

On the evening of November 7<sup>th</sup>, the Office of the Mayor delivered to the Common Council an internal audit of the timeline and events that led up to the loss of the 2018 Expenditure Restraint Payment from the State of Wisconsin. Like us, other cities and villages have had to plug holes in their fund balances for a one to several year period to cover any funding gaps.

A copy of that internal audit and report is available on our city's website and has been posted to the city's Facebook page.

In June of this year, the Cudahy Common Council made the prudent decision to cover the gap in funding with fund balance. We have also learned through verification of our outside cities financial advisors that, based on the proposed 2018 budget 2018 city budget, the City of Cudahy will be eligible to return to the expenditure restraint program in 2019. This means that the city will once again qualify for the state payment of \$342,000. This external verification of the budget was demanded by the Office of the Mayor, as well as the Common Council.

In addition to these steps and on a go-forward basis for 2019, I have also authored a municipal ordinance which will be considered by our legislative committee and Common Council in December. This ordinance adds protection to our citizens to ensure that this does not happen again. The draft ordinance requires the City Clerk – Treasurer to obtain yearly compliance verification through outside municipal finance experts that the city will receive the maximum amount of state shared revenues in shared revenue, shared revenue from transportation aids, shared revenue high funds, exempt computer aid, and compliance with the expenditure restraint program. This proposed ordinance is another safeguard put in place for our citizens.

Mayor John Hohenfeldt