

CITY OF AMERY
FINANCE COMMITTEE PROCEEDINGS
April 23, 2019

The Finance Committee of the City of Amery met on April 23, 2019 at City Hall. Vice-Chairman, Kris Vicker called the meeting to order at 5:00 p.m.

Present: Vice-Chairman, Kris Vicker and Member, Sarah Flanum.

Absent: Chairman, Rick Davis

Staff Present: Administrator, Kim Moore; Clerk, Patty Bjorklund and Public Works Director, Alan “Bones” McCarty.

Staff Absent: None.

Others Present: Mayor, Paul Isakson; and Jim Richison, Dave Rasmussen, MSA; and Jim Richison, Senior Business Loan Officer – Westconsin Credit Union.

Letter of Credit Discussion for CDBG Financing

Dave Rasmussen detailed the need for implementing a letter of credit before the submittal of the Community Development Block Grant for Public Facilities (CDBG-PF) Grant Paperwork. The cost estimate for the proposed Keller Avenue Project in the City of Amery was presented. The City anticipates applying for grant funding through the CDBG-PF Program to assist in the project. Applications are due May 17th and awards under this program are anticipated to be made on July 19th. The City is applying for \$1.0 million dollars to be used towards the project. In order to be competitive, the City is looking for proposals to provide \$1.8 million in interim financing for the project. It is anticipated that the permanent financing will be a mix of revenue bonds through the DNR and general obligation financing. Interim financing would need to be in place by the time the application is submitted. Some funding through the Department of Transportation may be obtained as well. If awarded, the first draw on the interim financing would be this fall. If the CDBG-PF is awarded, it is anticipated that construction would begin in the spring of 2020 and be completed in the spring/summer of 2021. The project costs for Keller Avenue (Broadway Street to Hyland Street) are \$2,823,700.00. Dave also noted the Clean Water Fund Program (CWFP), for wastewater and stormwater and the Safe Drinking Water Loan Program (SDWLP) for drinking water are two loans that could be applied for with an average interest loan payment of 1.2%. Both are low-cost financing options for a wide range of water quality and infrastructure projects. Principal Forgiveness (PF) is additional subsidy, provided by the federal government, to assist municipalities the revenue necessary to finance needed infrastructure projects. PF is used to reduce the size of a loan, thus reducing annual principal and interest payments. That funding will be given in 2020. Dave also noted that a meeting will need to take place with DOT Representative, Beth Cunningham in the near future. He noted that that meeting will help with the coordination of work done that will be slated for 2028 and the potential work done next year.

Jim Richison was present to detail their proposal for a General Obligation Construction Line of Credit for the CDBG-PF Keller Avenue Project. The loan amount is up to \$1,800,000. The term is 30 months with a 4.0% fixed interest rate. Interest is only paid quarterly or semi-annually. There is no prepayment penalty and the pre-funding requirement is proof that the CDBG-PF for \$1M is awarded to the City of Amery. There are third-party costs for attorney preparation of the loan documents. Bremer bank had submitted their detail as well. There were questions about the term of the loan and clarification of pre-payment of the loan through Bremer. Also questioned, was the life of the loan through Bremer.

Motion by Vice-Chairman, Vicker; seconded by Member, Flanum to have the Amery City Council review both quotes for letters of credit with Westconsin Credit Union and Bremer Bank, after Bremer Bank’s is clarified regarding the pre-payment and term of the loan with as well as life of the loan at the May 1, 2019 Council Meeting.

Ayes – 2

Nays – 0

Motion Carried

Airport Annual Service Contract and Software Agreement – Fuel Terminal

Mayor, Isakson was present to discuss the Amery Airport annual service contract and software agreement for the fuel terminal. Clerk, Bjorklund had questioned where the funds would be derived from the 2019 Budget for this expense as detail was not clear. The cost of this invoice was \$3,780. It is for Base Network Access and Support Agreement – 5-year renewal. The subscription coverage dates are 6/1/2019 – 5/31/2024. Vice-Chairman, Vicker would like clarification of what the savings is if the 5 year subscription is purchased. It doesn't state on the invoice. It also was handwritten by Jay Griggs, Airport Manager on the invoice that it's a 5-year renewal and that gets the 5th year free. She would like a new invoice with details of what the real amount is and what the savings are.

Motion by Vice-Chairman, Vicker to recommend to the city council after review of expenditures and revenues of airport fuel in the 2019 budget, to pay from the Airport Fuel Revenue Account 100-00-46341-000 in the Airport Fund for the software in the amount of \$3,780.00 for 5-year renewal.

Ayes – 2

Nays – 0

Motion Carried

Proposal for Mural Restoration

Dave Markson of Sign and Design and presented a proposal for mural restoration for a 3-panel mural adjacent to the Lambert's parking lot in downtown Amery, honoring the heritage of the Amery community. He noted that there is serious peeling of the mural that was painted in 2002. I is proposing to do a thorough job of wall preparation, materials, supplies and paint as well as mural painting for \$4,900. Discussion ensued. After discussion, the committee thought it would best to recommend to the council to put this item in the 2020 Budget for discussion. Member, Fl anum thought it would be fair to put out for bids.

Motion by Member, Fl anum and seconded by Vice-Chairman, Vicker to go in to closed session proceedings at 6:25 p.m. under WI §19.85 (1) (c) to consider employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility. This pertains to: The Wisconsin Professional Police Association (WPPA) Contract PTO time.

Roll Call Vote: Ayes – Vice-Chairman, Vicker; Member, Fl anum Nays – 0 Motion carried.

Motion by Member, Fl anum and seconded by Vice-Chairman, Vicker to reconvene into open session proceedings at 6:45 p.m.

Roll Call Vote: Ayes – Vice-Chairman, Vicker; Member, Fl anum Nays – 0 Motion carried.

Motion by Member, Strohubusch and seconded by Vice-Chairman, Fl anum to adjourn at 6:46 p.m.

Ayes – 2

Nays – 0

Motion Carried

Patty Bjorklund, WCMC, CMC, CMTW
City Clerk-Treasurer