

Watab Town Board Special Meeting Minutes
February 12, 2013

A special meeting of the Watab Town Board was called to order at 7pm by Chair Ed Kacures at the Watab Town Hall on Tuesday, February 12, 2013. The purpose of the meeting was to discuss issuance of bonds to refinance the township debt and to review the township Ordinance 3 on Charges for Emergency Services. All board members were present: Supervisors Ed Kacures Jr., Lloyd Erdmann, Craig Gondeck, Treasurer Eileen Saldana, and Clerk Pat Spence.

Todd Hagen, Senior Financial Advisor/Vice President of Ehlers was present to discuss his role as a financial advisor for the township in the refinancing of the debt for the town hall and road projects. Loans are currently at 4.5%, which was considered a low rate when the debt was issued. However, now interest rates are at a much lower rate, so it is a good time for refinance.

If the town board decides to proceed, Todd will need to check on the road loan project for the authority to refinance as tax exempt bonds. Briggs and Morgan, bond attorneys, would evaluate the current bond with Falcon Bank to make this decision. Falcon Bank would have the opportunity to purchase the bonds, but there would be a competitive process to get us the lowest interest rate possible. Todd also suggested attempting to get the township bond-rated for an A rating, which would also give a more favorable interest rate. If the township issues bonds for both the town hall and road project debt, there would be an approximate savings of \$85,500 after all the costs for issuing the bonds. Refinancing only the road projects would result in savings of about \$77,000. Todd also expressed concern about the 10-year reset on the loan interest rate for the Falcon Bank loans, which in reality creates a variable rate that is not allowed for government units in State law.

After reviewing financial documents prepared by Ehlers, Supervisor Erdmann made the motion to approve Resolution 2013-3: Providing for the Sale of \$810,000 General Obligation Refunding Bonds, Series 2013A and authority for the Clerk and Chairman to sign the resolution. The motion was seconded by Supervisor Kacures and passed with all voting "aye."

The decision was made to set March 19th at 7:00 p.m. for the purpose of considering proposals for and awarding the sale of the Bonds.

The board then discussed some potential concerns with Ordinance 3 and asked the Clerk to bring a draft with the changes to the March 5 board meeting. These include having the township cover the cost of a fire call to a township resident's property if they have a valid burning permit and the fire is under control and having the township pay 25% of the first hour of a fire call and the resident paying the remaining 75% plus all additional costs as charged by the fire department. This is approximately the same percentage that the township is currently covering. The meeting adjourned at 9:30pm.

Respectfully submitted by Pat Spence, Clerk