

MINUTES
SPECIAL COMMON COUNCIL MEETING
DECEMBER 6, 2000
4:45 P.M.
COUNCIL CHAMBERS

MEMBERS PRESENT: Mayor Rietz, Council Member-at-Large Chaffee, Council Members Fedson, Jorgenson, Poppe, Nordin and Lang.

MEMBERS ABSENT: Council Member Boughton.

OTHERS PRESENT: News media. Bob Thistle from Springsted, Inc.

Administrative Services Director Tom Dankert discussed the need for the bond sale that happened earlier today. The City of Austin is proposing the next phase in the upgrade of the Waste Water Treatment Plant, entirely attributable to the industrial portion. The City of Austin received a tax-exempt allocation from the State of Minnesota for the authorization to issue tax-exempt bonds. This project will be entirely paid for via the Hormel Foods Corporation.

Bob Thistle, representing Springsted Public Finance Advisors, discussed the bond sale. Two entities bid on the bonds, with the low bidder coming in at a true interest cost of 5.4083%. This represents about 33 basis points lower than originally estimated four weeks ago. Mr. Thistle further noted that issuing tax-exempt debt versus taxable bonds would result in over \$1,000,000 of savings to the Hormel Foods Corporation over the twenty-year life of the bond issue. Mr. Thistle further noted city staff did a great job getting all of the information pulled together to get the bond sale completed.

Council Member-at-Large Chaffee noted Hormel Foods Corporation is a good corporate citizen within the city. Furthermore this benefits all of Austin for increased capacity at the Waste Water Treatment Plant, he said.

Council Member Lang noted that the City of Austin is also a good player with the Hormel Foods Corporation. Council Member Lang further noted the bonds are still a debt of the City of Austin.

Council Member Fedson commended city staff for putting this package together as quickly and completely as had been done.

Moved by Council Member Lang, seconded by Council Member Nordin, adopting the resolution approving the low bidder on the bond sale at 5.0483%. 6-0. Carried.

Moved by Council Member-at-Large Chaffee, seconded by Council Member Fedson,
adjourning the meeting. Carried.

Adjourned: 4:55 p.m.

Approved: December 18, 2000

Mayor: _____

City Recorder: _____