

**CITY OF CEDARBURG
MEETING OF COMMON COUNCIL
MAY 13, 2019 – 7:00 P.M.**

A regular meeting of the Common Council of the City of Cedarburg, Wisconsin, will be held on **Monday, May 13, 2019 at 7:00 p.m.** at City Hall, W63 N645 Washington Avenue, Cedarburg, WI, in the second floor Council Chambers.

AGENDA

1. CALL TO ORDER - Mayor Mike O'Keefe
2. MOMENT OF SILENCE
3. PLEDGE OF ALLEGIANCE
4. ROLL CALL: Present – Common Council – Mayor Mike O'Keefe, Council Members Sherry Bublitz, Jack Arnett, Kristin Burkart, Rick Verhaalen, Garan Chivinski, Patricia Thome and Rod Galbraith
5. STATEMENT OF PUBLIC NOTICE
6. APPROVAL OF MINUTES* - April 29, 2019
7. COMMENTS AND SUGGESTIONS FROM CITIZENS** Comments from citizens on a listed agenda item will be taken when the item is addressed by the Council. At this time individuals can speak on any topic not on the agenda for up to 5 minutes, time extensions at the discretion of the Mayor. No action can be taken on items not listed except as a possible referral to committees, individuals or a future Council agenda item.
8. PRESENTATIONS
 - * A. Consider Resolution No. 2019-07 commending Senior Center Director Carol LaFontaine for her years of service to the City; and action thereon
 - * B. Presentation of the 2018 Audit Report; and direction thereon
9. NEW BUSINESS
 - * A. Consider bids received for the 2019 asphalt repair program; and action thereon
 - * B. Consider closing Portland Road between Mill Street and Hilbert Avenue from 5:00 a.m. to 2:00 p.m. on July 27, 2019 for the Wisconsin Women Cycling – 2019 Wisconsin Bike Festival & Century Rides and demonstrations; and action thereon
 - * C. Consider the appointment of Steven Jacomet as agent for Walgreens #13620 at W26 N190 Washington Avenue; and action thereon

- D. Consider Mayor O’Keefe’s appointment to the Library Board; and action thereon
- E. Consider Mayor O’Keefe’s Council Member appointments; and action thereon
- * F. Orientation Session for Mayor and Council Members/Annual Review and Certification of Code of Ethics
- * G. Consider the request of Festivals of Cedarburg, Inc. to extend the closing hours of Strawberry Festival on Saturday, June 22, 2019 from 8:30 p.m. to 9:00 p.m. and on Sunday, June 23, 2019 from 5:00 p.m. to 8:00 p.m. for the Cedar Creek Park portion of the festival grounds only; and action thereon
- *** H. Consider License/Permit Applications; and action thereon
 - 1. Consider approval of 2019-2020 alcohol, operator, and cigarette licenses (see attached list)
- * I. Consider payment of bills dated 04/26/19 through 05/03/19, transfers for the period 04/23/19 through 05/10/19; and payroll for the period 04/27/19 through 05/10/19; and action thereon

10. REPORTS OF CITY OFFICERS AND DEPARTMENT HEADS

- * A. Administrator’s Report
- * B. Building Inspectors Report – April 2019

11. COMMUNICATIONS

- ** A. Comments and suggestions from citizens
- B. Comments and announcements by Council Members
- C. Mayor’s Report

12. ADJOURNMENT – CLOSED SESSION

It is anticipated the Common Council will adjourn to closed session pursuant to:

- State Statutes 19.85(1)(e) to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business whenever competitive or bargaining reasons require a closed session, more specifically, to:
 - Consider proposed amendment to the TID No. 3 Developer’s Agreement
 - Approval of March 25, 2019 closed session minutes.

13. RECONVENE TO OPEN SESSION

- 14. Consider proposed amendment to TID No. 3 Developer’s Agreement; and action thereon

Individual members of various boards, committees, or commissions may attend the above meeting. It is possible that such attendance may constitute a meeting of a City board, committee or commission pursuant to State ex. rel. Badke v. Greendale Village Board, 173 Wis. 2d 553, 494 NW 2d 408 (1993). This notice does not authorize attendance at either the above meeting or the Badke Meeting, but is given solely to comply with the notice requirements of the open meeting law.

* *Information attached for Council; available through City Clerk's Office.*

** *Citizen comments should be primarily one-way, from citizen to the Council. Each citizen who wishes to speak shall be accorded one opportunity at the beginning of the meeting and one opportunity at the end of the meeting. Comments should be kept brief. If the comment expressed concerns a matter of public policy, response from the Council will be limited to seeking information or acknowledging that the citizen has been understood. It is out of order for anyone to debate with a citizen addressing the Council or for the Council to take action on a matter of public policy. The Council may direct that the concern be placed on a future agenda. Citizens will be asked to state their name and address for the record and to speak from the lectern for the purposes of recording their comments.*

*** *Information available through the Clerk's Office.*

UPON REASONABLE NOTICE, EFFORTS WILL BE MADE TO
ACCOMMODATE THE NEEDS OF INDIVIDUALS WITH DISABILITIES.
PLEASE CONTACT THE CITY CLERK'S OFFICE AT (262) 375-7606
E-MAIL: cityhall@ci.cedarburg.wi.us

05/09/19 ckm

CONSIDER APPROVAL OF 2019-2020 ALCOHOL, OPERATOR AND CIGARETTE LICENSES FOR:

Class "A" Fermented Malt Beverage and "Class A" Cider Only (Off-Premise Consumption Only):

Speedway LLC, PO Box 1580, Springfield, OH 45501, Michael R. Weber, Agent, premises to be licensed: W63 N121 Washington Avenue, known as **Speedway 4203**.

Class "A" Fermented Malt Beverage and "Class A" Intoxicating Liquor (Off-Premise Consumption Only):

Bonus Inc., dba Olsen's Piggly Wiggly, W61 N286 Washington Avenue, Cedarburg, WI 53012, Ryan L. Olsen, Agent, premises to be licensed: W61 N286 Washington Avenue, known as **Olsen's Piggly Wiggly**.

Toto's Inc., 4600 W. Brown Deer Road, Brown Deer, WI 53223, Krystal L. Poppe, Agent, premises to be licensed: W63 N157 Washington Avenue, known as **Otto's Wine and Spirits**.

Super Sales USA Inc., PO Box 493, Cedarburg, WI 53012, Douglas Gall, Agent, premises to be licensed: W62 N174 Washington Avenue, known as **Citgo Super Sales Cedarburg**.

Wisconsin CVS Pharmacy, LLC, One CVS Drive, M/C 1160, Woonsocket, RI 02895, Dione Jeffrey, Agent, premises to be licensed: W63 N152 Washington Avenue, known as **CVS Pharmacy #8775**.

Walgreen Co., P.O. Box 901, Deerfield, IL 60015, Steven Jacomet, Agent, premises to be licensed: W62 N190 Washington Avenue, known as **Walgreens #13620**.

Class "B" Fermented Malt Beverage and "Class B" Intoxicating Liquor (On or Off-Premise Consumption):

Ernie's Wine Bar LLC, N49 W5471 Portland Road, Cedarburg, WI 53012, Benjamin M. Grade, Agent, premises to be licensed: N49 W5471 Portland Road, known as **Ernie's Wine Bar**.

Stagecoach 520 LLC, W61 N520 Washington Avenue, Cedarburg, WI 53012, Anne M. Conley, Agent, premises to be licensed: W61 N520 Washington Avenue, known as **Stagecoach Inn/The Five 20 Social Stop**.

RCB Group Inc., W63 N699 Washington Avenue, Cedarburg, WI 53012, Richard C. Buser, Agent, premises to be licensed: W63 N699 Washington Avenue, known as **Maxwell's**.

C. Wieslers Inc., W61 N493 Washington Avenue, Cedarburg, WI 53012, Mike G. Jackson, Agent, premises to be licensed: W61 N493 Washington Avenue, known as **C. Wieslers**.

North 48 Inc., W62 N599 Washington Avenue, Cedarburg, WI 53012, Jordan Cole, Agent, premises to be licensed: W62 N599 Washington Avenue, known as **North 48**.

Thomas Restaurant, LLC, W63 N688 Washington Avenue, Cedarburg, WI 53012, Nicole Thomas, Agent, premises to be licensed: W63 N688 Washington Avenue, known as **Tomaso's**.

L&G Express Bar LLC, N50 W5586 Portland Road, Cedarburg, WI 53012, Larry D. Weidmann, Agent, premises to be licensed: N50 W5586 Portland Road, known as **L&G Express Bar**.

Cedarburg Cultural Center Inc., W62 N546 Washington Avenue, Cedarburg, WI 53012, Stephanie Hayes, Agent, premises to be licensed: W62 N546 Washington Avenue, known as **Cedarburg Cultural Center**.

RCB Group Inc., W62 N550 Washington Avenue, Cedarburg, WI 53012, Richard C. Buser, Agent, premises to be licensed: W62 N550 Washington Avenue, known as **The Stonewall Pub**.

Cedars III LLC, W53 N404 Park Lane, Cedarburg, WI 53012, Michael F. Kowalkowski, Agent, premises to be licensed: W53 N404 Park Lane, known as **Cedars III**.

MacBeebs LLC, Owned by Catherine Heebner, 3041 N. 75th Street, Milwaukee, WI 53210, Catherine Heebner, Agent, premises to be licensed: W62 N238 Washington Avenue, known as **Farmstead**.

Anvil Pub & Grille LLC, N70 W6340 Bridge Road, Cedarburg, WI 53012, Donna M. Taylor, Agent, premises to be licensed: N70 W6340 Bridge Road, known as **Anvil Pub & Grille**.

Settlers Inn LLC, W63 N657 Washington Avenue, Cedarburg, WI 53012, Joan D. Dorsey, Agent, premises to be licensed: W63 N657 Washington Avenue, known as **Settlers Inn**.

AT JJ's LLC, W62 N559 Washington Avenue, Cedarburg, WI 53012, Ambur A. Vance, Agent, premises to be licensed: W62 N559 Washington Avenue, known as **AT JJ's**.

Cedarburg Art Museum & Society, Inc., W63 N675 Washington Avenue, Cedarburg, WI 53012, Samantha Landre, Agent, premises to be licensed: W63 N675 Washington Avenue, known as **Cedarburg Art Museum**.

Phoa Brothers, Inc., W62 N547 Washington Avenue, Cedarburg, WI 53012, Jimmy Phoa, Agent, premises to be licensed: W62 N547 Washington Avenue, known as **New Fortune**.

GG & KR LLC, W62 N630 Washington Avenue, Cedarburg, WI 53012, Gordon M. Goggin, Agent, premises to be licensed: W62 N630 Washington Avenue, known as **The Stilt House**.

Brandywine LLC, W61 N480 Washington Avenue, Cedarburg, WI 53012, Andrew Wilson, Agent, premises to be licensed: W61 N480 Washington Avenue, known as **Brandywine**.

Class “B” Fermented Malt Beverage (On or Off-Premise Consumption) and “Class C” Wine (On-Premise Consumption):

Morales Restaurants LLC, 2550 Country Aire Drive, Cedarburg, WI 53012, Debra A. McQuaid, Agent, premises to be licensed: W63 N674 Washington Avenue, known as **Vintage Café & City Deli.**

Donna M. Taylor, 1441 Keup Road, Grafton, WI 53024, premises to be licensed: N70 W6340 Bridge Road, known as **Cream & Crepe Café.**

P.J. Piper LLC, W61 N514 Washington Avenue, Cedarburg, WI 53012, Judith Fergadakis, Agent, premises to be licensed: W61 N514 Washington Avenue, known as **P.J. Piper Pancake House.**

Le’s Pho LLC, W63 N146 Washington Avenue, Cedarburg, WI 53012, Ly Q. Le, Agent, premises to be licensed: W63 N146 Washington Avenue, known as **Le’s Pho.**

J.L. Joyce Enterprises Inc., W63 N144 Washington Avenue, Cedarburg, WI 53024, James P. Joyce, Agent, premises to be licensed: W63 N144 Washington Avenue, known as **Jim’s Grille.**

Otte Restaurants LLC, W63 N540 Hanover Avenue, Cedarburg, WI 53012, John M. Otte, Agent, premises to be licensed: W63 N540 Hanover Avenue, known as **Romano’s Pizzeria.**

Famous Sals of Cedarburg, Wisconsin, Inc., W63 N635 Washington Avenue, Cedarburg, WI 53012, Bekim Elmazi, Agent, premises to be licensed: W63 N635 Washington Avenue, known as **Sals Famous Pizza.**

Baehmann’s Golf Center Inc., W73 N1122 Washington Avenue, Cedarburg, WI 53012, Kurt Baehmann, Agent, premises to be licensed: W73 N1122 Washington Avenue, known as **Baehmann’s Golf Center.**

“Class B” Winery License (On or Off-Premise Consumption):

Wollersheim Winery Inc., 7876 Hwy 188, PO Box 87, Prairie Du Sac, WI 53578, Constance J. Niebauer, Agent, premises to be licensed: N70 W6340 Bridge Road, known as **Cedar Creek Winery.**

The Chiselled Grape Winery LLC, W64 N713 Washington Avenue, Cedarburg, WI 53012, Harald Tomesch, Agent, premises to be licensed: W64 N713 Washington Avenue, known as **The Chiselled Grape Winery.**

Cigarette Licenses for Period Ending June 30, 2020:

Bonus Inc. (Olsen’s Piggly Wiggly)
W61 N286 Washington Avenue

Super Sales USA, Inc. (Citgo)
W62 N174 Washington Avenue

Speedway, LLC (#4203)
W63 N121 Washington Avenue

Toto’s Inc. (Otto’s Wine & Spirits)
W63 N157 Washington Avenue

Walgreen Co. (#13620)
W62 N190 Washington Avenue

New Operator's Licenses for Period Ending June 30, 2020

Lance E. Berndt
Karen T. Cannon

Michael J. Kirst
Annmarie J. Oswald

Renewal Operator's Licenses for Period Ending June 30, 2020

Mark A. Adrian
Hannah C. Aronson
Nicholas L. Behling
Roger E. Behling
Lindsey J. Berndt
Karla M. Biermann
Mark A. Borden
Michael A. Bourbonais
Mary-Kay H. Bourbulas
Lois M. Bray
Ron A. Carr
Shane R. Cassidy
Joel M. Christophersen
William W. Conley
Edward J. Dettloff
Mary E. Dolezal
Thomas M. Dorsey
Jonathan P. Dunne
Cynthia M. Dzikowski
Eric W. Engstrom
Suzanne V. Ernst
Kim M. Esselmann
Judi K. Even
Arthur E. Filter
Blaine E. Gibson
Matthew W. Gifford
Paul G. Goetz
Eric E. Grassel
Dustin J. Halyburton
Michael G. Harrington
Andrew W. Heidtke
Sarah L. Hepburn
Jill Hepburn

Leslie E. Heppe
Sam D. Hoffmann
Katherine A. Jackson
Teri Jackson
Elizabeth A. Jacobson
Anne E. Johnson
Kristin V. Kamke
Charles A. Kison
Kristen M. Klug
Bruce A. Krenzke
Shirley K. Krenzke
Dylan J. Krivoshein
Thomas Krueger
Craig A. Kuske
Edmund A. Kwaterski Jr.
James D. Lake
Diane M. Lane
Kathleen A. Lanser
James A. Lee
Pamela Lidington
Dennis H. Loberger
Todd R. Luft
Karissa J. Mathias
Bradley J. Mayer
Brandon J. McCarthy
Mark T. Mentele
Jason D. Mutza
Richard H. Nielsen
Allen Parnell
Robert L. Parson
Polly H. Partain
Cynthia M. Petted
Bryan J. Price

Troy D. Reissmann
Erin A. Riley
Zachary R. Ringel
Mark D. Roberts
Terrance E. Ronsman Sr.
Ann M. Ruska
James M. Salp
Tyler T. Schemenauer
Susan E. Schrader
Mark J. Schubert
Thomas Shippen
Richard S. Siefert
Eric L. Siudak
Kyle J. Smith
Jennifer P. Smith
Neil P. Soukup
Gene Szudrowitz
David E. Taylor
Jeff M. Theisen
Scott R. Thomas
Spencer D. Thomas
Gerald E. Truchan
Lindsey Vang
Clarey B. Wamhoff
Kenneth L. Weintraub
Troy A. White
Captola R. Wolfe-Bacher
Allison E. Wray
Jeffrey A. Wrobbel
Douglas E. Yip
John E. Zarlring
Gregory W. Zimmerschied
James W. Zipter

**CITY OF CEDARBURG
COMMON COUNCIL
PUBLIC WORKS AND SEWERAGE COMMISSION
April 29, 2019**

**CC20190429-1
UNAPPROVED**

A regular and organizational meeting of the Common Council of the City of Cedarburg, Wisconsin, and a special meeting of the Public Works and Sewerage Commission was held on Monday, April 29, 2019, at City Hall, W63 N645 Washington Avenue, second floor, Council Chambers. Mayor O’Keefe called the meeting to order at 7:00 p.m.

Roll Call: Present - Mayor Michael O’Keefe, Council Members Jack Arnett, Kristin Burkart, Rick Verhaalen, Patricia Thome, Garan Chivinski and Rod Galbraith

Public Works and Sewerage Commission Members Sandy Beck, Bill Oakes, Gary Graham, Bob Dries, Ryan Hammetter, and Mayor O’Keefe

Excused - Public Works and Sewerage Commission Members Judy Guse and Charles Schumacher

Also Present - City Administrator/Treasurer Christy Mertes, City Clerk Constance McHugh, Parks, Recreation and Forestry Director Mikko Hilvo, Water Recycling Center Superintendent Eric Hackert, Library Director Linda Pierschalla, Water Recycling Center Operators Dennis Grulkowski and Mike Kelley, Library Board President Sue Karlman, City Attorney Michael Herbrand, 1st Aldermanic District applicants Richard Bauzenberger, Sherry Bublitz, Sara Dunstone, and Brett Krzykowski; interested citizens and news media

STATEMENT OF PUBLIC NOTICE

At Mayor O’Keefe’s request, City Clerk McHugh verified that notice of this meeting was provided to the public by forwarding the agenda to the City’s official newspaper, the *News Graphic*, to all news media and citizens who requested copies, and by posting in accordance with the Wisconsin Open Meetings law. Citizens present were welcomed and encouraged to provide their input during the citizen comment portion of the meeting.

APPROVAL OF MINUTES

Motion made by Council Member Thome, seconded by Council Member Burkart, to approve the minutes of the April 8, 2019 meeting as presented. Motion carried with Aldermanic District 1 vacant.

OATHS OF OFFICE

City Clerk McHugh administered the oath of office to recently re-elected Council Members Arnett (2nd District), Verhaalen (4th District), and Thome (6th District).

ELECTION OF COMMON COUNCIL PRESIDENT

Council Member Arnett nominated Council Member Thome as Council President. The nomination was seconded by Council Member Burkart.

With Council Members Arnett, Burkart, Verhaalen, Chivinski, Thome and Galbraith voting for Council Member Thome and Aldermanic District 1 vacant, Council Member Thome was elected as Council President.

ELECTION OF COMMON COUNCIL REPRESENTATIVE TO PLAN COMMISSION

Council Member Burkart nominated Council Member Thome as Council Representative to the Plan Commission. The nomination was seconded by Council Member Arnett.

With Council Members Arnett, Burkart, Verhaalen, Chivinski, Thome, and Galbraith voting for Council Member Thome and Aldermanic District 1 vacant, Council Member Thome was elected as the Common Council Representative to the Plan Commission.

CONSIDER RESOLUTION NO. 2019-05 TO AMEND THE COMPREHENSIVE LAND USE PLAN-2025 FOR A 5.52 ACRE PARCEL OF LAND LOCATED SOUTH OF W68 N158 EVERGREEN BLVD. FROM THE INDUSTRIAL AND MANUFACTURING CLASSIFICATION TO THE HIGH-MEDIUM DENSITY RESIDENTIAL CLASSIFICATION AND CONSIDER ORDINANCE NO. 2019-08 TO REZONE THE ABOVE PROPERTY FROM M-3 BUSINESS PARK DISTRICT TO RD-1 (PUD) TWO-FAMILY RESIDENTIAL DISTRICT/PLANNED UNIT DEVELOPMENT

Mayor O’Keefe opened the public hearing regarding the proposed Land Use Plan amendment and rezoning pertaining to the 5.52 acre parcel of land located south of W68 N158 Evergreen Blvd. at 7:07 p.m.

Planner Censky said that after months of meetings with the Plan Commission and a meeting with the Community Development Authority, Greg James has received a recommendation from the Plan Commission to amend the Comprehensive Land Use Plan from the Industrial and Manufacturing classification to the High-Medium classification for the vacant 5.52 acre parcel located south of W68 N158 Evergreen Blvd. The Plan Commission also recommended rezoning the site from M-3 Business Park District to Rd-1 (PUD) Two-Family Residential District and Planned Unit Development District for a two-family condominium project consisting of 13 structures, 26 units, located along a single private cul-de-sac that stretches from Evergreen Blvd. to a dead end at the Interurban Trail. The project will be restricted to seniors 55 years and older and building will be designed with this in mind.

According to the PUD Ordinance, the Plan Commission and the Common Council must acknowledge and recognize that through this zoning change they are approving the departures, listed below, from the standards of development as set forth in the City’s Zoning Code, land division ordinance and other City regulations. Staff’s review of these plans indicates the following departures from the standards:

1. GENERAL STREET DESIGN STANDARDS
Code Requirement – SEC 14-1-70(p) Cul-de-sacs
Cul-de-sacs shall not exceed seven hundred fifty (750) feet in length.
Departure – **Proposed cul-de-sac length = 1,020 feet.**

2. RD-1 TWO-FAMILY RESIDENTIAL DISTRICT
Code Requirement – SEC 13-1-50(g) Setback and Yards
There shall be a minimum building front yard setback of twenty-five (25) feet from the right-of-way of all streets and a rear yard setback of 25.
Departure – **The proposed front yard, which is to be measured from the edge of street pavement, ranges from 14’ to 20’ back to the buildings.**
Departure – **The proposed rear yard for Building 14 is 11’.**

3. TECHNICAL REQUIREMENTS FOR CERTIFIED SURVEY MAP, CONDOMINIUM AND LAND DIVISION; REVIEW AND APPROVAL
Code Requirement – SEC 14-1-42(e) Street Dedication
Dedication of streets and other public areas shall require, in addition, the owner’s certification and the mortgagee’s certificate in substantially the same form as required by Section 236.21 (2)(a) of the Wisconsin Statutes.
Departure – **The proposed cul-de-sac will be private and therefore there will be no dedication.**

The Community Development Authority reviewed this proposal on 2/21/2018 and recommended approval. After many months of review and deliberation, the Plan Commission recommended approval by unanimous vote at their March 4, 2019 meeting subject to the following:

1. While the applicant proposes a 1,020-foot-long private cul-de-sac which exceeds the maximum length of 750 feet allowed by Code, the Police Chief prefers the cul-de-sac as proposed for crime prevention.
2. The applicant will be required to pay all impact fees at the time of building permit acquisition.
3. For informational purposes, there is an existing siren located at the east end of this property.
4. As part of his future plan submittal, the applicant will be required to submit sanitary sewer, water main, storm sewer, site grading, storm water management and lighting plans.
5. The sanitary sewer and water main will be dedicated to the public and all other utilities and the streets will be private.
6. Each unit shall have its own sanitary sewer and water laterals. A common storm lateral for sump pump discharge will be allowed.
7. The applicant shall provide private street lighting consisting of LED coach lights (40 watt) on 12-foot poles spaced every other lot. Use 1½” cable in duct or 2” conduit (No direct buried cable).
8. All water distribution construction shall comply with Cedarburg Light and Water specifications.
9. Single water service from the main shall be split at property line with individual lines going into each unit.
10. Water service curb stops shall be installed in the grass area only as they will not be allowed in the driveways.

11. Recommend a crowned road cross section with 24-foot asphalt pavement and 30-inch concrete curb and gutter.
12. City standard for private road is 5-inch asphalt on 9-inch crushed stone base.
13. The 5-foot wide path at the east end of cul-de-sac shall be constructed to connect with the Interurban Trail path.
14. A 24-foot gravel emergency drive, blocked by bollards, shall extend from the end of the cul-de-sac to Pioneer Road.

Council Member Thome reminded the Council this project will be constructed on a private street.

Council Member Arnett said he supports these requests because the project will add to the tax base and it is good for the City.

There being no public comment, Council Member Thome made a motion to close the public hearing at 7:14 p.m. Motion carried with Aldermanic District 1 vacant.

Motion made by Council Member Thome, seconded by Council Member Arnett, to adopt Resolution No. 2019-05 to amend the Comprehensive Land Use Plan – 2025 for a 5.52 acre parcel of land located south of W68 N158 Evergreen Blvd. from the Industrial and Manufacturing classification to the High-Medium Density Residential classification and to adopt Ordinance No. 2019-08 to rezone the above property from M-3 Business Park District to RD-1 (PUD) Two-Family Residential District/Planned Unit Development, subject to the above conditions. Motion carried with Aldermanic District 1 vacant.

CONSIDER APPLICATIONS/CONDUCT INTERVIEWS/CONSIDER APPOINTMENT TO FILL THE 1ST DISTRICT ALDERPERSON VACANCY

Individuals applying for the 1st District Aldermanic vacancy are Brett Krzykowski, N99W5820 Oxford Drive, Richard Bauzenberger, W56 N1176 James Circle, Sara Dunstone, N103 W6121 Susan Lane, and Sherry Bublitz, N104 W5850 Henry Court. After introductions, the candidates were interviewed by the Council and provided answers to questions submitted to them in advance of the meeting.

Mayor O’Keefe thanked the candidates for applying for the position. He said the constituents of District 1 would be proud to have any of the candidates represent them. He reminded the candidates that there are plenty of opportunities to serve on boards, committees, and commissions and that the election for this position is next April.

City Clerk McHugh said according to Policy CC-20A on filling aldermanic vacancies, each Council Member votes for one candidate. The individual receiving the least number of votes on the first ballot will no longer be considered a candidate and additional balloting continues using the same process until only one candidate receives a majority of the votes cast. A candidate must receive a majority of votes from the Council, but not less than three, to be elected. In the case of a tie vote for the final two candidates for an aldermanic position, the Mayor will break the tie. Council voting is done by paper ballot and voting results are announced. Ballots must contain the name of the person voting, as well as the name of the person voted for, so that the vote of each member can be ascertainable.

The first round of voting resulted in Council Members Arnett voting for Mr. Krzykowski, Council Member Verhaalen voting for Mr. Bauzenberger, and Council Members Burkart, Chivinski, Thome and Galbraith voting for Ms. Bublitz. Ms. Dunstone was eliminated.

The second round of voting resulted in Council Member Verhaalen voting for Mr. Bauzenberger, and Council Members Arnett, Burkart, Chivinski, Thome and Galbraith voting for Ms. Bublitz.

Motion made by Council Member Arnett, seconded by Council Member Thome, to appoint Sherry Bublitz as 1st District Alderperson. Motion carried.

OATH OF OFFICE: COUNCIL MEMBER 1st ALDERMANIC DISTRICT

City Clerk McHugh administered the oath of office to Council Member Bublitz and the new Council Member was seated.

CONSIDER BIDS RECEIVED FOR THE HIGHLAND DRIVE LIFT STATION

Superintendent Hackert said staff advertised and received bids for the replacement of the Highland Drive lift station. A total of three bids were received, and the low bid was submitted by Staab Construction in the amount of \$1,687,000.

Motion made by Mr. Oakes, seconded by Mr. Graham, to recommend the Council award the Highland Drive lift station construction contract to Staab Construction in the amount of \$1,687,000. Motion carried with Commissioners Oakes, Graham, Beck, Dries, Hammetter, and O'Keefe voting aye, Commissioners Guse and Schumacher excused, and the Council representative position vacant.

Motion made by Council Member Arnett, seconded by Council Member Burkart, to award the Highland Drive lift station construction contract to Staab Construction in the amount of \$1,687,000, subject to DNR final plan approval. Motion carried unanimously.

Motion made by Commissioner Oakes, seconded by Commissioner Graham, to adjourn the Public Works and Sewerage Commission meeting at 8:31 p.m. Motion carried with Commissioners Guse and Schumacher excused and the Council representative position vacant. The Commission was excused at this time.

UPDATE ON TID NO. 3 AND CONSIDER PROPOSED AMENDMENT TO AGREEMENT

Attorney Herbrand reminded the Council that TID No. 3 is a small TID consisting of two parcels located at the south end of downtown on Mill Street between Washington Avenue and Mill Street. The TID was approved in late 2014 with the intention of a full build out within five years with a minimum increment of \$950,000. The developer is seeking a one year extension to complete construction. He suggested if the Council is in agreement with the extension, this matter be postponed until the May 13 Council meeting to provide time for staff to draft an amendment to the Developer's Agreement.

Greg Zimmerschied, developer of TID No. 3, provided an update on the TID.

- The Developer's Agreement calls for a minimum increment of \$950,000 to be created by December 31, 2019. This involves the development of two buildings on the Mill Street parcel.
- The Developer is to receive a cash grant equal to 25% of the increment provided.
- No City expenditures are expected, with exception of administrative costs associated with the creation of the TID and audit costs.
- The City will be reimbursed if the TID is not successful.

In terms of progress:

- The Developer received the support of the Common Council in terms of the creation of the TID.
- Approval from the Landmarks Commission and Plan Commission has been received for the site plans for the buildings.
- State-approved plans have been received for buildings B and C.
- A bid has been received for construction of building B and request for bids went out last week for building C.

Mr. Zimmerschied said he is requesting an extension for TID No. 3 from December 2019 to December 2020. The reasons are: no executed leases, construction costs (Foxconn impact and increased building code complexity), and the Cedarburg market.

Council Member Arnett said Mr. Zimmerschied is making progress. He would be in favor of an amendment to the agreement.

Council Member Thome said Mr. Zimmerschied has shown a high quality commitment to the downtown. She said there is no risk to the City here. The risk is to continue to have the lot remain undeveloped.

Mayor O'Keefe said he voted in favor of the TID in 2014 and said he thinks the extension is a good idea now. He said Mr. Zimmerschied has made improvements in other areas of the downtown and gets things done. He said a one year extension is reasonable.

Council Member Verhaalen said he would like to postpone this matter and perhaps discuss it in closed session as it involves negotiations.

Attorney Herbrand suggested the Council postpone this matter until the May 13 Council meeting to give staff the opportunity to come back with a proposed amendment to the Developer's Agreement that could be acted on.

It was the consensus of the Council that it generally supports a one year extension to the TID.

Motion made by Council Member Thome, seconded by Council Member Galbraith, to postpone this matter until the May 13 Council meeting at which time staff will prepare an amendment to the Developer's Agreement for consideration. Motion carried unanimously.

CONSIDER ORDINANCE NO. 2019-09 AMENDING SEC. 10-4 OF THE MUNICIPAL CODE PERTAINING TO ALL-TERRAIN VEHICLES, UTILITY TERRAIN VEHICLES AND OFF-ROAD MOTOR VEHICLE OPERATION

Motion made by Council Member Arnett, seconded by Council Member Burkart, to adopt Ordinance. No. 2019-09 amending Sec. 10-4 of the Municipal Code pertaining to all-terrain vehicles, utility terrain vehicles and off-road motor vehicle operation. Motion carried unanimously.

CONSIDER RESOLUTION NO. 2019-06 DESIGNATING AND AUTHORIZING SIGNATURES FOR THE CITY OF CEDARBURG CHECKING AND SAVINGS ACCOUNTS FOR THE ENSUING YEAR

Motion made by Council Member Verhaalen, seconded by Council Member Thome, to adopt Resolution No. 2019-06 designating and authorizing signatures for the City of Cedarburg check and savings accounts for the ensuing year. Motion carried unanimously.

DESIGNATION OF CITY'S OFFICIAL NEWSPAPER FOR ENSUING YEAR

Motion made by Council Member Burkart, seconded by Council Member Galbraith, to designate the *News Graphic* as the official newspaper for the ensuing year. Motion carried unanimously.

CONSIDER MAYOR O'KEEFE'S APPOINTMENTS TO VARIOUS BOARDS, COMMITTEES, AND COMMISSIONS

Motion made by Council Member Thome, seconded by Council Member Verhaalen, to approve Mayor O'Keefe's appointments to various Boards, Committees and Commissions as follows:

Board of Appeals- 3 year term

Tom Mesalk	(04/30/22)	
Megan Torres	(04/30/20)	First alternate
*TBD	(04/30/22)	Second alternate

Jay Stutz, Chair

Board of Review – 5 year term

Bob Carroll	(04/30/24)
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Community Development Authority – 4 year term

Joe Kassander	(09/02/23)
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Landmarks Commission – 3 year term, Alt. 1 year term

Tomi Fay Forbes	(04/30/22)
Jim Pape	(04/30/22)
Robert Ross	(04/30/22)
Doug Yip, Alternate	(04/30/20)

Library Board - 3 year term

Sue Karlman	(04/30/22)
Meghan Wielebski	(04/30/22)
*TBD	(04/30/22)

Light and Water Commission – 3 year term

Tim Larson	(09/30/22)
David Pagel	(09/30/22)

Parks, Recreation and Forestry Board – 2 year term

Brian Clement	(04/30/21)
Dave Polacek	(04/30/21)
Paul Rushing	(04/30/21)
James Schara	(04/30/21)

Plan Commission – 3 year term

Kip Kinzel	(04/30/22)
Mark Burgoyne	(04/30/22)

Public Art Commission – 2 year term

Blaine Gibson	(04/30/21)
Judith Kervin	(04/30/21)
Melissa Wraalstad	(04/30/21)
Deb Mortl	(04/30/21)
Kerry Tharp	(04/20/21)

Public Works and Sewerage Commission – 2 year term

Sandy Beck	(04/30/21)
Robert Dries	(04/30/21)
Gary Graham	(04/30/21)

Motion carried unanimously.

*To be determined. Openings on the Library Board and the Board of Appeals (alt) remain.

REVIEW OF THE 2018 ANNUAL REPORT

City Administrator/Treasurer Mertes provided the following highlights from the 2018 annual report:

- There is a \$391,164 increase in the General Fund fund balance;
- The Swimming Pool Fund ended with a \$7,281 fund balance;
- The Library Fund had an increase of \$27,637 in fund balance. \$11,000 is from a grant from the Greater Milwaukee Foundation.
- The Capital Improvement Fund had an \$111,867 increase in the fund balance due to Library impact fees.
- The Water Recycling Center had an increase of \$642,952 in the fund balance due to capital contributions from new construction.
- Salaries and benefits were \$195,000 under budget.
- Investment earnings increased due to higher yields.
- Revenues in the Internal Services Fund are over budget mainly due to an increase in the worker's compensation dividend. Claims paid out increased due to vehicle accidents. There is a \$20,000 increase in the fund balance for this Fund.
- Fund balance in the Debt Service Fund remained the same at \$43,212.
- The report includes activity for TID Nos. 3, 4 and 5.

CONSIDER THE APPOINTMENT OF SAMANTHA LANDRE AS AGENT FOR THE CEDARBURG ART MUSEUM AND SOCIETY, INC.

Motion made by Council Member Burkart, seconded by Council Member Arnett, to approve the appointment of Samantha Landre as agent for The Cedarburg Art Museum and Society, Inc. Motion carried unanimously.

CONSIDER BIDS RECEIVED FOR THE FIRE DEPARTMENT ROOF REPLACEMENT

City Administrator/Treasurer Mertes said staff received four bids for the Fire Department roof replacement. The low bid was from JT Rams in the amount of \$61,045.

Council Member Arnett said that according to the Fire Protection/Emergency Medical Services Agreement with the Town of Cedarburg, the Town and City shall share in publicly funded capital expenses in accordance with the terms set forth. He said the Town does not pay for any capital expenses and are not even asked to pay. This is true for the retaining wall and parking lot that were built at the City fire station.

Attorney Herbrand said he has not looked at this agreement closely. The Council could postpone action on this item until a review and presentation to the Town can be made, or make a request to the Town for payment.

Council Member Burkart suggested sending the Town a bill. Council Member Thome suggested the bid be accepted and a bill be sent to the Town.

City Administrator/Treasurer Mertes said staff will be meeting with representatives from the Town on Thursday to discuss items of mutual concern.

Motion made by Council Member Burkart, seconded by Council Member Galbraith, to award the contract for the Fire Department roof replacement to JT Rams of Saukville in the amount of \$61,045, with the understanding that staff should have a conversation with Town representatives about this matter. Motion carried unanimously.

CONSIDER LICENSE/PERMIT APPLICATIONS

Motion made by Council Member Galbraith, seconded by Council Member Verhaalen, to

- Approve new Operator License applications for the period ending June 30, 2019 for Brett C. Ashton, Jack P. Goggin, Michael J. Reimer, and Stephen R. Wilson;
- Authorize the issuance of a Festival Celebration Permit to Festivals of Cedarburg, Inc., for Strawberry Festival to be held on Saturday, June 22, 2019 from 10:00 a.m. to 8:30 p.m. and on Sunday, June 23, 2019 from 10:00 a.m. to 5:00 p.m.; and
- Authorize the issuance of a Festival Celebration Permit to Festivals of Cedarburg, Inc. for Wine and Harvest Fest to be held on Saturday, September 21, 2019 from 10:00 a.m. to 8:30 p.m. and on Sunday, September 22, 2019 from 10:00 a.m. to 5:00 p.m.

Motion carried unanimously.

CONSIDER PAYMENT OF BILLS DATED 04/05/19 THROUGH 04/19/19, TRANSFERS FOR THE PERIOD 04/14/19 THROUGH 04/22/19; AND PAYROLL FOR THE PERIOD 03/30/19 THROUGH 04/12/19; AND ACTION THEREON

Motion made by Council Member Burkart, seconded by Council Member Thome, to approve payment of the bills dated 04/05/19 through 04/19/19, transfers for the period 04/14/19 through 04/22/19; and payroll for the period 03/30/19 through 04/12/19. Motion carried unanimously.

COMMENTS & ANNOUNCEMENTS BY COUNCIL MEMBERS

Council Member Verhaalen said BC's 8 Pin Tap charity event sponsored by Mel's Charities will be held on May 10 and 11 at Cedars III.

MAYOR'S REPORT

Mayor O'Keefe issued a Poppy Day Proclamation.

Mayor O'Keefe said the ad hoc Dispatch Review Committee met on April 23. The Committee is in the process of gathering figures. The next meeting will be May 14 at 7:00 p.m.

ADJOURNMENT

Motion made by Council Member Arnett, seconded by Council Member Burkart, to adjourn the meeting at 9:42 p.m. Motion carried unanimously.

Constance K. McHugh, MMC/WCPC
City Clerk

RESOLUTION NO. 2019-07

A Resolution Honoring Senior Center Director Carol LaFontaine

WHEREAS, Carol LaFontaine has completed thirty-two and one-half years of employment with the City of Cedarburg as the Senior Center Director; and

WHEREAS, during her thirty-two years, Carol LaFontaine has conscientiously and capably served the City of Cedarburg and its citizens and has been dedicated to the highest principles of community service; and

WHEREAS, Carol LaFontaine has served under four City Administrators during her tenure, and in the absence of the Director of Parks and Recreation, she very capably served as Acting Director for three months; and

WHEREAS, Carol LaFontaine was instrumental in the completion of significant projects including the volunteer van driver program, establishing the Director position, developing a procedure for calculating Senior Center volunteer hours, implementing emergency medical cards for participants, implementing a Safe Driving program for the Senior Center van drivers, increasing attendance for the lunch program, installing a chair lift and an elevator, working alongside former Mayor Fred Beyer for many years and finally coordinating the Annual Turkey Dinner for Seniors, and continually developing new programs to continue to reflect the needs and interests of Cedarburg's older adults; and

WHEREAS, Carol LaFontaine demonstrated outstanding leadership by working with community groups and area agencies on aging to co-sponsor the Ozaukee County Senior conference and games, planning tours in conjunction with other centers, developing a cost-saving approach to budget management by obtaining financial and program sponsorships, and displaying an exceptional talent for providing enriching activities and a vibrant center for older adults; and

WHEREAS Carol LaFontaine has promoted the Senior Center Director's role in government by serving as alternate delegate and district delegate, serving on numerous conference committees, chairing the Wisconsin Association of Senior Centers (WASC) Fall Conference and the WASC Essay contest. During her tenure she received the following awards: Professional Excellence Award and 30 year Service Award from the Wisconsin Association of Senior Centers, Ordinary People Extraordinary Citizens Award from Partnership Bank and the Silver Star Award from the Wisconsin Parks and Recreation Association. Carol also was designated a Certified Park & Recreation Professional by the National Recreation & Park Association; and

WHEREAS, the City of Cedarburg, as well as Carol's co-workers and peers have greatly benefited from her professional skills, courteous and positive attitude, and sense of community during her years of service to the City.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and Common Council of the City of Cedarburg hereby joins the citizens of the City and her colleagues in expressing their sincere appreciation to Carol LaFontaine for contributions to the City of Cedarburg Senior Center and extend their best wishes to her for a well-deserved and enjoyable retirement.

Passed and adopted this 13th day of May 2019.

Michael J. O'Keefe, Mayor

Attest:

Constance K. McHugh, City Clerk

CITY OF CEDARBURG

Cedarburg, Wisconsin

**COMMUNICATION TO THOSE CHARGED WITH
GOVERNANCE AND MANAGEMENT**

As of and for the Year Ended December 31, 2018

CITY OF CEDARBURG

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**REQUIRED COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS
IDENTIFIED IN THE AUDIT TO THOSE CHARGED WITH GOVERNANCE**

To the Common Council
City of Cedarburg
Cedarburg, Wisconsin

In planning and performing our audit of the financial statements of the City of Cedarburg ("the City") as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of its internal control. Accordingly, we do not express an opinion of the effectiveness of its internal control.

A separate report on internal control was issued to the utility commission. The information contained in that report is not included with this letter.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency in the City's internal control to be material weakness:

> Internal Controls over Financial Reporting

This communication is intended solely for the information and use of management, the Common Council, and others within the organization and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Baker Tilly Virchow Krause, LLP".

Milwaukee, Wisconsin
May 6, 2019

Auditing standards require that we perform procedures to obtain an understanding of your government and its internal control environment as part of the annual audit. This includes an analysis of significant transaction cycles and an analysis of the City's year-end financial reporting process and preparation of your financial statements.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Properly designed systems of internal control provide your organization with the ability to process and record accurate monthly and year-end transactions and annual financial reports.

Our audit includes a review and evaluation of the internal controls relating to financial reporting. Common attributes of a properly designed system of internal control for financial reporting are as follows:

- > There is adequate staffing to prepare financial reports throughout the year and at year-end.
- > Material misstatements are identified and corrected during the normal course of duties.
- > Complete and accurate financial statements, including footnotes, are prepared.
- > Financial reports are independently reviewed for completeness and accuracy.

Our evaluation of the internal controls over financial reporting has identified control deficiencies that are considered a material weakness surrounding the preparation of financial statements and footnotes, adjusting journal entries identified by the auditors, and an independent review of financial reports.

This level of internal control over financial reporting can be a difficult task for governments that operate with only enough staff to process monthly transactions and reports, and often rely on their auditors to prepare certain year-end audit entries and financial statements.

OTHER COMMUNICATIONS TO THOSE CHARGED WITH GOVERNANCE

TWO WAY COMMUNICATION REGARDING YOUR AUDIT

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
 - > Identify types of potential misstatements.
 - > Consider factors that affect the risks of material misstatement.
 - > Design tests of controls, when applicable, and substantive procedures.

We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs.

- c. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

TWO WAY COMMUNICATION REGARDING YOUR AUDIT (cont.)

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the Common Council has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- e. Have you had any significant communications with regulators or grantor agencies?
- f. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness, and actions of the City concerning:

- a. The City's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary financial audit work during the months of October-December, and sometimes early January. Our final financial fieldwork is scheduled during the spring to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork, but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.

**COMMUNICATION OF OTHER CONTROL DEFICIENCIES, RECOMMENDATIONS
AND INFORMATIONAL POINTS TO MANAGEMENT THAT ARE NOT MATERIAL
WEAKNESSES OR SIGNIFICANT DEFICIENCIES**

CONTROL DEFICIENCIES AND PROCEDURAL RECOMMENDATIONS

DEPARTMENTAL CONTROLS

As part of our annual audit process, we focus our efforts on the primary accounting systems, internal controls, and procedures used by the City. This is in keeping with our goal to provide an audit opinion which states that the financial statements of the City are correct in all material respects.

In some cases, the primary system of accounting procedures and controls of the City are supported by smaller systems which are decentralized, and reside within a department or location. In many cases, those systems are as simple as handling cash collections and remitting those collections to the City treasurer. (For example, this would be the case in a typical municipal swimming pool.) In other cases, the department may send invoices or statements of amounts due, and track collections of those amounts in a standalone accounts receivable system.

Generally, the more centralized a function is, the easier it is to design and implement accounting controls that provide some level of checks and balances. That is because you are able to divide certain tasks over the people available to achieve some segregation of duties. For those tasks that are decentralized, it is usually very difficult to provide for proper segregation of duties. Therefore, with one person being involved in most or all aspects of a transaction, you lose the ability to rely on the controls to achieve the safeguarding of assets and reliability of financial records.

As auditors, we are required to communicate with you on a variety of topics. Since there is now more emphasis on internal controls and management's responsibilities, we believe it is appropriate to make sure that you are informed about the lack of segregation of duties that may occur at departments or locations that handle cash or do miscellaneous billing. Examples in your City that fit this situation include the following:

- Parks and Recreation
- Library
- Police department
- DPW
- Fire department

As you might expect, similar situations are common in most governments.

As auditors, we are required to focus on the financial statements at a highly summarized level and our audit procedures support our opinion on those financial statements. Departments or locations that handle relatively smaller amounts of money are not the primary focus of our audit. Yet, because of the lack of segregation of duties, the opportunity for loss is higher there than in centralized functions that have more controls.

Because management is responsible for designing and implementing controls and procedures to detect and prevent fraud, we believe that is important for us to communicate this information to you. We have no knowledge of any fraud that has occurred or is suspected to have occurred within the departments mentioned above. However, your role as the governing body is to assess your risk areas and determine that the appropriate level of controls and procedures are in place. As always, the costs of controls and staffing must be weighed against the perceived benefits of safeguarding your assets.

Without adding staff or splitting up the duties, your own day-to-day contact and knowledge of the operation are also important mitigating factors.

CONTROL DEFICIENCIES AND PROCEDURAL RECOMMENDATIONS (cont.)

TRACKING CAPITAL ASSETS (FROM 12/31/17 COMMUNICATION)

During our review of the City's capital assets, we noted that the City does not maintain a complete listing of capital assets. We recommend that the City create an internal process to track historical cost, accumulated depreciation and book value for all capital assets.

INFORMATIONAL POINTS

CYBER SECURITY MANAGEMENT

The sources of cyber threats continue to grow in number and sophistication. We have seen social engineering, including email phishing, and ransomware attacks cause disruption and monetary losses in the government landscape. Cybersecurity controls are imperative and may be of several different types:

- > Preventative – activities that make attacks more difficult such as user access and password controls
- > Detective – activities conducted to discover security incidents such as automated or manual reviews of firewall and server logs
- > Responsive – activities performed once an incident has been identified such as a communication plan

Step one in determining which types of controls are best suited for your government is completing a data classification. This process includes identifying what types of data exist, determining data location, and measuring costs associated with the loss of data (i.e. – operational downtime, regulatory fines, or civil lawsuits). This information will help management and those charged with governance be able to evaluate the cost-benefit of control implementation. Even if your government has chosen to obtain cyber liability insurance to mitigate risk, the data classification remains an important exercise to help evaluate the policy coverage, pricing, and what, if any, exposure remains outside of your policy.

Data classification is only one piece of a sustainable cyber security management plan. We have professionals dedicated to cyber security and information technology risk to assist with your cyber security questions, assessments, and programs.

INFORMATIONAL POINTS (cont.)

GASB UPDATES

The Government Accounting Standard Board (GASB) has been very active in recent years, issuing new standards at a fast pace. Over the next few years, your government has many new standards to evaluate and implement. Here are the standards which may impact you in the next year:

- > GASB 83 provides accounting and financial reporting for asset retirement obligations, effective for reporting periods beginning on or after June 15, 2018
- > GASB 84 improves guidance regarding the identification of fiduciary activities and how they should be reported, effective for reporting periods beginning on or after December 15, 2018
- > GASB 88 improves certain disclosures related to debt, including direct borrowings and placements, effective for reporting periods beginning on or after June 15, 2018
- > GASB 90 clarifies accounting and financial reporting for majority equity interests, effective for reporting periods beginning on or after December 15, 2018

Other GASB pronouncements on the horizon, while the implementation dates is in the near term these are anticipated to have significant impacts on many government financial statements:

- > GASB 87 improves accounting and financial reporting for leases, effective for reporting periods beginning on or after December 15, 2019
- > GASB 89 provides guidance for accounting for interest cost incurred before the end of a construction period, effective for reporting periods beginning on or after December 15, 2019

Looking even further ahead, the Technical Agenda, below, outlines significant areas GASB is currently working on:

- > Conceptual Framework
 - Disclosure
 - Recognition
- > Major Projects
 - Financial Reporting Model
 - Revenue and Expense Recognition
 - Public-Private Partnerships
- > Practice Issues
 - Conduit Debt
 - Deferred Compensation Plans
 - Secured Overnight Financing Rate
 - Subscription-Based IT arrangements
 - Implementation Guidance
- > Pre-Agenda Research
 - Going Concern
 - Compensated Absences
 - Prior-Period Adjustments, Accounting Changes and Error Corrections

Through our firm involvement on AICPA committees, Baker Tilly follows these developments closely so that we can help you prepare for the changes as they evolve. This participation also allows us to share with GASB the experiences and perspectives of our clients to potentially influence the direction of future projects. Full lists of projects, as well as many resources, are available on GASB's website which is located at www.gasb.org.

INFORMATIONAL POINTS (cont.)

RESOURCES FOR STATE AND LOCAL GOVERNMENT BOARDS

Expectations and accountability are at all-time high and the knowledge required to be an effective council member is substantial. As a benefit to our clients, we have compiled a number of resources dedicated to educating state and local government board members. Go to our Board Governance Resource Center at www.bakertilly.com/board-governance for more information.

The Resource Center includes the following:

Podcasts

1. Managing cyber threats: Developing a sustainable cybersecurity program to address your unique risks
2. Understanding utility finances
3. Benefits of a fraud risk assessment
4. Financial ratios and benchmarks
5. Fund balance and other financial policies

Articles

1. Securitization of deposits and investments
2. Five easy internal controls your government should implement
3. Fund balance levels: What works for your government?
4. The importance of smart spending cuts

We encourage you to subscribe to our complimentary newsletter "Government Connection" to stay abreast of the latest issues impacting state and local governments. You can do so by clicking on the "subscribe" button and indicating "State and Local Government" as an area of interest on the subscription form. Also, if you or your board members have suggested topics to feature on our Board Governance webpage or Government Connection newsletter, we invite you to submit your ideas in person or online.

**REQUIRED COMMUNICATIONS BY THE AUDITOR TO
THOSE CHARGED WITH GOVERNANCE**

To the Common Council
City of Cedarburg
Cedarburg, Wisconsin

Thank you for using Baker Tilly Virchow Krause, LLP as your auditor.

We have completed our audit of the financial statements of the City of Cedarburg (“the City”) for the year ended December 31, 2018, and have issued our report thereon dated May 6, 2019. This letter presents communications required by our professional standards.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

The objective of a financial statement audit is the expression of an opinion on the financial statements. We conducted the audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements prepared by management with your oversight are free of material misstatement, whether caused by error or fraud. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit does not relieve management or the Common Council of their responsibilities.

As part of the audit we obtained an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. The audit was not designed to provide assurance on internal control or to identify deficiencies in internal control.

Other Information in Documents Containing Audited Financial Statements

Our responsibility does not extend beyond the audited financial statements identified in this report. We do not have any obligation to and have not performed any procedures to corroborate other information contained in client prepared documents, such as official statements related to debt issues.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our Communication to Those Charged with Governance and Management dated May 14, 2018.

Qualitative Aspect of Accounting Policies

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in Note I to the financial statements. No new policies were adopted and the application of existing policies was not changed during 2018. We noted no transactions entered into by the City of Cedarburg during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements are:

- > Management's estimate of the net pension asset and the deferred outflows and deferred inflows related to pensions which impact the reported pension expense are based on information provided by the Wisconsin Retirement System.
- > Management's estimate of the City's portion of the pollution remediation liability with Prochnow Landfill.
- > Management's estimate of depreciation based on the estimated useful life of the asset and original acquisition value.
- > Management's estimate of the compensated absences is based on employment policies, hours earned and accumulated to date and 2018 wage information.

We evaluated the key factors and assumptions used to develop this estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

The disclosures in the notes to the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing our audit.

Corrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

Management has corrected all such misstatements.

In addition, the following is a summary of the material financial statement misstatements (audit adjustment):

Adjustment to depreciation in the Sewer Utility	<u>\$161,268</u>
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In addition, we prepared the GASB No. 34 conversion entries which are summarized in the "Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position" and the "Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities" in the financial statements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Management Representations

We have requested certain representations from management that are included in the management representation letter. This letter follows this required communication.

Independence

We are not aware of any relationships between Baker Tilly Virchow Krause, LLP and the City of Cedarburg that, in our professional judgment, may reasonably be thought to bear on our independence.

Relating to our audit of the financial statements of the City for the year ended December 31, 2018, Baker Tilly Virchow Krause, LLP hereby confirms that we are, in our professional judgment, independent with respect to the City of Cedarburg in accordance with the Code of Professional Conduct issued by the American Institute of Certified Public Accountants. We provided no services to the City of Cedarburg other than services provided in connection with the audit of the current year's financial statements and the following non-audit services which in our judgment do not impair our independence.

- > Financial statement preparation
- > Adjusting journal entries
- > Compiled regulatory reports

None of these nonaudit services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information which accompanies the financial statements but is not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

RESTRICTIONS ON USE

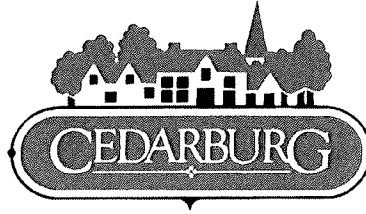
This information is intended solely for the use of the Common Council and management and is not intended to be, and should not be, used by anyone other than these specified parties.

We welcome the opportunity to discuss the information included in this letter and any other matters. Thank you for allowing us to serve you.

Baker Tilly Virchow Krause, LLP

Milwaukee, Wisconsin
May 6, 2019

MANAGEMENT REPRESENTATIONS



May 6, 2019

Baker Tilly Virchow Krause, LLP
777 E Wisconsin Ave
32nd Floor
Milwaukee, WI 53202

Dear Baker Tilly Virchow Krause, LLP:

We are providing this letter in connection with your audit of the financial statements of the City of Cedarburg as of December 31, 2018 and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cedarburg and the respective changes in financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
2. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. We have engaged you to advise us in fulfilling that responsibility. The financial statements include all properly classified funds of the primary government required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5. Significant assumptions we used in making accounting estimates, if any, are reasonable.
6. All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
7. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
8. All known audit and bookkeeping adjustments have been included in our financial statements, and we are in agreement with those adjustments.
9. There are no known or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.
10. Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of Common Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. We have not completed an assessment of the risk that the financial statements may be materially misstated as a result of fraud.
13. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.
15. We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
16. There are no known related parties or related party relationships and transactions of which we are aware.

Other

17. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
18. We have a process to track the status of audit findings and recommendations.
19. We have identified to you any previous financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
20. The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
21. We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
22. There are no:
 - a. Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.
 - b. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.
 - c. Nonspendable, restricted, committed, or assigned fund balances that were not properly authorized and approved.
 - d. Rates being charged to customers other than the rates as authorized by the applicable authoritative body.
 - e. Violations of restrictions placed on revenues as a result of bond resolution covenants such as revenue distribution or debt service funding.
23. In regards to the nonattest services performed by you listed below, we have 1) accepted all management responsibility; 2) designated an individual with suitable skill, knowledge, or experience to oversee the services; 3) evaluated the adequacy and results of the services performed, and 4) accepted responsibility for the results of the services.
 - a. Financial statement preparation
 - b. Adjusting journal entries
 - c. Compiled regulatory reports

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.
24. The City of Cedarburg has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
25. The City of Cedarburg has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.

26. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if any.
27. The financial statements properly classify all funds and activities.
28. All funds that meet the quantitative criteria in GASB Statement No. 34 and No. 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
29. Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
30. The City of Cedarburg has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.
31. Provisions for uncollectible receivables, if any, have been properly identified and recorded.
32. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
33. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
34. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
35. Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).
36. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.
37. Tax-exempt bonds issued have retained their tax-exempt status.
38. We have appropriately disclosed the City of Cedarburg's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy. We have also disclosed our policy regarding which resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available.
39. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

40. With respect to the supplementary information, (SI):

a. We acknowledge our responsibility for presenting the SI in accordance with accounting principles generally accepted in the United States of America, and we believe the SI, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the SI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

b. If the SI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

41. We assume responsibility for, and agree with, the findings of specialists in evaluating the pollution remediation liability and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.

42. We assume responsibility for, and agree with, the information provided by the Wisconsin Retirement System as audited by the Legislative Audit Bureau relating to the net pension asset/liability and related deferred outflows and deferred inflows and have adequately considered the reasonableness of the amounts and disclosures used in the financial statements and underlying accounting records. We also assume responsibility for the census data that has been reported to the plan.

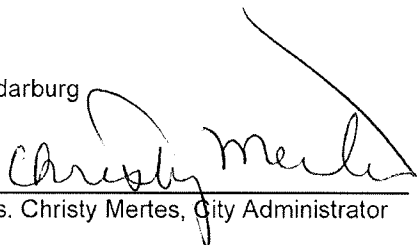
43. We have evaluated and considered all potential tax abatements and believe all material tax abatements have been properly reported and disclosed.

44. We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services or third parties. Our valuation methodologies have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best estimate of fair value as the measurement date in accordance with the requirements of GASB 72 – *Fair Value Measurement*. In addition our disclosures related to fair value measurements are consistent with the objectives outlined in GASB 72. We have evaluated the fair value information provided to us by brokers, pricing services or other parties that has been used in the financial statements and believe this information to be reliable and consistent with the requirements.

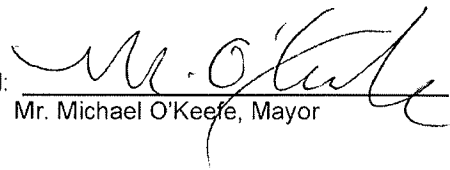
Sincerely,

City of Cedarburg

Signed:


Ms. Christy Mertes, City Administrator

Signed:


Mr. Michael O'Keefe, Mayor

CITY OF CEDARBURG

Cedarburg, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditor's Report

As of and for the Year Ended December 31, 2018

CITY OF CEDARBURG

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CITY OF CEDARBURG

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Common Council
City of Cedarburg
Cedarburg, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cedarburg, Wisconsin, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Cedarburg's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City of Cedarburg's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City of Cedarburg's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Common Council
City of Cedarburg

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cedarburg, Wisconsin, as of December 31, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cedarburg's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Baker Tilly Virchow Krause, LLP

Milwaukee, Wisconsin
May 6, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Cedarburg
Ozaukee County, Wisconsin

Management's Discussion and Analysis
As of and for the Year Ended December 31, 2018
(unaudited)

As management of the City of Cedarburg, we offer readers of the City of Cedarburg's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2018. We encourage the reader to consider the information presented here in conjunction with the City's financial statements, which begin on page 19 of this report.

THE FINANCIAL HIGHLIGHTS

When revenues exceed expenses, the result is an increase in net position. When expenses exceed revenues, the result is a decrease in net position. This relationship between revenues and expenses reflects the City's operating results. The City's net position as shown in the statement of net position is used to measure the City's financial health or financial position. Over time, increases or decreases in the City's net position, as measured in the statement of activities, are one indicator of whether its financial health is improving or deteriorating. However, the City's goal is to provide services that improve the quality of life for our residents, not to generate profits as companies do. For this reason, you will need to consider many other non-financial factors, such as the condition of our roads, parks, etc., in assessing the overall health of our City.

- The assets and deferred outflows of resources of the City of Cedarburg exceeded liabilities and deferred inflows of resources as of December 31, 2018, by \$117,419,148 (net position). Of this amount, \$16,130,253 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. Total net position includes all infrastructure and other capital assets of the City as a whole.
- The City of Cedarburg's total net position increased by \$4,605,391. Of this amount, \$1,522,464 was from the governmental activities; the balance \$3,082,927 was from business-type activities. Sewer Utility net position increased by \$475,274 and the Light & Water Utility net position increased by \$2,607,653.
- As of December 31, 2018, the City of Cedarburg's governmental funds reported a combined ending fund balance of \$9,129,903, an increase of \$3,859,143 from the prior year. \$2.8 million of the increase was due to the borrowing for the TID #4 project. The funds were borrowed for the full amount of remediation but spending only started in October 2018. As of December 31, 2018, the unassigned fund balance for the General Fund was \$2,237,438. The City policy states that unassigned General Fund fund balance should be between two and three months of General Fund expenditures, or approximately \$1.5 million and \$2.3 million.
- There were three borrowings in 2018. The City borrowed \$300,000 in March to fund the construction of a monopole. The City borrowed in June for street projects in the amount of \$1.23 million and then again in September for the remediation of the Amcast site; TID #4 in the amount of \$3.415 million. The City paid \$1,327,102 of principal on outstanding debt this year compared to \$1,358,552 in 2017. The City's outstanding General Obligation debt totaled \$20,215,457.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Cedarburg's basic financial statements. These basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

City of Cedarburg
Ozaukee County, Wisconsin

Management's Discussion and Analysis
As of and for the Year Ended December 31, 2018
(unaudited)

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Cedarburg's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Cedarburg's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Cedarburg is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., delinquent personal property taxes and earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the City of Cedarburg that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Cedarburg include general government, public safety, health and human services, public works, culture, recreation and education, conservation and development, and public service. Other funds included are Capital Improvements, TID No. 4, Debt Service, and Internal Service. Non-major governmental funds include cemetery, room tax, recreation programs, CDBG Fund, swimming pool, park impact fees, library, rescue/EMS, and TIF Nos. 3 and 5. The business-type of activities of the City of Cedarburg include the Cedarburg Light & Water Utility and Sewer Utility.

The government-wide financial statements can be found on pages 19-21 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Cedarburg, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Cedarburg can be divided into three categories: governmental funds, proprietary funds and agency fund.

Governmental funds

Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions.

City of Cedarburg
Ozaukee County, Wisconsin

Management's Discussion and Analysis
As of and for the Year Ended December 31, 2018
(unaudited)

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund financial statements (continued)

Governmental funds (continued)

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Cedarburg maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Improvements Fund, TID No. 4 and Debt Service Fund. Data from the remaining ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements found in the section titled Supplementary Information at the end of the report.

The City of Cedarburg adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 22-27 of this report.

Proprietary funds

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric and water utilities (Light and Water Utility), the Sewer Utility, and the Internal Service Fund which are considered major funds of the City of Cedarburg. The basic proprietary fund financial statements can be found on pages 28-32 of this report.

Agency funds

Agency funds are used to account for resources held for the benefit of parties outside the government. Agency funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Cedarburg's programs. The agency fund maintained by the City of Cedarburg is for the year-end tax collections for other taxing jurisdictions. The basic agency fund financial statement can be found on page 33.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35-78 of this report.

Other information

The combining statements referred to earlier in connection with non-major governmental funds and other information related to the individual funds is presented immediately following the required supplementary information. Individual fund statements and schedules can be found on pages 82-85 of this report.

City of Cedarburg
Ozaukee County, Wisconsin

Management's Discussion and Analysis
As of and for the Year Ended December 31, 2018
(unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Cedarburg, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$117,419,148 at the end of 2018.

Infrastructure assets of the governmental activities are included within this report. The general capital assets (e.g., land, buildings, machinery, infrastructure, and equipment) of the governmental activities of the City of Cedarburg less outstanding debt equal \$48,214,445. The majority of the outstanding debt of the governmental activities funds was incurred for the construction of the Library building in 2013 and the construction of the Public Works garage in 2016.

The largest portion of the City of Cedarburg's net position (81 percent) reflects its investment in capital assets (e.g., land, buildings, building improvements, improvements other than buildings, equipment, infrastructure and construction in progress); less any related debt used to acquire those assets that are still outstanding. The City of Cedarburg uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Cedarburg's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF CEDARBURG'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$21,998,729	\$16,507,823	\$16,873,740	\$14,819,700	\$38,872,469	\$31,327,523
Capital assets	64,277,691	62,821,748	48,145,865	46,860,378	112,423,556	109,682,126
Deferred outflows of resources	1,991,556	2,234,333	722,081	883,544	2,713,637	3,117,877
Total assets	88,267,976	81,563,904	65,741,686	62,563,622	154,009,662	144,127,526
Long-term debt outstanding	20,562,742	17,160,070	1,339,712	1,508,583	21,902,454	18,668,653
Other liabilities	916,320	861,585	1,038,290	1,134,996	1,954,610	1,996,581
Deferred Inflows of resources	11,995,530	10,271,329	737,920	377,206	12,733,450	10,648,535
Total liabilities	33,474,592	28,292,984	3,115,922	3,020,785	36,590,514	31,313,769
Net position:						
Net investment in capital assets	48,214,445	47,035,979	47,211,694	45,884,864	95,426,139	92,920,843
Restricted	2,439,568	1,080,229	3,423,188	2,749,279	5,862,756	3,829,508
Unrestricted	4,139,371	5,154,712	11,990,882	10,908,694	16,130,253	16,063,406
Total net position	54,793,384	53,270,920	62,625,764	59,542,837	117,419,148	112,813,757
Total liabilities and net position	\$88,267,976	\$81,563,904	\$65,741,686	\$62,563,622	\$154,009,662	\$144,127,526

City of Cedarburg
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GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

An additional portion of the City of Cedarburg's net position (5.0 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted fund balance or \$16,581,417 may be used to meet the government's ongoing obligations to citizens or creditors. Of this unrestricted amount, funds are designated for the Revolving Loan Fund, capital improvement projects, cemetery maintenance, and other special revenue fund projects.

The City's net position increased \$4,605,391 during the year. The Governmental activities' net position increased by \$1,522,464 while the business-type activities' net position increased by \$3,082,927.

CITY OF CEDARBURG'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues:						
Charges for Services	\$ 3,019,666	\$ 2,375,641	\$ 16,385,304	\$ 16,476,506	\$ 19,404,970	\$ 18,852,147
Operating Grants & Contributions	1,179,585	1,069,315			1,179,585	1,069,315
Capital Grants & Contributions	908,858	10,000	2,070,679	221,347	2,979,537	231,347
General Revenues:						
Property Taxes	9,342,396	9,119,074			9,342,396	9,119,074
Other Taxes	87,560	80,783			87,560	80,783
Grants & Contributions Not						
Restricted to Specific Programs	273,622	443,911			273,622	443,911
Other	291,599	331,626	264,892	168,940	556,491	500,566
Transfers	815,431	772,815	(815,431)	(772,814)		
Total Revenues	15,918,717	14,203,165	17,905,444	16,093,979	33,824,161	30,297,143
Expenses:						
General Government	1,544,698	1,547,715			1,544,698	1,547,715
Public Protection	4,830,952	4,860,025			4,830,952	4,860,025
Health & Sanitation	38,179	47,178			38,179	47,178
Engineering and Public Works	3,731,914	3,861,179			3,731,914	3,861,179
Culture, Recreation and Education	3,069,802	2,988,303			3,069,802	2,988,303
Conservation and Development	703,359	299,507			703,359	299,507
Interest and Fiscal Charges	477,349	301,760			477,349	301,760
Sewer			2,803,399	2,737,677	2,803,399	2,737,677
Light & Water			12,019,118	12,259,490	12,019,118	12,259,490
Total Expenses	14,396,253	13,905,667	14,822,517	14,997,167	29,218,770	28,902,834
Increase/(Decrease) in Net Position	1,522,464	297,498	3,082,927	1,096,812	4,605,391	1,394,310
Net Position - Beginning	53,270,920	52,973,422	59,542,837	58,446,025	112,813,757	111,419,447
Net Position - Ending	\$ 54,793,384	\$ 53,270,920	\$ 62,625,764	\$ 59,542,837	\$ 117,419,148	\$ 112,813,757

City of Cedarburg
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GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental activities

Governmental activities increased the City of Cedarburg's net position by \$1,522,464 compared to an increase of \$297,498 in 2017. Some of the significant changes in revenues and expenditures from 2017 were as follows:

Revenues:

- ◇ Property taxes, the largest revenue source for governmental activities, increased \$223,322 or 2.4 percent. The Capital Improvement levy increased by \$320,000 and the Debt Service levy increased \$314,973 from 2017. To lessen the impact on the City's tax rate, the General Fund levy decreased \$178,969. Property taxes have increased to approximately 62 percent of total revenues, reflecting the declining revenues from the State of Wisconsin.
- ◇ Charges for services increased \$644,025 or 27.1 percent. The housing market in Cedarburg improved in 2018. Building permits alone were \$161,063 over 2017 due to new developments; Arrabelle, The Glen and Cedar Place Apartments. Electrical, plumbing and HVAC permits increased \$82,733 from 2017 or 121 percent. Due to the new development, impact fees also increased by \$260,925 over 2017; 101 percent. Rescue/EMS charges for services increased \$125,743 from 2017; 29 percent due to the increase in transports.
- ◇ Operating grant and contribution revenues increased from 2017 to 2018 by \$110,270; 10.3 percent. The stormwater grant from the WI DNR increased \$15,571 and the State Transportation Aids increased \$79,110 from 2017. The Library's reimbursement from the County increased by \$14,051 or 7.3 percent due to the increasing percentage share calculated by the County. The City used to only receive 85% of their costs and the reimbursement is working towards 100% reimbursement from the County for non-librariated communities.
- ◇ Capital grants and contributions increased \$898,858 as a result of a rescue squad donated by the Cedarburg Fire Department Inc.
- ◇ Other revenues increased from 2017 by \$210,316; 27.1 percent. Interest income increased \$62,620; 78.0 percent over 2017. Intergovernmental revenues not restricted to specific programs decreased \$170,289 due to the loss of expenditure restraint revenues and miscellaneous revenue decreased \$174,878 due to the sale of City property. The budgeted sale of property for 2018 did not occur until 2019 due to the delivery of the replacement equipment late in the year.

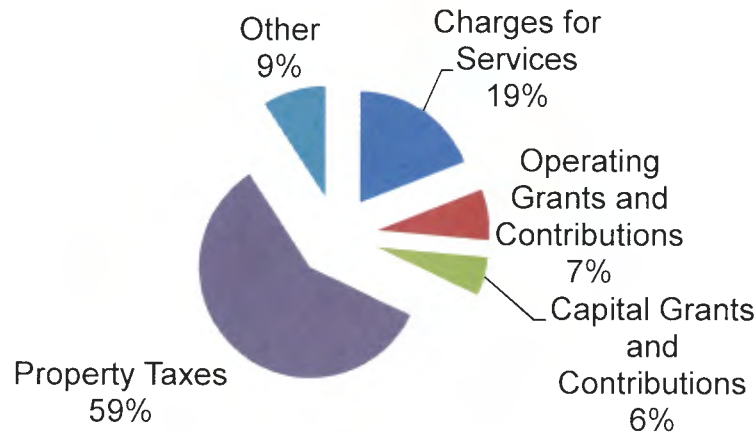
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GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental activities (Continued)

Revenues by Source - Governmental Activities



Expenditures:

Governmental activities expenditures increased by \$490,587 from 2017.

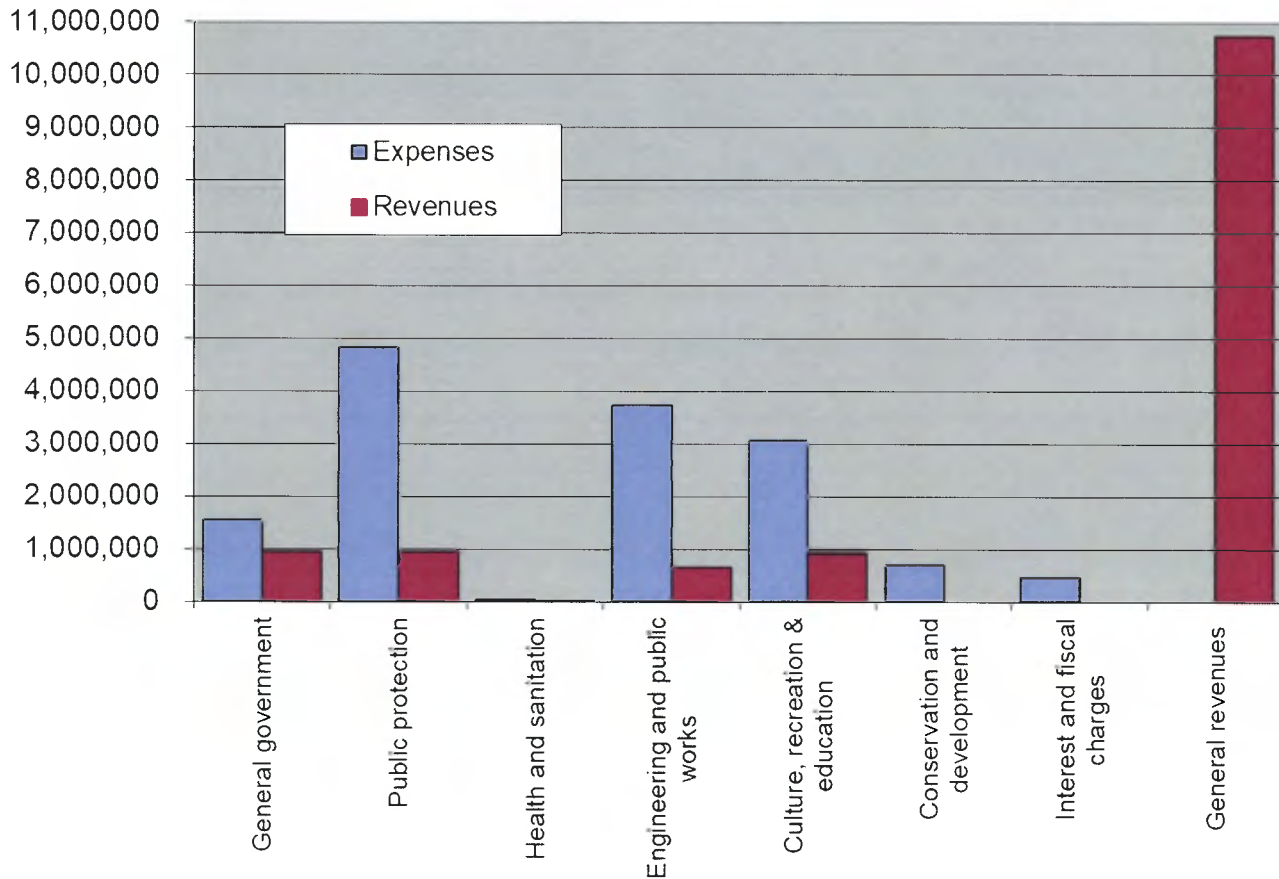
- ◇ The General Government decreased by \$3,017 from 2017.
- ◇ Public Safety expenditures were \$29,073 more than 2017. There were no capital improvement purchases of vehicles in 2017 due to the replacement of vehicles through the insurance fund.
- ◇ Engineering and Public Works expenditures decreased \$129,265 from 2017. Street projects increased \$425,784 from 2017. The public works garage expenditures of \$622,992 were completed in 2017. There were no building expenditures in 2017.
- ◇ Health and Human Services decreased from 2017 by \$8,999.
- ◇ Culture, Recreation and Education increased \$81,499 from 2017. Parks, Recreation and Forestry expenditures increased by \$64,427 from 2017 due to the additional work completed throughout the year on tree maintenance. Tree trimming, removals and stumping were a priority for the year. Both Public Works and Parks & Forestry crews focused on these tasks.
- ◇ Conservation and Development increased \$403,852 from 2017 due to the expenditures of TID No. 4 of \$474,687 compared to \$56,762 in 2017.
- ◇ Interest and Fiscal Charges increased \$175,590 from 2017 due to the three new borrowings in 2018.

The following graph is based on the statement of activities found on pages 20-21, property taxes and other general revenues not restricted or applicable to specific programs provide the major revenue sources for governmental activities.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Expenses and Program Revenues - Governmental Activities



Business-type activities

Business-type activities increased the City of Cedarburg's net position by \$3,082,927. Light & Water and Sewer Utilities amounts increased by \$2,607,653 and \$475,274 respectively. The Light & Water and Sewer Utilities are supported by user charges. The Sewer Utility charge is based on water usage for residential and commercial customers, and effluent volume and strength for our industrial customers. Other revenues include capital contributions of \$2,070,679 and total interest income of \$238,073. For 2017 capital contributions only totaled \$221,347 and investment income \$97,713. The charges for services accounted for 87.5 percent of total revenues for the business-type activities in 2018, compared to 97.7 percent in 2017 due to the increase in capital contributions and investment income.

Operating revenues for business-type activities decreased by \$91,202 from 2017. Light & Water Utility electric and water revenues decreased \$155,415 and the Sewer Utility charges increased by \$64,213.

- ◊ Sewer Utility operating revenues totaled \$2,638,738; an increase of \$64,213 from 2017. The increase was due to the 1.5% rate increase and the new residential customers. There was a sale of the televising camera for \$64,750 in 2017 and only a \$5,701 sale of a passenger car in 2018. Sewer connection fees and reserve capacity fees increased \$53,788 and \$25,706 respectively due to the continuing new construction.

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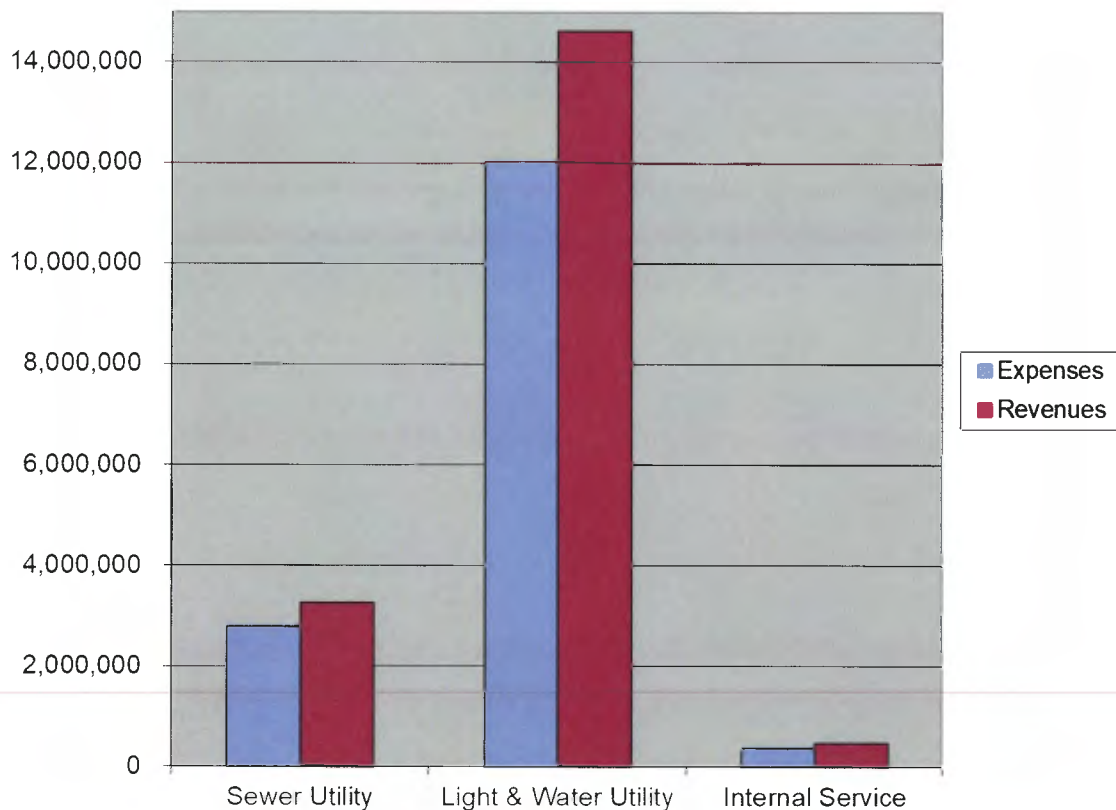
Business-type activities (Continued)

- ◇ Light and Water Utility operating revenues totaled \$13,746,566 for 2018, a decrease of \$155,415 from 2017. The electric operating revenues decreased from 2017 by \$160,566 because of the decrease in the average cost per kWh in 2018; 1.7 percent lower. Water sales decreased \$14,511 due to the decrease in gallons sold from 2017.
- ◇ Interest revenue increased from 2017 by \$140,360 due to the rising interest rates.

Operating expenses for business-type activities, excluding depreciation, decreased by \$181,577 from 2017. Depreciation expenses increased \$148,898 from 2017.

- ◇ Sewer Utility operating expenses, excluding depreciation, increased by \$141,247 from 2017. Salaries and benefits increased due to hiring and retention efforts made in 2018. General Labor salaries and benefits increased \$81,073; 32 percent from 2017.
- ◇ Light & Water expenses, excluding depreciation, decreased \$322,824 from 2017. Electric operating expenses decreased \$222,458 due to less electricity purchased and the reduced average cost of electricity. Water expenditures increased from 2017 by \$92,444 due to additional maintenance of water mains. There were more main breaks in 2018 than 2017. There also was an increase in pension and benefit expenses that were allocated to projects.

The following chart compares the total revenues and expenses by utility for the year.



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FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City of Cedarburg uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City of Cedarburg's governmental funds is to provide information on the flow of resources into and out of the organization in providing services. Most of the functions of the City are financed through these funds. The reported fund balance of a governmental fund represents a measure of the available spendable resources.

As of December 31, 2018, the City of Cedarburg's governmental funds reported combined ending fund balances of \$9,129,903, an increase of \$3,859,143 from 2017. The General Fund and Capital Improvement Fund increased \$378,082 and \$111,868 from 2017 respectively. TID No. 4 fund balance increased \$2,852,989 due to the borrowing of \$3.4 million for the project; only \$474,687 was expended. Debt Service Fund increased by \$133,243 due to the increase in impact fees received of \$88,593. The non-major governmental funds increased \$382,961 due to the Rescue/EMS operations and Park Impact fees. Transport revenues increased for the Rescue/EMS fund and impact fees increased \$81,191 and \$95,167 respectively.

Approximately 24 percent of the total fund balance or \$2,198,082 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is assigned or restricted to indicate that it is not available for new spending because it has already been reserved or restricted for other items such as contracts and purchase orders of the prior year, debt service, legally restricted assets, impact fees, and non-current loans and notes receivable.

General Fund

The General Fund is the chief operating fund of the City of Cedarburg. As of December 31, 2018, the total fund balance of the General Fund was \$2,836,152 of which \$2,437,438 was unassigned. This unassigned fund balance represents approximately 26 percent of the total 2019 General Fund budgeted expenditures. Of the assigned fund balance, \$200,000 was appropriated for 2019 General Fund budgeted expenditures as funding for the contingency reserve account. City policy requires a minimum of 17 percent and a maximum of 25 percent of General Fund expenditures of the ensuing year in unassigned funds.

The General Fund fund balance increased by \$378,082 during 2018. The 2018 original adopted budget for the City of Cedarburg's General Fund identified \$487,100 of expenditures over revenues or usage of fund balance. Actual operating expenditures and other financing uses were under budget by \$501,764 after the budget amendments were made for the year. Actual operating revenues and other financing sources were over budget by \$386,377 which was due the increase in building permit related fees and investment income.

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FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)

Governmental Funds

General Fund operating revenues increased by \$486,735 (6.1 percent) from 2017. Some of the significant changes in General Fund revenues from the prior year were as follows:

- ◇ Property Tax revenues increased by \$267,723 (4.6 percent) from prior year due to the tax levy increase.
- ◇ Intergovernmental Revenues decreased \$103,511 (9.8 percent) from prior year due the loss of the Expenditure Restraint revenues. In 2017 \$166,773 was received and the City did not qualify for 2018.
- ◇ Licenses, Permits and Fees increased \$273,923 (73.6 percent) from 2017. Building Inspection Department permits increased from 2017 by \$253,777; 123.4 percent.
- ◇ Fines, Forfeitures and Penalties increased \$4,620 (8.8 percent) from 2017. The change was due to the increase in the court penalties and costs received of \$4,907.
- ◇ Public Charges for Services increased \$17,649 (8.4 percent) over prior year.
- ◇ Intergovernmental Charges for Services increased \$12,630 (5.8 percent) over 2017.
- ◇ Investment Income and Miscellaneous Revenues increased a total \$32,952 from 2017 due to the rising interest rates.

General Fund operating expenditures increased by \$213,833 from 2017. Some of the significant changes in General Fund expenditures from the prior year were as follows:

- ◇ General Government expenditures decreased \$6,018 (0.6 percent) in part due to the Elections expenditures. The attorney fees were \$13,989 less in 2018 than 2017.
- ◇ Public Safety increased by \$176,683 from 2017. The Fire Department had an increase in expenditures of \$115,883 due to capital expenditures and administration costs.
- ◇ Public Works expenditures increased \$8,770 (0.4 percent) from 2017. The Public Works crew spent more time than usual working on tree maintenance in 2018. They helped the Parks & Forestry crew with tree trimming, removals and stump grinding. The Engineering Department had additional spending in 2018 for GIS mapping of \$7,730.
- ◇ Culture, Recreation and Education increased \$55,969 from 2017. Parks, Recreation and Forestry spending increased \$64,427 from 2017. Salaries alone increased \$71,060 due to the Public Works Crew helping with the forestry operations. Trees and supplies spending decreased \$44,065 while contracted services increased \$16,043 from 2017.
- ◇ Conservation and Development increased \$27,161 due to the City participating in a branding initiative in the amount of \$15,000 and planning contracted hours increased from 2017.

As identified earlier, actual operating revenues were over budgeted revenues by \$401,375 due to the Building Inspection Department fees. The final budget outcome for 2018 was an increase in fund balance of \$378,082, compared to the amended budgeted use of fund balance of \$510,059.

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FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)

Governmental Funds (Continued)

Capital Improvements Fund

The Capital Improvement expenditures for 2018 included street and stormwater improvements, environmental remediation, equipment purchases and park improvements. Total expenditures were \$2,650,266 and \$2,646,295 in 2018 and 2017 respectively. In 2017 the DPW garage was completed with expenditures of \$622,992 and in 2018 there was a monopole constructed for \$327,057. Street improvements for 2018 were \$272,559 over 2017.

The Police Department purchased two vehicles for \$73,194 and none in 2017. In 2017, replacements were made through the City's insurance coverage because of the accidents for the year resulting in a total loss.

The Fire Department concrete work and parking lot maintenance was completed in 2018 in the amount of \$118,714 and in 2017 there was a retaining wall replacement for \$54,579.

Emergency Management siren replacement continued in 2018.

For 2018 a dump truck was replaced and a mini excavator purchased. In 2017, there was a one-ton dump truck with plow and salter purchased along with two front end loaders with a plow and wing.

Street improvements for the year increased \$272,559 from 2017.

Sidewalk replacement expenditures were more than 2017 by \$38,981 due to saw cuts only being made in 2017.

Storm Water improvements were \$30,358 more than 2017.

Environmental expenditures included the continuing legal and monitoring fees for Prochnow Landfill along with dam engineering costs. Prochnow and dam expenditures increased \$21,136 and \$16,487 respectively. Additional wells were tested for the Prochnow Land Fill Site and engineering work increased in preparation for DNR mandated modifications to the dams in 2019.

Parks, Recreation and Forestry expenditures were up \$55,969 from 2017. The Senior Van was replaced in 2018 in the amount of \$26,751. The Parks' equipment purchases decreased by \$182,974 but the park improvements increased by \$202,511. Prairie View Park shelter and restrooms were constructed in 2018. In 2017 only asphalt repairs were made in Zeunert Park.

Debt service expenditures increased in 2018 by \$41,420 for the borrowing for street improvements; there wasn't a borrowing in 2017.

There was \$207,474 transferred out of the Library reserve account to Debt Service to offset the principal and interest payments on the building debt in 2017 and \$58,741 in 2018 for the same purpose. The amount varies from year to year depending on the amount of impact fees collected.

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GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget are from purchase orders carried over from 2017 into 2018 and any appropriations made during the year. In 2018, there were appropriations to balance the budget due to the overages in the Parks, Recreation and Forestry Department for the Public Works crew work on tree maintenance, the Senior Center tours and for the Legacy Bench Program donation expenditures. Additional funding was also allocated for the Planning Department contracted services for the planner and economic development coordinator.

The 2019 adopted budget included the use of \$200,000 of fund balance to fund the contingency reserve account. The net change in the fund balance for 2018 was an increase of \$378,082. Revenues for the year were over budget \$401,375. Of that amount \$249,567 was related to building inspection permits.

Operating expenditures were \$501,764 under budget for the year. General Government and Public Works were under budget \$399,170 and \$124,078 respectively for the year.

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CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Cedarburg's investment in capital assets for its governmental and business-type activities as of December 31, 2018 amounts to \$112,423,556 net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, infrastructure, machinery and equipment, and construction in progress. The City of Cedarburg implemented the infrastructure component of GASB Statement No. 34 for the year ended December 31, 2003.

Major capital asset events that occurred during the year included the following:

- Monopole construction; \$327,056
- Police Department vehicle replacements; \$73,194
- Emergency Management siren replacement; \$20,892 and vehicle replacement; \$48,557
- Fire Department parking lot maintenance; \$118,714
- Public Works vehicle replacements; \$227,039
- Street improvements; \$1,035,475
- Storm sewer projects related to street projects; \$240,935 and NR216 compliance; \$26,135
- Prochnow Landfill remediation legal, testing and reporting expenditures; \$40,785 and engineering for dam repairs; \$29,844
- Parks, Recreation and Forestry expenditures included equipment replacements; \$66,004 and park improvements; \$211,390
- Operating transfers to Debt Service; \$58,741

City of Cedarburg's Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
	Land	\$ 8,331,524	\$ 8,249,524	\$ 2,215,918	\$ 2,115,434	\$ 10,547,442
Buildings and improvements	25,198,297	24,475,920	87,871,082	84,605,010	113,069,379	109,080,930
Infrastructure	47,608,609	45,897,945			47,608,609	45,897,945
Vehicles	7,116,021	6,720,066			7,116,021	6,720,066
Machinery and equipment	4,063,443	4,065,388			4,063,443	4,065,388
Construction in progress	304,156	273,486	70,206	29,235	374,362	302,721
Accumulated depreciation	(28,344,359)	(26,860,581)	(42,011,341)	(39,889,301)	(70,355,700)	(66,749,882)
Total Capital Assets	\$64,277,691	\$62,821,748	\$48,145,865	\$46,860,378	\$112,423,556	\$109,682,126

City of Cedarburg
Ozaukee County, Wisconsin

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CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Long-Term Debt

At the end of the fiscal year, the City of Cedarburg had a total general obligation debt outstanding of \$20,215,457 entirely backed by the full faith, credit, and resources of the City. There were three borrowings in 2018; one for capital projects, one for TID No. 4 and one for the monopole construction. Principal payments for 2018 totaled \$1,327,102.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5 percent of its total equalized valuation. The current debt limitation for the City of Cedarburg is \$67,373,260, which significantly exceeds the City's current outstanding general obligation debt. The City has established a policy whereby the City will not issue debt in excess of 4 percent of its total equalized valuation and the total annual debt service for general obligation debt shall not exceed 50 percent of the City's total annual general operating revenues (inclusive of all property tax levies and exclusive of revenues from proprietary entities). As of December 31, 2018, the City of Cedarburg's outstanding debt equaled 30.0 percent of the State authorized debt.

City of Cedarburg's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
	General obligation long-term bonds and notes payable	\$19,305,457	\$15,647,559	\$ 910,000	\$ 950,000	\$20,215,457

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ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2019 budget, the State legislative changes, general economic conditions, and public sentiments toward taxation. The City increased the assessed tax rate from \$7.48/\$1,000 in 2017 to \$7.76/\$1,000 in 2018; a 3.7 percent increase.

The City's total equalized value for 2018 was \$1,347,444,900; 2.9 percent more than 2017.

The Ozaukee County unemployment rate for 2018 was 2.5 percent up from 2.1 percent in 2017. The State unemployment rate for 2018 was 3.0 percent and 3.9 percent nationally. The County is doing well compared to the rest of the State and nation.

Funds were appropriated in the 2019 General Fund budget for the funding of the contingency reserve account from fund balance.

Sewer flow rate increased from \$5.30/1,000 gallons in 2018 to \$5.40/1,000 in 2019. The monthly connection fee increased from \$14/month to \$15/month for 2019. Holding tank septage haulers' fees remained at the rate of \$8.70/1,000 gallons. The septage tank haulers' rate also remained the same; \$44.91/1,000 gallons.

Due to the Common Council's sentiment to keep the tax rate down, the funding levels for capital items that were previously paid for with cash were funded by borrowing. This practice was discontinued for 2019 and to keep the tax rate from rising the street projects for 2019 were cut in half and the remaining scheduled projects pushed back a year. As development continues to grow the City's assessed value, pre-funding of street and storm water capital projects should be a priority for the 2020 budget.

With increasing costs, State revenue cuts, and State legislative changes it will be another difficult budget preparation year. The new development the City is currently seeing will hopefully help fund future expenditure increases and lost revenues. The State levy limit legislation makes it difficult to fund operations as necessary and causes the City to borrow for capital projects which was not a common practice in prior years.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the City Treasurer's Office at the City of Cedarburg, P.O. Box 49, Cedarburg, WI 53012. Other City contact information may be found on our website at www.ci.cedarburg.wi.us.

BASIC FINANCIAL STATEMENTS

CITY OF CEDARBURG

STATEMENT OF NET POSITION
As of December 31, 2018

	Governmental Activities	Business - type Activities	Totals
ASSETS			
Cash and investments	\$ 14,394,623	\$ 11,576,686	\$ 25,971,309
Receivables:			
Taxes	4,476,358	-	4,476,358
Delinquent personal property taxes	49,453	-	49,453
Accounts	279,332	1,252,414	1,531,746
Interest	-	13,068	13,068
Internal balances	194,143	(194,143)	-
Materials and supplies	23,477	659,342	682,819
Prepaid items	197,880	5,878	203,758
Restricted Assets:			
Cash and investments	1,233,795	3,040,341	4,274,136
Loans	105,215	-	105,215
Net pension asset	1,044,453	382,847	1,427,300
Other assets	-	137,307	137,307
Capital Assets:			
Land	8,331,524	2,215,918	10,547,442
Construction in progress	304,156	70,206	374,362
Other capital assets, net of depreciation	55,642,011	45,859,741	101,501,752
Total Assets	<u>86,276,420</u>	<u>65,019,605</u>	<u>151,296,025</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	81,119	-	81,119
Pension related items	1,910,437	722,081	2,632,518
Total Deferred Outflows of Resources	<u>1,991,556</u>	<u>722,081</u>	<u>2,713,637</u>
LIABILITIES			
Accounts payable and accrued liabilities	719,585	974,034	1,693,619
Deposits	113,469	54,992	168,461
Due to other governments	7,086	-	7,086
Accrued interest payable	76,180	9,264	85,444
Noncurrent Liabilities			
Due within one year	1,686,848	45,000	1,731,848
Due in more than one year	18,875,894	1,294,712	20,170,606
Total Liabilities	<u>21,479,062</u>	<u>2,378,002</u>	<u>23,857,064</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	9,903,631	3,961	9,907,592
Pension related items	2,091,899	733,959	2,825,858
Total Deferred Inflows of Resources	<u>11,995,530</u>	<u>737,920</u>	<u>12,733,450</u>
NET POSITION			
Net investment in capital assets	48,214,445	47,211,694	95,426,139
Restricted	2,439,568	3,423,188	5,862,756
Unrestricted	4,139,371	11,990,882	16,130,253
TOTAL NET POSITION	<u>\$ 54,793,384</u>	<u>\$ 62,625,764</u>	<u>\$ 117,419,148</u>

CITY OF CEDARBURG

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 1,544,698	\$ 1,007,295	\$ 190,648	\$ -
Public safety	4,830,952	1,266,826	112,166	-
Public works	3,731,914	33,361	644,355	908,858
Health and human services	38,179	11,740	-	-
Culture, recreation and education	3,069,802	687,444	232,416	-
Conservation and development	703,359	13,000	-	-
Interest and fiscal charges	477,349	-	-	-
Total Governmental Activities	14,396,253	3,019,666	1,179,585	908,858
Business-type Activities				
Light and Water Utility	12,019,118	13,746,566	-	1,535,179
Sewer Utility	2,803,399	2,638,738	-	535,500
Total Business-type Activities	14,822,517	16,385,304	-	2,070,679
Total	\$ 29,218,770	\$ 19,404,970	\$ 1,179,585	\$ 2,979,537

General revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for capital projects

Property taxes, levied for library

Property taxes, levied for other purposes

Other taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Miscellaneous

Total general revenues

Transfers

Change in net position

NET POSITION - Beginning of Year

NET POSITION - END OF YEAR

See accompanying notes to the financial statements.

Net (Expenses) Revenues and
Changes in Net Position

Governmental Activities	Business - type Activities	Totals
\$ (346,755)	\$ -	\$ (346,755)
(3,451,960)	-	(3,451,960)
(2,145,340)	-	(2,145,340)
(26,439)	-	(26,439)
(2,149,942)	-	(2,149,942)
(690,359)	-	(690,359)
(477,349)	-	(477,349)
<u>(9,288,144)</u>	<u>-</u>	<u>(9,288,144)</u>
-	3,262,627	3,262,627
-	370,839	370,839
-	<u>3,633,466</u>	<u>3,633,466</u>
<u>(9,288,144)</u>	<u>3,633,466</u>	<u>(5,654,678)</u>
6,133,050	-	6,133,050
1,502,211	-	1,502,211
915,000	-	915,000
722,194	-	722,194
69,941	-	69,941
87,560	-	87,560
273,622	-	273,622
287,925	238,073	525,998
3,674	26,819	30,493
<u>9,995,177</u>	<u>264,892</u>	<u>10,260,069</u>
<u>815,431</u>	<u>(815,431)</u>	<u>-</u>
1,522,464	3,082,927	4,605,391
<u>53,270,920</u>	<u>59,542,837</u>	<u>112,813,757</u>
<u>\$ 54,793,384</u>	<u>\$ 62,625,764</u>	<u>\$ 117,419,148</u>

See accompanying notes to the financial statements.

CITY OF CEDARBURG

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2018

	Capital Project Funds		
	General Fund	Capital Improvements Fund	TIF District No. 4
ASSETS			
Unrestricted cash and investments	\$ 9,236,186	\$ 1,645,966	\$ -
Restricted cash and investments	-	-	-
Receivables:			
Taxes	2,723,046	563,625	-
Delinquent personal property taxes	49,453	-	-
Accounts	139,456	29,459	-
Loans	-	-	-
Due from other funds	479,683	34,847	2,999,350
Materials and supplies	3,217	-	-
Prepaid expenditures	9,115	-	-
Advances to other funds	196,707	-	-
TOTAL ASSETS	\$ 12,836,863	\$ 2,273,897	\$ 2,999,350
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 105,606	\$ 114,939	\$ 35,514
Accrued liabilities	327,414	-	-
Deposits	113,469	-	-
Due to other funds	3,387,183	116,296	-
Due to other governments	7,027	-	-
Advance from other fund	-	-	167,609
Total Liabilities	3,940,699	231,235	203,123
Deferred Inflows of Resources			
Unavailable revenues	568	-	-
Unearned revenues	6,059,444	1,235,000	-
Total Deferred Inflows of Resources	6,060,012	1,235,000	-
Fund Balances			
Nonspendable	258,492	-	-
Restricted	-	-	2,796,227
Assigned	340,222	807,662	-
Unassigned (deficit)	2,237,438	-	-
Total Fund Balances	2,836,152	807,662	2,796,227
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 12,836,863	\$ 2,273,897	\$ 2,999,350

Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,105,577	\$ 1,342,909	\$ 13,330,638
-	1,233,795	1,233,795
829,321	360,366	4,476,358
-	-	49,453
-	110,417	279,332
-	105,215	105,215
58,741	217,841	3,790,462
-	20,260	23,477
-	188,765	197,880
-	-	196,707
<u>\$ 1,993,639</u>	<u>\$ 3,579,568</u>	<u>\$ 23,683,317</u>

\$ -	\$ 45,527	\$ 301,586
-	38,361	365,775
-	-	113,469
-	55,898	3,559,377
-	59	7,086
-	29,098	196,707
-	<u>168,943</u>	<u>4,544,000</u>

-	105,215	105,783
<u>1,817,184</u>	<u>792,003</u>	<u>9,903,631</u>
<u>1,817,184</u>	<u>897,218</u>	<u>10,009,414</u>

-	187,580	446,072
176,455	1,294,840	4,267,522
-	1,070,343	2,218,227
-	(39,356)	2,198,082
<u>176,455</u>	<u>2,513,407</u>	<u>9,129,903</u>

<u>\$ 1,993,639</u>	<u>\$ 3,579,568</u>	<u>\$ 23,683,317</u>
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CITY OF CEDARBURG

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2018

Total Fund Balances - Governmental Funds	\$ 9,129,903
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Amounts reported for governmental activities in the statement of net position are different because different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds

Land	8,331,524
Construction in progress	304,156
Other capital assets, net of depreciation	55,642,011

The net pension asset does not related to current financial resources and is not reported in the governmental funds.	1,044,453
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Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds

Loan receivables	105,215
Interest on advance to TIF District No. 4	568

Internal service funds are used by the City to charge the cost of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	974,819
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Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	1,910,437
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Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(2,091,899)
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Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds.

Bonds, notes payable and unamortized premium/(discount)	(19,559,365)
Compensated absences	(516,177)
Unamortized loss on refunding	81,119
Pollution remediation liability	(487,200)
Accrued interest	<u>(76,180)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 54,793,384</u></u>
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CITY OF CEDARBURG

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2018

	Capital Project Funds		
	General Fund	Capital Improvements Fund	TIF District No. 4
REVENUES			
Taxes	\$ 6,137,384	\$ 915,000	\$ -
Special assessments	-	11,030	-
Intergovernmental	952,889	24,263	-
Licenses and permits	646,064	-	-
Fines, forfeitures and penalties	56,853	-	-
Public charges for services	169,123	109,979	-
Intergovernmental charges for services	228,454	-	-
Investment income	94,696	18,005	-
Miscellaneous	212,424	19,759	-
Total Revenues	<u>8,497,887</u>	<u>1,098,036</u>	<u>-</u>
EXPENDITURES			
Current			
General government	1,047,784	-	-
Public safety	4,026,517	-	-
Public works	2,457,524	-	-
Health and human services	-	-	-
Culture, recreation and education	1,031,583	-	-
Conservation and development	113,612	-	474,687
Capital Outlay	172,636	2,550,105	-
Debt Service			
Principal	-	-	-
Interest and fees	-	41,420	87,324
Total Expenditures	<u>8,849,656</u>	<u>2,591,525</u>	<u>562,011</u>
Excess (deficiency) of revenues over expenditures	<u>(351,769)</u>	<u>(1,493,489)</u>	<u>(562,011)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	815,431	152,000	-
Transfers out	(87,500)	(58,741)	-
Debt issued	-	1,512,078	3,415,000
Premium on debt issued	-	-	-
Proceeds from sale of capital assets	1,920	20	-
Total Other Financing Sources (Uses)	<u>729,851</u>	<u>1,605,357</u>	<u>3,415,000</u>
Net Change in Fund Balances	378,082	111,868	2,852,989
FUND BALANCES (DEFICIT) - Beginning of Year	<u>2,458,070</u>	<u>695,794</u>	<u>(56,762)</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,836,152</u>	<u>\$ 807,662</u>	<u>\$ 2,796,227</u>

See accompanying notes to the financial statements.

Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,502,211	\$ 875,361	\$ 9,429,956
-	-	11,030
3,787	222,674	1,203,613
-	-	646,064
-	19,568	76,421
125,815	1,297,766	1,702,683
-	-	228,454
2,769	27,467	142,937
-	85,342	317,525
<u>1,634,582</u>	<u>2,528,178</u>	<u>13,758,683</u>
-	-	1,047,784
-	372,286	4,398,803
-	-	2,457,524
-	36,121	36,121
-	1,524,871	2,556,454
-	115,060	703,359
-	32,379	2,755,120
1,287,102	-	1,287,102
320,355	-	449,099
<u>1,607,457</u>	<u>2,080,717</u>	<u>15,691,366</u>
<u>27,125</u>	<u>447,461</u>	<u>(1,932,683)</u>
58,741	12,500	1,038,672
-	(77,000)	(223,241)
17,922	-	4,945,000
29,455	-	29,455
-	-	1,940
<u>106,118</u>	<u>(64,500)</u>	<u>5,791,826</u>
133,243	382,961	3,859,143
43,212	2,130,446	5,270,760
<u>\$ 176,455</u>	<u>\$ 2,513,407</u>	<u>\$ 9,129,903</u>

See accompanying notes to the financial statements.

CITY OF CEDARBURG

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2018

Net change in fund balances - total governmental funds	\$ 3,859,143
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However in the statement of net position, the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense. in the statement of activities	
Capital outlay is reported as an expenditure in the fund financial statements, but is capitalized in the government-wide statements	2,755,120
Some items reported as outlay were not capitalized	(204,036)
Contributed capital assets	908,858
Some items reported as operating expenditures in the fund financial statements but are capitalized in the government-wide statements	38,535
Depreciation is reported in the government-wide statements	(1,983,209)
Net book value of assets retired	(59,325)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Debt issued	(4,945,000)
Principal repaid	1,287,102
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	(16,454)
Accrued interest on debt	(23,125)
Net pension asset	1,329,080
Deferred outflows of resources related to pensions	(221,145)
Deferred inflows of resources related to pensions	(1,218,683)
Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense	
Premium on new debt	(29,455)
Amortization of debt premiums	19,076
Amortization of loss on refunding	(21,632)
Amortization of debt discount	(2,568)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements	(34,452)
Internal service funds are used by the City to charge the cost of insurance to individual funds. The net revenue of the internal service fund is reported in the governmental activities.	84,634
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,522,464</u>

See accompanying notes to the financial statements.

CITY OF CEDARBURG

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 As of December 31, 2018

	Business-type Activities - Enterprise Funds			Governmental Activities
	Light and Water Utility	Sewer Utility	Totals	Internal Service Fund - Risk Management
ASSETS				
CURRENT ASSETS				
Cash and investments	\$ 8,282,648	\$ 3,294,038	\$ 11,576,686	\$ 1,063,985
Receivables:				
Accounts	1,241,053	11,361	1,252,414	-
Interest	13,068	-	13,068	-
Due from other funds	45,858	373,855	419,713	-
Materials and supplies	659,342	-	659,342	-
Prepayments	4,878	1,000	5,878	-
Other Assets - Commitment to community	45,236	-	45,236	-
Total Current Assets	<u>10,292,083</u>	<u>3,680,254</u>	<u>13,972,337</u>	<u>1,063,985</u>
NON-CURRENT ASSETS				
Restricted Assets - cash and investments	229,769	2,810,572	3,040,341	-
Restricted Asset - net pension asset	283,186	99,661	382,847	-
Preliminary survey and investigation	37,890	-	37,890	-
Merchandising and jobbing work in process	6,469	-	6,469	-
Non-utility property	47,712	-	47,712	-
Capital Assets				
Land	378,837	1,837,081	2,215,918	-
Construction in progress	11,546	58,660	70,206	-
Property, plant, and equipment	53,993,706	33,877,376	87,871,082	-
Less: Accumulated depreciation	<u>(18,011,717)</u>	<u>(23,999,624)</u>	<u>(42,011,341)</u>	-
Total Noncurrent Assets	<u>36,977,398</u>	<u>14,683,726</u>	<u>51,661,124</u>	-
Total Assets	<u>47,269,481</u>	<u>18,363,980</u>	<u>65,633,461</u>	<u>1,063,985</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	<u>531,398</u>	<u>190,683</u>	<u>722,081</u>	-

See accompanying notes to the financial statements.

	Business-type Activities - Enterprise Funds			Governmental
	Light and			Activities
	Water Utility	Sewer Utility	Totals	Internal Service Fund
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 762,598	\$ 41,991	\$ 804,589	\$ 52,224
Accrued payroll	-	30,452	30,452	-
Accrued interest payable	2,660	6,604	9,264	-
Deposits	54,992	-	54,992	-
Due to other funds	594,280	19,576	613,856	36,942
Current portion of general obligation debt	-	45,000	45,000	-
Other current liability	138,993	-	138,993	-
Total Current Liabilities	1,553,523	143,623	1,697,146	89,166
NONCURRENT LIABILITIES				
Compensated absences	338,014	50,609	388,623	-
Customer advances for construction	12,955	-	12,955	-
Deferred compensation	3,963	-	3,963	-
General obligation debt	-	889,171	889,171	-
Total Noncurrent Liabilities	354,932	939,780	1,294,712	-
Total Liabilities	1,908,455	1,083,403	2,991,858	89,166
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	3,961	-	3,961	-
Pension related items	546,321	187,638	733,959	-
Total Deferred Inflows of Resources	550,282	187,638	737,920	-
NET POSITION				
Net investment in capital assets	36,372,372	10,839,322	47,211,694	-
Restricted	512,955	2,910,233	3,423,188	-
Unrestricted	8,456,815	3,534,067	11,990,882	974,819
TOTAL NET POSITION	\$ 45,342,142	\$ 17,283,622	\$ 62,625,764	\$ 974,819

See accompanying notes to the financial statements.

CITY OF CEDARBURG

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds			Governmental Activities
	Light and Water	Sewer Utility	Totals	Internal Service
	Utility			Fund - Risk Management
OPERATING REVENUES				
Charges for services	\$ 13,568,890	\$ 2,638,738	\$ 16,207,628	\$ 340,531
Other operating revenues	177,676	-	177,676	17,757
Total Operating Revenues	<u>13,746,566</u>	<u>2,638,738</u>	<u>16,385,304</u>	<u>358,288</u>
OPERATING EXPENSES				
Operation and maintenance	10,498,656	1,593,170	12,091,826	383,622
Depreciation	1,519,596	1,191,268	2,710,864	-
Total Operating Expenses	<u>12,018,252</u>	<u>2,784,438</u>	<u>14,802,690</u>	<u>383,622</u>
Operating Income (Loss)	<u>1,728,314</u>	<u>(145,700)</u>	<u>1,582,614</u>	<u>(25,334)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	141,237	96,836	238,073	109,968
Amortization expense	-	(1,343)	(1,343)	-
Interest expense	(866)	(17,618)	(18,484)	-
Miscellaneous revenues	19,220	7,599	26,819	-
Total Nonoperating Revenues (Expense)	<u>159,591</u>	<u>85,474</u>	<u>245,065</u>	<u>109,968</u>
Income (Loss) Before Capital Contributions and Transfers	<u>1,887,905</u>	<u>(60,226)</u>	<u>1,827,679</u>	<u>84,634</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital contribution	1,535,179	535,500	2,070,679	-
Transfers	(815,431)	-	(815,431)	-
Total Capital Contributions and Transfers	<u>719,748</u>	<u>535,500</u>	<u>1,255,248</u>	<u>-</u>
Change in Net Position	2,607,653	475,274	3,082,927	84,634
NET POSITION - Beginning of Year	<u>42,734,489</u>	<u>16,808,348</u>	<u>59,542,837</u>	<u>890,185</u>
NET POSITION - END OF YEAR	<u>\$ 45,342,142</u>	<u>\$ 17,283,622</u>	<u>\$ 62,625,764</u>	<u>\$ 974,819</u>

See accompanying notes to the financial statements.

CITY OF CEDARBURG

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2018

	Business - type Activities - Enterprise Funds			Governmental Activities
	Light and Water Utility	Sewer Utility	Totals	Internal Service Fund - Risk Management
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 13,535,184	\$ 2,654,841	\$ 16,190,025	\$ -
Paid to suppliers for goods and services	(9,170,804)	(980,822)	(10,151,626)	(426,404)
Paid to employees for services	(1,297,001)	(594,238)	(1,891,239)	-
Receipts from municipality	288,286	-	288,286	380,033
Net Cash Flows From Operating Activities	3,355,665	1,079,781	4,435,446	(46,371)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investment securities	(1,603,222)	(428,732)	(2,031,954)	(134,300)
Proceeds from sale and maturities of investment securities	1,560,466	401,917	1,962,383	123,537
Investment income	136,675	96,836	233,511	109,968
Net Cash Flows From Investing Activities	93,919	70,021	163,940	99,205
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Paid to municipality for tax equivalent	(768,000)	-	(768,000)	-
Transfers in (out)	(9,767)	-	(9,767)	-
Net Cash Flows From Noncapital Financing Activities	(777,767)	-	(777,767)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Debt retired	-	(40,000)	(40,000)	-
Interest paid	-	(20,550)	(20,550)	-
Acquisition and contraction of capital assets	(1,856,850)	(618,543)	(2,475,393)	-
Salvage on retirement of plant	92,521	-	92,521	-
Cost of removal of property retired	(84,046)	-	(84,046)	-
Impact fees received	254,574	-	254,574	-
Contributions in-aid-of construction	236,542	-	236,542	-
Net Cash Flows From Capital and Related Financing Activities	(1,357,259)	(679,093)	(2,036,352)	-
Net Change in Cash and Cash Equivalents	1,314,558	470,709	1,785,267	52,834
CASH AND CASH EQUIVALENTS - Beginning of Year	5,594,637	3,813,288	9,407,925	206,246
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 6,909,195	\$ 4,283,997	\$ 11,193,192	\$ 259,080

See accompanying notes to the financial statements.

	Business - Type Activities - Enterprise Funds			Governmental Activities
	Light and Water Utility	Sewerage Department	Totals	Internal Service Fund - Risk Management
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 1,728,314	\$ (145,700)	\$ 1,582,614	\$ (25,334)
Miscellaneous nonoperating activities	18,354	7,599	25,953	-
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities				
Depreciation	1,519,596	1,319,209	2,838,805	-
Depreciation charged to clearing accounts	127,941	(127,941)	-	-
Changes in assets and liabilities:				
Accounts receivable	65,563	(9,773)	55,790	21,745
Due from other funds	(34,622)	18,277	(16,345)	2,316
Prepayments	(149)	(1,000)	(1,149)	-
Materials and supplies	(38,388)	-	(38,388)	-
Accounts payable	(24,174)	(11,682)	(35,856)	(45,098)
Accrued payroll and related benefits	(27,433)	7,013	(20,420)	-
Due to other funds	(2,137)	11,676	9,539	-
Deposits	(1,832)	-	(1,832)	-
Accrued interest on deposit	603	-	603	-
Pension related deferrals	18,872	7,998	26,870	-
Other current liabilities	5,157	4,105	9,262	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 3,355,665	\$ 1,079,781	\$ 4,435,446	\$ (46,371)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS				
Current - cash and investments - unrestricted	\$ 8,282,648	\$ 3,294,038	\$ 11,576,686	\$ 1,063,985
Non-current - cash and investments - restricted	229,769	2,810,572	3,040,341	-
Non-cash equivalents	(1,603,222)	(1,820,613)	(3,423,835)	(804,905)
CASH AND CASH EQUIVALENTS	\$ 6,909,195	\$ 4,283,997	\$ 11,193,192	\$ 259,080
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Amortization	\$ -	\$ 1,343	\$ 1,343	\$ -
Developer financed additions to utility plant	\$ 1,193,129	\$ 535,500	\$ 1,728,629	\$ -
Construction related accounts payable	\$ 63,322	\$ -	\$ 63,322	\$ -

See accompanying notes to the financial statements.

CITY OF CEDARBURG

**STATEMENT OF ASSETS AND LIABILITIES -
AGENCY FUND
As of December 31, 2018**

	<u>Agency Fund</u>
	<u>Tax Collection Fund</u>
ASSETS	
Cash and investments	\$ 8,790,980
Taxes receivable	<u>7,380,551</u>
Total Assets	<u>\$ 16,171,531</u>
LIABILITIES	
Due to other governments	<u>\$ 16,171,531</u>

See accompanying notes to the financial statements.

CITY OF CEDARBURG

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CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Cedarburg, Wisconsin ("the City") conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the city. The reporting entity for the city consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Discretely Presented Component Unit

Community Development Authority of the City

The government-wide financial statements include the Community Development Authority of the City ("CDA") as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the Mayor and confirmed by the Common Council. Wisconsin Statutes provide for circumstances whereby the city can impose its will on the CDA, and also create a potential financial benefit to or burden on the city. The Community Development Authority of the City is part of the reporting entity of the City of Cedarburg. However, the CDA had no financial transactions during 2018 which are material to these financial statements. Also, the CDA does not own any assets nor is it liable for any debt. Therefore, no financial statements are presented in this report. The CDA does not issue separate financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The city does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the city are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the city or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the city believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The city reports the following major governmental funds:

- General Fund - accounts for the city's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than TID or enterprise debt.
- Capital Improvements Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
- Tax Incremental District (TID) No. 4 Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.

The city reports the following major enterprise funds:

- Light and Water Utility - accounts for operations of the electrical and water system.
- Sewer Utility - accounts for operations of the sewer system.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The city reports the following nonmajor governmental funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Cemetery	Room Tax
Recreation Programs	Swimming Pool
Community Development Block Grant (CDBG)	Library
Park Impact Fee	Fuel System
Rescue/EMS	

Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Tax Incremental Finance (TIF) District No. 3
Tax Incremental Finance (TIF) District No. 5

In addition, the city reports the following fund types:

Internal Service Fund - used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the city, or to other governmental units, on a cost-reimbursement basis.

Risk Management

Agency Fund - used to account for and report assets held by the city in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Tax Collection Fund

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the city's light and water and sewer utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the city considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the city is entitled the resources and the amounts are available. Amounts owed to the city which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. At December 31, 2018, there were \$431,448 and \$200,348 of City and Sewer Utility, respectively, unrecorded anticipated future assessments which are not recorded as receivables because collection is subject to certain events occurring in the future. No formal repayment schedule has been established.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Light and Water and Sewer Utilities are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the city considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of city funds is restricted by Wisconsin state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

The city has adopted an investment policy. That policy follows the state statute for allowable investments. The Policy addresses custodial credit risk by stating that deposits shall not exceed federal and/or state insurance coverage unless (a) they are collateralized by federal government securities at a rate of 110% of the investment; b) they are collateralized by local mortgages at a rate of 135% of the investments; or c) collateralization has been waived by the Common Council.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note III. A. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2018, the fair value of the city's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III. A. for further information.

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the city, taxes are collected for and remitted to the state and county governments as well as the local school districts and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of assets and liabilities - agency fund.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables (cont.)

Property tax calendar - 2018 tax roll:

Lien date and levy date	December 2018
Tax bills mailed	December 2018
Payment in full, or	January 31, 2019
First installment due	January 31, 2019
Second installment due	July 31, 2019
Personal property taxes in full	January 31, 2019
Tax sale - 2018 delinquent real estate taxes	October 2021

Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the light and water and sewer utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

The city has received state grant funds for economic development loan programs to various businesses and individuals. The city records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development loans receivable has not been reduced by an allowance for uncollectible accounts.

It is the city's policy to record unavailable revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

3. Materials and Supplies and Prepaid Items

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the purchases method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$500 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method over the range of estimated useful lives by type of asset or is computed under that straight-line method using rates certified by the Public Service Commission for the Light and Water utility. The range of estimated useful lives by type of asset is as follows:

Buildings	25-99 Years
Land improvements	15 Years
Equipment	7-15 Years
Computer equipment	5-10 Years
Infrastructure - traffic signals	15 Years
Infrastructure - all other	60 Years
Vehicles	4-10 Years
Electric plant in service	5-40 Years
Water plant in service	4-77 Years
Sewer plant in service	10-80 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

6. Other Assets

Designated investments - the Light and Water Commission has internally designated \$2,305,974 of cash and investments for future construction projects and monthly operating reserves.

Commitment to community - the Light and Water Utility charges fees to all customers as required by the 1999 Energy Reliability Act and 2006 Act 141. Revenues generated from the fees are used to fund energy conservation and low-income energy assistance ("Commitment to Community") programs. The Utility is acting as an agent administering the program so net collections and expenses associated with the program are recorded as a current liability or asset on the statement of net position.

Preliminary survey and investigation - the balance represents initial project engineering costs related to utility plant construction. The balance will be capitalized upon commencement of the project.

Non-Utility property - the Light and Water Utility in 2006, 2008, and 2015 transferred infrastructure and land no longer in utility use; specifically, the SW, Layton, and Lincoln Substations land, building and equipment and land from a well on Fair Street that was abandoned long ago. These assets, excluding land, are fully depreciated at December 31, 2018. Costs to construct a fitness area and the cost of fitness equipment and flooring was recorded as nonutility property in 2011. Costs were partially offset in 2011 and will continue to be so in future years through fees collected from users of the fitness room. The utility dismantled and sold the switchgear at the former SW substation and removed other obsolete substation equipment in 2017, which reduced the value in non-utility property.

7. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

8. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. Sick leave pay earned and not taken is cumulative. Sick leave is earned at the rate of 1.25 working days for each month of service up to a maximum of 15 days for police department employees and 12 days for all other employees per year and a total of 120 days. Upon retirement, disability, or death, the employee or their estate shall be paid, at the current wage rate, 50% of the accumulated unused sick leave pay benefits. All employees who have reached the maximum allotment of 120 sick days shall be compensated 30% of any sick days accumulated over 120. This compensation shall be paid in the first check of the following year at the previous year's rate. At December 31, 2018, 50% of the accumulated sick leave pay benefits estimated to be paid out for all employees is recorded as a liability in the government-wide financial statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources. Employees earn vacation in varying amounts based on length of service. Generally, City employees are not allowed to accumulate vacation pay. Light and Water Utility employees are allowed to accumulate unused vacation pay, which is recorded as an expense of the Light and Water Utility Enterprise Fund when earned.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2018, are determined on the basis of current salary rates and include salary related payments.

9. Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, accrued compensated absences, net pension liability and pollution remediation liability.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

10. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

11. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the city's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Common Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Common Council that originally created the commitment.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

11. Equity Classifications (cont.)

Fund Statements (cont.)

- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Common Council has, by resolution, adopted a financial policy authorizing the Administrator/Treasurer to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The city considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the city would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note III. I. for further information.

12. Pension

For purposes of measuring the net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

13. Basis for Existing Rates

Sewer Utility

Sewer rates are changed on January 1 of each year. The rates as of January 1, 2018 were \$5.30 per 1,000 gallons of flow with a \$14 connection fee. For January 1, 2019, the sewer use charge will increase to \$5.40 per 1,000 gallons with a \$15 monthly connection fee.

Electric Utility

Current electric rates were approved by the PSCW effective May 1, 2016. The rates are designed to provide a 5.0% return on rate base.

Water Utility

Current water rates were approved by the PSCW effective January 1, 2015 designed to provide a 5.5% return on rate base.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

A budget has been adopted for the General Fund, Capital Improvement Fund, Debt Service Fund, Special Revenue Fund - Cemetery, Special Revenue Fund - Room Tax, Special Revenue Fund - Recreation Programs, Special Revenue Fund - Swimming Pool, Special Revenue Fund - Park Impact Fee and Special Revenue Fund - Library. A budget has not been formally adopted for Special Revenue Fund - Community Development Block Grant, Special Revenue Fund - Rescue/EMS, Special Revenue Fund - Fuel System, Capital Project Fund - TIF No. 3 Fund, Capital Project Fund - TIF No. 4 Fund and Capital Project Fund - TIF No. 5. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

B. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Special Revenue Fund - Room Tax	\$ 65,000	\$ 83,204	\$ 18,204
Debt Service Fund	1,595,924	1,607,457	11,533
Special Revenue Fund - Recreation Programs	231,072	280,733	49,661

The city controls expenditures at the function level for the General Fund. For all other funds the City controls expenditures at the fund level. Some individual funds experienced expenditures which exceeded appropriations. The detail of those items can be found in the city's year-end budget to actual report.

C. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2018, the following individual funds held a deficit balance:

Fund	Amount	Reason
Capital Project Fund - TIF District No. 3	\$ 29,488	Expenditures exceeded revenues
Capital Project Fund - TIF District No. 5	9,868	Expenditures exceeded revenues

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases. TIF District No. 3 and TIF District No. 5 fund deficits are anticipated to be funded with future contributions, general tax revenues, or long-term borrowing.

D. LIMITATIONS ON THE DISTRICT'S TAX LEVY

Wisconsin law limits the city's future tax levies. Generally the city is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the city's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The city is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The city's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 30,114,467	\$ 30,280,238	Custodial credit
US agencies	5,022,105	5,022,105	Custodial credit, interest rate and investments highly sensitive to interest rate changes
State and local bonds	268,457	268,457	Credit, custodial credit, interest rate and investments highly sensitive to interest rate changes
Corporate bonds	382,810	382,810	Credit, custodial credit, interest rate, concentration of credit and investments highly sensitive to interest rate changes
LGIP	3,113,609	3,113,609	Credit
US treasuries	133,926	133,926	Custodial credit, interest rate and investments highly sensitive to interest rate changes
Petty cash	1,051	-	N/A
Total Deposits and Investments	\$ 39,036,425	\$ 39,201,145	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 25,971,309		
Restricted cash and investments	4,274,136		
Per statement of assets and liabilities - agency fund			
Agency fund	8,790,980		
Total Deposits and Investments	\$ 39,036,425		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government).

SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash. \$500,000 of the city's investments are covered by SIPC.

The city categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- Market Value

Investment Type	December 31, 2018			
	Level 1	Level 2	Level 3	Total
US agencies	\$ -	\$ 5,022,105	\$ -	\$ 5,022,105
US treasuries	133,926	-	-	133,926
State and local bonds	-	268,457	-	268,457
Corporate bonds	-	382,810	-	382,810
Total	\$ 133,926	\$ 5,673,372	\$ -	\$ 5,807,298

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the city's deposits may not be returned to the city.

As of December 31, 2018, \$28,930,077 of the city's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 726,710
Uninsured and collateral held by the pledging financial institution's trust department or agent not in the city's name	28,203,367
Total	\$ 28,930,077

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the city will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The city does not have any investments exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2018, the city's investments were rated as follows:

Investment Type	Moody's Investors Services
State and local bonds	A1 through AAA

The city also held investments in the following which are not rated:

LGIP
Corporate bonds

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2018, the city's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1	1-3	4-5
US agencies	\$ 5,022,105	\$ 1,157,045	\$ 2,774,103	\$ 1,090,957
US treasuries	133,926	-	-	133,926
State and local bonds	268,457	-	268,457	-
Corporate bonds	382,810	-	290,161	92,649
Totals	<u>\$ 5,807,298</u>	<u>\$ 1,157,045</u>	<u>\$ 3,332,721</u>	<u>\$ 1,317,532</u>

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Investments Highly Sensitive to Interest Rate Changes

At December 31, 2018, the city held \$5,022,105, \$133,926, \$268,457 and \$382,810 in US agencies, US treasuries, state and local bonds and corporate bonds respectively. With all fixed income securities, as interest rates rise, the values will fall. The longer the time to maturity, the more sensitive the value will be to a change in interest rates. The longest time to maturity on any holding is 5 years maturing September 6, 2024.

See Note I.D.1. for further information on deposit and investment policies.

B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year, except for delinquent personal property taxes of \$49,453.

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 9,903,631	\$ -
Loan receivables	-	105,215
Interest on advance to TIF District No. 4	-	568
 Total Unearned/Unavailable Revenue for Governmental Funds	 \$ 9,903,631	 \$ 105,783

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Equipment Replacement Account

The sewer utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Impact Fee Account

The light and water utility and sewer utility has received impact fees which must be spent in accordance with the local ordinance and state statutes. Any unspent funds must be refunded to the current property owner.

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Community Development Block Grant

Restricted assets have been reported in connection with monies from the Community Development Block Grant (CDBG) federal program. These monies have been used to fund local community development activities in the City providing loans to local businesses. Outstanding loans have an interest rate of 2.00% and repayment goes through June 1, 2022.

Following is a list of restricted assets at December 31, 2018:

	Restricted Assets
Equipment replacement account	\$ 2,274,313
Light and Water impact fee account	229,769
Sewer impact fee account	536,259
CDBG account	946,676
CDBG receivables	105,215
Park impact fee account	287,119
Net pension asset	1,427,300
Total	\$ 5,806,651

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 8,249,524	\$ 82,000	\$ -	\$ 8,331,524
Construction in progress	<u>273,486</u>	<u>119,190</u>	<u>88,520</u>	<u>304,156</u>
Total Capital Assets Not Being Depreciated	<u>8,523,010</u>	<u>201,190</u>	<u>88,520</u>	<u>8,635,680</u>
Capital assets being depreciated				
Buildings and Improvements	24,475,920	800,222	77,845	25,198,297
Infrastructure	45,897,945	2,011,728	301,064	47,608,609
Vehicles	6,720,066	497,724	101,769	7,116,021
Machinery and Equipment	<u>4,065,388</u>	<u>76,133</u>	<u>78,078</u>	<u>4,063,443</u>
Total Capital Assets Being Depreciated	<u>81,159,319</u>	<u>3,385,807</u>	<u>558,756</u>	<u>83,986,370</u>
Total Capital Assets	<u>89,682,329</u>	<u>3,586,997</u>	<u>647,276</u>	<u>92,622,050</u>
Less: Accumulated depreciation for				
Buildings and Improvements	(3,856,136)	(574,894)	77,741	(4,353,289)
Infrastructure	(16,178,708)	(777,379)	301,064	(16,655,023)
Vehicles	(4,296,790)	(342,645)	57,707	(4,581,728)
Machinery and Equipment	<u>(2,528,947)</u>	<u>(288,291)</u>	<u>62,919</u>	<u>(2,754,319)</u>
Total Accumulated Depreciation	<u>(26,860,581)</u>	<u>(1,983,209)</u>	<u>499,431</u>	<u>(28,344,359)</u>
Net Capital Assets Being Depreciated	<u>54,298,738</u>	<u>1,402,598</u>	<u>59,325</u>	<u>55,642,011</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 62,821,748</u>	<u>\$ 1,603,788</u>	<u>\$ 147,845</u>	<u>\$ 64,277,691</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 44,234
Public safety	321,625
Public works	1,171,917
Health and human services	2,058
Culture, recreation and education	<u>443,375</u>
Total Governmental Activities Depreciation Expense	<u>\$ 1,983,209</u>

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Sewer				
Capital assets not being depreciated				
Land	\$ 1,736,597	\$ 100,484	\$ -	\$ 1,837,081
Construction in progress	<u>8,200</u>	<u>50,460</u>	<u>-</u>	<u>58,660</u>
Total Capital Assets Not Being Depreciated	<u>1,744,797</u>	<u>150,944</u>	<u>-</u>	<u>1,895,741</u>
Capital assets being depreciated				
Plant in service	<u>32,874,277</u>	<u>1,003,099</u>	<u>-</u>	<u>33,877,376</u>
Total Capital Assets Being Depreciated	<u>32,874,277</u>	<u>1,003,099</u>	<u>-</u>	<u>33,877,376</u>
Total Capital Assets	<u>34,619,074</u>	<u>1,154,043</u>	<u>-</u>	<u>35,773,117</u>
Less: Accumulated depreciation for				
Plant in service	<u>(22,808,356)</u>	<u>(1,191,268)</u>	<u>-</u>	<u>(23,999,624)</u>
Total Accumulated Depreciation	<u>(22,808,356)</u>	<u>(1,191,268)</u>	<u>-</u>	<u>(23,999,624)</u>
Net Capital Assets Being Depreciated	<u>10,065,921</u>	<u>(188,169)</u>	<u>-</u>	<u>9,877,752</u>
Net Sewer Capital Assets	<u>\$ 11,810,718</u>	<u>\$ (37,225)</u>	<u>\$ -</u>	<u>\$ 11,773,493</u>

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Light and Water</u>				
Capital assets not being depreciated				
Land	\$ 378,837	\$ -	\$ -	\$ 378,837
Construction in progress	<u>21,035</u>	<u>-</u>	<u>9,489</u>	<u>11,546</u>
Total Capital Assets Not Being Depreciated	<u>399,872</u>	<u>-</u>	<u>9,489</u>	<u>390,383</u>
Capital assets being depreciated				
Plant in service	<u>51,730,733</u>	<u>2,987,603</u>	<u>724,630</u>	<u>53,993,706</u>
Total Capital Assets Being Depreciated	<u>51,730,733</u>	<u>2,987,603</u>	<u>724,630</u>	<u>53,993,706</u>
Total Capital Assets	<u>52,130,605</u>	<u>2,987,603</u>	<u>734,119</u>	<u>54,384,089</u>
Less: Accumulated depreciation for				
Plant in service	<u>(17,080,945)</u>	<u>(1,739,450)</u>	<u>808,678</u>	<u>(18,011,717)</u>
Total Accumulated Depreciation	<u>(17,080,945)</u>	<u>(1,739,450)</u>	<u>808,678</u>	<u>(18,011,717)</u>
Net Capital Assets Being Depreciated	<u>34,649,788</u>	<u>1,248,153</u>	<u>(84,048)</u>	<u>35,981,989</u>
Net Light and Water Capital Assets	<u>\$ 35,049,660</u>	<u>\$ 1,248,153</u>	<u>\$ (74,559)</u>	<u>\$ 36,372,372</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 46,860,378</u>	<u>\$ 1,210,928</u>	<u>\$ (74,559)</u>	<u>\$ 48,145,865</u>

Depreciation expense was charged to functions as follows:

Business-type Activities

Sewer	\$ 1,191,268
Light and Water	<u>1,519,596</u>
 Total Business-type Activities Depreciation Expense	 <u>\$ 2,710,864</u>

Depreciation expense may be different from business-type activity accumulated depreciation additions because of joint metering, salvage, cost of removal, internal allocations, or costs associated with the disposal of assets.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
Capital Improvement Fund	Light and Water Utility	\$ 221
Capital Improvement Fund	Risk Management Fund	34,626
Special Revenue Fund - CDBG	General Fund	632
Debt Service Fund	Capital Improvement Fund	58,741
Special Revenue Fund - Fuel System	General Fund	14,276
Special Revenue Fund - Fuel System	Special Revenue Fund - Cemetary	296
Special Revenue Fund - Fuel System	Sewer Fund	6,744
Special Revenue Fund - Fuel System	Light and Water Utility	1,548
General Fund	Special Revenue Fund - Room Tax	1,207
General Fund	Capital Improvement Fund	24,496
General Fund	Special Revenue Fund - Library	1,185
General Fund	Special Revenue Fund - Fuel System	32,230
General Fund	Special Revenue Fund - EMS	10,766
General Fund	Capital Project Fund - TIF #4	2,999,350
General Fund	Capital Project Fund - TIF #5	9,868
General Fund	Light and Water Utility	397,270
General Fund	Special Revenue Fund - Cemetary	345
General Fund	Risk Management Fund	2,316
Light and Water Utility	General Fund	33,025
Light and Water Utility	Sewer Utility	12,832
Special Revenue Fund - Room Tax	General Fund	484
Sewer Utility	Capital Improvement Fund	33,059
Sewer Utility	General Fund	145,556
Sewer Utility	Light and Water Utility	195,239
Special Revenue Fund - Library	General Fund	85,491
Special Revenue Fund - Cemetary	General Fund	276
Special Revenue Fund - Recreation Programs	General Fund	99,132
Special Revenue Fund - Swimming Pool	General Fund	8,961
Total - Fund Financial Statements		4,210,172
Less: Fund eliminations		(3,979,087)
Less: Government-wide eliminations		(36,942)
Total Internal Balances - Government-Wide Statement of Net Position		\$ 194,143

Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 405,783
Business-type Activities	Governmental Activities	(211,640)
Total Government-Wide Financial Statements		\$ 194,143

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Interfund Receivables/Payables (cont.)

All amounts are due within one year.

The principal purpose of these interfunds is collecting items placed on tax roll. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advances

The General Fund is advancing funds to the Capital Project Fund - TIF District No. 3 and the Capital Project Fund - TIF District No. 4. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the district's inception. The General Fund is charging interest on the advance based on the average outstanding advance balance during the year at a rate of 1%. No repayment schedule has been established.

As of December 31, 2018, the General Fund has advanced \$29,098 to the Capital Project Fund - TIF District No. 3 and \$167,609 to the Capital Project Fund - TIF District No. 4.

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Light and Water Utility	\$ 815,431	Property tax equivalent
Debt Service Fund	Capital Improvement Fund	58,741	Debt service
Capital Improvement Fund	General Fund	75,000	Fund capital purchases
Capital Improvement Fund	Special Revenue Fund - Cemetery	7,000	To fund operations
Capital Improvement Fund	Special Revenue - Park Impact Fee	70,000	To fund operations
Special Revenue Fund - Swimming Pool	General Fund	11,500	To fund operations
Special Revenue Fund - Recreation Programs	General Fund	<u>1,000</u>	To fund operations
Total - Fund Financial Statements		1,038,672	
Less: Fund eliminations		<u>(223,241)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 815,431</u>	

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Transfers (cont.)

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
Governmental Activities	Business-type Activities	\$ 815,431
Business-type Activities	Governmental Activities	<u> -</u>
Total Government-wide Financial Statements		<u><u>\$ 815,431</u></u>

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 15,647,559	\$ 4,945,000	\$ 1,287,102	\$ 19,305,457	\$ 1,646,407
(Discounts)/Premiums	240,961	29,455	16,508	253,908	-
Sub-totals	<u>15,888,520</u>	<u>4,974,455</u>	<u>1,303,610</u>	<u>19,559,365</u>	<u>1,646,407</u>
Other Liabilities					
Compensated absences	499,723	16,454	-	516,177	40,441
Pollution remediation liability	487,200	-	-	487,200	-
Net pension liability	284,627	-	284,627	-	-
Total Other Liabilities	<u>1,271,550</u>	<u>16,454</u>	<u>284,627</u>	<u>1,003,377</u>	<u>40,441</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 17,160,070</u>	<u>\$ 4,990,909</u>	<u>\$ 1,588,237</u>	<u>\$ 20,562,742</u>	<u>\$ 1,686,848</u>
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 950,000	\$ -	\$ 40,000	\$ 910,000	\$ 45,000
(Discounts)/Premiums	25,514	-	1,343	24,171	-
Sub-totals	<u>975,514</u>	<u>-</u>	<u>41,343</u>	<u>934,171</u>	<u>45,000</u>
Other Liabilities					
Compensated absences	376,460	66,371	54,208	388,623	-
Other long-term liabilities	49,914	10,791	43,787	16,918	-
Net pension liability	106,695	-	106,695	-	-
Total Other Liabilities	<u>533,069</u>	<u>77,162</u>	<u>204,690</u>	<u>405,541</u>	<u>-</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 1,508,583</u>	<u>\$ 77,162</u>	<u>\$ 246,033</u>	<u>\$ 1,339,712</u>	<u>\$ 45,000</u>

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

In accordance with Wisconsin Statutes, total general obligation indebtedness of the city may not exceed 5% of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2018, was \$67,373,260. Total general obligation debt outstanding at year end was \$20,215,457.

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the city. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

Governmental Activities

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2018</u>
GO Notes	6/3/2015	3/1/2015	2.00%	\$ 3,470,000	\$ 2,685,000
GO Notes	9/5/2012	3/1/2027	0.50 - 2.20%	5,565,000	3,625,000
Build America Bonds	6/3/2010	3/15/2020	4.25%	800,000	185,457
GO Notes	5/18/2016	3/1/2036	1.50 - 3.00%	8,700,000	7,865,000
2018A GO Note	6/28/2018	3/1/2028	3.00%	1,230,000	1,230,000
2018B GO Note	11/14/2018	3/1/2038	3.0-4.25%	3,415,000	3,415,000
2018 State Trust Fund Loan	3/16/2018	3/15/2028	3.50%	300,000	<u>300,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 19,305,457</u>

Business-type Activities

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2018</u>
GO Notes	5/18/2016	3/1/2036	1.50 - 3.00%	\$ 1,005,000	<u>\$ 910,000</u>

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 1,646,407	\$ 438,063	\$ 45,000	\$ 19,813
2020	1,641,096	425,684	45,000	19,138
2021	1,657,396	337,930	45,000	18,462
2022	1,678,354	359,117	45,000	17,675
2023	1,319,347	327,308	45,000	16,775
2024-2028	5,492,857	1,210,139	240,000	69,925
2029-2033	3,215,000	698,923	265,000	43,712
2034-2038	2,655,000	190,401	180,000	8,100
Totals	<u>\$ 19,305,457</u>	<u>\$ 3,987,565</u>	<u>\$ 910,000</u>	<u>\$ 213,600</u>

Other Debt Information

Estimated payments of compensated absences and pollution remediation are not included in the debt service requirement schedules. The compensated absences liability and pollution remediation liability attributable to governmental activities will be liquidated primarily by the general fund.

G. LEASE DISCLOSURES

Lessor - Operating Leases

The City of Cedarburg entered into various legal agreements to use a portion of the City's water tower to attach antennae. For the year ended December 31, 2018, the City received \$151,179. The terms of the leases are for five years, with a right to extend for four additional five-year terms. The following is a summary of projected revenues for the next five years.

<u>Years</u>	<u>Governmental Activities Principal</u>
2019	\$ 165,953
2020	173,491
2021	181,382
2022	189,645
2023	162,740
Totals	<u>\$ 873,211</u>

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. POLLUTION REMEDIATION OBLIGATIONS

At year end December 31, 2018, the city was obligated to address the future pollution cleanup activities at Prochnow Landfill, due to federal or state laws and regulations. The city's obligation is to address the pollution remediation because the pollution created an imminent endangerment to public health or welfare or the environment. Examples of expected future remediation activity costs include legal services, site investigation, and required post-remediation monitoring costs. The amount reported as a pollution remediation obligation represents the current value of the cash flows expected to be paid for these activities. Any expected recoveries would be treated separately as a receivable when such reimbursements become measurable. As of December 31, 2018, the obligation was \$487,200. The city will recognize these liabilities and related expenses as an operating expense in the government-wide financial statements only when such costs become measurable. Because of this, the liability is subject to change as the city becomes aware of new information which may affect its estimate. Only when actual outlays are made are they recognized in the governmental fund financial statements as expenditures. This will also reduce the amount of the liability on the government-wide financial statements. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

I. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2018, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 8,331,524
Construction in progress	304,156
Other capital assets, net of accumulated depreciation	55,642,011
Less: Long-term debt outstanding	(19,305,457)
Plus: Noncapital debt proceeds	3,415,000
Plus: Unamortized refunding loss	81,119
Less: Unamortized debt premium	(253,908)
Total Net Investment in Capital Assets	48,214,445
Restricted	
Debt service	100,275
Community development	947,308
Park impact fees	287,119
Library	60,413
Pension	1,044,453
Total Restricted	2,439,568
Unrestricted	4,139,371
Total Governmental Activities Net Position	\$ 54,793,384

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

I. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2018, include the following:

	<u>General Fund</u>	<u>Capital Project Funds</u> <u>Capital Improvement Fund</u>	<u>TIF District No. 4</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
Fund Balances						
Nonspendable:						
Noncurrent receivables	\$ 49,453	\$ -	\$ -	\$ -	\$ -	\$ 49,453
Prepaid and materials and supplies	12,332	-	-	-	187,580	199,912
Advance to other fund	196,707	-	-	-	-	196,707
Restricted for:						
Debt service	-	-	-	176,455	-	176,455
Park impact fees	-	-	-	-	287,119	287,119
Community development	-	-	-	-	947,308	947,308
Library	-	-	-	-	60,413	60,413
TIF District No. 4	-	-	2,796,227	-	-	2,796,227
Assigned to:						
Revaluations	116,949	-	-	-	-	116,949
Subsequent year purchases	23,273	-	-	-	-	23,273
Subsequent years budget	200,000	-	-	-	-	200,000
Capital improvements	-	807,662	-	-	-	807,662
Cemetery	-	-	-	-	255,687	255,687
Room tax	-	-	-	-	484	484
Recreation programs	-	-	-	-	93,230	93,230
Fuel system	-	-	-	-	1,748	1,748
Swimming pool	-	-	-	-	7,281	7,281
Rescue/EMS	-	-	-	-	711,913	711,913
Unassigned (deficit):	<u>2,237,438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,356)</u>	<u>2,198,082</u>
Total Fund Balances	<u>\$ 2,836,152</u>	<u>\$ 807,662</u>	<u>\$ 2,796,227</u>	<u>\$ 176,455</u>	<u>\$ 2,513,407</u>	<u>\$ 9,129,903</u>

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

I. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 2,215,918
Construction in progress	70,206
Other capital assets, net of accumulated depreciation	45,859,741
Less: Long-term debt outstanding	(910,000)
Less: Unamortized debt premium	(24,171)
Total Net Investment in Capital Assets	47,211,694
Restricted	
Light and Water impact fees	229,769
Equipment replacement	2,274,313
Sewer impact fees	536,259
Pension	382,847
Total Restricted	3,423,188
Unrestricted	11,990,882
Total Business-type Activities Net Position	\$ 62,625,764

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants, if hired on or before 12/31/2016) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

Post-retirement adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2008	6.6%	0%
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$492,085 in contributions from the city.

Contribution rates for the plan year reported as of December 31, 2018 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

Pension Asset, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2018, the city reported an asset of \$1,427,300 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The city's proportion of the net pension asset was based on the city's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the city's proportion was 0.04807152%, which was an increase of 0.00059480% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the city recognized pension expense of \$653,797.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

At December 31, 2018, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,813,420	\$ 848,258
Changes in assumptions	282,006	-
Net differences between projected and actual earnings on pension plan investments	-	1,961,693
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	15,907
Employer contributions subsequent to the measurement date	<u>537,092</u>	<u>-</u>
Totals	<u>\$ 2,632,518</u>	<u>\$ 2,825,858</u>

\$537,092 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</u>
2019	\$ 148,572
2020	(17,737)
2021	(492,894)
2022	(371,784)
2023	3,411

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Liability (Asset):	December 31, 2017
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Long-term expected return on plan assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	50%	8.2%	5.3%
Fixed Income	24.5	4.2	1.4
Inflation Sensitive Assets	15.5	3.8	1.0
Real Estate	8	6.5	3.6
Private Equity/Debt	8	9.4	6.5
Multi-Asset	4	6.5	3.6
Total Core Fund	110	7.3	4.4
 <u>Variable Fund Asset Class</u>			
U.S Equities	70	7.5	4.6
International Equities	30	7.8	4.9
Total Variable Fund	100	7.9	5.0

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sensitivity of the city's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the city's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 percent, as well as what the city's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
City's proportionate share of the net pension liability (asset)	\$3,692,913	\$(1,427,300)	\$(5,318,821)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

At December 31, 2018, the city reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

The city is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The city participates in a public entity risk pool called to provide coverage for losses from torts; theft of, damage to, or destruction of assets; errors and omission; workers compensation; and health care of its employees. However, other risks, such as torts; theft of, damage to, or destruction of assets; errors and omission; workers compensation; and health care of its employees are accounted for and financed by the city in the general fund.

Public Entity Risk Pool

Wisconsin Municipal Insurance Commission (WMIC) Cities and Villages Mutual Insurance Company (CVMIC)

The WMIC is an intergovernmental cooperation commission created by contract under Section 66.30 of the Wisconsin Statutes. It was created in August, 1987 for the purpose of facilitating the organization, establishment and capitalization of the CVMIC, and has numerous cities and villages as members.

The CVMIC is a municipal mutual insurance company established on September 14, 1987 under Section 611.23 of the Wisconsin Statutes. The CVMIC provides liability insurance coverage to the cities and villages which make up the membership of the WMIC.

The CVMIC is self-insured up to a maximum of \$2,000,000 of each insurance risk. Losses paid by CVMIC plus administrative expenses will be recovered through premiums to the participating pool of municipalities. The city's share of such losses is not material.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool (cont.)

**Wisconsin Municipal Insurance Commission (WMIC)
Cities and Villages Mutual Insurance Company (CVMIC)** (cont.)

Management of each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The city does not exercise any control over the activities of the agencies beyond the election of the officers and board.

Financial statements of WMIC and CVMIC can be obtained directly from CVMIC's offices.

The city pays an annual premium to CVMIC for its general liability insurance, which provides coverage up to \$5,000,000 per occurrence, less the city's retained liability. The city's retained liability is limited to \$17,500 per occurrence and an annual aggregate limit of \$70,000. An actuarially determined estimate has been recorded for this liability, as well as for claims incurred but not reported at December 31, 2018. A total liability of approximately \$89,365 at December 31, 2018, was recorded as claims payable in the insurance internal service fund. Changes in the fund's claims loss liability follow:

	Beginning Balance	Incurred Claims	Claims Paid/ Settled	Ending Balance
2017	\$ 42,556	\$ 689,166	\$ 639,552	\$ 92,170
2018	92,170	658,171	660,976	89,365

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the city is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the city attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the city's financial position or results of operations.

The city has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

Long-Term Contracts - WPPI Energy

The electric utility is one of 51 WPPI Energy member municipalities located throughout the State of Wisconsin. On December 1, 1989, each initial WPPI Energy member commenced purchasing electric service from WPPI Energy under a long-term Power Supply Contract for Participating Members (long-term contract). Under the long-term contract, WPPI Energy is obligated to provide and sell, and each member is obligated to take and pay for, the electric power and energy required for the operation of each member's electric utility.

The long-term contract requires all WPPI Energy members to pay for power and energy requirements supplied or made available by WPPI Energy at rates sufficient to cover WPPI Energy's revenue requirement including power supply costs, administrative expenses and debt service. WPPI Energy's subsequent year's operating budget and rates are approved annually by its Board of Directors, consisting of representatives from each member. The members have agreed to charge rates to retail customers sufficient to meet their WPPI Energy obligations. The long-term contract provides that all payments to WPPI Energy constitute operating expenses of the utility payable from any operating and maintenance fund established for that system.

Forty-nine members, representing approximately 98% of WPPI Energy's existing load, have long-term contracts through December 31, 2055. The remaining two members have long-term contracts through December 31, 2037.

WPPI Energy's outstanding debt service obligation to be paid by its members through their wholesale power charges through the remainder of the long-term contract was \$342 million as of December 31, 2018.

Claims and Other Legal Procedures

During 2011, the light and water utility added an aeration system at Well #4 due to contamination by vinyl chloride. Parties believed to be responsible for the contamination were notified of the problem and the utility is seeking reimbursement from the potentially responsible parties for costs associated with the aeration system at Well #4 which the utility believes were necessitated because of contamination originating at the closed landfill. This process of seeking and obtaining reimbursement is expected to take several years. During 2014, as part of a water rate application with the PSCW the costs associated with the aeration system at Well #4 were reclassified as utility financed plant and the related contribution reversed allowing these costs to be recovered from rate payers until such time as reimbursement is received from the potentially responsible parties. Although the utility has financed all costs to date of the aeration system at Well #4, cost recovery is expected from the potentially responsible parties. Additional legal and consulting fees incurred after this date may be recoverable in the future.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

Municipal Revenue Obligation - HSI Arrabelle, LLC

In 2018, the city issued a municipal revenue obligation as part of a development agreement. The amount of the obligation is \$1,925,000, and is payable to the developer solely from tax increments collected from a specific portion of the development in TIF No. 5.

Payments are scheduled through the year 2046, and carry an interest rate of 0%. The obligation does not constitute a charge upon any funds of the city. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the city. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year end is \$1,925,000.

D. TAX ABATEMENT

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Developer Incentive - Cedarburg Land and Cattle, LLC

In 2014, the city provided a developer incentive as part of TIF District No. 3. The incentive is based on the completed project value or value at January 1, 2020, whichever occurs first, less the base value multiplied by 25%. The developer has committed to creating a total real property tax increment in the project area with an equalized value of at least \$950,000. There were no payments made for the year ended December 31, 2018. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the city. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability in the accompanying financial statements.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

D. TAX ABATEMENT (cont.)

Developer Incentive - Oliver Fiontar, LLC

In 2017, the city entered into a development agreement as part of TIF District No. 4. The agreement relates to a property that is at an economic disadvantage to other available sites due to its blighted condition. The City has provided an incentive to the developer for the difference in costs compared to other available sites in an amount not to exceed \$3,053,000. Once the funding has been spent the developer is responsible to cover the remaining costs.

In return for the overall minimum equalized property valuation of the development of \$10,025,000 for buildings to be constructed or rehabilitated on the sites, the CDA will contribute an amount not to exceed \$275,000 toward the redevelopment as developer assistance. This amount shall be based upon the final development plan, expected valuation of same and completion dates for occupancy of all buildings to be constructed. In no event shall any developer assistance payment be due and payable if the developer is in default. This payment will be allocated, prorated and paid pursuant to the following schedule, terms and conditions:

1. \$70,000 upon the later of execution of the agreement and final acquisition of the property
2. \$70,000 upon proof of razing and removal of all existing buildings on the property; except commercial office building
3. \$70,000 upon developer receiving building permits from the City and commencing construction for at least \$1,000,000 of new construction
4. \$65,000 upon developer showing proof of remediation of the property to the point in time that building occupancy has been granted and reaches a new construction combined equalized value of \$4,775,000

In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the city. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability in the accompanying financial statements. As of December 31, 2018, the City balances of these commitments are \$2,598,000 and \$275,000.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 87, *Leases*
- Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*

When they become effective, application of these standards may restate portions of these financial statements.

CITY OF CEDARBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

F. MID-MORAINES MUNICIPAL COURT

During 2002, the City became a member of the Mid-Moraine Municipal Court. The Court handles collection of fines, fees and penalties and then distributes them to the originating municipality. The City's share of court expenses is determined based on the number of citations and complaints filed on behalf of the City compared to that of the other participating municipalities. This agreement will terminate on April 30, 2021.

<u>Municipality</u>	<u>% Expenses Paid</u>
City of Cedarburg	3.24 %
Village of Grafton	7.07
Village of Thiensville	2.58
City of West Bend	28.29
Village of Germantown	11.84
City of Hartford	11.55
Village of Kewaskum	3.13
Village of Slinger	5.94
Village of Jackson	3.82
City of Port Washington	4.97
Village of Saukville	3.73
Town of Hartford	0.34
City of Mequon	11.45
Town of Trenton	1.81
Village of Newburg	0.14
Village of Fredonia	<u>0.10</u>
Total	<u><u>100.00</u></u> %

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CEDARBURG

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL - GENERAL FUND
For the Year Ended December 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 6,133,050	\$ 6,133,050	\$ 6,137,384	\$ 4,334
Intergovernmental	876,083	876,083	952,889	76,806
Licenses and permits	411,820	396,495	646,064	249,569
Fines, forfeitures and penalties	67,500	67,500	56,853	(10,647)
Public charges for services	117,545	142,770	169,123	26,353
Intergovernmental charges for services	243,643	243,643	228,454	(15,189)
Investment income	46,554	46,554	94,696	48,142
Miscellaneous	181,657	190,417	212,424	22,007
Total Revenues	8,077,852	8,096,512	8,497,887	401,375
EXPENDITURES				
Current				
General government	1,130,334	1,446,954	1,047,784	399,170
Public safety	4,105,528	4,063,028	4,026,517	36,511
Public works	2,631,573	2,581,602	2,457,524	124,078
Culture, recreation and education	957,719	1,025,039	1,031,583	(6,544)
Conservation and development	119,647	112,997	113,612	(615)
Capital Outlay	365,000	121,800	172,636	(50,836)
Total Expenditures	9,309,801	9,351,420	8,849,656	501,764
Excess (deficiency) of revenues over (under) expenditures	(1,231,949)	(1,254,908)	(351,769)	903,139
OTHER FINANCING SOURCES (USES)				
Transfers in	832,349	832,349	815,431	(16,918)
Transfers out	(87,500)	(87,500)	(87,500)	-
Proceeds from sale of capital assets	-	-	1,920	1,920
Total Other Financing Sources (Uses)	744,849	744,849	729,851	(14,998)
Net Change in Fund Balance	\$ (487,100)	\$ (510,059)	378,082	\$ 888,141
FUND BALANCE - Beginning of Year			2,458,070	
FUND BALANCE - END OF YEAR			\$ 2,836,152	

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF CEDARBURG

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET) -
WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2018

<u>WRS Fiscal Year End</u>	<u>Proportion of the Net Pension Liability/(Asset)</u>	<u>Proportionate Share of the Net Pension Liability/(Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
12/31/14	0.046698590%	\$ (1,146,730)	\$ 5,899,895	19.44%	102.74%
12/31/15	0.046968390%	\$ 763,227	\$ 6,094,159	12.52%	98.20%
12/31/16	0.047476720%	\$ 391,322	\$ 6,246,295	6.26%	99.12%
12/31/17	0.048071520%	\$ (1,427,300)	\$ 6,313,813	22.61%	102.93%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2018

<u>City's Fiscal Year End</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 463,416	\$ 463,416	\$ -	\$ 6,094,159	7.60%
12/31/16	\$ 463,871	\$ 463,871	\$ -	\$ 6,246,295	7.43%
12/31/17	\$ 508,899	\$ 508,899	\$ -	\$ 6,313,813	8.06%
12/31/18	\$ 537,092	\$ 537,092	\$ -	\$ 6,587,858	8.15%

CITY OF CEDARBURG

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION As of and for the Year Ended December 31, 2018

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

The budgeted amounts presented include any amendments made. The city may authorize transfers of budgeted amounts within functions. Transfers between functions and changes to the overall budget must be approved by a two-thirds council action.

Appropriations lapse at year end unless specifically carried over. There was \$23,273 carried over to the following year. Budgets are adopted at the function level of expenditure for the general fund and total expenditures for the all other funds.

WISCONSIN RETIREMENT SYSTEM PENSION

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The city is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Changes of benefit terms. There were no changes of benefit terms for any participating employer in Wisconsin Retirement System.

Change of assumptions. There were no changes in assumptions.

SUPPLEMENTARY INFORMATION

CITY OF CEDARBURG

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
As of December 31, 2018**

	Special Revenue Funds			
	Cemetery Fund	Room Tax Fund	Recreation Programs Fund	Fuel System Fund
ASSETS				
Unrestricted cash and investments	\$ 258,392	\$ -	\$ -	\$ -
Restricted cash and investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Accounts	-	23,429	323	2,165
Loans	-	-	-	-
Inventory	-	-	-	20,260
Prepaid expenses	-	-	-	-
Due from other funds	277	484	99,132	22,864
Total Assets	<u>\$ 258,669</u>	<u>\$ 23,913</u>	<u>\$ 99,455</u>	<u>\$ 45,289</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICITS)				
Liabilities				
Accounts payable	\$ 58	\$ 22,222	\$ 4,220	\$ 11,311
Accrued liabilities	292	-	2,005	-
Due to other funds	642	1,207	-	32,230
Due to other governments	-	-	-	-
Advance from other funds	-	-	-	-
Total Liabilities	<u>992</u>	<u>23,429</u>	<u>6,225</u>	<u>43,541</u>
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Unearned revenues	1,990	-	-	-
Total Deferred Inflows of Resources	<u>1,990</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	255,687	484	93,230	1,748
Unassigned (deficit)	-	-	-	-
Total Fund Balances (Deficit)	<u>255,687</u>	<u>484</u>	<u>93,230</u>	<u>1,748</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	<u>\$ 258,669</u>	<u>\$ 23,913</u>	<u>\$ 99,455</u>	<u>\$ 45,289</u>

Special Revenue Funds					Capital Project Funds		Total Nonmajor Governmental Funds
Community Development Block Grant Fund	Swimming Pool Fund	Park Impact Fee Fund	Library Fund	Rescue/EMS	TIF District No. 3	TIF District No. 5	
\$ -	\$ 36,656	\$ -	\$ 399,670	\$ 648,191	\$ -	\$ -	\$ 1,342,909
946,676	-	287,119	-	-	-	-	1,233,795
-	30,773	-	329,593	-	-	-	360,366
-	-	-	-	84,500	-	-	110,417
105,215	-	-	-	-	-	-	105,215
-	-	-	-	-	-	-	20,260
-	-	-	1,185	187,580	-	-	188,765
632	8,961	-	85,491	-	-	-	217,841
<u>\$ 1,052,523</u>	<u>\$ 76,390</u>	<u>\$ 287,119</u>	<u>\$ 815,939</u>	<u>\$ 920,271</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,579,568</u>
\$ -	\$ 41	\$ -	\$ 7,675	\$ -	\$ -	\$ -	\$ 45,527
-	1,580	-	24,472	10,012	-	-	38,361
-	-	-	1,185	10,766	-	9,868	55,898
-	59	-	-	-	-	-	59
-	-	-	-	-	29,098	-	29,098
-	1,680	-	33,332	20,778	29,098	9,868	168,943
105,215	-	-	-	-	-	-	105,215
-	67,429	-	722,194	-	390	-	792,003
<u>105,215</u>	<u>67,429</u>	<u>-</u>	<u>722,194</u>	<u>-</u>	<u>390</u>	<u>-</u>	<u>897,218</u>
-	-	-	-	187,580	-	-	187,580
947,308	-	287,119	60,413	-	-	-	1,294,840
-	7,281	-	-	711,913	-	-	1,070,343
-	-	-	-	-	(29,488)	(9,868)	(39,356)
<u>947,308</u>	<u>7,281</u>	<u>287,119</u>	<u>60,413</u>	<u>899,493</u>	<u>(29,488)</u>	<u>(9,868)</u>	<u>2,513,407</u>
<u>\$ 1,052,523</u>	<u>\$ 76,390</u>	<u>\$ 287,119</u>	<u>\$ 815,939</u>	<u>\$ 920,271</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,579,568</u>

CITY OF CEDARBURG

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 For the Year Ended December 31, 2018

	Special Revenue Funds			
	Cemetery Fund	Room Tax Fund	Recreation Programs Fund	Fuel System Fund
REVENUES				
Taxes	\$ -	\$ 83,226	\$ -	\$ -
Intergovernmental	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Public charges for services	13,275	-	268,078	1,748
Investment income	4,040	-	-	-
Miscellaneous	13,920	-	13,932	-
Total revenues	<u>31,235</u>	<u>83,226</u>	<u>282,010</u>	<u>1,748</u>
EXPENDITURES				
Current				
Public safety	-	-	-	-
Health and human services	36,121	-	-	-
Culture, recreation and education	-	-	280,733	-
Conservation and development	-	83,204	-	-
Capital Outlay	-	-	-	-
Total expenditures	<u>36,121</u>	<u>83,204</u>	<u>280,733</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(4,886)</u>	<u>22</u>	<u>1,277</u>	<u>1,748</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,000	-
Transfers out	(7,000)	-	-	-
Total Other Financing Sources (Uses)	<u>(7,000)</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
Net Changes in Fund Balances	(11,886)	22	2,277	1,748
FUND BALANCES (DEFICIT) - Beginning of Year	<u>267,573</u>	<u>462</u>	<u>90,953</u>	<u>-</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 255,687</u>	<u>\$ 484</u>	<u>\$ 93,230</u>	<u>\$ 1,748</u>

Special Revenue Funds					Capital Project Funds		Total Nonmajor Governmental Funds
Community Development Block Grant Fund	Swimming Pool Fund	Park Impact Fee Fund	Library Fund	Rescue/EMS Fund	TIF District No. 3	TIF District No. 5	
\$ -	\$ 69,652	\$ -	\$ 722,194	\$ -	\$ 289	\$ -	\$ 875,361
-	-	-	217,020	5,654	-	-	222,674
-	-	-	19,568	-	-	-	19,568
-	238,238	207,204	2,224	553,999	-	13,000	1,297,766
14,655	-	3,821	-	4,951	-	-	27,467
<u>35,020</u>	<u>4,785</u>	<u>-</u>	<u>12,110</u>	<u>5,575</u>	<u>-</u>	<u>-</u>	<u>85,342</u>
<u>49,675</u>	<u>312,675</u>	<u>211,025</u>	<u>973,116</u>	<u>570,179</u>	<u>289</u>	<u>13,000</u>	<u>2,528,178</u>
-	-	-	-	372,286	-	-	372,286
-	-	-	-	-	-	-	36,121
-	301,022	-	943,116	-	-	-	1,524,871
3,727	-	-	-	-	5,261	22,868	115,060
-	15,887	-	2,362	14,130	-	-	32,379
<u>3,727</u>	<u>316,909</u>	<u>-</u>	<u>945,478</u>	<u>386,416</u>	<u>5,261</u>	<u>22,868</u>	<u>2,080,717</u>
<u>45,948</u>	<u>(4,234)</u>	<u>211,025</u>	<u>27,638</u>	<u>183,763</u>	<u>(4,972)</u>	<u>(9,868)</u>	<u>447,461</u>
-	11,500	-	-	-	-	-	12,500
-	-	(70,000)	-	-	-	-	(77,000)
-	11,500	(70,000)	-	-	-	-	(64,500)
45,948	7,266	141,025	27,638	183,763	(4,972)	(9,868)	382,961
<u>901,360</u>	<u>15</u>	<u>146,094</u>	<u>32,775</u>	<u>715,730</u>	<u>(24,516)</u>	<u>-</u>	<u>2,073,684</u>
<u>\$ 947,308</u>	<u>\$ 7,281</u>	<u>\$ 287,119</u>	<u>\$ 60,413</u>	<u>\$ 899,493</u>	<u>\$ (29,488)</u>	<u>\$ (9,868)</u>	<u>\$ 2,513,407</u>

CITY OF CEDARBURG

MEETING DATE: May 13, 2019

ITEM NO: 9. A.

TITLE: Consider bids received for the 2019 asphalt pavement repair program; and action thereon.

ISSUE SUMMARY: Staff advertised for and received bids for the 2019 asphalt repair program. This years' program involves the resurfacing of the southbound lane of Washington Avenue between Evergreen Boulevard and Fair Street. The surface asphalt layer has deteriorated in this area, and the best fix is to mill and overlay the top 2-inches of asphalt.

Three bids were received for the work, and to our surprise, the bids were very competitive and well below our estimate. The lowest responsive bid was submitted by Parking Lot Maintenance, Inc. in the amount of \$23,269.00.

STAFF RECOMMENDATION: Staff recommends awarding the 2019 asphalt pavement repair contract to Parking Lot Maintenance, Inc. based on of their low unit price bid of \$23,269.00. We also request authorization to expand the areas to be resurfaced at the unit price bid, not-to-exceed a total of \$45,000.

BOARD, COMMISSION, OR COMMITTEE RECOMMENDATION: N/A

BUDGETARY IMPACT: \$50,000 was budgeted for the asphalt repair contract.

ATTACHMENTS: Bid tabulation

INITIATED/REQUESTED BY: Tom Wiza/Mike Wieser

FOR MORE INFORMATION CONTACT: Tom Wiza
Director of Engineering and Public Works 262-375-7610

City of Cedarburg 2019 Asphalt Pavement Repair Project 2019-05 - Bid Tab

Item #	Description	Units	Quantity	Parking Lot Maintenance		Payne & Dolan		Stark Pavement Corporation	
				Unit Price	Total	Unit Price	Total	Unit Price	Total
1	Traffic Control	LS	1	\$400.00	\$400.00	\$1,000.00	\$1,000.00	\$1,200.00	\$1,200.00
2	2" Mill & Overlay	SY	1,350	\$16.94	\$22,869.00	\$17.00	\$22,950.00	\$18.25	\$24,637.50
TOTAL					\$23,269.00		\$23,950.00		\$25,837.50

CITY OF CEDARBURG

MEETING DATE: May 13, 2019

ITEM NO: 9. B.

TITLE: Consider closing Portland Road between Mill Street and Hilbert Avenue from 5:00 a.m. to 2:00 p.m. on July 27, 2019 for the Wisconsin Women Cycling – 2019 Wisconsin Bike Festival & Century Rides and demonstrations; and action thereon

ISSUE SUMMARY: The Wisconsin Women’s Cycling Federation is requesting the section of Portland Road closed to motor vehicle traffic between Mill Street and Hilbert Avenue between the hours of 5:00 a.m. and 2:00 p.m. It will be used as the Start/Finish area for the Wisconsin Women’s Cycling – 2019 Wisconsin Bike Festival & Century Ride routes as well as Bike Festival demonstrations and exhibitions.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION: None

BUDGETARY IMPACT: None

ATTACHMENTS: map

INITIATED/REQUESTED BY: Cindy Petted, Chief Soigneur, Wisconsin Women Cycling

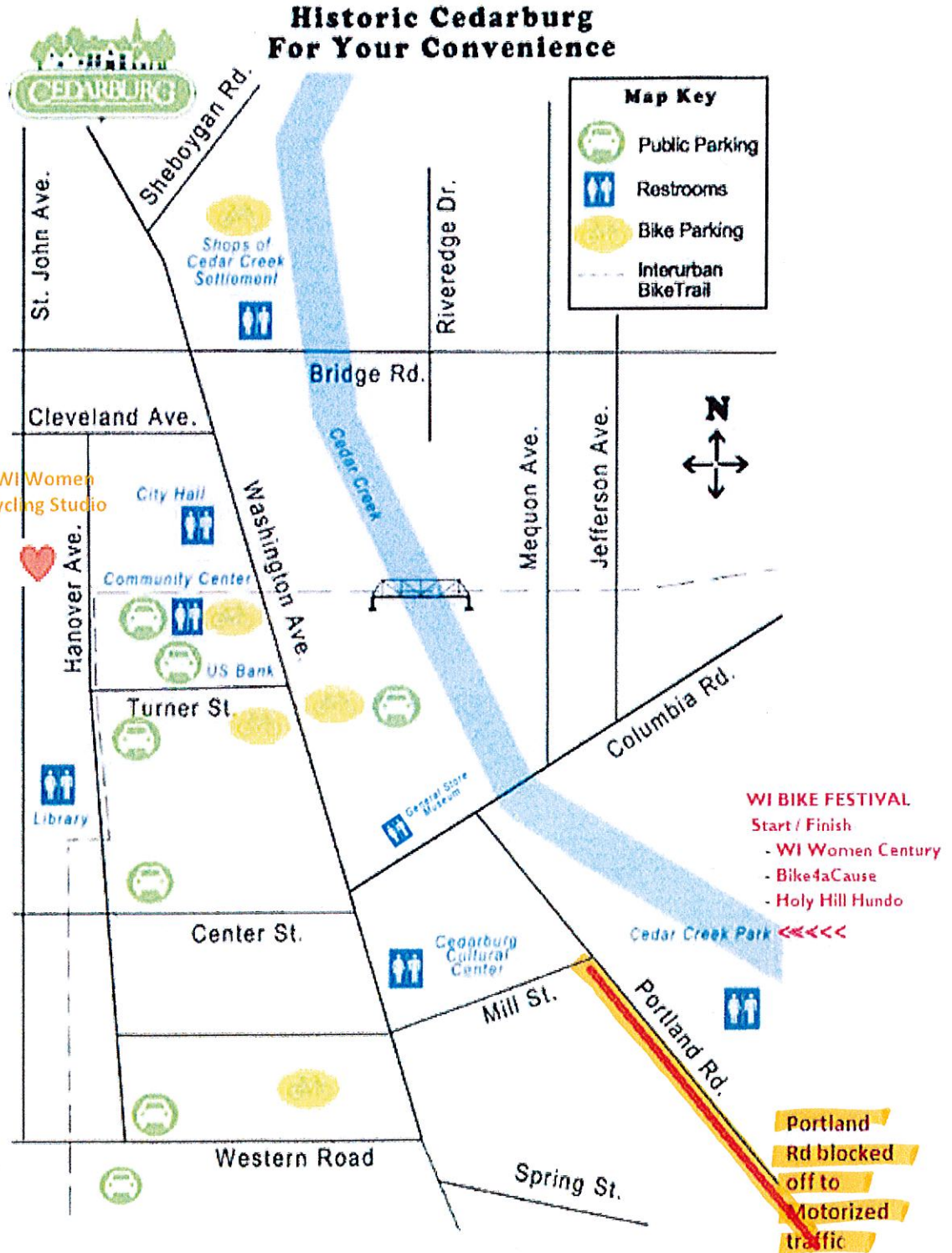
FOR MORE INFORMATION CONTACT: Amy Kletzien, Deputy Clerk (375-7605)

2019 Wisconsin Bike Festival & Century Rides

2 Days | 3 Rides | Loads Of Fun!

www.WisconsinWomenCycling.com

Map with Parking and Restrooms



There are several public parking lots throughout Cedarburg. Parking is also allowed on the streets, where marked.

NOTE: Portland Road will be blocked off to motorized traffic. If you feel you need access, call Cindy @ 920-901-1233 to make arrangements.

CITY OF CEDARBURG

MEETING DATE: May 13, 2019

ITEM NO: 9. C.

TITLE: Consider the appointment of Steven Jacomet as agent for Walgreens #13620 at W26 N190 Washington Avenue; and action

ISSUE SUMMARY: All corporations holding an alcohol beverage license must appoint an agent who is given full authority and control over the licensed premises and over all commercial activities on the premises relating to alcohol beverages. Walgreens has appointed Steven Jacomet agent to replace Brett Zingsheim. This change must be approved by the Common Council per State Statutes. The agent must, with respect to character, record and reputation, be satisfactory to the Council.

The Police Department has completed a background check and Chief Frank has no objection to the agent appointment.

STAFF RECOMMENDATION: Approve the appointment of Steven Jacomet as agent for Walgreens #13620 at W62 N190 Washington Avenue.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION: N/A

BUDGETARY IMPACT: \$10 fee for change in appointment.

ATTACHMENTS: None

INITIATED/REQUESTED BY: Walgreens

FOR MORE INFORMATION CONTACT: Connie McHugh, City Clerk 376-3919

CHAPTER 5

Ethics Code

(Ord. 2004-08)

2-5-1	Declaration of Policy
2-5-2	Responsibility of Public Office
2-5-3	Dedicated Service
2-5-4	Fair and Equal Treatment
2-5-5	Conflict of Interest
2-5-6	Advisory Opinion
2-5-7	Jurisdiction and Application
2-5-8	Sanctions
2-5-9	Distribution of Ethics Code

SEC. 2-5-1 DECLARATION OF POLICY.

The proper operation of democratic government requires that public officials and employees be independent, impartial and responsible to the people; that government decisions and policy be made in proper channels of the governmental structure; that public office is not to be used for personal gain; and that the public have confidence in the integrity of its government. In recognition of these goals, there is established in this Chapter a code of ethics for all City of Cedarburg officials and employees whether elected or appointed, paid or unpaid, including members of Council as well as boards, committees and commissions of the City (City agencies). The purpose of this Ethics Code is to establish guidelines for ethical standards of conduct for all such officials and employees by setting forth those acts or actions that are incompatible with the best interests of the City of Cedarburg and by directing disclosure by such officials and employees of private financial or other interests in matters affecting the City.

SEC. 2-5-2 RESPONSIBILITY OF PUBLIC OFFICE.

Public officials and employees are agents of public purpose and hold office for the benefit of the public. They are bound to uphold the Constitution of the United States and the Constitution of this State and carry out impartially the laws of the nation, state and municipality, to observe in their official acts the highest standards of morality and to discharge faithfully the duties of their office regardless of personal considerations, recognizing that the public interest must be their prime concern.

SEC. 2-5-3 DEDICATED SERVICE.

- (a) Officials and employees should adhere to the rules of work, professionalism and performance established as the standard for their positions by the appropriate authority.
- (b) Officials and employees should not exceed their authority or breach the law or ask others to do so, and they should work in full cooperation with other public officials and employees unless prohibited from so doing by law or by officially recognized confidentiality of their

work.

SEC. 2-5-4 FAIR AND EQUAL TREATMENT.

- (a) **Use of Public Property.** No official or employee shall request or permit the unauthorized use of City-owned vehicles, equipment, materials or property for personal convenience or profit.
- (b) **Fundraising.** With the exception of fundraising for purposes of raising money for City departmental programming, equipment, or capital projects, which may occur subject to Council approval and all provisions of this Code and the State Statutes, the following shall be prohibited:
 - (1) No official or employee shall request or permit the use of city resources, city time or city equipment for the purpose of fundraising.
 - (2) No official or employee shall use his or her position, authority or influence, whether possessed or anticipated, to represent themselves as a city official or employee for private or public fundraising. (Ord. 2015-13)
- (b) **Obligations to Citizens.** No official or employee shall grant any special consideration, treatment or advantage to any citizen beyond that which is available to every other citizen.

SEC. 2-5-5 CONFLICT OF INTEREST.

- (a) **Financial and Personal Interest Prohibited.** No official or employee, whether paid or unpaid, shall engage in any business or transaction or shall act in regard to financial or other personal interest, direct or indirect, which is incompatible with the proper discharge of official duties in the public interest contrary to the provisions of this Chapter or which would tend to impair independence of or action in the performance of official duties.
- (b) **Definitions.**
 - (1) Financial Interest. Any interest which shall yield, directly or indirectly, a monetary or other material benefit to the officer or employee or to any person employing or retaining the services of the officer or employee.
 - (2) Personal Interest. Any interest arising from blood or marriage relationships or from close business or political associations, whether or not any financial interest is involved.
 - (3) Person. Any individual or legal entity.
- (c) **Specific Conflicts Enumerated.**
 - (1) Incompatible Employment. No official or employee shall engage in or accept private employment or render service for private interest when such employment or service is incompatible with the proper discharge of official duties or would tend to impair independence of judgment or action in the performance of official duties, unless otherwise permitted by law.
 - (2) Disclosure of Confidential Information. No official or employee shall, without proper legal authorization, disclose confidential information concerning the property, government or affairs of the City, nor shall such information be used to advance the financial or other private interests of the official or employee or others.

(3) Gifts and Favors.

- a. No public official or employee may use his or her public office to "obtain financial gain" or "anything of value" for the private benefit of himself or herself, for his or her immediate family, or for an organization with which he or she is associated.
- b. No person may directly or indirectly offer or give "anything of value" to a local public official or employee if it could reasonably be expected to affect that official's vote, official action or judgment, or if it could be construed as a reward for any official action or inaction on the part of the local public official or employee. No local public official or employee may accept "anything of value" tendered under such circumstances. "Anything of value" is defined as "money or property, favor, service, payment, advance, forbearance, loan or promise of future employment". Legal campaign contributions are exempt from the definitions. An official or employee is not to accept hospitality if, after consideration of the surrounding circumstances, it could reasonably be concluded that such hospitality would not be extended were it not for the fact that the guest, or a member of the guest's immediate family, was a City official or employee. This includes any discount on the price of admission, parking, or use of a box at a stadium that is tax exempt from general property taxes. Participation in celebrations, grand openings, open houses, informational meetings and similar events are excluded from this prohibition. This paragraph further shall not be construed to prevent candidates for elective office from accepting hospitality from citizens for the purpose of supporting the candidate's campaign.
- c. No local public official or employee may take any official action that affects a matter in which the public official or employee, a member of his or her immediate family, or an organization with which the official or employee is associated has a substantial financial interest.
- d. No local public official or employee may use his or her office or position in any way that produces or assists in producing a substantial benefit, either directly or indirectly, for the official or employee, any members of his or her immediate family, or an organization with which the official or employee is associated.

(4) Representing Private Interests Before City Agencies or Courts. No officer or employee shall appear on behalf of any private person (other than him or herself, his or her spouse or minor children) before any City agency. However, members of the Common Council may appear before City agencies on behalf of constituents in the course of their duties as representatives of the electorate or in the performance of public or civic obligations.

(d) **Contracts with the City.** No City officer or employee who, in his capacity as such officer or employee, participates in the making of a contract in which he has a private pecuniary interest, direct or indirect, or performs in regard to that contract with some function requiring the exercise of discretion on his part shall enter into any contract with the City unless it is within the confines of Sec. 946.13

(e) **Disclosure of Interest in Legislation.**

- (1) Any member of the Common Council who has a financial interest or personal interest in any proposed legislation before the Common Council shall disclose on the records of the Common Council or the Ethics Board created by this Chapter the nature and extent of such interest.
- (2) Any other official or employee who has a financial interest or personal interest in any proposed legislative action of the Common Council or who serves on a board or committee, shall disclose the nature and extent of such interest.
- (3) If there is a conflict of interest for any official or employee, he or she must refrain from participating in any way including discussion, deliberations or action on the item.

SEC. 2-5-6 ADVISORY OPINION.

Any questions as to the interpretation of any provisions of this Code of Ethics Chapter shall be referred to the Personnel Committee serving as the Ethics Board or the City Attorney. The fact that a person seeks an advisory opinion and abides by the material facts as stated, is evidence of intent to comply with the Ethics Code.

SEC. 2-5-7 JURISDICTION AND APPLICATION.

- (a) The Personnel Committee shall have administrative jurisdiction over this Code of Ethics Chapter and shall be deemed the Ethics Board pursuant to Section 19.59 (3)(d) Wis. Stats. for that purpose. An individual may request an advisory opinion on the propriety of any matter to which he or she is or may become a party. However, the Personnel Committee has complete discretion as to whether to issue such an opinion. All requests and advisory opinions to the Ethics Board must be in writing.
- (b) The Personnel Committee may make recommendations with respect to amendments to this Code of Ethics Chapter.
- (c) Upon the sworn complaint of any person alleging facts which, if true, would constitute improper conduct under the provisions of this Chapter, the Personnel Committee shall conduct an investigation of the facts of the complaint; if the investigation indicates there may be a reasonable basis for the complaint justifying further investigation, the Committee shall conduct a public hearing in accordance with the common law requirements of due process, including notice, an opportunity to be heard, an opportunity to cross-examine witnesses and to present testimony and other evidence in support of the accused's position and an opportunity to be represented by counsel or other representatives at the expense of the accused. The Committee shall make written findings of fact and issue a written decision concerning the propriety of the conduct of the subject official or employee and shall refer the matter to the Common Council for final disposition.
- (d) In the event a member of the Personnel Committee is allegedly involved in an Ethics Code violation, the Mayor, subject to the confirmation of the Common Council, shall appoint another Council Member to temporarily replace the member of the Committee who is under investigation.

SEC. 2-5-8 SANCTIONS.

A determination that an official's or employee's actions constitute improper conduct under the provisions of this Chapter may constitute a cause of suspension, removal from office or employment or other action permitted by law.

SEC. 2-5-9 DISTRIBUTION OF ETHICS CODE.

- (a) The City Clerk shall cause a copy of this Code of Ethics to be distributed to every public official and employee of the City of Cedarburg within thirty (30) days after enactment of this Chapter. Each public official and employee elected, appointed or engaged thereafter shall be furnished a copy before entering upon his duties.
- (b) Each public official, the Mayor, the Chairman of each Board, Commission or Committee and, through the City Administrator, the Head of each Department shall, between May 1 and May 31 each year, review the provisions of this Code with his fellow Council, Board, Commission, Committee members or subordinates as the case may be and certify to the City Clerk by June 15 that such annual review had been undertaken. A copy of this Ethics Code Chapter shall be continuously posted on each department bulletin board wherever situated.

City of Cedarburg - Connie McHugh

From: City of Cedarburg - Amy Kletzien
Sent: Thursday, May 09, 2019 1:25 PM
To: City of Cedarburg - Connie McHugh
Subject: FW: Cedar Creek Park

From: Festivals Cedarburg [<mailto:cedarburgfestivals@yahoo.com>]
Sent: Thursday, May 09, 2019 1:19 PM
To: City of Cedarburg - Amy Kletzien
Subject: Cedar Creek Park

Hi Amy,

We would like to extend the hours in Cedar Creek Park during Strawberry Festival so that we can add some band entertainment. We are looking at extending the hours to 9:00 pm on Saturday, June 22 and 8:00 pm on Sunday, June 23.

We are finding it necessary to find new ways to increase revenues so that we can continue to pay for our rising costs of running the festivals. Being able to add sponsors in the park is going to drive additional revenue for us but we need to do our part and drive traffic to the park so the sponsors that are located in the park have customers to engage. Initially, we were going to hire bands ourselves but the cost was a serious consideration. We are partnering with Paramount Music, who will be providing the blues music, free of cost to us. Paramount Music is a 501(c)3 non-profit organization and we have partnered with them in the past so we are familiar with working with their organization.

Also, we are hoping having the bands in the park will help us clear the pedestrian traffic away from the Washington Avenue footprint so that we can begin clean up. Right now, we have to wait until most of the pedestrians are out of the way before we can begin our clean up, This may expedite getting the street cleaned and opened.

We already have extended hours on Saturday night for the main stage located in the Community Center parking lot and it has worked well not only by increasing our revenue but many of the merchants take advantage to come down to enjoy for music after working a long day at their businesses. I have passed the idea by Sgt. Emmerich, the festival liaison officer, and he was onboard with the request.

I will plan to attend the Common Council meeting to answer any questions. Let me know if you need anything else.

Regards,

BJ.

Festivals of Cedarburg, Inc.

P.O. Box 406

Cedarburg, WI 53012

(262) 377-3891

(262) 377-5733 Fax

www.cedarburgfestivals.org

Office Hours: Tuesdays 11-5 pm

2019 Festival Dates

Winter Festival - Feb 16-17

**CITY OF CEDARBURG
TRANSFER LIST
4/23/19-5/10/19**

Date	Amount	Transfer to
PWSB CHECKING ACCOUNT		
4/24/2019	\$195,000.00	PWSB Payroll
4/25/2019	\$6,170.31	Health Savings Accounts-contributions for 4/7/19-4/20/19
4/25/2019	\$2,490.59	ICMA-contributions for 4/7/19-4/20/19
4/25/2019	\$4,131.91	North Shore Bank-contributions for 4/7/19-4/20/19
4/25/2019	\$467.50	Police Association-contributions for 4/7/19-4/20/19
4/25/2019	\$1,477.82	State of Wisconsin-child support payment
4/30/2019	\$108,823.93	WRS-March remittance
5/3/2019	\$80,127.62	WCA-May health insurance premiums
5/3/2019	\$6,073.78	MetLife-May dental insurance premiums
5/3/2019	\$553.39	Superior Vision-May vision premiums
5/3/2019	\$911.88	Aflac-April premiums
5/3/2019	\$2,992.05	Minnesota Life-June life insurance premiums
5/4/2019	\$2,698.46	Light & Water-Cycle 1
5/8/2019	\$196,000.00	PWSB Payroll
5/8/2019	\$6,283.31	Health Savings Accounts-contributions for 4/21/19-5/4/19
5/8/2019	\$2,462.47	ICMA-contributions for 4/21/19-5/4/19
5/8/2019	\$4,200.57	North Shore Bank-contributions for 4/21/19-5/4/19
5/8/2019	\$495.00	Police Association-contributions for 4/21/19-5/4/19
5/8/2019	\$1,477.82	State of Wisconsin-child support payment
5/8/2019	\$12,811.83	State of Wisconsin-April sales tax
	<u>\$440,650.24</u>	

PWSB PAYROLL CHECKING ACCOUNT		
4/26/2019	\$137,212.19	Payroll for 4/7/19-4/20/19
4/26/2019	\$58,061.09	Payroll for 4/7/19-4/20/19
5/10/2019	\$138,793.65	Payroll for 4/21/19-5/4/19
4/12/2019	\$57,802.01	Payroll taxes for 4/21/19-5/4/19
	<u>\$391,868.94</u>	

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APRIL 2019 to MAY 2019

		Check Amt	Invoice	Comment
111300 PWSB Checking				
Paid Chk#	031617	4/26/2019	A LYNEIS ELECTRIC LLC	
E	100-555510-240	REPAIR AND MAINTENANCE	\$161.00	5725 PARKS-REPAIR
Total		A LYNEIS ELECTRIC LLC	\$161.00	
Paid Chk#	031618	4/26/2019	ALBIERO PLUMBING	
E	100-522230-240	REPAIR AND MAINTENANCE	\$1,299.00	211801 FD-WATER HEATER
Total		ALBIERO PLUMBING	\$1,299.00	
Paid Chk#	031619	4/26/2019	AMERICAN SIGNAL CORP.	
E	400-522410-823	SIRENS-EMERGENCY GOVT	\$5,222.98	0009223-IN PD-PROGRESS BILLING
Total		AMERICAN SIGNAL CORP.	\$5,222.98	
Paid Chk#	031620	4/26/2019	AT&TPO BOX 5080	
E	100-533210-225	TELEPHONE/COMMUNICATIO	\$48.46	262375760304 DPW-TELEPHONE
E	260-555110-225	TELEPHONE/COMMUNICATIO	\$185.55	262375760304 LIBRARY-TELEPHONE
E	601-573825-225	TELEPHONE/COMMUNICATIO	\$65.52	262375760304 CWRC-TELEPHONE
E	100-518100-225	TELEPHONE/COMMUNICATIO	\$65.71	262375760304 CH-TELEPHONE
E	100-522230-225	TELEPHONE/COMMUNICATIO	\$51.39	262375760304 FD-TELEPHONE
Total		AT&TPO BOX 5080	\$416.63	
Paid Chk#	031621	4/26/2019	AXLEY BRYNELSON, LLP	
E	350-566710-212	ATTORNEY/CONSULTANT	\$155.00	765211 ADMIN-AMCAST LEGAL MARCH
Total		AXLEY BRYNELSON, LLP	\$155.00	
Paid Chk#	031622	4/26/2019	BAKER & TAYLOR AUDIOBOOK PRE	
E	260-555110-319	PUBLICATIONS AND SUBSCRI	\$73.04	2034335745 LIBR-AUDIOBOOK
E	260-555110-319	PUBLICATIONS AND SUBSCRI	\$227.87	2034359576 LIBR-AUDIOBOOK
E	260-555110-319	PUBLICATIONS AND SUBSCRI	\$315.22	2034434237 LIBR-AUDIOBOOK
Total		BAKER & TAYLOR AUDIOBOOK PRE	\$616.13	
Paid Chk#	031623	4/26/2019	BAKER & TAYLOR AV VIDMASS	
E	260-555110-319	PUBLICATIONS AND SUBSCRI	\$17.93	H31156910 LIBRARY-VIDMASS
E	260-555110-319	PUBLICATIONS AND SUBSCRI	\$28.03	H31405520 LIBRARY-VIDMASS
E	260-555110-319	PUBLICATIONS AND SUBSCRI	\$127.81	H31718960 LIBRARY-VIDMASS
E	260-555110-319	PUBLICATIONS AND SUBSCRI	\$43.72	H31778710 LIBRARY-VIDMASS
E	260-555110-319	PUBLICATIONS AND SUBSCRI	\$277.14	H31997850 LIBRARY-VIDMASS
E	260-555110-319	PUBLICATIONS AND SUBSCRI	\$25.85	H32053890 LIBRARY-VIDMASS
E	260-555110-319	PUBLICATIONS AND SUBSCRI	\$50.26	H32400320 LIBRARY-VIDMASS
E	260-555110-319	PUBLICATIONS AND SUBSCRI	\$17.93	H32560460 LIBRARY-VIDMASS
E	260-555110-319	PUBLICATIONS AND SUBSCRI	\$53.81	H33041260 LIBRARY-VIDMASS
Total		BAKER & TAYLOR AV VIDMASS	\$642.48	
Paid Chk#	031624	4/26/2019	BAKER & TAYLOR BOOKS	
E	260-555110-319	PUBLICATIONS AND SUBSCRI	\$468.07	2034208771 LIBR-BOOKS
E	260-555110-319	PUBLICATIONS AND SUBSCRI	\$472.27	2034470626 LIBR-BOOKS
E	260-555110-319	PUBLICATIONS AND SUBSCRI	\$98.47	2034470627 LIBR-BOOKS
Total		BAKER & TAYLOR BOOKS	\$1,038.81	

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			Check Amt	Invoice	Comment
Paid Chk#	031625	4/26/2019	BEYERS TRUE VALUE		
E	601-573830-340	MAINTENANCE SUPPLIES	\$377.37	147540	CWRC-SOLAR SALT
E	100-522120-347	SUPPLIES AND EXPENSES	\$6.70	147553	PD-SUPPLIES
E	601-573830-340	MAINTENANCE SUPPLIES	\$8.08	147557	CWRC-MAINTENANCE
E	100-518100-240	REPAIR AND MAINTENANCE	\$10.93	147582	COMPLEX-MAINTENANCE
E	601-573830-340	MAINTENANCE SUPPLIES	\$16.18	147621	CWRC-MAINTENANCE
E	601-573830-340	MAINTENANCE SUPPLIES	\$7.36	147639	CWRC-MAINTENANCE
E	100-518100-240	REPAIR AND MAINTENANCE	\$7.27	147655	CWRC-SOLAR SALT
E	100-518100-240	REPAIR AND MAINTENANCE	\$26.99	147682	BI-MAINTENANCE
		Total BEYERS TRUE VALUE	\$460.88		
Paid Chk#	031626	4/26/2019	BSN SPORTS LLC		
E	220-555390-347	SUPPLIES AND EXPENSES	\$154.00	905079947	PARKS-SUPPLIES
		Total BSN SPORTS LLC	\$154.00		
Paid Chk#	031627	4/26/2019	BUBLITZ CREATIVE		
E	260-555110-382	LIBRARY TECHNOLOGY	\$60.00	3880	LIBR-TECHNOLOGY
		Total BUBLITZ CREATIVE	\$60.00		
Paid Chk#	031628	4/26/2019	BUDIAC PLUMBING INC		
E	100-522230-240	REPAIR AND MAINTENANCE	\$1,755.00	33013.001	FD-MAINTENANCE
		Total BUDIAC PLUMBING INC	\$1,755.00		
Paid Chk#	031629	4/26/2019	CED CHAMBER OF COMMERCE		
E	100-519200-343	AWARDS, SUPPLIES	\$25.00	CK REQ	LIBR-SERVICE AWARD FRAN KRETCHMER
		Total CED CHAMBER OF COMMERCE	\$25.00		
Paid Chk#	031630	4/26/2019	CED. CHAMBER OF COMMERCE		
G	100-215915	EMPLOYEE REIMBURSEMENTS	\$160.00	CK REQ	ADMIN-AWARDS FITNESS CHALLENGE
		Total CED. CHAMBER OF COMMERCE	\$160.00		
Paid Chk#	031631	4/26/2019	CEDARBURG CHAMBER OF COMMERCE		
E	100-555220-390	OTHER EXPENSES	\$7,000.00	CK REQ	ANNUAL BUDGET CONTRIBUTION
		il CEDARBURG CHAMBER OF COMMERCE	\$7,000.00		
Paid Chk#	031632	4/26/2019	CEDARBURG CHAMBER OF COMMERCE		
E	100-511100-390	OTHER EXPENSES	\$25.00	CK REQ	COUNCIL-2019 4TH OF JULY ENTRY FEE
		il CEDARBURG CHAMBER OF COMMERCE	\$25.00		
Paid Chk#	031633	4/26/2019	CINTAS CORPORATION		
E	260-555110-350	OPERATING SUPPLIES	\$36.56	184222158	LIBR-OPERATING SUPPLIES
		Total CINTAS CORPORATION	\$36.56		
Paid Chk#	031634	4/26/2019	COAST TO COAST SOLUTIONS		
E	100-555140-310	OFFICE SUPPLIES	\$38.99	A1967270	SR. CTR-OFFICE SUPPLIES
		Total COAST TO COAST SOLUTIONS	\$38.99		
Paid Chk#	031635	4/26/2019	CODE 2 K-9 SERVICES, LLC		
E	100-522120-352	K-9 UNIT EXPENSE	\$1,000.00	1010	PD-DOG TRAINING

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			Check Amt	Invoice	Comment
E 100-522120-380	EQUIPMENT/CAPITAL OUTLA		\$3,750.00	1010	PD-DOG TRAINING
	Total CODE 2 K-9 SERVICES, LLC		\$4,750.00		
<hr/>					
Paid Chk# 031636	4/26/2019	CONVERGENT SOLUTIONS, INC.			
E 100-522110-225	TELEPHONE/COMMUNICATIO		\$399.00	46803	PD-PHONE & LABOR
E 100-522110-225	TELEPHONE/COMMUNICATIO		\$350.00	46845	PD-ECS 1 YR SUPPORT
	Total CONVERGENT SOLUTIONS, INC.		\$749.00		
<hr/>					
Paid Chk# 031637	4/26/2019	DIGITAL EDGE OF GRAFTON			
E 220-555390-309	RECREATION BROCHURE EX		\$2,155.00	15032	PARKS-REC BROCHURES
E 400-555510-999	PLAYGROUND EQUIP REPLA		\$310.00	15033	PARKS-WILLOWBROOKE
E 100-555510-310	OFFICE SUPPLIES		\$214.00	15043	PARKS-SUPPLIES
E 220-555390-347	SUPPLIES AND EXPENSES		\$112.00	15044	PARKS-BRANDING
	Total DIGITAL EDGE OF GRAFTON		\$2,791.00		
<hr/>					
Paid Chk# 031638	4/26/2019	FILM IDEAS, INC.			
E 260-555110-319	PUBLICATIONS AND SUBSCRI		\$221.30	500228	LIBR-PUBLICATIONS
	Total FILM IDEAS, INC.		\$221.30		
<hr/>					
Paid Chk# 031639	4/26/2019	FIVE CORNERS DODGE			
E 100-522120-240	REPAIR AND MAINTENANCE		\$560.37	5244	PD-AUTO REPAIR
	Total FIVE CORNERS DODGE		\$560.37		
<hr/>					
Paid Chk# 031640	4/26/2019	GHD SERVICES, INC			
E 350-566710-210	PROFESSIONAL SERVICES		\$1,867.50	989566	PROJECT OVERSIGHT MAR 2019
	Total GHD SERVICES, INC		\$1,867.50		
<hr/>					
Paid Chk# 031641	4/26/2019	GODFREY & KAHN			
E 601-573850-211	EXTRAORDINARY SERVICES		\$2,010.00	738375	ENG-EXTRAORDINARY SERVICES
	Total GODFREY & KAHN		\$2,010.00		
<hr/>					
Paid Chk# 031642	4/26/2019	GOLDFISH UNIFORMS			
E 100-522410-346	UNIFORMS		\$172.80	210827-1	EG-UNIFORM
	Total GOLDFISH UNIFORMS		\$172.80		
<hr/>					
Paid Chk# 031643	4/26/2019	GRAINGER			
E 100-518100-240	REPAIR AND MAINTENANCE		\$201.13	9147993563	COMPLEX-MAINTENANCE
	Total GRAINGER		\$201.13		
<hr/>					
Paid Chk# 031644	4/26/2019	HARTMANN SAND & GRAVEL CO			
E 100-555510-240	REPAIR AND MAINTENANCE		\$87.10	20685	PARKS-REPAIR
	Total HARTMANN SAND & GRAVEL CO		\$87.10		
<hr/>					
Paid Chk# 031645	4/26/2019	HERMANS SHOP LLC			
E 100-522120-240	REPAIR AND MAINTENANCE		\$35.00	1367	PD-CAR #8 REPAIR
	Total HERMANS SHOP LLC		\$35.00		
<hr/>					
Paid Chk# 031646	4/26/2019	JOE JACOBS			
E 100-522310-210	PROFESSIONAL SERVICES		\$525.00	19-006	BI-APRIL 2019

CITY OF CEDARBURG

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			Check Amt	Invoice	Comment
Total JOE JACOBS			\$525.00		
Paid Chk#	031647	4/26/2019	JOHNSON CONTROLS FIRE PROT		
E	100-518100-240	REPAIR AND MAINTENANCE	\$271.24	32364696	COMPLEX-RECURRING SERVICE 5/1-7/31/19
Total JOHNSON CONTROLS FIRE PROT			\$271.24		
Paid Chk#	031648	4/26/2019	LAKESHORE LEARNING		
E	260-555110-322	DONATION EXPENDITURES	\$29.97	2181460419	LIBR-FRIENDS DONATION
Total LAKESHORE LEARNING			\$29.97		
Paid Chk#	031649	4/26/2019	LARK UNIFORM OUTFITTERS INC		
E	100-522120-346	UNIFORMS	\$147.75	286409	PD-UNIFORMS
E	100-522120-346	UNIFORMS	\$60.95	286549	PD-UNIFORMS
Total LARK UNIFORM OUTFITTERS INC			\$208.70		
Paid Chk#	031650	4/26/2019	LENNY S POOL SERVICE		
E	240-555320-340	MAINTENANCE SUPPLIES	\$2,270.00	153333	POOL-SUPPLIES
E	240-555320-350	OPERATING SUPPLIES	\$536.00	153333	POOL-SUPPLIES
Total LENNY S POOL SERVICE			\$2,806.00		
Paid Chk#	031651	4/26/2019	MONARCH LIBRARY SYSTEM		
E	260-555110-381	SHARED SYSTEM SERVICES	\$19.39	414607	LIBR-SHARED SERVICES
Total MONARCH LIBRARY SYSTEM			\$19.39		
Paid Chk#	031652	4/26/2019	OFFICE DEPOT		
E	260-555110-310	OFFICE SUPPLIES	\$262.38	295170957001	LIBR-OFFICE SUPPLIES
E	100-522110-310	OFFICE SUPPLIES	\$49.97	298518609001	PD-OFFICE SUPPLIES
E	100-533110-350	OPERATING SUPPLIES	\$44.13	299469339001	ENG-OFFICE SUPPLIES
E	100-515600-310	OFFICE SUPPLIES	\$17.12	299469339001	TREAS-OFFICE SUPPLIES
E	601-573825-312	COMPUTER/COPIER SUPPLIE	\$499.05	299469339001	CWRC-OFFICE SUPPLIES
E	100-515600-310	OFFICE SUPPLIES	\$73.77	300989995001	TREAS-OFFICE SUPPLIES
E	100-522110-310	OFFICE SUPPLIES	\$1.50	300989995001	PARKS-OFFICE SUPPLIES
Total OFFICE DEPOT			\$947.92		
Paid Chk#	031653	4/26/2019	OLIVER FIONTAR LLC		
E	350-566710-227	DEVELOPERS INCENTIVE	\$51,485.50	509	TIF#4-DRAW #12
E	350-566710-227	DEVELOPERS INCENTIVE	\$16,460.00	511	TIF#4-DRAW #12
Total OLIVER FIONTAR LLC			\$67,945.50		
Paid Chk#	031654	4/26/2019	OLSEN S PIGGLY WIGGLY		
E	260-555110-322	DONATION EXPENDITURES	\$25.82	36801	LIBR-TEEN CANDY SUSHI EVENT
E	100-522120-330	TRAVEL & TRAINING	\$48.70	36849	PD-SUPPLIES
Total OLSEN S PIGGLY WIGGLY			\$74.52		
Paid Chk#	031655	4/26/2019	ONTECH SYSTEMS, INC		
E	100-514700-380	EQUIPMENT/CAPITAL OUTLA	\$480.00	40463	ADOBE RENEWAL
E	100-514700-210	PROFESSIONAL SERVICES	\$90.00	40468	SONIC WALL SUPPORT
E	601-573825-312	COMPUTER/COPIER SUPPLIE	\$270.00	40530	CWCR-SONIC WALL SUPPORT
E	100-514700-210	PROFESSIONAL SERVICES	\$1,165.90	40530	CH-SETUP

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Total ONTECH SYSTEMS, INC		\$2,005.90		
Paid Chk#	031656	4/26/2019	ORIENTAL TRADING COMPANY	
E	260-555110-322	DONATION EXPENDITURES	\$40.14	695149529-01 LIBR-FRIENDS DONATION
Total ORIENTAL TRADING COMPANY		\$40.14		
Paid Chk#	031657	4/26/2019	OWEN S OFFICE SUPPLIES	
E	260-555110-395	EMPLOYMENT EXPENSES	\$16.99	28283 LIBR-EMPLOYEMENT EXPENSE
Total OWEN S OFFICE SUPPLIES		\$16.99		
Paid Chk#	031658	4/26/2019	OZAUKEE COUNTY CLERK	
E	100-514200-310	OFFICE SUPPLIES	\$47.98	21919 CLERK-ELECTION SUPPLIES
E	100-514200-310	OFFICE SUPPLIES	\$1,502.61	41719 CLERK-ELECTION SUPPLIES
Total OZAUKEE COUNTY CLERK		\$1,550.59		
Paid Chk#	031659	4/26/2019	PLAY BY DESIGN	
E	400-555510-999	PLAYGROUND EQUIP REPLA	\$10,763.00	31819 PARKS-WILLOWBROOK PLAYGROUND
Total PLAY BY DESIGN		\$10,763.00		
Paid Chk#	031660	4/26/2019	RUST LOCK INC.	
E	100-522110-240	REPAIR AND MAINTENANCE	\$169.21	19835 PD-MAINTENANCE
Total RUST LOCK INC.		\$169.21		
Paid Chk#	031661	4/26/2019	SCHMITZ READY MIX, INC.	
E	240-555320-340	MAINTENANCE SUPPLIES	\$51.48	9700665-IN POOL-REPAIR
Total SCHMITZ READY MIX, INC.		\$51.48		
Paid Chk#	031662	4/26/2019	SHEFFIELD, MARY	
E	100-566310-210	PROFESSIONAL SERVICES	\$2,297.50	CK REQ ED-APRIL 2019
Total SHEFFIELD, MARY		\$2,297.50		
Paid Chk#	031663	4/26/2019	SITONE LANDSCAPE SUPPLY	
E	100-555510-240	REPAIR AND MAINTENANCE	\$123.71	90303617-001 PARKS-REPAIR
Total SITONE LANDSCAPE SUPPLY		\$123.71		
Paid Chk#	031664	4/26/2019	SYMBIONT	
G	601-185344	COMPUTER SYSTEM	\$9,281.67	48739 CWRC-PROFESSIONAL SERVICES MARCH 2019
Total SYMBIONT		\$9,281.67		
Paid Chk#	031665	4/26/2019	TELECOM FITNESS	
E	100-522110-225	TELEPHONE/COMMUNICATIO	\$1,160.76	7143 PD-TFR FEES FOR SAVINGS
Total TELECOM FITNESS		\$1,160.76		
Paid Chk#	031666	4/26/2019	TIME WARNER CABLE-PO BOX 4639	
E	220-555390-290	MAINT/CONTRACTED SERVIC	\$68.34	707259401040 GYM-INTERNET
E	100-514700-220	Internet	\$134.98	707260101041 EM-INTERNET
E	100-522110-225	TELEPHONE/COMMUNICATIO	\$410.47	709872301040 PD-TELEPHONE
Total TIME WARNER CABLE-PO BOX 4639		\$613.79		

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Paid Chk# 031667 4/26/2019 TIRES UNLIMITED AUTOMOTIVE					
E 100-522120-240	REPAIR AND MAINTENANCE		\$576.00	13184	PD-TIRES CAR 4
Total TIRES UNLIMITED AUTOMOTIVE			\$576.00		
Paid Chk# 031668 4/26/2019 UNIFIRST CORPORATION					
E 601-573825-372	SAFETY EQUIPMENT		\$55.67	096 1068401	CWRC-SAFETY EQUIPMENT
E 100-518100-240	REPAIR AND MAINTENANCE		\$90.00	096 1068413	COMPLEX-MAINTENANCE
Total UNIFIRST CORPORATION			\$145.67		
Paid Chk# 031669 4/26/2019 VANTAGE FINANCIAL					
E 400-555510-811	VEHICLE REPLACEMENTS		\$3,608.00	42039	PARKS-MARCH 2019
E 400-555510-811	VEHICLE REPLACEMENTS		\$3,608.00	42043	PARKS-APRIL 2019
E 400-555510-811	VEHICLE REPLACEMENTS		\$3,608.00	42049	PARKS-MAY 2019
Total VANTAGE FINANCIAL			\$10,824.00		
Paid Chk# 031670 4/26/2019 VERIZON WIRELESS					
E 100-522110-225	TELEPHONE/COMMUNICATIO		\$456.47	9827140895	PD-CELL PHONES
Total VERIZON WIRELESS			\$456.47		
Paid Chk# 031671 4/26/2019 WI DEPT OF JUSTICE-TIME 93136					
E 100-522110-225	TELEPHONE/COMMUNICATIO		\$378.00	455TIME-0000	PD-TIME ACCESS
Total WI DEPT OF JUSTICE-TIME 93136			\$378.00		
Paid Chk# 031672 4/26/2019 WIL-KIL PEST CONTROL					
E 100-518100-240	REPAIR AND MAINTENANCE		\$44.75	3618690	COMPLEX-MAINTENANCE
E 100-518100-240	REPAIR AND MAINTENANCE		\$46.00	3618693	COMPLEX-MAINTENANCE
Total WIL-KIL PEST CONTROL			\$90.75		
Paid Chk# 031675 5/1/2019 CARLIN SALES CORPORATION					
E 100-555510-240	REPAIR AND MAINTENANCE		(\$198.83)	360335-00	PARKS-OVERPAY INVOICE #3605588-00
E 100-555510-240	REPAIR AND MAINTENANCE		(\$654.10)	360335-00	PARKS-CREDIT 5/31/16 INV. 295726-00
E 100-555510-240	REPAIR AND MAINTENANCE		\$1,943.16	360355-00	PARKS-REPAIR
Total CARLIN SALES CORPORATION			\$1,090.23		
Paid Chk# 031676 5/1/2019 PETTY CASH - POOL					
G 240-118000	PETTY CASH		\$1,275.00	CK REQ	PARKS-STARTUP CASH FOR POOL
Total PETTY CASH - POOL			\$1,275.00		
Paid Chk# 031677 5/3/2019 ADP, LLC.					
G 100-212000	ACCOUNTS PAYABLE		\$598.98	533998781	TREAS-PAYROLL PROCESSING
G 100-212000	ACCOUNTS PAYABLE		\$466.40	533999151	TREAS-PAYROLL PROCESSING
G 100-212000	ACCOUNTS PAYABLE		\$25.00	533999509	TREAS-PAYROLL PROCESSING
Total ADP, LLC.			\$1,090.38		
Paid Chk# 031678 5/3/2019 ADVANCED DISPOSAL					
G 100-212000	ACCOUNTS PAYABLE		\$352.83	E10001332596	DPW-ROLL OFF EXCHANGE
Total ADVANCED DISPOSAL			\$352.83		
Paid Chk# 031679 5/3/2019 AMISH CRAFTSMEN GUILD II					

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G 400-212000	ACCOUNTS PAYABLE	\$1,673.99	25APR19	PARKS-WILLOWBROOKE BENCH
G 400-212000	ACCOUNTS PAYABLE	\$2,651.61	30APR19	PARKS-WILLOWBROOKE BENCH
Total AMISH CRAFTSMEN GUILD II		\$4,325.60		
<hr/>				
Paid Chk#	031680	5/3/2019	AT&T LONG DISTANCE	
G 100-212000	ACCOUNTS PAYABLE	\$2.74	836841746	PD-LONG DISTANCE
G 100-212000	ACCOUNTS PAYABLE	\$232.61	836841746	LIBRARY-LONG DISTANCE
G 260-212000	ACCOUNTS PAYABLE	\$34.17	836841746	LIBRARY-LONG DISTANCE
Total AT&T LONG DISTANCE		\$269.52		
<hr/>				
Paid Chk#	031681	5/3/2019	AURORA HEALTH CARE	
G 260-212000	ACCOUNTS PAYABLE	\$48.00	1922405	LIBR-DRUG SCREEN
Total AURORA HEALTH CARE		\$48.00		
<hr/>				
Paid Chk#	031682	5/3/2019	BAKER & TAYLOR AUDIOBOOK PRE	
G 260-212000	ACCOUNTS PAYABLE	\$312.20	2034483362	LIBR-PUBLICATIONS
G 260-212000	ACCOUNTS PAYABLE	\$10.00	2034483362	FRIENDS DONATION
G 260-212000	ACCOUNTS PAYABLE	\$95.00	2034492304	FRIENDS DONATION
G 260-212000	ACCOUNTS PAYABLE	\$353.08	2034492305	LIBR-PUBLICATIONS
G 260-212000	ACCOUNTS PAYABLE	\$113.58	2034492305	LIBR-PUBLICATIONS
Total BAKER & TAYLOR AUDIOBOOK PRE		\$883.86		
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Paid Chk#	031683	5/3/2019	BARTON SMALL ENGINE, LLC	
G 100-212000	ACCOUNTS PAYABLE	\$399.72	247624	PARKS-REPAIR
Total BARTON SMALL ENGINE, LLC		\$399.72		
<hr/>				
Paid Chk#	031684	5/3/2019	BAYCOM INC	
G 100-212000	ACCOUNTS PAYABLE	\$55.00	SRVCE000000	PD-REPAIR WINDOWS PROG FOR 911
Total BAYCOM INC		\$55.00		
<hr/>				
Paid Chk#	031685	5/3/2019	BEYER S HARDWARE STORE	
G 100-212000	ACCOUNTS PAYABLE	\$1.61	147449	DPW-MAINTENANCE
G 100-212000	ACCOUNTS PAYABLE	\$8.98	147475	DPW-MAINTENANCE
G 100-212000	ACCOUNTS PAYABLE	\$31.46	147481	PARKS-SUPPLIES
G 100-212000	ACCOUNTS PAYABLE	\$26.98	147541	DPW-MAINTENANCE
G 240-212000	ACCOUNTS PAYABLE	\$32.81	147619	POOL-MAINTENANCE
G 240-212000	ACCOUNTS PAYABLE	\$2.70	147627	POOL-MAINTENANCE
G 100-212000	ACCOUNTS PAYABLE	\$7.19	147634	DPW-MAINTENANCE
G 240-212000	ACCOUNTS PAYABLE	\$31.45	147636	POOL-REPAIR
G 240-212000	ACCOUNTS PAYABLE	(\$0.01)	147651	POOL-MAINTENANCE
G 100-212000	ACCOUNTS PAYABLE	\$9.89	147683	DPW-MAINTENANCE
G 100-212000	ACCOUNTS PAYABLE	\$6.82	147697	FORESTRY SUPPLIES
G 240-212000	ACCOUNTS PAYABLE	\$22.93	147731	POOL-MAINTENANCE
G 100-212000	ACCOUNTS PAYABLE	\$31.73	147750	DPW-MAINTENANCE
G 100-212000	ACCOUNTS PAYABLE	\$19.78	147762	FORESTRY SUPPLIES
G 601-212000	ACCOUNTS PAYABLE	\$12.58	147776	CWRC-SUPPLIES
G 100-212000	ACCOUNTS PAYABLE	\$50.39	147798	PARKS-REPAIR
G 240-212000	ACCOUNTS PAYABLE	\$32.36	147801	POOL-MAINTENANCE
G 100-212000	ACCOUNTS PAYABLE	\$15.44	147821	DPW-MAINTENANCE

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G 100-212000	ACCOUNTS PAYABLE		(\$4.68)	147822	DPW-MAINTENANCE
G 240-212000	ACCOUNTS PAYABLE		\$26.09	147874	POOL-REPAIR
G 240-212000	ACCOUNTS PAYABLE		\$27.58	147884	POOL-REPAIR
G 100-212000	ACCOUNTS PAYABLE		\$2.11	H41446	DPW-MAINTENANCE
Total BEYER S HARDWARE STORE			\$396.19		
<hr/>					
Paid Chk#	031686	5/3/2019	BIRCHWOOD SNOW & LANDSCAPE		
G 260-212000	ACCOUNTS PAYABLE		\$290.00	102514	LIBR-MAINTENANCE LAWN SERVICE
Total BIRCHWOOD SNOW & LANDSCAPE			\$290.00		
<hr/>					
Paid Chk#	031687	5/3/2019	BOEHLKE BOTTLED GAS CORP.		
G 221-212000	ACCOUNTS PAYABLE		\$809.21	U0017862	DPW-FUEL
Total BOEHLKE BOTTLED GAS CORP.			\$809.21		
<hr/>					
Paid Chk#	031688	5/3/2019	BOWERS CAITIE		
G 220-212000	ACCOUNTS PAYABLE		\$1,080.00	CK REQ	PARKS-REFUND SUMMER CAMP
Total BOWERS CAITIE			\$1,080.00		
<hr/>					
Paid Chk#	031689	5/3/2019	BRAKE & EQUIPMENT COMPANY		
G 100-212000	ACCOUNTS PAYABLE		\$274.99	010622	DPW-PARTS
Total BRAKE & EQUIPMENT COMPANY			\$274.99		
<hr/>					
Paid Chk#	031690	5/3/2019	BUBLITZ PLUMBING & HEATING		
G 100-212000	ACCOUNTS PAYABLE		\$107.50	19993	PARKS-REPAIR
Total BUBLITZ PLUMBING & HEATING			\$107.50		
<hr/>					
Paid Chk#	031691	5/3/2019	BURKE TRUCK & EQUIPMENT INC		
G 100-212000	ACCOUNTS PAYABLE		\$329.71	25164	DPW-PARTS
Total BURKE TRUCK & EQUIPMENT INC			\$329.71		
<hr/>					
Paid Chk#	031692	5/3/2019	BUSINESS CARD		
G 601-212000	ACCOUNTS PAYABLE		\$11.85	1764	CWRC-AMAZON
G 601-212000	ACCOUNTS PAYABLE		\$177.80	1764	CWRC-AMAZON
G 601-212000	ACCOUNTS PAYABLE		\$2.99	1764	CWRC-COLLECTIONS
G 601-212000	ACCOUNTS PAYABLE		\$103.00	1764	CWRC=TRAINING
G 601-212000	ACCOUNTS PAYABLE		\$518.00	1764	CWRC-CHEYENNE MFG
G 601-212000	ACCOUNTS PAYABLE		\$30.84	1764	CWRC-FLOWZONE
G 601-212000	ACCOUNTS PAYABLE		(\$21.62)	1764	CWRC-MARRIOTT REFUND
G 601-212000	ACCOUNTS PAYABLE		\$119.73	1764	CWRC-SAFETY EQUIP
G 100-212000	ACCOUNTS PAYABLE		\$210.00	3367	ENG-TRAINING-MW
G 100-212000	ACCOUNTS PAYABLE		\$210.00	3367	ENG-TRAINING-TW
G 100-212000	ACCOUNTS PAYABLE		\$157.89	3367	ENG-SPRAY PAINT
G 220-212000	ACCOUNTS PAYABLE		\$15.00	3413	PARKS-TRANS FEES
G 220-212000	ACCOUNTS PAYABLE		\$12.21	3413	PARKS-AMAZON
G 220-212000	ACCOUNTS PAYABLE		\$29.99	3413	PARKS-SUPPLIES
G 220-212000	ACCOUNTS PAYABLE		\$45.28	3413	PARKS-AMAZON
G 220-212000	ACCOUNTS PAYABLE		\$36.93	3413	PARKS-AMAZON
G 220-212000	ACCOUNTS PAYABLE		\$155.70	3413	PARKS-AMAZON
G 100-212000	ACCOUNTS PAYABLE		\$219.96	3413	COMPLEX-EBAY

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G 220-212000	ACCOUNTS PAYABLE	\$89.91	3413	PARKS-HOME DEPOT
G 220-212000	ACCOUNTS PAYABLE	\$28.00	3413	PARKS-AWESOME GAPS
G 220-212000	ACCOUNTS PAYABLE	\$139.99	3413	PARKS-ACTION ARCHERY
G 220-212000	ACCOUNTS PAYABLE	\$95.88	3413	PARKS-GO DADDY
G 220-212000	ACCOUNTS PAYABLE	\$30.00	3413	PARKS-OFFICE MAX
G 220-212000	ACCOUNTS PAYABLE	\$29.97	3413	PARKS-AMAZON
G 100-212000	ACCOUNTS PAYABLE	\$310.51	5967	EM-TRAVEL
G 100-212000	ACCOUNTS PAYABLE	\$26.42	5967	EM-TRAVEL
G 100-212000	ACCOUNTS PAYABLE	\$10.99	5967	EM-OIL
Total BUSINESS CARD		\$2,797.22		
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Paid Chk#	031693	5/3/2019	CEDAR CORPORATION	
G 100-212000	ACCOUNTS PAYABLE	\$110.00	CK REQ	PLANNING-REFUND
Total CEDAR CORPORATION		\$110.00		
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Paid Chk#	031694	5/3/2019	CENTURY FENCE CO.	
G 100-212000	ACCOUNTS PAYABLE	\$338.00	195740901	PARKS-REPAIR
Total CENTURY FENCE CO.		\$338.00		
<hr/>				
Paid Chk#	031695	5/3/2019	CINTAS CORP	
G 100-212000	ACCOUNTS PAYABLE	\$121.72	5013491325	DPW-SUPPLIES
Total CINTAS CORP		\$121.72		
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Paid Chk#	031696	5/3/2019	CINTAS CORPORATION	
G 100-212000	ACCOUNTS PAYABLE	\$141.39	184219653	DPW-SUPPLIES
G 100-212000	ACCOUNTS PAYABLE	\$141.39	184221141	DPW-SUPPLIES
G 100-212000	ACCOUNTS PAYABLE	\$141.39	184222569	DPW-SUPPLIES
Total CINTAS CORPORATION		\$424.17		
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Paid Chk#	031697	5/3/2019	CRETEX SPECIALTY PRODUCTS INC	
G 100-212000	ACCOUNTS PAYABLE	\$2,546.00	030723	DPW-STORM REPAIR & MAINT
Total CRETEX SPECIALTY PRODUCTS INC		\$2,546.00		
<hr/>				
Paid Chk#	031698	5/3/2019	CUMMINS SALES & SERVICE	
G 601-212000	ACCOUNTS PAYABLE	\$96.74	F2-89412	CWRC-MAINTENANCE
Total CUMMINS SALES & SERVICE		\$96.74		
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Paid Chk#	031699	5/3/2019	FASTENAL COMPANY	
G 100-212000	ACCOUNTS PAYABLE	\$151.53	WISAU109976	DPW-PARTS
G 100-212000	ACCOUNTS PAYABLE	\$98.55	WISAU110155	DPW-PARTS
Total FASTENAL COMPANY		\$250.08		
<hr/>				
Paid Chk#	031700	5/3/2019	FRANK BACON	
G 220-212000	ACCOUNTS PAYABLE	\$185.00	CK REQ	PARKS-REFUND
Total FRANK BACON		\$185.00		
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Paid Chk#	031701	5/3/2019	GRAINGER	
G 100-212000	ACCOUNTS PAYABLE	\$139.94	9157135113	PARKS-REPAIR

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Total GRAINGER			\$139.94		
Paid Chk# 031702 5/3/2019 HOME DEPOT CREDIT SERVICES					
G 601-212000	ACCOUNTS PAYABLE		\$297.79	1014572	CWRC-SUPPLIES
G 601-212000	ACCOUNTS PAYABLE		\$48.98	5020447	CWRC-SUPPLIES
G 100-212000	ACCOUNTS PAYABLE		\$35.58	8026104	PARKS-REPAIR
G 100-212000	ACCOUNTS PAYABLE		\$143.64	8026105	PARKS-REPAIR
G 100-212000	ACCOUNTS PAYABLE		\$30.68	8026106	PARKS-REPAIR
Total HOME DEPOT CREDIT SERVICES			\$556.67		
Paid Chk# 031703 5/3/2019 JOE JACOBS					
G 100-212000	ACCOUNTS PAYABLE		\$525.00	19-007	BI-APRIL 2019
Total JOE JACOBS			\$525.00		
Paid Chk# 031704 5/3/2019 LAKESIDE INTERNATIONAL LLC-MIL					
G 100-212000	ACCOUNTS PAYABLE		\$116.40	1277182P	DPW-PARTS
Total LAKESIDE INTERNATIONAL LLC-MIL			\$116.40		
Paid Chk# 031705 5/3/2019 LANNON STONE PRODUCTS, INC.					
G 240-212000	ACCOUNTS PAYABLE		\$235.51	1208551	POOL-REPAIR
G 100-212000	ACCOUNTS PAYABLE		\$104.07	1209405	DPW-STORM REPAIR & MAINT
Total LANNON STONE PRODUCTS, INC.			\$339.58		
Paid Chk# 031706 5/3/2019 MASTER PRINTWEAR					
G 220-212000	ACCOUNTS PAYABLE		\$995.50	5091	REC-SUPPLIES -SOCCER
Total MASTER PRINTWEAR			\$995.50		
Paid Chk# 031707 5/3/2019 MILWAUKEE RUBBER PRODUCTS					
G 601-212000	ACCOUNTS PAYABLE		\$1,081.52	0085210-IN	CWRC-PARTS
Total MILWAUKEE RUBBER PRODUCTS			\$1,081.52		
Paid Chk# 031708 5/3/2019 MINUTEMAN PRESS					
G 100-212000	ACCOUNTS PAYABLE		\$136.80	72185	DPW-OPERATING
Total MINUTEMAN PRESS			\$136.80		
Paid Chk# 031709 5/3/2019 NAPA AUTO PARTS					
G 100-212000	ACCOUNTS PAYABLE		\$65.88	5269-003311	DPW-GAS & OIL
G 100-212000	ACCOUNTS PAYABLE		\$14.74	5269-004095	DPW-FILTERS
G 100-212000	ACCOUNTS PAYABLE		\$26.19	5269-004097	DPW-FILTERS
G 100-212000	ACCOUNTS PAYABLE		\$40.29	5269-005306	DPW-FILTERS
G 100-212000	ACCOUNTS PAYABLE		\$3.00	5269-005505	DPW-BULB
G 100-212000	ACCOUNTS PAYABLE		\$78.48	5269-006057	DPW
G 601-212000	ACCOUNTS PAYABLE		\$20.12	5269-006167	CWRC-FILTERS
G 100-212000	ACCOUNTS PAYABLE		\$19.80	5269-006625	DPW-PARTS
Total NAPA AUTO PARTS			\$268.50		
Paid Chk# 031710 5/3/2019 NASSCO, INC.					
G 260-212000	ACCOUNTS PAYABLE		\$453.91	S2464928.001	LIBR-OPERATING

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		Check Amt	Invoice	Comment
Total NASSCO, INC.		\$453.91		
Paid Chk#	031711	5/3/2019	NORTH CENTRAL LABORATORIES	
G	601-212000	ACCOUNTS PAYABLE	\$1,031.59	421981 CWRC-LAB SUPPLIES
Total NORTH CENTRAL LABORATORIES		\$1,031.59		
Paid Chk#	031712	5/3/2019	OLSEN S PIGGLY WIGGLY	
G	100-212000	ACCOUNTS PAYABLE	\$51.22	36906 EMPLOYEE RELATIONS
Total OLSEN S PIGGLY WIGGLY		\$51.22		
Paid Chk#	031713	5/3/2019	QUALITY STATE OIL CO.,INC.	
G	221-212000	ACCOUNTS PAYABLE	\$2,262.14	1246079 DPW-GAS
G	221-212000	ACCOUNTS PAYABLE	\$5,832.00	1246080 DPW-GAS
G	221-212000	ACCOUNTS PAYABLE	\$3,759.41	1246480 DPW-GAS
G	221-212000	ACCOUNTS PAYABLE	\$5,512.00	1246481 DPW-GAS
G	100-212000	ACCOUNTS PAYABLE	\$28.36	2828352 DPW-SUPPLIES
G	100-212000	ACCOUNTS PAYABLE	\$124.64	2831847 DPW-SUPPLIES
G	100-212000	ACCOUNTS PAYABLE	\$124.64	2835495 DPW-SUPPLIES
G	100-212000	ACCOUNTS PAYABLE	\$128.57	3109387 DPW-SUPPLIES
Total QUALITY STATE OIL CO.,INC.		\$17,771.76		
Paid Chk#	031714	5/3/2019	RAMBOLL ENVIRON US CORPORATION	
G	400-212000	ACCOUNTS PAYABLE	\$6,791.83	1690031886 PROCHNOW
Total RAMBOLL ENVIRON US CORPORATION		\$6,791.83		
Paid Chk#	031715	5/3/2019	SABEL MECHANICAL, LLC	
G	601-212000	ACCOUNTS PAYABLE	\$28,861.17	18434 CWRC-REBUILD DRIVE CLARIFIER
G	601-212000	ACCOUNTS PAYABLE	\$29,556.55	19025 CWRC-INSTALL NEW SCUM BEACH
Total SABEL MECHANICAL, LLC		\$58,417.72		
Paid Chk#	031716	5/3/2019	SAM S CLUB DIRECT	
G	220-212000	ACCOUNTS PAYABLE	\$99.86	002843 PARKS-SUPPLIES
Total SAM S CLUB DIRECT		\$99.86		
Paid Chk#	031717	5/3/2019	SCHMITZ READY MIX, INC.	
G	100-212000	ACCOUNTS PAYABLE	\$259.87	0794920-IN DPW-STORM REPAIR & MAINT
G	240-212000	ACCOUNTS PAYABLE	\$1,200.62	0796181-IN POOL-REPAIR
Total SCHMITZ READY MIX, INC.		\$1,460.49		
Paid Chk#	031718	5/3/2019	SHERWIN - WILLIAMS	
G	240-212000	ACCOUNTS PAYABLE	\$342.08	7592-1 POOL-REPAIR
Total SHERWIN - WILLIAMS		\$342.08		
Paid Chk#	031719	5/3/2019	SOUTHSIDE TIRE CO., INC.	
G	100-212000	ACCOUNTS PAYABLE	\$731.84	846511 DPW-MAINTENANCE
G	100-212000	ACCOUNTS PAYABLE	\$441.82	846573 DPW-MAINTENANCE
G	100-212000	ACCOUNTS PAYABLE	\$2,933.82	846848 DPW-MAINTENANCE
G	100-212000	ACCOUNTS PAYABLE	\$480.00	846947 DPW-MAINTENANCE

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		Check Amt	Invoice	Comment
Total SOUTHSIDE TIRE CO., INC.		\$4,587.48		
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Paid Chk#	031720	5/3/2019	STARNET TECHNOLOGIES	
G	601-212000	ACCOUNTS PAYABLE	\$720.00	009112-IN CWRC-DATA CHARGES
Total STARNET TECHNOLOGIES		\$720.00		
<hr/>				
Paid Chk#	031721	5/3/2019	STERN ENTERPRISES	
G	100-212000	ACCOUNTS PAYABLE	\$145.00	1797 DPW-PARTS
Total STERN ENTERPRISES		\$145.00		
<hr/>				
Paid Chk#	031722	5/3/2019	TIME WARNER CABLE-PO BOX 4639	
G	100-212000	ACCOUNTS PAYABLE	\$1,026.50	702696601041 CH-INTERNET
G	100-212000	ACCOUNTS PAYABLE	\$117.48	707258501042 PARKS-INTERNET
G	100-212000	ACCOUNTS PAYABLE	\$117.48	707258501042 DPW-INTERNET
G	240-212000	ACCOUNTS PAYABLE	\$134.98	709737801041 POOL-INTERNET
Total TIME WARNER CABLE-PO BOX 4639		\$1,396.44		
<hr/>				
Paid Chk#	031723	5/3/2019	U. S. CELLULAR-DEPT 0205	
G	100-212000	ACCOUNTS PAYABLE	\$16.10	304319385 PARKS-TABLET
G	601-212000	ACCOUNTS PAYABLE	\$3.66	304319385 CWRC-CELL PHONE
G	601-212000	ACCOUNTS PAYABLE	\$16.10	304319385 CWRC-TABLET
G	100-212000	ACCOUNTS PAYABLE	\$46.60	304319385 BI
G	100-212000	ACCOUNTS PAYABLE	\$16.10	304319385 DPW-TABLET
G	601-212000	ACCOUNTS PAYABLE	\$41.60	304319385 CWRC-CELL PHONE
G	100-212000	ACCOUNTS PAYABLE	\$16.10	304319385 PARKS-TABLET
G	601-212000	ACCOUNTS PAYABLE	\$20.50	304319385 HIGHLAND LIFT
G	601-212000	ACCOUNTS PAYABLE	\$18.57	304319385 CWRC-TABLET
G	100-212000	ACCOUNTS PAYABLE	\$3.11	304319385 SR. CTR - CELL PHONE
G	100-212000	ACCOUNTS PAYABLE	\$16.10	304319385 EM-TABLET
G	100-212000	ACCOUNTS PAYABLE	\$26.10	304319385 EM-CARD
G	100-212000	ACCOUNTS PAYABLE	\$16.10	304319385 PARKS-TABLET
G	100-212000	ACCOUNTS PAYABLE	\$16.10	304319385 DPW-CELL PHONE
G	601-212000	ACCOUNTS PAYABLE	\$41.61	304319385 CWRC-DUTY PHONE
G	100-212000	ACCOUNTS PAYABLE	\$16.10	304319385 PARKS-TABLET
G	100-212000	ACCOUNTS PAYABLE	\$26.10	304319385 EM-CARD
G	100-212000	ACCOUNTS PAYABLE	\$1.50	304319385 ENG-PHONE
G	100-212000	ACCOUNTS PAYABLE	\$41.60	304319385 DPW-CELL PHONE
G	100-212000	ACCOUNTS PAYABLE	\$13.19	304319385 CH-CELL PHONE
G	100-212000	ACCOUNTS PAYABLE	\$1.66	304319385 ENG-CELL PHONE
G	100-212000	ACCOUNTS PAYABLE	\$0.51	304319385 EM-CELL PHONE
G	100-212000	ACCOUNTS PAYABLE	\$74.38	304319385 PARKS-CELL PHONE
Total U. S. CELLULAR-DEPT 0205		\$489.49		
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Paid Chk#	031724	5/3/2019	UNIFIRST CORPORATION	
G	100-212000	ACCOUNTS PAYABLE	\$46.01	096 1067336 DPW-SUPPLIES
G	100-212000	ACCOUNTS PAYABLE	\$61.01	096 1068405 DPW-SUPPLIES
G	601-212000	ACCOUNTS PAYABLE	\$55.67	096 1069474 CWRC-SUPPLIES
G	100-212000	ACCOUNTS PAYABLE	\$46.01	096 1069478 DPW-SUPPLIES

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	Check Amt	Invoice	Comment
Total UNIFIRST CORPORATION	\$208.70		
Paid Chk# 031725 5/3/2019 WALTS PETROLEUM SERVICE INC			
G 100-212000 ACCOUNTS PAYABLE	\$490.00	102578	DPW-FUEL MAINTENANCE
Total WALTS PETROLEUM SERVICE INC	\$490.00		
Paid Chk# 031726 5/3/2019 WASTE MANAGEMENT OF WI-MN			
G 100-212000 ACCOUNTS PAYABLE	\$1,950.99	0055853-2286-	DPW-SWEEPING
Total WASTE MANAGEMENT OF WI-MN	\$1,950.99		
Paid Chk# 031727 5/3/2019 WASTEWATER TRAINING SOLUTIONS			
G 601-212000 ACCOUNTS PAYABLE	\$165.00	CK REQ	CWRC-DNR LAB CLASS
Total WASTEWATER TRAINING SOLUTIONS	\$165.00		
111300 PWSB Checking	\$266,766.67		

Fund Summary

111300 PWSB Checking	
100 GENERAL FUND	\$48,077.66
220 RECREATION PROGRAMS FUND	\$5,558.56
221 FUEL SYSTEM - WASH BAY	\$18,174.76
240 SWIMMING POOL FUND	\$6,221.58
260 LIBRARY FUND	\$4,905.46
350 TIF DISTRICT FUND #4	\$69,968.00
400 CAPITAL IMPROVEMENTS FUND	\$38,237.41
601 WATER RECYCLING CENTER	\$75,623.24
	\$266,766.67



City of Cedarburg

City Administrator's Report

May 9, 2019

Department News

The following information is provided to keep the Common Council and staff informed on some of the activities and events of the City. Points of clarification may be addressed during the City Administrator's Report portion of the agenda; however, if discussion of any of these items is necessary, placement on a future Council agenda should be directed.

Engineering & Public Works— The ongoing rain is delaying work on the Columbia Mills Dam repair and the sidewalk program.

Director Wiza is attending the American Public Works Association Conference in Oshkosh today and tomorrow.

The bid opening for the Asphalt Repair Program took place on Tuesday for the southbound lane of Washington Avenue between Fair Street and Evergreen Blvd.

The Public Works crew is working on street sweeping and brush pick up, along with replacing manholes and repairing catch basins prior to the Street and Utility project. Crack sealing and pothole patching will be done as the equipment becomes available.

Parks, Recreation & Forestry— The new City website went live last Friday.

The soccer program starts tomorrow and the t-ball program begins next week.

The Parks and Community Pool are being prepared for the season. The finishing work on Adlai Horn Park has been delayed due to the rain.

Library— Work is continuing on the Strategic Plan. Director Pierschalla and Assistant Director Nimmer are serving on a Library Advisory Committee that was formed by the School District to address the need for support of library services in the schools and one of their goals is to collaborate with the public library.

Light & Water—The Utility is flushing fire hydrants this week.

Due to the retirement of Tom Barelmann in early August, the Utility is interviewing three people for a Journeyman's position. A lineman position may also be added.

Senior Center— The 25th Annual Ozaukee County Senior Games will begin May 29 with a walk. The games and activities will continue for three weeks until June 20, 2019.

There will be an Open House to wish Carol LaFontaine well on her retirement on Thursday, May 23 from 1:00 p.m.—3:00 p.m. at the Senior Center.

Administrator— Thirty applications were received for the Clerk's position and interviews are taking place this week and next week. Wednesday, I am attending a WCMA Regional meeting in Hartford and Thursday, I am attending Project Management training at CVMIC. Administrative Assistant Welch and I will be working on the payroll this week.

Respectfully submitted,

Christy Mertes
City Administrator/Treasurer

2019 PERMIT SUMMARY BY MONTH

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Coops	1												1
Single Family	3	3	1	4									11
Assessory Building			1	1									2
Addition/Alteration	8	6	19	17									50
Commercial Additions/Alterati	2	1	2	2									7
Pools	1												1
Razing				2									2
Heat/Vent	13	22	21	21									77
Signs	1	2	4	3									10
Plumbing	33	41	30	30									134
Electrical	32	33	30	25									120
Occupancy	6	16	6	10									38
TOTAL VALUE TO CITY	1,540,926	1,148,680	1,460,138	1,905,046									6,054,790
INSPECTIONS													
JOE JACOBS	12	7	3	13									35
MICHAEL BAIER	175	229	191	207									802
ROGER KISON			16										16