

**FINANCE COMMITTEE**

Date and Time: Tuesday, June 11, 2013 @ 5:30 pm., Board Room

Members Present: Nagle (C), Brezinski, Oberbeck, Winters, Nutting

Others Present: Rasmussen, Mielke, Wagner, Kellbach, Gisselman, Abitz, Tipple, Groat, Jacobson, Loy, Werth, Goede, James Mann

In accordance with Chapter 19, Wisc. Statutes, notice of this meeting was posted and sent to the Daily Herald in the proper manner. It was noted that there was a quorum present and the meeting was called to order by Chairperson Nagle.

**Public Comment on matters appearing on the agenda.**

None.

**Resolution Authorizing and Providing for the Sale and Issuance of \$5,365,000 General Obligation Promissory Notes, Series 2013A, and All Related Details**

James Mann, Ehlers, reviewed the high points of the city's financial condition, noting Moody's rating was confirmed at AA2. The city has a very stable financial profile, satisfactory reserves, a very manageable debt burden, and continues to amortize debt very quickly. He indicated they conducted the sales today and on the first one received six bids, with the winning bidder being BMO Capital Markets, of Chicago. They gave a premium bid, which means they gave us more money than we asked for and in exchange they get an interest rate that is higher than we would have normally seen. The interest rate ranged from 2% in 2014 to 3% in 2023; when we blend that together and add the premium, the true interest costs came in at 1.74%.

Nagle questioned how much of a premium we received. Mann indicated they received approximately \$143,000 which can be used to pay underwriters discount and the rest goes into the city debt service fund to be used to offset interest costs in future years.

Motion by Brezinski, second by Nutting to approve the sale and issuance of General Obligation Promissory Notes, Series 2013A. Motion carried 5-0.

**Resolution Authorizing and Providing for the Sale and Issuance of \$630,000 Taxable General Obligation Promissory Notes, Series 2013B, and All Related Details**

Mann explained this was for projects that were primarily for TID #9. He explained with the issuance of taxable notes the individuals who are loaning the money cannot deduct the amount of profit that they earn from their income taxes, so you will pay a higher interest rate. The interest rate ranges from 1% in 2014 to 2.95% in 2023, blend it together for a true interest cost of 2.36%. He noted this was higher than estimated; however, there is a lot more uncertainty in the marketplace. He indicated three bids were received and the winning bid was BOSC Financial, a subsidiary of the Bank of Kansas.

Nagle questioned why there were only three bidders and if this was normal for an issue this size. Mann explained a lot of underwriters won't look at issues that are small or less than \$1 million; it is also a taxable issue and there is a little less interest on the taxable issues right now. Groat noted if we had done it through the State Trust Fund the interest would have been 2.75%. She felt this was the best option and pointed out that our promissory note with Bull Falls passes this interest rate onto them, so we'll be recovering \$400,000 of the \$600,000 promissory note along with the related interest.

Motion by Brezinski, second by Winters to approve the sale and issuance of Taxable General Obligation Promissory Notes, Series 2013B. Motion carried 5-0.

**Authorizing acquisition of 906 South 7th Avenue**

Ann Werth stated this property had a fire and they demolished the house and offered it to us for sale. The assessed value was \$18,000 for the land and an appraisal came back at \$13,900, which is the accepted offer. She indicated they would be putting up another house.

Motion by Nutting, second by Winters to approve the acquisition of 906 South 7<sup>th</sup> Avenue. Motion carried 5-0/

**Discussion and possible action regarding City of Wausau animal control services, budget and funding sources.**

Groat distributed a proposed budget for 2013 and stated that it replicates the vision that Alderman Winters had proposed back in December 2012, with the staffing of one FTE Humane Officer, as well as 2.6 Community Service Officers part-time. It was anticipated to hire the one FTE Humane Officer by July 15, 2013 and bring in the CSO's on October 1, 2013. She reviewed the budget details noting there was a slight budget gap, but it did not project the revenue contribution from Weston because we don't have a specific contract with them at this point. Discussion followed regarding the officer's responsibilities and issues he/she may have to investigate and deal with.

Winters stated he would like the CSO's to start sooner if possible, if we are going to meet our commitments to a seven day rotation, as well as our commitments to our contractors. He provided license statistics for the committee to review in reference to revenue. He felt they needed to make a commitment to achieve 40+ % compliance by the end of March 2015. He suggested considering raising license fees, noting the national average for spayed or neutered is \$15 and we are at \$10; the national average for unaltered pets is \$40 and we are at \$20. Nagle suggested officers check dogs being walked for license tags and write citations for those that are unlicensed. It was noted that wearing the tag is not required and this needed to be changed. Oberbeck indicated he would like to see the fines go up because this is not about licensing, it is about public health and safety. He felt education was the best method. Hardele agreed our fines are very low as compared to other jurisdictions around the state.

Motion by Brezinski, second by Nutting to approve the budget for animal control services as presented and to start recording the fines and forfeitures attributed to animals to the animal control fund for 2013 and going forward. Motion carried 5-0.

**2014 Budget Planning**

Groat stated the "Pay as you Throw" presentation will take place at the June 25<sup>th</sup> Finance Committee meeting. She indicated they will be sending out budgets to the departments next week for them to begin working on to be due back at the end of July. She noted this would put us about a month ahead of last year. Nagle questioned the status of the stormwater issue. Groat indicated Brad Marquardt would present on stormwater at the June 25<sup>th</sup> meeting as well. Oberbeck suggested that the department heads present the status/trends of their department and discuss it with the Finance Committee. Groat indicated she would contact the department heads regarding having discussion with the committee.

**Adjournment**

Motion by Brezinski, second by Winters to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 6:45 pm.