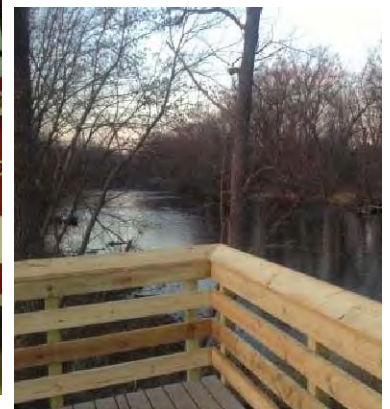


# City of Mequon



## Popular Annual Financial Report



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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-system for a convenient commute to Milwaukee. Mequon’s rural heritage is preserved by high development standards and low-density zoning regulations. Fifty percent of the land within the City is undeveloped and still mostly farmed.

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 Columbia St. Mary’s Hospital. Mequon is also a business-friendly community with over 300 businesses and two industrial parks with small and mid-sized firms as well as large firms like Rockwell Automation.

### CITY OF MEQUON AT A GLANCE

	FY 2013	FY 2014
City Property Tax Rate	3.04	3.04
Total Property Tax Rate (Mequon-Thiensville Schools)	15.5	14.83
Total Property Tax Rate (Cedarburg Schools)	14.84	13.97
Equalized Value	3,949,468,500	4,126,761,500
Assessed Value	4,333,102,850	4,381,678,460
Bond Rating	Aa1	Aa1

The City of Mequon continues to strive to provide useful financial information to our residents. As part of this goal, the City has begun publishing the 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 Governmental funds, including the General Fund, Debt Service Fund, Capital Projects Fund, and other Non-Major Funds. Definitions can be found below. Enterprise funds are not represented in the PAFR.

The financial information found in this report is extracted directly from the City's Comprehensive Annual Financial Report (CAFR). The CAFR contains performance metrics, as well as discussion and analysis by management regarding the City's financial performance across all funds, including enterprise funds.

Financial statements presented in the CAFR are prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited by the public accounting firm Baker Tilly Virchow Krause, LLP.

In 2013, the City of Mequon was awarded its first Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). This certificate is the highest form of recognition for excellence in state and local government financial reporting.

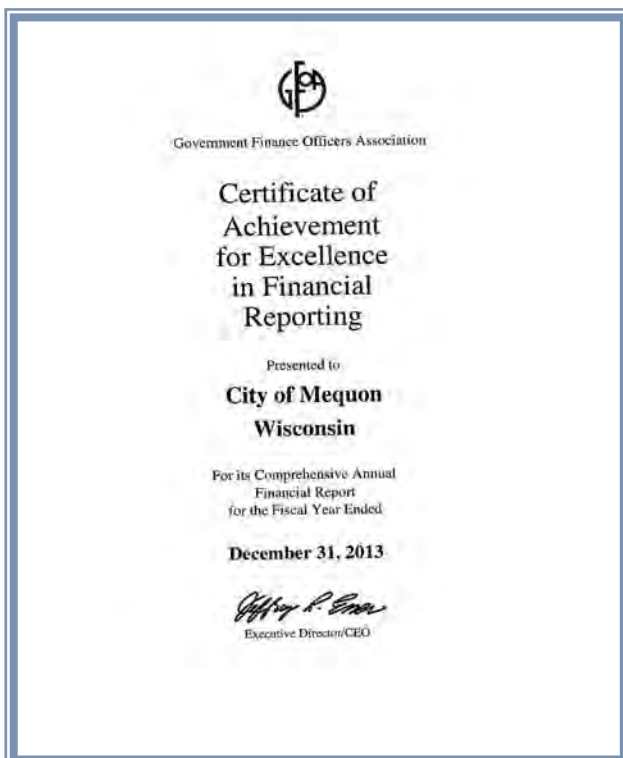
The City of Mequon believes that its current 2014 CAFR continues to meet the program's requirements, and has submitted it to the GFOA to determine eligibility for another certificate of achievement.



A copy of the 2014 CAFR can be obtained at the City's website at

[www.ci.mequon.wi.us](http://www.ci.mequon.wi.us)

or by contacting the City's Finance Department at 262.236.2947.



## DEFINITIONS:

**General Fund:** General accounting fund of the City. This fund is used to account 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 Projects Fund:** Used to account for acquisition of equipment, vehicles, land, and infrastructure greater than \$1,000.

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

**Enterprise Funds:** Primarily based on user fees, these funds are operated much like a private business.





Dear Citizens,

On behalf of the City of Mequon’s Common Council, I am pleased to present the first Popular Annual Financial Report to the Citizens of Mequon. This report provides an overview of the current financial condition of the City; and a report of significant ongoing and future activities affecting our City. This administration and staff consider it an honor to serve our citizens and we believe that this report enhances the level of our accountability to you, our taxpayers.

Mequon is a very desirable location to live, work, raise a family and enjoy a great quality of life. In fact, *Money Magazine* ranked Mequon 23<sup>rd</sup> on a list of the top 50 suburbs in America. Additionally, *Movoto Real Estate* ranked Mequon the best place to live in Wisconsin and Mequon is ranked as one of the top 10 safest cities in Wisconsin by Safewise.com.

We have worked diligently to maintain a vibrant economy in our community through proactive planning and management of City’s finances. These efforts have been recognized by Moody’s Rating Service which has assigned their second highest bond rating of Aa1 to the City. This superior rating allows the City to obtain lower interest rates when issuing debt for capital projects, saving thousands of dollars in borrowing costs over time. These savings are used to help keep Mequon taxes amongst the lowest of any developed municipality in Wisconsin.

Our efforts in providing detailed and meaningful financial reports to you have also been recognized by outside sources such as the Government Finance Officers Association (GFOA). Mequon has received the Distinguished Budget Presentation award for the last six years, and was awarded the Excellence for Financial Reporting award for the first time last year.

Please visit the City’s website at [www.ci.mequon.wi.us](http://www.ci.mequon.wi.us) for more valuable information. The website is a very useful tool for both residents and businesses and is an extensive source of information about all the programs and services the City offers.

As always, we welcome your comments regarding this report.

Daniel Abendroth

Mayor



Views of Lake Michigan in Mequon



2014 Taste of Mequon

# City of Mequon Common Council



Alderman  
Robert Strzelczyk  
District #1



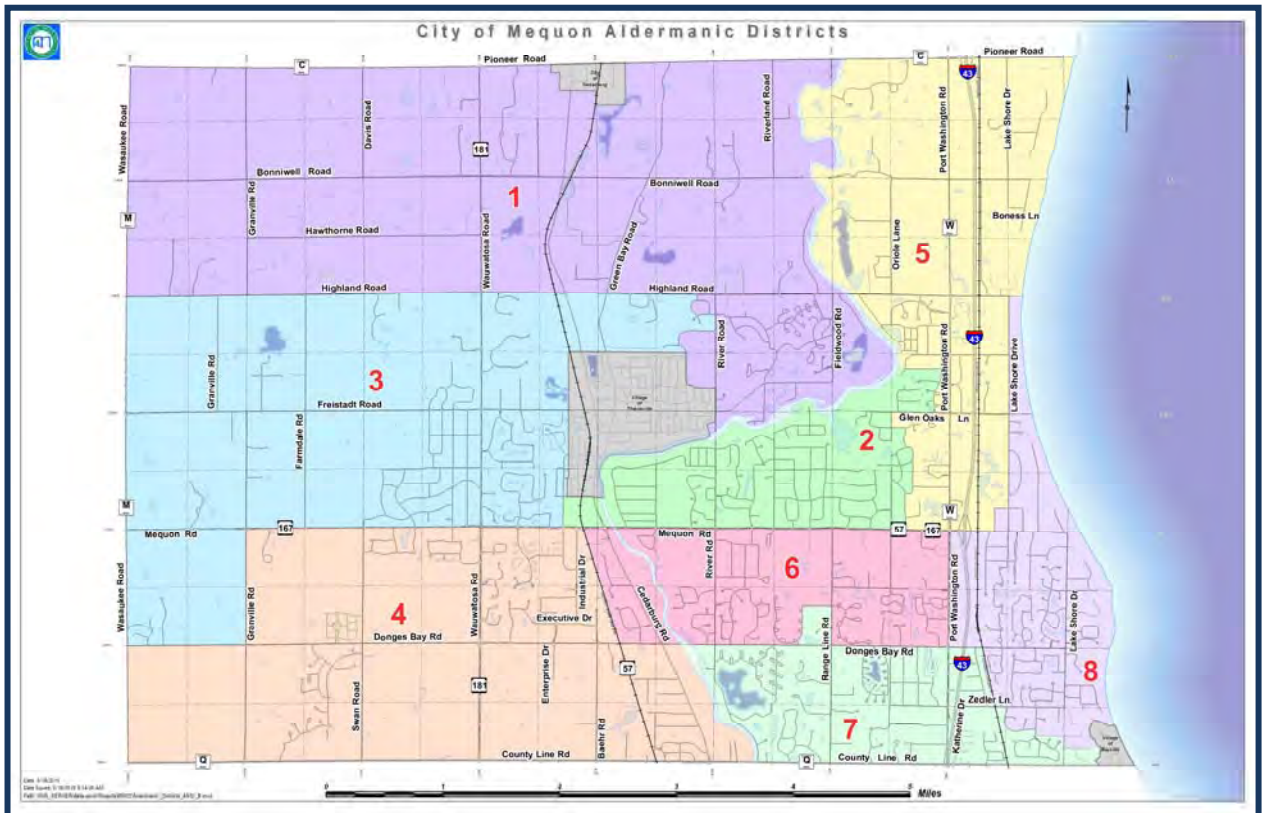
Alderman  
Connie Pukaite  
District #2



Alderman  
Dale Mayr  
District #3



Alderman  
John Leszczynski  
District #4

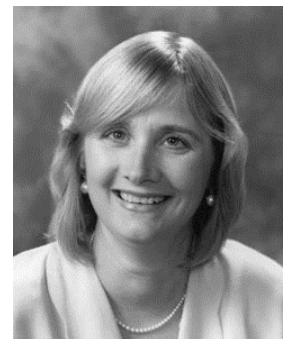


Alderman  
Mark Gierl  
District #5

Alderman  
John Hawkins  
District #6

Alderman  
Andrew Nerbun  
District #7

Alderman  
Pam Adams  
District #8



I am pleased to present for the first time the City of Mequon Popular Annual Financial Report (PAFR) for the year ended December 31, 2014. This report provides a brief analysis of where City revenues come from and where those dollars are spent, as well as an overview of trends in the local economy. Above all, it is designed to present a more easily understandable financial report in a spirit of bringing accurate information to all individuals who seek it.

This PAFR, generated internally by the City's Finance Department with the help of our entire staff, is a condensed and simplified overview of the 2014 City of Mequon's Comprehensive Financial Report (CAFR). The City's CAFR is comprised of more than 115 pages of detailed financial statements, notes, schedules and reports and has been audited by an independent outside public accounting firm and received an unmodified opinion. An unmodified opinion means that the general purpose financial statements of the City are fairly presented in accordance with Generally Accepted Accounting Principals (GAAP). While the City recognizes that analyzing financial statements can be challenging, especially for those who do not do so on a regular basis, it is our hope that you find this PAFR to be informative and understandable. Both the CAFR and PAFR will be made available online or upon request for those wishing to attain a more detailed perspective of the City's finances.

If I were asked to characterize the 2014 fiscal year for the City of Mequon, I believe the word would be "stability". FY2014 marked the fifth consecutive year that the City maintained a level budget and City tax rate. Even so, we were able to maintain the level of service necessary to provide an excellent quality of life for our citizens and business community. Moreover, the City maintained a respectful balance in its undesignated reserve fund (the "fund balance"). FY2014 concluded with a balance of \$2.5 million or 16.6% of the proposed 2015 budget. Having a stable fund balance lent itself to the City receiving an Aa1 credit rating from Moodys Rating Service. We remain diligent in managing our expenses and are continually looking for ways to improve our service delivery efficiencies. That said, you can be assured that your City is in good financial shape.

Looking ahead, I am pleased to say that the future is bright. Major commercial development initiatives for 2014 included development in both of the city's main commercial areas (Port Washington Road and Town Center). The City not only continued its implementation efforts for the Town Center but also expanded appropriate areas for additional single-family residential development served by public water and sewer. These development efforts are anticipated to generate new tax base value of approximately \$168,000,000.

As you review the PAFR, please share any questions, concerns or recommendations that you may have with us. We invite you to share your thoughts and opinions with us as we value your input and look forward to addressing any comments you may have.

Sincerely,



Jesse Thyes  
Assistant City Administrator  
Acting City Administrator (July, 2014 – January, 2015)



Taste of Mequon 2014



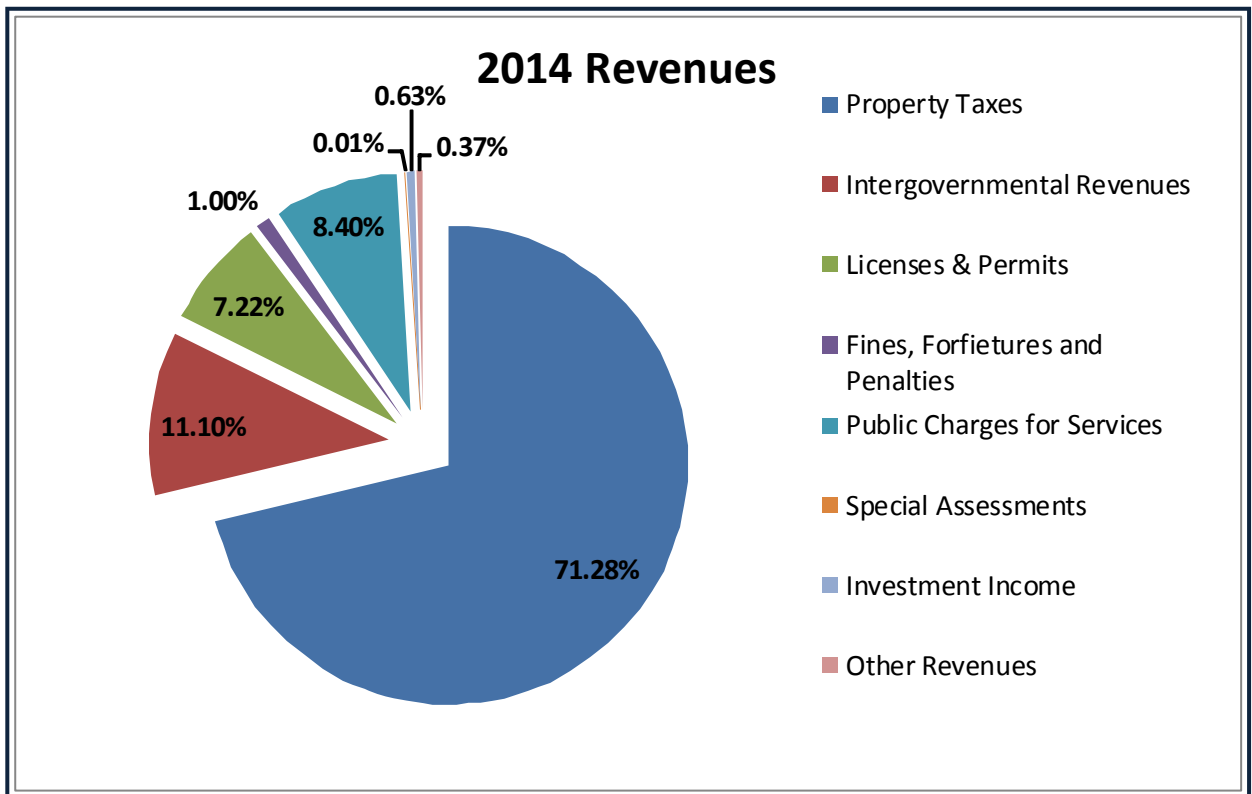
Rotary Park Gabezo



The Financial Review section is designed to provide information on the financial health and stability of the City of Mequon. This information should provide the reader with an increased level of understanding of how available resources are utilized to provide services. The following charts summarize the City’s largest sources of revenues (“Where the Money Came From”) and expenses (“Where the Money Went”) for the general fund, debt service fund, capital projects fund, and non-major governmental funds.

### Where the Money Came From...

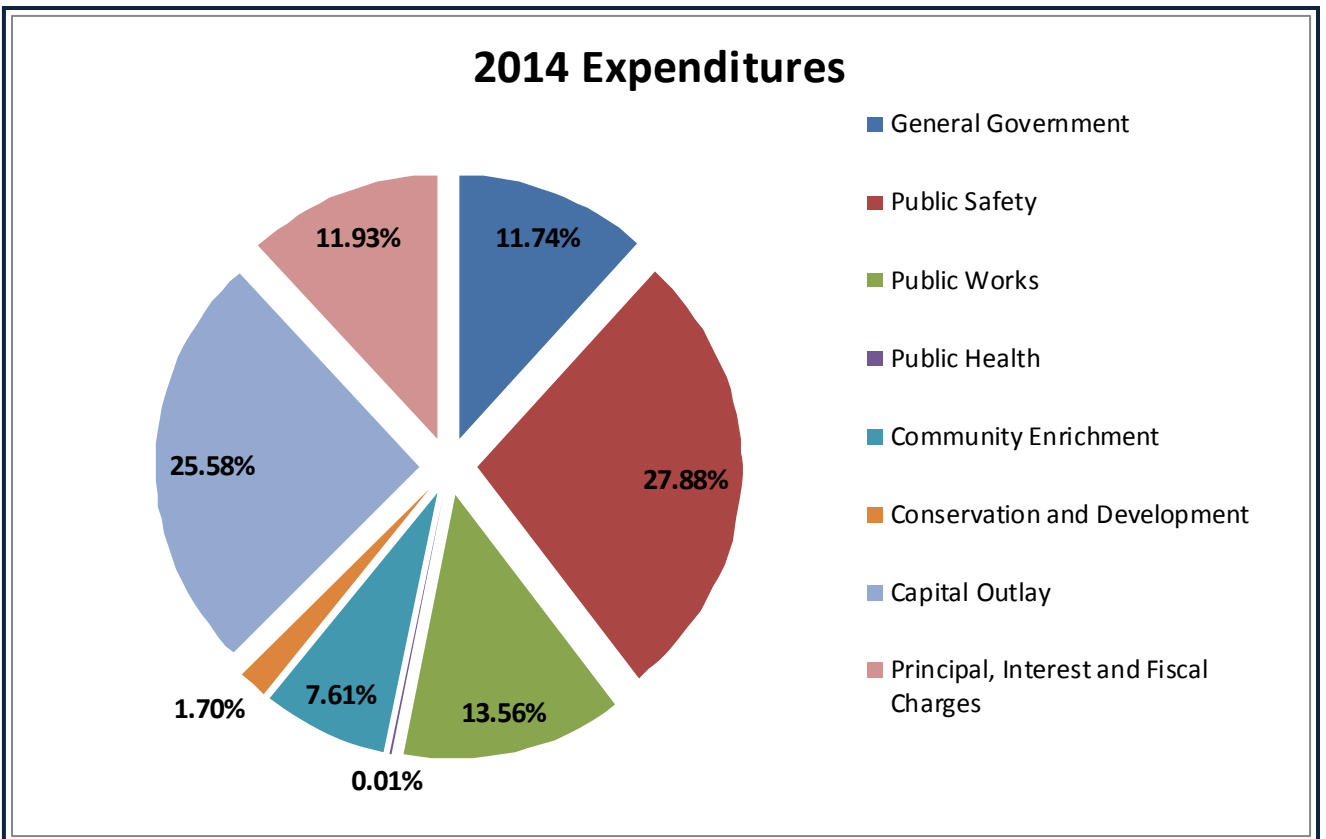
	<u>FY 2013</u>	<u>FY 2014</u>
Property Taxes	\$ 13,489,588	\$ 13,599,333
Intergovernmental Revenues	1,947,547	2,118,275
Licenses & Permits	1,273,998	1,378,270
Fines, Forfeitures and Penalties	184,068	190,347
Public Charges for Services	1,489,731	1,602,653
Special Assessments	- 0 -	1,895
Investment Income	60,715	119,292
Other Revenues	<u>386,589</u>	<u>69,804</u>
<b>TOTAL REVENUES</b>	<b><u>\$ 18,832,236</u></b>	<b><u>\$ 19,079,869</u></b>





### Where the Money Went...

	<u>FY 2013</u>	<u>FY 2014</u>
General Government	\$ 2,386,454	\$ 2,679,908
Public Safety	6,651,414	6,767,586
Public Works	3,142,843	3,290,198
Public Health	4,211	3,606
Community Enrichment	1,807,428	1,846,667
Conservation and Development	393,109	411,582
Capital Outlay	3,195,577	6,427,077
Debt Service		
Principal	3,141,988	2,013,548
Interest and Fiscal Charges	934,751	830,192
<b>TOTAL EXPENDITURES</b>	<u><u>\$ 21,657,775</u></u>	<u><u>\$ 24,270,364</u></u>



# Where Do Your Tax Dollars Go?

Each dollar of property tax collected in the City is allocated between the various governmental activities in the City as shown below.



A home valued at \$350,000 in the City of Mequon generates \$1,071.83 in annual property taxes for the City. That equates to \$89.32 per month in property taxes.



What could you buy with \$89.32 per month?

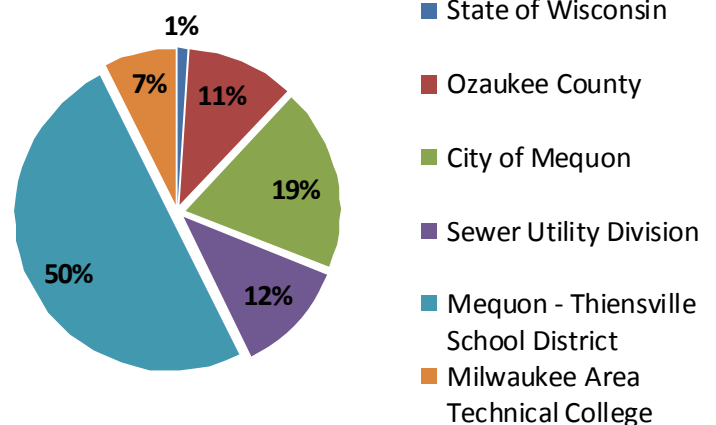
ONE OF THESE...

- One Month Cable/Internet Service
- One Month Cell Phone Bill
- 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/Ice Removal
- Well Groomed Parks
- Street Lighting
- Paved and Maintained City Streets
- Special Events

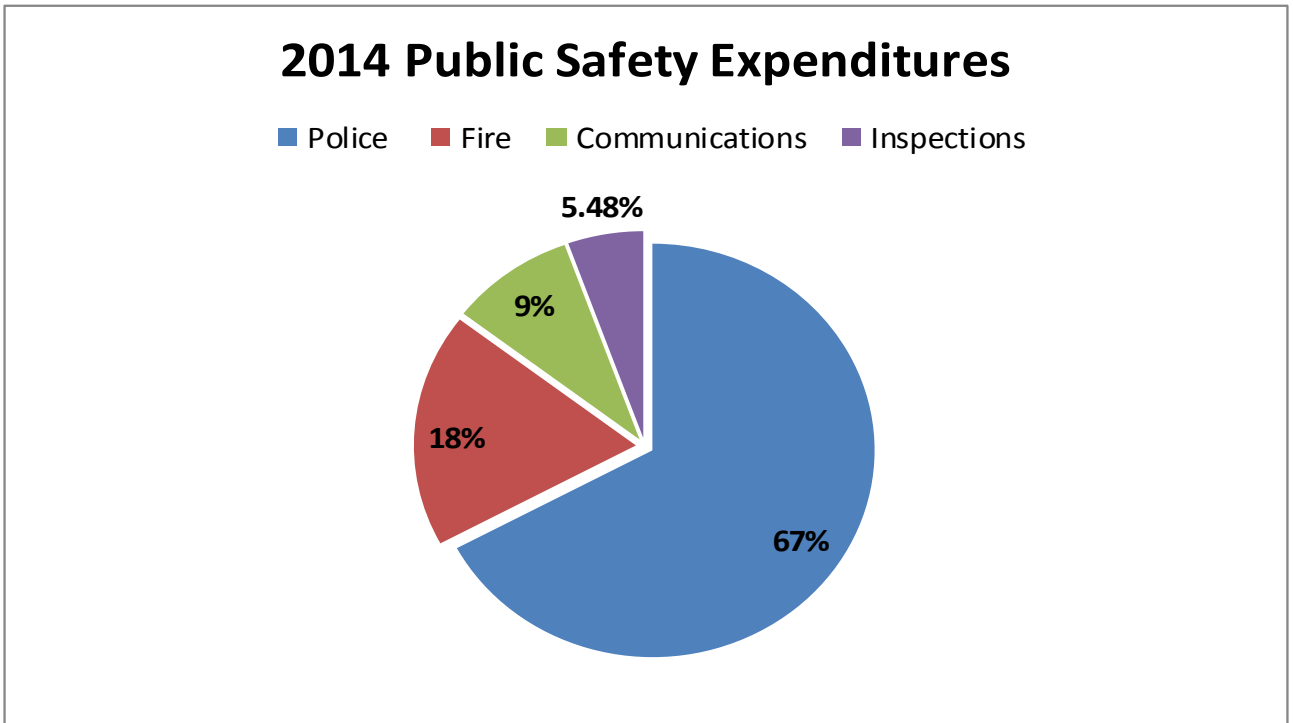
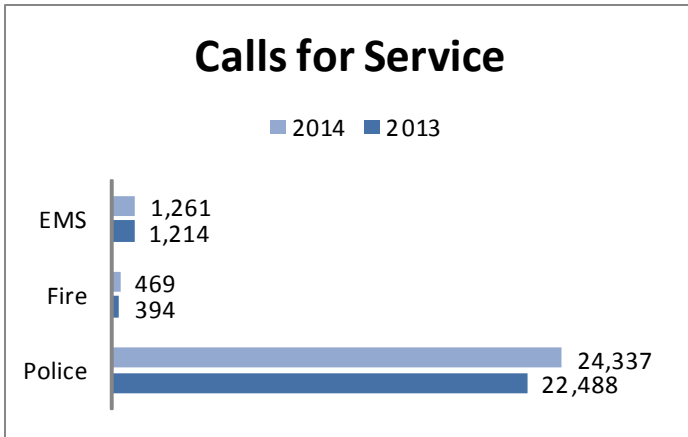
## Breakdown of 2014 Tax Rate by Jurisdiction





Public Safety functions within the City of Mequon are comprised of the Police Department, Police Reserve, Communications, Inspections and the Fire Department.

Total expenditures for Public Safety during 2014 were \$6,767,586. The largest expenditure in this area continues to be Salaries & Benefits, although staffing levels have remained level.





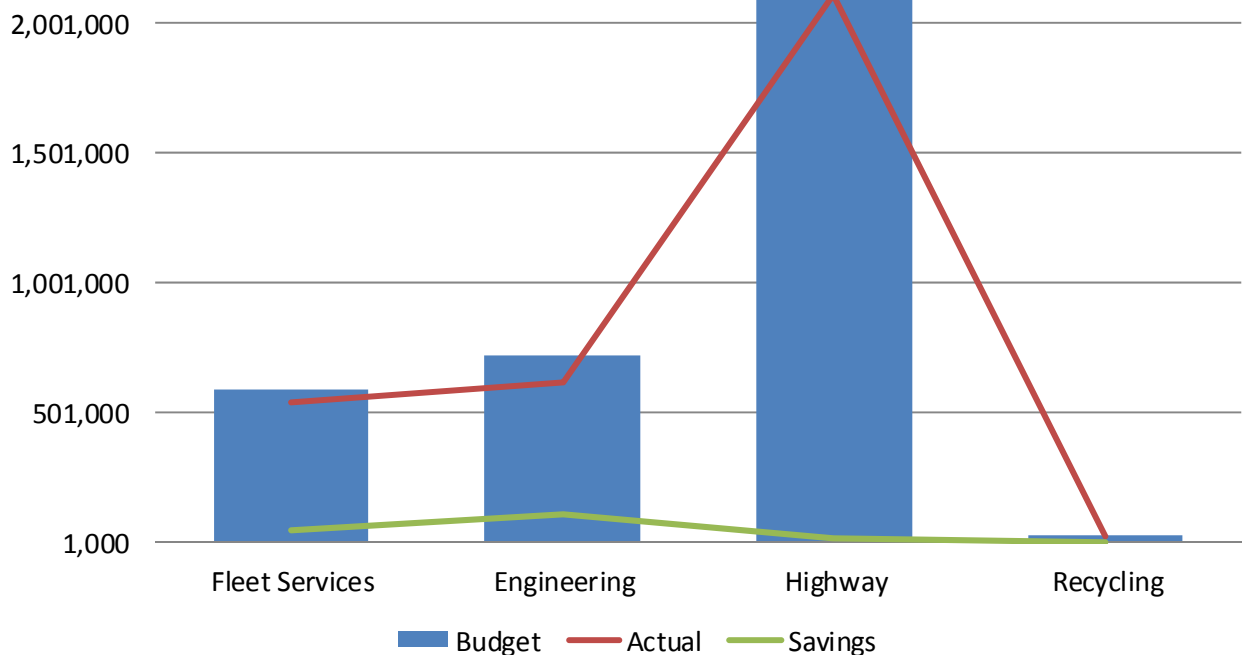
Public Works is comprised of Fleet Services, Engineering, Highway and Recycling.

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

Fiscal year 2014 saw an overall surplus for the Public Works Department.



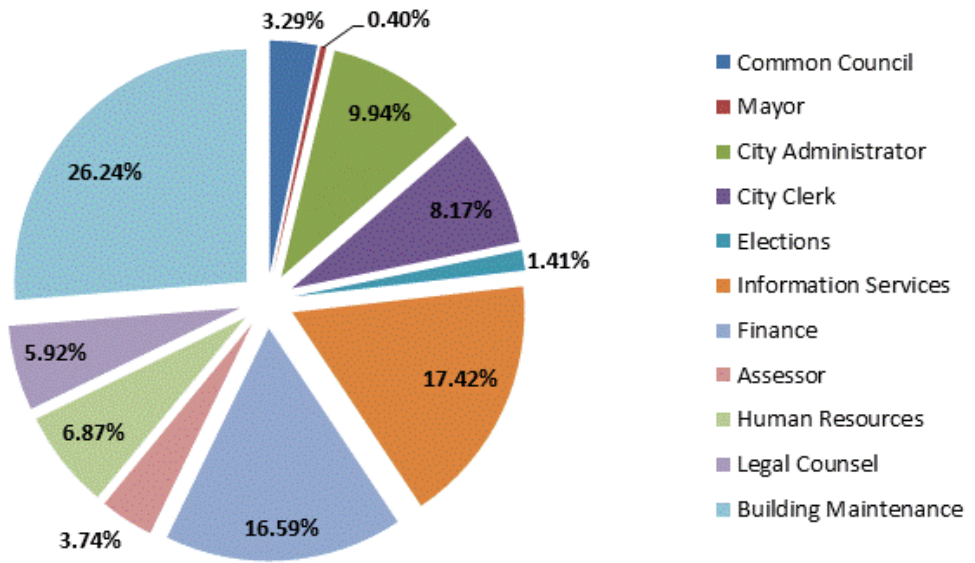
### 2014 Budget to Actual



Fiscal year 2014 saw a number of accomplishments for the Public Works Departments including:

- Completion of 600-700 repairs and preventative maintenance service for all departments.
- Performed annual evaluation of 210 miles of City roads and developed recommendations for repair and preventative maintenance.
- Completed over 10,790 feet of ditching and restoration, as well as 1,595 feet of culvert/storm sewer installation.
- Maintained operation of the Recycling Facility for resident use with no increase in fees.

### 2014 Actual General Government Expenditures

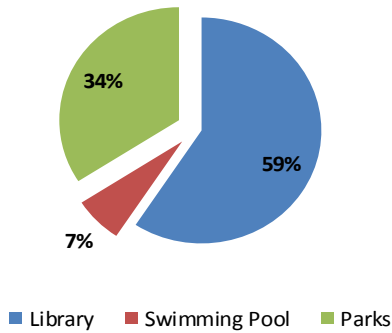


	2014 BUDGET	2014 ACTUAL
Common Council	\$ 82,575	\$ 95,304
Mayor	12,334	11,733
City Administrator	218,801	288,346
City Clerk	238,015	236,776
Elections	85,771	40,890
Information Services	316,717	505,164
Finance	434,993	481,136
Assessor	100,920	108,540
Human Resources	183,600	199,249
Legal Counsel	167,500	171,525
Building Maintenance	770,191	760,874
<b>TOTAL</b>	<b><u>\$ 2,611,417</u></b>	<b><u>\$ 2,899,537</u></b>

Community Enrichment includes Parks, Swimming Pool, and the Frank L. Weyenberg Library. The City of Mequon shares the fiscal responsibility for 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 in the City of Mequon.

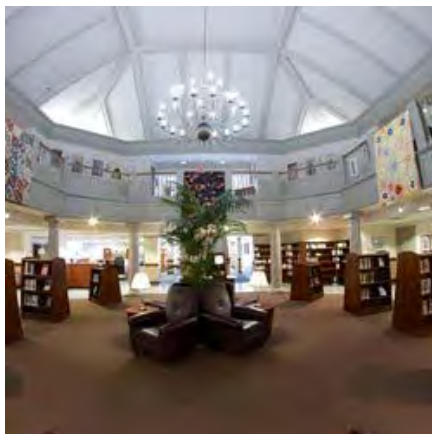
### 2014 Community Enrichment Expenditures



Pool Dive In Movie Night

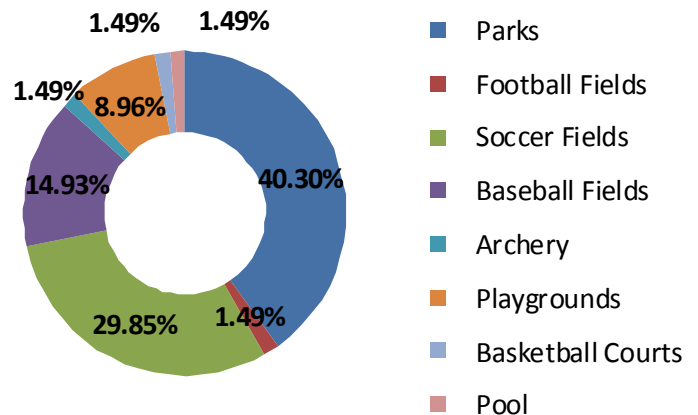


Gathering on the Green



Frank Weyenberg Library

### Mequon Parks Ammenities







Mequon Town Center

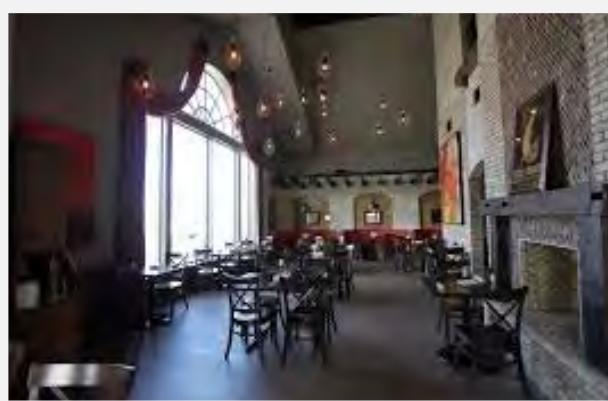


Outpost Natural Foods



Business Park

The City's Conservation and Development efforts are coordinated by the Department of Community Development, which is responsible for policy analysis, long range planning, development site plan review, zoning code administration, economic development, landmarks administration, zoning code enforcement, geographic information systems (GIS), census/demographic coordination and general processing relative to development and redevelopment within the community. This Department is also responsible for the management of the City's Tax Increment Financing Districts and for attracting new businesses to the Community. Total expenditures for this department In FY2014 totaled \$410,622. The majority of these funds were spent on salaries and benefits for 3.5 full time equivalent employees that staff the department.



Zarletti Restaurant

Public Health Inspection is responsible for providing inspections for all eating and drinking establishments (i.e. restaurants and bars) in Mequon.

Joey Gerard's Restaurant



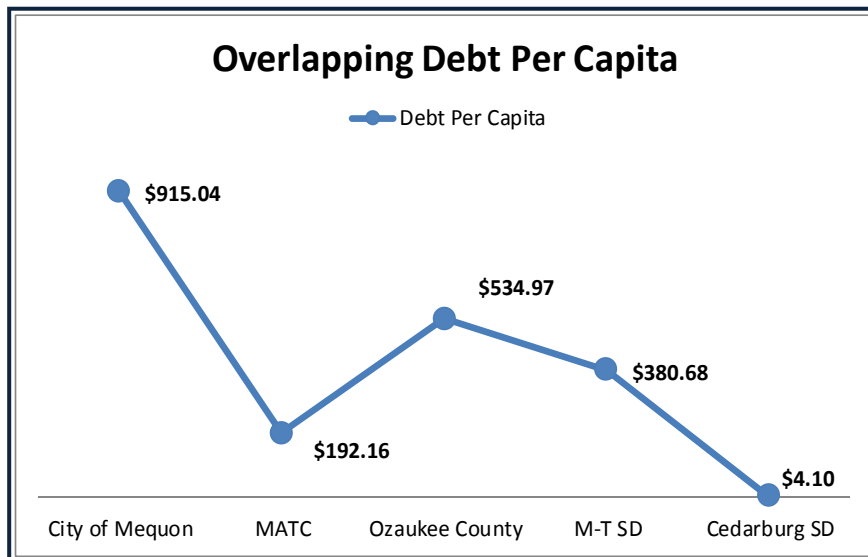
Displayed below are the revenues and expenditures for the Debt Service and Capital Projects Funds.  
 Definitions for these funds can be found on page 3 of the PAFR

**2014 REVENUES**

	Debt Service Fund	Capital Projects Fund
Taxes	\$ 2,433,512	\$ 904,506
Intergovernmental	122,409	165,991
Public Charges for Services	- 0 -	111,158
Special Assessments	- 0 -	1,895
Investment Income	1,207	39,591
Miscellaneous	- 0 -	428
<b>TOTAL</b>	<b>\$ 2,557,128</b>	<b>\$ 1,223,569</b>

**2014 EXPENDITURES**

	Debt Service Fund	Capital Projects Fund
General Government	\$ - 0 -	\$ 300
Capital Outlay	- 0 -	5,225,371
Debt Service	2,791,915	51,825
<b>TOTAL</b>	<b>\$ 2,791,915</b>	<b>\$ 5,277,496</b>



Debt per capita is calculated by taking the total outstanding debt for the entity as of year end, and multiplying the amount by the percent of equalized property in the City of Mequon and then dividing it by the City's total population.

This is used to depict the relative amount of debt City and other taxing jurisdictions have incurred, on a per resident (or capita) basis.

The City's website ([www.ci.mequon.wi.us](http://www.ci.mequon.wi.us)) is a primary source of information about City services, policies, and events. The website provides information about City services, community events, construction alerts, public safety tips and much more. Residents may also take advantage of many online services on the website including:

- Utility Bill Payments
- Meeting Agendas and Minutes
- City Forms and Documents
- City Budgets and Comprehensive Annual Financial Report
- Much More...

## ADMINISTRATIVE STAFF

William Jones, Jr., City Administrator

Jesse Thyes, Assistant City Administrator/HR Director

David Bialk, Fire Chief

Kristen Lundeen, Public Works Director/City Engineer

Don Curran, Operations Manager/Parks Director

Steve Graff, Police Chief

Caroline Fochs, Deputy City Clerk

Kim Tollefson, Planning and Community Development Director

Thomas Watson, Finance Director

If you have questions, comments, or suggestions regarding the 2014 Popular Annual Financial Report, please contact the City of Mequon Finance Department at (262) 236-2947.