

Browns Valley City Council Special Meeting Minutes
March 1, 2018

The Pledge of Allegiance was recited by those in attendance.

The special council meeting of the City of Browns Valley, MN was held at City Hall. Council members present were Mayor Harold Hansen, Members Neil Madison, Tony Miller, and Ken Warren. Also in attendance were Robert and Brenda Zabel and Tom Schmitz. The meeting was called to order at 8:30pm by Mayor Hansen.

This special meeting was called to discuss certificate of deposit (CD) interest rates between local banks in or near the City. During the February 12th and 26th council meetings it was discussed that CD interest rates at First Independent Bank (FIB) of Beardsley were much higher than at Union State Bank. At Union State Bank (USB), the City is currently receiving 0.04% annual percentage yield (APY) on five (5) CDs totaling the amount of \$296,786.00. The CDs earning 0.40% are currently at the terms of 6 month and 1 year. At FIB, the City could earn 1.26% for 11 month CDs with no higher investment than the amount of \$225,000.00 and 1.46% APY for 17 month CD's with the same financial investment requirement listed above.

Mayor Hansen opened the meeting by reviewing the information listed above. Mr. Zabel asked if he could speak regarding to what USB is willing to do. Zabel stated that he wanted to ensure that equivalent information was obtained from each financial institution. Zabel felt the comparison of information was satisfactory. He stated that the Union State Bank is willing to offer what FIB currently offers and is willing to allow the total amount of the existing CDs at this rate. He asked if instead of 17 months if the CDs could be set up at 18 months.

The City has paper copies of the CDs for the Fire Truck Fund and Reserve Fund, allowing for USB to draft new CD's for this change. The paper copies of the CDs for Wastewater Replacement and the two Ambulance Funds are unable to be found. The USB will issue indemnity bonds at this time.

Motion by Warren with second by Hansen, council approved reinvesting \$296,786.00 at Union State Bank in CDs having an interest rate of 1.46% APY for the term of 18 months. The new CDs will be required to be set up as they are now for they are considered dedicated funds.

Motion by Miller with second by Warren, council unanimously approved of Schmitz opening savings accounts for the City's annual contributions toward a new fire truck and ambulance.

Moved by Hansen to adjourn the meeting at 08:43am.

Minutes submitted by:

Approved by:

Thomas A Schmitz, Clerk

Harold Hansen, Mayor