

CITY OF DELAFIELD SPECIAL COMMON COUNCIL MEETING

ROLL CALL

Hartland

Present

Wallace Thiel, Village Administrator
Michael C. Meyers
Richard Landwehr
Jack Wenstrom
Randy Swenson
David Lamerand, President
Lynn Meyer, Deputy Clerk/Treasurer
Also present: Atty. Hector de la Mora

Delafield

Present

Absent

Mayor Paul Craig
Phil Schuman, Ald.
Erv Sadowski, Ald.
Mike Roberts, Ald.
Linda Quartaro, Ald.
Linda Kuklinski, Ald.
Matt Carlson, Administrator
Marilyn Czubkowski, City Clerk/Treasurer

Maurice Mathey, Ald.
Ron Miskelley, Ald.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

1. INTRODUCTION OF MEMBERS OF THE CITY OF DELAFIELD COUNCIL MEMBERS AND VILLAGE OF HARTLAND BOARD OF TRUSTEES

Introductions took place.

2. JOINT MEETING OF THE CITY OF DELAFIELD COUNCIL AND VILLAGE OF HARTLAND BOARD OF TRUSTEES TO REVIEW A PRESENTATION REGARDING FUNDING FOR THE EXPANSION OF THE DELAFIELD-HARTLAND SEWER TREATMENT PLANT

Dave Wagner, a representative from Ehlers & Associates was present to review the report. The findings of the report are woven into a resolution that needs to be considered for adopting that will have the affect of initiating a borrowing process for two separate Clean Water Fund loans to finance additions and alterations. The most effective way of borrowing

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in this case is the Wisconsin Clean Water Fund. The current rate (which was just set) is 2.75% for 20-year money. He gave a brief overview as to why borrowing is needed. This project is an expansion of the existing sewage treatment plant. This expansion is needed to meet current limits and standards. In considering the cash on hand, there is over \$7,000,000 that could be used to offset the project costs. The two communities would each need to borrow \$5,000,000. Two borrowing options were presented namely the Clean Water Fund Loans to the City of Delafield and Village of Hartland and Commission Sewer Revenue Bonds. Annual principal and interest payments (beginning May 1, 2005) would be \$342,000 for each community. Delafield-Hartland would make those payments on behalf of each community just as if it were their own debt and the communities would keep paying user charges to Del-Hart just as they are now. The only time it would not act like in this manner, is if there were a total breakdown in the system and Dela-Hart wasn't making its payments, then the State would look back to each of the communities for payment. The State of Wisconsin under its program does not have the legal authority to lend to Dela-Hart because it is not a municipality under the definition of 281.58 and 281.59. It can only lend to taxing bodies that can tax and not to intergovernmental commissions. If the resolution was to go forward, the loan would close sometime in 2003 and it would affect the tax status beyond 2003. Both the City and Village need to maintain the rates that show that they are able to cover the debt payment. The utility must be run in a way that not only shows a break-even, but show about a 10% debt coverage factor. Rate increases for the Village of Hartland was discussed. Administrator Thiel indicated that the Village would experience a 5% rate increase over several years. Payments for both together over 20 years would be about \$14 million. It was the conclusion and recommendation that the two communities move forward in a cooperative manner and each issue their half of the funding. The \$2.7 million debt that Delafield has right now has current payments of almost \$400,000 and will be paid off. Under the new situation with the existing customer base and existing levels of connection fees, net cash flow is about \$700,000 - \$800,000 after paying debt service.

3. MOTION TO ADOPT A RESOLUTION PROVIDING FOR THE ISSUANCE OF SEWERAGE SYSTEM REVENUE BONDS TO THE STATE OF WISCONSIN CLEAN WATER FUND TO FINANCE A SHARE OF THE COST OF THE DELAFIELD-HARTLAND POLLUTION CONTROL COMMISSION EXPANSION PROJECT

Asked to entertain a motion from the Village of Hartland to adopt Resolution 5.22.2002, a Resolution Providing for the Issuance of Sewerage System Revenue Bonds to the State of Wisconsin Clean Water

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Fund to Finance a Share of the Cost of the Delafield-Hartland Water Pollution Control Commission Expansion Project.

A recommendation was made by Attorney, Hector de la Mora that prior to the consideration of the Resolution that there be a slight modification of the wording on the second page, the end of the first line which reads "through the Clean Water Fund." There should be the insertion of the following language: "in an amount not to exceed \$5 million plus the cost of financing." In the next line "the financing will be [insert the following] subject to and". By doing this the Resolution has a cap and provides for associated costs.

M. Carlson recommended taking out the amount of money to be borrowed. Discussion took place regarding the amount to borrow, if the amount was greater than \$5 million the Municipals would have to pass another resolution. M. Carlson stated that the higher the amount that is borrowed could reserve more of the cash reserve in Del-Hart that you are 50% owners of. The difference between the two communities is that it makes more sense for Delafield to borrow more. M. Carlson advised the Delafield Council to adopt the resolution as drafted. Ald. Kuklinski asked if both municipalities have to borrow equal amounts. The answer was affirmative.

Village of Hartland passed the revised resolution.

MOTION TO APPROVE RESOLUTION #2002-07. L. KUKLINSKI MOTIONED. P. SCHUMAN SECONDED. IT WAS ASKED IF THIS INCLUDED THE LANGUAGE THAT, THE VILLAGE OF HARTLAND RECOMMENDED. L. KUKLINSKI AND P. SCHUMAN CONCURRED THAT THE RESOLUTION INCLUDED THE CHANGE IN LANGUAGE. ALL IN FAVOR. MOTION CARRIED.

4. ADJOURNMENT

MOTION TO ADJOURN FROM THE MEETING AT 8:00 P.M. (QUARTARO/SCHUMAN). ALL WERE IN FAVOR. MOTION CARRIED.

Respectfully Submitted:

Minutes Prepared by:

Marilyn Czubkowski, CMC
City Clerk/Treasurer

Accurate Business Communications