

CITY OF DELAFIELD COMMON COUNCIL MINUTES

CALL MEETING TO ORDER

Mayor Paul Craig called the meeting to order at 6:30 p.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

ROLL CALL

Present

Absent

Mayor Paul Craig
Maurice Mathey, Ald.
Phil Schuman, Ald.
Erv Sadowski, Ald.
Mike Roberts, Ald.
Linda Kuklinski, Ald.
Ron Miskelley, Ald.
Matt Carlson, Administrator
Marilyn Czubkowski, Clerk

Linda Quartaro, Ald.

1. CITIZEN COMMENTS

None.

2. OLD BUSINESS:

A. TO APPROVE RESOLUTION NO. 2002-21 - Resolution DETERMINING TO ISSUE \$3,475,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION LIBRARY BONDS, SERIES 2002-A, OF THE CITY OF DELAFIELD, WAUKESHA COUNTY, WISCONSIN, PROVIDING DETAILS, PRESCRIBING THE FORM OF BOND, AWARDING THE BONDS TO THE BEST BIDDER, AND LEVYING TAXES.

M. Carlson stated that the City of Delafield has received a petition with respect to the financing relating to the library bonds. The City Clerk/Treasurer has determined that the petition is a sufficient petition and as a result the City is not able to take an action with respect to the resolution on the library bonds. The City postponed the acceptance of the bids and sale of the bonds for the library project indefinitely. A referendum will be scheduled. P. Schuman asked if there was any feedback on the interest rate on the bonds would have been had the City been able to accept them. M. Carlson stated that the financial advisor

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could give some insight as to what the going rates of 20 years bonds was, but the council may be more interested in the information on 10 year notes in comparison with the bond buyer index - this discussion would take place as part of the Resolution 2002-22. The council decided to wait until that discussion took place. Mayor Craig stated that although it would be easy to make comments at this time, he wanted to challenge the citizens to listen to both sides and listen to all of the information before a decision is made

L. Kuklinski commented that she wanted everyone to know that she felt very comfortable with the vote she made for bonding for the library for \$3.475 million. Of that, one million is the commitment from the City. This one million has been a commitment for several years and it was very common knowledge. She thought that this council did an excellent job of protecting the balance of that amount from ever entering into the tax roll by either the general levy or the library levy. She looks forward to the library board staying aggressive, positive, and keeping the fund raising campaign moving forward. She also looks forward to giving the citizens in the community all the information they need so when they vote at the referendum they are comfortable with their decision. She is confident that it will be positive for the library.

E. Sadowski commented that he thought that the referendum is going to pass with a substantial majority of the people voting for the library. He feels that the library is good for Delafield. It is something that the City has needed for a long time. The information will start coming out in January concerning the new library referendum. He commended the Council and the Library Board on a job well done.

R. Miskelly stated that he has spoken with several people who had signed the petition to get their feedback as to what they might have been against on the library. When they told him what was said and then when he explained to them what the Council really did, there seemed to be a total disconnect between the two. When he explained to them what the Council did to protect the citizens of Delafield, that the library has to repay the \$2.5 million and that the Council had agreed to give the library \$1 million, it is a totally different story than had been presented to the people who signed the petitions. He also thinks that when the true story comes out about the library, how it will be financed, and what their commitment is to the City to repay it before they can expand or anything else, he thought that the library would get overwhelming support from the City and he looks forward to working to help build a great library for the City.

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P. Schuman stated that he has attended several sessions of the mediation program. He thinks that this will be a true test of whether the sessions were a success. How this is handled will determine just what kind of community the City will have. Some mistakes may have been made on both sides of the water issue. The City has another challenge before it and he thought how this is handled is going to determine a lot of things. The rest of the community around Delafield is watching. Everyone should handle this with a high degree of respect on both sides.

E. Sadowski agreed.

B. TO APPROVE RESOLUTION NO. 2002 - 22 - Resolution DETERMINING TO BORROW \$4,205,000 AND TO ISSUE GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2002-B, OF THE CITY OF DELAFIELD, WAUKESHA COUNTY, WISCONSIN, IN SUCH AMOUNT, PROVIDING DETAILS, PRESCRIBING THE FORM OF NOTE, AWARDING THE NOTES TO THE BEST BIDDER, AND LEVYING TAXES.

M. Czubkowski read the above Resolution No. 2002-22.

Financial advisor, David Anderson, from Ehlers & Associates was present at the meeting and made a presentation to the commissioners. He reported the results of the note sale created to finance the capital projects. A document entitled "Sales Results" was distributed to the commissioners. As of December 18, 2002, six bids received were received with the best bid being received from Giffin, Kubik, Stephens & Thompson, Inc. and the Delafield State Bank with a true interest rate of 3.3418%. In perspective, last year the interest rate was 4.07%. The bids from Harris Trust & Savings Bank in Chicago, Bankers' Bank in Madison, William R. Hough & Co. in St. Petersburg, Florida, Robert W. Baird & Company, Inc., in Milwaukee, and US Bancorp Piper Jaffray in Minneapolis were reviewed. All of these people also set up to bid on the library bonds, but Ehlers & Associates told them that they were not accepting bids. He could not tell the commissioners exactly what the interest rate would have been, but with the same bidders set up to bid, you could probably assume that they would have been the same interest rates as noted up to year 2012. Mayor Craig asked if he could speculate knowing what other bonds are going for - D. Anderson stated that he thought that if the City were going on 20 years as opposed to ten, it would be in the 4% range.

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M. Carlson asked D. Anderson to talk about the bond buyer index. D. Anderson stated that this does is take an average of 20 bonds for 20 years throughout the county and it is 4.83.

The Amended Plan was reviewed. This is the same as the report before except the library payments and library interest were removed. When the interest costs was being planning for the note issue, they assumed 3% and went up to 4.5%. Total interest cost was estimated at \$538,888. The actual impact on just the general fund share of the debt assuming \$538,888 is \$416,513. Over time, this is a savings of \$122,000 in interest costs on notes than when first presented. The total interest cost at planning time was \$976,575 and the actual came in at \$854,200. It was substantially less than predicted. Everything was good news in terms of the interest rate. A copy of the Moody's Investment Service report was attached to the Plan. Moody's retained the City of Delafield's A2 rating. He reviewed the categories in the report; i.e., Opinion, Wealthy suburban tax based expected to continue solid growth; Satisfactory, yet improving, financial operations; Above average debt burden-aggressive payout; and Key statistics. The 25 Year Bond Buyer Index shows the trend of interest rates during the past 25 years. The City of Delafield is among the lowest interest rates. D. Anderson was very pleased with the bid results at 3.34% for ten years. He strongly recommended that the Council reward the bid.

R. Miskelley asked if the referendum were to be defeated and the City would be allowed to build the library, how soon the bonds could be reissued. M. Carlson stated that the normal process is that the City Council would adopt a resolution that authorizes the City to prepare the bond sale to accept the bids. Today's meeting and the resolution as of today actually awards the bids for those bonds. The City has gone through the process to authorize the City to accept the bid, but postponed the sale indefinitely. The City would need to gear up again in the bond market. The City needs time to market the bond issue to the bond buying community in order to generate as much competition and interest as possible. Six bids were received on this because there was sufficient time between when the resolution was adopted and when the bids were awarded. It was about a 30 days period. He wouldn't want to go less than 30 days because of the impact that it might have on competition for the bonds. D. Anderson agreed.

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L. Kuklinski asked about a section in the disclosure requirements, under the issuer, in the litigation section, page 6 at the bottom – she asked how it relates to bond issues and DNO type litigation. She wanted to make sure that the City properly represents itself. M. Carlson responded that in preparing this continuing disclosure statement, Ehlers would send a letter to the City Attorney asking what claimed litigation is pending. The City Attorney is fully aware of the claims. The second sentence indicates that those cases are being handled by the City's insurance carrier or outside counsel and will not affect the issuance of the bonds. There was a previous lawsuit that was pending against the City with respect to the purchase of 507 Oneida, the lot behind the City Hall, and the City was victorious on that lawsuit so that no longer is part of equation. D. Anderson was comfortable with the wording.

R. MISKELLEY MOVED TO ACCEPT BID FROM GRIFFIN, KUBIK, STEPHENS & THOMPSON FOR THE ISSUANCE OF BONDS FOR \$4.2 MILLION AS REPRESENTED IN THE NOTES DATED DECEMBER 1 AND SERIES 2002 B BONDS. L. KUKLINSKI SECONDED THE MOTION. THERE WAS NO FURTHER DISCUSSION. ROLL CALL: M. MATHEY, NAY; P. SCHUMAN, AYE; E. SADOWSKI, AYE; M. ROBERTS, AYE; L. KUKLINSKI, AYE; R. MISKELLEY, AYE. FIVE WERE IN FAVOR, ONE WAS AGAINST. MOTION CARRIED.

3. ADJOURN

M. ROBERTS MOTIONED TO ADJOURN FROM THE MEETING. E. SADOWSKI SECONDED THE MOTION. THERE WAS NO FURTHER DISCUSSION. ALL WERE IN FAVOR. MOTION CARRIED. THE MEETING ADJOURNED AT 6:50 P.M.

Respectfully submitted:

Minutes Prepared By:

Marilyn Czubkowski, CMC
City Clerk/Treasurer

Accurate Business Communications LLC