



To: MAYOR AND COUNCIL

Agenda Item #: VIII. D

From: Eric Roggeman, Finance Director

Action

Discussion

Date: May 19, 2015

Information

Subject: Resolution No. 2015-51 Providing For The Sale Of Bonds, Series 2015A And Series 2015B

Action Requested:

Adopt Resolution No. 2015-51 Providing for the Sale of \$14,940,000 General Obligation Bonds, Series 2015A and \$2,185,000 General Obligation Bonds, Series 2015B

Information / Background:

The \$14,940,000 General Obligation Bonds, Series 2015A has four purposes:

- 1) \$6,795,000 is for local street improvements and will be repaid with special assessments.
- 2) \$2,115,000 is for water utility improvements and will be repaid with water revenue.
- 3) \$3,440,000 is for storm utility improvements and will be repaid with storm revenue.
- 4) \$2,590,000 is for parking improvements at 50th & France and will be repaid with special assessments.

The \$2,205,000 General Obligation Bonds, Series 2015B is to finance improvements at Braemar Golf Course, including reconstruction of the driving range, Par 3 course, and clubhouse renovations. Debt service on this issue will be paid from golf enterprise revenues.

The results of the bond sale will be presented to the City Council at the June 16 Council meeting by the City's Financial Advisors; Ehlers Inc.

ATTACHMENT:

Resolution 2015-51

Pre-Sale Report for \$14,940,000 General Obligation Bonds, Series 2015A and \$2,185,000 General Obligation Bonds, Series 2015B.

**Resolution No. 2015-51
Resolution Providing for the Sale of
\$14,940,000 General Obligation Bonds, Series 2015A, and
\$2,185,000 General Obligation Bonds, Series 2015B**

- A. WHEREAS, the City Council of the City of Edina, Minnesota has heretofore determined that it is necessary and expedient to issue the City's \$14,940,000 General Obligation Bonds, Series 2015A and \$2,185,000 General Obligation Bonds, Series 2015B (the "Bonds"), to finance various infrastructure and recreation projects in the City; and
- B. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent financial advisor for the Bonds and is therefore authorized to solicit proposals in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9);

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Edina, Minnesota, as follows:

- 1. Authorization; Findings. The City Council hereby authorizes Ehlers to solicit proposals for the sale of the Bonds.
- 2. Meeting; Proposal Opening. The City Council shall meet at 7:00 on June 16, 2015, for the purpose of considering sealed proposals for and awarding the sale of the Bonds.
- 3. Official Statement. In connection with said sale, the officers or employees of the City are hereby authorized to cooperate with Ehlers and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

Approved this 19th day of May, 2015.

Attest: _____

Debra A. Mangan, City Clerk

James B. Hovland, Mayor

STATE OF MINNESOTA)
COUNTY OF HENNEPIN) SS
CITY OF EDINA)

CERTIFICATE OF CITY CLERK

I, the undersigned duly appointed and acting City Clerk for the City of Edina do hereby certify that the attached and foregoing Resolution was duly adopted by the Edina City Council at its Regular Meeting of May 19, 2015 and as recorded in the Minutes of said Regular Meeting.

WITNESS my hand and seal of said City this _____ day of _____, 20__.

City Clerk

May 19, 2015

Pre-Sale Report

City of Edina, Minnesota

\$14,940,000 General Obligation Bonds, Series 2015A

And

\$2,185,000 General Obligation Bonds, Series 2015B



Prepared by:

Mark Ruff
Senior Municipal Advisor

And

Nick Anhut
Municipal Advisor

Executive Summary of Proposed Debt

Proposed Issue:	\$14,940,000 General Obligation Bonds, Series 2015A (the “2015A Bonds”) and \$2,185,000 General Obligation Bonds, Series 2015B (the “2015B Bonds”) collectively called the “Bonds”.
Purposes:	<p>The proposed 2015A Bonds includes financing for the following purposes:</p> <ul style="list-style-type: none"> • \$8.3 million for 2015 street reconstruction projects. Debt service will be paid from special assessments levied from 2017 to 2031 from the City’s Permanent Improvement Revolving Fund. Estimated capitalized interest of \$268,000 is included to offset bond interest payments until the assessments are levied. • \$2.5 million in Water System improvements related to 2015 street reconstruction projects. Debt service will be paid from water revenues. • \$4.5 million in Storm Sewer improvements related to 2015 Street reconstruction projects and the promenade phase 4. Debt service will be paid from storm sewer revenues. • \$2.5 million for 50th & France parking improvements. Debt service will be paid from special assessments levied from 2016 to 2035. Estimated capitalized interest of \$40,000 is included to offset bond interest payments until the assessments are levied. <p>The proposed 2015B Bonds includes financing for clubhouse, driving range and course improvements to the Braemar Golf Enterprise. The City will also use up to \$120,000 in cash to fund private activity portions of the project related to the lease arrangement with Tin Fish. Debt service will be paid from enterprise revenues.</p>
Authority:	<p>The Series 2015A Bonds are being issued pursuant to Minnesota Statutes, Chapters 429, 444 and 475.</p> <p>The Series 2015B Bonds are being issued pursuant to Minnesota Statutes, Chapter 475 and Edina’s special law Chapter 655 – H.F. No. 1403, which allows Edina to “pledge for the payment of general obligation bonds issued to finance the acquisition or betterment of municipal recreational facilities, and interest thereon, any defined portion or all of the revenues to be derived from the operation of such facilities and of any then existing recreational facilities.” Due to this authority, your Bond Attorney recommends that the City separate this purpose into its own distinct issue. The special law exempts these types of issues from net debt limits. The City will also need to set aside a debt service reserve equal to one year of debt payments in its internal funds pursuant to the special law.</p> <p>The Series 2015A issue will not count against the City’s debt limit because Chapter 429 allows cities to issue debt without limitation as long as at least 20% of the project is expected to be paid from assessments and Chapter 444 allows cities to issue debt without limitation as long as debt service is expected to be paid from water and sewer revenues.</p> <p>The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.</p>



Term/Call Feature:	<p>The 2015A Bonds are being issued for a 21 year term in total. Principal on the Bonds will be due on February 1 in the years 2016 through 2036. Interest is payable every six months beginning February 1, 2016.</p> <p>The 2015B Bonds are being issued for a 16 year term. Principal will be due on February 1 in the years 2017 through 2031. Interest is payable every six months beginning February 1, 2016.</p> <p>The Bonds maturing on and after February 1, 2025 will be subject to prepayment at the discretion of the City on February 1, 2024 or any date thereafter.</p>
Bank Qualification:	<p>Because the City is issuing more than \$10,000,000 in tax-exempt obligations during the calendar year, the City will be not able to designate the Bonds as “bank qualified” obligations.</p>
Rating:	<p>The City’s most recent bond issues were rated “AAA” by Standard & Poor’s and “Aaa” by Moody’s. The City will request a new rating for the Bonds.</p>
Method of Sale/Placement:	<p>In order to obtain the lowest interest cost to the City, we will solicit competitive bids for purchase of the Bonds from regional and national financing institutions.</p> <p>We have included an allowance for discount bidding equal to 0.7% of the principal amount of the 2015A Bonds, and 1.0% of the principal amount of the 2015B Bonds. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.</p> <p>If either series of bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to lower your borrowing amount.</p> <p>Premium Bids: The current generational low in interest rates has caused concerns amongst investors as to the impacts to the value of existing bonds in the case interest rates generally increase in the future. When interest rates rise, the value of existing bonds generally falls. In order to mitigate the decline in value of existing bonds, many investors are demanding “premium” pricing structures. A premium is achieved when the coupon for any maturity exceeds the yield, resulting in a price greater than the face value.</p> <p>The amount of the premium varies, but it is not uncommon to see premiums for new issues in the range of 2.00% to 10.00% of the face amount of the issue. This means that an issuer with a \$2,000,000 offering may receive bids that result in proceeds of \$2,040,000 to \$2,200,000.</p> <p>For either issue of bonds we can be directed to use the premium to reduce the size of the issue or increase the net proceeds for the project. The adjustments may slightly change the true interest cost of the original bid, either up or down.</p> <p>You have the choice to limit the amount of premium in the bid specifications. This may result in fewer bids, but it may also eliminate large adjustments on the day of sale and other uncertainties.</p>
Review of Existing Debt:	<p>We have reviewed all outstanding indebtedness for the City and find that, other</p>



	<p>than the HRA’s 2005 Bonds, there are no refunding opportunities at this time other than advance refunding issues which the City has chosen not to undertake in the past and may not meet the City’s debt policy savings thresholds.</p> <p>We will continue to monitor the market and the call dates for the City’s outstanding debt and will alert you to any future refunding opportunities.</p>
Basis for Recommendation:	<p>Based on our knowledge of your situation, your objectives communicated to us, our advisory relationship as well as characteristics of various municipal financing options, we are recommending the issuance of general obligation bonds through a competitive sale process as a suitable financing option because:</p> <ul style="list-style-type: none"> - Given the City’s high bond ratings and stature in the marketplace, this is the most overall cost effective option for the low interest rates that still maintains future flexibility for the repayment of debt. You do not expect to prepay the Bonds in the next eight to nine years. - This method is consistent with your existing practices and policies to finance these types of projects with this type of debt issue.
Continuing Disclosure:	<p>Because the City has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually as well as providing notices of the occurrence of certain “material events” to the Municipal Securities Rulemaking Board (the “MSRB”), as required by rules of the Securities and Exchange Commission (SEC). The City is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.</p>
Arbitrage Monitoring:	<p>Because the Bonds are tax-exempt securities/tax credit securities, the City must ensure compliance with certain Internal Revenue Service (IRS) rules throughout the life of the issue. These rules apply to all gross proceeds of the issue, including initial bond proceeds and investment earnings in construction, escrow, debt service, and any reserve funds. How issuers spend bond proceeds and how they track interest earnings on funds (arbitrage/yield restriction compliance) are common subjects of IRS inquiries. Your specific responsibilities will be detailed in the Officers’ Certificate prepared by your Bond Attorney and provided at closing. You have retained Ehlers to assist you with compliance with these rules.</p>
Risk Factors:	<p>Special Assessments: The City expects to pay the PIR and Parking portion of debt service with special assessment revenue. The City is expecting \$900,000 of the assessments will be prepaid. If the City receives significantly more in prepaid assessments, or the assessments are not levied as scheduled, the City may have to levy taxes to pay debt service on the 2015A Bonds.</p> <p>Utility Revenue: The City expects to pay the Bond debt service with utility funds. If utility revenue is inadequate, the City may have to levy taxes to pay debt service on the 2015A Bonds.</p> <p>Golf Revenue: The City expects to pay the Bond debt service with revenues from the Braemar Golf enterprise. If golf revenue is inadequate, the City may have to</p>



	utilize other enterprise funds or levy taxes to pay debt service on the 2015B Bonds.
Other Service Providers:	<p>This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, so their final fees may vary. If you have any questions pertaining to the identified service providers or their roles, or if you would like to use a different service provider for any of the listed services, please contact us.</p> <p>Bond Attorney: Dorsey & Whitney LLP</p> <p>Paying Agent: U.S. Bank National Association</p> <p>Rating Agency: Standard & Poor's and Moody's</p>

This presale report summarizes our understanding of the City's objectives for the structure and terms of this financing as of this date. As additional facts become known or capital markets conditions change, we may need to modify the structure and/or terms of this financing to achieve results consistent with the City's objectives.



Proposed Debt Issuance Schedule

Pre-Sale Review by City Council	May 19, 2015
Distribute Official Statement:	Week of June 1, 2015
Conference with Rating Agency:	Week of June 1, 2015
City Council Meeting to Award Sale of the Bonds:	June 16, 2014
Estimated Closing Date:	July 15, 2014

Attachments

- Sources and Uses of Funds
- Proposed Debt Service Schedule
- Resolution Authorizing Ehlers to Proceed With Bond Sale

Ehlers Contacts

Financial Advisors:	Mark Ruff	(651) 697-8505
	Nick Anhut	(651) 697-8507
Disclosure Coordinator:	Wendy Lundberg	(651) 697-8540
Financial Analyst:	Alicia Gage	(651) 697-8551

The Official Statement for this financing will be mailed to the City Council at their home address or e-mailed for review prior to the sale date.



City of Edina, Minnesota

\$14,940,000 General Obligation Bonds, Series 2015A

Issue Summary

Assumes Current Market Non-BQ "AAA" Rates plus 15bps

Total Issue Sources And Uses

Dated 07/15/2015 | Delivered 07/15/2015

	PIR	Water	Storm	Parking	Issue Summary
Sources Of Funds					
Par Amount of Bonds	\$6,795,000.00	\$2,115,000.00	\$3,440,000.00	\$2,590,000.00	\$14,940,000.00
Planned Issuer Equity contribution	1,000,000.00	412,500.00	1,166,000.00	-	2,578,500.00
Prepaid Assessments	900,000.00	-	-	-	900,000.00
Total Sources	\$8,695,000.00	\$2,527,500.00	\$4,606,000.00	\$2,590,000.00	\$18,418,500.00
Uses Of Funds					
Total Underwriter's Discount (0.700%)	47,565.00	14,805.00	24,080.00	18,130.00	104,580.00
Costs of Issuance	53,213.83	16,563.27	26,939.77	20,283.13	117,000.00
Deposit to Capitalized Interest (CIF) Fund	267,698.56	-	-	39,668.22	307,366.78
Deposit to Project Construction Fund	8,325,001.00	2,495,585.00	4,555,230.00	2,512,375.00	17,888,191.00
Rounding Amount	1,521.61	546.73	(249.77)	(456.35)	1,362.22
Total Uses	\$8,695,000.00	\$2,527,500.00	\$4,606,000.00	\$2,590,000.00	\$18,418,500.00

City of Edina, Minnesota

\$14,940,000 General Obligation Bonds, Series 2015A

Issue Summary

Assumes Current Market Non-BQ "AAA" Rates plus 15bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Water Revenues	Storm Sewer Revenues	105% of Net	Assessments	Levy/(Surplus)
02/01/2016	565,000.00	0.550%	185,066.20	750,066.20	(134,036.78)	616,029.42	234,425.78	381,603.64	-	-	-
02/01/2017	630,000.00	0.900%	336,810.00	966,810.00	(173,330.00)	793,480.00	234,497.50	381,122.50	186,753.00	195,673.58	(8,920.58)
02/01/2018	1,020,000.00	1.200%	331,140.00	1,351,140.00	-	1,351,140.00	232,697.50	378,197.50	777,257.25	858,825.16	(81,567.91)
02/01/2019	1,035,000.00	1.450%	318,900.00	1,353,900.00	-	1,353,900.00	235,297.50	379,297.50	776,270.25	858,825.17	(82,554.92)
02/01/2020	1,050,000.00	1.650%	303,892.50	1,353,892.50	-	1,353,892.50	232,325.00	379,512.50	779,157.75	858,825.16	(79,667.41)
02/01/2021	1,070,000.00	1.850%	286,567.50	1,356,567.50	-	1,356,567.50	233,942.50	378,985.00	780,822.00	858,825.16	(78,003.16)
02/01/2022	1,095,000.00	2.050%	266,772.50	1,361,772.50	-	1,361,772.50	235,057.50	382,695.00	781,221.00	858,825.17	(77,604.17)
02/01/2023	1,110,000.00	2.200%	244,325.00	1,354,325.00	-	1,354,325.00	230,650.00	380,520.00	780,312.75	858,825.16	(78,512.41)
02/01/2024	1,130,000.00	2.350%	219,905.00	1,349,905.00	-	1,349,905.00	230,920.00	377,710.00	778,338.75	858,825.16	(80,486.41)
02/01/2025	1,165,000.00	2.500%	193,350.00	1,358,350.00	-	1,358,350.00	235,750.00	379,250.00	780,517.50	858,825.15	(78,307.65)
02/01/2026	580,000.00	2.650%	164,225.00	744,225.00	-	744,225.00	-	-	781,436.25	858,825.15	(77,388.90)
02/01/2027	595,000.00	2.800%	148,855.00	743,855.00	-	743,855.00	-	-	781,047.75	858,825.14	(77,777.39)
02/01/2028	610,000.00	2.950%	132,195.00	742,195.00	-	742,195.00	-	-	779,304.75	858,825.18	(79,520.43)
02/01/2029	630,000.00	3.150%	114,200.00	744,200.00	-	744,200.00	-	-	781,410.00	858,825.16	(77,415.16)
02/01/2030	650,000.00	3.300%	94,355.00	744,355.00	-	744,355.00	-	-	781,572.75	858,825.16	(77,252.41)
02/01/2031	665,000.00	3.450%	72,905.00	737,905.00	-	737,905.00	-	-	774,800.25	858,825.15	(84,024.90)
02/01/2032	690,000.00	3.600%	49,962.50	739,962.50	-	739,962.50	-	-	776,960.63	858,825.16	(81,864.54)
02/01/2033	155,000.00	3.750%	25,122.50	180,122.50	-	180,122.50	-	-	189,128.63	195,673.58	(6,544.96)
02/01/2034	160,000.00	3.850%	19,310.00	179,310.00	-	179,310.00	-	-	188,275.50	195,673.58	(7,398.08)
02/01/2035	165,000.00	3.900%	13,150.00	178,150.00	-	178,150.00	-	-	187,057.50	195,673.59	(8,616.09)
02/01/2036	170,000.00	3.950%	6,715.00	176,715.00	-	176,715.00	-	-	185,550.75	195,673.58	(10,122.83)
Total	\$14,940,000.00	-	\$3,527,723.70	\$18,467,723.70	(307,366.78)	\$18,160,356.92	\$2,335,563.28	\$3,798,893.64	\$12,627,195.00	\$13,860,745.30	(1,233,550.30)

Significant Dates

Dated	7/15/2015
First Coupon Date	2/01/2016

Yield Statistics

Bond Year Dollars	\$127,344.00
Average Life	8.524 Years
Average Coupon	2.7702316%
Net Interest Cost (NIC)	2.8523556%
True Interest Cost (TIC)	2.8206087%
Bond Yield for Arbitrage Purposes	2.7256934%
All Inclusive Cost (AIC)	2.9279703%

Series 2015A GO Bonds - P | Issue Summary | 5/12/2015 | 9:08 AM



City of Edina, Minnesota

\$6,795,000 General Obligation Bonds, Series 2015A
PIR

Assumes Current Market Non-BQ "AAA" Rates plus 15bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	105% of Total	Assessments	Levy/(Surplus)
02/01/2016	-	-	94,368.56	94,368.56	(94,368.56)	-	-	-	-
02/01/2017	-	-	173,330.00	173,330.00	(173,330.00)	-	-	-	-
02/01/2018	390,000.00	1.200%	173,330.00	563,330.00	-	563,330.00	591,496.50	663,151.58	(71,655.08)
02/01/2019	395,000.00	1.450%	168,650.00	563,650.00	-	563,650.00	591,832.50	663,151.58	(71,319.08)
02/01/2020	400,000.00	1.650%	162,922.50	562,922.50	-	562,922.50	591,068.63	663,151.58	(72,082.96)
02/01/2021	410,000.00	1.850%	156,322.50	566,322.50	-	566,322.50	594,638.63	663,151.58	(68,512.96)
02/01/2022	415,000.00	2.050%	148,737.50	563,737.50	-	563,737.50	591,924.38	663,151.58	(71,227.21)
02/01/2023	425,000.00	2.200%	140,230.00	565,230.00	-	565,230.00	593,491.50	663,151.58	(69,660.08)
02/01/2024	435,000.00	2.350%	130,880.00	565,880.00	-	565,880.00	594,174.00	663,151.57	(68,977.57)
02/01/2025	445,000.00	2.500%	120,657.50	565,657.50	-	565,657.50	593,940.38	663,151.57	(69,211.20)
02/01/2026	455,000.00	2.650%	109,532.50	564,532.50	-	564,532.50	592,759.13	663,151.57	(70,392.45)
02/01/2027	470,000.00	2.800%	97,475.00	567,475.00	-	567,475.00	595,848.75	663,151.57	(67,302.82)
02/01/2028	480,000.00	2.950%	84,315.00	564,315.00	-	564,315.00	592,530.75	663,151.59	(70,620.84)
02/01/2029	495,000.00	3.150%	70,155.00	565,155.00	-	565,155.00	593,412.75	663,151.57	(69,738.82)
02/01/2030	510,000.00	3.300%	54,562.50	564,562.50	-	564,562.50	592,790.63	663,151.59	(70,360.97)
02/01/2031	525,000.00	3.450%	37,732.50	562,732.50	-	562,732.50	590,869.13	663,151.57	(72,282.45)
02/01/2032	545,000.00	3.600%	19,620.00	564,620.00	-	564,620.00	592,851.00	663,151.58	(70,300.58)
Total	\$6,795,000.00	-	\$1,942,821.06	\$8,737,821.06	(267,698.56)	\$8,470,122.50	\$8,893,628.63	\$9,947,273.66	(1,053,645.03)

Significant Dates

Dated	7/15/2015
First Coupon Date	2/01/2016

Yield Statistics

Bond Year Dollars	\$67,914.50
Average Life	9.995 Years
Average Coupon	2.8606867%
Net Interest Cost (NIC)	2.9307233%
True Interest Cost (TIC)	2.9117577%
Bond Yield for Arbitrage Purposes	2.7256934%
All Inclusive Cost (AIC)	3.0047684%

Series 2015A GO Bonds - P | PIR | 5/12/2015 | 9:08 AM



City of Edina, Minnesota

\$2,115,000 General Obligation Bonds, Series 2015A

Water

Assumes Current Market Non-BQ "AAA" Rates plus 15bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+	Fiscal Total
07/15/2015	-	-	-	-	-
02/01/2016	215,000.00	0.550%	19,425.78	234,425.78	234,425.78
08/01/2016	-	-	17,248.75	17,248.75	-
02/01/2017	200,000.00	0.900%	17,248.75	217,248.75	234,497.50
08/01/2017	-	-	16,348.75	16,348.75	-
02/01/2018	200,000.00	1.200%	16,348.75	216,348.75	232,697.50
08/01/2018	-	-	15,148.75	15,148.75	-
02/01/2019	205,000.00	1.450%	15,148.75	220,148.75	235,297.50
08/01/2019	-	-	13,662.50	13,662.50	-
02/01/2020	205,000.00	1.650%	13,662.50	218,662.50	232,325.00
08/01/2020	-	-	11,971.25	11,971.25	-
02/01/2021	210,000.00	1.850%	11,971.25	221,971.25	233,942.50
08/01/2021	-	-	10,028.75	10,028.75	-
02/01/2022	215,000.00	2.050%	10,028.75	225,028.75	235,057.50
08/01/2022	-	-	7,825.00	7,825.00	-
02/01/2023	215,000.00	2.200%	7,825.00	222,825.00	230,650.00
08/01/2023	-	-	5,460.00	5,460.00	-
02/01/2024	220,000.00	2.350%	5,460.00	225,460.00	230,920.00
08/01/2024	-	-	2,875.00	2,875.00	-
02/01/2025	230,000.00	2.500%	2,875.00	232,875.00	235,750.00
Total	\$2,115,000.00	-	\$220,563.28	\$2,335,563.28	-

Yield Statistics

Bond Year Dollars	\$10,861.50
Average Life	5.135 Years
Average Coupon	2.0306889%
Net Interest Cost (NIC)	2.1669961%
True Interest Cost (TIC)	2.1668148%
Bond Yield for Arbitrage Purposes	2.7256934%
All Inclusive Cost (AIC)	2.3324942%

IRS Form 8038

Net Interest Cost	2.0306889%
Weighted Average Maturity	5.135 Years

City of Edina, Minnesota

\$3,440,000 General Obligation Bonds, Series 2015A

Storm

Assumes Current Market Non-BQ "AAA" Rates plus 15bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
07/15/2015	-	-	-	-	-
02/01/2016	350,000.00	0.550%	31,603.64	381,603.64	381,603.64
08/01/2016	-	-	28,061.25	28,061.25	-
02/01/2017	325,000.00	0.900%	28,061.25	353,061.25	381,122.50
08/01/2017	-	-	26,598.75	26,598.75	-
02/01/2018	325,000.00	1.200%	26,598.75	351,598.75	378,197.50
08/01/2018	-	-	24,648.75	24,648.75	-
02/01/2019	330,000.00	1.450%	24,648.75	354,648.75	379,297.50
08/01/2019	-	-	22,256.25	22,256.25	-
02/01/2020	335,000.00	1.650%	22,256.25	357,256.25	379,512.50
08/01/2020	-	-	19,492.50	19,492.50	-
02/01/2021	340,000.00	1.850%	19,492.50	359,492.50	378,985.00
08/01/2021	-	-	16,347.50	16,347.50	-
02/01/2022	350,000.00	2.050%	16,347.50	366,347.50	382,695.00
08/01/2022	-	-	12,760.00	12,760.00	-
02/01/2023	355,000.00	2.200%	12,760.00	367,760.00	380,520.00
08/01/2023	-	-	8,855.00	8,855.00	-
02/01/2024	360,000.00	2.350%	8,855.00	368,855.00	377,710.00
08/01/2024	-	-	4,625.00	4,625.00	-
02/01/2025	370,000.00	2.500%	4,625.00	374,625.00	379,250.00
Total	\$3,440,000.00	-	\$358,893.64	\$3,798,893.64	-

Yield Statistics

Bond Year Dollars	\$17,672.89
Average Life	5.137 Years
Average Coupon	2.0307582%
Net Interest Cost (NIC)	2.1670121%
True Interest Cost (TIC)	2.1668646%
Bond Yield for Arbitrage Purposes	2.7256934%
All Inclusive Cost (AIC)	2.3324811%

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Net Interest Cost	2.0307582%
Weighted Average Maturity	5.137 Years



City of Edina, Minnesota

\$2,590,000 General Obligation Bonds, Series 2015A

Parking

Assumes Current Market Non-BQ "AAA" Rates plus 15bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+i	CIF	Net New D/S	105% of Total	Assessments	Levy/(Surplus)
02/01/2016	-	-	39,668.22	39,668.22	(39,668.22)	-	-	-	-
02/01/2017	105,000.00	0.900%	72,860.00	177,860.00	-	177,860.00	186,753.00	195,673.58	(8,920.58)
02/01/2018	105,000.00	1.200%	71,915.00	176,915.00	-	176,915.00	185,760.75	195,673.58	(9,912.83)
02/01/2019	105,000.00	1.450%	70,655.00	175,655.00	-	175,655.00	184,437.75	195,673.59	(11,235.84)
02/01/2020	110,000.00	1.650%	69,132.50	179,132.50	-	179,132.50	188,089.13	195,673.58	(7,584.46)
02/01/2021	110,000.00	1.850%	67,317.50	177,317.50	-	177,317.50	186,183.38	195,673.58	(9,490.20)
02/01/2022	115,000.00	2.050%	65,282.50	180,282.50	-	180,282.50	189,296.63	195,673.59	(6,376.97)
02/01/2023	115,000.00	2.200%	62,925.00	177,925.00	-	177,925.00	186,821.25	195,673.58	(8,852.33)
02/01/2024	115,000.00	2.350%	60,395.00	175,395.00	-	175,395.00	184,164.75	195,673.59	(11,508.84)
02/01/2025	120,000.00	2.500%	57,692.50	177,692.50	-	177,692.50	186,577.13	195,673.58	(9,096.46)
02/01/2026	125,000.00	2.650%	54,692.50	179,692.50	-	179,692.50	188,677.13	195,673.58	(6,996.45)
02/01/2027	125,000.00	2.800%	51,380.00	176,380.00	-	176,380.00	185,199.00	195,673.57	(10,474.57)
02/01/2028	130,000.00	2.950%	47,880.00	177,880.00	-	177,880.00	186,774.00	195,673.59	(8,899.59)
02/01/2029	135,000.00	3.150%	44,045.00	179,045.00	-	179,045.00	187,997.25	195,673.59	(7,676.34)
02/01/2030	140,000.00	3.300%	39,792.50	179,792.50	-	179,792.50	188,782.13	195,673.57	(6,891.45)
02/01/2031	140,000.00	3.450%	35,172.50	175,172.50	-	175,172.50	183,931.13	195,673.58	(11,742.46)
02/01/2032	145,000.00	3.600%	30,342.50	175,342.50	-	175,342.50	184,109.63	195,673.58	(11,563.96)
02/01/2033	155,000.00	3.750%	25,122.50	180,122.50	-	180,122.50	189,128.63	195,673.58	(6,544.96)
02/01/2034	160,000.00	3.850%	19,310.00	179,310.00	-	179,310.00	188,275.50	195,673.58	(7,398.08)
02/01/2035	165,000.00	3.900%	13,150.00	178,150.00	-	178,150.00	187,057.50	195,673.59	(8,616.09)
02/01/2036	170,000.00	3.950%	6,715.00	176,715.00	-	176,715.00	185,550.75	195,673.58	(10,122.83)
Total	\$2,590,000.00	-	\$1,005,445.72	\$3,595,445.72	(39,668.22)	\$3,555,777.50	\$3,733,566.38	\$3,913,471.64	(179,905.26)

Significant Dates

Dated	7/15/2015
First Coupon Date	2/01/2016

Yield Statistics

Bond Year Dollars	\$30,895.11
Average Life	11.929 Years
Average Coupon	3.2543845%
Net Interest Cost (NIC)	3.3130670%
True Interest Cost (TIC)	3.2766997%
Bond Yield for Arbitrage Purposes	2.7256934%
All Inclusive Cost (AIC)	3.3593269%

Series 2015A GO Bonds - P | Parking | 5/12/2015 | 9:08 AM



City of Edina, Minnesota

\$2,185,000 General Obligation Bonds, Series 2015B
Assumes Current Market Non-BQ "AAA" Rates plus 15bps

Sources & Uses

Dated 07/15/2015 | Delivered 07/15/2015

Sources Of Funds

Par Amount of Bonds	\$2,185,000.00
Planned Issuer Equity contribution	120,000.00
Total Sources	\$2,305,000.00

Uses Of Funds

Total Underwriter's Discount (1.000%)	21,850.00
Costs of Issuance	30,500.00
Deposit to Project Construction Fund	2,250,000.00
Rounding Amount	2,650.00
Total Uses	\$2,305,000.00

City of Edina, Minnesota

\$2,185,000 General Obligation Bonds, Series 2015B

Assumes Current Market Non-BQ "AAA" Rates plus 15bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+	Fiscal Total
07/15/2015	-	-	-	-	-
02/01/2016	-	-	28,210.39	28,210.39	28,210.39
08/01/2016	-	-	25,907.50	25,907.50	-
02/01/2017	125,000.00	0.900%	25,907.50	150,907.50	176,815.00
08/01/2017	-	-	25,345.00	25,345.00	-
02/01/2018	130,000.00	1.200%	25,345.00	155,345.00	180,690.00
08/01/2018	-	-	24,565.00	24,565.00	-
02/01/2019	130,000.00	1.450%	24,565.00	154,565.00	179,130.00
08/01/2019	-	-	23,622.50	23,622.50	-
02/01/2020	130,000.00	1.650%	23,622.50	153,622.50	177,245.00
08/01/2020	-	-	22,550.00	22,550.00	-
02/01/2021	135,000.00	1.850%	22,550.00	157,550.00	180,100.00
08/01/2021	-	-	21,301.25	21,301.25	-
02/01/2022	135,000.00	2.050%	21,301.25	156,301.25	177,602.50
08/01/2022	-	-	19,917.50	19,917.50	-
02/01/2023	140,000.00	2.200%	19,917.50	159,917.50	179,835.00
08/01/2023	-	-	18,377.50	18,377.50	-
02/01/2024	145,000.00	2.350%	18,377.50	163,377.50	181,755.00
08/01/2024	-	-	16,673.75	16,673.75	-
02/01/2025	145,000.00	2.500%	16,673.75	161,673.75	178,347.50
08/01/2025	-	-	14,861.25	14,861.25	-
02/01/2026	150,000.00	2.650%	14,861.25	164,861.25	179,722.50
08/01/2026	-	-	12,873.75	12,873.75	-
02/01/2027	155,000.00	2.800%	12,873.75	167,873.75	180,747.50
08/01/2027	-	-	10,703.75	10,703.75	-
02/01/2028	160,000.00	2.950%	10,703.75	170,703.75	181,407.50
08/01/2028	-	-	8,343.75	8,343.75	-
02/01/2029	160,000.00	3.150%	8,343.75	168,343.75	176,687.50
08/01/2029	-	-	5,823.75	5,823.75	-
02/01/2030	170,000.00	3.300%	5,823.75	175,823.75	181,647.50
08/01/2030	-	-	3,018.75	3,018.75	-
02/01/2031	175,000.00	3.450%	3,018.75	178,018.75	181,037.50
Total	\$2,185,000.00	-	\$535,980.39	\$2,720,980.39	-

Yield Statistics

Bond Year Dollars	\$19,624.61
Average Life	8.982 Years
Average Coupon	2.7311644%
Net Interest Cost (NIC)	2.8425042%
True Interest Cost (TIC)	2.8314347%
Bond Yield for Arbitrage Purposes	2.7024857%
All Inclusive Cost (AIC)	3.0144494%

IRS Form 8038

Net Interest Cost	2.7311644%
Weighted Average Maturity	8.982 Years

Resolution No. _____

Council Member _____ introduced the following resolution and moved its adoption:

**Resolution Providing for the Sale of
\$14,940,000 General Obligation Bonds, Series 2015A, and
\$2,185,000 General Obligation Bonds, Series 2015B**

- A. WHEREAS, the City Council of the City of Edina, Minnesota has heretofore determined that it is necessary and expedient to issue the City's \$14,940,000 General Obligation Bonds, Series 2015A and \$2,185,000 General Obligation Bonds, Series 2015B (the "Bonds"), to finance various infrastructure and recreation projects in the City; and
- B. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent financial advisor for the Bonds and is therefore authorized to solicit proposals in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9);

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Edina, Minnesota, as follows:

- 1. Authorization; Findings. The City Council hereby authorizes Ehlers to solicit proposals for the sale of the Bonds.
- 2. Meeting; Proposal Opening. The City Council shall meet at 7:00 on June 16, 2015, for the purpose of considering sealed proposals for and awarding the sale of the Bonds.
- 3. Official Statement. In connection with said sale, the officers or employees of the City are hereby authorized to cooperate with Ehlers and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

The motion for the adoption of the foregoing resolution was duly seconded by City Council Member _____ and, after full discussion thereof and upon a vote being taken thereon, the following City Council Members voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Dated this 19th day of May, 2015.

City Manager