

FINANCE COMMITTEE

10-0523R

RESOLUTION AUTHORIZING THE ISSUANCE AND PROVIDING FOR
THE SALE OF GENERAL OBLIGATION UTILITIES REVENUE
REFUNDING BONDS, SERIES 2010C.

CITY PROPOSAL:

BE IT RESOLVED, by the city council of the city of Duluth, Minnesota, as follows:

(a) Authorization of bonds. It is hereby found, determined, and declared to be necessary, and in the best interests of the city and its residents, that the city should issue its approximately \$4,490,000 general obligation utilities revenue refunding bonds, Series 2010C (the "bonds"), pursuant to Minnesota Statutes, Chapter 475, and sections 115.46 and 444.075, and Section 55 of the Home Rule Charter of the city for the purpose of refunding the city's general obligation utilities revenue bonds, Series 2002C, dated September 1, 2002, and the city's general obligation utilities revenue bonds, Series 2002G, dated December 1, 2002;

(b) Issuance and sale of bonds. The terms and conditions of the bonds and the sale thereof are set forth in the official terms of offering on file with the city clerk as Public Document No. _____. Each and all of the terms and provisions set forth in the official terms of offering are adopted and confirmed as the terms and conditions of the bonds and the sale thereof, and the city council shall meet at the time and place fixed herein to consider bids for the purchase of the bonds;

(c) Competitive sale of bonds. Public Financial Management, Inc., independent financial advisor to the city, is hereby authorized to provide the notice of the sale of the bonds in accordance with Minnesota Statutes, Section 475.60, subdivision 3, and in accordance with the official terms of offering;

(d) Subsequent resolution. The form, specifications and provisions for repayment of the bonds shall be set forth in a subsequent resolution of this city council.

Approved:

Approved for presentation to council:

Department Director

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

FIN RT/AH:jkmr 10/1/2010

STATEMENT OF PURPOSE: The purpose of this resolution is to authorize the issuance of general obligation utilities revenue refunding bonds in the approximate amount of \$4,490,000 to refinance the portion of two outstanding city bond issues issued for the sewer and water utilities. The portion of the two city bond issues issued for the gas utility will be prepaid from gas utility funds. Based upon present interest rates (as of September 24, 2010), the refunding would provide a net present value savings of approximately \$554,310.