

**Village of Fox Crossing
Special Meeting of the Board of Trustees – Public Budget Workshop
Municipal Complex – Arden Tews Assembly Room
Monday, November 24, 2025 - 5:00 pm**

Minutes

1. Call to Order & Pledge of Allegiance

President Dale Youngquist called the workshop to order at 5:00 p.m. Village Clerk Chantel Jaenke noted those present including: President Youngquist, Trustee Michael Van Dyke, Trustee Kris Koeppe, Trustee Timothy Raddatz, Trustee Kate McQuillan, Trustee Deb Swiertz, Trustee Barbara Hanson, and Village Manager Jeffrey Sturgell, Finance Director Jeremy Searl, Community Development Director George Dearborn, Fire Chief Todd Sweeney, Police Chief Scott Blashka, Police Captain Tim Callan, Director of Public Works Joe Hoechst, and Director of Information Technology Tim Plagenz. There were two attendees.

2. Introduction of Village Board Members and Village Staff

President Youngquist introduced the Village Board and Staff attending the meeting. He thanked the Department Heads, specifically the Finance Director and Village Manager for their long hours to put together the 2026 budget.

3. Review of the Proposed 2026 Budget of the Village of Fox Crossing

Director Searl provided a high-level overview of the Village's 2026 budget, which was developed collaboratively over the course of four budget workshops involving the Village Board and Department Heads.

Tax Rates and Levy

Director Searl reported that the estimated gross tax rate for the Neenah School District was \$13.71 while Menasha School District was estimated at \$17.71. The primary difference between the two districts was attributed to referendums impacts, with Menasha adding \$5.81 to the mill rate and Neenah adding \$1.31. The Village is approximately 28% of the tax bill in Neenah School District and about 21% of the tax bill in Menasha School District. The overall levy increase was reported at 4.02%, which included a \$55,048 increase on the TIF levy and a \$369,622 increase between the general fund and debt service. He stated that the new net construction amounted to \$67,520, which was deemed insufficient to offset current inflationary pressures. As a result, additional funds were allocated to the debt service portion of the levy in order to achieve budgetary balance.

Budget Highlights

Director Searl noted that state aids had increased by approximately \$49,000 in shared revenues and \$43,000 in transportation aid. The Fire Department also received an additional \$12,500 in fire dues funding. Payroll and benefits were discussed, with no new positions being added. Health insurance increased by less than 3%, and the overall payroll and benefits levy impact was approximately 5.6%.

Renovation work has recently started at the Municipal Complex including carpet and tile replacements, which came in under budget. As a result, the Board has approved the use of the remaining funds to proceed with bathroom updates. Additional improvements to the Municipal Complex in 2026 include an AV/audio system upgrade for the Assembly Room, the replacement of a rooftop air conditioning unit, and updates to IT hardware. Director Searl also made note of the new paging and audio systems that were approved by the Board for the fire stations.

Roads and infrastructure were also discussed. The Board approved a onetime increase of \$150,000 for the crack seal program and an ongoing increase of \$10,000 to the road maintenance budget. Director Searl also reviewed the garbage and recycling programs, with about \$100,000 spent in 2025 to purchase new carts, residents can continue to exchange old garbage and recycling carts without a fee. Leaf collection improvements for 2026 were also reviewed. The purchase of a third, single person, leaf vacuum truck for leaf collection was approved, funded through the sale of equipment and existing savings, without requiring any rate increases.

Director Searl highlighted the largest capital project planned for next year, which falls under the Parks and Recreation budget. This project involves the expansion of Schildt Park and will include the addition of pickleball courts, shelters, trails, and new playground equipment. Playground equipment at Kippenhan Park is also scheduled to be replaced. Additionally, a small disc golf shelter will be constructed at O’Hauser Park, funded by revenue generated from disc golf fees.

Director Searl explained that fund transfers to the Equipment Replacement Fund (ERF) were frozen at 2025 levels. This decision was made due to higher interest rates within the fund and existing pressures on the general fund. As a result, the 2026 transfer amount will remain the same as in 2025. Additionally, it was noted that an extra \$84,000 in funding will be necessary to meet projected equipment replacement needs. The general fund balance of \$552,275 was allocated for IT upgrades, additional election related expenses for the upcoming Gubernatorial election, Municipal Complex updates, improvements to the fire departments paging and audio systems, the comprehensive outdoor recreation plan, and rezoning work.

It was reported that Moody’s reaffirmed the Village’s Aa2 rating for general obligation debt and Aa3 for utility revenue bonds. The release and conference with Moody’s was described as having gone very well, with particular emphasis placed on the Village’s strong fund balance. The Village’s fund balance ordinance requires maintaining between 20% and 30% of the annual budget. At the end of 2024, the Village was at approximately 27%, and projections for the end of 2025 show a balance of roughly 27.6%. The amount budgeted for next year is \$552,275, which is the lowest level in several years, but it is anticipated that the fund balance will increase in the following year, moving closer to 30% target rather than declining.

Village Assessed Value

Director Searl reported that assessed property values increased by approximately \$159 million from 2024 to 2025, representing a 5.81% overall increase. The largest increase was manufacturing at 8.5%, followed by residential growth at 8%. For comparison, last year’s increase was 13.8% overall. Although the tax levy increased by 4.0%, assessed property values rose at a higher rate of 5.8%. As a result, the mill rate decreased by approximately 1.7%.

It was explained that assessed values are important because they determine how taxes are distributed among individual properties. Equalized values, which are set by the state, are also important because they allow comparisons across municipalities and ensure fairness in how counties, school districts, and technical colleges allocate taxes. In Fox Crossing, equalized values closely match assessed values due to annual assessments that keep property values aligned with current market rates.

The impact of these changes was illustrated with examples. A \$200,000 home that increased in value by 8% to \$216,000 would see its local tax share rise from \$771 to approximately \$819, an increase of about \$50 annually. Most homes in the \$200,000 to \$300,000 range will see increases between \$50 and \$75, depending on how their property values changed relative to the average. Charts presented during the hearing showed that for a \$200,000 home, the municipal portion of the tax bill is \$758.42. The largest shares of this amount go to public safety, with police and fire

services receiving the highest allocations, followed by infrastructure projects such as roadwork and debt service for major equipment like the fire department's ladder truck.

Director Searl also noted that the equalized tax rate of \$3.87 is significantly lower than neighboring communities. For example, the City of Neenah's rate is \$6.46, which is about 67% higher. This demonstrates that Fox Crossing remains more affordable in an equalized basis while still maintaining strong public safety and infrastructure priorities.

Debt

Director Searl reviewed the Village's debt position. He noted that Wisconsin law limits municipal debt to 5% of equalized value, which would allow Fox Crossing up to \$144 million in debt. The Village's current general obligation debt is just under \$30 million, representing only about 1% of the equalized value. He noted the utility debt, primarily related to stormwater projects, makes up the largest share of outstanding obligations. Although debt has increased in recent years due to infrastructure investments, the Village has also paid down significant amounts, and overall debt levels are considered well managed.

Capital Projects

Director Searl summarized upcoming capital projects, highlighting the Valley Road resurfacing and stormwater improvements as the largest initiative. This project will be funded primarily by the state and administered through the county. The Village's share of costs will be limited to its portion of the project, which is expected to be completed next year.

Stormwater Utility

Director Searl provided an overview of the stormwater utility budget. The Equivalent Residential Unit (ERU) rate will remain unchanged at \$160 per year. This rate was increased by \$10 in both 2024 and 2025, but no further increase is planned for 2026. Settlement funds were used for portions of the last two major pond projects, but overall expenses are expected to remain flat in 2026 and begin to decrease in 2027. While borrowing may be necessary in 2026, the fund is considered strong enough to absorb those costs without raising rates.

Schildt Pond was identified as the last deficiency pond from the original utility plan, and its completion will provide greater flexibility in scheduling future projects. One major repair project planned for next year is Rocket Pond, with \$75,000 allocated in the budget. Other significant projects include Schildt Park and Valley Road improvements, while smaller stormwater projects will continue as part of regular operations. In recent years, the utility completed Margeo Pond in 2025, Jacobson Road urbanization in 2024, Church Pond and Sandpoint Pond in 2023, and Rocket Pond in 2022. Many of these projects were supported by settlement funds, though general obligation debt was also issued to finance them.

The utility is funding \$478,000 in depreciation, which will help extend the life of the ponds and reduce the need for borrowing in the future, particularly for maintenance. Personnel costs are increasing by 5.9%, consistent with the general fund. Director Searl noted that even though the ERU rate of \$160 is higher than neighboring communities, the larger unit size makes the cost per square foot more comparable, especially for commercial and manufacturing properties.

Sewer Utility

Director Searl reviewed sewer utility and noted no rate increases is planned for 2026, following the 0% increase in 2025. The last adjustment was a 3% increase before that. Operating expenses are projected to rise modestly at 1.69%, while debt service payments remain flat through 2025, 2026, and 2027, with no new borrowing planned in 2026. This aligns with directives to plan a year without new debt. All expenses are being covered directly by rates, with no reliance on fund balance, depreciation reserves, or settlement funds, leaving the utility in a healthy position.

Personnel costs are increasing by 5.6% consistent with the general fund, and the treatment plant pass-through rose by about \$60,000. Other expenses fluctuate but are overall lower, partly due to non-recurring maintenance projects from 2025. Settlement funds are not being used in 2026; the balance at the end of 2024 was just over \$2.5 million, with some of those funds applied to the Plank Road project, which is still open. Depreciation is partially funded at \$190,000, about one-quarter of the full requirement, which still strengthens the utility's financial outlook.

The Neenah-Menasha Sewer Commission is evaluating major updates to the treatment plant as required by the DNR. While discussions continue, the earliest expenses from this project are expected in 2027, with more significant impacts likely in 2028. These upgrades will almost certainly require future rate increases, though the timing and scale remain uncertain. Director Searl noted that the Village's sewer rates compared to neighboring communities fall near the middle of the range based on a quarterly estimate for 17,000 gallons of residential consumption, which is considered a higher end average benchmark.

Water Utility

Finally, Director Searl discussed water utility. A simplified rate case has been filed with the Public Service Commission for a 3% increase in volume rates beginning March 1, 2026. This follows a 1.9% increase in 2024 and a full rate case in 2023 that resulted in a 21% increase. The case was designed for a 6% rate of return, but actual returns have been much lower. A full rate case is expected to be filed in 2026, with implementation anticipated in 2027.

Director Searl reviewed the operating costs of water utility, which total approximately \$140,000. Personnel costs increased by about 5.5%, consistent with other finds, while contracted services and utilities rose by 7% and operating supplies by 11%. These increases were offset by several major maintenance projects in 2025, keeping the overall operating increase to about 3%. Purchase water costs are expected to rise by \$80,000 due to forecasted higher consumption. Salt volumes are increasing, but pricing has dropped significantly, which will continue to benefit the utility. A scheduled zeolite replacement project is scheduled for 2026 with an estimated cost of approximately \$150,000. This project will continue the long-term effort to reduce salt usage.

Debt services were also reviewed. A generator project funded in 2025 is underway, with installation expected early next year. Debt payments will increase by about \$135,000 in 2026 and another \$60,000 in 2027, even without new borrowing. Director Searl noted that the water and sewer utilities are funded primarily through revenue bonds, which require a minimum debt coverage ratio of 1.25. Actual results for 2024 were 2.0, well above the minimum, and forecasts for 2025 and 2026 are set at 1.5, with expectations that actual results will exceed the 1.5. Director Searl noted the comparisons of quarterly water rates for neighboring communities which shows Fox Crossing's water rates in the middle range.

4. Public Comment

Doug Greif – 982 Easy Street

Mr. Greif questioned whether the Village has sufficient capacity to meet future water utility demands as the community continues to grow. In response, Director Hoechst stated that he is currently conducting an analysis with the DNR. The study will evaluate the capacity of the Village's wells to determine if existing infrastructure can adequately support current and projected water needs, or if alternative water sources should be considered.

5. Close the Public Hearing

MOTION: Trustee Hanson, seconded by Trustee Swiertz to close the Public Hearing. Motion carried.

At 5:48 p.m., President Youngquist adjourned the Public Hearing of the Proposed 2026 Budget.

Respectfully submitted,

Chantel M. Jaenke, CMC, WCMC
Village Clerk

Note: *These minutes are not to be considered official until acted upon at an upcoming regular meeting, therefore, are subject to revision.*