

Memorandum

To: City Council

CC:

From: Steve Volkert, City Administrator

Date: 3/9/2026

Re: Fourth Quarter General Fund Unaudited Results

Attached is the unaudited, preliminary, fourth quarter summary comparison of the past year to the nine prior years for general fund revenues and expenditures.

The City was at 100.26% for total General Fund Revenues at the end of the prior year fourth quarter. This was in line with the previous eight years (97.13% - 101.35%).

The total General Fund expenses for the prior year fourth quarter was 102.88% of budget. This was the highest expense level we have had in the prior nine years.

In total, the City budgeted to pull \$103,803 from fund balance for normal operations, which was primarily retirement payouts. However, with the increase in actual expenses, we ended up pulling \$361,715.04 from the fund balance.

Most of the major overages in expenses had to do with EMS and Fire with this being the first year we have combined the general fund with the Fire and EMS budgets.

Major issues in those budgets included:

\$36.6k due to unforeseen equipment repairs

\$20k for software and unplanned computer upgrades

\$101k for overtime costs which has been corrected in 2026 budget

\$207k bad debt expenses due to switching billing companies

\$243k for the capital refurbishing of old ambulance

\$332k for closing out EMS account

This was only the second time in 10 years that we have not had a surplus. Understanding where these issues occurred in 2025 will help us better plan moving forward.

City of Hartford
Fourth Quarter Comparisons By Year

General Fund Revenues:

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Overall Percentage of Revenues Collected	100.26%	99.83%	100.90%	97.13%	98.28%	99.29%	100.64%	101.35%	99.36%	99.83%
Fourth Quarter Total Revenues	\$13,807,491.70	\$11,907,116.97	\$11,530,875.72	\$10,643,684.12	\$10,506,770.00	\$10,452,445.76	\$10,579,393.78	\$11,078,125.00	\$11,026,693.30	\$10,283,637.64
Total Budget	\$13,772,116.00	\$11,927,705.00	\$11,427,929.00	\$10,958,439.00	\$10,691,008.00	\$10,527,070.00	\$10,512,055.00	\$10,930,093.00	\$11,098,024.47	\$10,300,786.00
Difference Between Years	\$ 1,900,374.73	\$ 376,241.25	\$887,191.60	\$136,914.12	\$238,562.24	-\$52,323.78	-\$566,070.00	\$51,431.70	\$743,055.66	\$584,683.76
Actual vs. Budget	\$35,375.70	-\$20,588.03	\$102,946.72	-\$314,754.88	-\$184,238.00	-\$74,624.24	\$67,338.78			

General Fund Expenses:

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Overall Percentage of Expenses Used	102.88%	95.70%	94.65%	100.55%	95.45%	96.94%	96.89%	98.54%	97.31%	95.82%
Fourth Quarter Total Expenses	\$14,169,206.74	\$11,414,751.13	\$10,816,733.88	\$11,018,867.71	\$10,205,013.74	\$10,205,243.88	\$10,184,923.16	\$10,770,675.58	\$10,799,562.10	\$9,869,826.99
Total Budget	\$13,772,116.00	\$11,927,705.00	\$11,427,929.00	\$10,958,439.00	\$10,691,008.00	\$10,527,070.00	\$10,512,055.00	\$10,930,093.00	\$11,098,024.47	\$10,300,786.00
Difference Between Years	\$ 2,754,455.61	\$ 598,017.25	-\$202,133.83	\$813,853.97	-\$230.14	\$20,320.72	-\$585,752.42	-\$28,886.52	\$929,735.11	\$183,651.49
Actual vs. Budget	\$397,090.74	-\$512,953.87	-\$611,195.12	\$60,428.71	-\$485,994.26	-\$321,826.12	-\$327,131.84			
Surplus	\$ (561,715.04)	\$ 492,365.84	\$714,141.84	-\$375,183.59	\$301,756.26	\$247,201.88	\$394,470.62	\$307,449.42	\$227,131.20	\$413,810.65

Budgeted to Pull From Fund Balance
Actually pulled from Fund Balance

\$225,136.00
-\$267,229.84

EXECUTIVE SUMMARY
PROPOSAL TO GO TO REFENDUM IN AUGUST 2026

BACKGROUND:

Since August of 2025, we have discussed the financial issues facing the City with operational cost outpacing non-tax revenues and the inability of the City to increase taxes to fill this gap.

At that time, we discussed temporarily filling the \$680K 2026 budget gap with pent up fund balance from insurance. We knew at that time, this was merely a temporary solution to get us into 2026.

Now, we need to address the bigger issue facing the City as to how to permanently fix this issue moving forward by resetting our levy through the means of a referendum request to exceed the state mandated limit.

ECONOMIC IMPACT:

If the council approves this action, we will prepare to draft a referendum question which will be approved by the DOR (Wisconsin Department of Revenue) to be placed on the August election ballot.

RECOMMENDATION:

Staff recommend the approval of the action to go to referendum in August to request permission to exceed the levy limit in 2027 to address 2027 and beyond.

REVIEWED BY: Steve Volkert DATE: 3/24/26
Steve Volkert, City Administrator

Ian Prust, City Attorney

DATE: _____

Committee Routing: City Council

March 24th, 2026