

ORDINANCE NO. 2020-09

An Ordinance Creating the Finance Committee

The Common Council of the City of Cedarburg, Wisconsin, hereby ordains as follows:

SECTION 1. Section 2-4-11 of the Municipal Code of the City of Cedarburg is hereby created as follows:

SEC. 2-4-11 FINANCE COMMITTEE

(a) Finance Committee

(1) Membership. The Finance Committee shall consist of one (1) Council Member and six (6) citizens of the City of Cedarburg who shall be appointed by the Mayor, subject to confirmation by the Common Council. The City Finance Director shall be the staff representative on the committee. The term of office of all citizen members shall be two (2) years with half of the citizen members' terms expiring each year. The term of each citizen member shall commence on May 1 in the year of appointment and end April 30 in the year of expiration. The first appointments of the six (6) citizen members shall be made on the following terms: three (3) members for terms of one year each, and three (3) members for terms of two years each. The Finance Committee shall elect one (1) member as Chairman. The Board shall meet on such dates and such times as the Board may establish.

(2) Purpose. The Finance Committee shall provide financial oversight for the City. This includes budgeting, financial planning, financial reporting, and the creation and monitoring of internal controls and accountability policies.

(3) Budgeting and Financial Planning. In addition to developing the annual budget, the Finance Committee shall develop long-term financial goals for Common Council review and approval. The goals include the creation of a working capital and cash reserve fund and the management of the equipment replacement fund. The Finance Committee will work with staff to determine the financial implications of the long-term financial goals and will recommend approval of a multi-year organizational budget that will financially support the financial goals. The Finance Committee shall:

- a. Develop an annual operating budget with staff that is presented to the Common Council for final approval.
- b. Monitor adherence to the budget.
- c. Recommend long-range financial goals with funding strategies to achieve the goals.
- d. Recommend multi-year operating budgets that integrate strategic plan objectives and initiatives.
- e. Present all financial goals and proposals to the Common Council for approval.

(4) Reporting. The Finance Committee will work on the creation of highly contextual financial reports that communicate the City's financial and cash position, its adherence to the budget, and its allocation of resources toward the accomplishment of its mission. The Finance Committee will also develop potential strategies for overcoming setbacks or changes in the annual or multi-year financial environment. The Finance Committee shall:

- a. Develop useful and readable report formats with staff.
- b. Work with staff to develop a list of desired reports noting the level of detail, frequency, deadlines, and recipients of these reports.
- c. Work with staff to understand the implications of reports.
- d. Review the financial reports for presentation to the common council.

(5) Internal Controls and Accountability Policies. The Finance Committee shall:

- a. Create, approve, and update policies that help ensure the assets of the City are protected.
- b. Ensure policies and procedures for financial transactions are documented in a manual, and the manual is reviewed and updated as necessary.
- c. Ensure approved financial policies and procedures are being followed.

(6) Risk Compliance Policies. The Finance Committee serves a leadership role in the fiduciary responsibility of the City by making sure the appropriate internal control procedures for all financial transactions are documented in a manual and followed by staff. The Finance Committee shall assist in the development of policies to ensure risk compliance. These policies include:

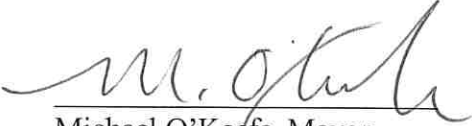
- a. Long-term contracts and leases;
- b. Loans or lines of credit;
- c. Capital purchases;
- d. Insurance requirements and reviews;
- e. Record retention policies; and
- f. Gift/donation acceptance and gift/donation acceptance policies.

(7) Authority. The Finance Committee shall serve as an advisory committee, and shall make recommendations to the Mayor and the Common Council.

SECTION 2. Severability. If any provision of this ordinance is invalid or unconstitutional, such invalidity of unconstitutionality shall not affect the other provisions of this ordinance.

SECTION 3. This ordinance shall take effect upon its passage and publication as provided by law.

Passed and adopted this 13th day of July, 2020.



Michael O'Keefe, Mayor

Countersigned:



Tracie Sette, City Clerk

Approved as to form:



Michael P. Herbrand, City Attorney

