

**CITY OF NISSWA
MINUTES – SPECIAL COUNCIL MEETING
THURSDAY, NOVEMBER 29, 2018
5:00 P.M. – CITY HALL**

A special meeting of the Nisswa City Council was held on Thursday, November 29, 2018 at 5:00 p.m. at City Hall.

Members Present: Heidmann, Jacobson, Johnson and Krautkremer

Members Absent: Ryan

Also Present: City Staff Jenny Max, Shawn Bailey, Hoff – Council Elect

A. Call to Order – Mayor Heidmann called the meeting to order at 5:01 p.m. and stated the purpose of the meeting was to approve the lease agreement between the City and Community Leasing Partners for the purchase of a fire pumper truck.

B. Approval of Master Equipment Lease Purchase Agreement with Community Leasing Partners for New Pumper Truck – Max reviewed the process of the Council approving the fire truck back in May. She noted that both the City Attorney and the City Insurance (League of MN Cities) has reviewed the lease with no issues. Krautkremer questioned why doesn't the City use reserve funds to pay for the truck and not pay interest on the lease. Then the Fire Department can repay the City over the next 7 years instead of paying the leasing company. This would save approximately \$35,000 in interest expense. Heidmann noted it's a reasonable idea. Jacobson suggested signing the lease and then looking into that option one year from now. A question arose regarding if there is any pre-payment penalty on the lease and how long the City would be required to have the lease before it could be paid off. Max said she would look into those questions.

Johnson expressed concern about making a decision to use reserve funds without a lot of forethought. Krautkremer said in his mind this is the way the City's reserve funds should be used.

Motion by Krautkremer, seconded by Jacobson to authorize the City to use unassigned general fund reserves to pay for the remaining amount due for the fire truck (\$202,717.39) and for the Fire Department to make seven annual payments at 0% interest back to the City, pending approval by the City Attorney. If the Attorney identifies a reason this cannot happen then the Council authorizes the Mayor, City Administrator and Fire Chief to sign the lease as presented. Motion carried unanimously.

C. Adjourn - There being no further discussion, motion by Krautkremer, second by Jacobson to adjourn the Special Council Meeting at 5:13p.m. Motion carried unanimously.

Fred Heidmann, Mayor

Jenny Max, City Administrator/City Clerk