

FINANCE MINUTES

January 20, 2015

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: Barb Dickmann-present, David Maglio-present, Dan Sauer-present, Mike Krocka-absent, Michael Gielow-absent, Joe Caban-present, and Scott Fischer-present.

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

APPROVE CLAIMS FOR DECEMBER 2014 IN THE AMOUNT OF \$580,491.78

Maglio/Caban made a motion to approve the claims for December 2014 in the amount of \$580,491.78 as presented. Motion carried.

INVESTMENT REPORT

Lee reported that it was an exciting month. The Village took in \$4M in taxes. \$1.3M of that was processed by Port Washington State Bank in 3 weeks.

2015 CAPITAL BORROWING PLAN - CONSIDERATION AND RECOMMENDATION

Mike Harrigan of Ehlers & Associates reviewed two borrowing scenarios. Each had two options.

Option #1: Issue using all General Obligation (GO) Borrowing.

- 2015 Capital Equipment & Road Improvements
- 2015 Well #6 Costs
- Refunding of 2006 GO issue

Option #2: Borrowing using a combination of General Obligation Debt and Water Revenue Bond Debt.

- GO Bonds
 - Capital Equipment & Road Improvements
 - Refunding of 2006 GO issue
- Water Revenue Bonds
 - 2015 Well #6 Costs
 - Refunding of 2004 and 2006 Water Revenue Bond Issues

Option 1A: Same as Option 1 with an additional \$170,000 borrowed for a dump truck in 2015 versus 2016.

Option 2A: Same as Option 2 with an additional \$170,000 borrowed for a dump truck in 2015 versus 2016.

Harrigan stated that General Obligation Borrowing would be the cheapest way to go. The fees are lower.

Harrigan stated that there is a limit on General Obligation Borrowing power. It is 5% of the Village's equalized value. The Village needs to review where it is at with current borrowing.

Harrigan stated that if the Village goes with Option #1, he would recommend staying at $\frac{3}{4}$ of the debt capacity as to not jeopardize the Village's bond rating.

If the Village goes with Option #2, the Village would have to project the tax rate by projecting the proposed equalized value. You would have an aggressive repayment of 80% in 10 years.

Harrigan further reviewed the two options and the impact each would have.

Harrigan stated that the flexibility is there to do the General Obligation issue.

Dickmann asked: if Moody's calls and we are at $\frac{3}{4}$ Debt Capacity, will that affect us? Harrigan stated that he didn't think so because the Village is reducing its overall cost by reducing long-term expense.

Wagner stated that the Village has not received authorization from the Public Service Commission (PSC) for Well #6 and that affects the timing of the bond issuance.

Wagner stated that Village staff learned that the PSC staff is OK with proceeding and they are just waiting for Commission approval.

Harrigan stated that the Village would have to wait if doing the General Obligation Borrowing.

Harrigan stated that if the Village is going to do everything under General Obligation Borrowing, the \$2.1M for the new well would be financed by the Village's Water Utility.

Wagner reported that deBruijn received the cost of the demo tandem dump truck that he had been looking at.

deBruijn stated that the dump truck is identical to the one the Village purchased in 2013.

If the Village was to purchase the demo truck it would cost \$171,460. To have one built it would cost \$183,069 in 2015 and more if the Village waited until 2016.

Wagner reported that the proceeds from the sale of the old truck would go into the DPW Equipment Replacement Fund to offset the additional cost of the new truck.

deBruijn stated there would be a substantial cost associated with building a new vehicle and waiting until 2016.

After the purchase of this tandem truck, future trucks would be on the 10-15 year cycle.

deBruijn stated that the current demo truck is actually on hold for a community in upper Michigan. The hold is good for 5 days. If the other community does not take it, the Village is next in line.

Harrigan stated that, for the purposes of a ballpark time table, assuming the PSC gives an answer prior to the second meeting in March, the Board could consider adopting initial resolutions in anticipation. These could possibly be approved at the February Finance Meeting. Harrigan stated that initial resolutions are good for 5 years. If all works out, the bonds could be sold at the second meeting in March. This is assuming that the Village decides to do all General Obligation Bonds.

Sauer stated that he felt the General Obligation Bonds made the most sense. Dickmann agreed. Caban, Maglio, and Fischer agreed as well.

Sauer stated that the tandem dump truck should be included in this borrowing - Option 1A.

Maglio/Caban made a motion to move forward with Option 1A - General Obligation Borrowing and authorize the creation of initial resolutions. Motion carried.

LIVE @ THE TRIANGLE - SPONSORSHIPS AND SPONSOR/VENDOR POLICY

Wagner stated that the policy is just a formalization of expectations.

The event continues to grow and the Village wants it to stay a positive event. Wagner stated that nothing negative has prompted the creation of the policy.

Sauer/Caban made a motion to recommend to the Village Board to approve the Live @ the Triangle - Sponsorships and Sponsor/Vendor Policy as presented. Motion carried.

MEMORANDUM OF UNDERSTANDING (MOU) - SALT PURCHASES FOR WINTER DE-ICING OPERATIONS

Wagner stated that this MOU is a request from Ozaukee County and has been sent to all municipalities. The MOU outlines the guidelines on use of salt and the purchase and sale of that salt.

Sauer/Maglio made a motion to recommend to the Village Board approval of the Memorandum of Understanding (MOU) - Salt Purchases for Winter De-Icing Operations. Motion carried.

CUSTODIAL VAN REPLACEMENT (DPW - EQUIPMENT REPLACEMENT FUND)

deBruijn stated that the van currently used for custodial operations needs to be replaced per the 10 Year Capital Plan. The DPW is planning to go with more of a utility type vehicle. deBruijn had been looking at a 2015 Transit Connect. He was able to locate a used one at Mueller Sales & Service in Random Lake. Although the vehicle appears to have higher mileage on it, the mileage moving forward would be minimal as the vehicle would just be used between Village buildings. The cost of the used 2011 is \$11,500. There would be an additional cost of \$675 to put new tires on. The purchase of a new vehicle would be \$20,000.

Sauer/Maglio made a motion to recommend to the Village Board approval of the purchase of the 2011 Transit Connect at a cost of \$11,500 with an additional \$675 for new tires. Motion carried.

OTHER MATTERS

Wagner reported that the State of the Community Address is set for Wednesday, January 28th. Please let Michelle know if you are interested in attending.

The February Finance/Village Board meetings will be held on February 10th and 24th. Utility Committee will be held prior to the February 10th Finance Meeting.

The 2014 Carryover Resolution and the 2015 Room Tax Resolution will be on the February 10th Finance Agenda.

Wagner reported that the Port Washington/Saukville School District recognized Officer Emily Neese for her work at Saukville Elementary!

ADJOURNMENT

Maglio/Sauer made a motion to adjourn to February 10, 2015. Motion carried at 8:06 p.m.

Mary K. Baumann
Deputy Clerk