VILLAGE OF THIENSVILLE
Board of Trustees
MINUTES

DATE: Thursday, February 10, 2022

LOCATION: 250 Elm Street, Thiensville, WI
SPECIAL BOARD OF TRUSTEES AGENDA

TIME: 3:30 PM

I. CALL TO ORDER

President Mobley called the meeting to order at 3:37 PM.

II. ROLL CALL

PRESIDENT:	VAN MOBLEY
TRUSTEES:	JENNIFER ABRAHAM ANGELINA APOSTOLOS (EXCUSED) KRISTINA ECKERT ROB HOLYOKE (EXCUSED) KENNETH KUCHARSKI DAVID LANGE
ADMINISTRATOR:	COLLEEN LANDISCH-HANSEN
STAFF:	DIRECTOR OF COMMUNITY SERVICES/PUBLIC WORKS ANDY LAFOND VILLAGE CLERK AMY LANGLOIS

III. PLEDGE OF ALLEGIANCE

A. Trustee Abraham to lead the recitation of the Pledge of Allegiance.

Trustee Abraham led the recitation of the Pledge of Allegiance.

IV. BUSINESS

A. Review and action regarding Resolution 2022-01 A Resolution Authorizing the Borrowing of Not to Exceed $4,500,000 and Providing for the Issuance and Sale of Taxable General Obligation Corporate Purpose Bonds, Series 2022A (att)

Brian Roemer, Ehlers, presented the following:

The Village has authority under Wisconsin State Statute 67.04 to issue debt. The Bonds count against the Village's General Obligation Debt Capacity Limit of 5% of total Village Equalized Value. The Village does not have a lot of debt outstanding. With the other debt outstanding at Port Washington State Bank at the time that this debt is issued, the Village will be at about 25% of the limit. There is still plenty of room for bonding.

The Bonds are being issued for a term of 19 years. The Bond payment structure is an annual principal payment with semi-annual interest payments. Principal will be due on October 1, 2025 with interest every six months beginning April 1, 2023.

Because the Bonds are taxable obligations, they will not be designated as "bank qualified" obligations.

Ehlers will be looking to sell these Bonds competitively and as open market securities. What this means is that an underwriter purchases these and then sells the Bonds on the back-end to investors. The Bonds will be registered securities with the SEC that will be traded upon. The Bonds will be sold on March 9, 2022, and whoever comes forth with the lowest cost of financing will be recommended to be awarded the bid.

Ehlers did look at issuing through the State Trust Fund Loan Program; however, the interest rates are higher and they do not adjust their debt structure enough to factor around what Ehlers sees as the potential increment or revenue that the Village plans to service the debt with. Banks will not issue beyond 10 years for general obligation debt.

This can be prepaid. The prepayment date would start on October 1, 2034 or any date thereafter. This is more market driven. The Village may want to refinance some of the later maturities.

Ehlers offers the most wide array of options for bidders. The pool of bidders is large and what the Village may see is a premium structure - meaning they ask you to pay higher interest rates but they pay the difference in terms of what the actual yield is on that day downsizing the debt.

The Village will be subject to continuing disclosure. The Village will be agreeing to provide its Audited Financial Statements annually as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board as required by rules of the Securities and Exchange Commission (SEC).

Ehlers can assist the Village in developing a strategy to invest the Bond proceeds until the funds are needed to pay project costs and to redeem the refunded obligations.

Mr. Roemer shared an estimated cost of $16,800 for review of the Official Statement by another bond attorney (not Husch Blackwell). The Official Statement is essentially the marketing document to the bidder. This law firm will protect an agency from fraud which is a growing and continuing concern from the SEC. Ehlers believes this is a valuable service and Mr. Roemer views this as insurance making sure the Official Statement is complete and correct. They also look into litigation issues. The Official Statement is prepared by Ehlers. The Disclosure Counsel is Ehlers' recommendation for this issuance. The Board agreed with the recommendation of engaging Quarles & Brady as Disclosure Counsel.

A Special Board meeting will be held on March 9, 2022 at 4:00 PM to award sale of the Bonds. At this meeting the numbers will be updated in terms of the rate. Close date will be March 30, 2022.

What the Village is authorizing today is not to exceed $4,500,000. This debt service is structured around known development and other assumptions from the project plan. It is important to note that these are assumptions; and if those tax increment revenues are not available, the Village would be levying for that debt service or using funds on hand. Funds on hand can only last so long and if the Village wants to be rated in the future, using funds on hand is not a good strategy.

The Board has the option to borrow the entire $4,500,000 now or to pull out some projects allowing for a little less risk in terms of having to potentially levy for it. The Village can always borrow at a later date if needed. Borrowing later is subject to interest rate risk.

If the Board chooses to back out of the borrowing, this should be decided by February 21, 2022. The largest risk is if no development occurs, then the Village would have to levy for the entire amount.

Director LaFond looked at what is important now vs. what could happen later - the water line is important. The streetscapes, street lights and pedestrian connections are enhancements that attract development. Another way to look at it, is to reduce the risk and get in the basics and wait until we are successful with development #2 to reward ourselves with the streetscaping and lighting and district feel. This will come with potentially higher interest rates.

Administrator Landisch-Hansen noted that in order to not have to levy against the taxpayers is to reduce capital spending until there is a second development. Currently, $400,000 of tax levy is allocated towards capital projects.

Trustee Lange inquired what the latest plans are for the new development near Walgreens. Director LaFond shared there will hopefully be a Development Agreement before the Board in March with plans to break ground in April.

Trustee Abraham asked if Village staff is comfortable with how negotiations are going regarding the future development. Director LaFond shared that plans are moving forward. If there is no development, the Village is in good standing to pay for the debt service with the understanding that we are cutting back on the annual capital items. The capital projects fund is a great strategy to avoid levying.

Trustee Abraham inquired how bonding can be shared/explained to constituents. Mr. Roemer stated that raising the tax base is good for everyone. Raising the tax base within the TID initially is finding a way to pay for it - development pays for its own development instead of everybody paying for it.

Trustee Abraham would like to keep the residents informed and be proactive in the education of this process. Trustee Lange and President Mobley agreed and suggested sending a letter to residents. Director LaFond shared that some good language has been put together that is in the marketing brochure for the district that could be used in a press release. There is also an entire web page dedicated to the TIF District.

Mr. Roemer shared that the next borrowing in the TIF project plan was slated for 2025 and noted that you only want to borrow for the development happening currently. This will be reviewed at that time. The Village is not locked into borrowing any more dollars if not needed.

What the Board is authorizing today is the green light for this process to keep moving forward and for the Official Statement to be developed with Village staff. Beyond this, if there is some sort of unforeseen market event, the sale can be pulled. This would be in early March.

MOTION by Trustee Lange, **SECONDED** by Trustee Abraham to approve Resolution 2022-01 A Resolution Authorizing the Borrowing of Not to Exceed $4,500,000 and Providing for the Issuance and Sale of Taxable General Obligation Corporate Purpose Bonds, Series 2022A. **MOTION CARRIED UNANIMOUSLY**.

V. ADJOURNMENT

MOTION by Trustee Eckert, **SECONDED** by Trustee Kucharski to adjourn the meeting a 4:27 PM. **MOTION CARRIED UNANIMOUSLY**.

Submitted by,

Amy L. Langlois
Village Clerk/Deputy Treasurer