CITY OF WAUWATOSA
7725 WEST NORTH AVENUE
WAUWATOSA, WI 53213
Telephone: (414) 479-8917
Fax: (414) 479-8989
http://www.wauwatosa.net

BUDGET & FINANCE COMMITTEE
Tuesday, December 6, 2011 – 7:15 p.m.

PRESENT: Alds. Berdan, Causier, Donegan, Ewerdt, Hanson, McBride, Walsh, Wilson -8

ALSO PRESENT: Mr. Archambo, City Administrator; Mr. Ruggini, Finance Director; Mr. Thompson, Hutchinson, Shockey, Erley & Co.

Ald. Walsh in the Chair

Resolution Authorizing the Issuance and Sale of $4,600,000 Taxable General Obligation Promissory Notes, Series 2011. Mr. Ruggini advised that a negotiated bond sale was conducted with BOSC, Inc., a subsidiary of the Bank of Oklahoma, to partially finance the Covenant property tax settlement. These are taxable bonds with a call option in 2015; the interest rate is 1.71% (or 1.52% without issuance costs); a competing underwriter's bid – without issuance costs – was 1.65%. The 1.71% rate is very favorable. Since interest is being capitalized, there will be no need to budget for the interest. That is, the city is borrowing the principal and interest amount.

The Wauwatosa School District will repay its portion of the principal and interest at the end of the term in 2015 by using TIF #2 monies that would have otherwise gone to the District. Staff recommends approval.

It was moved by Ald. McBride, seconded by Ald. Ewerdt
to recommend approval of the proposed resolution to Council. -8

Transfer of Funds from Health/Life Fund to General Fund. Mr. Ruggini stated that the proposed transfer of $2,000,000 is the third piece of the financing plan being used for the Covenant property tax settlement. This amount will replenish the cash used to pay the settlement up front. (Another $2.1 million will be replenished through the receipt of charge-backs from the other taxing jurisdictions, excluding the Wauwatosa School District).

The 2011 year-end Health/Life Fund surplus after the proposed transfer will be an estimated $3.4 million dollars, or approximately 50% of claims. This figure exceeds the city's benchmark of maintaining a surplus of 30% of claims.

It was moved by Ald. Ewerdt, seconded by Ald. McBride
to recommend approval of the proposed resolution to Council. -8

The meeting adjourned at 7:25 p.m.

Carla A. Ledesma, CMC, City Clerk

cal