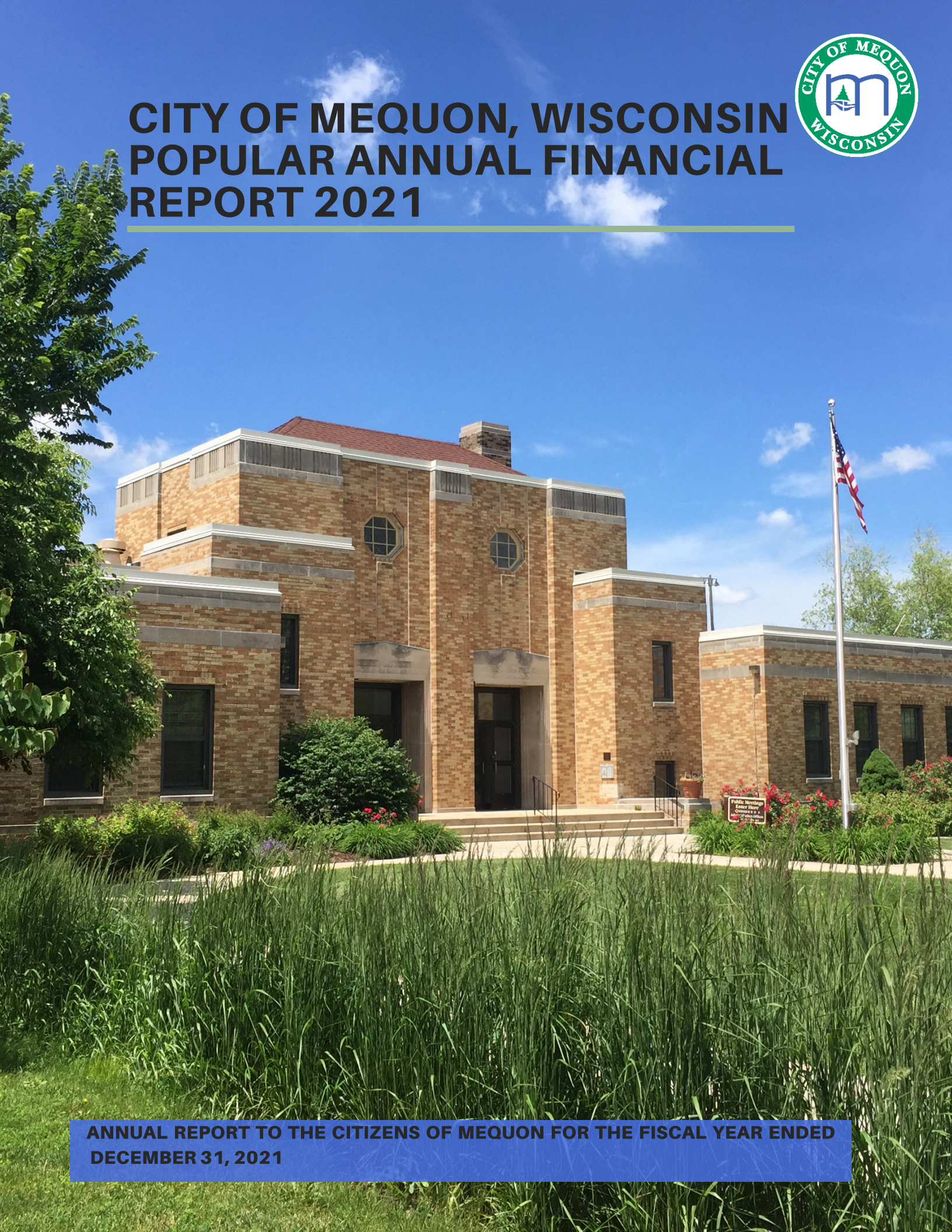




CITY OF MEQUON, WISCONSIN POPULAR ANNUAL FINANCIAL REPORT 2021



**ANNUAL REPORT TO THE CITIZENS OF MEQUON FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2021**

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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 2021 Annual Comprehensive Financial Report can be obtained at: <https://tinyurl.com/ACFR21> 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, 2020

Christopher P. Morrill

Executive Director/CEO



MEQUON COMMON COUNCIL & ADMINISTRATIVE STAFF



**Alderman
Robert Strzelczyk
District #1**



**Alderman
Glenn Bushee
District #2**



**Alderman
Dale Mayr
District #3**



**Alderman
Jeffrey Hansher
District #4**



**Mayor
John Wirth**



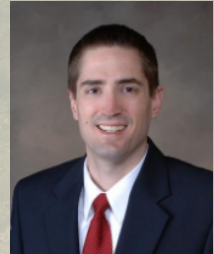
**Alderman
Mark Gierl
District #5**



**Alderman
Brian Parrish
District #6**



**Alderwoman
Kathleen Schneider
District #7**



**Alderman
Andrew Nerbun
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. 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 five 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 500 businesses and two industrial parks with small and mid-sized firms as well as larger companies like Rockwell Automation.

Population	25,142
Median Household Income	\$128,403
High School Graduate (% of persons age 25+)	97.9%
Bachelors Degree or higher (% of persons age 25+)	69.9%
Number of Households	8,839
Median Value of owner-occupied housing unit	\$396,700
Median monthly owner costs w/ mortgage	\$2,365
Median monthly owner costs w/o mortgage	\$871
Median Gross Rent	\$1,708

Data from Census.gov

At A Glance:	FY 2020	FY 2021
City Property Tax Rate (per \$1000 of assessed value)	\$3.44	\$3.08
Total Property Tax Rate (M-T Schools)	\$15.58	\$13.76
Total Property Rate (Cedarburg Schools)	\$14.67	\$11.62
Equalized Value	\$5,232,431,000	\$5,403,150,300
Assessed Value	\$4,752,468,730	\$5,394,765,380
Bond Rating	AA (Stable)	AA (Stable)



WHERE DO YOUR TAX DOLLARS GO?



A home valued at \$350,000 in the City of Mequon generates \$1,078 in annual property taxes for the City. That equates to \$90 per month in property taxes.

What Could You Buy With \$90 Per Month?

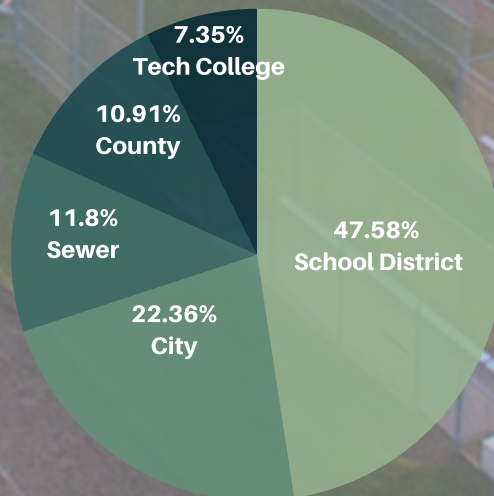
ONE OF THESE

- 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 2021 Tax Rate by Jurisdiction:



FISCAL YEAR 2021 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 ("Where the Money Comes From") and expenditures ("Where the Money Goes") for the general fund, debt service fund, capital projects fund and non-major governmental funds. FY 2021 General Fund saw a revenue increase of just over \$800,000. This was primarily due to an increase in the City mill rate in order to create three new full-time Battalion Chief positions.

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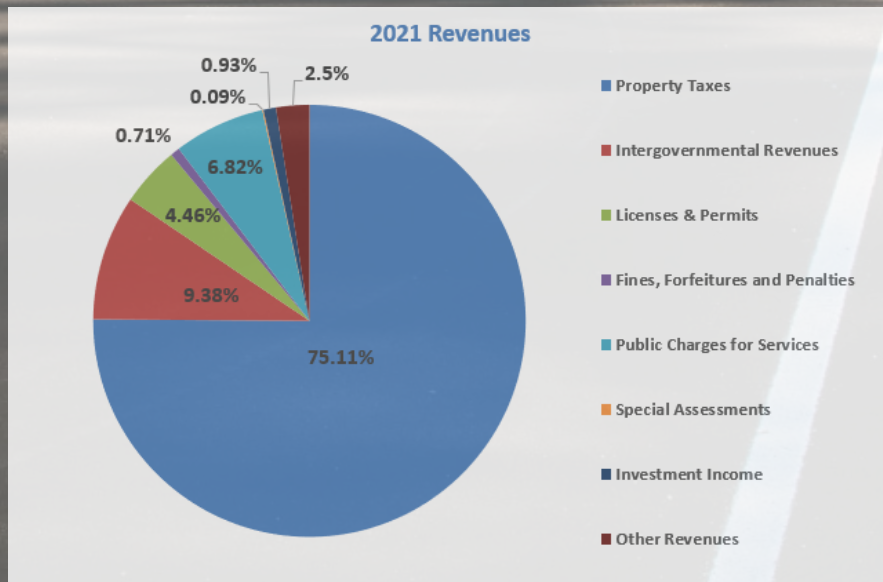
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	FY 2019	FY 2020	FY 2021
Property Taxes	\$ 15,941,941	\$ 17,191,976	\$ 18,693,416
Intergovernmental Revenues	\$ 3,189,179	\$ 2,533,207	\$ 2,335,157
Licenses & Permits	\$ 1,565,059	\$ 1,403,824	\$ 1,111,185
Fines, Forfeitures and Penalties	\$ 219,554	\$ 149,638	\$ 176,244
Public Charges for Services	\$ 1,769,439	\$ 1,455,313	\$ 1,697,580
Special Assessments	\$ 40,445	\$ 30,490	\$ 23,514
Investment Income	\$ 382,602	\$ 282,252	\$ 231,308
Other Revenues	\$ 151,691	\$ 705,481	\$ 618,756
	<u>\$ 23,259,910</u>	<u>\$ 23,752,181</u>	<u>\$ 24,887,160</u>



FISCAL YEAR 2021 EXPENDITURES

Total expenditures for FY 2021 decreased \$7,590,636 from FY 2020. The main reason for the significant decrease in expenditures is due to the City refinancing debt service in FY 2020. Additionally the City spent \$1.4 million in 2020 to improve Town Center District (TID) 3. Despite the ongoing economic toll of the COVID-19 pandemic, the City ended the year in a favorable position with a General Fund surplus of \$92,093.

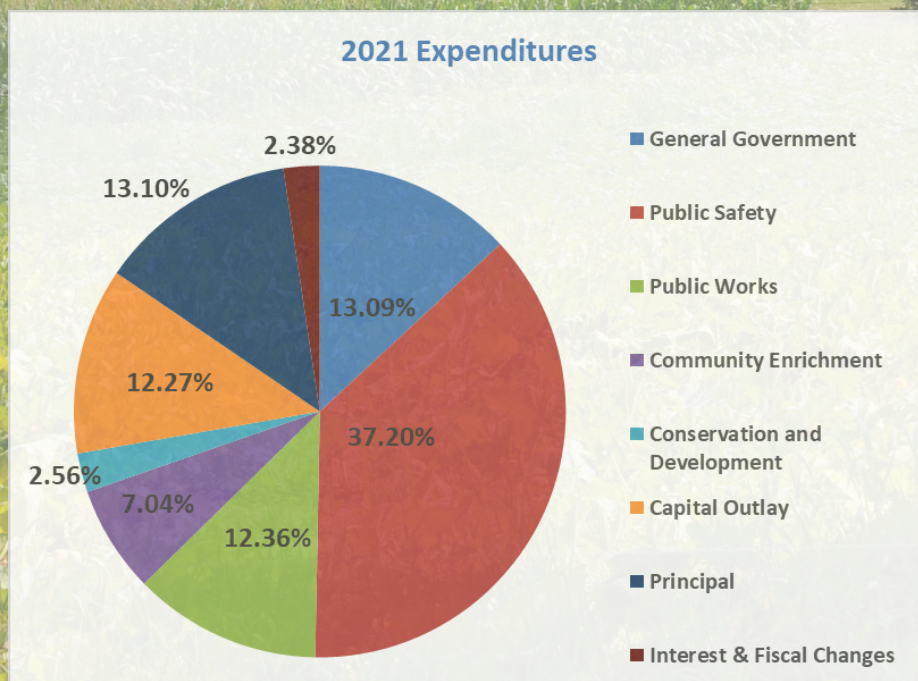
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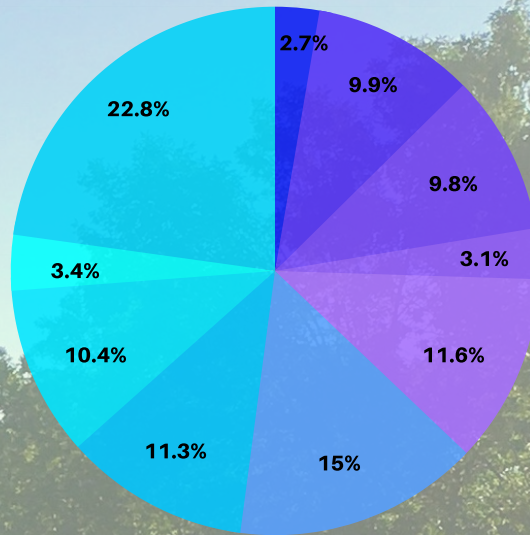
	FY 2019	FY 2020	FY 2021
General Government	\$ 2,765,802	\$ 3,266,926	\$ 3,149,699
Public Safety	\$ 8,361,409	\$ 8,321,663	\$ 8,949,494
Public Works	\$ 3,210,284	\$ 2,926,942	\$ 2,974,261
Community Enrichment	\$ -	\$ 1,969,988	\$ 1,692,557
Conservation and Development	\$ 1,921,220	\$ 733,858	\$ 615,616
Capital Outlay	\$ 462,723	\$ 4,169,921	\$ 2,950,707
Principal	\$ 4,468,526	\$ 9,331,520	\$ 3,150,000
Interest & Fiscal Changes	\$ 3,903,373	\$ 924,542	\$ 572,390
	<u>\$25,093,337</u>	<u>\$31,645,360</u>	<u>\$24,054,724</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 2021 General Government Expenditures:



	2019 Actual	2020 Actual	2021 Actual	% of Total
Common Council	\$ 103,142	\$ 83,045	\$ 84,914	2.7%
Administration	\$ 278,224	\$ 377,760	\$ 311,014	9.9%
City Clerk	\$ 268,168	\$ 326,426	\$ 308,947	9.8%
Elections	\$ 34,349	\$ 143,051	\$ 96,799	3.1%
Information Services	\$ 333,233	\$ 321,637	\$ 365,636	11.6%
Finance	\$ 571,519	\$ 544,469	\$ 473,864	15.0%
Assessor	\$ 227,833	\$ 284,770	\$ 354,436	11.3%
Human Resources	\$ 198,975	\$ 403,213	\$ 328,891	10.4%
Legal Counsel	\$ 101,055	\$ 123,321	\$ 108,291	3.4%
Building Maintenance	\$ 649,304	\$ 659,234	\$ 716,906	22.8%
TOTAL	\$ 2,765,802	\$ 3,266,926	\$ 3,149,699	100%

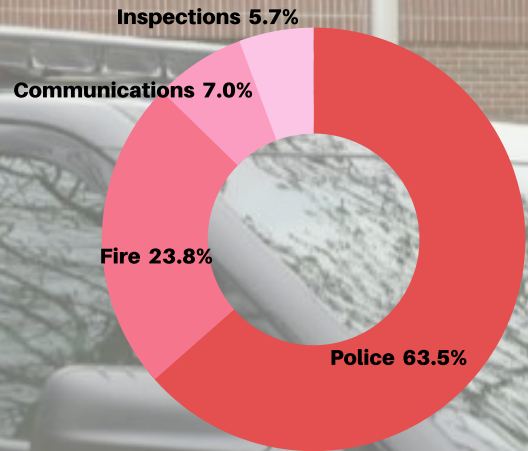


PUBLIC SAFETY

CITY OF MEQUON
SAFETY BUILDING

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

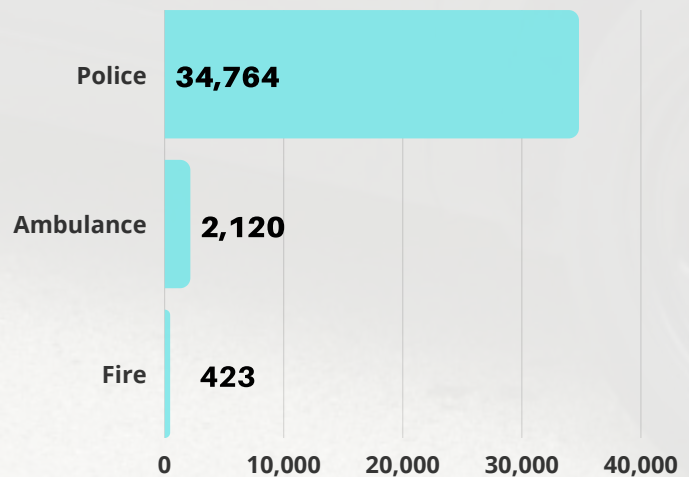
2021 Expenditures



The total expenditures for public safety in 2021 were **\$8,873,004**.

The majority of expenditures in this area continue to be salaries and benefits.

2021 Calls for Service



PUBLIC WORKS

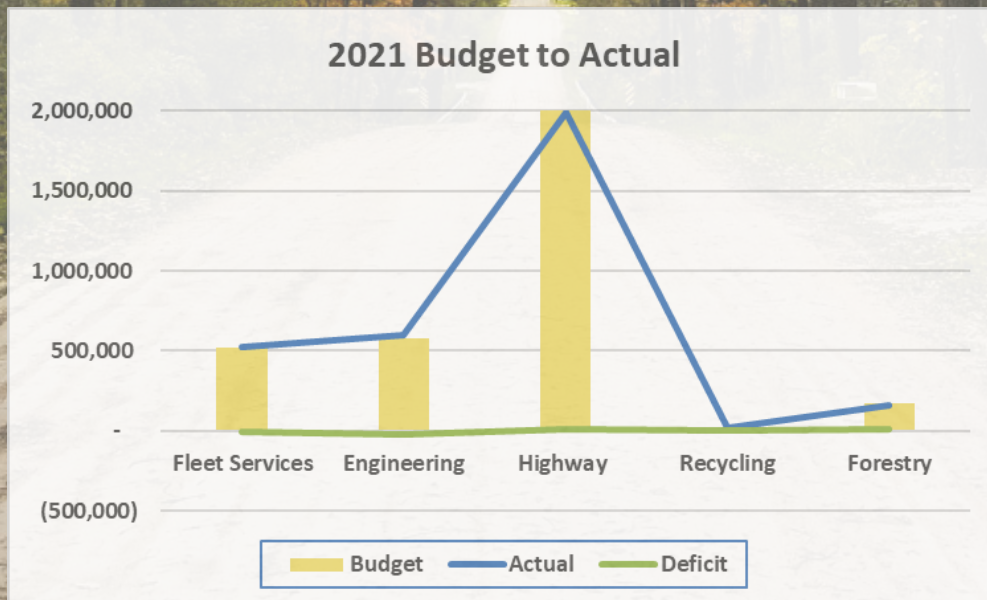
FUNCTIONS:

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

- Fleet
- Engineering
- Highway
- Forestry
- Recycling

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

FISCAL YEAR 2021 saw a budget deficit of 0.27% for the Department.



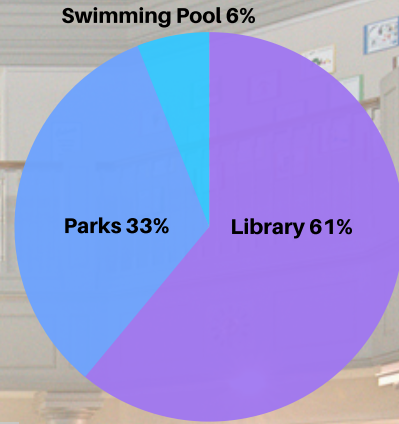
2021 Accomplishments

- Completed 750 repairs and preventative maintenance on City vehicles
- Oversaw concept plan approval and design of a safe crossing of Mequon Road at the Ozaukee Interurban Train
- Facilitated multiple agreements with the Wisconsin Department of Transportation for the I-43 North/South Corridor project
- Snow control operations during 19 snow events throughout the year
- Removed and subsequently replaced 2,500 trees

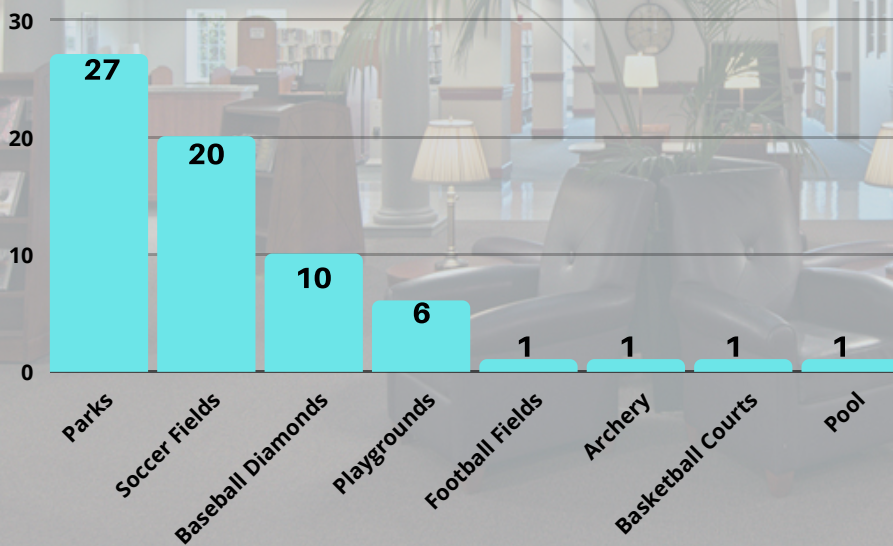


COMMUNITY ENRICHMENT

2021 Enrichment Expenditures



Park Amenities



Swimming 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 2021 were \$512,367. 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.



Lakefront



River Barn Park



Mequon Business Park

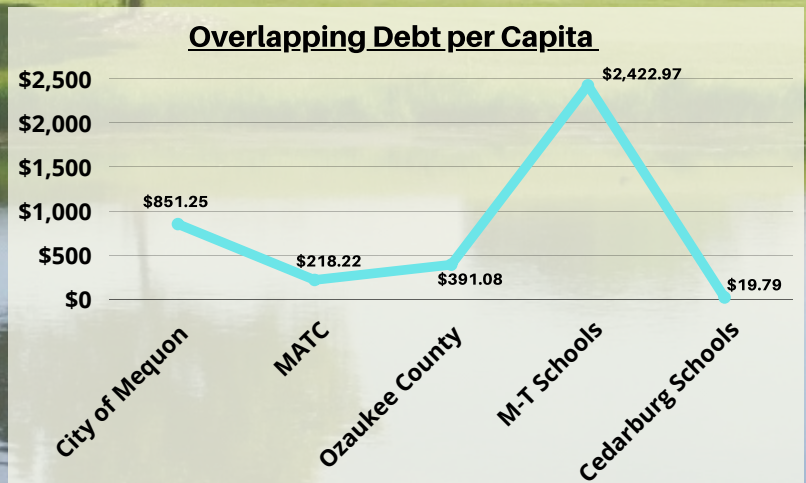
CAPITAL PROJECTS/DEBT SERVICE FUNDS

Financial Statement

REVENUES	Debt Service Fund			Capital Projects Fund		
	2019	2020	2021	2019	2020	2021
Taxes	\$ 3,686,687	\$ 4,516,511	\$ 5,290,780	\$ 1,380,086	\$ 1,686,123	\$ 1,568,572
Intergovernmental	\$ 109,241	\$ 57,394	\$ -	\$ 913,489	\$ 199,463	\$ 78,432
Public Charges for Service	\$ -	\$ -	\$ -	\$ 74,801	\$ 50,498	\$ 93,871
Special Assessments	\$ -	\$ -	\$ -	\$ 40,445	\$ 30,490	\$ 23,514
Investment Income	\$ 12,894	\$ 23,800	\$ 953	\$ 117,587	\$ 89,078	\$ 22,229
Miscellaneous	\$ -	\$ -	\$ -	\$ 7,987	\$ 203,834	\$ 600
TOTAL	\$ 3,808,822	\$ 4,597,705	\$ 5,291,733	\$ 2,534,395	\$ 2,259,486	\$ 1,787,218

EXPENDITURES	Debt Service Fund			Capital Projects Fund		
	2019	2020	2021	2019	2020	2021
General Government	\$ -	\$ -	\$ -	\$ 117,619	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ 4,468,526	\$ 4,169,921	\$ 2,950,707
Debt Service	\$ 3,842,850	\$ 10,209,542	\$ 3,722,390	\$ 60,523	\$ 46,520	\$ -
TOTAL	\$ 3,842,850	\$ 10,209,542	\$ 3,722,390	\$ 4,646,668	\$ 4,216,441	\$ 2,950,707

- 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 2021 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.

