

Finance Committee Meeting Minutes
September 1, 2009

Chairman Larsen called the meeting to order at 7:00 PM.

Members Present: Aldermen Larsen, Cochrane and Antonneau

Staff Present: Mayor Sullivan, Gard, Beguhn, Gallo, Lamp, Kitsembel, Duffy, Frye and Coenen

Others Present: Alds. Kohlenberg and Miller, and Atty. Chapman

2. Consider/recommend Authorizing the Issuance of \$5,000,000 General Obligation Promissory Notes and the Issuance and Sale of \$5,000,000 Note Anticipation Notes in Anticipation Thereof

Kitsembel reported that on August 4th the Finance Committee approved proceeding with a two year refinancing of the \$5M note anticipation notes for TID #4 which is due on October 1, 2009. The debt was originally structured as a three year, short-term note to allow time for the TIF district to become established and generate increment before a long-term debt structure was secured. Jim Miller and Kevin Shockey were introduced. Miller stated that TID #4 is behind projections and rather than lock in now, a two year extension will allow the City time to further monitor the development in the TIF district and structure the long-term debt payments appropriately with the annual TID increment that will be received. The maturity would be extended until December 1, 2011. The note was marketed on August 28th and the coupon rate is 1.75%. Kitsembel stated that Moody's performed a rating process and the City is a strong AA3. She will give the Committee a copy of Moody's rating.

Motion by Antonneau to recommend authorizing the issuance of \$5,000,000 General Obligation Promissory Notes and the issuance and sale of \$5,000,000 Note Anticipation Notes in Anticipation thereof; second by Cochrane. Motion carried 3-0.

3. Consider/recommend Purchasing Policy Revisions

Kitsembel reported that at the August 18th Council meeting, staff was directed to redraft the purchasing policy to address concerns raised at the meeting. The main concern was the language in the professional service area. In this revision, staff tried to separate unique situations from routine operations. For services identified in the budget, the Department Head and/or City Administrator are delegated the authority to retain the professional. Council will still retain oversight of the services we procure through the budget review and approval process, as well as staff following the normal purchasing thresholds that apply when retaining professionals for specific projects. This process balances the City's ability to remain functional on a day-to-day basis. For unique situations, which are not planned for and therefore not identified in the budget, the language requires staff to estimate the cost of the service and then use the purchasing thresholds set forth in the policy for approval. It further requires monitoring the amount spent on these types of services and, in the situation where actual costs exceed or are expected to exceed

the estimated cost the service will be brought to the appropriate Committee and/or Council. The other issue raised was change orders. Language has been added that requires Council to be notified in writing about such change orders. The Committee discussed the revisions and feels it is a balanced policy.

Motion by Antonneau to recommend the purchasing policy revisions; second by Cochrane.
Motion carried 3-0.

**4. Consider/recommend Ratifying Services of Professionals and/or Consultants
Authorized by City Officials**

Gard reported that with the consideration of the revised purchasing policy, staff had discussions about past engagements and procurement processes. Chapman stated the reason for this resolution is that the City has received the benefits of services retained in the past for varying reasons and that Council would have had the authority to enter into the arrangements in the first place. This resolution cleans the record of past retentions and moves forward with the revised procurement policy. The Committee questioned why a resolution was necessary. Chapman stated the resolution ratifies any past arrangements entered into by employees or officials and because the City received the benefits. If Council would not pay for the services, the City could be sued by the professional. Sullivan reiterated that this resolution is retro-active and the City would have a clean slate moving forward with the new procurement procedures in place.

Motion by Antonneau to recommend ratifying services of professionals and/or consultants authorized by City officials.

Motion by Antonneau to adjourn; second by Cochrane. Motion carried 3-0. The meeting adjourned at 7:22 PM.

Minutes taken by
Diane Coenen, City Clerk
Ald. Cochrane, Secretary