

Meeting Minutes

Special City Council Meeting

May 12, 2008, 6:00 p.m.

Lincoln Center, 1519 Water St.

Mayor Andrew Halverson, presiding Roll Call: Alderpersons Myers, Walther, Hanson, Wiza, Heart, Trzebiatowski, Molski, Stroik, Brooks, and Moore.

Excused: Ald. Slowinski.

Also Present: City Clerk Moe; City Attorney Molepske; Comptroller/Treasurer Schlice; Directors Gardner, Schrader, Halverson, and Euclide; Dawn Gunderson; Wayne MacDonald; Laurie Pech Daley; Sarah Robinson; Kelly Pazdernik; Chris Loken; Bruce Peplinski; Gene Kemmeter (Gazette).
2. Consideration of Resolution Authorizing and Providing for the Sale and Issuance of \$4,690,000* General Obligation Corporate Purpose Bonds, Series 2008B, and All Related Details.

Dawn Gunderson, Ehlers, stated that we have received seven competitive bids. We have an FSA rating of "Aaa" and an underlying rating of "Aa3" which helped with the interest rate. The winning bid came from M&I Bank of Milwaukee with an interest rate of 3.8797%. She said their initial pre-estimate of capitalized interest was \$297,398; however, based on the lower interest rates the actual sale is \$244,902. She also noted that the underwriter's discount dropped from \$58,625 to \$47,092. The result of these two changes was an addition \$71,737 for costs. She said their estimate on the interest that the City would pay was listed at \$2,475,275; however, the actual amount will be \$2,101,473 which is a savings of \$373,802.

She concluded by reading two sentences from the Moody report, "The Aa3 rating reflects strong financial management and healthy reserves, expected tax base growth and favorable debt profile. Moody's believes the city's financial position will remain favorable due to management's demonstrated record of prudent financial practices which have resulted in the maintenance of healthy reserves over time."

Ald. Stroik moved, seconded by Ald. Walther, approval of the Resolution Authorizing and Providing for the Sale and Issuance of \$4,690,000 General Obligation Corporate Purpose Bonds, Series 2008B, and All Related Details.

Ald. Wiza noted that the Tenant Incentive Payment increases substantially between the pre-sale estimate and the actual sales results because of the lower interest rate. He asked if there was a reason that we do not adjust the TID to give them the same amount for the Tenant Incentive Payment and use the extra money to pay off the debt sooner. He feels that much of the savings due to the lower interest rate are not saved but potentially goes to AIG.

C/T Schlice said that was the way the Developers Contract was approved. They get the difference once all the City's costs are covered.

Ald. Heart asked if C/T Schlice to explain what unforeseen uses there are for the \$71,737 and what happens if there is money leftover.

C/T Schlice said that it would remain as part of a reserve. The City has some legal costs for negotiations and other engineering costs which will take much of that money. Any remaining funds will be left in the debt service area.

Roll Call: Ayes: Myers, Walther, Hanson, Trzebiatowski, Molski, Stroik, Brooks, and Moore.

Nays: Wiza, Heart. Motion Adopted.

3. Adjourned at 6:12 p.m.

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