

**COMMON COUNCIL PROCEEDINGS OF THE CITY OF LADYSMITH**

June 10, 2019

6:30 p.m.

Council Chamber

**Roll Call.**

Members present: A. Christianson 2, J. Fields, B. Groothousen, B. Morgan, M. Platteter, M. Reynolds, B. Stoneberg. Absent: A. Hraban.

Others present: A. Christianson 1, K. Gorseger, R. Grey, K. Julien, S. Kavanagh, A. Kenyon, L. Klink, S. Lentz, C. Ostenso, B. Williams.

**Call to Order:**

Mayor Christianson called the meeting to order and served as chair.

**Pledge of Allegiance:**

Mr. Fields led the Pledge of Allegiance.

**Minutes:**

Motion was made by Morgan, seconded by Groothousen and carried by voice vote to approve the minutes of the May 28, 2019, Council meeting.

**Agenda:**

Motion was made by Fields seconded by Morgan and carried by voice vote to approve the evening's agenda.

**Hearings and Appearances:**

**Resolutions and Ordinances:**

The City's Financial Advisor, Sean Lentz from Ehlers and Associates, appeared to review refinancing of current City debt and issuance of new debt. Some key points he made included the following:

- The refinancing will save \$131,000 in interest costs going forward, at a new rate of just under 2.18%.
- Refinancing this previously utility backed issue with a general obligation portion will allow the City to issue additional utility backed borrowing to be used on the Fritz and Worden Ave. reconstructions currently underway. That is because the 2008B issue being refinanced carried with it a covenant requiring demonstration of ability to provide debt coverage at 1.25 times the payment, which the planned new bond issues (2019A and B) could not meet. Eliminating that issue and 1.25 requirement will reduce the coverage requirement to 1.1 times, which the new issues will be able to meet.
- The new utility issues from the DNR CWF and SDWLP programs will be at favorable fixed interest rates of 1.188%.
- Owing to favorable bids received the size of the refinancing of the 2008A and B bond issues was able to be reduced from \$1,410,000 to \$1,350,000.

Mr. Lentz explained that approval of Resolution #2019-08 will include acceptance of the most favorable bid from BOK Financial Securities of Dallas, TX. Motion was then made

by Reynolds and seconded by Morgan to approve Resolution #2019-08 providing for the issuance, sale and delivery of \$1,350,000 General Obligation Promissory Notes, Series 2019A, of the City of Ladysmith. Wisconsin; establishing the terms and conditions therefor; directing their execution and delivery; creating a debt service account therefor; and awarding the sale thereof. Roll call vote: Platteter-yes; Morgan-yes; Groothousen-yes; Fields-yes; Stoneberg-yes; Hraban-absent; Reynolds-yes. Motion carried.

Mr. Lentz then reviewed a document highlighting key aspects of new borrowing being arranged through the Wisconsin DNR's Safe Drinking Water Loan Program (SDWLP) and Clean Water Fund Loan Program (CWF). He called attention to the \$243,791 Payment in Lieu of Taxes (PILOT) the City's water utility has traditionally made to the City's general fund as if the utility were a regular taxpayer. He stated, in response to a question, that after new bond payments are deducted from projected water utility revenues the City will be able to make a portion of the \$243,791 PILOT, but not the entire payment. That will leave the City budget short on the revenue side and, owing to State imposed levy limits, hard pressed to offset that loss. He went on to say that to replace that lost revenue the City's only option seems to be increase its water utility user rates pursuant to a rate review, which will be performed under the scrutiny of and ultimately need to be approved by Wisconsin's Public Service Commission (PSC), which entity likes to see utilities it oversees earning a 5-6% return on investment (ROI). It was noted that PSC had recommended a full rate review be done even before this financing.

Motion was then made by Platteter and seconded by Groothousen to approve Resolution #2019-09 authorizing the issuance and sale of up to \$1,313,529 Sewer System and Water System Revenue Bonds, Series 2019B, of the City and providing for other details and covenants with respect thereto. Roll call vote: Morgan-yes; Groothousen-yes; Fields-yes; Stoneberg-yes; Hraban-absent; Reynolds-yes; Platteter-yes. Motion carried.

Motion was made by Platteter and seconded by Morgan to approve Resolution #2019-10, authorizing the issuance and sale of up to \$436,580 Sewer System and Water System Revenue Bonds, Series 2019C of the City and providing for other details and covenants with respect thereto. Roll call vote: Groothousen-yes; Fields-yes; Stoneberg-yes; Hraban-absent; Reynolds-yes; Platteter-yes; Morgan-yes. Motion carried.

Adm. Christianson distributed copies of a resolution the Council will be asked to act on at its June 24, meeting, which is to approve an amendment to an industrial revenue bond (IRB) issued in favor of Indeck Ladysmith, LLC in 2004. He stated that IRBs were once a common way to finance a variety of industrial projects, but were subsequently limited to projects involving recycling or renewable resources. Ladysmith issued two of these many years ago; one for the paper mill, which uses waste paper as its raw material; and, the subject issue for Indeck, which uses locally sourced wood. He went on to say that he has asked Mr. Lentz to review this resolution and related documents before the City acts. Mr. Lentz then noted that, with IRBs, the community lends its name to the bond issue to confer tax exempt status to the bonds, adding that there is no financial risk to the City.

The financing discussion concluded at 6:07 p.m.

**Licenses and Permits:**

Motion was made by Fields, seconded by Morgan and carried by voice vote to approve the following licenses and permits, pending LPD approval:

- A Street Use Permit for the Chamber of Commerce for the Mardi Gras Craft Fair to be held on Miner Ave. from E. 2<sup>nd</sup> St. to W. 2<sup>nd</sup> St. from 6:30 a.m. to 3 p.m. on Saturday, July 20, 2019.
- A Chicken Keeping Permit for Felecia Fredrick for 6 hens to be kept in a coop alongside the garage at 503 Miner Ave. E.
- A Change of Agent to Samantha Nelson for Krist Food Mart.
- Temporary Tavern Operator's Licenses for Gene Zillmer and Dennis Wiemer for the Mardi Gras Beer Garden.

**District and Committee Reports:**

**District One, Mr. Platteter:**

Mr. Platteter called attention to minutes of the May 28, Finance meeting and advised that the Library Board will meet June 11<sup>th</sup>.

**District Two, Mr. B. Morgan:**

Mr. Morgan stated that the Property Committee, which he chairs, needs to tour the former Webbs store; to consider condemning the former Methodist Church; and, to consider condemning a private residence. He also asked if the Amish are able to use the former farmer's market pavilion across from LFSL for weekly bake sales. The latter will be put on the next agenda for action.

Mr. Morgan reported that work is progressing on a new dog run at the animal shelter.

**District Three, Mr. B. Groothousen:**

Mr. Groothousen made a motion which was seconded by Morgan and carried by voice vote to annex Lots 4,5,8 and 9 in Block 8 of Greenwood Park Addition to Greenwood Park. He also reported that the Park Board will meet on June 19<sup>th</sup>.

**District Four, Mr. J. Fields:**

Mr. Fields apologized for his absence from recent meetings owing to a need to attend to extracurricular involvements at Bruce High.

**District Five, Mrs. B. Stoneberg:**

Mrs. Stoneberg had nothing to report.

**District Six, Mr. A. Hraban:**

In Mr. Hraban's absence, Groothousen made a motion and Morgan seconded to have Morgan and Parmley design repave projects on the City portion of Flambeau Ave. for \$3,200; and, another on E. 16<sup>th</sup> St. from Edgewood to Menasha Ave. for \$2,200. It was suggested that the designer also look at that portion of W. 5<sup>th</sup> St. lying between Flambeau

and North Avenues. Roll call vote: Fields-yes; Stoneberg-yes; Hraban-absent; Reynolds-yes Platteter-yes; Morgan-yes; Groothousen-yes. Motion carried.

**District Seven, Mr. M. Reynolds:**

Mr. Reynolds thanked Ladysmith News Editor Klink for his explanation of Wal Mart's tax objection, adding that it is the Board of Review's duty to support the Assessor's findings.

**Police and Fire Dept. Reports, K. Julien:**

Chief Julien had nothing to report.

**Public Works Dept. Report, Mr. K. Gorsegner:**

DPW Gorsegner requested approval of a Morgan and Parmley invoice in the amount of \$26,600, for oversight of the Fritz/Worden Ave. rebuild. Motion was made by Morgan and seconded by Stoneberg to approve. Roll call vote: Stoneberg-yes; Hraban-absent; Reynolds-yes; Platteter-yes; Morgan-yes; Groothousen-yes; Fields-yes. Motion carried.

The DPW noted that lack of CN approval to work within its Fritz Ave. rail crossing zone is becoming a problem.

The DPW also requested approval to install Charter internet at the former armory garage to serve the City's tenant, TNT Auto Repair. Service will first be run into the utility room in the main building, where the City itself would need it. There will be no cost to the City but, as property owner, the City needs to approve. Motion was made by Fields, seconded by Stoneberg and carried by voice vote to approve.

**Administrative Report, Mr. A. Christianson:**

Adm. Christianson called attention to the r.o.w. plat for the 2021 project to resurface the Lake Ave./E.3<sup>rd</sup> St. (to River Ave.) portion of U.S. 8.

Adm. Christianson thanked Mrs. Stoneberg for attending, to be certain a quorum is present, even though she had a family get together planned.

**Attorney's Report, Mr. A. Kenyon:**

Atty. Kenyon had nothing to report.

**Mayor's Forum, Mr. Christianson:**

Mayor Christianson noted that the past weekend was busy with a great deal of live music and other entertainment options under great weather conditions:

- Music at Worden Avenue Exchange Friday evening.
- Music on Miner with a vintage car show in front of Theatre Lounge on Friday evening.
- Log Cabin Days with music and a flea market at the fairgrounds on Saturday.
- Music at the Legacy Amphitheatre on Saturday evening.

The Mayor thanked those who put forth the effort to put on these events. He also singled out Tim Berg for spearheading a guitar raffle that will be done as a fundraiser in concert with this summer's Music on Miner series.

The Mayor also noted that, in an effort to improve road construction budgets, it appears that the WI legislature's Joint Finance Committee has also added monies to be made available to cities and villages, which hadn't happened as of the previous report.

**Closed Session:**

At 6:40 p.m., motion was made by Stoneberg and seconded by Fields to go into Closed Session under authority cited in the meeting notice. Roll call vote: Hraban-absent; Reynolds-yes; Platteter-yes; Morgan-yes; Groothousen-yes; Fields-yes; Stoneberg-yes. Motion carried.

**Open Session:**

Motion was made by Stoneberg, seconded by Groothousen and carried by voice vote to return to Open Session.

Motion was made by Fields and seconded by Stoneberg to provide \$2,500 from the 2019 Council Grants and Aids budget line to the Rusk County Rodeo. Roll call vote: Reynolds-yes; Platteter-yes; Morgan-yes; Groothousen-yes; Fields-yes; Stoneberg-yes; Hraban-absent. Motion carried.

**Adjourn:**

Upon motion by Fields, which was seconded by Morgan and carried by voice vote, the meeting was adjourned at 7:20 p.m.

**Recorded by:** \_\_\_\_\_  
Alan Christianson  
Adm.-Deputy Clerk

**Publication:**

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