

FINANCE COMMITTEE MINUTES
April 04, 2011
City Hall – First Floor Hearing Room West

Chairperson Scott McMeans called the meeting to order at 6:00 PM

Present: Alderpersons, Scott McMeans, Christopher Able, Allan Schema, Matt Kadow and Alex Olson.

Absent: None

Also Present: Alderpersons Nic Levendusky, Dave Soeldner and Jason Sladky, Interim Finance Director/Treasurer Tony Scherer, City Clerk/Deputy Treasurer Jennifer Hudon, City Assessor Sarah Hoppe, DPW Business Manager Mike Huck, Investment Advisor Bob Moore, Bond Council Advisor Brad Viegut, four members of the public and a member from the HTR media.

Approval of Minutes

Motion by Alderperson Kadow and second by Alderperson Able to approve the minutes of the March 21, 2011 Finance Committee Meeting. Motion carried unanimously.

Discussion and Possible Action

Request to Replace the Account Clerk in the Treasurer's Office

Alderperson McMeans, City Clerk/Deputy Treasurer Jennifer Hudon and Interim Finance Director/Treasurer Tony Scherer provided the Committee with some background regarding the structure and duties of the position.

Motion by alderperson Able to approve the filling of the Account Clerk Position in the Treasurer's Office and recommend same back to the Committee of the Whole. Second by Alderperson Kadow. Motion carried unanimously.

Discussion and Possible Action

Regarding 2011 Bond and Note Award Resolutions

The City's Bond Council Advisor Brad Viegut of Robert W. Baird passed out materials to the Committee regarding the 2011 Bond and Note Issues. Mr. Viegut explained that Baird received five (5) bids each on the City's bond and note issues. The low bid for the bond issue in the amount of \$3,280,000 was from UMB Bank at a rate of 3.087 percent. On the note issue of \$1,605,000 a low bid of 2.465 percent was also received from UMB Bank.

Mr. Viegut then discussed and explained the City's long term financing plan with the Committee, pointing out that the actual bids came in substantially less than what was anticipated during the planning process. Essentially the actual bids produced a saving of approximately \$250,000 in interest over the life of the issues. He went on to review the Moody's rating report, explaining that the City has maintained its AA2 rating. Mr. Viegut stated there were no major changes to the report, but that Moody's maintains the City's debt is still high in comparison to other AA2 rated issuers, but that much of that debt is offset by the City's Tax Incremental Financing districts (TIF).

With the authorization of the Committee and Council at this evening's meeting, Baird will work towards the closing with funds being available on April 25th, 2011. No action needed be taken at this time as the resolutions will first be introduced at tonight's Council Meeting.

Discussion Regarding 2011 Personal Property Doomage Accounts

City Assessor Sarah Hoppe reported to the Committee that there is a trend for businesses to not report their personal property to the City. She went on to explain that this affects the amount the City receives for exempt computers.

The Committee discussed the options are available to them to change this trend. The Committee would like to look into this issue further and requested that Ms. Hoppe look into what other City's are doing and what can be done statutorily. Ms. Hoppe was also directed to estimate the time her office spends on this function of the Assessor's Office.

Claims

- A. Notice of Claim and Claim (11-181) from State Farm Insurance on behalf of Ryan J. Stokes of March 22, 2011, Fleet Claim File No. 11-196.
- B. Summons and Complaint (10-431) of BAC Home Loans Servicing, L.P. v. Sherry L. Close et al, Case No. 10 CV 582.
- C. Summons and Complaint (10-613) between M & I Marshall & Ilsley Bank and Denise A. Herman and John Doe et al, Case No. 10 CV 925.

Alderman McMeans, explained the circumstances involved in each claim and the recommendation of the City Attorney's Office. The documents were passed among the Committee members for their signature.

Investment Portfolio Report

Bob Moore, Investment Advisor with Institutional Capital Management explained where the City has its funds invested. He explained that money that was drawn out once a year is now being drawn out twice a year. Mr. Moore explained that the other investment firms need to restructure their portfolios by purchasing larger, round lots with durations that match the City's cash flow needs.

Mr. Moore requested that the Committee provide input as to how the City can get the other investment firms to cooperate and restructure their portfolios to benefit the City.

Discussion Regarding the Budget Effects of Recent Labor Agreements and Resolutions.

Discussion Regarding 2012 Budget Impacts

Alderman McMeans summarized the two issues explaining that the City was getting close to the 2011 target amount of the \$990,000 due to labor agreements and other changes to wages and benefits. He also explained that 2012 budget estimates are currently running at a deficit of between \$1,750,000 and \$2,000,000.

Interim Finance Director/Treasurer Tony Scherer explained to the members that through the State Budget Repair Bill alone the City calculates a negative impact of \$750,000.

Motion by Alderperson Kadow and second by Alderperson Olson to adjourn the meeting. Motion carried unanimously.

Chairperson McMeans declared the meeting adjourned at 6:42 PM.

Alderperson Scott McMeans
Chairperson
Finance Committee

By: Anthony J. Scherer
Interim Finance Director

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