

City of Monroe
Finance and Taxation Committee Minutes
January 17, 2017

A. CALL TO ORDER & ROLL CALL

Chairperson Stangel called the meeting to order. Present at roll call were Alders Stangel, Koch, and Bauman. Also present were Youth in Government members Lillian Edwards, and Nick Baumann. Other Alders, City Administrator Rath, Mayor Armstrong, other city employees, Maureen Schiel from Ehlers & Associates Inc and Bridget Cooke from The Monroe Times were also present. Alternate Alder Boyce was absent.

B. CORRECTION OF MINUTES

None

C. BUSINESS: OPEN

1. DISCUSS PROPERTY INSURANCE FOR CITY OF MONROE FOR UPCOMING TERM OF APRIL 1, 2017 – MARCH 31, 2018 AND PROVIDE DIRECTION TO STAFF REGARDING HOW TO PROCEED

City Clerk Stamm explained that it was renewal time for our Property Insurance carrier and it needs to be decided if the City should renew with MPIC or go through the RFP process. She is looking for direction on how to proceed. She said that MPIC conducted an extensive appraisal of all city properties this past year. MPIC has grown and expanded coverage. The committee discussed how much time it would take to go through RFP process. It took approximately three to four hours for interviews as well as staff review time. City Clerk Stamm said that proposals need to be reviewed carefully for coverage, limits, exclusions, etc.

Discussion took place. It was asked if there had been any issues with MPIC, either with the City or other communities. City Clerk Stamm said she had not heard of any issues. She said they are a growing company and have been great to work with and CVMIC would not keep them if there were problems.

The committee talked about using the cost of living index as a guide for an amount they were willing to pay over last year. City Clerk Stamm said something to think about was with the review of all the properties and buildings they did last year it has increased the property value from \$93,000,000.00 to \$105,253,000.00, the properties were undervalued previously. This increased value will have some effect on the total premiums.

City Administrator Rath said it could be figured out using inflation. City Clerk Stamm offered to break down the rate to \$1,000 of coverage using the 0.68% cost of living adjustment. Alder Bauman asked if when she has the new rate from MPIC she could just bring it back to them since the new assessed value is going to make a difference; the percent they give approval on probably would not fall into the percentage rate based on the increase in property value. City

Clerk Stamm said she would come back once she gets the rates. Alder Stengel stated that the general consensus is that they are not unhappy with the current carrier. City Clerk Stamm said she has been very pleased with them and no complaints what so ever.

2. CONSIDERATION OF REFINANCING TAX INCREMENT DISTRICT #8 AS PART OF THE CURRENT FINANCE REQUEST

City Administrator Rath explained that the Council has a decision tonight about financing for the 8th Street project. Finance 8th Street only, refinancing of TID 8, or combining them both into one. The City had to remove the \$5 Million request for 8th Street from the 2016 bond sales to maintain bank qualification. Now in 2017 the City can consider the bond sale for the remainder of 8th Street. While looking at the financing for 8th Street, Ehlers & Associates found that debt service in TID 8 is eligible for refinancing. The estimated savings to the City by refinancing is \$32,496.00.

Maureen, from Ehlers and Associates Inc, said she was there to answer any questions the committee may have. She also followed up on what City Administrator Rath had said about cost savings to the City by refinancing. She said when they discovered this savings they thought it was compelling enough to include with the sale of the 8th Street project.

City Administrator Rath said the City may also be able to close TID 8 earlier than projected. This would add created value to the tax base for the City and other entities. The downside to this would mean the district would not have funds on hand to contribute towards future projects in TID 8 that could enhance the value of the district. There are no other projects that he is aware of that would be asking for this money. He said a lot of the improvements to TID 8 have already been completed. Questions and discussion took place about improvements and availability within TID 8. City Administrator Rath said that TID 8 is open until 2035 so financing could be done later on if necessary.

Maureen said that as they were working on Phase 2 of the project they have been looking at refunding opportunities. This was one that had a meaningful savings to the City. The interest rate right now is 4.25% and the average rate for refinancing now is about 2.2%. City Administrator Rath mentioned that by paying this off now we won't be paying any more interest on it.

Alder Koch made a motion to move this to council with a recommendation to council to combine them. Alder Bauman seconded the motion. The motion carried by Youth in Government members and then by the Finance and Taxation Committee official members.

D. BUSINESS BY MEMBERS

None

E. ADJOURNMENT

A motion to adjourn was made by Alder Koch. The motion was seconded by Alder Bauman. On voice vote, the motion carried by Youth in Government members and then by the Finance and Taxation Committee official members.

Nicole M. Cummings, Deputy Clerk