

**City of Oconomowoc  
Committee-Of-The-Whole  
Tuesday, March 03, 2020 - 5:45 PM  
City Hall - Conference Room 3**



**Notice:** If a person with a disability requires that the meeting be accessible or that materials at the meeting be in accessible format, call the City Clerk at least 48 hours prior to the meeting to request adequate accommodations. Tel: 569-2186.

1. Call to order and confirmation of appropriate meeting notification
2. Committee Business
  - a. Consider/act on City's Debt Status and Upcoming 2020 Borrowing
  - b. Discussion/Direction for Collins Street Parking Lot
3. Adjourn

---

Diane Coenen, City Clerk  
City of Oconomowoc

Notice is hereby given that a majority of the Common Council will be present at the above scheduled meeting to gather information about a subject over which they have decision-making responsibility. This constitutes a meeting of the Common Council pursuant to State ex rel. Badke v. Greendale Village Board, 173Wis. 2d 553, 494 N.W. 2d 408 (1993) and must be noticed as such, although the Common Council will not take any formal action at this meeting.



# MEMORANDUM

## DEPARTMENT

Date: February 25, 2020  
 To: Mayor Nold, City Council, and Sarah Kitsembel, City Administrator  
 From: Laurie Sullivan, Finance Director  
 Re: Current Debt Status and 2020 GO Borrowing Options Discussion

## RELATES TO THE STRATEGIC PLAN

Strategic Goal-NA

## BACKGROUND

In 2019 the City delayed long term financing of the 2019 and 2020 Capital projects until all of the decisions were in place regarding the Public Safety Facility financing.

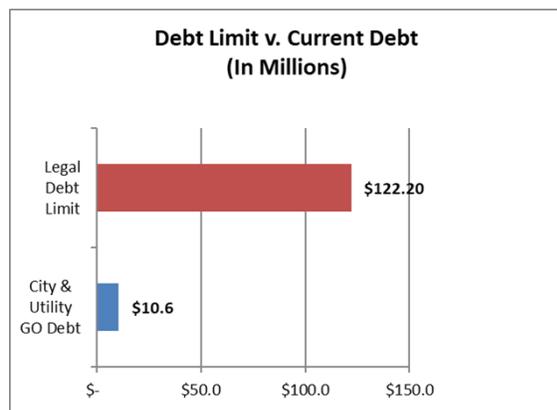
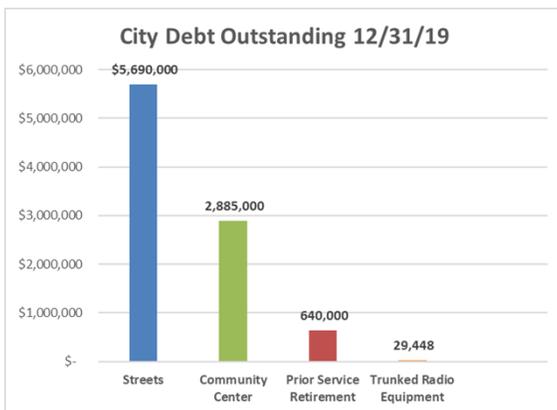
In 2019 the City advanced funds to complete the 2019 Street projects, completed short term financing for the purchase of the property at 631 Wisconsin Ave and for the commencement of construction of the Public Safety Facility.

As we prepare to Long Term Finance our 2019 and 2020 Capital projects we will look at several factors including our Current Debt Status, our financing needs, and our financing structure goals.

## ADDITIONAL ANALYSIS

### City of Oconomowoc Current Debt Status:

State Law limits a Municipalities borrowing to 5% of its Equalized Value. Currently the City's Debt Limit is \$122,190,795, the City is currently using \$10,624,448 or 8.7% of its Capacity. This leaves \$111,566,347 of capacity available.



**2020 Debt Financing Needs:**

Public Safety Facility - Total 2020 Bond-20 years \$9,400,000

- Amount needed to repay Short Term Debt- FBFC totals \$2,200,000.
- Amount needed to repay the outstanding Promissory Note for the Police Station Project totals \$7,200,000

Street Projects - Total 2020 Note-10 years \$3,580,000

- Amount needed to finance street projects in 2019 totals \$1,550,000
- Amount needed to finance street projects in 2020 totals \$2,030,000

**2020 Debt Financing Goals:**

When structuring the payment schedules of the City's Debt we look to:

- Structure the street portion of the financing so there is a minimal increase in the tax levy for debt service
- Leave room in future years to allow for additional debt with minimal impact in the levy
- Structure the Police Station Project portion over a 20-year term given the long useful life of the Project
- Complete the financing as soon as possible to take advantage of the current low interest rate environment

**FINANCIAL IMPACT**

The two most common bond payment options are:

- 1) Structured for Level Debt Service, spreading the payments equally over the life of the loan
- 2) Structured to minimize the impact on the tax levy, structuring around the existing debt levy.

This chart shows the City's existing debt and its structure:

	Total Principal (1)	Total Interest <sup>(1)</sup>	Total Debt Service
2020	\$ 1,599,816.00	283,993	1,883,809
2021	\$ 1,684,816.00	241,861	1,926,677
2022	\$ 1,729,816.00	196,363	1,926,179
2023	\$ 1,305,000.00	153,012	1,458,012
2024	\$ 1,210,000.00	113,600	1,323,600
2025	\$ 585,000.00	84,859	669,859
2026	\$ 625,000.00	64,681	689,681
2027	\$ 520,000.00	46,469	566,469
2028	\$ 560,000.00	30,900	590,900
2029	\$ 260,000.00	19,244	279,244
2030	\$ 270,000.00	11,787	281,787
2031	\$ 275,000.00	3953	278953
	\$ 10,624,448.00	\$1,250,722	\$11,875,170

The City's financial advisor, Jim Miller from Hutchinson, Shockey, Erley & Co, will be at the Committee of the Whole meeting to review the different financing structures available and answer questions.

#### RECOMMENDATION

We are currently experiencing a low interest rate environment, Staff recommendation is to proceed with the next steps to prepare the 2020 Debt issue. This includes preparing the City's Official Statement, updating our Moody's credit rating, preparing the Sale documents and compiling the bid results for Council.

We would expect the bid results to be in by late April, the results will be presented to Council with a resolution to award the Sale.

#### SUGGESTED MOTION

Motion to authorize staff to move forward with the process to complete the 2020 G.O. Debt issue.



# MEMORANDUM

## PUBLIC WORKS

Date: March 3, 2020  
To: Committee of the Whole  
From: Mark Frye, Director of Public Works  
Re: Collins Street Parking Lot

## RELATES TO THE STRATEGIC PLAN

Strategic Plan:

- Section II: Improve and Maintain Our Infrastructure and Facilities
- Part D: Identify New Projects
- Item 5: Collins Street Parking Lot

## BACKGROUND

On August 6, 2019 direction was provided to reconstruct Collins Street Parking Lot. This project, along with the replacement of the existing retaining wall, has an estimated cost of \$1.2 million from TID #4.

## ADDITIONAL ANALYSIS

We looked at three design criteria for the lot. One, reconstruct as is, two, reconstruct to improve stormwater and three, reconstruction to optimize stall count. Stall counts vary from 192 to 223 based on this criteria. The present lot has 206 stalls.

There are parcels that provided easements for the construction of the lot in 1984. The easements do not appear to have been recorded. In 2002 we were able to obtain one of the easements.

Recently, there has been comments about looking at the potential for a parking structure in this location.

## FINANCIAL IMPACT

The financial impact varies depending on the chosen design criteria. Reconstructing the lot as it is now is estimated at \$600,000. Adding stormwater improvements and closing an access point would add to this cost. The replacement of the retaining wall is also estimated at \$600,000.

If it's decided to explore a parking deck or structure, an overlay surface could be placed and stormwater improvements to the low area by the alley completed for an estimated cost of \$180,000.

RECOMMENDATION

Discuss the options and provide direction to Staff on how to proceed with the maintenance of the lot.

SUGGESTED MOTION

N/A