



11333 N. Cedarburg Rd 60W
Mequon, WI 53092-1930
Phone: 262/236-2941
Fax: 262/242-9819

www.ci.mequon.wi.us

Office of the City Administrator

**FINANCE-PERSONNEL COMMITTEE
MEETING MINUTES
October 13, 2015**

Present: Mayor Abendroth, Aldermen Leszczynski, Mayr, Pukaite

Also Present: Alderman Pam Adams, City Administrator Jones, Assistant City Administrator Thyges, Police Chief Graff, Finance Director Watson, Assistant Finance Director Rudychev, Deputy City Clerk Fochs, City Attorney Sajdak, Executive Assistant Prosser, Kevin Bielert, Willie Garrette, interested party

Mayor Abendroth called the meeting to order at 6:36 PM.

Approve minutes from the September 8, 2015 meeting

Action: Motion to approve the September 8, 2015 meeting minutes (Pukaite/Leszczynski).

Result: Motion passed by voice acclamation.

Hearing of operator license denial appeal (Kevin Bielert)

Deputy City Clerk Fochs stated at the September 8, 2015 Finance and Personnel Committee meeting, applicant Kevin Bielert was denied an Operator's License by the Committee at the recommendation of Police Chief Graff. Ms. Fochs went on to say, Kevin Bielert is before the Committee to appeal the decision. Prior to the testimony, Deputy City Clerk Fochs swore in Kevin Bielert and Police Chief Graff.

Action: Motion to approve Operator License for Kevin Bielert (Mayr/Pukaite).

Result: Motion passed by roll call vote (2/1).

Favor: Mayr, Pukaite

Opposed: Leszczynski

Hearing of operator license denial appeal (Willie Garrette)

Deputy City Clerk Fochs stated at the September 8, 2015 Finance and Personnel Committee meeting, applicant Willie E. Garrette was denied an Operator's License by the Committee at the recommendation of Police Chief Graff. Ms. Fochs went on to say, Willie E. Garrette is before the Committee to appeal the decision. Prior to the testimony, Deputy City Clerk Fochs swore in Willie Garrette and Police Chief Graff.

Action: Motion to approve Operator License for Willie E. Garrette (Leszczynski/Mayr).

Result: Motion passed by roll call vote (2/1).

Favor: Leszczynski, Pukaite

Opposed: Mayr

License applications

Action: Motion to approve license applications as recommended, license application is denied as recommended; Justin J. Wagner. (Pukaite/Mayr)

Result: Motion passed by voice acclamation.

Vouchers for payment

Action: Motion to approve vouchers for payment (Mayr/Leszczyński)

Result: Motion passed by voice acclamation.

RESOLUTION 3332 – A Resolution Approving the Class B Beer and Class B Liquor License for Jalapeno Loco Dos, Inc.

Action: Motion to recommend approval of Resolution 3332 – A Resolution Approving the Class B Beer and Class B Liquor License for Jalapeno Loco Does, Inc.

Result: Motion passed by voice acclamation. Resolution 3332 recommended to Common Council for approval.

Revising the City's fund balance policy

Finance Director Watson stated during last year's budget process the topic of appropriate fund balance levels was raised and at that time staff was asked to bring back an updated policy. Mr. Watson noted the fund balance policy was last reviewed in 2004.

Mr. Watson provided a power point presentation on the City's fund balance. During the presentation, Mr. Watson pointed out one of the many metrics rating agencies, such as Moody's, will use to evaluate credit worthiness is a City's net worth. Mr. Watson shared with the Committee quotes from Moody's analysis received at the time the City went to market to borrow for the 2015 roads; Mequon is a Aa1 community with solid financials, improving reserve levels, low average debt burden, aggressive principal pay down and no unfunded pension liabilities. Mr. Watson pointed out what Moody's did cite as a challenge for the City, is the modest reserve level for the City's rating category.

Mr. Watson reviewed the impact on the City's past borrowing structure, noting in future years the City will end up spending more in interest in a year than what was spent for principal in 2008. Mr. Watson went on to say, unless our practice changes back to self-funding major infrastructure such as roads or building improvements, and consideration is given to move away from debt, the city will be going out to market every two to three years. Mr. Watson pointed if a negative outlook is given, the City will be faced with paying higher interest rates on future debt.

Mr. Watson concluded his presentation by stating staff recommends consideration of a revised fund balance policy from the current 10% minimum to 15% maximum, to a range of two to four months of the next year's budget. Mr. Watson stated this would allow the fund balance to accumulate surpluses and over time consideration could be given to use the fund balance for capital improvements.

Alderman Pukaite spoke in support of growing the fund balance and to use the surplus to pay for capital improvements.

Alderman Mayr spoke in opposition of increasing the fund balance, noting he may consider increasing the current fund policy to 12%, and noted what staff is recommending is excessive.

Mayor Abendroth opposed the increase to 33%, but noted if the fund balance does accumulate over time the surplus should be used to pay down debt which would in turn hold the surplus level down.

City Administrator Jones stated a wider range of fund balance would provide more flexibility and an opportunity for a portion of the balance to be used for a one time capital expense, putting the City in a stronger financial position.

Due to time constraints, the Committee was not able to finish the discussion on revising the City's fund balance policy. Prior to adjournment, Mayor Abendroth indicated the item will come back to the Committee for further discussion.

Adjourn

Action: Motion to adjourn (Leszczynski/Mayr)

Result: Motion passed by voice acclamation. Meeting adjourned at 7:39 PM.

Respectfully Submitted,
CITY OF MEQUON FINANCE-PERSONNEL COMMITTEE
Lina Prosser, Executive Assistant