

**Village of Shorewood Hills
Finance Committee
Approved Meeting Minutes
Monday, February 14, 2022**

Call to Order

Finance Committee Chairperson Mark Lederer called the virtual meeting to order at 12:04 pm.

1. Roll Call Committee

Members present via Zoom were Mr. Lederer, Sean Cote, Dave Ahmann, Karl Wellensiek, Cokie Albrecht and Carl Gulbrandsen. Gard Strother was excused. Also in attendance were Village Administrator Sharon Eveland, Brad Viegut (Village's financial consultant at Baird) and Administrative Services Manager/Deputy Clerk David Sykes.

2. Note Compliance with open meeting laws

Ms. Eveland confirmed the meeting had been properly posted and noticed.

3. Review/approve previous Finance meeting minutes

Mr. Gulbrandsen moved and Mr. Cote seconded a motion to approve the December 13, 2021 minutes as presented.

Vote: 6-0 (Approved).

4. 2023-2027 CIP

Ms. Eveland reviewed a reformatted Capital Improvement Plan (CIP) spreadsheet. She cautioned the Committee that there are more potential projects on the Plan than there is money available even with the planned borrowing in 2022.

Ms. Eveland explained the intent of the spreadsheet is to approve the following year capital projects during budget development so that on January 1 staff can move forward on the projects.

5. R-2021-1 Resolution Authorizing the Issuance of \$6,250,000 General Obligation Promissory Notes and Authorizing the Issuance and Establishing Parameters for the Sale of a Not To Exceed \$6,250,000 Note Anticipation Note in Anticipation Thereof

6. R-2022-02: Resolution Authorizing the Issuance and Establishing Parameters for the Sale of Not to Exceed \$6,250,000 General Obligation Refunding Bonds

Mr. Viegut reviewed the materials packet provided to the Committee. In the last year, the interest rate environment has risen and costs to issue debt are higher. He recommends accelerating the borrowing process rather than waiting until June as previously planned.

He is suggesting a similar process the Village has used in the past. The Village could use Note Anticipation Notes (NANs) as a very short-term loan to pay for the University Avenue construction costs, then take out a longer note to refund the NANs and amortize the costs over 15 years.

Mr. Viegut explained the NANs would be for \$6.25M (\$5.5M for University Avenue Reconstruction, \$500K levy supported debt for University Avenue and \$250K for other capital projects. It would be for a 6 month term at an estimated rate of 1.15%, callable after 3 months. The General Obligation Refunding Bonds would be for \$6.02M with a \$230K

bid premium. The Village would pay annual principal payments and interest payments twice a year from 2023-2037 at an estimated 2.55% long-term rate.

The Parameters Resolution establishes a range of terms that allow the Village President and Treasurer to execute the borrowing quickly if the market conditions are favorable.

Mr. Viegut reviewed the Village's debt policies and feels that this borrowing will not adversely affect the Village's AAA bond rating. The Village will be at its self imposed borrowing limit for a couple of years, but a small amount of additional debt could be layered in as principle is paid off.

Mr. Lederer expressed his concern that the signatories of the parameters resolution will be confident that the borrowing rates are favorable when executing the debt issue.

Mr. Wellensiek moved and Mr. Gulbrandsen seconded a motion to recommend the Board approve Resolution R-2022-1 and Resolution R-2022-2.

Vote: 6-0 (approved).

7. **Set next meeting dates** – No action taken.

8. The meeting was **adjourned** at 1:00 pm.

Respectfully submitted,

David Sykes
Administrative Services Manager/Deputy Clerk