

**City Council Meeting**  
February 2, 2016  
7:00 p.m. Special Meeting



Mayor Jason Ward opened the meeting at 7:00 p.m. with the pledge of allegiance. Council members present were Curtis Oroke, Chris Donnelly, Andy Gilner, and Kara Reed. Jim Truesdell was absent. Also in attendance were City Manager Nathan McCommon, and City Attorney Michael Kelly.

**Old Business**

**Consider approval of lease-purchase and site lease agreement for public facilities**

- Mr. McCommon explained to the Council that they recently approved an ordinance to approve moving forward with financing with First State Bank and Trust for renovating public facilities, but they requested to meet with a representative of the bank regarding the reasoning behind the site lease term of 40 years.
- Steve Christenson with First State Bank & Trust addressed the Council and summarized the bank's perspective for extending the term of the site lease from 20 to 40 years to plan for a worst-case scenario in that the bank could recuperate its loss of revenue by other leasing methods. Mr. Christensen emphasized that the likelihood of default was small.
- Mayor Ward asked if five days was sufficient to define default. Steve Christensen explained that it is normal to have 10-30 days depending on the type of agreement. Mr. McCommon suggested that at least 20 days would be more manageable for the City.
- Mr. Kelly expressed concern that the City may owe property taxes on a property that it cannot use as well as be liable for activity on the properties. For these reasons, he feels that the term is excessive.
- Mayor Ward asked if the bank would consider a shorter term, and Mr. Christensen affirmed that the bank would accept 30 years.
- Council members agreed to suspend the conversation to allow the bank and attorneys to amend the agreements to change the default definition to 20 days and negotiate possible collateralized terms.
- No action was taken.

Mr. Gilner moved to adjourn. Ms. Reed seconded. Meeting adjourned at 7:40 p.m. All ayes. Motion carried.

Respectfully submitted,

Nathan D. McCommon  
City Manager