

**CITY OF LEXINGTON
WORKSHOP AGENDA
Thursday, October 18, 2018
Immediately following Council meeting
City Hall**

1. Call to Order: Mayor Kurth

2. Roll Call: DeVries – Hughes – Harris - Murphy

3. Discussion Items:

A. Discuss Turn Out Gear purchase for Lexington Fire Department members

pp. 1-6

B. Discuss cost estimates for City Hall security upgrades

pp. 7-9

C. Discuss 2019 meeting dates (July Council meeting)

pp. 10-12

D. Discuss location options for Recycle/Clean-up Day

4. Staff Input

5. Council Input

6. Adjourn



Lease Purchase Basics

What is a “Lease-Purchase Agreement”?

Is it a lease, installment purchase, loan, collateral loan? What is it exactly?

It's not a “Lease”. A municipal lease purchase agreement is a common and useful financing tool for capital equipment purchases such as fire trucks and equipment, snow plows, police cars, dump trucks, etc.

It's called a lease purchase agreement (or “installment purchase” depending on the state in which you reside) to comply with state municipal laws that restrict loans and bond financing.

A Municipal Lease Purchase agreement is NOT the same as a personal car lease. In order to qualify as a Municipal Lease Purchase, the intent has to be ownership and has to include a principal and interest column within the contract. Generally speaking, it is structured with NO residual or balloon payments at the end of the contracts.

A Municipal Lease Purchase Agreement is very similar to a traditional loan in that:

1. You are considered the owner and responsible for such things as maintaining and insuring the equipment.
2. You make payments (subject to annual appropriation) to a lending institution for the duration of the lease.
3. There is a lien placed on the equipment which is released without fee, residual payment, or any additional payments after all the contract payments have been paid.

It's not a “Loan”. A Municipal Lease Purchase Agreement was created to provide local communities with a financing option to finance and purchase capital equipment without the costly, unpredictable and time consuming requirements that exist with a traditional bond financing or a fixed term loan. A lease purchase agreement qualifies for low tax-exempt interest rates and in most states requires no voter approval and is not subject to debt limitations.

This is all possible due to the annual appropriation requirement used by municipal lease purchase agreements. This clause permits (in most states) the lease purchase payments to be considered a current expense and not a long term debt.

Municipal Lease Purchase Agreements Provide:

1. Tax-exempt municipal interest rates
2. Fixed payment structures
3. Collateral vested in capital equipment
4. Eliminates large upfront cash outlays for legal costs, issuance costs, etc.
5. Simple, straight forward documentation
6. Ownership of the capital equipment



Benefits of Lease Purchase Financing

A Simple, Cost Effective Alternative

Many Cities, Counties, Towns, Districts, and other political subdivisions are faced with pressure that occurs when **demands for their services** outpace their financial resources. In recent times, this pressure has become even more burdensome.

In order to keep up with a regular equipment replacement schedule, municipal organizations have to become **more creative** in finding alternatives to simply using their capital reserves to purchase their much needed equipment.

To cope with this problem, many political subdivisions are turning to an alternative that has long been recognized as a source of funding for capital expenditures - ***Lease Purchase Financing***.

Advantages of lease purchase financing: Developing a lease purchase plan is attractive because it offers political subdivisions a number of **advantages**.

- Eliminates the need for large, up-front cash outlays.
- Enables cities, counties, districts, and volunteer fire departments to take advantage of low interest rates available to qualified political subdivisions.
- Allows an organization to purchase equipment at today's prices, not next year's *increase*.
- Eliminates the financial and operational challenge of keeping worn out or obsolete equipment in service.
- Maximizes limited budget funds. Buy today, finance today, and defer payment into next year's budget.
- Frees up additional capital for other pressing needs.
- Provides the municipality with a fixed, locked in payment and interest rate which simplifies the budgeting process.

Typical Finance Terms and Options;

Municipal Vehicles: 1 to 5 years, (certain equipment types, terms extended to 8-years)
No Down Payment Options
Deferred Annual, Semi-Annual, Quarterly, Monthly Payment Options

Fire Apparatus: 1 to 15 years
No Down Payment Options
Deferred Annual, Semi-Annual, Quarterly, Monthly Payment Options

Real Property/Additions:
1 to 20 Years
Annual, Semi-Annual, Quarterly, Monthly Payment Options



What Can Be Financed Through Lease Purchase Financing?

EQUIPMENT TO FINANCE	CONDITION	TYPICAL TERMS
Buses	New	1-7 years
Fire Apparatus	New	1-15 years
Fire Apparatus	Used or Refinance	Contact Us
Ambulances	New	1-5 years
SCBAs	New	1-7 years
(PPE) Turnout Gear	New	1-5 years
Police Cars	New	1-5 years
Snow Plows/Dump Trucks	New	1-7 years
Public Works Vehicle, light duty	New	1-5 years
Public Works Vehicle, heavy duty	New	1-7 years
Thermal Imaging Cameras	New	1-3 years
Fire Chief Vehicles/Support Trucks	New	1-5 years
Construction Type Vehicles or Equipment	New	1-7 years
Misc. Equipment (Hoses, Radios, etc.)	New	1-5 years
Real Property (Fire Stations, Substations, Municipal Buildings)	New or Refinance	Contact Us

Division of Community First National Bank
215 S. Seth Child Road | Manhattan, KS 66502



888.777.7850 phone
888.777.7875 fax

website
www.clpusa.net

Quick Online Financing Payment Estimator

Just log on to **CLPUSA.net**

Verizon 2:30 PM 49%

clpusa.net

COMMUNITY LEASING PARTNERS
DIVISION OF COMMUNITY FIRST NATIONAL BANK

Estimate Your Payment

Equipment / Vehicle Cost
\$

Down Payment
\$ (if any)

☐ Vehicle Lease ☐ Equipment Lease

☐ My organization is independent, non-profit

ESTIMATE PAYMENTS >

Questions? Give us a call (888) 777-7850
This calculator is for informational purposes only. Payments are calculated.



Division of Community
First National Bank

CLPUSA.net



Division of Community
First National Bank

Quick Online Financing Payment Estimator

- Check estimates for vehicles and equipment
- Easily send payment estimate to CLP
- Access other useful information on financing and CLP

Community Leasing Partners specializes in **tax-exempt, lease purchase financing** for municipalities and fire departments. Fire trucks, ambulances, buses and other essential equipment can be financed with a **flexible payment structure and no large, up-front, cash outlay.**

Our financing team brings 100+ years of combined experience and has provided nearly one billion dollars of financing.

visit **CLPUSA.net**
or call **(888) 777-7850**



Phone: 877.525.1776
Fax: 888.777.7875
Cell: 724.331.4982
215 S. Seth Child Road
Manhattan, KS 66502
www.clpusa.net

May 16, 2018

Customer Name: City of Lexington, MN (Fire Department)

Equipment: Twenty (20) Sets of PPE (turnout gear)
Delivery: to be determined

Community Leasing Partners, a Division of *Community First National Bank*, is pleased to present the following financing options for your review and consideration.

Option 1

Total Cost:	\$	48,000.00	Payment Frequency:	Annual
Down Payment:	\$	-	First Payment:	One Year from Closing
Trade In:	\$	-		
Amount Financed:	\$	<u>48,000.00</u>		
Term in Years:		<u>3</u>	<u>4</u>	<u>5</u>
Payment:		\$17,377.04	\$13,306.03	\$10,871.44
Interest Rate:		4.24%	4.26%	4.29%

Option 2

Total Cost:	\$	48,000.00	Payment Frequency:	Annual
Down Payment:	\$	4,800.00	First Payment:	One Year from Closing
Trade In:	\$	-		
Amount Financed:	\$	<u>43,200.00</u>		
Term in Years:		<u>3</u>	<u>4</u>	<u>5</u>
Payment:		\$15,639.33	\$11,975.43	\$9,784.30
Interest Rate:		4.24%	4.26%	4.29%

- **THERE ARE NO DOCUMENTATION OR CLOSING FEES ASSOCIATED WITH THIS PROPOSAL.**
- Fixed interest rate for the terms provided unless otherwise stated.
- This financing is to be executed within 30 days of the date of the proposal or Lessor reserves the right to adjust the interest rate. The proposal is subject to credit review and approval and mutually acceptable documentation.
- This proposal has been prepared assuming the lessee is bank qualified and that the proposed lease qualifies for Federal Income Tax Exempt Status for the Lessor under Section 103 of the IRS Code.

Thank you for allowing Community Leasing Partners the opportunity to provide this proposal. If you have any questions regarding the options presented, need additional options, or would like to proceed with a financing, please contact me at 1-877-525-1776.

Respectively,
David R. Fike
Director - Business Development
davefike@clpusa.net

A Division of Community First National Bank - Member FDIC



A Commercial Contractor Working for Your Business
with Innovative Home Solutions

10/7/18

Bill Petracek
City Administrator
City of Lexington, MN.
Direct Phone# 763-354-2805
Cell# 651-308-2576

Re: City of Lexington Secured entry

Dear Bill,
I want to thank you for the opportunity to price your project. This proposal is a budget for your consideration and the attached scope of work itemizes the project for your review. Please review and let's plan to meet and go over the scope of work for any changes.

Scope of work: (see attached)

Construction budget \$82,586.00

Options:	
Omit ADA paddle operation on new door	(\$4,945.00)
Omit Option for dip down pass through (\$750 purchase allowance)	(\$3,398.25)
Omit Option to place bullet proof fabric at front desk knee wall	(\$7,180.60)
Omit Option to place security film on conference room window	(\$1,725.00)
Omit Option to place bullet proof fabric below conference room window	(\$6,083.50)
Omit the bullet resistant frame and glass with standard aluminum frame and glass	(\$24,035.00)
Other Value Engineering Options:	TBD

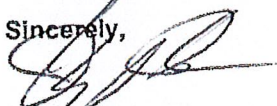
This proposal is contingent on the city review and approval of the plans. Any modification associated with the review process may impact the cost and schedule of the project. This quote is based on executing a contract within 30 days of the above date.

Broadview, when necessary will conduct this project with our dust control equipment, creating a negative air pressure at the work area & transferring most of the dust to the outdoors.

Note: we will match existing product as well as the products are available. If not available and/or available in a reasonable time we will make our best attempt to match the product with a similar product.

Please call me with any questions and when you would like to proceed. Broadview Builders Inc. conducts itself professionally and will protect your existing conditions and leave your project neat and orderly. We appreciate your business and it is our goal to be your best contractor.

Sincerely,



Rocky Radmann

JUST ASK!

City of Lexington Security Entry Construction Budget

General Conditions

- Permits, insurance, proper trash removal, job specific support included
- Design allowance (TBD)
- May require a temporary owner entry during construction

Demolition

Wall & ceiling frame, rock, tape sand

Dutchmen to existing surfaces

Paint wall and soffit disturbed by construction to nearest break

Protect existing flooring to remain

Provide wall base at new walls

Misc. wall patch/Paint

HVAC to remain, no change

Move TV location with backer

Modify existing light location

Add 5 LED disk lights

Modify light switches

Move and replace emergency exit light/sign

Low voltage (\$2,500 allowance for TV, Security & Controls)

Bullet resistant frame and glass w/panic/ and electric strike

Counter 1/2" glass with speak hole & standard tray

ADA paddle operation on new door

Cut and patch floor

We assume existing doors have a paddle operator (no work)

Option for dip down pass through (\$750 purchase allowance)

Modify existing knee wall for new dip down pass through

New counter top (\$1,200 S&I allowance)

Option to place bullet proof fabric at front desk knee wall

Remove wood cladding from front desk face

Place bullet proof fabric

Recladding front desk face

Re-trim front desk face

Stain/Finish front desk face

Option to place security film on conference room window

Option to place bullet proof fabric below conference room window

Remove sheetrock below window

Place wood backer in wall

Place bullet proof fabric

Re-sheetrock below window

Paint wall

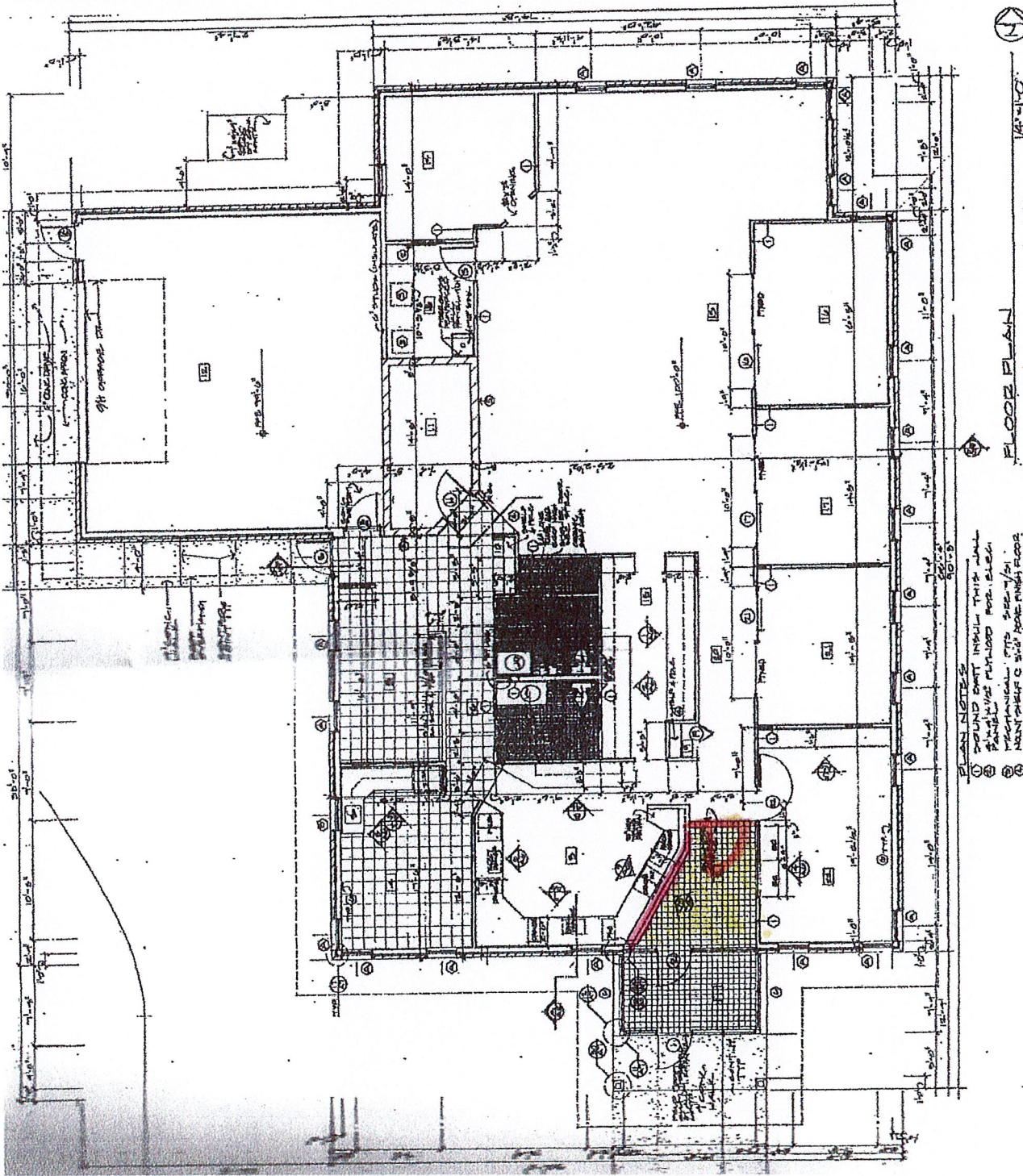
Total Budget

\$82,586.11

Options

Omit the bullet resistant frame and glass with standard aluminum frame and glass	(\$24,035.00)
Omit ADA paddle operation on new door	(\$4,945.00)
Omit Option for dip down pass through (\$750 purchase allowance)	(\$3,398.25)
Omit Option to place bullet proof fabric at front desk knee wall	(\$7,180.60)
Omit Option to place security film on conference room window	(\$1,725.00)
Omit Option to place bullet proof fabric below conference room window at front desk knee wall	(\$6,083.50)

E. G. RUD & SONS, INC. ARCHITECTS 1001-1003 WEST 10TH STREET MINNEAPOLIS, MINNESOTA		Office Building for: LEXINGTON, MINNESOTA		FLOOR PLAN A2	
PROJECT NO. 1001-1003 DRAWING NO. 1001-1003 DATE 10-1-10		SCALE 1/8" = 1'-0" 1001-1003		1001-1003	



- PLAN NOTES**
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- FLOOR TO 9th FLOOR
- ABOVE CORNER TO 9th
- HARD LID CLG BY G.C.

THE CITY OF LEXINGTON
 CITY HALL
 9180 LEXINGTON
 LEXINGTON, MS

**CITY OF LEXINGTON
2019
SCHEDULE OF MEETING DATES**



REGULAR COUNCIL MEETINGS

(*) Unless otherwise noted.

Regular Council Meetings will be held the first and third Thursday of each month in the Council Chambers commencing at 7:00 P.M.

January 3rd & 17th
February 7th & 21st
March 7th & 21st
April 4th & 18th
May 2nd & 16th
June 6th & 20th

July 3rd & 18th (*)
August 1st & 15th
September 5th & 19th
October 3rd & 17th
November 7th & 21st
December 5th & 19th



REGULAR COUNCIL WORKSHOP MEETINGS

(*) Unless otherwise noted.

Regular Mayor/Council Workshop Meetings will be held the third Thursday of the month in the Council Chambers immediately following the Regular Council meeting.

January 17th
February 21st
March 21st
April 18th
May 16th
June 20th

July 18th
August 15th
September 19th
October 17th
November 21st
December 19th



PLANNING COMMISSION MEETINGS

(*) Unless otherwise noted.

Regular Planning Commission Meetings will be held the second Tuesday of each month in the Council Chambers commencing at 7:00 P.M.

January 8th
February 12th
March 12th
April 9th
May 14th
June 11th

July 9th
August 13th
September 9th
October 8th
* November (No Meeting)
December 10th



PARK BOARD MEETINGS

(*) Unless otherwise noted.

Regular Park Board Meetings will be held on the first Monday of each month in the Council Chambers commencing at 6:30 P.M.

January 7th
February 4th
March 4th
April 1st
May 6th
June 3rd

July 1st
August 5th
September 9th
October 7th
November 4th
* December (No Meeting)

THESE MEETINGS WILL COMMENCE AT CITY HALL. A TOUR OF THE FOLLOWING LOCATIONS MAY TAKE PLACE DURING SOME OF THE MEETINGS:
LEXINGTON MEMORIAL PARK, LEXINGTON TOT PARK, LEXINGTON DUWAYNE PARK AND LEXINGTON BERM.



FIRE RELIEF MEETINGS

(*) Unless otherwise noted.

Fire Relief Association Meetings will be held on the first Monday after the third Sunday, of each month at the Lexington Fire Hall commencing at 7:00 P.M.

* January 22nd
* February 19th
March 18th
April 22nd
May 20th
June 17th

July 22nd
August 19th
September 16th
October 21st
November 18th
December 16th

NORTH METRO TELECOMMUNICATIONS COMMISSION AND OPERATIONS COMMITTEE



CABLE OPERATIONS COMMITTEE MEETINGS

Operations Committee meetings will be held the Tuesday, before the first Wednesday of each month, at the North Metro Community Television facility, at 12520 Polk St. NE, Blaine, MN 55434, beginning at 10:30 a.m.

January 2nd
February 6th
March 6th
April 3rd
May 1st
June 5th

July 10th
July 31st
September 4th
October 2nd
November 6th
December 4th



CABLE COMMISSION MEETINGS

Full Commission meetings will be held the third Wednesday of every month at Spring Lake Park City Hall, 1301 81st Ave. NE, Spring Lake Park, MN 55432, beginning at 6:00 PM.

January 16th
February 20th
March 20th
April 17th
May 15th
June 19th

July 17th
August 21st
September 18th
October 16th
November 20th
December 18th



POLICE GOVERNING BOARD

(*) Unless otherwise noted.

Police Governing Board meetings will be held quarterly on the following dates at the Centennial Lakes Police Department
54 North Road, Circle Pines, MN 55014
beginning at 7:00 P.M.

February 12th

May 14th

July 9th

August 13th

November 19th

CITY OF LEXINGTON RECYCLING / CLEAN UP

Regular Recycling & Clean Up Day will be held on the fourth Saturday in April location TBD
at 8:00 A.M. ending at Noon

April 28th

P:\DATA\RESOURCES-LABELS\2019\Lexington meeting dates 2019.docx

Meeting dates in RED have not been determined yet