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FINANCE-PERSONNEL COMMITTEE
Tuesday, June 13, 2023
6:15 PM
North Conference Room

Minutes

1) Call to Order, Roll Call

Present:
Mayor Andrew Nerbun
Alderman William Gebhardt
Alderman Brian Parrish
Alderman Robert Strzelczyk

Also present: William Jones, City Administrator, Jennifer Engroff, Finance Director, Marie Keyser, Assistant Finance Director, Caroline Fochs, City Clerk, Kristen Lundeen, Director of Public Works, Wendi Unger, Partner at Baker Tilly and Sarah Plohocky, Key Benefit Concepts.

2) Approve Meeting Minutes
   a. May 9, 2023 Finance-Personnel Meeting Minutes

RESULT:	**Approved by Voice Acclamation [Unanimous]**
MOVED BY:	Alderman Strzelczyk
SECONDED BY:	Alderman Gebhardt
AYES:	Gebhardt, Parrish, Strzelczyk

3) License Applications
   a. June 2023 Licenses

RESULT:	**Approved by Voice Acclamation [Unanimous]**
MOVED BY:	Alderman Strzelczyk
SECONDED BY:	Alderman Parrish
AYES:	Gebhardt, Parrish, Strzelczyk

   b. 2024 Waste Hauler Permits

Director Lundeen noted to the Committee that in 2021-2022, the City discovered three waste haulers that did not have a permit, thus were non-compliant. They have since worked with those haulers to bring them into compliance. Alderman Strzelczyk noted Ozaukee Disposal driving on the wrong side of the road to pick up waste. He asked if a letter could be sent with their waste permit to comply with all traffic laws. Director Lundeen said she will notify the police department since that is a traffic violation.

RESULT: **Approved by Voice Acclamation [Unanimous]**
MOVED BY: Alderman Gebhardt
SECONDED BY: Alderman Strzelczyk

AYES:	Gebhardt, Parrish, Strzelczyk

4) Vouchers Paid
   a. May 2023 Vouchers Paid List

RESULT: **Approved by Voice Acclamation [Unanimous]**
MOVED BY: Alderman Parrish
SECONDED BY: Alderman Gebhardt

AYES:	Gebhardt, Parrish, Strzelczyk

5) Presentation
   a. Review of Post-Employment Benefit Valuation Studies Addressing Liabilities with a Measurement Date of December 31, 2021, as Included in the December 31, 2022 Annual Comprehensive Financial Report and Prepared by Key Benefit Concepts, LLC

Sarah Plohocky from Key Benefit Concepts was at the meeting to explain to Committee members about "Other Post-Employment Benefits" (OPEB). The Governmental Accounting Standards Board (GASB) develops and issues accounting standards to improve the financial accounting and reporting of U.S. state and local governments.

GASB has finalized Statement No. 74 (Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans) and Statement No. 75 (Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions). These Statements establish standards for the measurement, recognition, and display of Other Post-Employment Benefits (OPEB) expense/expenditures.

GASB has finalized Statement No. 67 (Financial Reporting for Pension Plans), Statement No. 68 (Accounting and Financial Reporting for Pensions), and Statement No. 73 (Accounting and Financial Reporting for Pensions That Are Not within the Scope of GASB Statement No. 68). These Statements establish standards for the measurement, recognition, and display of pension expense/expenditures.

Ms. Plohocky explained the two reports (GASB 75 OPEB Report and GASB 73 Stipend Report). The valuations are certified by an actuary and as of January 1, 2022, the unfunded OPEB liability is about $988,000 and the unfunded post-employment stiped liability is just over $370,000.

b. Acceptance of the FY2022 Annual Comprehensive Financial Report and Report on Internal Control

Wendi Unger, Partner at Baker Tilly was present to explain the FY2022 financials, audit results and report on internal controls. She also explained GASB 87, the new leasing standard for FY2022.

She noted for the general fund, the City ended the year using $309,000 of fund balance. This equates to a deficit position. Actual revenues were 98% of the budgeted total and actual expenditures were 100% of the budgeted amount. Intergovernmental revenue, permitting, investments and PILOT contributed to the shortfall (approximately $23,000). The other $286,000 of the deficit was due to the use of available fund balance within the City's General Fund, approved by Common Council, to finance various one-time expenses. (Inflation bonus, network equipment recommended by the 2021 IT strategic plan, assessing revaluation final payment, Land Management System consulting, Police Flock camera system and new median plantings). Ms. Unger noted both utilities ended the year with a surplus.

Ms. Unger also explained to the Committee that the statutory debt limit is 5% of equalized value. In Mequon, that is approximately $299 million. Taking into account the City's current debt obligations, the City could borrow an additional $260 million.

RESULT:	**Approved by Voice Acclamation [Unanimous]**
MOVED BY:	Alderman Parrish
SECONDED BY:	Alderman Strzelczyk
AYES:	Gebhardt, Parrish, Strzelczyk

6) Information Items
   a. Finance & Personnel Work Plan

Alderman Parrish asked to add PILOT's (payment in lieu of taxes) to the work plan for a future discussion topic.

7) Adjourn

A motion to adjourn was made at 6:51 PM by Alderman Parrish, seconded by Alderman Strzelczyk. All voted in favor "aye."

Respectfully Submitted,

Marie Keyser
Assistant Finance Director