

FINANCE COMMITTEE
September 19, 2023

FIN20230919-1
UNAPPROVED

A regular meeting of the Finance Committee of the City of Cedarburg, Wisconsin, was held online on Tuesday, September 19, 2023, utilizing the Zoom app.

The meeting was called to order by Jack Arnett at 1:05 p.m.

Roll Call: Present - Council Member Jim Fitzpatrick, Jack Arnett, Michael Bradburn, Robert Loomis. Tim Voeller

Excused- Mary Kay Bourbulas, Allan Lorge

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

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. Bradburn to approve the minutes of the August 15, 2023 meeting. The motion was seconded by Mr. Voeller. Motion carried without a negative vote with Mary Kay Bourbulas and Allan Lorge excused.

REPORTS

Review Ehlers August Investment Report

The August Ehlers Investment Summary was reviewed. Mr. Fitzpatrick stated it would be more useful to have the SEC yield listed on the monthly investment summary instead of the yield currently listed. Finance Director Livingston stated Ms. Tami Olszewski from Ehlers will attend the next Finance Committee meeting in October and can answer any questions.

NEW BUSINESS

Review 2024 Budget Draft; and Action Thereon

City Administrator Hilvo reviewed the City's estimated 2024 Tax Levy sheet and reviewed the Tax Levy for each fund. City Administrator Hilvo explained that the City cannot exceed the Levy Limit of \$11,574,459. Mr. Arnett calculated that was about a 3% increase from last year. Mr. Loomis stated the Levy Limit is in line with inflation. City Administrator Hilvo stated that the City is receiving extra Shared Revenue in 2024 of \$306,867; however, Expenditure Restraint is decreasing by about \$80,000 because more municipalities qualified. City Administrator Hilvo stated the City's current estimated Equalized

Tax Rate will go down from \$5.75 to \$5.38. Mr. Arnett stated the City is in a good position for the Levy Limit since it is based on Net New Construction and Cedarburg's is higher than most communities. Mr. Arnett asked if the City could use leasing vehicles to aid in meeting the Levy Limits. City Administrator Hilvo stated that he would discuss that with Ehlers.

Mr. Arnett stated that Mr. Lorge had sent a note since he could not attend this meeting. Mr. Lorge had a few notes on the 2024 Budget, to be careful on drawing down Fund Balance, take care of matters the citizens see the most, such as streets, and that people will typically be ok with a tax increase due to inflation and to take care of staff.

City Administrator Hilvo stated the City will utilize Fund Balance in 2024 of \$216,170 due to the Health Insurance surcharge from switching to the State health insurance plan. Half of the surcharge was paid in 2023 and the rest will be paid in 2024. City Administrator Hilvo stated the State health plan increased by about 14%; however, it was a good switch going to the State health insurance plan as the City's previous insurance provider premiums went up approximately 70%. City Administrator Hilvo stated the City is in line with surrounding municipalities such as Grafton and Port Washington, as they are on the State health plan as well. City Administrator Hilvo stated the estimated Fund Balance will be about \$3.5 million which puts the City at the high end of the City's Fund Balance policy.

City Administrator Hilvo reviewed the Capital Project budget and stated if the City cannot levy for Capital projects, the City may need to start borrowing in the future. Mr. Fitzpatrick asked why there is a big jump in the stormwater improvements from 2023 to 2024. City Administrator Hilvo stated that more stormwater work needed to be completed in 2024, per the City Engineer.

City Administrator Hilvo reviewed the City's Debt schedule. City Administrator Hilvo stated the Finance Committee and Ehlers will have a discussion in the future regarding TID #4, because it may not generate any increment until 2030 and is now a liability on the General Fund fund balance.

City Administrator Hilvo reviewed the Special Revenue funds. The Cemetery fund currently has a fund balance of about \$281,000 and will utilize about \$59,000 in 2023. The Room Tax currently generates \$3,000 for the General Fund and retains 5% of the room tax revenue. City Administrator Hilvo stated that other communities charge 7% for room tax and keep 30% for their General Fund. City Administrator Hilvo stated that if the City had a hotel, the City could increase the room tax and keep 30% for the City's General Fund. The Recreation fund is estimated to have a surplus in 2023 and will plan to reimburse the General Fund approximately \$21,000 for employee wages. The Pool fund had a good year and had an increase in Fund Balance. The tax support to the Pool has remained at \$69,216 since 2020. The Fire Department and EMS Fund will have an increase in tax support of \$72,772 with a total of \$536,971. The Town of Cedarburg will reimburse the City approximately \$300,000. City Administrator Hilvo stated that if the referendum passes it will allow the City to hire more full-time staff for the Fire Department and EMS. The Library fund is receiving an increase of \$23,356 in tax support for a total of \$794,550. The Library is planning on using \$90,000 of Fund Balance which will decrease their balance to about \$24,000. City Administrator Hilvo is concerned about this and discussed it with Library Director Eastwood and he encouraged her to discuss the issue with the Library Board. City Administrator Hilvo stated the ARPA fund has about \$19,000 left of funds not yet allocated. City Administrator Hilvo

mentioned the air conditioning at City Hall needed additional work and some of that may be used for that purpose.

Identify Future Agenda Items, and Action Thereon

Ehlers Investment – Ms. Tami Olszewski
TID #4

Confirm Next Meeting Date

The next Finance Committee meeting will be held on October 17, 2023, at 1:00 p.m. via zoom.

ADJOURNMENT

Motion made by Mr. Loomis, seconded by Mr. Bradburn, to adjourn the meeting at 2:05 p.m. Motion carried without a negative vote with Mary Kay Bourboulas and Allan Lorge excused.

Maureen Hartjes
Deputy Treasurer

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