

**VILLAGE OF PLEASANT PRAIRIE
PLEASANT PRAIRIE VILLAGE BOARD
PLEASANT PRAIRIE WATER UTILITY
LAKE MICHIGAN SEWER UTILITY DISTRICT
SEWER UTILITY DISTRICT "D"
9915 39th Avenue
Pleasant Prairie, WI
February 4, 2008
6:30 p.m.**

A Regular Meeting of the Pleasant Prairie Village Board was held on Monday, February 4, 2008. Meeting called to order at 6:30 p.m. Present were Village Board members John Steinbrink, Monica Yuhas, Steve Kumorkiewicz, and Clyde Allen. Mike Serpe was excused. Also present were Mike Pollocoff, Village Administrator; Jean Werbie, Community Development Director; and Jane Romanowski, Village Clerk.

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**
- 4. MINUTES OF MEETINGS - JANUARY 21, 2008**

ALLEN MOVED TO APPROVE THE MINUTES OF THE VILLAGE BOARD MEETING OF JANUARY 21, 2008 AS PRESENTED IN THEIR WRITTEN FORM; SECONDED BY KUMORKIEWICZ; MOTION CARRIED 4-0.

5. CITIZEN COMMENTS

Dick Ginkowski:

Dick Ginkowski, 7022 51st Avenue. I wanted to take note and congratulate the Board and the Village Administration for the news concerning the Standard & Poors bond rating. This is something which I think some people don't really appreciate the intricacies of finance and how this is significant news in terms of the status and the health of the Village finance, number one, which is a good sign. And, number two, also the benefit that that pays off in future years because of the ability to obtain credit on a much more favorable basis which saves the taxpayers money.

We're seeing right now, and I guess it's perhaps the Village's turn to have breather from the political dogfight going on in the City, and one of the issues in the Mayoral debate candidates' forum last week happened to be the reserves that the City has for City spending. One of the issues was maybe we have too much money in reserve. Well, having money in reserve is a smart thing because that is what we use not only to balance the budget but to deal with rough times and to secure favorable credit ratings which, in turn, leads to savings down the road. I thought it was somewhat disingenuous noting that the City just had a tornado go through. This is one of the reasons why you have the reserves in case there is some type of catastrophe as well that the community will have a source of cushion and protection. So I think that the Village staff and the

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Village Board deserve credit on that issue. It's something I think a lot of people really don't pay attention to and need to pay attention to.

There's more than a couple of different schools of government. One is you run everything as close as you can to the bone and you wait to the very last minute and then you go screaming to the voters that you need money. Our School District is very adept at doing that. They don't budget, they don't plan for future needs. And as a result we're seeing taxes go up and up and also the various referendum issues. That's not necessarily a smart method of municipal finance. A more prudent method is to put money aside to plan, to budget, to have adequate reserves and to do things in a responsible manner. Thank you.

Jane Romanowski:

There are no other signups tonight.

John Steinbrink:

Anyone else wishing to speak under citizens' comments? Hearing none I'll close citizens' comments.

6. ADMINISTRATOR'S REPORT – None.

7. CORRESPONDENCE

A. Receive letter from Virchow Krause & Company regarding auditing standards.

Kathy Goessl:

Mr. President, this letter is from our auditors Virchow, Krause. This year they have new auditing standards that are intended to provide enhanced communication to you as a Village Board. This letter outlines certain things they want to communicate to you at this point in time during the planning and eventually during the completion stages of the audit. It outlines what the auditor's responsibilities are as well as management's responsibilities in terms of the audit process. They also say in the letter that if you're interested in looking at certain matters or communicating to them in certain matters, they list a list of matters that if you want to communicate to them they give you the information concerning contact information. Our partner for the job is Vicki Hellenbrand. She gives her phone number and e-mail address.

They talk about the audit process, that they do a preliminary audit which the Village has completed theirs on December 17th, and then there's also the final field work we actually do in two phases. Our first field work is done March 25th through the 27th. That's our utility and RecPlex portion. And then we finish up on April 16th through the 18th with all the rest of the funds including our general government. So this letter just gives you information, communicates to you if you want to contact the auditors you may contact them at the numbers and the e-mail addresses identified. That's all I have in terms of the letter. Any questions?

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John Steinbrink:

Comments or questions?

Clyde Allen:

Make a motion to receive and file.

Monica Yuhas:

Second.

John Steinbrink:

Motion by Clyde, second by Monica. Any further discussion?

ALLEN MOVED TO RECEIVE AND FILE THE CORRESPONDENCE FROM VIRCHOW KRAUSE & COMPANY REGARDING AUDITING STANDARDS; SECONDED BY YUHAS; MOTION CARRIED 4-0.

B. Receive Standard & Poors Report on Municipal Bond Rating.

Kathy Goessl:

In your packet you have the report from Standard & Poors concerning our rating. We met with them on a conference call a week and a half ago or so and in result our communications with them have upgraded our rating from an A+ to an AA-. We also met with Moody's at the same time and they retained our rating at an A1, but they changed our status to promising instead of just stable, or a good outlook instead of just stable.

I have a history of our bond ratings over the last seven years. We actually first got rated in 2001. Moody's initially gave us an A3 and Standard & Poors gave us an A+. So we've been with Standard & Poors with an A+ for a while now. Moody's gave us an upgrade in 2003 and in 2005, and now Standard & Poors has given us an upgrade in 2008 with this issue. Standard & Poors rates a number of municipalities throughout the State. Just to give you a comparison, currently these communities have an AA- rating, the City of Janesville, the City of La Crosse and also the State of Wisconsin has an AA- rating. The City of Kenosha and Kenosha County both have an AA rating. So those are some comparisons for you. The City of Milwaukee is also at an AA rating. There's only one AAA rating and that's the Madison Area Technical College District. Then right below that is an AA+ and that's Milwaukee Metro Sewer District. Other than that AA is next and then we're at the AA- for Standard & Poors. If there are any questions I'm here to answer them.

John Steinbrink:

Comments or questions?

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Clyde Allen:

Just a comment. Kathy, good report. It is obviously wonderful news. I talked to the County Finance Department and when their rating went up they said it definitely was due to our position here in the Village of Pleasant Prairie, knowing the position we're in and our growth and what we're doing. And they anticipated that our rating would also go up as we also contributed to the County for their rating going up as well. So that's a good thing. So everybody kind of wins in this one.

John Steinbrink:

Any other comments or questions.

Steve Kumorkiewicz:

I think when Dick over there made an explanation and the presentation there's not too much left to have to say because evidently our staff is working very well and very hard. Kathy is doing an excellent job in keeping up to date with everything going on. Our budget is well done and well presented and somebody is watching for us to get the . . .

Mike Pollocoff:

This was good news, of course, for the Village. But it's part of a pie. When we visited with Standard & Poors one of the things that we described to them was the work that had taken place over the last year and the work we had underway that we're going to begin this year. And part of that is going to be the issues that we're considering tonight where we're going to continue to make those improvements that we planned for in Tax Increment District #2, and that we are tracking along a process that we've identified we're going to proceed along as far as acquiring blighted properties, cleaning those sites up, extending sewer and water in the roads, so that in turn we can attract economic developments to this area which is going to have positive impact on the tax economy here and everybody that works here.

With the announcements that have been made over the last four months a lot of that happens because we've set the table over the last year to get everything completed that we've started so that these things can start coming to fruition. The improvements that we're going to make with the bond proceeds that we'll be issuing tonight are going to actually provide infrastructure so that those facilities can get their sewer, have their streets, storm sewers and water mains to be able to develop and actually be a reality on the tax roll rather than a plan.

So I think this is all good news and it's the beginning of the fruition for a lot of the sometimes difficult decisions we've made over the past and have those in place. I think that the Board the last couple years has been really strong on making sure we establish and maintain reserve funds - that we plan our capital accordingly and we've invested in economic development in moving the Village forward. So this is all good news.

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Clyde Allen:

One more. I think it would be negligent not to make comment that in the press release that was issued by Standard & Poors it did cite a couple of things that I think need mentioning. That's their very first sentence in there. Part of it was due to the consistently solid financial operations, so that's a real credit to the staff, Kathy, Mike, everyone here on the management team. And it's not just the department heads. All the departments have played a part in that to stay within budget and operate fiscally responsible.

The other part in there mentions, which is pretty important, it says it looks at the Village's continued commercial and industrial growth from the Village's Tax Incremental District. So obviously that has been a major plus for us. Again, I commend everybody that was here prior to me that you did a great job.

John Steinbrink:

We need a motion to receive and file.

Steve Kumorkiewicz:

So moved.

Clyde Allen:

Second.

John Steinbrink:

Motion by Steve, second by Clyde. Any other discussion on this item?

ALLEN MOVED TO RECEIVE AND FILE THE REPORT ON BOND RATING FROM STANDARD AND POORS; SECONDED BY ALLEN; MOTION CARRIED 4-0.

8. NEW BUSINESS

A. Resolution #08-02 - Resolution Authorizing the Issuance and Sale of \$10,000,000 General Obligation Promissory Notes, Series 2008A.

Kathy Goessl:

Initially I'm going to talk about overall debt of the Village and there are four issues that we have tonight, Resolution -02, -03, -04 and -05. This chart here shows our debt currently as of 1-1-2008. Our debt is broken into six different areas, our general operating, our TID 2 debt, our Sewer Utility, our Water Utility, refuse and recycling, enterprise and also our RecPlex, our recreational center. This shows the different debt amounts that are outstanding as of the beginning of the year.

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We have new issues, these four we're looking at, and the general government is issuing a little over \$2 million. That was approved in the budget for a couple different projects. TID 2 is issuing a little over \$10 or \$11 million new debt, and then refinancing GO variable debt. Refuge is actually refinancing the GO variable debt, and then the RecPlex is also refinancing the GO variable debt. You can see the amounts of the refinancing amounts in the next column, that we're paying off a little over \$14 million of GO variable debt. I'll talk about the GO debt a little later in the presentation. Then it gives the estimated balance here for 2/19. This is when the proceeds from the GO debt will be coming into the Village. So it will be a little over \$100 million which is within our debt capacity. Our debt capacity is actually around \$135 million which is 5 percent of equalized value.

This chart shows how debt has changed over the last three or four years and what it will look like after we issue this debt. The most that we have is in our TID #2, and as we have done improvements out there we have borrowed to make the improvements. As improvements are being made, as the increment grows, eventually when the improvements are done the amount will start going down as increments are paying off the principal and interest on this debt.

Our next largest debt is our RecPlex. We have steadily been making payments through our recreational fund. All payments on this debt are from user fees from the rec center. There's no tax dollars being used to pay this debt of the rec center.

The next largest debt which has continually declined over the last three or four years is our general government. We haven't borrowed in the general government for five years. This is the first time that we've borrowed in the last five years for that purpose. Therefore, you can see the principal balance declining in the general category.

Then we have in the next line down our sewer debt. Sewer debt we've issued some over the last couple years so it's been up a little bit and leveled downward as we're pretty much almost to the completion of our sewer infrastructure so hopefully at that point we won't be borrowing much more and we'll be declining in that area, too, in the future.

The Water Utility hasn't borrowed either in the last five years and has been steadily declining also. The refuge, which is our recycling and garbage fund, borrowed when we first started doing the garbage collection and recycling on our own with our own employees and stopped contracting that out. We borrowed for our initial garbage trucks and recycling trucks as well as our initial recycling bins. It's very hard to see here but it's been steadily declining also. So historically this is how our debt has looked or is looking. Then after our debt is issued the biggest issue we have today is our TID debt which you can see going up the most. Then general, the third line down, is also going up slightly.

So the first Resolution 08-02 is a resolution authorizing the issuance and sale of \$10 million. And the purpose of that is for our TID 2 project. The majority of this, \$4.5 million, is to do with the abandonment of 73-1, the sewer treatment plant. The majority of this is lines or piping and lift stations to convey the sewage by 2010 from our 73-1 lift station which is being abandoned to the Kenosha Treatment Plant.

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The next major purpose of this financing is 120th Avenue south of Q. There's roadway improvements of \$1 million, storm sewer of a little less than a half million dollars, municipal water \$.3 million. Also included in this is some grading south of Q, \$1.7 million and the remainder of this is other TID #2 projects, sewer, water, that type of projects in this area. So this is the purpose of the \$10 million debt.

Today with Piper Jaffray's help offers were made to purchase these notes. This is the offers that were made that add up to—we actually have a premium being paid on these bonds so the actual note amount decreased and initially they are paying a premium, so the total amount is around \$10 million but we're actually borrowing \$9.5 million with a premium of almost half a million dollars up front. This is a five year note. Interest rates on the bonds range from 3.156 to 5 percent. The 5 percent seems high but actually when you take into consideration the premium that was paid up front that rate drops. If you want to know more about that portion of it, how that drops, we can explain that portion of how the interest rates are calculated.

So this is the first resolution we're looking at so if you have any questions for me, Gene Schultz, our financial advisor, is here. Once we get to the resolution we need a roll call vote on it.

Mike Pollocoff:

Gene, maybe you could describe the premium and the coupon.

Gene Schultz:

What happens is Piper Jaffray knows the marketplace. Our underwriter is responsible for determining what the proper interest rate is. In this particular case the last maturity . . . on this debt even though it has a 5 percent coupon, the actual effective net interest rate to the Village of Pleasant Prairie is 3.18 percent. What happens there is we determine what the yield should be, the buyer determines how he wants what we call how he wants the coupon. We don't necessarily have too much control over that. If the buyer wants a 5 percent coupon and they don't give it to him he isn't going to buy that debt and then we have to find another buyer. It's very common. In fact you can't hardly sell debt any more where the coupon equals the yield. It has to do with tax ramifications for the buyer and so on and so forth.

And how to better visualize we needed \$10 million to do the project that they want us to do out in TID #2. We are only issuing par value bonds in the amount of \$9.55 million. That difference is made up by the buyer paying Pleasant Prairie the premium, and this case it's \$470,000. That premium mitigates that 5 percent coupon in that the effective rate then that the Village of Pleasant Prairie is paying is only 3.18 percent which is an excellent rate. Pleasant Prairie happens to be going into the market at a very opportune time. This particular debt goes out eight years is it?

Kathy Goessl:

Five.

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Gene Schultz:

Five years on that one at 3.18 percent. Our variable rate resets were going at a 3.18 percent which is a . . . maturity. So there's been a lot of turmoil in the market. There's been a flight to safety. Municipal bonds and treasury notes the yields have dropped. This will probably be a temporary thing but we're locking in at fixed rates tonight so no matter what happens to the market Pleasant Prairie will only be paying 3.18 percent effective rate for their bonds. I don't know if anybody understood what I said, but I explained that to Clyde and I think he understood it. If there are any questions for clarification I'll certainly try to answer them.

Clyde Allen:

For the point of record could you mention what the yield is in the first couple years. I know last year 3.18 but doesn't it start at 2.6 or 2.8?

Gene Schultz:

In fact, because the revolution that they're looking at will have a debt service schedule, the debt service schedule will have the premium bond, but where the illustration is more easily presented is when you show what's called the pricing summary. We sell X number of dollars worth of principal and they want a coupon of 5 percent. In this particular case, because we're looking at \$9,525,000, I was thinking about the next one that's coming up, the actual rate is a 2.86 percent even though the coupon is 5 percent.

A usual way to demonstrate it is Pleasant Prairie is selling par value bonds for \$4,800,000, the buyer of that bond is going to pay Pleasant Prairie \$5,180,976. So you've got five year debt going out at an effective rate of 2.86 percent to the Village of Pleasant Prairie. I've got this type of schedule for all four of the issues. Maybe we can go over each issue then at that point in time and it will make a little more sense.

Clyde Allen:

Kathy, on the bond proceeds as we hold these, who does the arbitrage calculation and how often?

Kathy Goessl:

We evaluate it monthly. We have a monthly schedule. Every time we update the month we update the schedule. And every six months we evaluate to make sure that we're spending the percent that's required by arbitrage. It's myself and another staff member that works on that.

Clyde Allen:

Another one is do you have a ballpark estimate as to what the savings was for the reduction or increase in bond rating, what that has saved us?

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Kathy Goessl:

Yes. I talked to Gene earlier this evening about that and he believes we saved five basis points because of our rate increase. I went through here and figured out how much that would equate to and it's about \$79,000 overall on all the issues that we saved due to our rating increase.

Clyde Allen:

Thank you.

John Steinbrink:

Other comments or questions? Hearing none, do we have a motion?

Clyde Allen:

Motion to approve.

Steve Kumorkiewicz:

Second.

John Steinbrink:

Motion by Clyde, second by Steve. Roll call vote.

ALLEN MOVED TO ADOPT RESOLUTION #08-02 - RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$9,525,000 GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2008A; SECONDED BY KUMORKIEWICZ; ROLL CALL VOTE – STEINBRINK – YES; YUHAS – YES; KUMORKIEWICZ – YES; ALLEN – YES; MOTION CARRIED 4-0.

B. Resolution #08-03 - Resolution Authorizing the Issuance and Sale of \$2,275,000 General Obligation Promissory Notes, Series 2008B.

Kathy Goessl:

This GO note 2008B is for general fund projects. They were approved during our normal budget process to be borrowed for. The major project here is 80th Street from 51st or Cooper Road to 56th Avenue, the construction of that road, for a little over \$1.7 million. The second project is a bridge reconstruction on 1st Avenue or Lakeshore Drive for \$265,000. And the final project that we're borrowing for this evening is the north ball field lights for a little over \$200,000.

Again, this is a breakdown. This note also sold for a premium, not as large as the previous one. So the actual note amount changed to \$2,235,000, and the premium that was paid was \$38,340 for a total bond or proceeds that we're going to get of \$2,273,340, pretty close to the initial amount. This is actually a ten year note, and the coupons on here range from 3 to 4 percent. The yield–

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Gene Schultz:

Just to fill you in, the yields start out at 2.15 and the maturity that goes out ten years is at a 3.60, even though the coupon goes from 3 percent to 4 percent. Again, the different between the coupon and the actual

Clyde Allen:

Can you go back to the prior slide? I believe 80th Street should be going from 51st to 57th Avenue, is that correct?

Mike Pollocoff:

That's correct. I might add, too, that 80th Street the expenses for that or the payment for debt service doesn't roll straight to the tax roll. There's a vast majority of that project that's special assessment. If the road goes through it's going to create lots that become buildable and will be assessed for those improvements. So it's not paid for 100 percent by the property taxpayers. It will be special assessment that will be due and payable.

Clyde Allen:

Quick question. I think it's too early to tell because the season hasn't started yet, but do we know how much more time the youths will have to spend on the diamond with the lights there as opposed to last year?

Mike Pollocoff:

Right now we end the ball games at dusk, and we'd have time for two more games on each field and that's four fields that can be handled there so it's eight games. Right now we've limited the size of our league because they didn't have time to play.

Clyde Allen:

So you're looking at roughly eight teams per night that play?

Mike Pollocoff:

Per night, yes. The field's basically in use every night except Sunday.

Clyde Allen:

Thank you.

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Kathy Goessl:

So, going forward as we approve these resolutions we should change the resolution amounts to the actual amounts that we're issuing. Because of the premium being adjusted it's no longer \$2,275,000, it's \$2,235,000. That was the paperwork that we passed out tonight after the sale or the actual offer was being done.

Clyde Allen:

Do we need to address issue 1 again or Resolution 02 to revise the amount?

Mike Pollocoff:

No, it was not to exceed.

John Steinbrink:

Do we have a motion?

Steve Kumorkiewicz:

I'll move to approve Resolution 08-03.

Monica Yuhas:

Second.

John Steinbrink:

Motion by Steve, second by Monica. Further discussion on this item? Hearing none, a roll call vote.

KUMORKIEWICZ MOVED TO ADOPT RESOLUTION #08-03 - RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$2,235,000 GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2008B; SECONDED BY YUHAS; ROLL CALL VOTE – STEINBRINK – YES; YUHAS – YES; KUMORKIEWICZ – YES; ALLEN – YES; MOTION CARRIED 4-0.

C. Resolution #08-04 - Resolution Authorizing the Issuance and Sale of \$3,900,000 General Obligation Refunding Bonds, Series 2008A.

Kathy Goessl:

This is actually a refunding. The Village, in October 2004, issued GO variable debt. It has worked well for us over the last four years. We were able to save approximately probably \$119,000 a year. Our interest rate averaged over the last four years a little over 3.18, and

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basically we priced it or at the time that we issued it the average was about 4 percent. So we saved .82 percent which equates to about \$119,000 a year savings on the GO debt.

But recently circumstances have changed. The bond insurers are a little shaky at this time, especially the one that actually insured our GO variable debt. The one that insured it was XL Capital Assurance. About six weeks ago they were put on negative watch by the rating agencies. And just two weeks ago they were actually downgraded. We saw the impact very quickly two weeks ago. The rate gets reset every Wednesday, and they e-mail me every Wednesday telling me what the new rate for the week is. Two weeks ago they e-mailed me a 6 percent coup for a rate. Before that it was at the low 3's. Then this last week the rate was at 7 percent and 7 percent is actually our cap. We actually have insurance on it that we will not pay more than 7 percent. We actually have a policy that will pay if it goes over 7 percent.

So with this uncertainty it's no longer a good choice for the Village to stay with the GO variable. In the past we used it mainly for flexibility and the lower interest rates. The majority of this debt is actually in the next refinancing, the TID, over \$10 million, and we needed some flexibility in the TID based on uncertainty in terms of when land will sell, that type of stuff. So we thought with the lower interest rates and the flexibility we decided to go with the GO debt and the savings that we realized over the last four years.

So as long as we were going out for the initial two it was a good timing to see this. We had everything already in the process to issue debt, so we just in the last couple weeks added this debt issue or refinancing to the list of debt to be issued. So if this is approved tonight we will send a call notice for our variable debt to call it and it's a 30 day call notice. So we'll be paying probably the 6 or 7 percent interest rate for another four weeks.

So this \$3.9 million is actually to refinance the GO variable debt portion that's to do with the RecPlex. \$3 million that was to do with the expansion, part of the expansion, final part, and then also the solid waste. That was our recycling and garbage when we took over operations of that and bought our own garbage trucks and recycling bins. So this debt issue is for that purpose.

The offer today came in today at a premium being paid. We're looking at a note amount of \$3,765,000, and the premium being paid of \$154,562 for a total amount of \$3,919,562. This, again, is a ten year note. Interest rates range from 3 to 4.39 on the coupon, but actual yield, Gene?

Gene Schultz:

They start out at 2.2 and go to 3.70. So that's the real cost to the Village of Pleasant Prairie.

Kathy Goessl:

These current issues are being actually insured by FSA. FSA has insured us on a number of issues in the past. They're the only insurance company that is currently rated AAA and have a positive outlook for them. The other bond insurers that we can use are currently on a negative watch. So FSA has a history with us and they gave us a good basis point bid on this so we are

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insuring all these issues with FSA. If you have any questions on the issue I'm here and also Gene.

John Steinbrink:

Questions or comments?

Clyde Allen:

I'll just make the comment that for receiving notice last Wednesday to really turn it around this quick is pretty good. To be able to lock into these rates very nice work. Gene, thank you very much. It's really appreciated.

John Steinbrink:

Comments or questions? Do we have a motion?

Steve Kumorkiewicz:

So moved.

Clyde Allen:

Second.

John Steinbrink:

Motion by Steve, second by Clyde. Other comments or questions. Hearing none, roll call vote. Aye.

KUMORKIEWICZ MOVED TO ADOPT RESOLUTION #08-04 - RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$3,765,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2008A; SECONDED BY ALLEN; ROLL CALL VOTE – STEINBRINK – YES; YUHAS – YES; KUMORKIEWICZ – YES; ALLEN – YES; MOTION CARRIED 4-0.

D. Resolution #08-05 - Resolution Authorizing the Issuance and Sale of \$10,935,000 General Obligation Refunding Bonds, Series 2008B.

Kathy Goessl:

This is the bigger portion of the refinancing of the GO variable debt. This is the TID portion of it for almost close to \$11 million. This also again sold as a premium. The note amount is now \$10,355,000 and the premium paid was \$583,657 for a total of \$10,938,657. This is a seven year note and the interest rates on the coupons actually range from 3.25 to 4.963, both the yield being, Gene?

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Gene Schultz:

The yield, this is where my 3.18 percent comes in. It starts out in 2013 at 2.86 percent, 2014 is 3.01, and the 2015 maturity which is the biggest maturity of a little over \$4 million is at a 3.18 percent.

Clyde Allen:

Make a motion to approve.

Monica Yuhas:

Second.

John Steinbrink:

Motion by Clyde, second by Monica. Further discussion, comments or questions? Hearing none, roll call vote.

ALLEN MOVED TO ADOPT RESOLUTION #08-05 - RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$10,355,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2008B; SECONDED BY YUHAS; ROLL CALL VOTE – STEINBRINK – YES; YUHAS – YES; KUMORKIEWICZ – YES; ALLEN – YES; MOTION CARRIED 4-0.

John Steinbrink:

Thank you very much, Gene.

E. Consider Engineering Services Agreement regarding the West Frontage Road Realignment project.

Mike Pollocoff:

Mr. President, we have a report from the Village Engineer concerning awarding a contract to Crispell-Snyder of Lake Geneva to provide engineering services for the West Frontage Road realignment, one of the projects that was funded tonight through bonds. Crispell-Snyder is going to be designing 2,400 linear feet of roadway, grading, and water and sewer facilities. In their documents the construction estimate for these improvements is \$2.26 million. The fee for Crispell-Snyder for these services is \$110,800. The Village Engineer recommends we enter into contract with Crispell-Snyder for that amount and I concur with his recommendation and request that the Village President and Clerk be authorized to enter into the agreement.

Clyde Allen:

I make a motion to approve.

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Steve Kumorkiewicz:

Second.

John Steinbrink:

Motion by Clyde, second by Steve. Further discussion on this item?

Monica Yuhas:

I have one. Were any other engineering firms asked to bid on this project?

Mike Pollocoff:

We took proposals from some other firms and we visited with them. Crispell-Snyder had done the original base work based on proposals that ran from Crispell-Snyder, Bonestroo, I believe it was HNTB and I don't believe Clark Dietz was in that original group. So they've done a lot of the field pickup and work to do what work has taken place especially with that realignment of the Frontage Road south of Highway Q where the Community Development Authority is reshaping that Frontage Road to provide more land in one piece that's developable. So based on that initial work that was done we felt that Crispell-Snyder had already done a substantial amount of base work that could be used. But we did take proposals at that first instance.

In the case of our engineering services we do that through an RFP and have that proposal. So we're following up with that rather than having another engineer take another set of proposals and then lose the effort that we paid for already with Crispell-Snyder in the first instance. What we did is we set up the project area, they did the initial work and then on this one here we're staying with them.

Monica Yuhas:

Thank you.

John Steinbrink:

Other comments or questions?

ALLEN MOVED TO APPROVE THE ENGINEERING SERVICES AGREEMENT WITH CRISPELL SNYDER, INC. REGARDING THE WEST FRONTAGE ROAD REALIGNMENT PROJECT. AS PRESENTED; SECONDED BY KUMORKIEWICZ; MOTION CARRIED 4-0.

- F. Consider Ordinance #08-06 - Ordinance to Amend Chapter 18 of the Municipal Code relating to Terms and Memberships for the Park and Recreation Commissions.**

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Mike Pollocoff:

Mr. President, we have some clean ups in the ordinance related to the Park and Recreation Commissions. When you think back we had one Park and Recreation Commission, and the Village Board determined that since there was such a vast amount of activities taking place with RecPlex and with Parks to split those up and bring more citizens into the process to sit on those committees. At that time there were a few items that we missed and we want to take out an item that says they shall serve without compensation, but they do serve as the other Commissions that provide recommendations to the Board to be compensated for their expenses not to exceed \$20 per meeting.

We set the terms to be May 1st of each year rather than March 1st and the first Monday in April. We've also identified the alternate members to be done the following April 30th and thereafter prior to May 1st, but they're in sequence as well as everything else. Again, those will be compensated at the \$20 per meeting amount.

We've identified as a change for vacancies we've removed between the last Monday in March and April and changed that again to May 1st for both Park and Recreation Commission meetings. So this gets those two Commissions on the same level as all the other Commissions.

Monica Yuhas:

Move to approve Ordinance 08-06.

Steve Kumorkiewicz:

Second.

John Steinbrink:

Motion by Monica, second by Steve. Further discussion on this item?

YUHAS MOVED TO ADOPT ORDINANCE #08-06 - ORDINANCE TO AMEND CHAPTER 18 OF THE MUNICIPAL CODE RELATING TO TERMS AND MEMBERSHIPS FOR THE PARK AND RECREATION COMMISSIONS; SECONDED BY KUMORKIEWICZ; MOTION CARRIED 4-0.

G. Consider Water Main Relay Project on 9th Avenue from 111th Street to 114th Street.

Mike Pollocoff:

Mr. President, the Village utility is going to be relaying a section of water main along 9th Avenue in Carol Beach Unit #1. The existing main there is cast iron. It's six inches and it's subject to frequent breaks. We initially, like we do in a lot of areas, looked at relaying that line through the

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hard way, and I don't want to say old fashioned because it works most the time, where you just dig it up in place and put in new sections of pipe. But given the soils there and the density of the housing those are 6,000 to 10,000 square foot lots, the frontages are 60 feet. We took bids on having the 8 inch water main bored or tunneled rather than digging up the area.

There are so many driveway reconstructions that would drive the cost up. Our cost to do it would be \$150,610.12. We received two proposals, one from RJ Underground for \$55,470 and one for ZDB Utility for \$64,720. RJ was the low bid and they're pre-qualified to do construction work in the Village. We would still provide some construction in the project, excavating the trenches, doing some of the work for the hydrants and valves. They're going to be doing the laterals. So with our work coupled with theirs we come up to a total of \$113,141.32 for a total project cost rather than the original budget of \$156,610. So it would be my recommendation and that of the utility superintendent that we award a contract to RJ Underground in the amount of \$55,470.

Monica Yuhas:

So moved.

Steve Kumorkiewicz:

Second.

John Steinbrink:

Motion by Monica, second by Steve. Further discussion?

Clyde Allen:

Mike, I don't remember hearing of RJ Underground before. Have we used them?

Mike Pollocoff:

Yes.

Clyde Allen:

In this past year?

Mike Pollocoff:

Not this past year, but we used them in 2006. We had a couple borings under Springbrook Road that we've done, but as I indicated they are pre-qualified to work in the Village.

John Steinbrink:

Other comments or questions?

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Steve Kumorkiewicz:

Yes, there was a main break yesterday at three o'clock I believe in 11th Avenue, so that area is all network when the utility used to be private. That's what we have right there, right, Mike?

Mike Pollocoff:

That was a private water utility. The well was abandoned because it was contaminated with radium. It's in that strata in Carol Beach at that 150 to 200 foot level so the private operator basically . . . from the utility. The infrastructure, as I indicated was six inch cast iron main. The soils are hot hence there's a lot of corrosion. The Village obtained a grant from the Department of Natural Resources and it was about \$900,000 we extended water from 39th Avenue down 116th Street to come in there and bring water into it. The grant did not provide for relaying and rehabilitating the water in the system so we brought that down there, got them off the radium, and little by little we've been going in there when resources are available and time is available to go in and relay the mains.

John Steinbrink:

Other comments or questions?

YUHAS MOVED TO APPROVE THE WATER MAIN RELAY PROJECT ON 9TH AVENUE FROM 111TH STREET TO 114TH STREET AND AWARD A CONTRACT TO RJ UNDERGROUND IN AN AMOUNT NOT TO EXCEED \$55,470 IN CONJUNCTION WITH THE VILLAGE UTILITY CREW TO COMPLETE THE PROJECT; SECONDED BY KUMORKIEWICZ; MOTION CARRIED 4-0.

H. Consider Bartender License Applications on file.

Jane Romanowski:

There's two applications on file, one for Robyn Quint and one for Ashley Walker and I recommend approval of both.

Steve Kumorkiewicz:

So moved.

Clyde Allen:

I'll second with a question or comments.

John Steinbrink:

Motion by Steve, second by Clyde.

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Clyde Allen:

On one of the license applications it doesn't matter that it's not filled out completely and the top part isn't checked? I think that's just a little housekeeping. But a point that I think we should keep in mind and I know it cannot have a bearing on whether you approve or deny the license, but we have a person here who turned 21 several months ago applying for a license that just before her 20th birthday and right after her 20th birthday we see citations for underage drinking. It does bother me. I know we can't take it into consideration and there's no reason for denial, but I just think it's important to mention.

Jane Romanowski:

We complete police checks on all renewals faithfully and the Chief keeps watch.

John Steinbrink:

We have a motion and a second. Further discussion?

KUMORKIEWCZ MOVED TO APPROVE BARTENDER LICENSES FOR ROBYN QUINT AND ASHLEY WALKER; SECONDED BY ALLEN; MOTION CARRIED 4-0.

9. VILLAGE BOARD COMMENTS

Monica Yuhas:

Mr. President, I have a comment. I would like to speak briefly about last Thursday night I spent an evening in public works driving in the new snowplow in the fleet and the second old snowplow in the fleet. I drove with Kevin Myers who had the new plow and he was out in the LakeView Corporate Park and WisPark. I also rode with Dan Guinn and he had the route in Midwest Highlands, Beverly Woods and along Harrison Road and he was in the '88 plow. I have to tell you I was amazed at the precision that these gentlemen have working with these plows with the conditions they were out there at that time. It was white out conditions and there weren't curbs for them to guide or anything and they got right up to where they needed to be and that snow was plowed.

Also, I had the opportunity to go back into public works about halfway through the night and I saw Al Zirbel the mechanic working on one of the plows with Gary Sullivan trying to get that one up and running. So it's amazing to see the work ethic of our employees. They've worked all day, they've gone home for a couple hours, and they're back out there making sure our roads are safe for our residents, and it was an amazing experience to see that.

I'd like to thank Kevin and Dan for the opportunity to ride with them and for them to answer my questions and point things out to me. And I'd also like to thank John Steinbrink, Jr. for setting up the opportunity, and also thank all the department heads, because in the last year I have spent a day in each department learning what you do, learning about why you ask for certain things at

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budget time and meeting your employees. As a Trustee I feel that's very important to be involved in the day-to-day operations of each department and see what you do so I have a better understanding when you do come to a budget meeting why you're asking for what you're asking. So, again, I thank all the department heads for accommodating me on my request and I look forward to doing it again this year in 2008.

John Steinbrink:

Thank you.

Clyde Allen:

I will make a comment. I did remember when we had the budget working sessions it was brought up a couple times about refinancing some of the debt and it didn't look like it would be favorable at the time but we only had two and the way things can turn around. Interest rates went high on those and came down for us and our bond rating just happened to fall in at the right time and right place. So we came out a real winner in this.

Steve Kumorkiewicz:

Talking about snowplowing, last week I was in Madison and I was amazed. They don't use salt in Madison, they use sand. And those . . . even when I went slow with the brake I slid ten feet because of the sand. They don't use salt as we use in the Village. What a difference it makes using salt over using sand. I was amazed.

John Steinbrink:

I think that's where our guys with newer trucks and being able to mix the magchloride with the salt we get more bang for our buck, the streets stay better longer, they thaw quicker. It's education in knowing how to use the equipment and having the equipment and getting an end result that everybody approves of.

Mike Pollocoff:

I know on behalf of public works I thank Monica for going out into all the departments. I know they've appreciated seeing her out there, and the other Board members have been out to see what's going on in the departments and taking a look at that. It's a nice alternative to having somebody just sitting and thinking about what's going on out there versus someone who goes out there and sees it for themselves and can visualize it. Sometimes it's a lot easier to just think about it or write about it someplace or put it in a blog and never deal with it. But the Board has been pretty good about going out in the departments and Monica has really led the charge in doing that. I know they like to know that the members on the Board really care.

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10. ADJOURNMENT

ALLEN MOVED TO ADJOURN THE MEETING; SECONDED BY YUHAS; MOTION CARRIED 4-0 AND MEETING ADJOURNED AT 7:20 P.M.