

**CITY OF BAYPORT
CITY COUNCIL WORKSHOP MEETING MINUTES
COUNCIL CHAMBERS
March 4, 2013
4:30 P.M.**

CALL TO ORDER

The meeting was called to order by Mayor St. Ores.

ROLL CALL

Members Present: Mayor St. Ores, Councilmembers Carlson, Goldston and Hanson

Staff Present: Acting City Administrator/Planner Taylor, City Attorney Pratt, Fire Chief Swenson, and Finance Officer Madsen

Others Present: Steve Mattson and representatives, Northland Securities, and Dave Unmacht, Springsted Incorporated

DISCUSS VARIOUS FINANCING OPTIONS TO PURCHASE A NEW PUMPER TRUCK FOR THE FIRE DEPARTMENT

Attorney Pratt reviewed his memo and outlined various finance options the city may want to consider to purchase a new pumper truck. He mentioned that municipalities routinely issue a general obligation equipment certificate to finance purchases of this magnitude, rather than drawing on city reserve funds or investments. Over the past several months, city staff has been working with Steve Mattson, Northland Securities, who specializes in this type of financing. Pratt noted that the current interest rate for general obligation bonds is less than 2%, which is one of the lowest rates ever seen in the market, making this an attractive financing option for the city to consider.

Steve Mattson reviewed the bond process, noting that the benefit of this financing is that the city would have a set schedule of payments, which can be planned and budgeted for at a minimal borrowing cost. However, with this type of financing, the city would incur interest and associated financing costs, which could be amortized over the life of the bond. Mattson reviewed a preliminary bond financing analysis for the pumper truck over a ten year period, with Fire Chief Swenson noting that the estimated purchase price for the truck and related equipment is approximately \$520,000.00.

Discussion followed on how the bond financing may impact the city's levy and options to finance all or a portion of the truck using city reserve funds. It was noted that financing the truck with cash on hand may affect the city's ability to finance other projects or unknown events, such as mitigation of trichloroethylene (TCE) contamination or repairs to city utilities and/or infrastructure. It was the consensus of the City Council to have staff review the city's cash reserve balances in detail and prepare some well-defined options to finance the purchase with a bond (with a possible decrease in term to five years), cash reserves, or a combination thereof, for consideration at a later date.

REVIEW THE NEXT STEPS AND TIMELINE TO PROCEED WITH THE HIRING PROCESS FOR THE CITY ADMINISTRATOR POSITION

Dave Unmacht of Springsted Incorporated reviewed the next steps in the hiring search for the City Administrator position, noting that he would be meeting with city staff and individual Councilmembers within the next few weeks to gain input on preferred skill sets and traits that would be beneficial for an individual to possess in this position. Unmacht then reviewed the tentative timeline to complete the search and hiring process. The position is anticipated to be posted by late March, with a start date in June.

ADJOURNMENT

Mayor St. Ores adjourned the workshop at 5:37 p.m.