

**BIG LAKE CITY COUNCIL
WORKSHOP MINUTES
FEBRUARY 15, 2012**

1. CALL TO ORDER

Mayor Kampa called the meeting to order at 5:00 p.m.

2. ROLL CALL

Council Members present: Dick Backlund, Raeanne Danielowski, Lori Kampa, Duane Langsdorf, and Mike Wallen. Also present: City Administrator Todd Bodem, Finance Director Paula Mastey, City Clerk Gina Wolbeck, Senior Planner Katie Larsen, Police Chief Sean Rifenberick, Public Works Director Mike Goebel, Liquor Store Manager Jan Muehlbauer, Liquor Store Employee Sean Flick, and City Engineer Brad DeWolf from Bolton and Menk, Inc.

3. PROPOSED AGENDA

Council Member Danielowski motioned to adopt the proposed Agenda with the removal of item 4B. Data Practice Act Educational Session. Seconded by Council Member Wallen, unanimous ayes, agenda adopted.

4. BUSINESS

4A. Liquor Store Presentation – Zip Code Tracking

Jan Muehlbauer introduced liquor store employee Sean Flick. Flick reviewed the zip code tracking program that has been in place at the liquor store since November 1, 2011. Flick informed Council that he is a senior majoring in geography at St. Cloud State University and his senior thesis is on the determination of the hinterlands for Lake Liquors. Flick discussed his hypothesis which is that the hinterlands are affected by major arterial corridors in the area.

Council asked Flick if we would be able to capture zip code information from the summer market. Flick indicated that the compilation of data could continue to go past the original deadline of April if Council wishes to extend it.

4B. Data Practice Act Educational Session – Item was removed from the Agenda.

4C. Bond Refunding Discussion

Todd Bodem discussed the bond refunding analysis submitted by Northland Securities and the financial services currently provided by Ehler's and Associates. Paula Mastey discussed the options for utilizing more than one financial advisor for various financial activities. Mastey reviewed the two bond refundings that were done in 2011 and questioned if more of the bonds should have been refunded at that time. Mastey recommended the City have Ehler's do an independent analysis and compare with the Northland Securities analysis to get the best price on closing costs for the City. Discussion was also held on whether the City should be using Moody's or Standard & Poor's for our bond rating. Mastey explained that Moody's is generally used more often than Standard & Poor's, but that both are reputable companies.

Shelly Eldridge and Stacy Kvillvang from Ehler's and Associates provided an update to Council on the services they have provided to the City. Kvillvang explained that they look at our debt on a quarterly basis and notify staff when rates change in the market. Kvillvang explained that the last rate review was done in December 2011 and that the rates weren't that great at that time so they were waiting for the new Finance Director to get on board to meet with the City to discuss potential refunding opportunities. Eldridge explained that they generally would meet with the City Administrator and Finance Director in January or February each year to discuss potential financing strategies for the year. Eldridge discussed the need for the City to consider many factors when considering whether to refund bonds. Factors discussed by Eldridge included rates, savings, cash flow analysis, the cost of the issuance and discount, and understanding arbitrage regulations and compliance responsibilities so the client can plan and make better informed decisions.

Council Member Danielowski stated her concern that Ehler's chose to wait for the new Finance Director to get on board instead of contacting the City's Consultant Finance Director when rates went down. Danielowski noted that when the refunding was done last year, the City did not have a full-time Finance Director on staff and the refunding was able to be done. Eldridge commented that the refunding that was done last year was done in addition to a restructure to help with the City's levy concerns. Kvillvang also explained that Ehler's and Associates is an Independent Financial Advisor whose fiduciary responsibility is to the City, and that Northland Securities is an Underwriter whose fiduciary responsibility is to the bond buyers.

4D. Hudson Woods Letter of Credit Update

Brad DeWolf reviewed the status of the Hudson Woods Letter of Credit and informed Council that the financial institution that issued the Letter of Credit is in Bankruptcy Reorganization. DeWolf informed Council that his office and Public Works Director Mike Goebel conducted a site inspection of the road project in this development and found some cracking of the pavement, but overall the roadway seems to be holding up fairly well at this

time. Staff is recommending the City take a wait and see approach until we know how CMIC, LLC will come out of bankruptcy reorganization, and to see who will be purchasing the empty lots.

4D. Purchasing Policy Discussion

Todd Bodem provided the current purchasing policy that is a component of the City's financial policy. Discussion was held on the vehicle maintenance quote process that was established in 2007, and Council directed staff to draft a written Vehicle Maintenance Quote policy for all City vehicles and to bring back to an upcoming workshop.

5. OTHER – No other.

6. ADJOURN

Council Member Langsdorf motioned to adjourn at 5:47 p.m. Seconded by Council Member Wallen unanimous ayes, motion carried.



City Clerk

02-22-12

Date Approved By Council