



**MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF STACY IN THE COUNTY OF CHISAGO
AND THE STATE OF MINNESOTA PURSUANT TO DUE
CALL AND NOTICE THEREOF**

**SPECIAL MEETING
MARCH 22, 2016, 7:00p.m.
STACY CITY HALL**

Call to Order

The meeting was called to order by Mayor Utecht at 7:00pm.

Roll Call

Present: Jim Ness, Mark Utecht, Samantha Denney, Chuck Lucia, and Tony Olivolo

Absent: None

Others Present: Mark Statz, Amy Hill, Melissa Archer, and Doug Green

Purpose of the Special Meeting

The purpose of the meeting is to discuss:

1. City Hall Improvement Project for ADA Compliance
2. City Finances, Possible Bond Refinancing

City Finances, Possible Bond Refinancing

Motion by Utecht to discuss item two on the agenda first. Second by Ness and carried.

The City and the Economic Development Authority (EDA) issued Lease Revenue Bonds in July 2005 to construct the Stacy Bar and Grill.

The original amount of the 2005A bonds was \$1,460,000. The average debt service is approximately \$102,000. The outstanding principal amount from 2017-2031 is \$1,065,000. The average coupon on the outstanding principal maturities is 4.86%.

As of February 1, 2016, the bonds can be prepaid (in whole or partially) at any time. Therefore, refunding (refinancing) the bonds is an option.

The potential savings of refunding the bonds over the next 15 years is \$150,000-\$180,000 depending on which financing option is chosen. The amounts are estimates at this point, further analysis will need to be done to determine the exact costs and savings.

The main item to consider is that in refunding the bonds the city is extending the call date out another ten years; does the city want to maintain the flexibility of being able to pre-pay the bonds at any time? Does the city see that they will be operating an off-sale for the next ten years?

The mayor calculated the savings vs. the risk breakpoint at about six years into the new bond.

The council did not take action on the bond refunding at this time, the item will be placed on the April 12th regular council meeting agenda.

**City Hall Improvements
Project of ADA Compliance**

The council discussed the financing of the city hall improvements; what is the appropriate distribution of costs? The improvements will serve more than just the water fund.

The council decided that a breakdown of approximately a \$260,000 project would be distributed \$115,000-General, \$85,000-Water, and \$60,000-Sewer.

Mr. Green was instructed to determine if the funds can support that distribution. He will have a report for the April 12th meeting.

Action will be taken on the bid for the city hall project at the April 12th meeting.

Adjourn at 8:25pm

Motion by Ness to adjourn. Second by Lucia. Ness, Denney, Lucia, Utecht, and Olivolo voted yes. Mayor Utecht declared the motion carried.

Sharon MT Payne