CITY OF CEDARBURG
FINANCE COMMITTEE
October 15, 2024

A regular meeting of the Finance Committee of the City of Cedarburg, Wisconsin, was held online on Tuesday, October 15, 2024, utilizing the Zoom app.

Council Member Jim Fitzpatrick called the meeting to order at 1:00 p.m.

Roll Call: Present - Council Member Jim Fitzpatrick, Jack Arnett, Allan Lorge, Jeff Slater, Mary Kay Bourbulas, Tim Voeller and Michael Bradburn.

Also Present- City Administrator Mikko Hilvo, Finance Director Kelly Livingston, Deputy Treasurer Maureen Hartjes and Ehlers representatives Harry Allen

STATEMENT OF PUBLIC NOTICE

Finance Director Livingston confirmed proper legal notice of the meeting had been given.

COMMENTS & SUGGESTIONS FROM CITIZENS

None

APPROVAL OF MINUTES

A motion was made by Mr. Arnett to approve the minutes of July 16, 2024, and September 17, 2024. The motion was seconded by Mr. Voeller. Motion carried unanimously.

REPORTS

The Finance Committee reviewed the Ehlers September Summary, Ehlers Consolidated Holdings report and the third quarter Cash and Investment report. Administrator Hilvo stated these reports are provided for the Finance Committee members to review quarterly. Council Member Fitzpatrick stated the yield decreased from 4.9% three months ago to 4.397% which is not a surprise given how short City's portfolio is. Council Member Fitzpatrick asked Finance Director Livingston if there is a seasonal element to the portfolio since there is a large balance in cash. Finance Director Livingston stated there is not a seasonal element to the portfolio and cash is not typically transferred from these accounts. Deputy Treasurer Hartjes said there was a transfer of $1 million in cash at the end of September for the Wastewater Recycling Center fund and that could be the reason for the large cash balance. Ms. Bourbulas stated the balance was largely in the Dreyfus High Yield money market and Mr. Slater added that the yield on that fund is better than the banks. The Finance Committee discussed the potential benefits of having longer maturities duration in a declining interest rate environment.

NEW BUSINESS

NONE

UNFINISHED BUSINESS

Mr. Allen from Ehlers discussed a few high-level updates on the City's Financial Management Plan. Mr. Allen presented updated borrowing schedules which lumped borrowings together to decrease issuance costs. Mr. Allen stated the City could borrow in 2025 for street projects and do a larger borrowing in 2027 for various projects including streets, public safety building, park improvements and Prochnow costs. Council Member Fitzpatrick asked if the City could lump three years of borrowing together. The Finance Committee discussed the potential benefits and drawbacks of lumping three years borrowings into one and decided that a two-year approach given the current project schedule and public safety building may be best for now. Mr. Allen went on to discuss the projected tax levy and rate schedule and pointed out that the taxes on the average home by purpose was broken out at the bottom of the chart which included general operations, debt service and EMS. Council Member Fitzpatrick questioned the assessed values used in this chart. Mr. Allen stated there may have been a miscommunication between using the equalized values and stated he would update the chart. The Finance Committee discussed the assessed values and when the next City-wide revaluation could take place. Mr. Allen stated that once the levy is situated, he will present figures for the Wastewater plant. Mr. Arnett asked if a few items could be renamed within the Ehlers document and a discussion ensued regarding the proposed changes. Mr. Allen stated he would make the suggested changes.

Deputy Treasurer Hartjes stated Quarles & Brady reviewed the City's Debt and Post-Issuance Compliance policy at no charge. The Finance Committee reviewed the updated financial policy FC-2 – Debt Policy. A discussion ensued regarding some wording changes.

A motion was made by Ms. Bourbulas to send the updated policy to the Common Council and was seconded by Mr. Lorge. Motion passed unanimously.

The Finance Committee reviewed the updated financial policy FC-11. Deputy Treasurer Hartjes reviewed the proposed changes from Quarles and Brady.

A motion was made by Mr. Bradburn to send the updated policy to the Common Council and was seconded by Ms. Bourbulas. Motion passed unanimously.

Identify future agenda items, and action thereon

Discussion and review of Expenditure Restraint Program
Discussion of resort tax

Confirm Next Meeting Date November 19, 2024, at 1:00pm

ADJOURNMENT

Motion made by Mr. Arnett, seconded by Mr. Voeller to adjourn the meeting at 1:49 p.m. Motion carried without a negative vote.

Maureen Hartjes
Deputy Finance Director