

**February 8, 2016**

The City Council met in the Council Room on February 8, 2016 with the following members present: Richard Novotny, Monica Olson, Mayor Terry Aasness, Darek Buse & Bobbie Batesole and the following absent: NONE

Others Present: Shelly Eldridge-Ehlers & Associates, Tim Fenlason-Evansville Fire Department, Ardell Hendrickson, Jerry Buse and Diana K. Olson

All present stood to say the pledge of allegiance.

The meeting was called to order at 7:00 PM by Mayor Aasness.

A motion was made by Novotny, seconded by Buse and carried to approve the February 8<sup>th</sup> agenda.

A motion was made by Novotny, seconded by Olson and carried to approve the January 11<sup>th</sup> Council Minutes.

Shelly from Ehlers presented the 2016 refunding bond information. The bond was sold on February 8<sup>th</sup> and we got a very good rate. The City will save around \$151,000 in interest by combining the 2003 & 2005 bond and refinancing. The City received an A+ bond rating which helps us get a better interest rate.

Member Monica Olson introduced the following resolution and moved its adoption:

RESOLUTION 16-001

PROVIDING FOR THE ISSUANCE AND SALE OF \$1,160,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016A, PLEDGING FOR THE SECURITY THEREOF NET REVENUES, SPECIAL ASSESSMENTS, TAX INCREMENTS AND LEVYING A TAX FOR THE PAYMENT THEREOF

A. WHEREAS, the City Council of the City of Evansville, Minnesota (the "City"), hereby determines and declares that it is necessary and expedient to provide moneys for a current refunding of the City's outstanding (i) \$1,020,000 original principal amount of General Obligation Improvement, Sewer and Water Revenue Note of 2005, dated August 17, 2005 (the "Prior 2005 Note"); and (ii) \$1,160,000 original principal amount of General Obligation Bonds, Series 2003A, dated June 1, 2003 (the "Prior 2003A Bonds"); and

B. WHEREAS, (i) the Prior 2005 Note is subject to redemption, in whole or in part, at any time on or after March 1, 2015, and any date thereafter, at a price of par plus accrued interest, as provided in Resolution No. 05-016, adopted by the City Council on August 1, 2005 (the "Prior 2005 Resolution"), authorizing the issuance of the Prior 2005 Note; and (ii) the Prior 2003A Bonds are callable on February 1, 2014, and on any date thereafter, at a price of par plus accrued interest, as provided in the resolution adopted by the City Council on May 29, 2003, authorizing the issuance of the Prior 2003A Bonds (the "Prior 2003A Resolution"); and

C. WHEREAS, the current refunding on March 25, 2016 (the "2005 Call Date") of \$645,000 aggregate principal amount of the Prior 2005 Note maturing on and after March 1, 2017 (the "Refunded 2005 Note"); and the current refunding on March 15, 2016 (the "2003 Call Date", and together with the 2005 Call Date, the "Call Dates") of \$495,000 aggregate prior amount of the Prior 2003A Bonds maturing or subject to mandatory redemption on and after

February 1, 2017 (the "Refunded 2003A Bonds" and, together with the Refunded 2005 Note, the "Refunded Bonds"), is consistent with covenants made with the holders thereof, and is necessary and desirable for the reduction of debt service cost to the City; and

D. WHEREAS, the City Council hereby determines and declares that it is necessary and expedient to issue \$1,195,000 General Obligation Refunding Bonds, Series 2016A (the "Bonds" or individually, a "Bond"), pursuant to Minnesota Statutes, Chapter 475, to provide moneys for the current refunding of the Refunded Bonds; and

E. WHEREAS, the Prior 2003A Bonds are internally trifurcated in the Prior 2003A Resolution of which \$145,000 original principal amount was designated the "Special Assessment and Tax Levy Portion" and are also referred to herein as the "2003A Improvement Refunding Portion"; \$680,000 original principal amount was designated the "Net Revenue Portion" and are also referred to herein as the "2003A Utility Refunding Portion" and \$370,000 original principal amount was designated the "Tax Increment Refunding Portion" and are also referred to herein as the "2003A TIF Refunding Portion", and together herein may be referred to as the "2003A Refunding Portion of the Bonds"; and

F. WHEREAS, the City owns and operates a municipal water system (the "Water System"), a municipal sewer system (the "Sewer System"), and a municipal storm sewer system (the "Storm Sewer System", and together with the Water System and the Sewer System, the "System") as separate revenue producing public utilities. The net revenues of the Water System are pledged to the payment of the (i) \$137,813 General Obligation Water Revenue Note of 2006, dated October 19, 2006; (ii) the \$94,776 General Obligation Water Improvement Note of 2016, dated February 28, 2012; and (iii) \$373,816 General Obligation Water Revenue Note of 2014, dated August 4, 2014 (the "Outstanding Water Notes"). The net revenues of the Sewer System are pledged to the payment of the outstanding (i) General Obligation Sewer Revenue Note, dated December 11, 1997; (ii) the \$54,630 General Obligation Sewer Improvement Note of 2016, dated May 24, 2013; and (iii) \$600,721 General Obligation Sewer Revenue Note of 2014, dated August 4, 2014 (the "Outstanding Sewer Notes", and together with the Outstanding Water Notes, the "Outstanding Notes"). The net revenues of the System are pledged to the payment of the 2003A Utility Portion of the Prior 2003A Bonds. The net revenues of the Water System and the Sewer System are pledged to the payment of the Prior 2005 Note; and

G. WHEREAS, the proceeds of the 2003A TIF Refunding Portion of the Prior 2003A Bonds were issued pursuant to the provisions of a Tax Increment Financing Plan (the "Plan") for Tax Increment Financing District No. 1-2 (the "Tax Increment District"), within Development District No. 1 (the "Development District"), to provide funds which were expended to finance various capital and administration costs as set forth in the Plan and the tax increments derived from the Tax Increment District (the "Tax Increments") have been pledged to the payment of the 2003A TIF Refunding Portion of the Prior 2003A Bonds; and

H. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent financial advisor for the sale of the Bonds and was therefore authorized to sell the Bonds by private negotiation in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9) and proposals to purchase the Bonds have been solicited by Ehlers; and

I. WHEREAS, the proposals set forth on Exhibit A attached hereto were received by the City Clerk-Treasurer, or designee, at the offices of Ehlers at 11:00 A.M. on the date hereof,

pursuant to the Preliminary Official Statement, dated January 28, 2016, established for the Bonds; and

J. WHEREAS, it is in the best interests of the City that the Bonds be issued in book-entry form as hereinafter provided; and

The motion for the adoption of the foregoing resolution was duly seconded by member Richard Novotny and, after a full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof: Monica Olson, Richard Novonty, Terry Aasness, Bobbie Batesole and Darek Buse

And the following voted against the same: NONE

Whereupon the resolution was declared duly passed and adopted this 8<sup>th</sup> day of February 2016. A full copy of this resolution is available to view at City Hall.

The fire department is looking at building a new fire hall due to the space issue. They are still in the early stages of the planning process. They were wondering if the City would be interested in having the old fire hall for City use.

A motion was made by Olson, seconded by Batesole and carried to approve the fire department budget of \$49,500 for 2017.

The Council discussed the loan the fire department borrowed from the City for their last fire truck.

A motion was made by Novotny, seconded by Batesole and carried to approve the list of fire department officers for 2016.

Fire Chief---Chris Johnson  
Assistant Fire Chief—Jamie Englund  
Willy Westrom  
Secretary----Jenny Westrom  
Engineer---Darek Buse  
Jake Cole

A motion was made by Novotny, seconded by Olson and carried to approve the resignation of Ashley Cole from the fire department and approve Kris Prigge to join the fire department.

A motion was made by Olson, seconded by Novonty and carried to allow Jamie to attend one day of the Rural Water Conference for his continuing education.

Board of Review is scheduled for April 20<sup>th</sup> at 1:00 PM at City Hall.

We pumped 15.079 million gallons of water for 2015 and 15,512 million gallons of wastewater for 2015.

Jerry is looking at some equipment for a safety grant.

Terry sent in a spare meter reading battery to get repaired. It will cost \$65.00 to rebuild it.

A motion was made by Olson, seconded by Batesole and carried to rebuild the meter reading battery for \$65.00.

There were a couple properties that will go up for back taxes. One parcel is in East Side Phase 1 and the council wanted more information about it.

The lease was sent to the school with the changes the Council made.

A motion was made by Novotny, seconded by Buse and carried to approve the February bills and authorize payment. (List Attached)

A motion was made by Novonty, seconded by Olson and carried to adjourn the meeting at 9:03 PM.

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Diana K. Olson