

MEQUON

CITY OF MEQUON, WISCONSIN POPULAR ANNUAL FINANCIAL REPORT 2022



TO THE CITIZENS OF MEQUON FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2022



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INTRODUCTION

The City of Mequon strives to provide useful financial information to its residents. As part of this goal, the City annually publishes this Popular Annual Financial Report (PAFR). The PAFR places beneficial financial information in a clear, concise, and more simplified format for the general public. The PAFR contains fiscal data from the City's General Fund, Debt Service Fund, Capital Projects Fund and non-major funds. All other funds, such as Enterprise Funds have been excluded from this report.

The financial information found in this report is extracted directly from the City's Annual Comprehensive Financial Report (ACFR). The ACFR contains performance metrics and discussion and analysis by management regarding the City's financial performance across all funds, including enterprise funds. Financial statements presented in the ACFR are prepared by Generally Accepted Accounting Principles (GAAP) and audited by the public accounting firm Baker Tilly US, LLP.

On an annual basis, it is the City of Mequon's goal to attain all three of the Government Finance Officer Association's (GFOA) awards presented to local governments. This includes the Distinguished Budget Presentation Award, a Certificate of Achievement for Excellence in Financial Reporting, and the Award for Outstanding Achievement in Popular Annual Finance Reporting. It is the City's view that participation in GFOA's awards program enhances transparency and accountability of the City's financial information.

A copy of the 2022 Annual Comprehensive Financial Report can be obtained at: <https://tinyurl.com/ACFR2022> or by contacting the City's Finance Department at (262) 236-2947.

DEFINITIONS

General Fund: The General accounting fund of the City. This fund accounts for all financial resources except those required to be accounted for in another fund.

Debt Service Fund: Used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Project Fund: Used to account for acquiring equipment, vehicles, land, and infrastructure greater than \$1,000.

Non-Major Funds: Used to account for Park and Open Space, Revolving Loan and Police Reserve revenue funds.



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

**City of Mequon
Wisconsin**

For its Annual Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill
Executive Director/CEO



MEQUON COMMON COUNCIL & ADMINISTRATIVE STAFF



**Alderman
Rob Strzelczyk
District 1**



**Alderman
Glenn Bushee
District 2**



**Alderman
Dale Mayr
District 3**



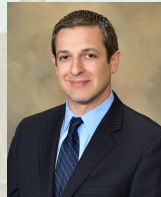
**Alderman
Jeff Hansher
District 4**



**Mayor
Andrew Nerbun**



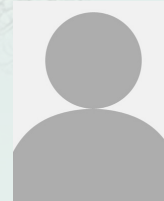
**Alderman
Mark Gierl
District 5**



**Alderman
Brian Parrish
District 6**



**Alderwoman
Kathleen Schneider
District 7**



**Alderman
Vacant
District 8**

City Administrator

William Jones

Assistant City Administrator/HR Director

Justin Schoenemann

Fire Chief

David Bialk

Finance Director

Jennifer Engroff

City Clerk

Caroline Fochs

Public Works Director/City Engineer

Kristen Lundeen

Police Chief

Patrick Pryor

Community Development Director

Kimberly Tollefson



ABOUT MEQUON

Located on the western shores of Lake Michigan, just north of Milwaukee, the City of Mequon boasts majestic lakeshore bluffs, stately homes, lush farmland, and expansive open space. The community enjoys many parks, five golf courses, the winding Milwaukee River, and easy access to the I-43 interstate for a convenient commute to Milwaukee. Mequon's rural heritage is preserved by high development standards and low-density zoning requirements. Nearly fifty percent of the land within the City is undeveloped and still mostly farmed.

Additionally, Mequon has one of the lowest crime rates and one of the lowest tax rates in the Metropolitan Milwaukee area. Property values have increased by an average of three percent each year for the last ten years. The K-12 school system is ranked one of the best in Wisconsin. Concordia University and the North Campus of the Milwaukee Area Technical College are located in Mequon and offer a broad range of programs. Prime healthcare facilities and services are readily available throughout the City and include Ascension Hospital. Mequon is also a business-friendly community with over 800 businesses and two industrial parks with small and mid-sized firms as well as larger companies like Rockwell Automation.

Population	25,337
Median Household Income	\$135,425
High School Graduate (% of persons age 25+)	98.4%
Bachelors Degree or higher (% of persons age 25+)	70.6%
Number of Households	8,862
Median Value of owner-occupied housing unit	\$402,900
Median monthly owner costs w/ mortgage	\$2,341
Median monthly owner costs w/o mortgage	\$865
Median Gross Rent	\$2,050

Data from Census.gov

At A Glance:	FY 2021	FY 2022
City Property Tax Rate (per \$1000 of assessed value)	3.08	\$3.11
Total Property Tax Rate (M-T Schools)	\$13.78	\$13.63
Total Property Rate (Cedarburg Schools)	\$11.82	\$11.41
Equalized Value	\$5,403,150,300	\$5,997,009,400
Assessed Value	\$5,394,785,380	\$5,513,294,270
Bond Rating	AA (Stable)	AA (Stable)



WHERE DO YOUR TAX DOLLARS GO?



A home valued at \$400,000 in the City of Mequon generates \$1,244 in annual property taxes for the City. That equates to \$104 per month in property taxes.

What Could You Buy With \$104 Per Month?

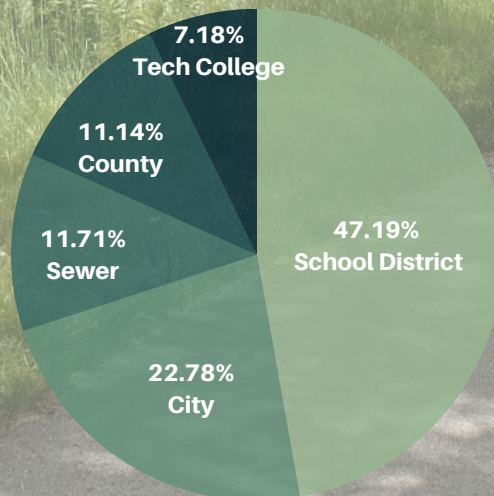
ONE OF THESE

- One Month of Internet Service
- One Month of Cell Phone Service
- A Golf Lesson
- One Month Gym Membership
- Dinner for Two

OR ALL OF THESE

- 24/7/365 Police Protection
- 24/7/365 Fire Protection
- Snow and Ice Removal
- Maintaining 1,200 Acres of Parks
- Street Lighting
- Paved & Maintained City Streets
- Special Events

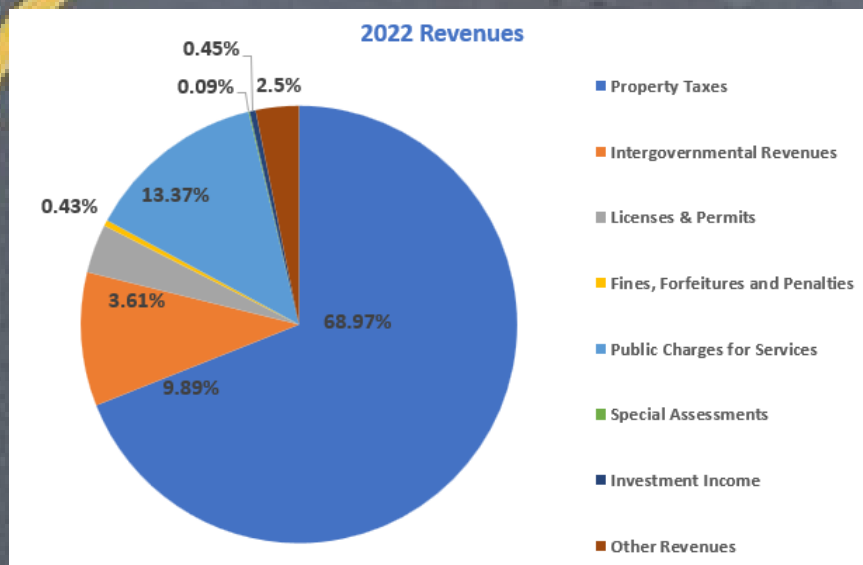
Breakdown of 2022 Tax Rate by Jurisdiction:



FISCAL YEAR 2022 REVENUES

This section is designed to provide readers with information to illustrate the financial standing of Mequon and to understand how available resources are utilized to provide services. The charts shown below summarize the City's largest sources of revenue and expenditures for the general fund, debt service fund, capital projects fund and non-major governmental funds. Total revenue increased approximately \$2M from FY 2021 to FY 2022. The primary reasons are the Highland Road Interchange reimbursement in the Capital Fund and increased Ambulance revenues in the General Fund.

	FY 2020	FY 2021	FY 2022
Property Taxes	\$17,191,976	\$18,693,416	\$18,629,803
Intergovernmental Revenues	\$2,533,207	\$2,335,157	\$2,671,378
Licenses & Permits	\$1,403,824	\$1,111,185	\$975,540
Fines, Forfeitures and Penalties	\$149,638	\$176,244	\$117,210
Public Charges for Services	\$1,455,313	\$1,697,580	\$3,612,426
Special Assessments	\$30,490	\$23,514	\$23,451
Investment Income	\$282,252	\$231,308	\$120,714
Other Revenues	\$705,481	\$618,756	\$860,881
	<u>\$23,752,181</u>	<u>\$24,887,160</u>	<u>\$27,011,403</u>



FISCAL YEAR 2022 EXPENDITURES

Total expenditures for FY 2022 increased \$7,297,809 from FY 2021. The main reason for the significant increase in expenditures is due to the City issuing debt in FY 2022 to fund the Road Program, fund Tax Increment District (TID) 3 improvements as well as pay for the Highland Road Interchange. Actual General Fund Revenues ended the year at 98% of the budgeted total, and General Fund Expenditures were 100% of the budgeted amount. Therefore, the City ended 2022 with a deficit of \$308,822. Approximately \$286,000 of the deficit is attributable to the use of available fund balance within the City's General Fund approved by Common Council to finance various one-time expenses. Excluding the one-time use of available reserves from the City's General Fund, the net operating deficit equates to a shortfall of \$22,822, during a year when inflation reached a high of 9.1%.

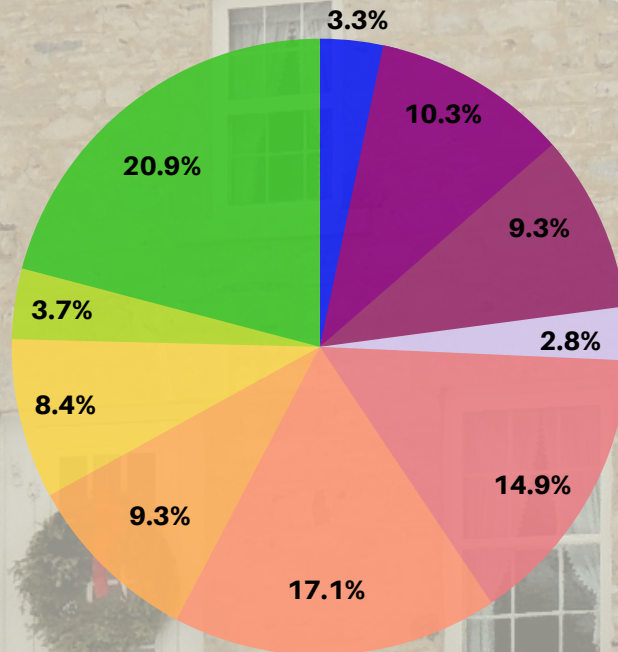
	FY 2020	FY 2021	FY 2022
General Government	\$ 3,266,926	\$ 3,149,699	\$ 3,141,660
Public Safety	\$ 8,321,663	\$ 8,949,494	\$ 9,660,250
Public Works	\$ 2,926,942	\$ 2,974,261	\$ 3,362,686
Community Enrichment	\$ 1,969,988	\$ 1,692,557	\$ 1,810,778
Conservation and Development	\$ 733,858	\$ 615,616	\$ 580,338
Capital Outlay	\$ 4,169,921	\$ 2,950,707	\$ 8,886,923
Principal	\$ 9,331,520	\$ 3,150,000	\$ 3,344,889
Interest & Fiscal Changes	\$ 924,542	\$ 572,390	\$ 565,009
	<u>\$31,645,360</u>	<u>\$24,054,724</u>	<u>\$31,352,533</u>



GENERAL GOVERNMENT

General Government accounts for the day-to-day operation of Mequon's administrative and leadership responsibilities including administration, finance, legal and human resources.

FY 2022 General Government Expenditures:



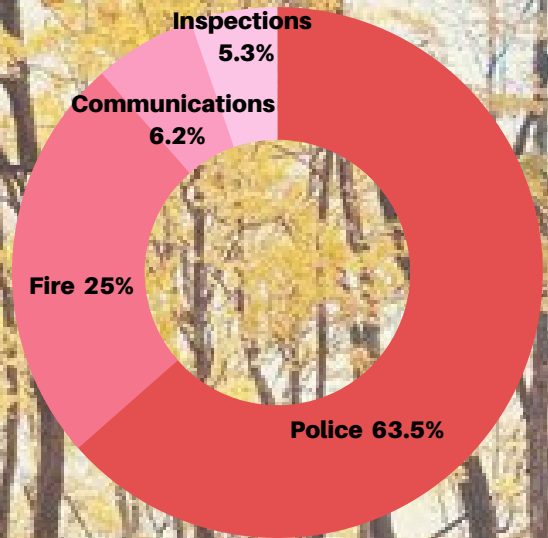
	2020 Actual	2021 Actual	2022 Actual	% of Total
Common Council	\$ 83,045	\$ 84,914	\$ 103,734	3.3%
Administration	\$ 377,760	\$ 311,014	\$ 323,111	10.3%
City Clerk	\$ 326,426	\$ 308,947	\$ 290,919	9.3%
Elections	\$ 143,051	\$ 96,799	\$ 87,579	2.8%
Information Services	\$ 321,637	\$ 365,636	\$ 467,371	14.9%
Finance	\$ 544,469	\$ 473,864	\$ 537,195	17.1%
Assessor	\$ 284,770	\$ 354,436	\$ 293,001	9.3%
Human Resources	\$ 403,213	\$ 328,891	\$ 262,405	8.4%
Legal Counsel	\$ 123,321	\$ 108,291	\$ 117,334	3.7%
Building Maintenance	\$ 659,234	\$ 716,906	\$ 659,011	20.9%
TOTAL	\$ 3,266,926	\$ 3,149,699	\$ 3,141,660	100%



PUBLIC SAFETY

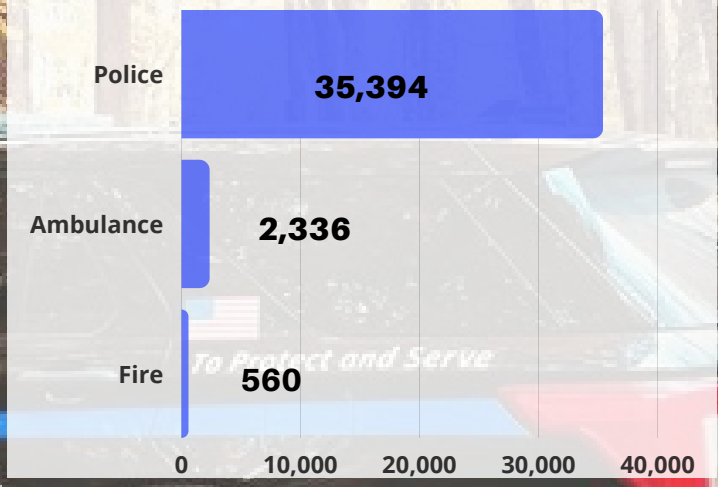
2022 Expenditures

- Law Enforcement
- Investigations
- Emergency Communications (911)
- Emergency Response (Fire & EMS)
- Traffic Enforcement
- Building Inspections



The total expenditures for public safety in 2022 were **\$9,445,343**. The majority of expenditures in this area continue to be salaries and benefits.

2022 Calls for Service



POLICE
CITY OF MEQUON

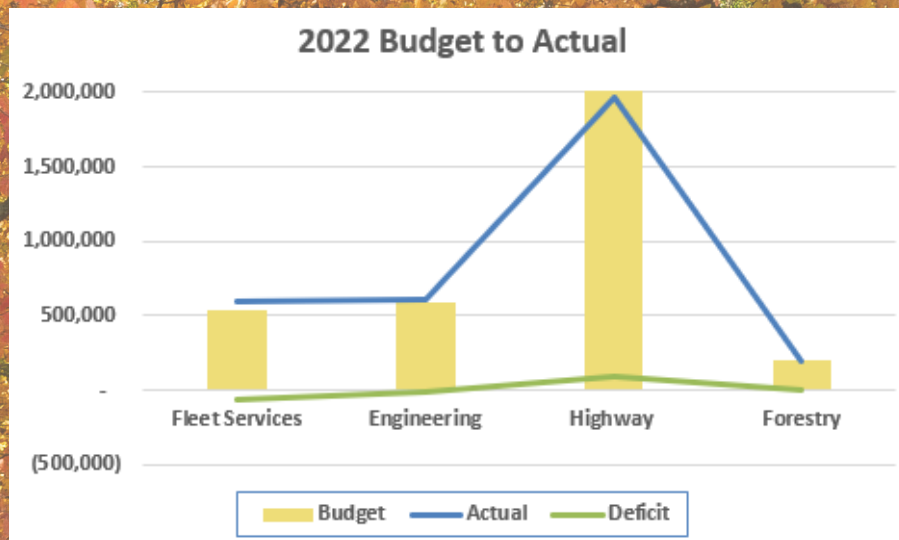
PUBLIC WORKS

FUNCTIONS:

The Department of Public Works is comprised of the following Divisions:

- Fleet
- Engineering
- Highway
- Forestry

Public Works is responsible for snow removal, fleet repair and maintenance, road maintenance, road repair and striping, and much more.

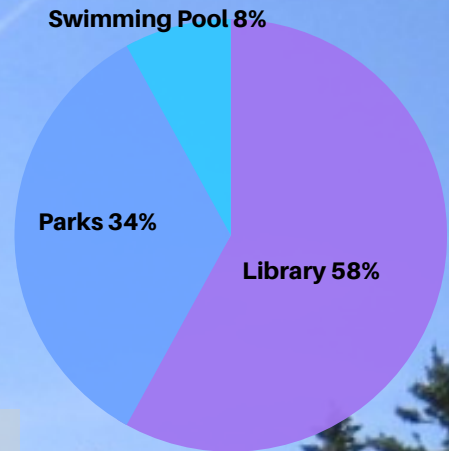


2022 Accomplishments

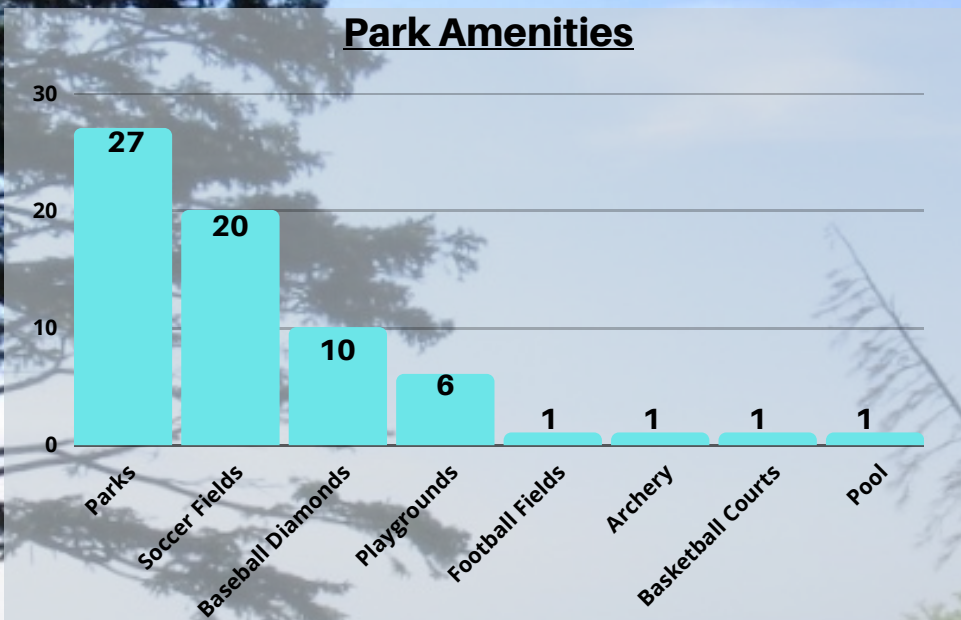
- Completed 664 repairs and preventative maintenance on City vehicles
- Reconstructed Multi-Use Parking Lot for Weyenberg Library, Community Pool, and Rennie Field
- Installed a new fishing pier at Rotary Park
- Road Program completed 5.87 miles of roadway, with 3.39 miles of milled road and 2.48 miles of pulverized road
- Snow control operations during 36 snow events throughout the year
- Removed 2,005 trees and planted 187 new trees

COMMUNITY ENRICHMENT

2022 Enrichment Expenditures



Park Amenities



Community Pool

Community Enrichment includes Parks, the Community Swimming Pool and the Weyenberg Library. The City of Mequon jointly administers the community library with the Village of Thiensville. These services are provided to the community as a means to improve the overall quality of life within the city.



CONSERVATION & DEVELOPMENT

The City's conservation and development efforts are coordinated by the Department of Community Development's Planning Division, which is responsible for policy analysis, long-range planning, site plan review, zoning code administration, economic development, landmark administration, and geographic information systems (GIS) and census/ demographic updates. This Department is also responsible for managing the City's Tax Increment Financing Districts and attracting new business to the community. The total expenditures for this Division in 2022 were \$477,418.

Most of these funds were spent on salaries and benefits for 3.5 full-time equivalent employees that staff the Planning Division.

The City's Code Enforcement Inspector is responsible for following up on code violations and complaints and addressing possible health and safety concerns.



Virmond Park



Mequon Public Market



Foxtown Development



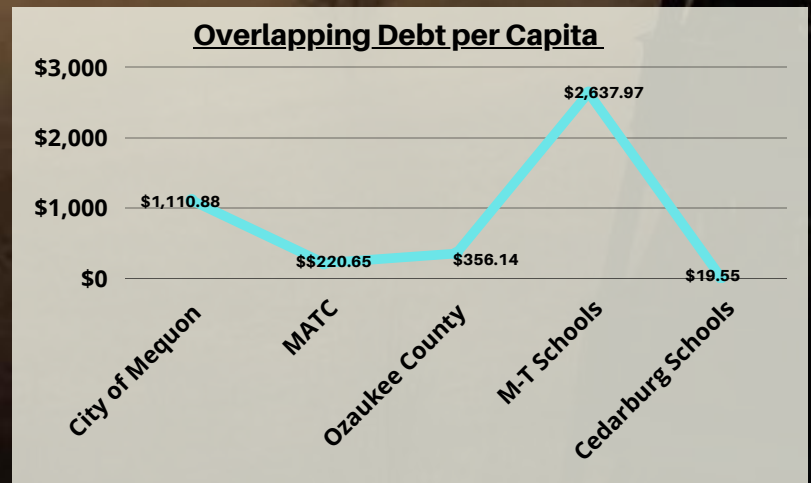
CAPITAL PROJECT/DEBT SERVICE FUNDS

Financial Statement

REVENUES	Debt Service Fund			Capital Projects Fund		
	2020	2021	2022	2020	2021	2022
Taxes	\$ 4,516,511	\$ 5,290,780	\$ 4,968,401	\$ 1,686,123	\$ 1,568,572	\$ 1,702,702
Intergovernmental	\$ 57,394	\$ -	\$ -	\$ 199,463	\$ 78,432	\$ 89,729
Public Charges for Service	\$ -	\$ -	\$ -	\$ 50,498	\$ 93,871	\$ 1,583,037
Special Assessments	\$ -	\$ -	\$ -	\$ 30,490	\$ 23,514	\$ 23,451
Investment Income	\$ 23,800	\$ 953	\$ 45,762	\$ 89,078	\$ 22,229	\$ 38,345
Miscellaneous	\$ -	\$ -	\$ -	\$ 203,834	\$ 600	\$ 184,750
TOTAL	\$ 4,597,705	\$ 5,291,733	\$ 5,014,163	\$ 2,259,486	\$ 1,787,218	\$ 3,622,014

EXPENDITURES	Debt Service Fund			Capital Projects Fund		
	2020	2021	2022	2020	2021	2022
General Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ 4,169,921	\$ 2,950,707	\$ 8,886,923
Debt Service	\$ 10,209,542	\$ 3,722,390	\$ 3,858,560	\$ 46,520	\$ -	\$ 51,338
TOTAL	\$ 10,209,542	\$ 3,722,390	\$ 3,858,560	\$ 4,216,441	\$ 2,950,707	\$ 8,938,261

- Debt per capita is calculated by taking the total outstanding debt for the entity at year-end, multiplying the amount by the percent of equalized property in the City of Mequon, and dividing it by the City's total population.
- This metric is used to depict the relative amount of debt the City and other taxing jurisdictions have incurred on a per resident basis.



Resources

If there are any questions, comments or suggestions regarding this 2022 Popular Annual Financial Report, please contact the City of Mequon Finance Department at (262)236-2947.

Please visit the City's website (www.ci.mequon.wi.us) to learn more information about City services, community events, construction projects, new businesses, weather alerts, public safety tips and much more.

