

**FINANCE COMMITTEE MINUTES**  
**September 21, 2009**  
**City Hall – First Floor Hearing Room West**

Chairperson James N. Brey called the meeting to order at 5:30 PM.

Present: Alderpersons James N. Brey, Dean W. Graunke, Christopher T. Able, Eric J. Sitkiewitz, and Jill C. Hennessey.

Absent: None

Also Present: Alderperson Scott McMeans, Finance Director/City Treasurer Brian Ruechel, Assistant Finance Director Tony Scherer, Robert W. Baird Public Finance Director Brad Viegut, and Patrick Wade of the Herald Times Reporter.

**Presentation and Discussion of 2010 Capital Project Funding Plans**

Brad Viegut, Public Finance Director for Robert W. Baird provided the Committee members with a handout summarizing the financing plan for the 2010 Capital Projects. Based on the City's 2009-2013 Capital Improvement Plan and the Committee's desire to reduce borrowing for 2010 capital projects, Mr. Viegut tendered two proposals for the 2010 borrowing; one of \$6,205,000 and one of \$5,000,000, respectively.

Mr. Viegut went on to educate the Committee on Build America Bonds (BAB's – Direct Payment), a new funding option available to the City. Mr. Viegut explained that unlike the City's customary tax-free issues, BAB's are taxable bond issues. Issues of this type generally result in a higher interest rate and consequently higher interest payments. But, with the issuance of Build America Bonds the Federal Government provides issuers a subsidy, or rebate equal to 35% of their annual interest costs. With the subsidy, the total interest paid is less than that of a traditional tax-exempt bond issue. Mr. Viegut detailed the advantages and risks associated with the issuance of BAB's and provided examples of the program under the funding assumptions in the two scenarios above. Use of this funding mechanism could save the City up to \$308,000. No action was required at this time.

Chairperson Brey declared the meeting adjourned at 5:55 PM.

Alderperson James N. Brey  
Chairperson, Finance Committee

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By: Anthony J. Scherer  
Assistant Finance Director