



MINUTES OF A REGULAR SCHEDULED MEETING OF THE **FINANCE COMMITTEE** HELD ON **TUESDAY, JUNE 19, 2018**, AT 7:00 P.M. IN THE NORTH CONFERENCE ROOM OF CITY HALL, 2000 NORTH CALHOUN ROAD, BROOKFIELD, WISCONSIN.

ALDERMAN SCOTT BERG PRESIDING

MEMBERS PRESENT: Alderman Scott Berg, Alderman Dan Sutton, Alderman Bob Reddin, Alderman Ron Balzer, Alderman Jerry Mellone and Alderman Renee Lowerr.

MEMBERS EXCUSED / NOT PRESENT: Alderman Mark Nelson.

OTHERS PRESENT: Director of Finance Robert Scott, Director of Community Development Dan Ertl, Alderman Chris Blackburn, Carol Wirth – Wisconsin Public Finance Professionals, Nancy Justman and Shawn Jaremko – Visit Brookfield representatives.

1. Alderman Scott Berg noted a quorum was present and called the Finance Committee meeting to order at 7:02 p.m.
2. Announcements:
  - a. The next regularly scheduled Finance Committee meeting will be held July 17, 2018.
- 3a. Minutes of the June 5, 2018 Regular Finance Committee Meeting:

*Motion by Alderman Bob Reddin, seconded by Alderman Ron Balzer, to approve the minutes of the June 5, 2018 Regular Finance Committee meeting. Motion carried 6-0.*

**Council Action Items**

- 4a. Vouchers exceeding \$50,000 requiring immediate action.

*Motion by Alderman Dan Sutton, seconded by Alderman Bob Reddin, to approve vouchers exceeding \$50,000 requiring immediate action. Motion carried 6-0.*

- 4b. Resolution approving professional services agreement with Brookfield Convention and Visitors Bureau, Inc. (Visit Brookfield) for tourism promotion and hospitality services and collaboration in marketing the Brookfield Conference Center.

*Motion by Alderman Renee Lowerr, seconded by Alderman Dan Sutton, to approve the resolution approving professional services agreement with Brookfield Convention and Visitors Bureau, Inc. (Visit Brookfield) for tourism promotion and hospitality services and collaboration in marketing the Brookfield Conference Center. Motion carried 6-0.*

- 4c. Resolution authorizing the issuance and awarding the sale of \$4,735,000\*\* Taxable General Obligation Conference Center Bonds, 2018A; providing the form of the bonds; and levying a tax in connection therewith (\*\*Preliminary, subject to change).

The City's municipal advisor, Carol Wirth from Wisconsin Public Finance Professionals, presented a summary of the results of the sales of the taxable general obligation bonds and taxable bond anticipation notes (see item 4d below). A copy of Ms. Wirth's written report is available for review in the Finance department offices. Ms. Wirth noted that the winning bidder for the bonds was the syndicate led by BOK Financial Securities at a net interest rate of 3.5051%, and the winning bidder for the notes was PNC Capital Markets at a net interest rate of 3.3330%. There were five bidders each for the bonds and for the notes, and she noted that the bids received were very competitive and favorable in the current municipal market.

Ms. Wirth and Director Scott also reviewed the updated Moody's Investors Service credit report on the bond and note issues. They reviewed the process followed by staff and consultant to engage and inform Moody's about the conference center project, including the documentation provided regarding the financing plan. They noted that Moody's issued a rating of Aa1, down one notch from the prior Aaa bond rating, citing contingent liability risks related to the conference center project. This change was despite the placement of a stable outlook for the City's long-term credit rating earlier this year in connection with the annual capital borrowing. Director Scott and Ms. Wirth noted that in conversation with the Moody's credit analysts that they appeared to emphasize a potential worst case scenario with respect to the risk of the City having to absorb the operations of the center in the City's operating budget, and not so much the repayment of the debt (which is backed not only by hotel taxes but also by the City's general obligation property tax pledge). They further noted that the score per Moody's quantitative scorecard essentially has remained unchanged from 2016, and that the Moody's report contains a stable outlook that "reflects our expectation that the City's healthy financial position and strong economy will offset the increased leverage and contingent liability risks associated with the new conference center project." Ms. Wirth noted that in conversations with the winning bidder on the bond issue that the Moody's credit rating action had little if any impact, as the underwriter said at worst there was a 5 basis point effect and the bonds had strong pre-sale interest from investors.

*Motion by Alderman Bob Reddin, seconded by Alderman Scott Berg, to approve the resolution authorizing the issuance and awarding the sale of \$4,735,000 Taxable General Obligation Conference Center Bonds, 2018A; providing the form of the bonds; and levying a tax in connection therewith. Motion carried 5-1 with Alderman Jerry Mellone dissenting.*

- 4d. Resolution authorizing the issuance and awarding the sale of \$3,015,000\*\* Taxable Bond Anticipation Notes (\*\*Preliminary, subject to change).

See previous item for details of presentation and results of sale. Based on the interest rate offered by the winning underwriter, the issue size was reduced to \$3,010,000 and the resolution considered by the Committee reflected the revised amount.

*Motion by Alderman Bob Reddin, seconded by Alderman Scott Berg, to approve the resolution authorizing the issuance and awarding the sale of \$3,010,000 Taxable Bond Anticipation Notes. Motion carried 5-1 with Alderman Jerry Mellone dissenting.*

4e. Consider claim of Karen Hung, 2470 Buckingham Place, Brookfield, WI.

*Motion by Alderman Renee Lowerr, seconded by Alderman Ron Balzer, to deny the claim of Karen Hung, 2470 Buckingham Place, Brookfield, WI. Motion carried 6-0.*

**Finance Committee Only Items**

5a. City financial policy regarding investments.

Finance Director Scott noted the City's investment policy was due for periodic review, and that staff had reviewed the policy in relation to best practice guidance from the Government Finance Officers Association. The only suggested change to the policy is a revision in the Exhibit that summarizes Wisconsin statutes relative to municipal investments which incorporates a recent change in state statutes eliminating a term restriction on time deposits.

*Motion by Alderman Dan Sutton, seconded by Alderman Jerry Mellone, to approve the revised City financial policy regarding investments and to direct staff to prepare a resolution for consideration by the Common Council to approve the revised policy. Motion carried 6-0.*

6. Adjournment.

*Motion by Alderman Dan Sutton, seconded by Alderman Bob Reddin, to adjourn the Finance Committee meeting. Motion carried 6-0. Meeting adjourned at 7:48 p.m.*

Minutes respectfully submitted by Robert Scott, Director of Finance.