

FINANCE COMMITTEE MEETING MINUTES

February 24, 2015 . 6:00 p.m.

Council Chambers, Public Safety Building

Present:

Alderspersons Greg Jenson, Ron Christianson, Pat O'Connor, Tim Swadley and Mayor Donna Olson

Others Present:

Finance Director Laurie Sullivan and Joe Murray, VP Springsted, Inc.

Absent and Excused: None

Call to order:

Finance Chair Christianson called the meeting to order at 6:00p.m.

Communications:

Joe Murray from Springsted addressed the committee's questions regarding two of the ratings on the McFarland State Bank scorecard.

Reports / Contingency:

No action taken

Finance Committee Minutes of February 10, 2015:

Motion by Jenson, second by O'Connor to recommend approval of the Finance Committee minutes of February 10, 2015 as presented. Motion carried unanimously by acclamation 5-0.

Resolution Authorizing the Issuance of General Obligation Promissory Notes and Providing for the Sale of Not to Exceed \$4,860,00 Note Anticipation Notes.

Joe Murray of Springsted presented Set Sale Resolution for the proposed Note Anticipation Notes to be used for the Kettle Park West project. Mr. Murray discussed the difference between NANs and BANs, noting that the statutory differences are the requirements for an Authorizing Resolution and a Publication for the opportunity of a permissive referendum. The cost difference between using a Long Term Bond and a NAN or BAN is negligible due to both types of borrowing using capitalized interest. He noted that there is no way to determine what the interest rate might be in 2018. By borrowing the money now, using Note Anticipation Notes it gives the city three years to see what is going on with the development as far as the project development. The Mayor stated that she supports the 3 year borrowing whether it's the BAN or the NAN. The City will not initiate a debt borrowing until the KPW Developer has successfully completed all of their obligations laid out in the development agreement.

Motion by Jenson, to recommend to the Council the resolution authorizing the Issuance of General Obligation Promissory Notes and Providing for the Sale of Not to Exceed \$4,860,000 Note Anticipation Notes, second by O'Connor. Motion passed 4-1, with Swadley voting no.

Future Agenda Items: TBD

Adjournment

Motion by Swadley, to adjourn the meeting of the Finance Committee, second by Jenson. Motion carried unanimously by acclamation 5-0. Meeting adjourned at 6:32pm.