

Meeting Minutes
FINANCE COMMITTEE
August 11, 2003 AT 6:53 P.M.
CITY WATER DEPARTMENT

PRESENT: Chairman Barr, Ald. Rackow, Phillips, Molski and Walther

ALSO PRESENT: Comptroller-Treasurer Schlice; Mayor Wescott, City Clerk Zdroik; Admin. Assistant Gebert; Directors Gardner, Disher; Assessor Kuehn; Surveyor Hild; Fire Chief Barnes; Operations Supt. Krieski; Capt. Dowling; Deputy C/T Wroblewski; Ald. Sevenich, Moore, Sowieja, Stroik; Kate Garsombke (Stevens Point Journal); Gene Kemmeter (Portage County Gazette); Mike Harrigan (Ehlers & Associates); Leona Schultz

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1. Assessor's Report.
 2. Consideration of claim - Leona Schultz.
 3. Consideration of fee adjustment.
 - A. Parking permit fees.
 - B. Disabled zone parking forfeiture.
 4. Award of 2004 General Obligation Promissory Notes.
 - A. \$2,295,000 General Obligation Promissory Note 2003C.
 - B. \$2,215,000 General Obligation Promissory Note 2003D.
 5. Report on state and municipal budget.
 6. Approval of payment of claims.
 7. Adjournment.
1. ASSESSOR'S REPORT

Assessor Kuehn gave an oral report this month. She stated that the revaluation of 7700 real estate parcels and 1300 personal property account are now complete. The biggest question that the people had was what this would do to their taxes, which is unknown at this time. She reminded that the last time this was done, in 1995, the tax rate dropped \$9.00 per thousand. If the same would hold true this time, the tax rate would drop from \$30 down to \$21, but she also stated that no one can predict what the schools, county, and state will do with their rates.

Mayor Wescott clarified that the \$30 includes the city, state, county, and schools.

Motion made by Ald. Phillips, seconded by Ald. Rackow to approve the report of the Assessor.

Ayes: All Nays: None Motion carried.

2. CONSIDERATION OF CLAIM - LEONA SCHULTZ

C/T Schlice stated that Sentry has denied the claim and recommended we do the same.

Motion made by Ald. Rackow, seconded by Chairman Barr to deny the claim for Leona Schultz.

Ald. Rackow stated that this is one of those things that is not nice thing about this job, but necessary for her to pursue the claim on her own.

Ald. Phillips questioned if this was on the sidewalk repair.

Ald. Molski stated that it is now.

Ayes: All Nays: None Motion carried.

3. CONSIDERATION OF FEE ADJUSTMENT.

A. PARKING PERMIT FEES.

B. DISABLED ZONE PARKING FORFEITURE.

Motion made by Ald. Phillips, seconded by Ald. Molski to approve the fee adjustment for parking permit fees to \$25 and the disabled zone parking forfeitures to \$25.00.

Ayes: All Nays: None Motion carried.

4. AWARD OF 2004 GENERAL OBLIGATION PROMISSORY NOTES.

A. \$2,295,000 GENERAL OBLIGATION PROMISSORY NOTE 2003C.

B. \$2,215,000 GENERAL OBLIGATION PROMISSORY NOTE 2003D.

C/T Schlice stated the reason for the two issuance meetings was to split out the taxable from the non-taxable issues and then he introduced Mike Harrigan from Ehlers and Associates.

Mike Harrigan stated that they were pleased with the final result of the bidding, especially in light of two things. First of all, the interest rates have continued to march upward and when the planning is done, we attempt to compensate for that by hedging up our planning estimates, but we did fall within our guidelines even with the rising market. Secondly, the state budget actions, but with the veto from the governor, we and the market believe the City will be in good shape. In regards to the 2003C note for \$2,295,000, the lowest bidder was Harris Trust and Savings Bank with an interest rate of 3.0135%, which includes their fee. In regards to 2003D note for \$2,215,000, since it only goes out to 2009, the interest rates are lower. The lowest bidder, again, was Harris Trust and Savings Bank with the interest rate of 2.5016%. They actually bid on \$2,225,400 which is versus face amount of the bond, which is \$2,215,000, what that means is that they bid a premium. They are going to pay you more than the face value of the bond, for the right to have that security. We often plan a discount into the issue, meaning that they are going to take their fees out of the interest rate and were still able to beat the other bidders in that transaction. What that means is that there will be more money up front for your projects.

He stated that every time you go to market, Moodies Investment Services needs to reaffirm your credit rating and with the issue done in June, they reaffirmed at the Aa3 level and it is one again at a Aa3 level. It says that they have a very high level of confidence in the City's ability to manage its financial affairs. In looking at the history, it is important to have a month of good rating, but even more important to have a long history of it, which the City does.

There is an outside chance that the legislature would vote to override the governors veto tomorrow, these issues would not close. We do not anticipate this will be the case, but the underwriting company was made aware of this so they bid the issue knowing that was a possibility.

C/T Schlice stated he has looked over the documents and he recommends approval of the low bidder of Harris Trust and Savings.

Motion made by Ald. Rackow, seconded by Ald. Molski to approve the borrowing of \$2,295,000 Promissory Note Series 2003C with Harris Trust & Savings Bank being the low bidder.

Motion made by Ald. Molski, seconded by Chairman Barr to approve the borrowing of \$2,215,000 general obligation promissory note 2003D to Harris Trust & Savings Bank.

Ayes: All Nays: None Motion carried.

5. REPORT ON STATE AND MUNICIPAL BUDGET

C/T Schlice stated in regards to the municipal budget, we are in the beginning portions of the budget and currently crunching a few numbers and the departments are trying to figure out what they need to run their department and what can be cut or modified. We are up against a \$409,000 reduction in shared revenues and our health insurance went up a little more this year than past years. We are going to have a 15% increase, which is going to translate to a \$300,000 rounded figure increase in health insurance premiums versus a little under \$200,000 in prior years. We have a few other non-controllable expenses, such as contracts, so we are starting probably about \$900,000 to \$1,000,000 behind our starting point of our budget for 2003. It is going to be a challenge, but we are up to the challenge and he thinks it is do-able based on what we have compared to what some of the other municipalities are running into with extremely higher cuts under shared revenue than what we are looking at. It is our intent to maintain a stable tax rate regardless of what happens in Madison.

Mayor Wescott stated that we have spent a lot of time in the last couple of weeks talking about this proposed tax levy freeze and the impacts on the communities. He has heard that the governors veto is going to be sustained, but he tells everyone that we already know from reading papers, that this is just starting in Madison. There are new initiatives that are already being talked about, levy freezes, cost control in schools and cities so even if the governors veto is sustained, which he expects it will be, it will just be a start to a lengthy process. There is an appropriate awareness as to how units of government are spending money. He advises the alderpersons to get ready for a very vigorous discussion as we approach the 2004 budget, we are approaching almost a million dollars behind the position we were at a year ago when we were at the 2003 budget. When talks come on new expenditures and new items that are not in the budget, we are going to have to be aware of the total financial picture. He agreed with C/T Schlice in that we are in a better situation than a lot of municipalities because we have had a financial plan through all these years.

6. APPROVAL OF PAYMENT OF CLAIMS

Motion made by Ald. Molski, seconded by Ald. Rackow to approve the payment of claims in the amount of \$333,458.30.

Ayes: All Nays: None Motion carried.

7. Adjournment at 7:17 p.m.

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