

SPECIAL CITY COUNCIL

April 25, 2016

5:00 P.M.

Members Present: Mayor Hansey, Schmidt, Bertsch, Mitskog, Dale, and Wateland.

Staff Present: Huwe, Miranowski, Priebe, and Amos.

Also Present: Mike Manstrom, and Frank Stanko with Daily News.

Mayor Hansey called the meeting to order at 5:04 p.m.

Bond Sale Results & Resolutions Refunding Improvements Bonds 2016 Series A R/ I 11516

Recommendation on Refunding Improvement Bonds Series 2016 Mike Manstrom of Dougherty & Co. LLC presented the results of the City of Wahpeton's Refunding Improvement Series 2016 bond sale with a principal amount of \$3,380,000. Manstrom explained what they are intending to do and what will happen with the passage of this resolution which will save the City some money. He said they started conversations with Huwe in March with a refunding solution estimate. The 2010 special assessment bonds have carried interest rates out from 2 to 3 ½%. Those funds can be refunded today with today's rates at under 1% to 2% so that's what will be driving savings. All they are doing is reducing the payment to the City. The maturities stay the same and will continue to assess but can assess at a lower rate because the payment will be a lower payment. They are estimating savings to be approximately \$200,000, future value going forward savings. Same special assessment bonds but will be 2016 rather than 2010 with the lower interest rate, which is probably the simplest way to look at it. Cost of issuance are built in and the savings estimated are net of the cost so are still saving approximately \$200,000 future value going forward after the underwriter's discount and bond counsel fee. Those numbers are in place and the savings are there. What is a little bit different is have a resolution prepared by Jim Stuart, the City's bond counsel, which is a financing resolution but it's a resolution not to exceed. The interest rates they are proposing won't be final until Thursday morning and rather than holding another City Council meeting can pass the resolution this evening, they lock up a maximum interest rate of 1.75%, which is where Manstrom gets the \$200,000 in savings. They cannot come back with an interest rate in excess of that. Once the resolution is passed will lock up the interest rates then Huwe and Hansey can sign the finalized form on Thursday when everything is complete that locks up the interest rates and send out the call notice of the bonds on Friday which will be the first of 2016 and then start over with the new bonds at that time.

Council member Wateland offered the following and moved its adoption:

RESOLUTION NO. 3595
**RESOLUTION CREATING THE FUND OF AN IMPROVEMENT DISTRICT,
PROVIDING FOR AND APPROPRIATING SPECIAL ASSESSMENTS FOR THE SUPPORT AND
MAINTENANCE OF SAID FUND, AND AUTHORIZING THE
ISSUANCE OF IMPROVEMENT WARRANTS THEREON
(Refunding Improvement Bonds of 2016)**

The motion for the adoption of the foregoing Resolution was duly seconded by Councilmember Schmidt. Motion carried with a roll call vote 5-0.

Council member Mitskog offered the following and moved its adoption:

RESOLUTION NO. 3596
**RESOLUTION AUTHORIZING THE ISSUANCE OF \$3,380,000
REFUNDING IMPROVEMENT BONDS OF 2016
(Refunding Improvement Bonds of 2016)**

The motion for the adoption of the foregoing Resolution was duly seconded by Councilmember Wateland. Motion carried with a roll call vote 5-0.

Manstrom then distributed the Moody's Report showing the City's A-1 rating to Council members for their information.

Motion by Mitskog, seconded by Schmidt and carried, to adjourn at 5:10 p.m.

ATTEST

Meryl Hansey, Mayor

Lynelle Amos, Finance Assistant