

FINANCE COMMITTEE
September 21,2021

FIN20210921-1
UNAPPROVED

A regular meeting of the Finance Committee of the City of Cedarburg, Wisconsin, was held online on Tuesday, September 21, 2021 utilizing the Zoom app.

Council Member Jack Arnett called the meeting to order at 1:01 p.m.

Roll Call: Present - Council Member Jack Arnett, Robert Loomis, Allan Lorge, Michael Bradburn, Mary Kay Bourbulas, Jesus Torres

Also Present- City Administrator Mikko Hilvo, Finance Director Christy Mertes (joined meeting at 1:40pm), Deputy Treasurer/Human Resources Kelly Livingston, Nick Miota and Bryan Bastar of Southgate Fleet Leasing,

STATEMENT OF PUBLIC NOTICE

Deputy Treasurer 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. Loomis to approve the minutes of the August 17,2021 meeting. The motion was seconded by Ms. Bourbulas. Motion carried without a negative vote.

UNFINISHED BUSINESS

Consider Leasing Program; and Action Thereon

Mr. Miota introduced Southgate Fleet Leasing. He said that the Company stresses flexibility and partnerships are built on trust. He feels that Open-End Equity Leases would help the City with budgeting. Mr. Bastar stated that his part of the business focuses on a fleet of 5-50 vehicles. He spoke about vehicle procurement and that current inventory is low. Also, that being a government entity, the City would have more availability and access to vehicles. Southgate would allow the City to spec out its own vehicles. He said he would focus on how to get more bang for the buck. He went on to say that Southgate Fleet Leasing is a Wisconsin company and that he is a 22-year resident of Cedarburg. Mr. Bastar presented various spreadsheets and questions and discussion continued about the ins and outs and pros and cons of fleet leasing. At 1:45pm, Mr. Miota and Mr. Bastar left the meeting. Council Member Arnett asked the Committee for comments and/or questions. He stated that he felt that Southgate not having any municipal experience was a negative. Ms. Bourbulas asked about actual usage of vehicles and how long the City can keep a vehicle. Administrator Hilvo stated that Enterprise Leasing doesn't work well for the City's needs since we cannot spec out our own vehicles and Southgate is a concern due to no municipal experience. He feels that maybe leasing isn't the best option for the City and that staff is not sold on leasing for right now. After continued discussion, it was a consensus of the Committee that fleet leasing would not be a viable option for the City at the present time.

Review and Discuss Investment Policy FC-4; and Action Thereon

A motion was made to approve Investment Policy FC-4 by Mr. Lorge and seconded by Mr. Bradburn. Motion carried without a negative vote.

NEW BUSINESS

Update on High Level Budget Items; and Action Thereon

Administrator Hilvo stated that staff is working on the first draft of the budget and that he and Finance Director Mertes are waiting on other figures to come in. The Committee asked questions pertaining to insurance increases and staffing changes. Administrator Hilvo stated that the City would be offering two health insurance plans for 2022, one with a higher deductible and no employee premium contribution and the other with a lower deductible and an 8% employee premium contribution. Premium rates are anticipated in October. On the staffing front, the budget currently has a 3% raise for employees. There is currently a custodial opening. Anticipated for 2022, are a full-time public works employee to be hired at the beginning of the year and an additional full-time Firefighter/EMT to be hired mid-year.

Update of the American Rescue Plan Act Funds; and Action Thereon

Administrator Hilvo stated that requests have been coming in for the American Rescue Plan Act funds. He is taking a slow approach. Council Member Arnett asked who decides who qualifies for the funds. Administrator Hilvo replied that there are strict guidelines to qualify, and the City has to make the decisions. Finance Director Mertes added that the City must report, document, and justify who the funds were granted to and why they were granted. Council Member Arnett requested to keep this item on the agenda.

Identify Future Agenda Items; and Action Thereon

- Further discussion on budget update
- Further discussion on American Rescue Plan Act Funds
- Future borrowing

Confirm Next Meeting Date

The next Finance Committee meeting will be held on October 19, 2021 at 1:00 p.m. via zoom.

ADJOURNMENT

Motion made by Mr. Loomis, seconded by Ms. Bourboulas to adjourn the meeting at 2:25 p.m. Motion carried without a negative vote.

Kelly Livingston
Deputy Treasurer/Human Resources