



To: MAYOR AND COUNCIL

Agenda Item #: IV. O.

From: John Wallin, Finance Director

Action

Discussion

Date: December 18, 2012

Information

Subject: Resolution No. 2012-181 Authorizing the Redemption of G.O. Permanent Improvement Revolving Bonds, Series 2005E

Action Requested:

Approve Resolution No. 2012-181 Authorizing the Redemption of G.O. Permanent Improvement Revolving Fund Bonds, Series 2005E

Information / Background:

The General Obligation Permanent Improvement Revolving Bonds, Series 2005E issued to finance the City's 2005 street special assessment projects are now callable. Due to prepayments received into the Permanent Improvement Revolving (PIR) Fund from various special assessment projects there exists sufficient moneys to redeem on February 1, 2013 all of the bonds maturing after February 1, 2013. The description of the three remaining principal payments can be found on the attached Notice of Redemption. The remaining three principal payments of the 2005E issue have interest rates ranging from 3.5% to 3.75% whereas the funds in the PIR Fund are currently reinvested at an interest that is a fraction of that in this interest rate environment. Taking advantage of calling or refinancing bonds in these cases allows the City to maintain the 1% charge over the bond rate as stated in the revised special assessment policy as adopted by the Council last August/September.

Attachment:

Resolution No. 2012-181 Authorizing the Redemption of G.O. Permanent Improvement Revolving Fund Bonds, Series 2005E

CERTIFICATION OF MINUTES RELATING TO
REDEMPTION OF OUTSTANDING BONDS

Issuer: City of Edina, Minnesota

Governing Body: City Council

Kind, date, time and place of meeting: A regular meeting held on December 18, 2012
at 7:00 o'clock P.M., at the City Hall, Edina, Minnesota.

Councilmembers present:

Councilmembers absent:

Documents Attached:

Minutes of said meeting (pages): 1 and 2

RESOLUTION NO. 2012-181

RESOLUTION AUTHORIZING THE REDEMPTION OF GENERAL
OBLIGATION PERMANENT IMPROVEMENT REVOLVING FUND
BONDS, SERIES 2005E

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the bonds referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said bonds; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer this ____ day of
December, 2012.

Debra Mangen, City Clerk

Councilmember _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 2012-181

RESOLUTION AUTHORIZING THE REDEMPTION OF GENERAL OBLIGATION PERMANENT IMPROVEMENT REVOLVING FUND BONDS, SERIES 2005E

BE IT RESOLVED by the City Council of City of Edina, Minnesota (the "City"), as follows:

Section 1. The City has issued its \$1,460,000 General Obligation Permanent Improvement Revolving Fund Bonds, Series 2005E, dated, as originally issued, as of September 13, 2005 (the "Bonds") pursuant to a resolution, adopted by this Council on August 16, 2005 (the "Bond Resolution").

Section 2. Bonds maturing in the years 2013 and thereafter, are subject to redemption and prepayment on February 1, 2012 and any date thereafter, upon notice of call for redemption thereof mailed not less than 30 days before the date specified for redemption to the bank at which principal and interest are payable and to the holder of each bond, if known.

Section 3. The City has determined that there exists sufficient moneys to redeem on February 1, 2013 all of the Bonds maturing after February 1, 2013, and has requested that the City Council approve such redemption of the Bonds. The redemption of the Bonds described above is hereby approved and the Mayor and City Manager are hereby authorized and directed to cause the Bonds to be redeemed on February 1, 2013.

Section 4. U.S. Bank National Association, in St. Paul, Minnesota, the bank at which principal and interest on the Bonds are payable, is hereby authorized and directed to cause the notice of redemption required by Section 2.04 of the Bond Resolution to be mailed in accordance with such Section 2.04 to the registered holders of the Bonds to be redeemed.

Adopted this 18th day of December, 2012.

Mayor

Attest: _____
City Clerk

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember _____ and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

NOTICE OF REDEMPTION

\$1,460,000 General Obligation Permanent Improvement Revolving Fund Bonds, Series 2005E
Dated September 13, 2005
City of Edina, Minnesota

NOTICE IS HEREBY GIVEN THAT there have been called for redemption and prepayment on February 1, 2013, all outstanding Bonds of the above-referenced issue maturing on February 1 in the following years, principal amounts and having the interest rates and CUSIP numbers listed below:

<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>	<u>CUSIP No.</u>
2014	140,000	3.500	280605 E85
2015	135,000	3.625	280605 E93
2016	135,000	3.750	280605 F27

The Bonds will be redeemed at a price of 100% of their principal amount plus accrued interest to the date of redemption. Holders of the Bonds should present them for payment to U.S. Bank National Association, St. Paul, Minnesota, on or before said date, when they will cease to bear interest, in the following manner:

If by Mail:

U.S. Bank National Association
Corporate Trust Operations, 3rd Floor
P. O. Box 64111
St. Paul, MN 55164-0111

If by Hand or Overnight Mail:

U.S. Bank National Association
60 Livingston Avenue
EP-MN-WS3C
Bond Drop Window, 1st Floor
St. Paul, MN 55107

In compliance with the Interest and Dividend Compliance Act of 1983 and Broker Reporting Requirements, the redeeming institutions are required to withhold 31% of the principal amount of your holdings redeemed unless they are provided with your social security number or federal employer identification number, properly certified. This requirement is fulfilled through the submitting of a W-9 Form, which may be obtained at a bank or other financial institution.

Additional information may be obtained from the undersigned or from Ehlers & Associates, Inc., 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1122 (651-697-8500), financial advisor to the City.

Dated: _____, 2012.

BY ORDER OF THE CITY COUNCIL OF
THE CITY OF EDINA, MINNESOTA

/s/ _____
City Manager