

As your Mayor, I believe in transparency and accountability—and that means owning up when something doesn't go as it should.

In 2023, during the budgeting process for a 2024 water expansion and road project, staff made an error in filling out the capital budget request form and related budget booklets. This resulted in about a \$1 million funding shortfall not being clearly reflected in the 2024 Water Utility budget.

The good news is that the project was funded properly using a federal grant and the Water Utility fund balance, which is specifically reserved for this type of infrastructure work. No property tax dollars were used, and the project ultimately came in *under* budget. This will not impact your property taxes.

That said, the documentation and budget approval error was not caught until after the contract had been awarded and the project had already started in spring of 2024. While the Common Council had approved the full cost of the project, and those costs had been discussed publicly multiple times, the specific budget form should have been more accurate. That's on me. As Mayor, I take full responsibility.

We first discussed this publicly with the Common Council in October and again in more detail this week in closed session. Since then, we've implemented new procedures to make sure this type of mistake doesn't happen again.

So why bring this up now? Because I believe in being upfront with our residents. I regret how the error occurred and how it was communicated. Looking back, I would have handled this differently—and I want you to know that.

If anyone has more questions, please contact me at (262) 679-5675. Thank you for your continued trust and support.

—Mayor Rick Petfalski  
City of Muskego