

TOWN OF RIB MOUNTAIN  
*Special Town Board Meeting*  
*May 17, 2016*

Chairman Allen Opall called the May 17 2016 Special meeting of the Rib Mountain Town Board to order at 5:00 p.m. at the Rib Mountain Municipal Center, 3700 North Mountain Road, Wausau, WI. Supervisors present were Jim Legner, Gerry Klein, Pete Kachel and Fred Schaefer.

Also present were Administrator Gaylene Rhoden, Community Development Director Steve Kunst, Finance Director/Clerk Jessica Trautman, Park/Street Superintendent Scott Turner, Deputy Clerk Michelle Peter, Dawn Gunderson from Ehlers and Bruce Gerland from AECOM

On May 13, 2016 copies of the meeting notice were made available to the media, Town Board, Town Attorney and posted at the Rib Mountain Municipal Center.

Discussion of Future Project Planning and Upcoming Borrowing – Dawn Gunderson Ehlers –  
Ms. Gunderson presented the multi-year financing page by page before the Board. She noted this was the first look of the borrowing analyses and she is seeking thoughts and feedback from the Board.

Dawn noted the existing debt, which is at about \$6.5 million, will be paid off in the next ten years. Of the existing debt the 2004 State Trust Fund Loan has a remaining principle balance of \$130,000. She noted it would be a reasonable consideration to pay off this loan because of the high interest rate, the payoff would be an approximate savings of about \$27,000. There is a 2011 Note issue with an outstanding balance of \$240,000, which has a couple of years remaining. Should the Town decide to prepay, there would be an interest savings of about \$7,200 over the next two years. There is also 2012 GO Note callable in 2017.

Dawn next presented some assessed growth projections that were used for the tax rate. Ehlers used two methods of projecting; one being conservative and the other being more aggressive. The conservative method is a five year average change in the tax base. On a percentage basis, they are applying a growth factor of 49% on the equalized value or 54% on the assessed valuation.

Supervisor Schaefer noted two things for consideration; the Town is reassessing properties on North Lakeshore causing loss of value and two of our larger hotels are not providing motel tax or tax base. Administrator Rhoden had a discussion with the Town's assessor today and noted there would be a 1.6% increase in assessments which also factors in the Lakeshore Drive assessment loss.

Dawn walked the Board through the projected schedule that was initially emailed to members. She made note of some administrative changes that reflected the wrong year for completion. She emphasized the changes do not affect the debt financing. She reminded the members there are costs of issuance such as; advisory, bond counsel and a new fee for disclosure of contract. With all items factored in the borrowing would be about \$2,760,000.

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A questioned rose if SAFER could go out to borrow on their own. Dawn said yes but SAFER is a newer entity, they would not have a good rating and would be paying higher interest rates.

Dawn presented another schedule which exhibited an assessed growth rate of 1% and another schedule reflecting 1.5% rate growth.

Interest rate assumptions as of last week were listing at 1.68% for a 10 year borrowing note. Supervisor Schaefer said he was not concern about the \$.15 increase this year, but going forward expressed concerns with levy increases. Dawn summarized the debt levy progression and the tax rate progression through 2020.

Ms. Gunderson discussed the Town's fund balance. She noted the Town has done a great job in managing their funds, which has allowed the Town a strong AA2 rating. The Town has a policy for the fund balance that states between 20-25% will be maintained in the balance. She strongly encouraged the Town to stay above the 25% bench mark. She stated if the Town would use the fund balance to prepay the State Fund Loan it would not be looked at negatively by the bond rating agency because it would be a onetime use to save the Town money. It would take \$25,000 off the debt levy right away. She also said taking \$150,000 from the fund balance to reduce borrowing would also be looked at as acceptable from the bond rating agency.

When it comes to fall financing, she suggested authorizing in July, selling in August and have the funding available in September. Supervisor Schaefer proposed moving the borrowing up by one month with the hope that interest rates remain at this low level. The only concern of moving it ahead is that the Town's financial statements have not been issued because SAFER has not completed their audit Dawn recommend proceeding forward with the scheduling and using the draft financials if we had to. Due to scheduling conflicts, it was recommended to hold a special Town Board meeting on June 14 at 5:00.

**Motion by Schaefer/Legner to adjourn at 6:14 p.m. Questioned and carried 7:0.**

Submitted by,  
Michelle Peter  
Deputy Clerk