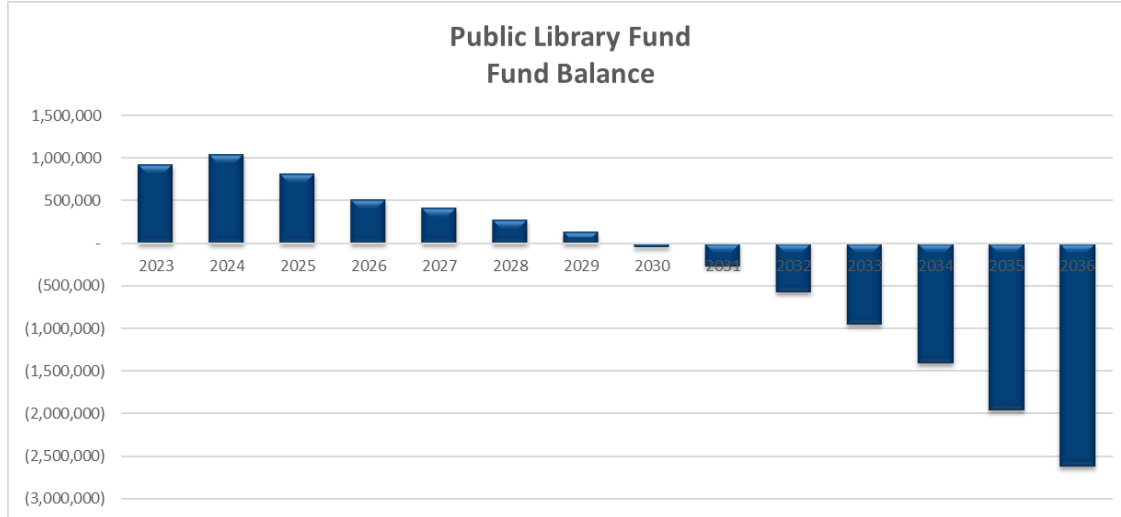
Cemetery Maintenance Fund

Highlights

- Stable fund balance
- Operating shortfalls funded by General Fund



Public Library Fund



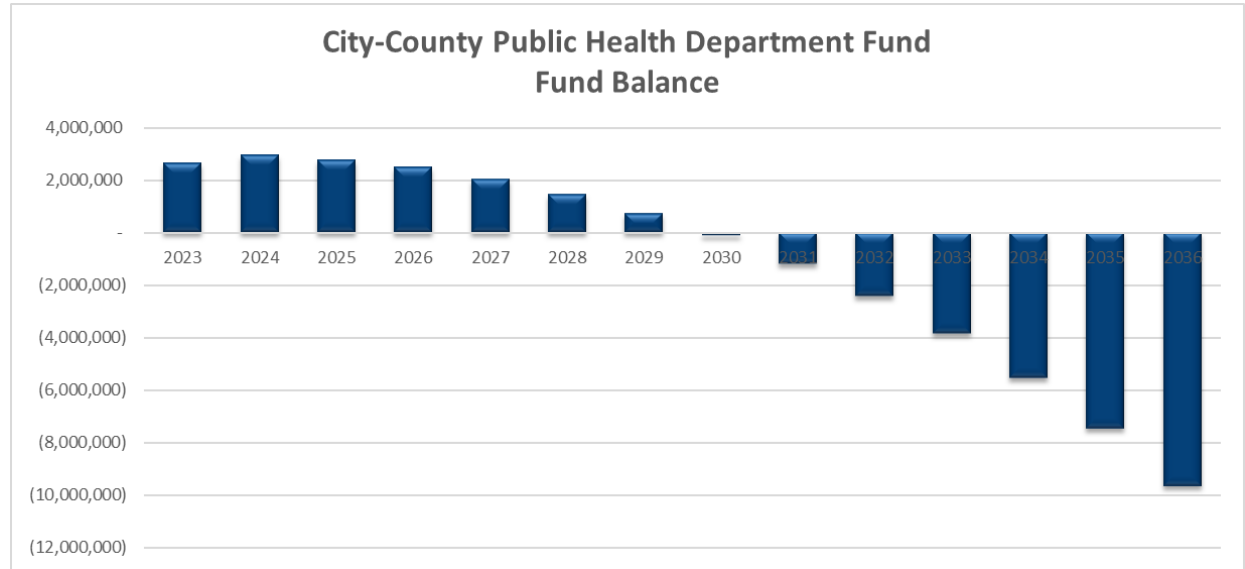
Highlights

- Expenditures exceed revenues
 - ✓ General Fund Transfers In capped at NNC
- Existing debt through 2042

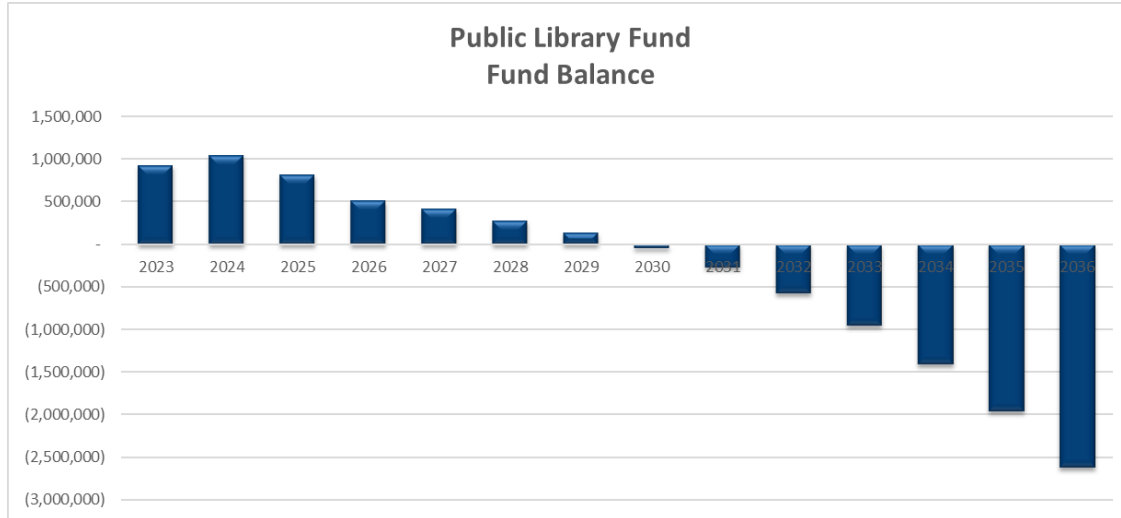
City-County Health Department Fund

Highlights

- General Fund support capped at NNC of 2.5%
- Fund balance expected to be negative by 2030



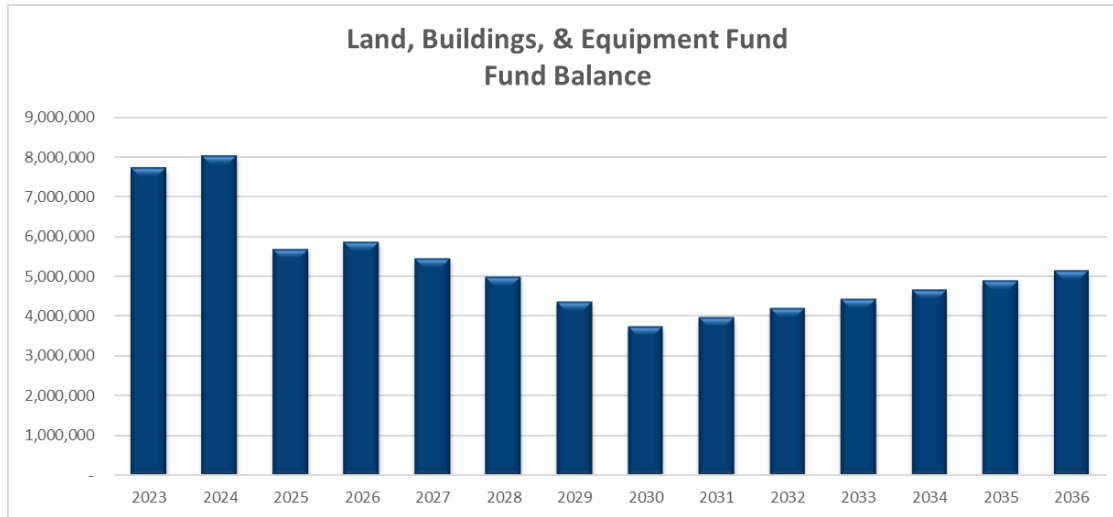
Public Library Fund



Highlights

- Expenditures exceed revenues
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Land, Building, & Equipment Fund



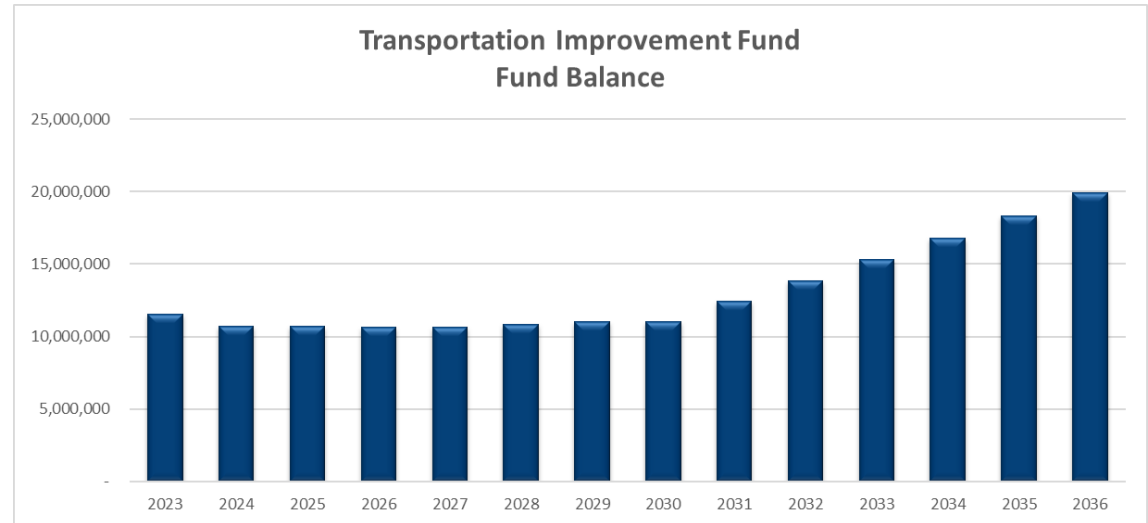
Highlights

- Significant Projects
 - ✓ **\$5.15M** Public Safety Training Facility
 - ✓ **\$8.0M** Fire Station #2
 - ✓ **\$12.7M** City Buildings Remodel / Upgrades
- Equipment
 - ✓ **\$2.6M** Fire Dept Pumper Trucks
 - ✓ **\$2.2M** Fire Dept Ladder Truck

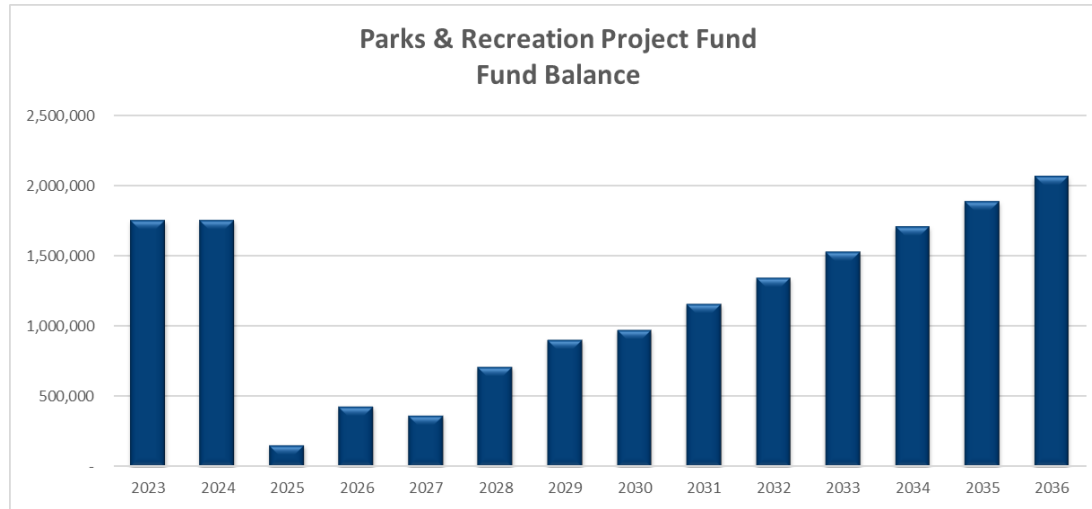
Transportation Improvement Fund

Highlights

- Significant Projects
 - ✓ **\$5.0M** Annual Street & Sidewalk Improvements
 - ✓ **\$1.0M** Annual Local Vehicle Registration Fee Program



Parks & Recreation Project Fund



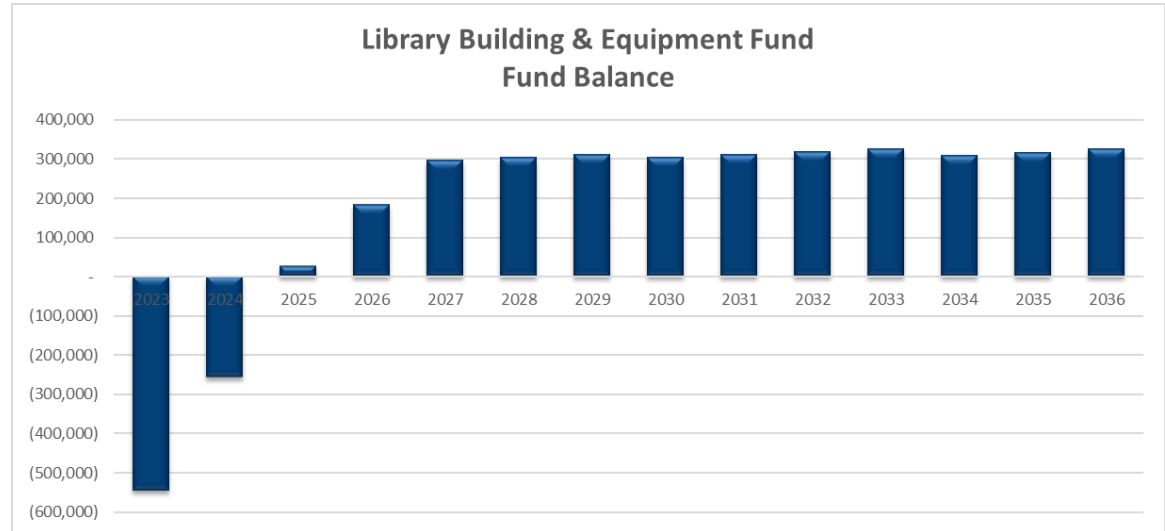
Highlights

- Fund Balance Rebuilds
- Projects average \$636k/year
 - ✓ \$300k Owen Park Bandshell
 - ✓ \$325k Mt. Simon Boat Landing Restroom
 - ✓ \$250k Jeffers Rd Brush Site Scale

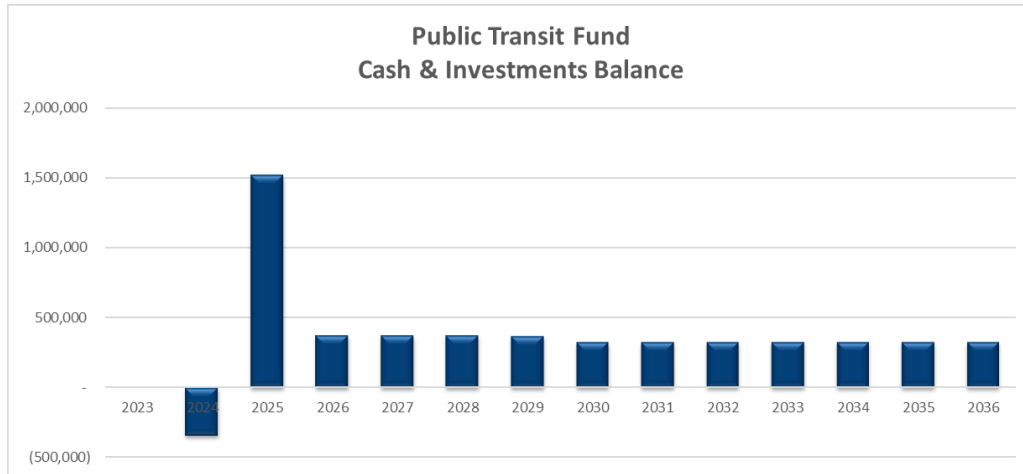
Library Building & Equipment Fund

Highlights

- Doesn't reflect \$1.355M owed for capital
 - ✓ Paid with future donations



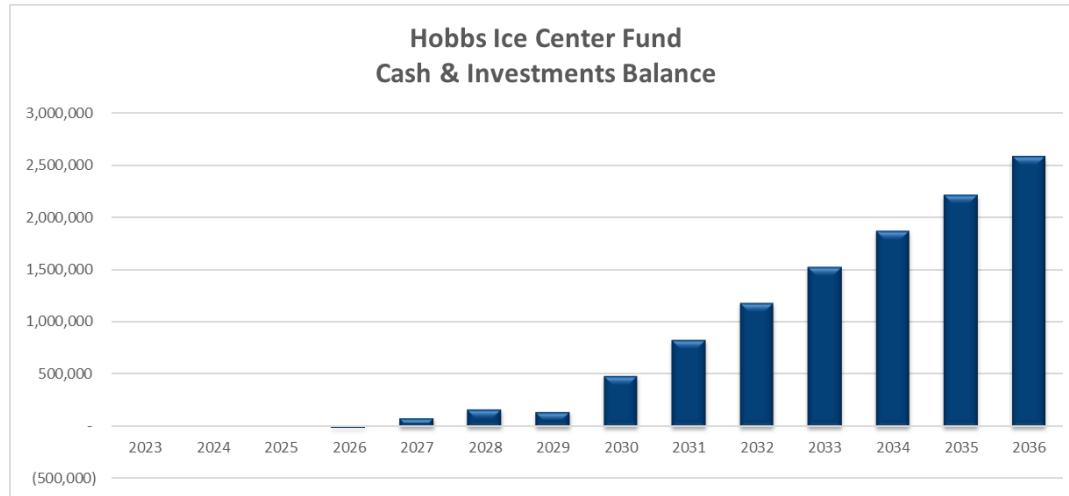
Public Transit Fund



Highlights

- Includes **\$3.5M** Wheel Tax Increase from 2026 - 2028
- Operating Grant is 55% of annual expenditures
- **\$13.2M** in Capital Projects thru 2030
 - ✓ **\$10.5M** Grants
 - ✓ **\$2.6M** Bonding
- General Fund transfer in for remainder

Hobbs Ice Center Fund



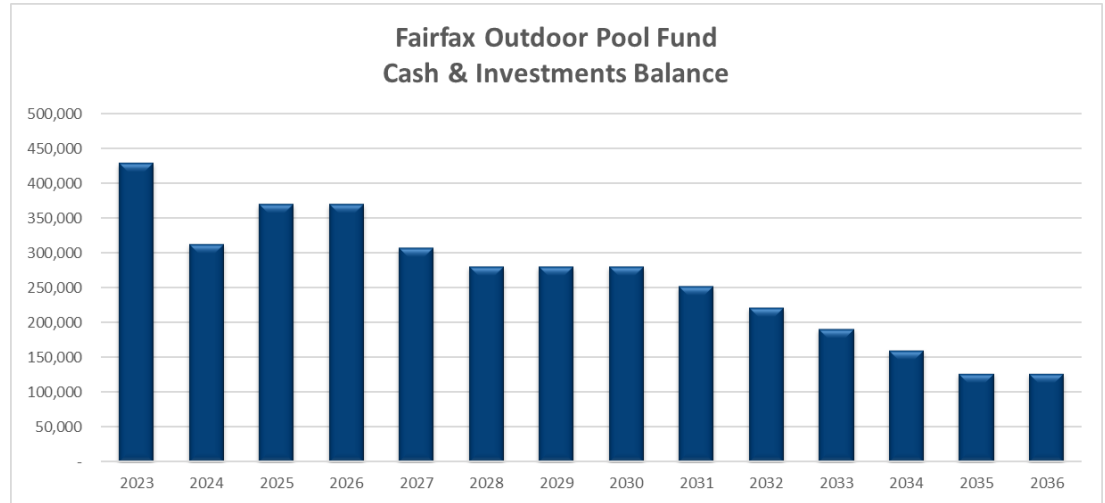
Highlights

- Advance from General Fund
 - ✓ 2009B BAB done in 2029
 - ✓ 2018A done in 2038
 - Could be prepaid in 2030
- Community Enhancement Fund to replace General Fund Transfer
- Currently in TID

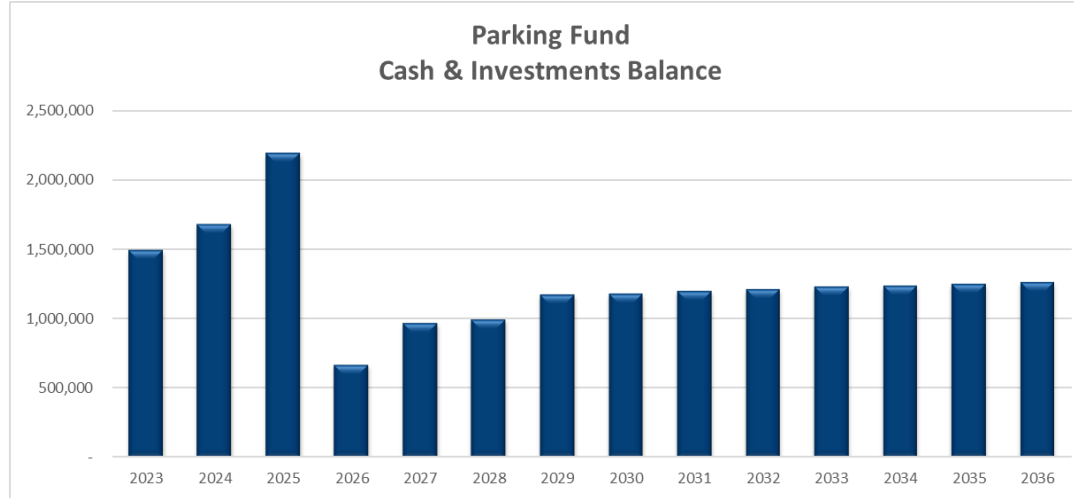
Fairfax Outdoor Pool Fund

Highlights

- Community Enhancement Fund covers operating shortfalls
- **\$924k** in capital projects through 2030
 - ✓ **\$835k** Bonding
 - ✓ **\$89k** Cash on hand



Parking Fund



Highlights

- Includes paid parking in 2026
 - ✓ \$500K in 2026
 - ✓ \$1.0M in 2027 & beyond
- \$5.2M in capital projects thru 2030
 - ✓ \$4.5M Bonding
 - ✓ \$640k Cash on hand

Budget Options & Ideas



New Revenues

- Convention Center Tax
- Innovation Funding
- Paid Parking elsewhere
 - Fairfax, Hobbs
 - All City Parks
- Local Option Sales Tax (at least 2 years out)
- Referendum for New Capital Projects
- 0.50% PRAT



New Funds

- Street Light Utility
 - Shift from levy to fee
- Solid Waste Utility
 - Several ways to fund



Cost Savings

- Sell Hobbs
- Delay CIP Projects
 - Public Transit Fund

Conclusion

- The study responds to the strategic direction of the City Council as well as the needs of the Eau Claire community
 - ✓ Some of the issues may take a few years to address
- Need to balance financial needs with Strategic Priorities
 - ✓ Monitor the balances of various funds
 - ✓ Tax impacts depend on the timing of projects and bonding
 - ✓ Health Department Discussion with Key Stakeholders

