

MEETING MINUTES

CAPITAL EQUIPMENT & PROJECTS COMMITTEE

Wednesday, February 25, 2015 - 5:00 p.m. – Municipal Building

The Capital Equipment & Projects Committee members: Morack, Besaw, Barrington, Herter Romberg and Way.

Others present: Hager, Radke, Bodoh, Hunt, and Fire Chief Roloff.

The meeting was called to order at 5:00 pm. Morack/Barrington to adopt agenda. Carried 6-0.

The Committee first reviewed with Fire Chief Roloff the current status of the acquisition of a new fire pumper. The Committee noted that the Police and Fire Commission has reviewed in detail the acquisition of the fire pumper with Chief Roloff. They are recommending the purchase of the custom built truck from Marion Body Works for \$339,799. A motion was made by Morack and seconded by Herter to recommend to City Council the acquisition of a custom built truck from Marion Body Works for \$339,799. Carried 6-0.

City Treasurer, Judy Radke brought forth two options to fund the fire truck. One was to finance this piece of equipment as a stand-alone debt or to combine the truck with the overall bond indebtedness that the City is looking at in the near future and will be discussed further at this meeting. After review by the Committee a motion was made by Morack and seconded by Herter to include the financing for the fire truck with the overall City bond debt issue. Carried 6-0.

Treasurer Radke next lead a discussion about finance options available to help meet the ten-year capital projects and equipment needs that had been previously identified by City Committees and staff. Phil Cosson, of Ehlers and Associates, the City's financial advisor joined the discussion via phone conference. The Committee had previously given Judy direction to research three different bond debt finance options. These options are as follows: no additional debt with sole reliance on the closure of Tax Increment Finance District 2, an increase in debt resulting in a property tax increase of \$10 per \$100,000 of taxable value, and an increase in debt increasing taxes by \$15 per \$100,000 of taxable value. The Committee discussed the details of each option at length with Judy and Phil. A motion was made by Morack and seconded by Herter to recommend to City Council to have staff proceed with plans to implement a bonding debt for \$7 million with the final debt issuance to be approved at a later date. Motion passed 6-0.

The next meeting of the Capital Equipment and Projects Committee will be held on Wednesday, April 15th at 5:00 pm. At this meeting Judy will present the details of the bond debt proposal and the capital plan will be reviewed in detail. Specific projects to be accomplished and equipment to be acquired will be prioritized and programed in the future to make a budget to meet the \$7 million debt. This plan, once prepared by the Committee will also be reviewed and approved at a future City Council meeting.

A motion was made by Morack to adjourn, seconded by Way. Carried 6-0. The meeting adjourned at 5:44 pm.

Kent Hager,
City Administrator