

**Finance Committee Meeting
2/15/05**

Chairman Jones called the meeting to order at approximately 7:15 p.m. and the Clerk confirmed that appropriate notice had been given.

Roll Call: Members present – Mayor Sullivan and Aldermen Jones and Larsen
Members absent – Alderman Cochrane (a quorum was present)

Staff present: Kitsembel, Gard, Langohr, Lamp, Sugden, Duffy, Caughran, Severson, Bednarski, Frye, Martin, Senfleben and Attorney Chapman

Others present: Aldermen Gross, Hollatz, Antonneau and Morgan

1. Consider/act on vouchers – Moved by Ald. Larsen, seconded by Ald. Jones to approve vouchers in the amount of \$2,299,470.42. Carried unanimously.

2. Consider/recommend refinancing of City's 1995 General Obligation bond issue – Ms. Kitsembel, Finance Director, stated that we have been advised by our financial consultants that this issue could be refinanced. We currently have an interest rate of from 5.45% to 5.75%, and we would be looking at a rate in the 2% to 3% range. We proceeded, and have gotten a new rating from Moody's, which remains at Aa3. They have cited reasons for the favorable bond rating being a strong tax rate base, growth and strong financial practices. She introduced Mr. Kevin Mullen of PiperJaffray, who further explained the process. He stated that the bonds are callable on April 1st. They will advise the bond holders that we will redeem them and issue new bonds and maintain the debt structure. The savings will be spread out over the life of the borrowing. He stated they targeted 2.5 to 3% present value savings as the minimum to move forward. The net effect would be savings of \$98,647, or approximately \$25,000 over the next 4 years. There was a brief discussion, and Mr. Mullen responded to questions. He pointed out that the actual amount in the resolution is \$1,540,000.

Moved by Ald. Larsen, seconded by Ald. Jones to recommend to Council, approval of the refinancing of City's 1995 General Obligation bond issue. Carried unanimously.

There being no further business to properly come before this body, a motion to adjourn was made by Ald. Larsen, seconded by Ald. Jones, and carried. (7:28 p.m.)

Minutes taken by
Ardyce Senfleben, City Clerk
Ald. Larsen, Secretary