

CITY OF MONTEVIDEO
ADJOURNED CITY COUNCIL PROCEEDINGS
June 21, 2012

The city council met in adjourned session Thursday, June 21, 2012 in the council chambers at city hall. The regular meeting of June 18, 2012 had been adjourned to this date and time to facilitate the sale of \$950,000 General Obligation Improvement Bonds, Series 2012A. President Hodge called the meeting to order at 5:00 P.M.

Council members present: Sandra Hodge, Al Johnsrud, Bryce Curtiss and Karen Nieuwbeerta. Absent: Marvin Garbe. Mayor Debra Lee Fader present.

Also present were: City Manager Steven C. Jones, Finance Director Jan Flaherty and City Clerk Glennis Lauritsen.

Carolyn Drude, Ehler's & Associates, was present to review bids received for the sale of \$950,000 General Obligation Improvement Bonds, Series 2012A, in conjunction with the 2012 Street & Storm Sewer Improvements. Three (3) bids were received, with the low bid submitted by United Bankers' Bank of Bloomington, Minnesota at a price of \$942,400.00 / net interest cost of \$110,567.86 / true interest rate of 1.9248%. Drude briefly reviewed the debt service schedule and levy schedule associated with the issue, as well as a graph indicating a two-year trend in municipal bond indices..

It was noted that a credit rating with Standard & Poors was received on June 15, 2012. The rating for this bond issue is "A+." This is the same rating received in 2010. Drude commented on the rating, which reflects Standard & Poors view of the city's:

- Role as a regional economic center;
- Maintenance of very strong reserve levels; and,
- Moderate debt burden.

Drude added that Standard & Poors revised the city's financial management practices to "good" from "standard," which they view as very important. The revision was the result of the city establishing a formally approved fund balance policy. Drude commended city staff on the revision and the high credit rating for the City of Montevideo.

AL JOHNSRUD OFFERED RESOLUTION NO. 3116, A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$950,000 GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2012A, PLEDGING FOR THE SECURITY THEREOF SPECIAL

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ASSESSMENTS AND LEVYING A TAX FOR THE PAYMENT THEREOF, AND MOVED ITS ADOPTION. MOTION FOR ADOPTION OF RESOLUTION NO. 3116 WAS SECONDED BY BRYCE CURTISS. THOSE VOTING IN FAVOR OF MOTION: AL JOHNSRUD, BRYCE CURTISS, KAREN NIEUWBEERTA AND SANDRA HODGE. THOSE VOTING AGAINST MOTION: NONE. RESOLUTION PASSED 4-0.

Meeting adjourned at 5:23 P.M.

Glennis A. Lauritsen, Secretary

Approved by council July 2, 2012:

Sandra Hodge - President