

MINUTES OF INTERGOVERNMENTAL COOPERATION COUNCIL  
MEETING OF JUNE 28, 2011

*Draft Minutes*

Walworth County Administrator David A. Bretl called the meeting to order at 6:00 p.m.

Roll call was made by those present introducing themselves and their position within their municipality.

County officials in attendance: Nancy Russell, County Board Chair; Walworth County Administrator David A. Bretl; Deputy Administrator-Central Services, Shane B. Crawford; John Orr, Director of Information Technology; Rich Colbert, Walworth County Supervisor of Applications and Development-GIS; Dale Drayna, GIS Analyst/Programmer

Municipal and town representatives present: Ron Fero, Town of Whitewater; Wayne Redenius, Town of Richmond; John Wrzeszcz, Village of Genoa City, Cecil Logterman, Town of Darien, Don Henningfield, Town of Spring Prairie, Bill Loesch, Village of East Troy; John Kendall, Town of Troy; Joe Pappa, Town of Lafayette; John Olson, Town of Delavan; David Rasmussen, Village of Walworth; Jim Connors, City of Lake Geneva; Tom Bolfert, Town of Spring Prairie; John P. Marra, Village of Williams Bay; Ken Monroe, Town of Bloomfield.

Others in attendance: Cameron Clapper, City of Whitewater; Rep. Steve Nass, Wisconsin Assembly; Rep. David Craig, Wisconsin Assembly; Robert E. McIndoe; Joshua Clements, UW-Extension office.

*Approval of agenda*

**Ken Monroe made a motion to approve the agenda with a second by Joe Pappa. The motion carried unanimously.**

*Approval of February 22, 2011 ICC meeting minutes*

**Ron Fero made a motion to approve the February 22, 2011 minutes with a second by Cecil Logterman. The motion carried unanimously.**

*Presentation on Walworth County GIS mapping system - Rich Colbert, Walworth County Supervisor of Applications and Development – GIS*

John Orr, Director of Information Technology introduced Rich Colbert and Dale Drayna, who explained the county mapping system and the uses that each municipality could use.

*Discussion on hosting City of Elkhorn GIS data in County system – Rich Colbert*

Rich Colbert explained the city approached the county to see if they could create a GIS data system for the city. County officials met with city officials to determine the needs the county could meet. Other municipalities have now approached them as well. The information can either be accessed by only the municipal employees or accessed by the public. This would be a decision each municipality would make. He explained the cost for this service and felt it would be a great deal for the municipality and upgrades would be the responsibility of the municipality once they are on site. If several municipalities join this service a user group could be formed to brainstorm about what services might be needed.

*Introduction of Representative David Craig, 83<sup>rd</sup> Assembly District, and roundtable discussion on legislative issues impacting local operations*

Administrator David Bretl introduced David Craig who explained he is in the newest member of the Assembly as he was elected in a special election after Rep. Gunderson was appointed to a state position. He worked as an aide to Congressman Paul Ryan previous to his election. He explained the hard work that was done on the state budget this year. Rep. Steve Nass joined the discussion at this point and they both talked about specific items in the budget. Questions were asked about the general fund budget and the levy limit program. Rep. Craig stated he would research these questions and respond (\*See note below).

The new open carry firearms bill was then discussed at some length with several questions being asked about permits, if businesses could prohibit a firearm in their business and training required. Rep. Craig stated he would research this issue and respond (\*\*See note below).

Responding to a question regarding excluding police and firemen from the collective bargaining law, Rep. Craig stated he did not think they should be. Rep. Nass stated their was fear that they might all walk off their jobs. He feels police and firemen will come under the same rules eventually.

Administrator Bretl asked about when the budget repair bill would be effective and pretax and post tax issues. Both Rep. Craig and Nass stated they would let him know.

*Update concerning intergovernmental purchasing initiatives – Deputy County Administrator Shane Crawford*

Deputy Administrator Crawford briefly reviewed the 2012 capital improvements budget. He noted many municipalities don't have purchasing staff to write specifications for items they wish to purchase. The county would be able to provide that service at a cost of between \$40 to \$50 per hour. The county will be doing a training session on August 2<sup>nd</sup> on how to use a value contract. If you are interested in attending, please call his office and talk to Becky Bechtel at 741-3768 before July 15<sup>th</sup>. He will be sending an agenda out to anyone interested in attending.

*Set date and time for next Council meeting*

The next ICC meeting will be October 25, 2011 at 6:00 p.m.

*Adjournment*

**Cecil Logterman made a motion to adjourn with a second by Ron Fero. The motion carried unanimously.**

Administrator Bretl adjourned the meeting at 7:24 p.m.

Respectfully submitted,  
Dorothy C. Burwell, Secretary

\*Rep. Craig e-mailed information from the Legislative Fiscal Bureau on the 2011-2013 and 2013-1015 general fund budget and a memorandum from Rick Olin, Fiscal Analyst regarding the County and Municipal levy limit program

\*\*Rep. Craig e-mailed a Wisconsin Legislative Council informational memorandum on carrying and possessing firearms in Wisconsin



# Memorandum

**TO:** Walworth County Intergovernmental Cooperation Council  
**FROM:** Nicki Andersen, Deputy County Administrator-Finance  
**DATE:** October 19, 2011  
**SUBJECT:** Qualified Energy Conservation Bond (QECB) Program

Finance

Nicole Andersen  
Deputy County  
Administrator - Finance

As you may be aware, the Tax Extenders and Alternative Minimum Tax Relief Act of 2008 established the Qualified Energy Conservation Bond (QECB) Program. The program does not provide actual funding but instead authorizes governmental issuers to borrow up to a specified amount for qualified "green" projects at lower rates than traditional tax exempt bonds. The actual rate is dependent on the financial status of the issuing entity.

Under this program, each state receives a share of the total allocation to issue bonds, with that share being proportionally divided amongst counties and larger municipalities in the state. Walworth County's allocation is just over \$1 million.

The QECB program allows a qualified issuer to transfer all or part of their allocation to another qualified issuer. The County does not anticipate issuing QEC bonds at this time and is electing to offer the allocation to our local municipalities and school districts to ascertain if any entities are interested in acquiring a portion of the County's allocation.

Attached is basic information on the QECB program provided by Robert W. Baird & Company, Inc. (Baird), Walworth County's financial advisor. **A representative from Baird will be available at the Intergovernmental Cooperation Council meeting on Tuesday, October 25, 2011 to present a summary of the program and answer any questions you may have.** I encourage you to attend the meeting if you have any interest in learning more about the QECB program.

If your entity is interested in acquiring a portion of the County's QECB allocation, please contact the Walworth County Finance Department.

NA/kw

Attachment

c: David A. Bretl, County Administrator  
Walworth County School District Administrators

100 W. Walworth St.  
PO Box 1001  
Elkhorn, WI 53121

Finance  
262.741.4242 tel  
262.741.4384 fax

Payroll/  
Employee Benefits  
262.741.4949 tel  
262.741.7963 fax



## MUNICIPAL FINANCING SOLUTIONS

### Qualified Energy Conservation Bonds (QECCBs)

Tax Extenders and Alternative Minimum Tax Relief Act of 2008 (the "2008 Act") created a type of tax credit bond program for state and local governments called a Qualified Energy Conservation Bond ("QECCB"). This program allows governmental issuers the ability to borrow for energy conservation, mass transit, and other conservation eligible projects at a lower effective borrowing rate than traditional tax-exempt bonds. The 2008 Act authorized a national volume cap of \$800 million for use on eligible projects. The American Recovery and Investment Act of 2009 ("2009 Act") increased this national volume cap to \$3.2 billion.

Walworth County's Allocation: \$1,050,658

#### Types of QECCBs

QECCBs were originally created as Tax Credit Bonds. However, effective March 18, 2010, issuers have the option of issuing Direct Payment bonds whereby the U.S. Treasury pays an interest subsidy in a manner similar to Build America Bonds.

**Tax Credit (Federally Taxable):** Bondholders claim a Federal income tax credit in lieu of traditional bond interest.

- Tax credit is equal to 70% of the Applicable Credit Rate ("ACR"), determined at the time of the bond sale, multiplied by the outstanding face value of the QECCBs held by the bondholder.
  - o The ACR is established by the IRS and the U.S. Treasury Department on a daily basis.
- Because the QECCB tax credit is limited to 70% of the ACR, QECCB issuers must often pay a small Federally taxable supplemental interest payment on the bonds in order to successfully place the bonds with investors.

**Direct Payment (Federally Taxable):** Issuers receive a subsidy payment from the Federal Government prior to each interest payment date. Subsidy payment is equal to the lesser of:

- (1) the interest paid by the issuer on each interest payment date; or
- (2) the equivalent amount of tax credit the Department of Treasury would have paid to the bondholder if the issuer had selected the Tax Credit option.

Therefore the direct subsidy payment is intended to be the same as the tax credit subsidy, but not more than the interest due on the bonds.

#### APPLICABLE CREDIT RATE ("ACR") AND MAXIMUM MATURITY LENGTH

The ACR and maximum maturity length of the QECCB issue are determined as of the date there is a binding, written contract for the sale of the securities. The ACR and maximum maturity length is set by the Treasury on a daily basis and can be found on-line at:

[www.treasurydirect.gov/GA-SL/SLGS/selectQTCDDate.htm](http://www.treasurydirect.gov/GA-SL/SLGS/selectQTCDDate.htm).

#### QECCBs SUMMARY

Federal Gov't Program

\$3.82 billion in funding nationally, \$58.387 million allocated to State of Wisconsin

Allocated to large local governments (Any municipality or county with populations of 100,000 or more).

Offered as **Tax Credit** or **Direct Payment** bonds.

Eligible projects are primarily for energy conservation or energy research projects.

30% of allocation can be used for Private Activity Bonds.

## ELIGIBLE PROJECTS

### Qualified Conservation Purposes ("QCP")

#### Capital expenditures incurred for the purposes of:

- Reducing energy consumption in publicly –owned buildings by at least 20%.
- Implementing green community programs (including the use of loans, grants, or other repayment mechanisms to implement such programs).
- Production of electricity from renewable energy resources in rural areas.
- Any of following qualified facilities if meeting specific criteria set forth under the Internal Revenue Code for electricity produced from certain renewable resources:
  - Wind Facilities
  - Closed-Loop Biomass Facilities
  - Open-Loop Biomass Facilities
  - Geothermal or Solar Energy Facilities
  - Small Irrigation Power Facilities
  - Landfill Gas Facilities
  - Trash Facilities
  - Qualified Hydropower Facilities
- Marine and Hydrokinetic Renewable Energy Facilities

#### Expenditures for research facilities and research grants to support research in the following areas:

- Development of cellulosic ethanol or non-fossil fuels.
- Technologies for the capture and sequestration of carbon dioxide produced through the use of fossil fuels.
- Increasing the efficiency of existing technologies for producing non-fossil fuels.
- Automobile battery technologies and other technologies to reduce fossil fuels consumption in transportation.
- Technologies to reduce energy use in buildings.

#### Other:

- Mass commuting facilities and related facilities that reduce the consumption of energy, including expenditures to reduce pollution from vehicles used for mass commuting.
- Demonstration projects designed to promote the commercialization of:
  - Green building technology
  - Conversion of agricultural waste for use in the production of fuel or otherwise
  - Advanced battery manufacturing technologies
  - Technologies to reduce peak use of electricity
  - Technologies for the capture and sequestration of carbon dioxide emitted from combusting fossil fuels in order to produce electricity.
- Public education campaigns to promote energy efficiency.

### Rules Regarding Use of Proceeds

100% of the available project proceeds must be used on QCPs. Available project proceeds are equal to the bond sales proceeds less financed costs of issuances (not to exceed 2% of the principal amount) plus any investment earnings. 10% of the available project proceeds must be spent within six months of issuance and 100% within three years.

**Private Activity Bonds:** Up to 30% of an issuers allocation may be used for non-governmental or private activity purposes. If the QECB is a private activity bond, the QCP must be capital expenditures. Bonds issued for the purpose of providing loans, grants or other repayment mechanisms for capital expenditures to implement green community programs will not be treated as private activity bonds.