

# **\*\*\*FINANCE MINUTES\*\*\***

May 14, 2013

## **SAUKVILLE MUNICIPAL CENTER 639 E GREEN BAY AVE, SAUKVILLE, WI**

Village President Barb Dickmann called the meeting to order at 7:00 p.m.

Village Administrator Dawn Wagner gave the Statement of Public Notice.

Members Present: Barb Dickmann-present, Bob Hamann-present, David Maglio-present, Dan Sauer-present, Mike Krocka-present, Michael Gielow-present, and Joe Caban-present.

Others Present: Dawn Wagner, Mary Kay Baumann, Vicki Lee, Mike Harrigan-Ehlers & Associates, and Mark Jaeger.

### **APPROVE CLAIMS FOR APRIL 2013 IN THE AMOUNT OF \$214,251.45**

Krocka/Hamann made a motion to approve claims for April 2013 in the amount of \$214,251.45. Motion carried.

### **BUDGET WATCH**

Lee stated that some accounts appear high but are due to early purchases.

### **INVESTMENT REPORT**

Lee stated there have been no rate changes. She has been working with Ehlers to get the most return on investments.

### **2013 CAPITAL PROJECT FUNDING**

Mike Harrigan of Ehlers & Associates reviewed the Village's Capital Plan over the next few years.

Currently the Village is scheduled for \$325,000 in borrowing in 2013 and \$675,000 in 2014.

Harrigan reviewed options available to the Village.

Option 1 - Single borrowing combining 2013-14. The benefit to this would be that the interest rates are still low as well as only paying one issuance expense. This option would be paid over 15 years.

Option 1a - Same as Option 1 but would be repaid in 11 years.

Option 2 - The funds would be borrowed using the State Trust Fund Loan Program. There is no issuance cost but the funds come with a higher interest rate. This borrowing would also be 11 years.

Option 3 - A separate commercial loan issue. It would be non-rated with a 10-year amortization.

Total debt expenses for each scenario would be:

- Option 1 - \$1,186,000
- Option 1a - \$1,121,000
- Option 2 - \$1,152,000
- Option 3 - \$1,126,000

Harrigan stated that the impact on the annual budget (average annual payment) would be \$79,100, \$101,913, \$115,211, and \$112,657 respectively.

Harrigan stated that there is also the possibility of refinancing the Village's Build America Bonds in September.

Harrigan stated that the lowest cost impact would be Option 1a with the lowest principal and interest and shortest repayment at 11 years. Option 1 would have the lowest tax rate impact but higher expense. With Options 2 & 3 the interest rate is anticipated to increase by approximately 1/10% (10 basis points) in the next year.

Harrigan reviewed the Village's position with the Build America Bonds that were previously issued. There is a clause in the bonds that is referred to as an "extraordinary call". If the federal government sends a notice that the Village is being shorted on their payment the Village will have the right to opt out of the bonding.

Harrigan stated that this would be different than a standard refunding. If the Village is shorted they have the opportunity to get out of the program and start over, which Ehlers recommends.

Harrigan stated that if the Village decides to proceed they would have to adopt an initial resolution for Option 1, 1a, or 3. Option 2 would just be one resolution.

Dickmann stated that she would lean towards Option 1a.

Wagner questioned the tax rate impact.

Harrigan stated that Option 1a would be the most cost effective solution.

Wagner stated that the road projects for Colonial Parkway and Linden St (including utilities) would be rolled in to these bonds.

Sauer stated that he felt that Option 1a would be most logical financially.

Wagner asked if the Board wanted to see any other scenarios, discuss these options at a future meeting, or move forward and begin the borrowing process.

Dickmann felt that the Village should move forward with Option 1a and all members agreed.

Wagner stated that the initial resolution for Option 1a would be on the June 4<sup>th</sup> Village Board Agenda.

**Maglio/Sauer made a motion** to accept Option 1a - 2013 Capital Project Funding with an initial resolution at the June 4, 2013 Village Board meeting. Motion carried.

#### **CONVENE TO CLOSED EXECUTIVE SESSION PURSUANT TO §19.85(1)(c) PERSONNEL**

**Krocka/Gielow made a motion** to convene to Closed Executive Session pursuant to Section 19.85(1)(c) Personnel. Roll call vote was taken with all in favor. Motion carried at 7:39 p.m.

#### **RECONVENE TO OPEN SESSION**

**Krocka/Gielow made a motion** to reconvene to Open Session. Motion carried at 8:03 p.m.

#### **ACTION ON CLOSED SESSION MATTERS**

No action.

#### **OTHER MATTERS**

Wagner stated that the proposed IT upgrades will take place May 31<sup>st</sup> and June 3<sup>rd</sup>.

Wagner stated that there will be an Open House from 10:00 a.m. - 3:00 p.m. at the Police Department for Chief Meloy's last day on Tuesday, June 4, 2013.

Wagner reported that donations have been coming in for the Defibrillator Fund. The most recent donations include \$3,500 from Wal-Mart, \$1,000 from the Saukville Lions Club, and \$900 from Jeniel Biotech.

Wagner reported that the Saukville Chamber will be hosting a combined Golf Outing/Awards Dinner on Wednesday, June 19<sup>th</sup> at Fire Ridge Golf Course.

Wagner reported that the Village received a donation of \$250 from the Saukville American Legion towards the purchase of new flags for the Village.

Wagner also reported that the Legion will no longer be charging the Village for the use of their facilities for elections.

Wagner stated that the State Patrol will be using space at the Police Department. Wagner felt that this would be a good opportunity for both with the ability to share resources and it's a good example of intergovernmental cooperation.

Krocka stated that River Fest is this Saturday, May 18<sup>th</sup> at Grady Park.

Krocka reported that, once again, Cedar Creek Motor Sports has donated the use of a UTV for the summer to the Saukville Police Department.

#### **ADJOURNMENT**

**Gielow/Caban made a motion to adjourn. Motion carried at 8:10 p.m.**

Mary K. Baumann  
Deputy Clerk