



**CITY OF CEDARBURG
A MEETING OF THE FINANCE COMMITTEE
THURSDAY, FEBRUARY 19, 2026 – 10:00 AM**

A meeting of the Finance Committee, City of Cedarburg, Wisconsin, will be held on Thursday, February 19, 2026 at 10:00 AM. This meeting will be held in-person at City Hall, W63 N645 Washington Avenue, Cedarburg, WI., on the second floor, Council Chambers.

AGENDA

1. CALL TO ORDER
2. ROLL CALL
 - A. Council Member Fitzpatrick, Jack Arnett, Mary Kay Bourbulas, Michael Bradburn, Jeff Slater, Tim Voeller, Allan Lorge
3. STATEMENT OF PUBLIC NOTICE
4. COMMENTS AND SUGGESTIONS FROM CITIZENS
5. APPROVAL OF MINUTES
 - A. Discussion and possible action on the approval of January 15, 2026 Finance Committee minutes.
6. UNFINISHED BUSINESS
 - A. Discussion and possible action on the informational document explaining the impact development has on city finances.
7. NEW BUSINESS
 - A. Discussion and possible action on 2025 Review of Ehlers Investments.
 - B. Discussion and possible action on updating policy FC-4 Investment Policy.
 - C. Identify future agenda items and confirm next meeting date (March 19, 2026 at 10:00 a.m.).
8. ADJOURNMENT

City of Cedarburg is an affirmative action and equal opportunity employer. All qualified applicants will receive consideration for employment without regard to race, color, religion, sex, disability, age, sexual orientation, gender identity, national origin, veteran status, or genetic information.

City of Cedarburg is committed to providing access, equal opportunity and reasonable accommodation for individuals with disabilities in employment, its

services, programs, and activities. To request reasonable accommodation, contact the Clerk's Office, (262) 375-7606, email: cityhall@cityofcedarburg.wi.gov.

MEMBERS – PLEASE NOTIFY CITY CLERK'S OFFICE IF UNABLE TO ATTEND THIS MEETING.

**CITY OF CEDARBURG
FINANCE COMMITTEE
January 15, 2026**

A regular meeting of the Finance Committee of the City of Cedarburg, Wisconsin, was held on Thursday, January 15, 2026, at City Hall, W63 N645 Washington Avenue, second floor, Council Chambers and online utilizing Zoom for Committee members unable to attend in person.

Council Member Fitzpatrick called the meeting to order at 10:02 a.m.

Roll Call: Present: Council Member Jim Fitzpatrick (Zoom), Jack Arnett (Zoom), Michael Bradburn (Zoom), and Allan Lorge

Also Present: City Administrator Mikko Hilvo, Finance Director Livingston and Deputy Treasurer Maureen Hartjes

Excused: Tim Voeller and Mary Kay Bourbulas

STATEMENT OF PUBLIC NOTICE

Deputy Treasurer Hartjes confirmed proper legal notice of the meeting had been given.

COMMENTS & SUGGESTIONS FROM CITIZENS

None

APPROVAL OF MINUTES

A motion was made by Mr. Salter to approve the minutes of November 20, 2025. The motion was seconded by Mr. Bradburn. Motion carried unanimously with Tim Voeller and Mary Kay Bourbulas excused.

REPORTS

The Finance Committee reported no concerns with the distributed reports and had no further comments. Administrator Hilvo noted that year-end interest earnings will be available by the next meeting and highlighted strong investment performance with Ehlers, including approximately \$300,000 in General Fund interest.

NEW BUSINESS

The Finance Committee reviewed the informational documents on the financial impact of development, including Mr. Arnett’s marked-up version. A discussion ensued regarding making additional updates to the drafts such as:

- Replace “development” with “new construction” throughout the document for clarity and neutrality.
- Keep the document to roughly one page by removing later sections and excess narrative.
- Remove complex or unnecessary graphs, including those detailing tax years 2023–2026.
- End the document after the explanation of state-imposed structural limits, eliminating material that distracts from the core message.
- Simplify the table by removing the levy and tax-rate increase columns.

- Retain only the year-over-year tax change for an average home, with a clear footnote explaining that individual assessments may vary.
- Add a single line graph comparing annual inflation and net new construction
- Clarify the reference to the Fire/EMS referendum to ensure accuracy and avoid implying it was solely a fire department initiative.

The Finance Committee members emphasized keeping the document factual, concise, and easy for the public to understand. Mr. Arnett suggested these documents should come from the Finance Committee and not the City Administrator and staff.

The Finance Committee reviewed the updated financial policy FC-3 – Capital Improvement Budget Policy. A discussion ensued regarding the updates. The Finance Committee decided to update the wording in section C. Other Considerations, No. 4 – Monitoring and Oversight to add the Finance Director.

A motion was made by Mr. Lorge to send the updated policy to the Common Council and was seconded by Mr. Slater. Motion carried unanimously with Tim Voeller and Mary Kay Bourbulas excused.

Discussion and possible action to identify future agenda items

Discussion and action on the informational document explaining the impact development has on the city finances.
Ehlers Investments – 2025 Review
Review and update FC-4 – Investment Policy

Confirm Next Meeting Date

February 19, 2026, at 10:00a.m.

ADJOURNMENT

Motion made by Mr. Arnett, seconded by Mr. Lorge, to adjourn the meeting at 10:50 a.m. Motion carried unanimously with Tim Voeller and Mary Kay Bourbulas excused.

Maureen Hartjes
Deputy Treasurer



2025 Portfolio Review

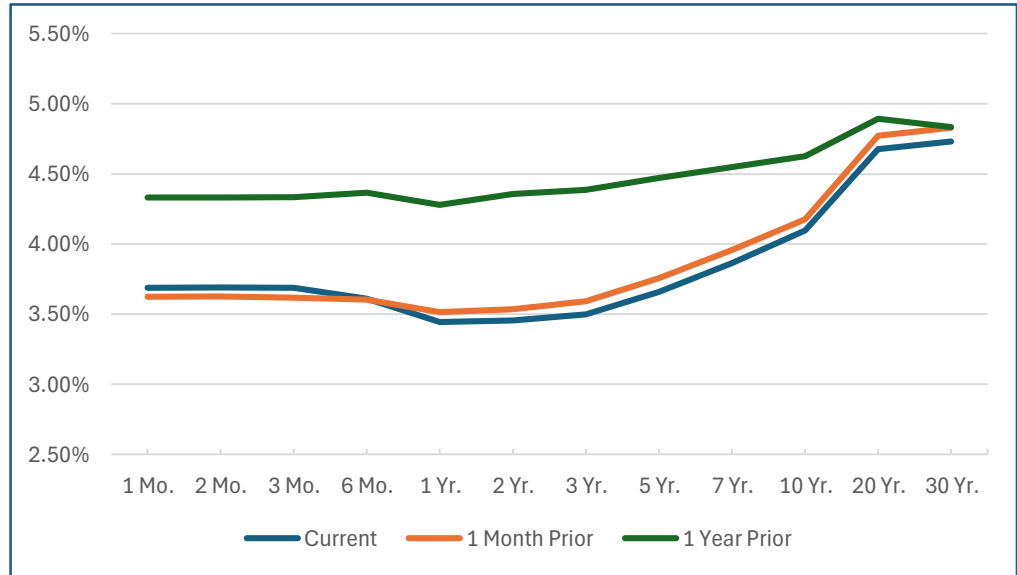
City of Cedarburg, WI



ECONOMIC UPDATE

U.S. Treasury Rates: Par Curve

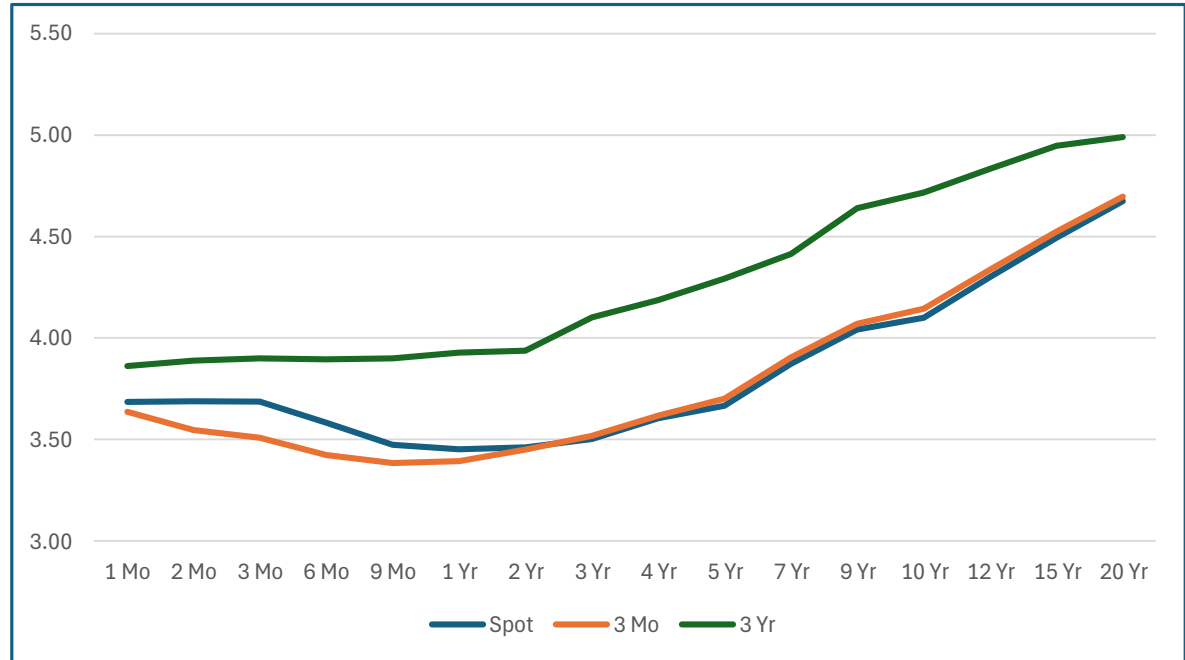
Treasury Rates					
	2/12/2026	1/12/2026	MoM Δ	2/12/2025	YoY Δ
1 Mo.	3.69%	3.62%	0.06%	4.33%	-0.64%
2 Mo.	3.69%	3.63%	0.06%	4.33%	-0.64%
3 Mo.	3.69%	3.62%	0.07%	4.33%	-0.65%
6 Mo.	3.61%	3.60%	0.01%	4.36%	-0.75%
1 Yr.	3.44%	3.52%	-0.07%	4.28%	-0.84%
2 Yr.	3.46%	3.54%	-0.08%	4.36%	-0.90%
3 Yr.	3.50%	3.59%	-0.09%	4.39%	-0.89%
5 Yr.	3.66%	3.76%	-0.10%	4.47%	-0.81%
7 Yr.	3.86%	3.96%	-0.09%	4.55%	-0.69%
10 Yr.	4.10%	4.18%	-0.08%	4.63%	-0.53%
20 Yr.	4.68%	4.77%	-0.10%	4.89%	-0.22%
30 Yr.	4.73%	4.83%	-0.10%	4.83%	-0.10%



Source: Treasury Direct
As of: 2/12/2026

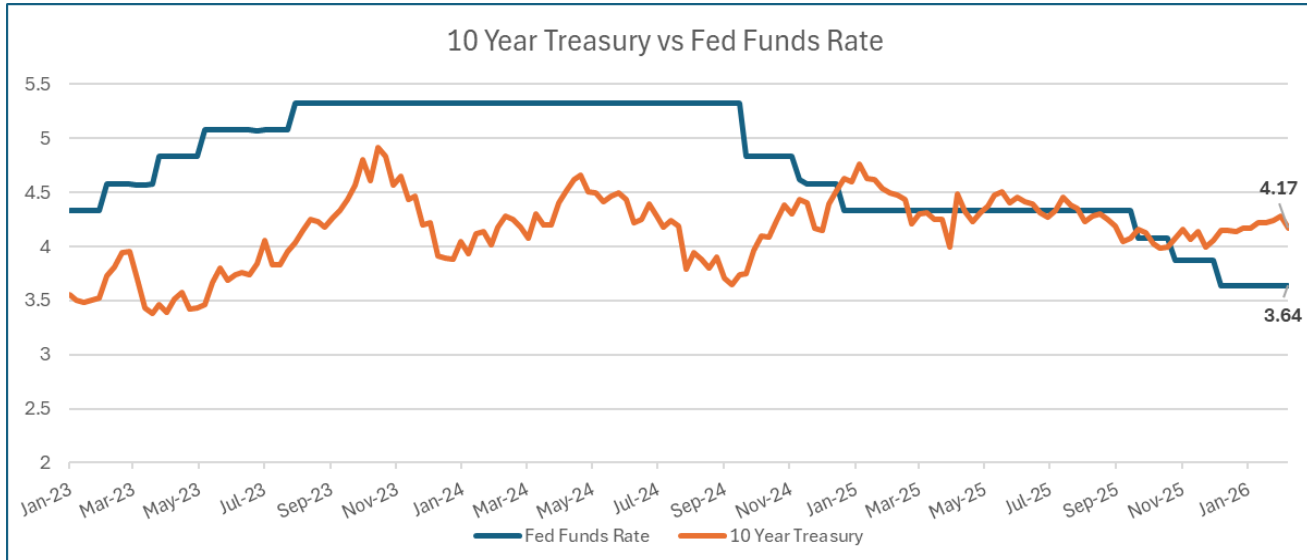
U.S. Treasury Forward Rates

US Treasury Actives Curve			
Tenor	Spot	3 Mo	3 Yr
1 Mo	3.69	3.64	3.86
2 Mo	3.69	3.55	3.89
3 Mo	3.69	3.51	3.90
6 Mo	3.58	3.42	3.89
9 Mo	3.47	3.38	3.90
1 Yr	3.45	3.39	3.93
2 Yr	3.46	3.45	3.94
3 Yr	3.50	3.52	4.10
4 Yr	3.60	3.62	4.19
5 Yr	3.67	3.70	4.29
7 Yr	3.87	3.91	4.41
9 Yr	4.04	4.07	4.64
10 Yr	4.10	4.14	4.72
12 Yr	4.30	4.34	4.83
15 Yr	4.49	4.52	4.95
20 Yr	4.67	4.70	4.99



Source: Bloomberg
As of: 2/12/2026

Federal Funds Effective Rate



Current Target Rate:
3.50 – 3.75%

Next Meeting:
March. 18th, 2026

Source: Treasury Direct
As of: 2/12/2026



PORTFOLIO SUMMARY

Portfolio Objectives



Safety

Preservation of Principal

Risk Mitigation

Diversification



Liquidity

Core vs Liquid Funds



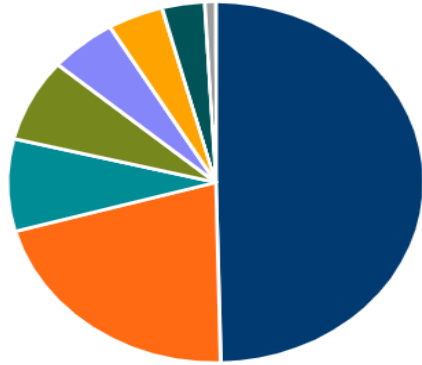
Yield

Fixed Rate vs Variable Rate

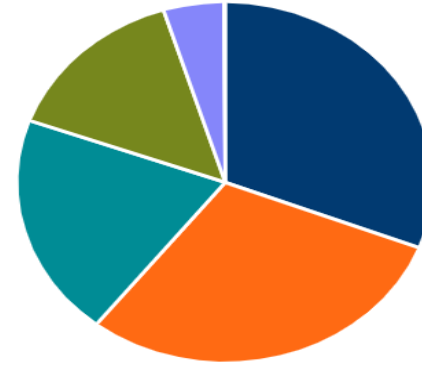
Buy and Hold

Overview: as of 12/31/25

Account Overview



Asset Class Allocation



Accounts Overview

Account	Market Value	Allocation
City of Cedarburg - Sewer Utility - XXXXX2829	\$6,104,475.65	49.64 %
City of Cedarburg - General Fund - XXXXX2738	\$2,582,916.94	21.00 %
City of Cedarburg - Fire Department - XXXXX5129	\$1,015,691.11	8.26 %
City of Cedarburg - Risk Management - XXXXX2811	\$908,851.32	7.39 %
City of Cedarburg - 2023A - XXXXX2746	\$643,471.87	5.23 %
City of Cedarburg - Capital Improvements - XXXXX2837	\$529,253.96	4.30 %
City of Cedarburg - Public Safety Impact Fees - XXXXX4023	\$409,059.18	3.33 %
City of Cedarburg - Special Revenue - XXXXX2803	\$104,813.11	0.85 %

Asset Class Allocation

Asset Class	Market Value	Allocation
Treasury Bond	\$3,799,856.17	30.90 %
Municipal Bond	\$3,656,158.45	29.73 %
Money Market-Taxable	\$2,452,965.32	19.95 %
CD	\$1,801,606.41	14.65 %
Agency Bond	\$578,355.10	4.70 %
Cash or Equivalent	\$9,591.69	0.08 %

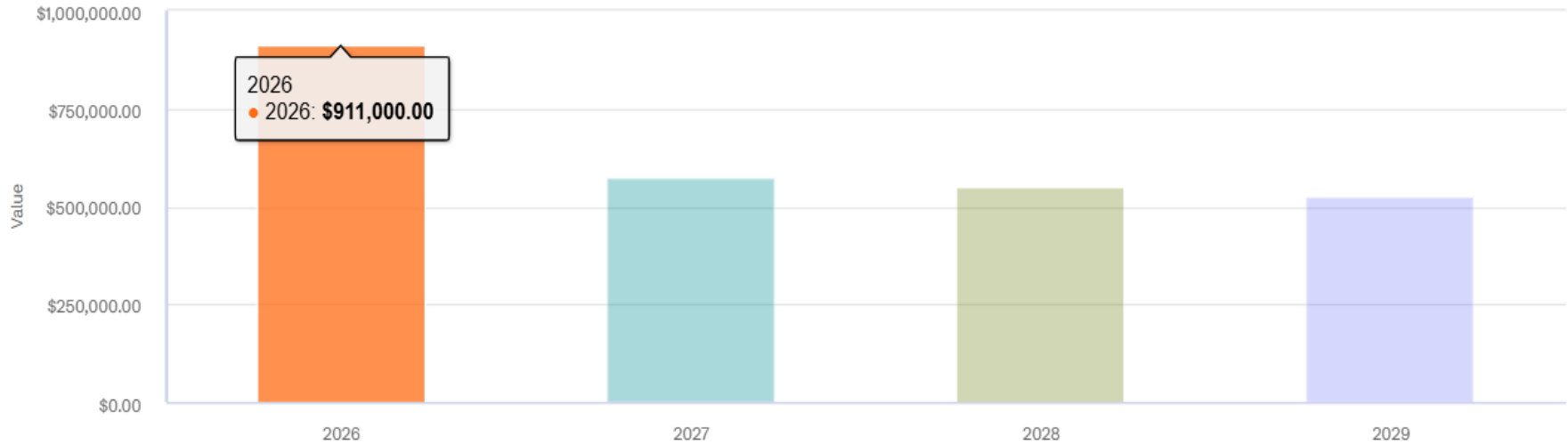
Overview: as of 12/31/25

Activity Summary

	Period	QTD	YTD	Inception
Beginning Market Value	\$8,032,037.68	\$12,361,641.75	\$8,032,037.68	\$0.01
Contributions	\$4,000,000.00	\$0.00	\$4,000,000.00	\$4,000,000.00
Distributions	-\$150,000.00	-\$150,000.00	-\$150,000.00	-\$150,000.00
Transfer In/Out	\$0.00	\$0.00	\$0.00	\$7,568,917.01
Income	\$280,116.16	\$80,437.06	\$280,116.16	\$569,631.91
Fees	-\$16,449.89	-\$5,230.65	-\$16,449.89	-\$35,844.57
Market Value Change	\$152,829.19	\$11,684.98	\$152,829.19	\$345,828.78
Ending Market Value w/ Bond Accrual	\$12,361,829.45	\$12,361,829.45	\$12,361,829.45	\$12,361,829.45

Maturity Schedule

Maturity Year Bar Graph



Looking Ahead

- Monitor and Assess Fed actions
- Reduce liquidity, when possible, extend duration on GF and Sewer
- Investment Policy Review



Important Disclosure

Ehlers is the joint marketing name of the following affiliated businesses (collectively, the “Affiliates”): Ehlers & Associates, Inc. (“EA”), a municipal advisor registered with the Municipal Securities Rulemaking Board (“MSRB”) and the Securities and Exchange Commission (“SEC”); Ehlers Investment Partners, LLC (“EIP”), an SEC registered investment adviser; and Bond Trust Services Corporation (“BTS”), a holder of a limited banking charter issued by the State of Minnesota.

Where an activity requires registration as a municipal advisor pursuant to Section 15B of the Exchange Act of 1934 (Financial Management Planning and Debt Issuance & Management), such activity is or will be performed by EA; where an activity requires registration as an investment adviser pursuant to the Investment Advisers Act of 1940 (Investments and Treasury Management), such activity is or will be performed by EIP; and where an activity requires licensing as a bank pursuant to applicable state law (paying agent services shown under Debt Issuance & Management), such activity is or will be performed by BTS. Activities not requiring registration may be performed by any Affiliate.

This communication does not constitute an offer or solicitation for the purchase or sale of any investment (including without limitation, any municipal financial product, municipal security, or other security) or agreement with respect to any investment strategy or program. This communication is offered without charge to clients, friends, and prospective clients of the Affiliates as a source of general information about the services Ehlers provides. This communication is neither advice nor a recommendation by any Affiliate to any person with respect to any municipal financial product, municipal security, or other security, as such terms are defined pursuant to Section 15B of the Exchange Act of 1934 and rules of the MSRB. This communication does not constitute investment advice by any Affiliate that purports to meet the objectives or needs of any person pursuant to the Investment Advisers Act of 1940 or applicable state law.

FC-4 Investment Policy

General:

The City needs to ensure continuous prudent deposits and investments of available City funds.

Procedures:

A. Public Depositories and other Financial Institutions:

1. The City shall designate one or more public depositories or financial institutions, organized and doing business under the laws of this state or federal law, and located in this state. Depositories or financial institutions to be designated shall be evaluated by the Finance Director/Treasurer and recommended to the Common Council for approval and formal designation via resolution. See *full listing in appendix A*.
2. Deposits. The Finance Director/Treasurer shall deposit public monies upon receipt on a daily basis in the name of the City of Cedarburg in such public depository or depositories or financial institutions designated by the Common Council.
3. Collateralization. Deposits held through banking/credit union providers shall not exceed the maximum federal and/or state insurance coverages unless a) they are collateralized by 110% of the investment in federal government backed securities, state permissible debt obligations carrying a credit rating of AA or higher through a nationally recognized credit rating provider, or with b) a Federal Home Loan Bank of Chicago letter of credit listing the City as a beneficiary at a rate of 110% of the investments; or c) collateralization has been waived by the Common Council.

B. Investments:

1. Objectives:

- a. Safety of Principal. Investments shall be undertaken in a manner that seeks to preserve capital. To achieve this objective, this policy outlines allowable investments and maximum investment amounts by issuer and financial institutions.
 - b. Liquidity. Funds shall be invested to provide sufficient liquidity to meet all reasonably anticipated operational or project requirements.
 - c. Yield. The portfolio shall be designed to obtain a rate of return throughout the budgetary and economic cycles, factoring risk restraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.
2. This policy is limited in its application to funds which are not immediately needed and are available for investment. Other funds, the investment of which is subject to special federal and/or state laws and regulations, shall be invested in accordance with such laws and regulations to the extent they may be inconsistent with the provisions of this policy.
 3. In investing City funds, the Finance Director/Treasurer should utilize a wise and prudent cash management system in such a manner to maximize investment earnings, while at the same time being able to respond promptly to authorized expenditures. When investing City funds, the Finance Director/Treasurer should seek to maximize investment returns without taking undue risk as to liquidity or safety of principal.
 4. In exercising investment responsibilities, the Finance Director/Treasurer shall exercise the care, skill, prudence, and diligence under the circumstances then prevailing as would a prudent investor acting in a similar capacity, with the same resources, and familiar with the like matters in the management of a similar activity, with a like purpose.
 5. Deposits and investments of state and local governments are exposed to risks that have the potential to result in losses. The City will seek to mitigate common investment risks: credit risks, concentration risk, interest rate risk, and foreign currency risks.

6. Portfolio Parameters

- a. Limit investments to avoid over concentration in securities from a specific issuer, industry, or business sector, excluding U.S. Treasury obligations.
 - b. Investing in securities with varying maturities with an average weighted duration of approximately three years. Exceptions to average portfolio duration may be made based upon project or specific fund requirements with Council approval.
 - c. Continuously investing a portion of the investment portfolio in readily available funds such as local government investment pools, money market accounts, or money market mutual funds permissible under state statute.
7. The investment of City funds shall be in accordance with the Wisconsin Statutes with limitations as follows:
 - a. Should the City elect to purchase investments in the secondary market directly through an approved broker/dealer or depository institution, the purchase should include a minimum of two price quotes/bids to seek best pricing execution as evidenced through records maintained by the Finance Director/Treasurer. Investments should settle to a custodial safekeeping account titled in the name of the City.
 - b. Notwithstanding the above limitations, cemetery funds held by the City may be invested in any prudent investment in accordance with the provisions of Wisconsin Statutes Ch. 881. Investment of cemetery funds will be subject to the same oversight and reporting requirements as outlined in Section C below.

FC-4 Investment Policy

B. Investments Cont.

c. Repurchase Agreements. City funds may be invested in repurchase agreements with financial institutions approved as a depository institution or financial institution by the Common Council. Repurchase agreements can only be made in securities which are direct obligations of or guaranteed as to principal and interest by the federal government; and securities which are obligations of an agency, commission, board, or other instrumentality of the federal government, where principal and interest are guaranteed by the federal government. Securities purchased by a repurchase agreement must be maintained in safekeeping by the financial institution. The City shall be informed of the specific collateral and investments in repurchase agreements shall be collateralized at 110% of the face value of the City's investment.

d. Debt service reserve fund investments specifically for use toward General Obligation debt shall be further restricted to those permissible as per Wisconsin statute 67.11.

e. When permitted by law, the City will pool cash from several different funds for investment purposes.

8. Permissible investments shall be purchased only through financial institutions designated as public depositories or approved financial institutions as compiled by the Finance Director/Treasurer and approved by the Common Council as listed in Appendix A. **See appendix B for statute details.**

C. Oversight and Reporting

1. Prior to investing in securities without fixed maturities or face value (e.g., state permissible mutual funds), the Finance Director/Treasurer shall report to the Common Council on his or her intention to make such investments. No such investments shall be made prior to the approval of the Common Council.

2. On a quarterly basis, the Finance Director/Treasurer will report to the Finance Committee and annually to the Common Council on the composition of the City's investment portfolio and investment performance. The Finance Director/Treasurer will report investment activity as requested by the Mayor or Common Council.

3. The City will establish a Finance Committee as comprised by the Mayor with representation of the Common Council and citizens with expertise in the investment and debt fields to be available on an as-needed basis to advise the City on specific investment and debt options and strategies.

D. Investment Advisor:

L Should the City deem it appropriate to retain an investment advisor, the following requirements apply to the investment advisor relationship.

a. The City will at all times be responsible for establishing the investment objectives. The investment advisor will be responsible for providing advice and developing and implementing strategies for carrying out such objectives.

b. Final selection of investments on behalf of the City shall be approved by the Finance Director/Treasurer prior to execution, and

c. Investments approved shall be held in custodial safekeeping in the name of the City.

d. Investment advisor shall seek best pricing execution and competitive rates on investments purchased on behalf of the City.

e. Periodic Reporting — The investment advisor shall provide periodic reports regarding the composition, performance level and accounting treatment of the City's investment portfolio. Reports will be provided monthly to the Finance Director/Treasurer, quarterly to the Finance Committee and annually to the Common Council.

f. Compensation and Term of Agreement — Investment advisory fees shall be established in advance. All compensation shall be disclosed in a written agreement. The relationship between the advisor and the City may be terminated at any time at the discretion of the City.

E. Policy Review:

1. The investment policy shall be reviewed **annually** by the Finance Committee. Any changes shall be recommended to and approved by the Common Council.

Appendix A:

WI Local Government Investment Pool (LGIP)
Ehlers Investment Partners
Perching Advisor Solutions/BNY Mellon
Port Washington State Bank
BMO Harris Bank
Summit Credit Union

Appendix B:

Wisconsin Permissible Investments
<https://docs.legis.wisconsin.gov/statutes/statutes/66/vi/0603>

Approved: 2/16/89 Finance Committee

Adopted: 03/13/89

Revised: 07/11/94

Revised: 02/10/03

Revised: 04/14/10

Revised: 11/30/15

Revised: 08/08/16

Revised: 09/21/21

Revised: 04/04/23