

Finance Committee Meeting Minutes
Hobart Village Office
September 28, 2006

Attendance:

	<u>Present</u>	<u>Excused</u>	<u>Unexcused</u>
John Bundra	x		
Tim Carpenter			x
Scott Heintz	x		
Joe Helfenberger (nonvoting)	x		
Steve Hirt	x		
Lorri Kieff	x		
Phil Lehl	x		
Kevin Vandenhouten		x	

This meeting was called to order at 7:05 pm. A motion to accept the minutes from the August 2006 meeting was made by Scott Heintz and seconded by Lorri Kieff. Motion passed.

Mike Hallmann presented an over view of Hobart's current debt structure along with a brief history of the different debt issuances. Included in the handout is a schedule of principle and interest payments covering the next several years. Our unused borrowing capacity measures from 65% to 82% depending upon the total debt under consideration. This is considered to be a conservative level of debt among bond investors in terms of a percentage measurement tool. Mike outlined a number of points that are important to investors with the bond market place. Key facts included:

- When going for a bond rating it is important to "put your best foot forward" at that given time. Bond rating agency will typically be conservative on first time ratings.
- Unique to Hobart will be the status of any tribal agreements when going to market.
- Again unique to Hobart will be the perceived influence of the Village's restriction of a needed referendum for capital projects of \$1,000,000. Reason being the norm within the market place is to borrow 2+ years worth of debt needed for projects all at one time to minimize closing costs.

Significant discussions focused on the standards for issuing Revenue debt versus General Obligation debt. Normally investors perceive that revenue projects such as the water/utility projects should generate enough revenue to fund themselves. When this doesn't happen, questions will arise. Hobart should continue to include an understanding of the bond markets and financing objectives when studying the options available for refinancing our utility debt in 2008.

Capital projects and related debt schedules for 2007 should include the funds for new fire truck along with costs for well back up system and related DNR requirements. We need to keep in mind the capital spending deficit from prior years of approximately \$350,000 when preparing the 2007 numbers.

Review of monthly variance reports focused on the dollars being spent outside of budget for 2006. A main item is the FEMA mapping charges of approximately \$35,000. Should that be related to the Storm water utility issue?

A new committee has been formed to review and establish guidelines for the mandated implementation of a Storm Water Utility within Hobart.

Next meeting on October 19, 2006 to begin at 6:00 pm will focus on 2007 final budget reviews.

Steve Hirt made a motion to adjourn which was seconded by Scott Heintz at 9:00 pm.