

COUNCIL PROCEEDINGS
Crosslake, Minnesota
SPECIAL SESSION - May 30, 1986
11:30 a.m. - City Hall

The City Council of Crosslake, Minnesota met in a special session on May 30, 1986 at 11:30 a.m. in the Council Chambers of City Hall. The following members were present: Mayor August Mezzenga, Councilmen Orval Nelson and Oliver Yates. Absent were Councilmen Robert Allen and Oliver Courts. Also present were Bruce Buxton from Widseth Smith Nolting and Associates and Luther Fjelstad from Springsted Incorporated.

Mayor Mezzenga stated the purpose for the special meeting was: (1) To set the date for selling the road improvement bonds; (2) Selecting a Hearing Officer for the contested road assessments; and (3) Set the date for the hearing for the contested road assessments.

Mr. Fjelstad said he would like the Council to set Monday, June 30, 1986 for a special council meeting to sell the bonds. Bids would be accepted at that time and proceeds from the bonds would be available within 30 days to pay contractors or pay other bills pertaining to the road project.

MOTION NO. 5S2-01-86 WAS MADE BY COUNCILMAN NELSON AND SECONDED BY COUNCILMAN YATES TO ACCEPT RESOLUTION NO. 10 PROVIDING FOR THE ISSUANCE AND SALE OF \$515,000 IN GENERAL OBLIGATION IMPROVEMENT BONDS. MOTION PASSED UNANIMOUSLY.

Mr. Fjelstad said individuals in Crosslake who might be interested in purchasing bonds should contact bonding underwriters.

Mr. Buxton stated he had been in contact with City Attorney Tom Fitzpatrick and Mr. Fitzpatrick had suggested Doug Anderson, an attorney from Little Falls, as the possible hearing officer for contested assessments. MOTION NO. 5-S2-02-86 WAS MADE BY COUNCILMAN NELSON AND SECONDED BY COUNCILMAN YATES TO APPOINT DOUG ANDERSON FROM LITTLE FALLS AS THE HEARING OFFICER FOR THE CONTESTED ASSESSMENTS AT THE RATE OF \$60 PER HOUR. MOTION PASSED UNANIMOUSLY.

Mr. Buxton said that he and Mr. Fitzpatrick had gone over all the written contestments and there were approximately 25 people who must be notified of the scheduled hearing. Buxton said several had been resolved already. The City Council members should be present at the hearing and there should also be a Court Reporter present. The calendar for Mr. Fitzpatrick and Mr. Anderson is open for July 11, 1986 and also for July 14, 1986 for any carry overs. MOTION NO. 5S2-03-86 WAS MADE BY COUNCILMAN YATES AND SECONDED BY COUNCILMAN NELSON TO SET THE DATE FOR THE HEARING FOR THE CONTESTED ASSESSMENTS AS JULY 11, 1986 AT 9:00 A.M. AT CITY HALL AND IF NECESSARY TO BE CONTINUED ON JULY 14, 1986 AT 9:00 A.M. MOTION PASSED UNANIMOUSLY.

MOTION NO. 5S2-04-86 WAS MADE BY COUNCILMAN NELSON AND SECONDED BY COUNCILMAN YATES TO AUTHORIZE THE CITY ATTORNEY TO APPOINT AN APPRAISER PRIOR TO THE CONTESTED ASSESSMENT HEARING. MOTION PASSED UNANIMOUSLY.

Mr. Buxton informed the Council that although the bid awarding for the road work is set for June 23, 1986 it could be postponed a week until June 30, 1986 so as to coincide with the special meeting set for that date. That way it would save the council members one special meeting. It was agreed to handle it that way and Mr. Buxton would notify all bidders of the new date for awarding the bid.

MOTION NO. 5S2-05-86 WAS MADE BY COUNCILMAN NELSON AND SECONDED BY COUNCILMAN YATES TO ADJOURN THIS SPECIAL COUNCIL SESSION AT 11:54 A.M. MOTION PASSED UNANIMOUSLY.

Recorded and transcribed by:



Arlene A. Buchite, City Clerk/Treasurer

Extract of Minutes of Meeting
of the City Council of the City
of Crosslake, Crow Wing County, Minnesota

Pursuant to due call and notice thereof a special meeting of the City Council of the City of Crosslake, Crow Wing County, Minnesota, was held at the City Hall in said City on May 30, 1986, commencing at 11:30 o'clock A.M.

The following members were present: A, Mezzenga, O. Nelson & O. Yates

and the following were absent: R. Allen & O. Courts

The following resolution was presented by Councilmember Nelson who moved its adoption:

RESOLUTION NO. 10

RESOLUTION PROVIDING FOR THE ISSUANCE
AND SALE OF \$515,000 GENERAL OBLIGATION
IMPROVEMENT BONDS, SERIES 1986A

BE IT RESOLVED By the City Council of the City of Crosslake, Crow Wing County, Minnesota (City) as follows:

1. It is hereby determined:

- (a) That the following assessable public improvements (the "Improvements") have been made, duly ordered or

contracts let for the construction thereof, by the City pursuant to the provisions of Minnesota Statutes, Chapter 429:

<u>Project Designation & Description</u>	<u>Total Project Cost</u>
Construction Amount	\$376,300
Engineering, Legal, Administration	56,445
Contingency	40,000
Issuance	13,400
Subtotal	<u>\$486,145</u>
Allowance for Discount (1.9%)	9,785
Capitalized Interest	20,278
Total Project Cost	<u>\$516,208</u>
Less: Reinvestment Income	<u>(1,208)</u>
 TOTAL BOND ISSUE	 \$515,000

- (b) That it is necessary and expedient to the sound financial management of the affairs of the City to issue \$515,000 General Obligation Improvement Bonds, Series 1986A (Bonds) to provide financing for the Improvements.

2. In order to provide financing for the Improvements, the City shall therefore issue and sell Bonds in the amount of \$505,215. In order to provide in part the additional interest required to market the Bonds at this time, additional Bonds shall be issued in the amount of \$9,785. Any excess of the purchase price of the Bonds over the sum of \$505,215 shall be credited to the debt service fund for the Bonds for the purpose of paying interest first coming due on such additional Bonds. The Bonds shall be issued and sold in accordance with the terms of the following Official Terms of Offering:

OFFICIAL TERMS OF OFFERING

\$515,000

CITY OF CROSSLAKE, MINNESOTA

GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 1986A

Sealed bids for the Bonds will be opened by the City Council on Monday, June 30, 1986 at 5:00 P.M., Central Time, at the City Hall. Consideration for award of the Bonds will immediately follow the opening of bids.

DETAILS OF THE BONDS

The Bonds will be dated July 1, 1986, as the date of original issue, and will bear interest payable on February 1 and August 1 of each year, commencing February 1, 1987. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB. The Bonds will be issued in integral multiples of \$5,000 of a single maturity, as requested by the Purchaser, and fully registered as to principal and interest. Principal will be payable at the main corporate office of the Registrar and interest on each Bond will be payable by check or draft of the Registrar mailed to the registered holder thereof at his address as it appears on the books of the Registrar as of the 15th of the calendar month next preceding the interest payment.

The Bonds will mature February 1 in the amounts and years as follows:

\$75,000	1988	\$70,000	1989-1991	\$75,000	1992-1993	\$80,000	1994
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MANDATORY REDEMPTION

In the event that pursuant to federal laws and regulations the City is required to use unexpended bond proceeds for early redemption of Bonds in order to continue exemption of the Bonds from federal taxation, the City shall use such unexpended Bond proceeds to redeem Bonds on any date after notice is given pursuant to law. Those Bonds remaining unpaid which have the latest maturity date will be prepaid first. If only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid will be chosen by lot by the Registrar. All such prepayments shall be at a price of 102% plus accrued interest.

OPTIONAL REDEMPTION

Except as provided above, the Bonds will not be subject to payment in advance of their respective stated maturity dates.

SECURITY AND PURPOSE

The Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. In addition the City will pledge special assessments levied upon benefitted properties. The proceeds will be used for local improvements.

TYPE OF BID

A sealed bid for not less than \$505,215 and accrued interest on the total principal amount of the Bonds shall be filed with the undersigned prior to the time set for the opening of bids. Also prior to the time set for bid opening, a certified or cashier's check in the amount of \$5,150 payable to the order of the City, shall have been filed with the undersigned or SPRINGSTED Incorporated, the City's Financial Advisor. No bid will be considered for which said check has not been filed. The check of the Purchaser will be retained by the City as liquidated damages in the event the Purchaser fails to comply with the accepted bid. The City will deposit the check of the Purchaser, the amount

of which will be deducted at settlement. No bid shall be withdrawn after the time set for opening bids, unless the meeting of the City scheduled for consideration of the bids is adjourned, recessed, or continued to another date without award of the Bonds having been made. Rates offered by Bidders shall be in integral multiples of 5/100 or 1/8 of 1%. No rate for any maturity shall be more than 1% lower than any prior rate. Bonds of the same maturity shall bear a single rate from the date of the Bonds to the date of maturity.

AWARD

The Bonds will be awarded to the Bidder offering the lowest dollar interest cost to be determined by the deduction of the premium, if any, from, or the addition of any amount less than par, to, the total dollar interest on the Bonds from their date to their final scheduled maturity. The City's computation of the total net dollar interest cost of each bid, in accordance with customary practice, will be controlling.

The City will reserve the right to: (i) waive non-substantive informalities of any bid or of matters relating to the receipt of bids and award of the Bonds, (ii) reject all bids without cause, and, (iii) reject any bid which the City determines to have failed to comply with the terms herein.

REGISTRAR

The City will name the Registrar which shall be subject to applicable SEC regulations. The City will pay for the services of the Registrar.

CUSIP NUMBERS

If the Bonds qualify for assignment of CUSIP numbers such numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Bonds. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

SETTLEMENT

Within 40 days following the date of their award, the Bonds will be delivered without cost to the Purchaser at a place mutually satisfactory to the City and the Purchaser. Delivery will be subject to receipt by the Purchaser of an approving legal opinion of LeFevre, Lefler, Kennedy, O'Brien & Drawz, a Professional Association of Minneapolis, Minnesota, which opinion will be printed on the Bonds, and of customary closing papers, including a no-litigation certificate. On the date of settlement payment for the Bonds shall be made in federal, or equivalent, funds which shall be received at the offices of the City, or its designee, not later than 1:00 P.M., Central Time of the day of settlement. Except as compliance with the terms of payment for the Bonds shall have been made impossible by action of the City, or its agents, the Purchaser shall be liable to the City for any loss suffered by the City by reason of the Purchaser's non-compliance with said terms for payment.

At settlement the Purchaser will be furnished with a certificate, signed by appropriate officers of the City, to the effect that the Official Statement did not as of the date of the Official Statement, and does not as of the date of settlement, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

OFFICIAL STATEMENT

Underwriters may obtain a copy of the Official Statement by request to the City's Financial Advisor prior to the bid opening. The Purchaser will be provided with 25 copies of the Official Statement.

Dated May 22, 1986

BY ORDER OF THE CITY COUNCIL

/S/ Arlene Buchite
City Clerk

3. The City Clerk is authorized and directed to advertise the Bonds for sale in accordance with the foregoing Official Terms of Offering and to cause the abbreviated notice of sale attached hereto as Exhibit A, to be published in the manner required by law. The City Council shall meet on Monday, June 30, 1986, at 5:00 o'clock p.m. for the purpose of considering bids on the Bonds and taking any other appropriate action.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Yates and upon vote being taken thereon, the following voted in favor of the motion: All members present

and the following voted against: None

whereupon said resolution was declared duly passed and adopted.

NOTICE OF SALE

\$515,000
 GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 1986A
 CITY OF CROSSLAKE
 CROW WING COUNTY, MINNESOTA

Sealed bids for these bond will be opened on Monday, June 30, 1986 at 5:00 P.M. C.D.T. at City Hall in the City of Crosslake, Minnesota, and considered for award will immediately follow at City Hall on the same day. Dated July 1, 1986, the bonds will mature, without option of prior payment except as noted below, on February 1 in the years and amounts as follows:

1988	\$75,000	1992	\$75,000
1989	70,000	1993	75,000
1990	70,000	1994	80,000
1991	70,000		

In the event that pursuant to federal laws and regulations the City is required to use unexpended Bond proceeds for early redemption of Bonds in order to continue exemption of the Bonds from federal taxation, the City shall use such unexpended Bond proceeds to redeem Bonds on any date after notice is given pursuant to law. Those Bonds remaining unpaid which have the latest maturity date will be prepaid first. If only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid will be chosen by lot by the Registrar. All such prepayments shall be at a price of 102% plus accrued interest. Minimum bid \$505,215. An unqualified legal opinion will be furnished by LeFevere, Lefler, Kennedy, O'Brien & Drawz, a Professional Association, Minneapolis, Minnesota. The purpose of the bonds is to fund the construction of various public improvements.

BY ORDER OF THE CITY COUNCIL

Arlene Buchite

 City Clerk

DATED: May 22, 1986.

Further information may be obtained from the Issuer's Financial Advisor, SPRINGSTED INCORPORATED, 85 East Seventh Place, Suite 100, St. Paul, Minnesota 55101, (612)223-3000.

STATE OF MINNESOTA)
)
COUNTY OF CROW WING)
)
CITY OF CROSSLAKE)

I, the undersigned, being the duly qualified and acting City Clerk of the City of Crosslake, Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of a special meeting of the City Council of said City held on Friday, May 30, 1986, with the original thereof on file in my office and the same is a full, true and correct copy thereof, insofar as the same relates to the issuance and sale of \$515,000 General Obligation Improvement Bonds, Series 1986A, of the City.

WITNESS My hand as such City Clerk and the corporate seal of the City this 30th day of MAY, 1986.

Arlene A. Buchite
City Clerk
City of Crosslake, Minnesota

(SEAL)