



MEMORANDUM

To: City of Menasha Common Council

From: Peggy Steeno, ^{PS} Director of Administrative Services

Date: August 13, 2015

RE: RESOLUTION R-27-15 / RESOLUTION R-28-15 – Resolutions Executing 2015 Refinancings

BACKGROUND

In conjunction with the long term debt plan, staff regularly evaluates all outstanding debt to ensure that the City is getting the most favorable interest rates possible. As part of that review, and in combination with the borrowings that the Council authorized at the July 20, 2015, staff identified an opportunity for the City to refinance two (2) existing state trust fund loans to achieve interest savings of over \$233,300.

ANALYSIS

The following are the details regarding the currently recommended borrowings:

- Refinancing of 2012 State Trust Fund Loan #2013010 – Steam Plant Obligation - \$11,180,853.03 – The reason for refinancing this outstanding obligation is interest savings only. The interest rate on the current debt obligation is 4.00%, and the interest rate on the propose debt obligation is 3.75%, thereby resulting in savings of approximately \$191,800 over the course of the remaining twelve (12) years of the loan. The duration of the repayment schedule is not changing due to the refinancing.
- Refinancing of 2013 State Trust Fund Loan #2014032 – TID #11 Obligation - \$768,633.79 – The reason for refinancing this outstanding obligation is interest savings only. The interest rate on the current debt obligation is 4.25%, and the interest rate on the propose debt obligation is 3.75%, thereby resulting in savings of approximately \$41,500 over the course of the remaining eighteen (18) years of the loan. The duration of the repayment schedule is not changing due to the refinancing.

FISCAL IMPACT

There is a positive financial impact to the City in regard to these refinancings, as they are already factored into the current obligations and will be repaid, as applicable, per issue.

RECOMMENDATION

Staff recommends adoption of the above noted resolutions.

RESOLUTION R-27-15

RESOLUTION APPROVING APPLICATION TO BOARD OF COMMISSIONERS OF PUBLIC LANDS TO BORROW \$11,180,853.03 FROM THE STATE TRUST FUNDS, AND AUTHORIZING THE BORROWING AND THE ISSUANCE OF CERTIFICATES OF INDEBTEDNESS AND LEVYING A TAX IN CONNECTION THEREWITH

The following preamble and resolutions were presented by Mayor Merkes and were read into the meeting.

By the provisions of Sec. 24.66 of the Wisconsin Statutes, all municipalities may borrow money for such purposes in the manner prescribed; and,

By the provisions of Chapter 24 of the Wisconsin Statutes, the Board of Commissioners of Public Lands of Wisconsin is authorized to make loans from the State Trust Funds to municipalities for such purposes. (Municipality as defined by Sec. 24.60(2), Wisconsin Statutes, means a town, village, city, county, public inland lake protection and rehabilitation district, town sanitary district created under sec. 60.71 or 60.72, metropolitan sewerage district created under sec. 200.05 or 200.23, joint sewerage system created under sec. 281.43 (4), school district or technical college district.)

THEREFORE, BE IT RESOLVED, that the City of Menasha, in the Counties of Calumet and Winnebago, Wisconsin, borrow from the Trust Funds of the State of Wisconsin the sum of Eleven Million, One Hundred Eighty Thousand, Eight Hundred Fifty Three, And 03/100 Dollars (\$11,180,853.03) for the purpose of refinancing BCPL Loan #2013010 and for no other purpose.

The loan is to be payable within 12 years from the 15th day of March preceding the date the loan is made. The loan will be repaid in annual installments with interest at the rate of 3.75 percent per annum from the date of making the loan to the 15th day of March next and thereafter annually as provided by law.

RESOLVED FURTHER, that there shall be raised and there is levied upon all taxable property, within the City of Menasha, in the Counties of Calumet and Winnebago, Wisconsin, a direct annual tax for the purpose of paying interest and principal on the loan as they become due.

RESOLVED FURTHER, that no money obtained by the City of Menasha by such loan from the state be applied or paid out for any purpose except refinancing BCPL Loan #2013010 without the consent of the Board of Commissioners of Public Lands.

RESOLVED FURTHER, that in case the Board of Commissioners of Public Lands agrees to make the loan, that the Mayor and Clerk of the City of Menasha in the Counties of Calumet and Winnebago, Wisconsin, are authorized and empowered, in the name of the City to execute and deliver to the Commission, certificates of indebtedness, in such form as required by the Commission, for any sum of money that may be loaned to the City pursuant to this resolution. The Mayor and Clerk of the City will perform all necessary actions to fully carry out the provisions of Chapter 24 Wisconsin Statutes, and these resolutions.

RESOLVED FURTHER, that this preamble and these resolutions and the "aye" and "no" vote by which they were adopted, be recorded, and that the Clerk of this City forward this certified record, along with the application for the loan, to the Board of Commissioners of Public Lands of Wisconsin.

Passed and approved this _____ day of August, 2015

Donald Merkes, Mayor

Deborah A. Galeazzi, City Clerk