FINANCE COMMITTEE
September 27, 2022

A regular meeting of the Finance Committee of the City of Cedarburg, Wisconsin, was held online on Tuesday, September 27, 2022, utilizing the Zoom app.

Council Member Jack Arnett called the meeting to order at 1:00 p.m.

Roll Call: Present - Council Member Jack Arnett, Allan Lorge, Michael Bradburn, Robert Loomis

Excused- Mary Kay Bourbulas, Jesus Torres

Also Present- City Administrator Mikko Hilvo, Finance Director/Treasurer Kelly Livingston, Deputy Treasurer Maureen Hartjes, Maria Jarvi

STATEMENT OF PUBLIC NOTICE

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

COMMENTS & SUGGESTIONS FROM CITIZENS - None

APPROVAL OF MINUTES

Motion made by Mr. Loomis to approve the minutes of the August 16, 2022, meeting. The motion was seconded by Mr. Lorge. Motion carried without a negative vote with Jesus Torres and Mary Kay Bourbulas excused.

NEW BUSINESS

Review and Possible Action on 2023 Levy Limit, Expenditure Restraint, and Tax Levy
Administrator Hilvo reviewed the proposed 2023 Levy; he noted the Capital Improvement Levy has an increase of $100,000. Administrator Hilvo stated there is a new Special Revenue Fund for Fire and EMS starting in 2023. Administrator Hilvo also mentioned that the Ehlers advisor recommended using approximately $273,560 of the City's Debt Service Fund balance to reduce the 2023 Debt Levy for a total 2023 Debt Levy of $1,365,047. Finance Director/Treasurer Livingston mentioned that Ehlers stated the Debt Service Fund balance should be zero and the December 31, 2021, Debt Service Fund balance was $590,551. Finance Director/Treasurer Livingston stated the Fund balance may have been built up due to the collection of Police Department Impact Fees. Administrator Hilvo asked if anyone had any objections to using the Debt Service Fund balance. Council Member Loomis said he agreed with Ehlers on using the Debt Service Fund balance and all the members agreed.

Administrator Hilvo said the Levy Limit allows a levy of $11,211,535 and our current budget is on target at $11,207,847.

Administrator Hilvo stated the City's 2022 Equalized Value is $1,978,343,600 and the City's estimated assessment ratio is 95%. Administrator Hilvo stated with the proposed 2023 budget the City's tax rate would be $6.02/$1,000 AV. Administrator Hilvo stated the 2023 average home value is $392,200 which represents an increase in City tax of $109.44 from 2022 for a home of that value. Council Member Loomis suggested using information showing what the average increase would be for a range of house values. Council Member Arnett agreed that showing the value of several homes per $1,000 may be useful for presenting the budget to the Council.

Administrator Hilvo stated the City will meet Expenditure Restraint without a problem. The City's Net New Construction rate is 3.186% and is the highest in Ozaukee County.

Review and Possible Action on 2023-2029 Capital Improvement Budget

Administrator Hilvo reviewed a summary of the 2023 Capital Improvement Budget (see attached). Administrator Hilvo stated the Capital Improvement Levy increased by $100,000 for 2023. Administrator Hilvo stated the City is currently in a good position as the City can levy for Capital projects. Ehlers had stated that many communities are not able to do this and need to borrow for Capital projects. Administrator Hilvo stated the City will need to borrow in the future and possibly do a referendum depending upon projects and EMS/Fire services. Administrator Hilvo stated the City is currently working with the Town on this plan.

Administrator Hilvo discussed leasing police squad cars and the cost savings of leasing instead of purchasing. Administrator Hilvo mentioned the Village of Grafton currently leases police vehicles and this works well for the Village. Administrator Hilvo stated leasing is only cost effective for the police squad cars and not other departments such as Public Works. Administrator Hilvo stated leasing is also more advantageous due to the trade in value of vehicles being higher at the end of a lease and that there are less maintenance expenses. Council Member Bradburn agreed that leasing makes sense and leasing will lower costs.

Administrator Hilvo stated the City is working on ideas for funding the Capital Improvement Fund and is open to ideas on managing Capital Improvement in the future. Council Member Bradburn stated it is normal for municipalities to have indebtedness and asked if the City currently has a Debt policy. Council Member Lorge stated the City should work with Ehlers if the City does not have a policy.

Identify and Possible Action on Future Agenda Items

Administrator Hilvo stated the WPS 2023 Health Insurance premiums came in and are at a 77.8% increase from 2022. Council Member Arnett stated that it is good the City had been working on joining the State insurance plan for 2023.

Confirm Next Meeting Date

The next Finance Committee meeting will be held on October 18, 2022, at 1:00 p.m.

ADJOURNMENT

Motion made by Mr. Loomis, seconded by Mr. Bradburn to adjourn the meeting at 2:06 p.m. Motion carried without a negative vote.

Maureen Hartjes
Deputy Treasurer