

FINANCE COMMITTEE MINUTES  
March 11, 2013  
City Hall – 1<sup>st</sup> Floor Conference Room #111 - West

Finance Chairperson Scott McMeans called the meeting to order at 6:17 PM

Present: Alderpersons Scott McMeans, James Brey, Christopher Able (6:18), Eric Sitkiewitz and Collin Braunel.

Absent: None

Also Present: Mayor Justin Nickels, Alderperson Jason Sladky, Finance Director/Treasurer Steve Corbeille, Assistant Finance Director/Treasurer Tony Scherer, Deputy Director of Public Works Greg Minikel, Deputy Fire Chief Todd Blaser, R.W. Baird Public Finance Director Brad Viegut, HTR Reporter Charlie Mathews and three City firefighters.

**Approval of Minutes**

Motion by Alderperson Brey, second by Alderperson Sitkiewitz to approve the minutes of the March 04, 2013, Finance Committee Meeting. Motion passed unanimously (4-0).

**Public Input**

There was no one from the public wishing to present to the Finance Committee at this meeting.

**2013 Bonding & Refinancing – Initial Resolutions**

Alderman McMeans took up the two initial resolutions regarding the sale of approximately \$7.835 million in general obligation refunding bonds and \$2.1 million in new general obligation promissory notes. He introduced R.W. Baird Public Finance Director Brad Viegut and turned the floor over to him for his presentation to the Committee. Viegut provided the Committee with a handout outlining a timetable, a summary of the financing and refinancing aspects of the 2013 issue, a spreadsheet of savings by purpose and a document showing the effect of the 2013 financing on the City's total debt payments. He explained that the issue is projected as a \$10 million financing, but only \$2.1 million is for new borrowing or new projects. He went on to state that the remaining \$7.9 million is a refunding of recallable debt predominantly for savings. Mr. Viegut stated that the projected present value savings of the refunding was \$233,661. He went on to state that the issue would be brought to market as one \$10 million issue to economize on issuance costs. Viegut went on to explain that the refunding, although producing overall positive present value savings will show negative savings in later years. This is due to TID's #14 & #16 being restructured and pushing principal payments out to later years when the City's overall debt is structured to be lower. Mr. Viegut then summarized the \$2.1 million of new debt for upcoming projects. He emphasized that the principal payments were being pushed out to 2017, again to a point where the City's annual debt service payments are anticipated to be more sustainable.

Mr. Viegut mentioned that Baird was anticipating an interest rate of 2.14% for the new note issue. He then took questions from the Committee. Alderman Brey asked a related debt question regarding the effects on the City's Build America Bond Rebates as they relate to the current sequestration event occurring in the Federal Government. Mr. Viegut explained that the subsidy had dropped from 35% to 26.3%. He went on to state that a new bill had just been introduced, but for now it was very uncertain what would happen with the rebates on the bonds. He stated that, if for some reason the entire subsidy went away, the City would likely end up refinancing that issue at some point in the future. Finance Director/Treasurer Steve Corbeille informed the Committee that the City did receive the most recent rebate in full. Alderperson Brey suggested that City and County officials contact their Federal Legislators in support of this issue.

Motion by Alderperson Able, second by Alderperson Brey to approve the resolutions and move to Council for consideration.

Alderman McMeans then requested confirmation on the note repayment schedule in reference to being back-loaded and fixed once the note is issued. Mr. Viegut affirmed both points.

Alderman McMeans called for the motion. Motion carried unanimously (5-0).

### **Update on Fundraising Efforts for the Washington St Silo Murals**

1. Chairman McMeans then invited the Mayor to the table and provided him the time to update the Committee on the status of the mural fundraising efforts. Alderman Braunel stated that his request for this update was an effort to keep the fundraising activities for this project in the public forefront as opposed to letting the issue and its importance to the taxpayers diminish over time. Mayor Nickels stated that the fundraising efforts have raised \$2,870 to date. He went on to state that the City is working on a means to accept payments by credit card. The Mayor also mentioned that he is working with Anheuser-Busch (Inbev) to acquire support. The Mayor is planning to promote fundraising efforts this summer at some of the City's major events, giving the 4<sup>th</sup> of July Picnic as an example. Alderman Braunel asked the Mayor if he had been in recent contact with Mr. Prigge who had spearheaded the movement to save the mural. The Mayor had not. The Mayor reported that he had been in talks with Larry's Distributing/Anheuser-Busch regarding an on-going contribution to the maintenance and upkeep efforts of the mural. A short general discussion by the Committee followed. No action was taken.

### **Appointments to the Capital Allocation Working Group**

The last item taken up by the Committee was the appointment of members to the Capital Allocation Work Group (CAWG). Alder McMeans asked Finance Director/Treasurer Steve Corbeille if he had any recommendations in this matter. Corbeille stated that he would like to nominate Greg Minikel, Jim Muenzenmeyer, Greg Vadney, Tony Dick, Bill Manis, Kevin Glaser and himself to the CAWG, the same group as had been in place the prior year.

Motion by Alderperson Brey, second by Alderperson Sitkiewitz to appoint Greg Minikel, Jim Muenzenmeyer, Greg Vadney, Tony Dick, Bill Manis, Kevin Glaeser and Steve Corbeille to two year terms to the Capital Allocation Working Group.

The Committee held a short conversation regarding term duration, the purpose and importance of the one “outside” member with no stake in the Capital requests and the benefits of the process. The question was then called by the Chair. Motion passed unanimously (5-0).

### **Next Meeting Date**

The next meeting date was set for Monday, April 01, 2013 at 6:00PM. Chairman McMeans stated that he would not be available on that date and Vice-Chair Able would be in charge of the meeting. Steve Corbeille reminded the Chair that he would not be in attendance at that meeting due to his presence at out-of-state training on the City’s financial software.

### **Adjournment**

Motion by Alderperson Sitkiewitz, second by Alderperson Able to adjourn. Motion carried unanimously. Chairman McMeans declared the meeting adjourned at 6:46 PM.

Respectfully Submitted,

Alderman Scott McMeans  
By: Anthony Scherer  
Assistant Finance Director

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