

**Fertile City Council Minutes**  
**Special Meeting**  
**July 21, 2016**

The Fertile City Council held a special meeting on Thursday, July 21, 2016 at 6:30 p.m. at the Community Center. Present were: Mayor Brian Nephew and Council members Linda Widrig, and Dennis Hasler. Also present were City Administrator Lisa Liden and Fair Meadow Administrator Angie Leiting.

The meeting was called to order by Mayor Nephew at 6:35 p.m.

A discussion was then held on the recent bond sale that was completed on July 13<sup>th</sup>. Administrator Liden reminded Council that at the meeting earlier in the month they had approved a trigger resolution that gave Mayor Nephew and Liden approval to sign the bond sale documents as long as certain parameters were met in regard to the interest on the bonds. Liden then directed those present to review the interest rates that were approved on the sale. She noted that the rates were all lower than the 3.75% limit in the resolution passed in early July.

Mayor Nephew then asked Fair Meadow Administrator Angie Leiting whether the property increase with the State reimbursement would be sufficient to meet the principal and interest payments on the bonds. Leiting replied that she wouldn't have any definite numbers until the actual paperwork was submitted to the State once the project was completed. The estimates that had been worked up by the State and David Drown did indicate, however, that the increase in revenue should be more than sufficient.

Council member Hasler then asked for clarification on the differences between the taxable bond and the tax exempt bond. Liden explained that the early costs of the project were paid for with warrants and there was nothing formal in the minutes of earlier Council meetings noting the City's intent to eventually cover those costs with non-taxable bonds. As a result, the first bond, Series 2016A, for \$595,000 was a taxable bond. Liden went on to explain that the interest rate on that bond was slightly higher since bond purchasers would have to pay taxes on the interest that was earned on those bonds.

Liden then pointed out the language in both Resolution #7-3-16 and #7-4-16 regarding a tax levy. The language in those paragraphs indicated that the City had to levy the amounts shown on schedule A-1 at the back of the resolution packets. Liden then referred to the two levy schedules for the Council to review.

Council member Hasler then asked what kind of impact those levies would have on property owners within the City. Liden explained that the amounts of the levies were very low when compared to the total levy of \$198,000. The additional amounts levied would be very small increase on individual property owners' taxes. This was followed by a discussion on why there needed to be a "set" levy amount rather than just allowing the City to choose to levy later on if needed to meet the principal and interest payments.

After further discussion, Council member Hasler made the motion to approve Resolutions 7-3-16 and 7-4-16 Providing for the Issuance and Sale of General Obligation Nursing Home Bonds Series 2016A and 2016B. The motion was seconded by Council member Widrig and was carried.

There being no further business, the meeting was adjourned.

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Brian Nephew, Mayor

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Lisa J. Liden, City Administrator