

CITY OF GRAND MARAIS
MINUTES
October 26, 2011

Mayor Carlson called the meeting to order at 4:30 p.m.

Members present: Larry Carlson, Bob Spry, Tim Kennedy, Jan Sivertson and Bill Lenz

Members absent: None

Staff present: Mike Roth, Kim Dunsmoor and Chris Hood by telephone

Mayor Carlson invited the public to speak during a period of open forum. Open Forum is limited to one half-hour. No person may speak more than 5 minutes or more than once on the same subject. No one spoke.

Motion by Lenz, seconded by Spry to approve the Agenda; October 12, 2011, Minutes with corrections; and Payment of Bills. Approved unanimously.

The council discussed the possibility of repaying the 2005 Refunding Bond on the call date in February 2012. The city will save approximately \$145,000 in future interest payments, the cash in the bank is not earning much interest, and we will still have adequate reserves after the repayment. The risk in paying off the bonds early is the loss of opportunity to use the reserves for other purposes and potentially requiring future debt at a higher interest rate than the current debt or refinanced debt. Staff recommends redemption of the General Obligation Improvement Refunding Bonds, Series 2005A.

Motion by Spry, seconded by Kennedy to redeem the General Obligation Improvement Refunding Bonds, Series 2005A in February 2012. Approved unanimously.

Motion by Kennedy, seconded by Spry to adjourn the meeting. Approved unanimously.

There being no further business, the meeting adjourned at 5:43 p.m.