

Special Meeting
September 16, 2013
6:00 p.m.

With due call and notice thereof, the September 16, 2013 special meeting of the Eden Valley City Council was called to order at 6:00 p.m. in the Civic Center meeting room. Present were Mayor Korman, Councilors Gabrelcik and Dan Thielen, and Clerk Haag. Also present: Todd Hagen and Councilor-elect Jeff Bradshaw. Mayor Korman presided.

The purpose of the special meeting was to canvass election results and discuss financing for the TH 22 Street Improvement Project. The agenda was approved on a motion by Thielen, seconded by Gabrelcik.

Election results provided by Clerk Haag and election judges showed a total number of sixty (60) persons voting in the Special Election held on September 10, 2013 to fill the Council vacancy created when Councilor Eric Reetz resigned. Results were as follows: Jeff Bradshaw – 34 votes received; Robert Bischof – 21 votes received; and Daniel Schmitt – 5 votes received, with Jeff Bradshaw declared the winner. A motion was made by Gabrelcik to accept the election results as presented and declare Jeff Bradshaw the winner of the special election to fill the vacancy of Councilor Eric Reetz, with term expiring 12/31/16. Motion was seconded by Thielen, and carried unanimously. State statute allows for a 7-day period to contest an election, therefore Mr. Bradshaw will be sworn in for office at the next regular Council meeting scheduled for October 9, 2013.

City Financial Advisor Todd Hagen, of Ehlers, was present to review the pre-sale report for a proposed \$1,055,000.00 20-year bond to assist in financing the TH 22 Street Improvement Project. Hagen explained the bond would be tax exempt, and financing would be done according to State Statutes Chapter 475 & 429, including special assessments. Plans are to levy in 2014 for 2015 special assessments, with the first principal payment on the bonds due in 2016. The bonds will be issued as callable in 2022, in the event there would be interest cost savings by refinancing at that time. The Council questioned possible interest rates, and Hagen reported the estimated rate he's seen recently is 3.75 average rate, with 3.85 true interest cost. Hagen also noted the City is currently not rated and he recommends pursuing a rating from Standard and Poors for this issuance, in order to try to get a more favorable interest rate. He reported the fee for rating is usually a minimum fee of \$8000, and explained the rating process, which would involve a substantial amount of time for the Clerk in preparation and for the actual call. Hagen was hopeful the City could attain an "A" rating for the bonds if they pursued the rating and were willing to go through the work to compete the rating process. After discussion, the Council consensus was to move forward with the rating process. Special assessments were discussed, and Hagen recommended the Council set the interest rate on the special assessments at 1 ½% over true interest cost, as he has recommended in the past. Resolution #2013-28, Providing for the Sale of \$1,055,000 General Obligation Improvement Bonds, Series 2013B, was introduced and moved for adoption by Thielen, and seconded by Gabrelcik. Voting in favor were Gabrelcik, Korman, and Thielen; against: none, whereby Resolution #2013-28 was duly adopted.

Correspondence from the Minnesota Public Facilities Authority informing the City Council the City's application for financing through the PFA for the TH 22 Improvement Project eligible costs was approved in the amount of \$1,342,270 was reviewed. The financing will consist of a \$174,329 Drinking Water Revolving Fund 20-year loan at 1.0%, \$697,316 in the form of a principal forgiveness grant, and a \$470,625 Clean Water Revolving Fund 20-year loan at 1.463%. The Council was pleased with the favorable interest rates, and especially pleased with the unexpected grant award of \$697,316 and the assistance this would provide for all taxpayers and utility customers in the city.

As there was no further business, the meeting was adjourned on a motion by Thielen, seconded by Gabrelcik.

Attest:

Mona Haag, Clerk/Treasurer

Peter Korman, Mayor