

## MINUTES OF COUNCIL MEETING

July 19, 2010

A regular council meeting was duly called to order by Mayor Robert Roesler on Monday, July 19, 2010 at 5:00 p.m. with council members Jim Poirot, Kurt Olson, Brad Ringnell and Carroll Behne present. Absent, none. Also present, City Admin/EDA Director Jamie Letzring and Deputy Clerk Irene Schlaphoff.

Motion by Ringnell to approve the updated agenda, second by Behne, carried

Motion by Olson to approve the minutes as written and sent to each council member for study, second by Behne, carried.

Consent agenda including payment of bills was declared approved.

City Admin/EDA Dir Jamie Letzring reported that the repair of street lights on Hwy 4 and I-90 is underway, with the City of Fairmont performing the boring operations for the repair of six lights. It is anticipated that the work will be completed this week. Mayor Roesler noted that some Minnesota cities are considering the removal of street lights as a cost-saving measure, and Spencer, Iowa has done so for a number of years.

Financial advisor Shannon Sweeney of David Drown Associates was present with the results of the bond sale for the N Osborne/W First/E Third Street project. Four bids were received for the \$500,000 Build America Bond, and the low bidder was United Banker Bank at 3.5315% after IRS reimbursement. According to Mr. Sweeney, the Standard & Poor interview with City staff, as well as the City's good financial condition and tax base growth resulted in an A+ rating for the City of Sherburn, which is unique for a town of this size. An A+ rating provides better interest rates and attracts more bidders. Mr. Sweeney explained that the Build America Bonds will save approximately \$25,000 over the life of the bond, which he feels is well worth the extra process and paperwork involved. He recommended the bid be awarded to United Bankers Bank of Bloomington, MN.

Discussion followed regarding the method of payment of the bonds, which will need to be determined for budgeting purposes. Revenues will be collected the year before the first payment is due; the City has the authority to levy if it should become necessary. Upon the request of Councilor Behne, Mr. Sweeney will perform a tax levy and utility rate increase study to determine how much rate increase would be necessary if Council chooses this method of payment.

Motion by Ringnell to approve Resolution 2010-23 Providing for the Issuance and Sale of \$500,000 Taxable General Obligation Permanent Improvement Revolving Fund Bonds, Series 2010A (Build America Bonds – Direct Payment), Pledging for the Security Thereof Special Assessments and Levying a Tax for the Payment Thereof, second by Poirot. Olson, yea; Ringnell, yea; Poirot, yea; Behne, yea; Roesler, yea; Resolution 2010-23 approved.

Council was reminded that revolving loan funds are available for use and they can consider using these funds for assessment abatement for income-qualifying individuals.

Councilor Ringnell reported that Ceylon ambulance services are closing and the Sherburn Fire Department will acquire additional territory west of Hwy 263. Councilor Poirot requested that weeds in City streets be sprayed; this item will be reinstated in the budget. Mayor Roesler stated that the Police Commission will meet at 5:00 on Wednesday, July 21 at Sherburn City Hall and the police budget is on the agenda.

City Admin Jamie Letzring reminded the council that administrator review packets will be distributed and a budget workshop will be held following the council meeting.

Motion to adjourn by Ringnell, second by Olson, carried. Meeting declared adjourned at 6:15 p.m. at which time Council entered into the first budget workshop.

Irene Schlaphoff, Deputy Clerk