



To: MAYOR AND COUNCIL

Agenda Item #: IV. H.

From: John Wallin, Finance Director

Action

Discussion

Information

Date: September 3, 2013

Subject: Resolution No. 2013-73 & Resolution No. 2013-74 Providing For Sale of G.O. Bonds Series 2013A, & 2013B

Action Requested:

Adopt Resolution 2013-73 Providing for the Sale of \$8,535,000 General Obligation Bonds, Series 2013A, and Resolution 2013-74 Providing for the Sale of \$1,125,000 General Obligation Bonds, Series 2013B.

Information / Background:

The \$8,535,000 General Obligation Bonds, Series 2013A has two purposes. The first purpose is the funding of \$5,905,000 to effect the current refunding of the HRA's Taxable Public Project Revenue Bonds, Series 2009B. These bonds are issued as Capital Improvement Plan Bonds pursuant to Minnesota Statutes, Section 475.521 following the public hearing the City Council held on August 5. The second purpose is \$2,630,000 to finance the City's street reconstruction projects constructed in 2013 and to be assessed in 2014.

The \$1,125,000 General Obligation Bonds, Series 2013B is to finance the reconstruction of the Golf Dome net of insurance payments.

The results of the bond sale will be presented to the City Council at the September 17 Council meeting by the City's Financial Advisors Ehlers Inc.

ATTACHMENT:

Resolution 2013-73

Resolution 2013-74

Pre-Sale Report for \$8,535,000 General Obligation Bonds, Series 2013A

Pre-Sale Report for \$1,125,000 General Obligation Bonds, Series 2013B

Resolution No. 2013-73
Resolution Providing for the Sale of
\$8,535,000 General Obligation Bonds, Series 2013A

- 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 \$8,535,000 General Obligation Bonds, Series 2013A (the "Bonds"), to finance various City street reconstruction projects and to effect a current refunding of the HRA's Taxable Public Project Revenue Bonds, Series 2009B; and
- B. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent financial advisor for the Series 2013A 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 p.m. on September 17, 2013, 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 Series 2013A Bonds and to execute and deliver it on behalf of the City upon its completion.

Approved this 3rd day of September, 2013.

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 September 3, 2013 and as recorded in the Minutes of said Regular Meeting.

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

City Clerk

Resolution No. 2013-74
Resolution Providing for the Sale of
\$1,125,000 General Obligation Bonds, Series 2013B

- 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 \$1,125,000 General Obligation Bonds, Series 2013B (the "Bonds"), to finance recreational facility improvements in the City; and
- B. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent financial advisor for the Series 2013B 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 pm on September 17, 2013, 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 Series 2013B Bonds and to execute and deliver it on behalf of the City upon its completion.

Approved this 3rd day of September, 2013.

Attest: _____
Debra A. Mangen, 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 September 3, 2013 and as recorded in the Minutes of said Regular Meeting.

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

City Clerk



EHLERS
LEADERS IN PUBLIC FINANCE

September 3, 2013

Pre-Sale Report for

City of Edina, Minnesota

\$8,535,000 General Obligation Bonds, Series 2013A



Prepared by:

Mark Ruff
Senior Financial Advisor

And

Nick Anhut
Financial Specialist



Executive Summary of Proposed Debt

Proposed Issue:	\$8,535,000 General Obligation Bonds, Series 2013A
Authority:	The Series 2013A Bonds are being issued pursuant to Minnesota Statutes, Chapters 429 and 475. The Series 2013A Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.
Purposes:	<p>The proposed issue includes financing for the following purposes:</p> <p>1) Various Permanent Improvement Revolving Fund street reconstruction projects to be paid 100% with special assessments.</p> <p>Because the City is assessing at least 20% of the project costs, the Permanent Improvement Revolving Fund portion being financed with the Series 2013A Bonds can be a general obligation without a referendum and will not count against the City's debt limit.</p> <p>2) To execute a current refunding of the Housing and Redevelopment Authority's \$6,125,000 Taxable Public Project Revenue Bonds, Series 2009B (City of Edina Annual Appropriation Lease Obligations) (Build America Bonds – Direct Payment). The refunding will now be a general obligation of the City under the Capital Improvement Plan statute similar to what the City used for the City Hall refinancing. The Capital Improvement Plan portion being financed by the Series 2013A Bonds will be paid with ad valorem property taxes and will be subject to the City's net debt limit, as were the 2009B Bonds.</p> <p>A current refunding is possible now under the 2009B Bonds because the federal government is only making 91.3% of its interest rate subsidy under the Build America Bond program due to across the board spending cuts known as "sequestration". A special call provision was triggered due to the lower subsidy payments.</p> <p>The refunding is expected to reduce interest expense by approximately \$10,000 per year over the next 16 years or \$152,000. The refunding savings presented include the assumption that future Department of Treasury subsidy payments would be made in full. If the 8.7% reduction continues, the City is required to make up the difference of an additional \$76,950 over the term of the existing 2009B Bonds. Under the terms of the 2009B Bonds, the City must also pay a trustee to coordinate bond payments. Annual fees for this service are \$2,100; or \$33,600 for the remaining term. The 2013A Bonds would not require a trustee. The net present value benefit of the refunding is estimated to be \$260,000, equal to more than 3% of the refunded principal.</p>
Term/Call Feature:	<p>The Series 2013A Bonds are being issued for a 16 year term. Principal on the Series 2013A Bonds will be due on February 1 in the years 2014 through 2030. Interest is payable every six months beginning February 1, 2014.</p> <p>The Series 2013A Bonds maturing February 1, 2023 and thereafter will be subject to prepayment at the discretion of the City on February 1, 2022 or any</p>



	date after call date.
Bank Qualification:	Because the City is issuing less than \$10,000,000 in the calendar year, the City will be able to designate the Series 2013A Bonds as “bank qualified” obligations. Bank qualified status broadens the market for the Series 2013A Bonds, which can result in lower interest rates. The City also has plans to borrow less than \$5,000,000 for utility projects in the next year. If interest rates increase over the next month and the refunding of the 2009B Bonds does not make financial sense, the City may substitute the utility debt for the refunding portion of these bonds.
Rating:	The City’s most recent bond issues were rated “AAA” by Standard & Poor’s and “Aaa” by Moody’s Investors Service. The City will request a new rating for the Series 2013A Bonds from both rating agencies. If the winning bidder on the Series 2013A Bonds elects to purchase bond insurance, the rating for the issue may be higher than the City’s bond rating in the event that the bond rating of the insurer is higher than that of the City.
Method of Sale/Placement:	In order to obtain the lowest interest cost to the City, we will solicit competitive bids for purchase of the Bonds from local banks in your area and regional underwriters. We have included an allowance for discount bidding equal to 0.8% of the principal amount of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction. If the Series 2013A 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.
Review of Existing Debt:	We have reviewed all outstanding indebtedness for the City and find that, other than the obligations proposed to be refunded by the Series 2013A Bonds, there are no other refunding opportunities at this time. 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.
Continuing Disclosure:	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).
Arbitrage Monitoring:	Because the Series 2013A 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



	<p>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 Officer's Certificate prepared by your Bond Attorney and provided at closing. You have retained Ehlers to assist you with compliance with these rules.</p>
<p>Risk Factors:</p>	<p>Special Assessments: We have assumed 30% pre-paid special assessments and assessments levied for collection starting in 2015. If the City receives a significant difference in the amount of pre-paid assessments, it may need to use tax levy to make up for lower interest earnings than the expected assessment interest rate.</p> <p>Current Refunding: The Series 2013A Bonds are being issued for the purpose of current refunding prior City debt obligations. Those prior debt obligations are "callable" now and can therefore be paid off within 90 days or less. The new Series 2013A Bonds will not be pre-payable until February 1, 2022. This refunding is being undertaken based in part on an assumption that the City does not expect to have future revenues to pay off this debt and that market conditions warrant the refinancing at this time.</p>



Proposed Debt Issuance Schedule

Pre-Sale Review by City Council	September 3, 2013
Distribute Official Statement:	September 5, 2013
Rating Agency Visits:	Week of September 3rd
City Council Meeting to Award Sale of the Bonds:	September 17, 2013
Estimated Closing Date:	First week of October

Attachments

- Sources and Uses of Funds
- Proposed Debt Service Schedule
- Refunding Savings Analysis
- 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
Bond Sale Coordinator:	Alicia Baldwin	(651) 697-8523
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

\$8,535,000 General Obligation Bonds, Series 2013A

Issue Summary

Assumes Current Market BQ AAA Rates plus 25bps

Total Issue Sources And Uses

Dated 10/01/2013 | Delivered 10/01/2013

	CR 2009B BABs	PIR Bonds	Issue Summary
Sources Of Funds			
Par Amount of Bonds	\$5,905,000.00	\$2,630,000.00	\$8,535,000.00
Prepaid Assessments (30%)	-	1,285,050.00	1,285,050.00
City Cash Contribution	-	500,000.00	500,000.00
Total Sources	\$5,905,000.00	\$4,415,050.00	\$10,320,050.00
Uses Of Funds			
Total Underwriter's Discount (0.800%)	47,240.00	21,040.00	68,280.00
Costs of Issuance	49,121.85	21,878.15	71,000.00
Deposit to Capitalized Interest (CIF) Fund	-	90,490.00	90,490.00
Deposit to Project Construction Fund	-	4,283,500.00	4,283,500.00
Deposit to Current Refunding Fund	5,805,625.21	-	5,805,625.21
Rounding Amount	3,012.94	(1,858.15)	1,154.79
Total Uses	\$5,905,000.00	\$4,415,050.00	\$10,320,050.00

City of Edina, Minnesota

\$8,535,000 General Obligation Bonds, Series 2013A

Issue Summary

Assumes Current Market BQ AAA Rates plus 25bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
10/01/2013	-	-	-	-	-
02/01/2014	305,000.00	0.500%	46,737.50	351,737.50	351,737.50
08/01/2014	-	-	125,900.00	125,900.00	-
02/01/2015	305,000.00	0.650%	103,277.50	408,277.50	534,177.50
08/01/2015	-	-	102,286.25	102,286.25	-
02/01/2016	455,000.00	0.850%	102,286.25	557,286.25	659,572.50
08/01/2016	-	-	100,352.50	100,352.50	-
02/01/2017	465,000.00	1.100%	100,352.50	565,352.50	665,705.00
08/01/2017	-	-	97,795.00	97,795.00	-
02/01/2018	470,000.00	1.350%	97,795.00	567,795.00	665,590.00
08/01/2018	-	-	94,622.50	94,622.50	-
02/01/2019	475,000.00	1.650%	94,622.50	569,622.50	664,245.00
08/01/2019	-	-	90,703.75	90,703.75	-
02/01/2020	480,000.00	2.050%	90,703.75	570,703.75	661,407.50
08/01/2020	-	-	85,783.75	85,783.75	-
02/01/2021	490,000.00	2.350%	85,783.75	575,783.75	661,567.50
08/01/2021	-	-	80,026.25	80,026.25	-
02/01/2022	500,000.00	2.550%	80,026.25	580,026.25	660,052.50
08/01/2022	-	-	73,651.25	73,651.25	-
02/01/2023	515,000.00	2.700%	73,651.25	588,651.25	662,302.50
08/01/2023	-	-	66,698.75	66,698.75	-
02/01/2024	530,000.00	2.850%	66,698.75	596,698.75	663,397.50
08/01/2024	-	-	59,146.25	59,146.25	-
02/01/2025	545,000.00	3.000%	59,146.25	604,146.25	663,292.50
08/01/2025	-	-	50,971.25	50,971.25	-
02/01/2026	555,000.00	3.150%	50,971.25	605,971.25	656,942.50
08/01/2026	-	-	42,230.00	42,230.00	-
02/01/2027	580,000.00	3.300%	42,230.00	622,230.00	664,460.00
08/01/2027	-	-	32,660.00	32,660.00	-
02/01/2028	600,000.00	3.400%	32,660.00	632,660.00	665,320.00
08/01/2028	-	-	22,460.00	22,460.00	-
02/01/2029	620,000.00	3.500%	22,460.00	642,460.00	664,920.00
08/01/2029	-	-	11,610.00	11,610.00	-
02/01/2030	645,000.00	3.600%	11,610.00	656,610.00	668,220.00
Total	\$8,535,000.00	-	\$2,297,910.00	\$10,832,910.00	-

Yield Statistics

Bond Year Dollars	\$78,170.00
Average Life	9.159 Years
Average Coupon	2.9396316%
Net Interest Cost (NIC)	3.0269797%
True Interest Cost (TIC)	3.0058308%
Bond Yield for Arbitrage Purposes	4.1614999%
All Inclusive Cost (AIC)	3.1139053%

IRS Form 8038

Net Interest Cost	2.9396316%
Weighted Average Maturity	9.159 Years

Series 2013 GO Bonds | Issue Summary | 8/23/2013 | 12:40 PM

City of Edina, Minnesota

\$8,535,000 General Obligation Bonds, Series 2013A
 CR 2009B BABs - Proposed Cur Ref Tax Public Proj Rev Bonds
 Assumes Current Market BQ AAA Rates plus 25bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
10/01/2013	-	-	-	-	-
02/01/2014	305,000.00	0.500%	46,737.50	351,737.50	351,737.50
08/01/2014	-	-	69,343.75	69,343.75	-
02/01/2015	305,000.00	0.650%	69,343.75	374,343.75	443,687.50
08/01/2015	-	-	68,352.50	68,352.50	-
02/01/2016	305,000.00	0.850%	68,352.50	373,352.50	441,705.00
08/01/2016	-	-	67,056.25	67,056.25	-
02/01/2017	310,000.00	1.100%	67,056.25	377,056.25	444,112.50
08/01/2017	-	-	65,351.25	65,351.25	-
02/01/2018	315,000.00	1.350%	65,351.25	380,351.25	445,702.50
08/01/2018	-	-	63,225.00	63,225.00	-
02/01/2019	315,000.00	1.650%	63,225.00	378,225.00	441,450.00
08/01/2019	-	-	60,626.25	60,626.25	-
02/01/2020	320,000.00	2.050%	60,626.25	380,626.25	441,252.50
08/01/2020	-	-	57,346.25	57,346.25	-
02/01/2021	325,000.00	2.350%	57,346.25	382,346.25	439,692.50
08/01/2021	-	-	53,527.50	53,527.50	-
02/01/2022	335,000.00	2.550%	53,527.50	388,527.50	442,055.00
08/01/2022	-	-	49,256.25	49,256.25	-
02/01/2023	345,000.00	2.700%	49,256.25	394,256.25	443,512.50
08/01/2023	-	-	44,598.75	44,598.75	-
02/01/2024	355,000.00	2.850%	44,598.75	399,598.75	444,197.50
08/01/2024	-	-	39,540.00	39,540.00	-
02/01/2025	365,000.00	3.000%	39,540.00	404,540.00	444,080.00
08/01/2025	-	-	34,065.00	34,065.00	-
02/01/2026	370,000.00	3.150%	34,065.00	404,065.00	438,130.00
08/01/2026	-	-	28,237.50	28,237.50	-
02/01/2027	390,000.00	3.300%	28,237.50	418,237.50	446,475.00
08/01/2027	-	-	21,802.50	21,802.50	-
02/01/2028	400,000.00	3.400%	21,802.50	421,802.50	443,605.00
08/01/2028	-	-	15,002.50	15,002.50	-
02/01/2029	415,000.00	3.500%	15,002.50	430,002.50	445,005.00
08/01/2029	-	-	7,740.00	7,740.00	-
02/01/2030	430,000.00	3.600%	7,740.00	437,740.00	445,480.00
Total	\$5,905,000.00	-	\$1,536,880.00	\$7,441,880.00	-

Yield Statistics

Bond Year Dollars	\$52,408.33
Average Life	8.875 Years
Average Coupon	2.9325107%
Net Interest Cost (NIC)	3.0226491%
True Interest Cost (TIC)	3.0014849%
Bond Yield for Arbitrage Purposes	4.1614999%
All Inclusive Cost (AIC)	3.1129490%

IRS Form 8038

Net Interest Cost	2.9325107%
Weighted Average Maturity	8.875 Years

Series 2013 GO Bonds | CR 2009B BABs | 8/23/2013 | 12:40 PM

City of Edina, Minnesota

\$8,535,000 General Obligation Bonds, Series 2013A
 CR 2009B BABs - Proposed Cur Ref Tax Public Proj Rev Bonds
 Assumes Current Market BQ AAA Rates plus 25bps

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
02/01/2014	351,737.50	348,724.56	362,005.07	13,280.51
02/01/2015	443,687.50	443,687.50	454,008.38	10,320.88
02/01/2016	441,705.00	441,705.00	453,556.50	11,851.50
02/01/2017	444,112.50	444,112.50	451,913.50	7,801.00
02/01/2018	445,702.50	445,702.50	449,503.50	3,801.00
02/01/2019	441,450.00	441,450.00	451,492.26	10,042.26
02/01/2020	441,252.50	441,252.50	452,912.26	11,659.76
02/01/2021	439,692.50	439,692.50	448,341.00	8,648.50
02/01/2022	442,055.00	442,055.00	453,103.50	11,048.50
02/01/2023	443,512.50	443,512.50	452,164.00	8,651.50
02/01/2024	444,197.50	444,197.50	450,672.00	6,474.50
02/01/2025	444,080.00	444,080.00	453,387.00	9,307.00
02/01/2026	438,130.00	438,130.00	450,338.26	12,208.26
02/01/2027	446,475.00	446,475.00	451,688.26	5,213.26
02/01/2028	443,605.00	443,605.00	452,238.76	8,633.76
02/01/2029	445,005.00	445,005.00	452,233.50	7,228.50
02/01/2030	445,480.00	445,480.00	451,399.50	5,919.50
Total	\$7,441,880.00	\$7,438,867.06	\$7,590,957.25	\$152,090.19

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....	897,619.86
Effects of changes in Credit Enhancement Expenses.	(785,451.42)
Net PV Cashflow Savings @ 4.161%(Bond Yield),....	112,168.43
Contingency or Rounding Amount	3,012.94
Net Present Value Benefit	\$115,181.37
Net PV Benefit / \$6,272,422.99 PV Refunded Debt Service	1.836%
Net PV Benefit / \$5,735,000 Refunded Principal...	2.008%
Net PV Benefit / \$5,905,000 Refunding Principal..	1.951%

Refunding Bond Information

Refunding Dated Date	10/01/2013
Refunding Delivery Date	10/01/2013

City of Edina, Minnesota

\$8,535,000 General Obligation Bonds, Series 2013A
CR 2009B BABs - Proposed Cur Ref Tax Public Proj Rev Bonds
Assumes Current Market BQ AAA Rates plus 25bps

Current Refunding Escrow

Date	Principal	Rate	Interest	Receipts	Disbursements	Cash Balance
10/01/2013	-	-	-	0.21	-	0.21
11/01/2013	5,805,625.00	0.030%	147.92	5,805,772.92	5,805,773.13	-
Total	\$5,805,625.00	-	\$147.92	\$5,805,773.13	\$5,805,773.13	-

Investment Parameters

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Unrestricted
Cash Deposit	0.21
Cost of Investments Purchased with Bond Proceeds	5,805,625.00
Total Cost of Investments	\$5,805,625.21
Target Cost of Investments at bond yield	\$5,785,879.96
Actual positive or (negative) arbitrage	(19,745.25)
Yield to Receipt	0.0305764%
Yield for Arbitrage Purposes	4.1614999%
State and Local Government Series (SLGS) rates for	8/21/2013

City of Edina, MN

\$5,735,000 Taxable Lease Revenue Bonds, Series 2009B

Build America Bonds - Direct Payment

Prior Original Debt Service

Date	Principal	Coupon	Interest	LOC	Total P+I	Fiscal Total
08/01/2013	-	-	-	-	-	-
02/01/2014	270,000.00	2.850%	141,546.25	(49,541.18)	362,005.07	362,005.07
08/01/2014	-	-	137,698.75	(48,194.56)	89,504.19	-
02/01/2015	275,000.00	3.050%	137,698.75	(48,194.56)	364,504.19	454,008.38
08/01/2015	-	-	133,505.00	(46,726.75)	86,778.25	-
02/01/2016	280,000.00	3.650%	133,505.00	(46,726.75)	366,778.25	453,556.50
08/01/2016	-	-	128,395.00	(44,938.25)	83,456.75	-
02/01/2017	285,000.00	4.000%	128,395.00	(44,938.25)	368,456.75	451,913.50
08/01/2017	-	-	122,695.00	(42,943.25)	79,751.75	-
02/01/2018	290,000.00	4.250%	122,695.00	(42,943.25)	369,751.75	449,503.50
08/01/2018	-	-	116,532.50	(40,786.37)	75,746.13	-
02/01/2019	300,000.00	4.400%	116,532.50	(40,786.37)	375,746.13	451,492.26
08/01/2019	-	-	109,932.50	(38,476.37)	71,456.13	-
02/01/2020	310,000.00	4.750%	109,932.50	(38,476.37)	381,456.13	452,912.26
08/01/2020	-	-	102,570.00	(35,899.50)	66,670.50	-
02/01/2021	315,000.00	5.000%	102,570.00	(35,899.50)	381,670.50	448,341.00
08/01/2021	-	-	94,695.00	(33,143.25)	61,551.75	-
02/01/2022	330,000.00	5.100%	94,695.00	(33,143.25)	391,551.75	453,103.50
08/01/2022	-	-	86,280.00	(30,198.00)	56,082.00	-
02/01/2023	340,000.00	5.200%	86,280.00	(30,198.00)	396,082.00	452,164.00
08/01/2023	-	-	77,440.00	(27,104.00)	50,336.00	-
02/01/2024	350,000.00	5.400%	77,440.00	(27,104.00)	400,336.00	450,672.00
08/01/2024	-	-	67,990.00	(23,796.50)	44,193.50	-
02/01/2025	365,000.00	5.500%	67,990.00	(23,796.50)	409,193.50	453,387.00
08/01/2025	-	-	57,952.50	(20,283.37)	37,669.13	-
02/01/2026	375,000.00	5.600%	57,952.50	(20,283.37)	412,669.13	450,338.26
08/01/2026	-	-	47,452.50	(16,608.37)	30,844.13	-
02/01/2027	390,000.00	5.700%	47,452.50	(16,608.37)	420,844.13	451,688.26
08/01/2027	-	-	36,337.50	(12,718.12)	23,619.38	-
02/01/2028	405,000.00	5.700%	36,337.50	(12,718.12)	428,619.38	452,238.76
08/01/2028	-	-	24,795.00	(8,678.25)	16,116.75	-
02/01/2029	420,000.00	5.800%	24,795.00	(8,678.25)	436,116.75	452,233.50
08/01/2029	-	-	12,615.00	(4,415.25)	8,199.75	-
02/01/2030	435,000.00	5.800%	12,615.00	(4,415.25)	443,199.75	451,399.50
Total	\$5,735,000.00	-	\$2,855,318.75	(999,361.50)	\$7,590,957.25	-

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	10/01/2013
Average Life	9.074 Years
Average Coupon	5.3959392%
Weighted Average Maturity (Par Basis)	9.074 Years

Refunding Bond Information

Refunding Dated Date	10/01/2013
Refunding Delivery Date	10/01/2013

City of Edina, MN

\$5,735,000 Taxable Lease Revenue Bonds, Series 2009B

Build America Bonds - Direct Payment

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
10/01/2013	-	-	-	-	-	-	-
11/01/2013	5,735,000.00	70,773.13	5,805,773.13	-	-	-	-
02/01/2014	-	-	-	270,000.00	2.850%	141,546.25	411,546.25
08/01/2014	-	-	-	-	-	137,698.75	137,698.75
02/01/2015	-	-	-	275,000.00	3.050%	137,698.75	412,698.75
08/01/2015	-	-	-	-	-	133,505.00	133,505.00
02/01/2016	-	-	-	280,000.00	3.650%	133,505.00	413,505.00
08/01/2016	-	-	-	-	-	128,395.00	128,395.00
02/01/2017	-	-	-	285,000.00	4.000%	128,395.00	413,395.00
08/01/2017	-	-	-	-	-	122,695.00	122,695.00
02/01/2018	-	-	-	290,000.00	4.250%	122,695.00	412,695.00
08/01/2018	-	-	-	-	-	116,532.50	116,532.50
02/01/2019	-	-	-	300,000.00	4.400%	116,532.50	416,532.50
08/01/2019	-	-	-	-	-	109,932.50	109,932.50
02/01/2020	-	-	-	310,000.00	4.750%	109,932.50	419,932.50
08/01/2020	-	-	-	-	-	102,570.00	102,570.00
02/01/2021	-	-	-	315,000.00	5.000%	102,570.00	417,570.00
08/01/2021	-	-	-	-	-	94,695.00	94,695.00
02/01/2022	-	-	-	330,000.00	5.100%	94,695.00	424,695.00
08/01/2022	-	-	-	-	-	86,280.00	86,280.00
02/01/2023	-	-	-	340,000.00	5.200%	86,280.00	426,280.00
08/01/2023	-	-	-	-	-	77,440.00	77,440.00
02/01/2024	-	-	-	350,000.00	5.400%	77,440.00	427,440.00
08/01/2024	-	-	-	-	-	67,990.00	67,990.00
02/01/2025	-	-	-	365,000.00	5.500%	67,990.00	432,990.00
08/01/2025	-	-	-	-	-	57,952.50	57,952.50
02/01/2026	-	-	-	375,000.00	5.600%	57,952.50	432,952.50
08/01/2026	-	-	-	-	-	47,452.50	47,452.50
02/01/2027	-	-	-	390,000.00	5.700%	47,452.50	437,452.50
08/01/2027	-	-	-	-	-	36,337.50	36,337.50
02/01/2028	-	-	-	405,000.00	5.700%	36,337.50	441,337.50
08/01/2028	-	-	-	-	-	24,795.00	24,795.00
02/01/2029	-	-	-	420,000.00	5.800%	24,795.00	444,795.00
08/01/2029	-	-	-	-	-	12,615.00	12,615.00
02/01/2030	-	-	-	435,000.00	5.800%	12,615.00	447,615.00
Total	\$5,735,000.00	\$70,773.13	\$5,805,773.13	\$5,735,000.00	-	\$2,855,318.75	\$8,590,318.75

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	10/01/2013
Average Life	9.074 Years
Average Coupon	5.4866013%
Weighted Average Maturity (Par Basis)	9.074 Years

Refunding Bond Information

Refunding Dated Date	10/01/2013
Refunding Delivery Date	10/01/2013

City of Edina, Minnesota

\$8,535,000 General Obligation Bonds, Series 2013A

PIR Bonds

Assumes Current Market BQ AAA Rates plus 25bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
10/01/2013	-	-	-	-	-
08/01/2014	-	-	56,556.25	56,556.25	-
02/01/2015	-	-	33,933.75	33,933.75	90,490.00
08/01/2015	-	-	33,933.75	33,933.75	-
02/01/2016	150,000.00	0.850%	33,933.75	183,933.75	217,867.50
08/01/2016	-	-	33,296.25	33,296.25	-
02/01/2017	155,000.00	1.100%	33,296.25	188,296.25	221,592.50
08/01/2017	-	-	32,443.75	32,443.75	-
02/01/2018	155,000.00	1.350%	32,443.75	187,443.75	219,887.50
08/01/2018	-	-	31,397.50	31,397.50	-
02/01/2019	160,000.00	1.650%	31,397.50	191,397.50	222,795.00
08/01/2019	-	-	30,077.50	30,077.50	-
02/01/2020	160,000.00	2.050%	30,077.50	190,077.50	220,155.00
08/01/2020	-	-	28,437.50	28,437.50	-
02/01/2021	165,000.00	2.350%	28,437.50	193,437.50	221,875.00
08/01/2021	-	-	26,498.75	26,498.75	-
02/01/2022	165,000.00	2.550%	26,498.75	191,498.75	217,997.50
08/01/2022	-	-	24,395.00	24,395.00	-
02/01/2023	170,000.00	2.700%	24,395.00	194,395.00	218,790.00
08/01/2023	-	-	22,100.00	22,100.00	-
02/01/2024	175,000.00	2.850%	22,100.00	197,100.00	219,200.00
08/01/2024	-	-	19,606.25	19,606.25	-
02/01/2025	180,000.00	3.000%	19,606.25	199,606.25	219,212.50
08/01/2025	-	-	16,906.25	16,906.25	-
02/01/2026	185,000.00	3.150%	16,906.25	201,906.25	218,812.50
08/01/2026	-	-	13,992.50	13,992.50	-
02/01/2027	190,000.00	3.300%	13,992.50	203,992.50	217,985.00
08/01/2027	-	-	10,857.50	10,857.50	-
02/01/2028	200,000.00	3.400%	10,857.50	210,857.50	221,715.00
08/01/2028	-	-	7,457.50	7,457.50	-
02/01/2029	205,000.00	3.500%	7,457.50	212,457.50	219,915.00
08/01/2029	-	-	3,870.00	3,870.00	-
02/01/2030	215,000.00	3.600%	3,870.00	218,870.00	222,740.00
Total	\$2,630,000.00	-	\$761,030.00	\$3,391,030.00	-

Yield Statistics

Bond Year Dollars	\$25,761.67
Average Life	9.795 Years
Average Coupon	2.9541179%
Net Interest Cost (NIC)	3.0357896%
True Interest Cost (TIC)	3.0146851%
Bond Yield for Arbitrage Purposes	4.1614999%
All Inclusive Cost (AIC)	3.1158525%

IRS Form 8038

Net Interest Cost	2.9541179%
Weighted Average Maturity	9.795 Years

Series 2013 GO Bonds | PIR Bonds | 8/23/2013 | 12:40 PM

City of Edina, Minnesota

\$8,535,000 General Obligation Bonds, Series 2013A

PIR Bonds

Assumes Current Market BQ AAA Rates plus 25bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	105% of Total	Assessments	Levy/(Surplus)
02/01/2014	-	-	-	-	-	-	-	-	-
02/01/2015	-	-	90,490.00	90,490.00	(90,490.00)	-	-	-	-
02/01/2016	150,000.00	0.850%	67,867.50	217,867.50	-	217,867.50	228,760.88	269,683.89	(40,923.02)
02/01/2017	155,000.00	1.100%	66,592.50	221,592.50	-	221,592.50	232,672.13	269,683.89	(37,011.77)
02/01/2018	155,000.00	1.350%	64,887.50	219,887.50	-	219,887.50	230,881.88	269,683.90	(38,802.03)
02/01/2019	160,000.00	1.650%	62,795.00	222,795.00	-	222,795.00	233,934.75	269,683.88	(35,749.13)
02/01/2020	160,000.00	2.050%	60,155.00	220,155.00	-	220,155.00	231,162.75	269,683.89	(38,521.14)
02/01/2021	165,000.00	2.350%	56,875.00	221,875.00	-	221,875.00	232,968.75	269,683.89	(36,715.14)
02/01/2022	165,000.00	2.550%	52,997.50	217,997.50	-	217,997.50	228,897.38	269,683.89	(40,786.52)
02/01/2023	170,000.00	2.700%	48,790.00	218,790.00	-	218,790.00	229,729.50	269,683.90	(39,954.40)
02/01/2024	175,000.00	2.850%	44,200.00	219,200.00	-	219,200.00	230,160.00	269,683.89	(39,523.89)
02/01/2025	180,000.00	3.000%	39,212.50	219,212.50	-	219,212.50	230,173.13	269,683.90	(39,510.78)
02/01/2026	185,000.00	3.150%	33,812.50	218,812.50	-	218,812.50	229,753.13	269,683.90	(39,930.78)
02/01/2027	190,000.00	3.300%	27,985.00	217,985.00	-	217,985.00	228,884.25	269,683.90	(40,799.65)
02/01/2028	200,000.00	3.400%	21,715.00	221,715.00	-	221,715.00	232,800.75	269,683.90	(36,883.15)
02/01/2029	205,000.00	3.500%	14,915.00	219,915.00	-	219,915.00	230,910.75	269,683.90	(38,773.15)
02/01/2030	215,000.00	3.600%	7,740.00	222,740.00	-	222,740.00	233,877.00	269,683.90	(35,806.90)
Total	\$2,630,000.00	-	\$761,030.00	\$3,391,030.00	(90,490.00)	\$3,300,540.00	\$3,465,567.00	\$4,045,258.42	(579,691.42)

Significant Dates

Dated	10/01/2013
First Coupon Date	8/01/2014

Yield Statistics

Bond Year Dollars	\$25,761.67
Average Life	9.795 Years
Average Coupon	2.9541179%
Net Interest Cost (NIC)	3.0357896%
True Interest Cost (TIC)	3.0146851%
Bond Yield for Arbitrage Purposes	4.1614999%
All Inclusive Cost (AIC)	3.1158525%

Series 2013 GO Bonds | PIR Bonds | 8/23/2013 | 12:41 PM

City of Edina, Minnesota

\$8,535,000 General Obligation Bonds, Series 2013A

Assessments

Assumes Current Market BQ AAA Rates plus 25bps

Assessments

Date	Principal	Coupon	Interest	Total P+I
12/31/2015	149,745.89	4.000%	119,938.00	269,683.89
12/31/2016	155,735.73	4.000%	113,948.16	269,683.89
12/31/2017	161,965.16	4.000%	107,718.74	269,683.90
12/31/2018	168,443.76	4.000%	101,240.12	269,683.88
12/31/2019	175,181.51	4.000%	94,502.38	269,683.89
12/31/2020	182,188.77	4.000%	87,495.12	269,683.89
12/31/2021	189,476.33	4.000%	80,207.56	269,683.89
12/31/2022	197,055.38	4.000%	72,628.52	269,683.90
12/31/2023	204,937.59	4.000%	64,746.30	269,683.89
12/31/2024	213,135.10	4.000%	56,548.80	269,683.90
12/31/2025	221,660.50	4.000%	48,023.40	269,683.90
12/31/2026	230,526.92	4.000%	39,156.98	269,683.90
12/31/2027	239,748.00	4.000%	29,935.90	269,683.90
12/31/2028	249,337.92	4.000%	20,345.98	269,683.90
12/31/2029	259,311.44	4.000%	10,372.46	269,683.90
Total	\$2,998,450.00	-	\$1,046,808.42	\$4,045,258.42

Significant Dates

Filing Date	1/01/2015
First Payment Date	12/31/2015



EHLERS
LEADERS IN PUBLIC FINANCE

September 3, 2013

Pre-Sale Report for

City of Edina, Minnesota

\$1,125,000 General Obligation Bonds, Series 2013B



Prepared by:

Mark Ruff
Senior Financial Advisor

And

Nick Anhut
Financial Specialist



Executive Summary of Proposed Debt

Proposed Issue:	\$1,125,000 General Obligation Bonds, Series 2013B
Authority:	<p>The Series 2013B Bonds are being issued pursuant to Minnesota Statutes, Chapter 475 and pursuant to special legislation: Minnesota Laws 1961, Chapter 655 – H.F. No. 1403 which allows Edina to “pledge for payment of general obligation bonds issued to finance the acquisition or betterment of municipal recreational facilities, and interest thereon, any defined portion of all of the revenues to be derived from the operation of such facilities and of any then existing recreational facilities.” The City needs to set aside an internal debt service reserve fund to meet the parameters of the act.</p> <p>The Series 2013B Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.</p>
Purposes:	The proposed issue includes financing for recreational facility improvements including a reconstruction of the golf dome for Braemar. Debt service will be paid from golf course revenues.
Term/Call Feature:	<p>The Series 2013B Bonds are being issued for a 15 year term. Principal on the Series 2013B Bonds will be due on February 1 in the years 2015 through 2029. Interest is payable every six months beginning August 1, 2014.</p> <p>The Series 2013B Bonds maturing February 1, 2023 and thereafter will be subject to prepayment at the discretion of the City on February 1, 2022 or any date after call date.</p>
Bank Qualification:	Because the City is issuing less than \$10,000,000 in the calendar year, the City will be able to designate the Series 2013B Bonds as “bank qualified” obligations. Bank qualified status broadens the market for the Series 2013B Bonds, which can result in lower interest rates.
Rating:	<p>The City’s most recent bond issues were rated “AAA” by Standard & Poor’s and “Aaa” by Moody’s Investors Service. The City will request a new rating for the Series 2013B Bonds from both rating agencies.</p> <p>If the winning bidder on the Series 2013B Bonds elects to purchase bond insurance, the rating for the issue may be higher than the City’s bond rating in the event that the bond rating of the insurer is higher than that of the City.</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 local banks in your area and regional underwriters.</p> <p>We have included an allowance for discount bidding equal to 1.2% of the principal amount of the issue. 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 the Series 2013B 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>
Review of Existing Debt:	<p>We have reviewed all outstanding indebtedness for the City and find that there are no additional refunding opportunities at this time.</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>
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).</p>
Arbitrage Monitoring:	<p>Because the Series 2013B 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 Officer's 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>If revenues from the recreational facilities are not adequate, the City will be expected to make debt service from any available revenue including a tax levy.</p>



Proposed Debt Issuance Schedule

Pre-Sale Review by City Council	September 3, 2013
Distribute Official Statement:	September 5, 2013
Rating Agency Visits	Week of September 3, 2013
City Council Meeting to Award Sale of the Bonds:	September 17, 2013
Estimated Closing Date:	The first week of October

Attachments

- Sources and Uses of Funds
- Proposed Debt Service Schedule
- Bond Buyer Index
- 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
Bond Sale Coordinator:		
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

\$1,125,000 General Obligation Bonds, Series 2013B
Assumes Current Market BQ AAA Rates plus 25bps

Sources & Uses

Dated 10/01/2013 | Delivered 10/01/2013

Sources Of Funds

Par Amount of Bonds	\$1,125,000.00
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Total Sources	\$1,125,000.00
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Uses Of Funds

Total Underwriter's Discount (1.200%)	13,500.00
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Costs of Issuance	27,000.00
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Deposit to Project Construction Fund	1,081,229.00
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Rounding Amount	3,271.00
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Total Uses	\$1,125,000.00
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City of Edina, Minnesota

\$1,125,000 General Obligation Bonds, Series 2013B

Assumes Current Market BQ AAA Rates plus 25bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy	Fiscal Total
10/01/2013	-	-	-	-	-	-
08/01/2014	-	-	22,395.83	22,395.83	23,515.62	-
02/01/2015	60,000.00	0.650%	13,437.50	73,437.50	77,109.38	100,625.00
08/01/2015	-	-	13,242.50	13,242.50	13,904.63	-
02/01/2016	65,000.00	0.850%	13,242.50	78,242.50	82,154.63	96,059.25
08/01/2016	-	-	12,966.25	12,966.25	13,614.56	-
02/01/2017	70,000.00	1.100%	12,966.25	82,966.25	87,114.56	100,729.13
08/01/2017	-	-	12,581.25	12,581.25	13,210.31	-
02/01/2018	70,000.00	1.350%	12,581.25	82,581.25	86,710.31	99,920.63
08/01/2018	-	-	12,108.75	12,108.75	12,714.19	-
02/01/2019	70,000.00	1.650%	12,108.75	82,108.75	86,214.19	98,928.38
08/01/2019	-	-	11,531.25	11,531.25	12,107.81	-
02/01/2020	70,000.00	2.050%	11,531.25	81,531.25	85,607.81	97,715.63
08/01/2020	-	-	10,813.75	10,813.75	11,354.44	-
02/01/2021	70,000.00	2.350%	10,813.75	80,813.75	84,854.44	96,208.88
08/01/2021	-	-	9,991.25	9,991.25	10,490.81	-
02/01/2022	75,000.00	2.550%	9,991.25	84,991.25	89,240.81	99,731.63
08/01/2022	-	-	9,035.00	9,035.00	9,486.75	-
02/01/2023	75,000.00	2.700%	9,035.00	84,035.00	88,236.75	97,723.50
08/01/2023	-	-	8,022.50	8,022.50	8,423.63	-
02/01/2024	80,000.00	2.850%	8,022.50	88,022.50	92,423.63	100,847.25
08/01/2024	-	-	6,882.50	6,882.50	7,226.63	-
02/01/2025	80,000.00	3.000%	6,882.50	86,882.50	91,226.63	98,453.25
08/01/2025	-	-	5,682.50	5,682.50	5,966.63	-
02/01/2026	80,000.00	3.150%	5,682.50	85,682.50	89,966.63	95,933.25
08/01/2026	-	-	4,422.50	4,422.50	4,643.63	-
02/01/2027	85,000.00	3.300%	4,422.50	89,422.50	93,893.63	98,537.25
08/01/2027	-	-	3,020.00	3,020.00	3,171.00	-
02/01/2028	85,000.00	3.400%	3,020.00	88,020.00	92,421.00	95,592.00
08/01/2028	-	-	1,575.00	1,575.00	1,653.75	-
02/01/2029	90,000.00	3.500%	1,575.00	91,575.00	96,153.75	97,807.50
Total	\$1,125,000.00	-	\$279,583.33	\$1,404,583.33	\$1,474,812.50	-

Significant Dates

Dated	10/01/2013
First Coupon Date	8/01/2014

Yield Statistics

Bond Year Dollars	\$9,875.00
Average Life	8.778 Years
Average Coupon	2.8312236%
Net Interest Cost (NIC)	2.9679325%
True Interest Cost (TIC)	2.9557143%
Bond Yield for Arbitrage Purposes	2.7969886%
All Inclusive Cost (AIC)	3.2812992%

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Net Interest Cost	2.8312236%
Weighted Average Maturity	8.778 Years

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