

**City Council Meeting  
Special Meeting  
November 18, 2009**

Mayor Dahnke called this special meeting to order at 6:30 p.m. Members present were Mayor Dahnke, and council members Larry Davis, Jr., Roger Cooper, Del Ellefson, Merlin Strom, and Jeremy Krause. Council member Chad Hagen was absent. Others in attendance were City Attorney John Shockley, City Administrator Mike Rietz, City Clerk Jeri Reep, Jason Rick, Darin Allmaras, Richard Fursman with the Brimeyer Group, and Todd Hagen with Ehlers & Associates.

Mayor Dahnke next asked City Clerk Jeri Reep to take roll call. The next item on the agenda was the pledge of allegiance. All rose to recite the pledge of allegiance.

Mayor Dahnke next called on Mr. Todd Hagen with Ehlers & Associates to discuss the refunding bond pre-sale report.

Mr. Todd Hagen discussed with council members the pre-sale report for \$1,515,000 General Obligation Refunding Bonds, Series 2010. Mr. Hagen discussed the City receiving an indicator report, that this report would be helpful for the city. Mr. Hagen stated that with the 2003A Bond, the city could possibly save approximately \$80,000.00. Mr. Hagen stated that he was looking at a call date of December 14, 2009. The City will continue to make payments on the old bonds until the call date, and after the call date, the City will begin to make payments on the new bonds. The savings would not be reflected until after August 1, 2010.

**11-18-09-01** Motion by Mr. Ellefson and second by Mr. Strom to approve the following resolution, authorizing Ehlers & Associates to proceed with the re-sale of bonds, not to exceed 3.55%.

**Resolution No. 11-18-09-01**

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**Resolution Providing for the Sale of  
\$1,515,000 General Obligation Refunding Bonds, Series 2010**

- A. WHEREAS, the City Council of the City of Barnesville, Minnesota, has heretofore determined that it is necessary and expedient to issue the City's \$1,515,000 General Obligation Refunding Bonds, Series 2010 (the "Bonds"), to crossover refund the City's outstanding General Obligation Improvement Bonds, Series 2002; and to current refund the City's outstanding General Obligation Street and Utility Bonds, Series 2003; and

B. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent financial advisor for the Bonds and is therefore authorized to solicit proposals in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9);

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Barnesville, Minnesota, as follows:

1. Authorization; Findings. The City Council hereby authorizes Ehlers to solicit proposals for the sale of the Bonds.
2. Meeting; Proposal Opening. The City Council shall meet at 6:30 p.m. on December 14, 2009, for the purpose of considering proposals for and awarding the sale of the Bonds.
3. Official Statement. In connection with said sale, the officers or employees of the City are hereby authorized to cooperate with Ehlers and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

The motion for the adoption of the foregoing resolution was duly seconded by Council Member Strom, and, after full discussion thereof and upon a vote being taken thereon, the following Council Members voted in favor thereof: Council members Cooper, Ellefson, Davis, Strom and Krause. Council member Hagen was absent.

and the following voted against the same: none.

Whereupon said resolution was declared duly passed and adopted.

Dated this 18<sup>th</sup> day of November, 2009.

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Fred Dahnke  
Mayor

Attest:

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Michael Rietz  
City Administrator

**11-18-09-02** Motion by Mr. Cooper and second by Mr. Strom to approve the following resolution.

Resolution No. 11-18-09-02

**Resolution Providing for the Sale of Approximately  
\$1,515,000 General Obligation Refunding Bonds, Series 2010**

- A. WHEREAS, the City Council of the Barnesville, Minnesota (the “City”), is authorized by Minnesota Statutes, Chapter 475 (the “Act”) and Section 475.67, Subdivision 3, of the Act to issue and sell its general obligation bonds to refund obligations and the interest thereon before the due date of the obligations, if consistent with covenants made with the holders thereof, when determined by the City Council to be necessary or desirable for the reduction of debt service cost to the City or for the extension or adjustment or maturities in relation to the resources available for their payment; and
- B. WHEREAS, Section 475.67, subdivision 13 of the Act permits the sale of crossover refunding obligations beyond six months prior to the date on which the obligations to be refunded may be called for redemption, provided that a sufficient escrow be established with a suitable banking institution; and
- C. WHEREAS, it is necessary and desirable to reduce debt service costs to the City and that the City issue approximately \$1,515,000 General Obligation Refunding Bonds, Series 2010 (the “Bonds”) to crossover refund certain outstanding general obligations of the City; and
- D. WHEREAS, the outstanding bonds to be refunded (the “Refunded Bonds”) consist of (i) the \$1,355,000 General Obligation Improvement Bonds, Series 2002, dated September 16, 2002, of which \$1,220,000 in principal amount is currently outstanding and is callable on August 1, 2010 and any date thereafter; and (ii) the \$665,000 General Obligation Street and Utility Bonds, Series 2003A, dated August 1, 2003, of which \$355,000 in principal amount is currently outstanding and is callable on August 1, 2009 and any date thereafter; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the Barnesville, Minnesota, as follows:

1. Authorization; Findings; Proposal Opening. Ehlers & Associates, Inc., in Roseville, Minnesota (“Ehlers”) is authorized and directed to structure the terms of the Bonds, provided that the principal amount shall not exceed \$1,515,000 and the final maturity shall be no later than February 1, 2023. The City Council hereby authorizes Ehlers to solicit proposals for the sale of the Bonds. The City Council further authorizes the City Administrator and Mayor to consider proposals and take any other appropriate action with respect to the Bonds, provided that the proposal of the selected purchaser (the “Purchaser”) must (a) offer the lowest true interest cost, which shall in any event be no higher than 3.55% per annum, and (b) produce debt service savings such that the present value of the debt service on the Bonds (computed to their stated maturity dates) is lower by at least three percentage points than the present value of the debt service on the Refunded Bonds.
  
2. Meeting; Ratify Acceptance. The City Council shall meet at the first practicable date after acceptance by the City Administrator and Mayor of a proposal from the Purchaser, to ratify such acceptance and take any other appropriate action with respect to the Bonds.

The motion for the adoption of the foregoing resolution was duly seconded by Council Member Strom, and, after full discussion thereof and upon a vote being taken thereon, the following Council Members voted in favor thereof: Cooper, Ellefson, Davis, Strom and Krause. Council member Hagen was absent.

and the following voted against the same: none.

Whereupon said resolution was declared duly passed and adopted.

Dated this 18<sup>th</sup> day of November, 2009.

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Fred Dahnke  
Mayor

Attest:

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Michael Rietz  
Administrator

Mayor Dahnke stated the next item on the agenda was the Brimeyer Group on boarding session with Mr. Richard Fursman.

Mr. Richard Fursman next discussed the survey results with council members. Mr. Fursman discussed the council's survey and the employee survey. Mr. Fursman generated some discussion from council members on the survey. Council members discussed the top priorities for City Administrator Mike Rietz. Some of the priorities are: 2010 budget, Front Street Project, update chain of command, Christmas Party, LGA watch, review portfolios, complete contact list, review personnel review forms.

Council members had no further questions for Mr. Fursman.

Mayor Dahnke adjourned the meeting at 8:21 p.m.

Submitted by:

Attest:

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Jeri Reep  
City Clerk

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Fred Dahnke  
Mayor