



ABSTRACT/SYNOPSIS OF THE ESSENTIAL ELEMENTS OF THE OFFICIAL ACTIONS OF THE FINANCE COMMITTEE OF THE CITY OF WHITEWATER, WALWORTH AND JEFFERSON COUNTIES, WISCONSIN.

Finance Committee Meeting Minutes of January 25, 2022

1. Call to Order and Roll Call - The meeting of the Finance Committee was called to order at 4:34 p.m. by Greg Majkrzak. Members Present: Greg Majkrzak, Lynn Binnie and Lisa Dawsey Smith. Also present were City Manager Cameron Clapper and Finance Director Steve Hatton. Brian Roemer from Ehler's was also present.
2. Hearing of Citizen Comments – No comments were offered by citizens in attendance. Hatton said that Roemer was present to discuss the general obligation bond issuance and asked if that part of the agenda could be moved forward. Majkrzak asked if there were any objections and there were none. The Finance Committee move to agenda item 5.a.
3. Review and Approval of Finance Committee Meeting Minutes from October 7, 2021, October 12, 2021, October 14, 2021 – Dawsey Smith made a motion to approve the minutes with two revisions she submitted prior to the meeting concerning the October 7th meeting. Hatton said that he updated the times Dawsey Smith and Clapper left for a fire department meeting and the times they returned to the Finance Committee meeting. Binnie seconded the motion

Ayes: Binnie, Dawsey Smith, Majkrzak

Noes: None

Abstained: None

Absent: None

The motion was approved by unanimous voice vote.

4. Staff Updates
 - a. Financial Update – FYE 2021 – Hatton reviewed recent events and Covid charts with events, the Consumer Price Index and changes to interest rates. Hatton reviewed city budget funds projected surpluses/deficits, general fund revenue and expenditures. Hatton shared a Bureau of Labor Statistics news release from December 2021. Hatton said he uses the Consumer Price Index for All Urban Consumer (CPI-U) to monitor inflation as this is the measure the state uses to manage the Expenditure Restraint Program.
 - b. Hatton then reviewed the current estimate of where fiscal 2021 will end-up noting there may still be some year-end audit entries.
5. Discussion/Direction on the following:
 - a. 2022 General Obligation Bond Issuance – Hatton said the 2022-2023 budgets included borrowing for approved capital items. Three borrowing actions will be necessary. The

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first borrowing will use general obligation debt. The second borrowing will use revenue debt for Water/Sewer projects to take place midyear. The third will use smaller notes, which will fall later in the year. Roemer discussed the presale report for \$5,195,000 general obligation corporate purpose bonds. The bonds will finance projects for streets, fire, parks and public grounds and will be paid from property taxes. The debit service for storm water improvements will be paid by revenues of the storm water utility and debit service for TID#12 projects will be paid from TID #12 revenues. Roemer reviewed that these bonds will be issued pursuant to Wisconsin State Statute 67.04 which enables municipalities to issue debt. The bonds will be issued for a term of 19 years. The bonds will be issued as bank qualified and rated as A+ by Standard & Poors. Roemer reviewed the method of sale, pricing and risk factors along with the debt issuance schedule. Roemer then reviewed the report tables which list the existing debt, projects to be funded, allocation of issuance costs, by repayment source, and levy impact. Binnie asked about anticipated interest rates vs. a month ago. Roemer said it isn't as stable as in the last two years, but will likely increase in the coming months. Hatton mentioned that the forecast model goes through 2026 for forecasting purposes for capital spending and includes the library project. Hatton said that interest rate assumptions have gone up 10 basis points since November. Majkrzak asked if there will be any potential additional spending due the fire department budget and school board and impact on the taxes. Hatton said that the fire impact is being reviewed and is an additional \$350,000 annual expense beyond what has been approved in the 2022-2023 Budget. As these are operating costs we will incur each year and can't or shouldn't be borrowed. The EMS side is still a work in progress as we work with the department to determine a staffing model. As for the school district, they have been notified about the City's need for a November referendum. Binnie asked about deferring the revenue borrowing until July. Hatton said that the water and sewer revenue will be combined as a joint security pledge and July is the earliest it can be refinanced to be repaid in October. Outstanding debt will be cleaned up. Binnie was worried about interest rates increasing, but Hatton said it is based on the call schedule and can't be refinanced any sooner than 90 days in advance and Roemer confirmed. Hatton said that by exercising the call we will save over \$500,000 in costs over the remaining term.

Hatton asked the Finance Committee to give recommendation to the full council for consenting and approving the resolutions that will be presented at the Tuesday, February 1st Common Council meeting that will authorize formally this process to begin.

Binnie made the motion with a second from Dawsey Smith.

Ayes: Majkrzak, Binnie, Dawsey Smith

Noes: None

Abstained: None

Absent: None

The motion was approved by unanimous voice vote.

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The Finance Committee moved to agenda item 3 Review and Approval of Finance Committee Meeting Minutes from October 7, 2021, October 12, 2021, October 14, 2021.

5. Future Agenda Items – There were no future agenda items noted.
6. Discussion of Next Meeting Date – The next Finance Committee meeting will take place on February 22, 2022 at 4:30 pm.
7. Adjournment – Majkrzak asked if there was a motion to adjourn and Dawsey Smith made the motion with a second by Binnie.

Ayes: Majkrzak, Binnie, Dawsey Smith

Noes: None

Abstained: None

Absent: None

The motion was approved by unanimous voice vote.

The meeting adjourned at 5:16 pm

Respectfully submitted,

Kathy Boyd, Executive Assistant