

FINANCE
July 20, 2016

- Call to order** The meeting was called to order by Chairman Duane Rogers at 9:00 a.m. Committee members present were Geri Kozelka, Gerry Krachey and Wayne Jerrett. Greg Russell was excused. Board Chairman Tom Cornford and Clerk Janet Geisler were also present.
- Verify posting** The meeting was verified as being properly posted.
- App of Minutes** Jerrett moved, Krachey seconded to approve the minutes of the previous meeting. The motion carried with no negative votes cast.
- Welcome Center** Bob Moses from the Chamber of Commerce appeared regarding the addition that is going to be built at the tourist information center. There has been \$89,000 raised so far for this project which includes \$49,000 from the City and \$20,000-\$30,000 from the Tourism Council. This leaves a shortfall of approximately \$20,000. The County currently budgets \$6,000 each year for the Chamber of Commerce. The committee discussed making an additional contribution for one year to reach the \$20,000 shortfall.
- Krachey moved, Rogers seconded to provide an additional \$14,000 to the usual \$6,000 contribution for a total of \$20,000 to the Chamber of Commerce for 2017 and then reduce the annual contribution back to \$6,000 for the 2018 budget. The motion carried unanimously upon call of the roll.
- 2005 Bond** Carol Wirth from Wisconsin Public Finance Professionals appeared at the committee's request to give a presentation on the 2005 Refunding Bonds that were issued in 2005 in the amount of \$2,890,000. The interest rate at that time was 4-4.15%. The remaining payments on the bond are for the years 2018 to 2023. This bond is eligible to be recalled as of March 1, 2017. The County must have the funds to pay the bond off. The County can recall the bond for two reasons which is to realize savings or to restructure the payments. The County would need to pay the 2017 principal and interest but all payments after that would stop. The estimated savings from 2018 to 2023 would be \$81,174 with the interest rate being approximately 2.2%.

The County will need to decide what method of sale they would be using when selling the refunding bonds. This can be done by either public sale or negotiated sale. Carol explained the difference between the two. The County has historically used the negotiated sale which allows for the selection of the underwriter by the County. The timeline for the refinancing was reviewed which could be a presentation to the County Board as early as the August meeting. The County would then take action at the November meeting to lock in the final interest rates with the delivery of funds on December 15th. On March 1, 2017 the 2005 bonds would be paid off.

The committee advised Carol of several large upcoming capital projects which would include the new phone system and 911 system and wondered if these expenses could be included in the refinancing. State law requires that for any new money the County would need to have a County Board resolution passed by three-fourths of the members elect giving authority to borrow up to a certain dollar amount. The County would then be able to include the new expenses with the refunding into one issue. The debt would now be put together as a Note. The amortization schedule for the Note would be 10 years. There would be no principal payments on the new money until after five years. The County still needs to pay off the refunding bond until 2023.

Capital projects can be borrowed for. The money must be spent within three years. A list would need to be compiled stating what projects the money would be used for.

Krachey moved, Rogers seconded to enter into a contract with Wisconsin Public Finance Professionals for financial advisory services for the issuance of General Obligation Refunding Bonds. The motion carried with no negative votes cast.

Carol addressed the committee regarding errors in their last borrowing in the amount of \$160,000 which was a Promissory Note through Fidelity Bank and Trust. The interest rate on the Note was .775% which is incorrect. The loan purpose was listed as commercial which is also incorrect. An opinion was provided by Quarles and Brady stating that the Note was not in the proper form for municipal borrowing. There is no tax levy and the proper statutory authority is not cited. Even though this may be more of a

problem for the bank rather than the County, the document is still not correct.

App of bills

Krachey moved, Jerrett seconded to approve payment of bills. The motion carried with no negative votes cast.

Next meeting

August 3, 2016 at 9:00 a.m. The auditors will be presenting the 2015 audit at this meeting. The County Board agenda will also be prepared.

Adjourn

Krachey moved, Kozelka seconded to adjourn. The motion carried with no negative votes cast and the meeting adjourned at 10:34 a.m.

Janet Geisler, County Clerk

