

**TOWN OF GIBRALTAR
SPECIAL MEETING
WEDNESDAY, MARCH 20, 2019
GIBRALTAR TOWN CENTER
4097 HIGHWAY 42, FISH CREEK WI 54212
6:00 PM**

Approved May 1, 2019

Call to order: Dick Skare called the special meeting to order at 6:04 p.m.

Present: Dick Skare, Steve Sohns, Barb McKesson, Dwayne Daubner and Bill Johnson

Absent: None

Agenda/proper notice/adopt agenda: Skare confirmed that the agenda had been properly noticed.

Motion: (Johnson, Sohns) to approve the agenda as posted. Carried

Remove from the table: Review, discuss and consider potential amendments to the Town's Debt Management Policy: *Motion: (Daubner, Johnson) to Remove from the table: Review, discuss and consider potential amendments to the Town's Debt Management Policy. Carried*

Review, discuss and consider potential amendments to the Town's Debt Management Policy:

PowerPoint slides attached to minutes. Todd Taves gave an overview of the \$15 M of Capital Projects over the next few years that the town is considering. Phase 1: \$5.8M Hwy 42, Beach Building, other capital projects. Phase 2: \$9M Old downtown, land acquisition, Fish Creek restoration.

The financing plan for phase 1 & 2 project conflict with 3 aspects of the Debt Management Policy as currently written.

- A. Annual Debt Payment
 - a. Total debt payments limited to 20% of annual budgeted revenues
- B. Structure
 - a. Debt to be structured with level or declining payments
- C. Debt Limit Utilization
 - a. General Obligation (G.O.) debt ceiling equal to 4x the previous year's revenue

Phase 1 only - increase to 29% level, 26% wrap

Phase 2 - increase to 48% (or round to 50%), increase debt limit utilization not to exceed 50% of constitutional limit

Skare stated using 50% of town values vs percent of revenues is more stable/less variables.

Sohns how do the additional costs for fire trucks, facilities, etc. that will be needed in the next 20 years impact these numbers that we are considering tonight? Taves some assets can be slid forward or back depending on need for replacement to help adjust borrowing needs.

Johnson Phase 2 would be more 2020 – 2022. Taves if you have a basket full of projects they can be smoothed out over a number of years, you avoid the huge spikes. Smoothing can be done with choices in principal and interest payments or interest only. A wrap over 20 years will cost an additional \$200,000.

Skare changing the policy does not necessarily mean you have to spend the money. It will give us flexibility. Brian Hackbarth asked the board to keep the level and declining payments. Sohns reason created the policy is because of where we were at in the past. Maybe there needs to be some change but maybe we need to think more about living within your means. Johnson wants time for digesting the information. Taves stated an option could be to provide a supermajority issue for a change in a level/declining structure. This would be a simple edit that could be added into the current policy.

Motion: (Johnson, Sohns) to table the discussion until we have a revision to the debt management policy until we have all the numbers and timing of all of our projects and that we consider the near-term replacement expenses that are needed for Ehlers. Carried

Consideration of Bath House Bids: Pat Fehrenbach, SEH stated 5 bids received. Blue Sky Contractors, LLC was the low bid. Each of the other bidders will be given the same opportunity to revise their bids based on the same criteria. Pat will reach out to each of them tomorrow with a deadline for their response by the end of the week. Pat questioned if can he could release these numbers? Once the opportunity to adjust their numbers has past they could be released. Sohns questioned if the board should go back to the electors for an increase. A contingency would be appropriate to request.

Motion: (Sohns, Johnson) to accept the lowest bid contractor after Pat sends out letters after the bidders along with Alternate #2 and schedule a meeting of the electors to asking the electors for a 10% contingency. Carried

Adjourn: *Motion: (Johnson, Daubner) to adjourn at 7:19 p.m. Carried*