

SPECIAL MEETING – October 19, 2021

President Hackl called the Special Meeting of the Muscoda Village Board to order at 6:00pm in the Council Chambers of the Kratochwill Memorial Building. The following members were present: Anderson, Imhoff, Johnson, Miller, Seifert and Wiederholt. Also present: Wardell, Louis and Johnson.

PROOF OF PUBLICATION: Motion Anderson, second Imhoff to accept the Proof of Publication. **Motion carried.**

PLEDGE OF ALLEGIANCE.

DISCUSSION WITH FINANCIAL ADVISOR CAROL WIRTH:

Financial Advisor Carol Wirth, President of Wisconsin Public Finance Professionals was present and distributed a “discussion outline-borrowing for electric utility projects” which was discussed in detail and attached to these minutes. The following topics were discussed:

- Project costs: substation expansion-\$3 million and distribution conversion (circuit rebuilds)-\$3.5 million
- Borrowing options: pros and cons of each
 - o Electric revenue bonds
 - o General obligation (GO) bonds (better security to investor as backed by taxes)
- Revenue Bond Anticipation Note (BAN) – similar to a construction loan, interest only until a project is complete, then issue bond or GO
- If borrowing for both projects, we can use a combination of revenue bond, GO and BAN
- Can statutory amortize up to 40 years for bonds and 20 years for GO
- Tax exempt versus taxable borrowings
 - o Current interest rate between exempt and taxable is very small
 - o Federal tax laws apply to tax exempt and funds must be expended within two or three years, depending on size of loan
 - o Taxable bonds or GO, no federal laws and no specified time to use borrowed funds
- Reviewed current outstanding debt, equalized values, debt limit and remaining Village debt limit
- Based on 2020 financial statements, the utility has a net revenue of \$427,740 and could support a \$342,000 annual debt payment
- Utility cash flow – current user fees have been used to pay for substation expansion costs as they could. Administrator Johnson will discuss replenishing the utility cash from general fund with the Village Auditors. **Motion** Miller, second Seifert to hold off on paying for substation expenses from current utility users. General Fund will bore the expense until borrowing is completed. **Motion carried.**
- Payment in Lieu of Taxes (PILOT) payment – this payment is from the electric fund to the general fund and increases as assets of the utility are put into the system. Village Auditors will be contacted for examples of PILOT payments with the new assets.
- Reviewed several borrowing scenarios which included tax exempt and taxable issues, repayment schedules, expenditure requirements, and net revenues needed to make payment.
- WPPI will be contact to see what a debt issue of \$3 million or \$6.5 million will do to the rates.

No decisions were made on borrowing of the funds for the electric projects.

DISCUSSION/ACTION ON FENCING AROUND SUBSTATION EXPANSION:

In reviewing the fence ordinance the code reads as follows for industrial zoned property "...barbed wire may be used in the industrial zoned areas if the devices securing the barbed wire to the fence are 8' above the ground or higher and project toward the fence property and away from any public area" Attorney Wood provided two options: 1. Ask for variance under the code, however that may look bad as the Village would not be following its own code. 2. Change the proposed fence to complying with the ordinance. The Board discussed this issue and recommends to the Plan Commission to amend the zoning code to change industrial park fences to 7' with 3 strands of barbed wire facing out.

DISCUSSION/ACTION ON CONTRACT FOR CONNECTION BETWEEN ATC AND VILLAGE:

Per our Attorney, public works contracts over \$25,000 need to be publicly bid. Engineer Krause will be notified of this.

ADJOURNMENT:

Motion Anderson, second Miller to adjourn the meeting. **Motion carried.**

Cinda Johnson

Cinda Johnson, Village Administrator