

CITY OF SHEBOYGAN

SPECIAL MEETING OF THE FINANCE AND PERSONNEL COMMITTEE

JUNE 18, 2018

Chair Alderperson Rindfleisch called the meeting to order at 5: 30 p.m. The Pledge of Allegiance followed.

COMMITTEE MEMBERS PRESENT:

Chair Aldersperson Rindfleisch, Vice-Chair Alderperson Bohren, Alderpersons Mary Lynne Donohue, Trey Mitchell and Todd Wolf

STAFF / OFFICIALS PRESENT:

Mayor Mike Vandersteen, City Administrator Darrell Hofland, Finance Director Nancy Buss, Budget Analyst Carrie Arenz

PUBLIC PRESENT:

Public Finance Professionals, LLC President Carol Wirth

MINUTES

Motion by Alderperson Wolf, seconded by Alderperson Bohren to approve the minutes of June 11, 2018. Motion carried.

ITEMS FOR DISCUSSION & POSSIBLE ACTION

3.1 RES 35 - 18 - 19 / JUNE 4, 2018 / DOC

4.2: Resolution authorizing the issuance of \$8,415,000 Taxable General Obligation Promissory Notes and the issuance and sale of \$8,415,000 Taxable Note Anticipation Notes in anticipation thereof.

Wisconsin Public Finance Professionals, LLC President Carol Wirth presented an update of the recent reaffirmation of Sheboygan's

Aa 2 Bond Rating by Moody's Investors Service. The comments referenced in Moody's review of Sheboygan mentioned the city's strong financial position with a growing tax base, financial reserves remaining strong and existing debt experiencing rapid amortization. President Wirth indicated the taxable Note Anticipation Note of \$8,415,000 is not rated due its short term. This taxable note anticipation note, or NANS, was projected to have a interest rate of 3.75 percent. The sale was made to Oppenheimer & Co., Inc., of Philadelphia, Pennsylvania

at a true interest rate of 3.967 percent. This interest rate was slightly higher than anticipated as a result of the Federal Reserve's adjustment to interest rates last week.

Motion by Alderperson Wolf, seconded by Alderperson Donohue

to recommend the Common Council approve the resolution. Motion carried.

3.2 RES 36 - 18 - 19 / JUNE 4, 2018 / DOC

4.3: Resolution authorizing the issuance of \$10,570,000 General Obligation Promissory Notes and the issuance and sale of \$10,570,000 Note Anticipation Notes in anticipation thereof.

President Wirth provided details of the sale of this NANS to fund tax-exempt expansion activity of the SouthPointe Enterprise Campus located in TID 18. This NANS was projected to have an interest rate of 3.18 percent. The NANS was sold

to Hutchinson, Shockey, Erley & Co., of Chicago, Illinois. Subsequent to receipt of bids, the principal amount was adjusted to \$10,490,000 resulting in a net interest cost of \$1,456,949.19 and a true interest rate of 2.766 percent. The difference between estimated and actual interest cost resulted in an overall reduction in debt service of \$206,789.
27.

Motion by Alderperson Wolf, seconded by Alderperson Bohren to recommend the Common Council approve the resolution with revision of the of the issuance of \$10,490,000 General Obligation Promissory Notes and the issuance and sale of \$10,490,000 Note Anticipation Notes. Motion carried.

3.3 RES 37 - 18 - 19 / JUNE 4, 2018 / DOC

4.4: Resolution authorizing the issuance and sale of \$6,335,000 General Obligation Promissory Notes.

President Wirth presented details of the sale of these traditional General Obligation Promissory Notes. The projected interest rate was anticipated to be

2.75 percent. The notes were sold

Robert W. Baird & Co., Inc, of Red Bank, New Jersey at an interest rate of 2.649 percent. The difference in the projected interest cost relative to the actual interest cost resulted in a savings of \$39,736.81.

Motion by Alderperson Wolf, seconded by Alderperson Donohue to recommend the Common Council approve the resolution. Motion carried.

DATE OF NEXT REGULAR MEETING

June 25, 2018

ADJOURN

Motion by Alderperson Bohren, seconded by Aldersperson Wolf to adjourn at 5: 49 p.m. Motion carried.