

**VILLAGE OF CLEVELAND, WISCONSIN
SPECIAL MEETING OF THE VILLAGE BOARD**

TUESDAY, OCTOBER 11, 2022

MINUTES

- I. CALL TO ORDER/PLEDGE OF ALLEGIANCE/ROLL CALL.** Village President Jake Holzwart called the meeting to order and led the Pledge of Allegiance at 6:02pm on Tuesday, October 11, 2022, in the Sheboygan County Training Room at Lakeshore Technical College, 1290 North Ave., Cleveland, Wisconsin.

Board Present: Jake Holzwart, Village President
Jason Berdyck
Debi Cevaal
Barry Nelson

Board Absent: John Ader (excused)
Jon Hoffman (excused)
Danielle LaLonde (excused)

Staff Present: Stacy Grunwald, Director of Village Services

II. POLICE DEPARTMENT STAFFING

- A. CHIEF OF POLICE POSITION ADVERTISING.** The Board reviewed the advertisement submitted by Trustee LaLonde and decided to post it with a salary range of \$62,000-\$72,000 ±DOQ.

Upon the advice of legal counsel, President Holzwart announced he would recuse himself from all discussions involving the Chief of Police recruitment and hiring from this point forward due to his joint position as Acting Chief of Police.

B. CASUAL PART-TIME POLICE OFFICER SCREENING

1. BACKGROUND INVESTIGATION

2. POST-OFFER ASSESSMENT AND EVALUATION

After discussion, motion Berdyck/Cevaal to approve per the Sworn Law Enforcement Hiring Policy (1) a limited background investigation on the three casual part-time police officer candidates, to be performed by the Chair of the Human Resources and Public Safety Committee prior to issuing conditional offers of employment; and (2) authorizing receipt of medical assessments and psychological evaluations from each candidate's current full-time law enforcement employer. Motion carried without negative vote.

- III. YEAR 2023 BUDGET PREPARATION.** The Village Board reviewed the proposed 2023 budget submitted by the Cleveland Fire Department. The dollar value of the Fire Department's requested increase was greater than the Village's entire allowable levy limit increase. The Village President will invite the Fire Chief to attend the next regular or special meeting to review the 2021 Annual Report and 2023 Budget.

Director Grunwald summarized auditors' opinion in the 2021 audited financial statements.

The auditors provided a qualified opinion that the financial statements fairly presented the financial position of the Village as of December 31, 2021, and were in accordance with generally accepted accounting principles, except the statements did not comply with GASB 34 and GASB 63. They offered reasonable assurance the financial statements as a whole were free from material misstatement, whether due to fraud or error.

Director Grunwald explained that GASB 34 would require the Village to report depreciation of assets such as streets and storm pipe for the general fund (depreciation is already reported for the utilities.) The report format would change to government-wide statements, and the audit would include a section for management discussion and analysis. GASB 63 flowed from GASB 34 and affected reporting of deferred assets and liabilities.

- There was concern at the time GASB 34 was issued that markets would view non-compliant communities less favorably, meaning greater interest expense when debt was issued. The Village began gathering information on the age and cost of its infrastructure but learned from our accountant that the markets were indifferent to GASB 34 compliance. [This truth was proven with the favorable interest rates for the Village's 2020 and 2022 GO debt issues.] Since it was more expensive to prepare GASB 34 statements and the Board believed the new format was not of sufficient benefit for its financial decisions, it was decided to continue reporting in the current format.

The auditors noted they could not reasonably determine how the non-compliance affected the financial statements. They did state that sufficient and appropriate evidence was obtained to provide a basis for their qualified opinion, and that the supplementary financial information was fairly stated in relation to the financial statements.

Importantly, the auditors are required to report to the governing body significant audit findings and certain internal control-related matters identified during the audit. In this report, the auditors:

- ✓ Did not identify any material misstatement of the financial statements, whether due to fraud or error;
- ✓ Did not find internal control issues;
- ✓ Did not offer changes or additions to current accounting policies; and
- ✓ Did not determine there were conditions or events, considered in the aggregate, that would raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period.

Director Grunwald proceeded to review key financial numbers in the audit and noted the Village had considerable uncollateralized funds at Cleveland State Bank. The Village Board should look at investment options outside Cleveland State Bank and the Local Government Investment Pool.

IV. MEETING SCHEDULE

- A. WED OCT 12..... HUMAN RESOURCES AND PUBLIC SAFETY COMMITTEE, 6PM**
- B. TUE OCT 18 VILLAGE BOARD, 6PM**
- C. WED OCT 19..... MANITOWOC CO VILLAGE ASSN, VALDERS, 5:30PM**
- D. MON OCT 24..... COMMITTEE OF THE WHOLE re 2023 BUDGET, LTC, 6PM**
- E. TUE OCT 25 PUBLIC WORKS AND UTILITIES COMMITTEE, 6PM**
- F. WED OCT 26..... TREE PLANTING AT DAIRYLAND PARK, 9AM**
- G. TUE NOV 1..... MUNICIPAL COURT, 5PM**
- H. WED NOV 2..... DEADLINE TO SUBMIT BUDGET FOR PUBLICATION ON 11/07**
- I. WED NOV 2..... PLAN COMMISSION, 6PM**
- J. TUE NOV 8..... GENERAL ELECTION**
- K. MON NOV 14 FINANCE AND BUDGET COMMITTEE, 6PM**
- L. TUE NOV 15 HUMAN RESOURCES AND PUBLIC SAFETY COMMITTEE, 6PM**
- M. TUE NOV 22 VILLAGE BOARD/BUDGET HEARING, 6PM**
- N. SCHEDULE OTHER MEETINGS AS NEEDED. No meetings were scheduled.**

V. ADJOURNMENT. Motion Berdyck/Nelson to adjourn; carried without negative vote. The meeting adjourned at 7:45pm.

Respectfully submitted,

/S/ Stacy Grunwald

Stacy Grunwald
Director of Village Services

Approved on 10-18-2022