

BEMIDJI ECONOMIC DEVELOPMENT AUTHORITY

A G E N D A

November 6, 2017

6:00 p.m. (or soon thereafter)

Council Chambers

1. CALL TO ORDER

2. CONSIDER A RESOLUTION PROVIDING FOR THE PREPAYMENT AND REDEMPTION OF CERTAIN TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012

3. ADJOURN

BEDA AGENDA ITEM



Meeting Date: November 6, 2017

Action Requested: Authorize partial prepayment of 2007 Taxable Bonds

Prepared By: Ron Eischens, Finance Director *Ron*

Reviewed By: Nate Mathews, City Manager

In 2012, the City refinanced \$5.9 million of taxable bonds related to South Shore land purchases with interest rates ranging from 2.0 to 3.9%. The bonds can be prepaid but doing so requires advance notice to bond holders.

Based on recent land sale proceeds received of \$480,000, plus 2017 budgeted transfers and tax levy dollars, the City has the ability to pay off bonds of \$790,000 saving approximately \$24,000 in interest. Since this prepayment was not anticipated, the 2017 budget does not reflect this expenditure. Staff will prepare a budget amendment to reflect this transaction.

The balance of bonds after this prepayment will be \$2,370,000, which are projected to be paid off by year 2023.

Recommendation:

Approve the attached resolution calling notice of prepayment of \$790,000 plus accrued interest of 2007 Taxable Bonds.

**Extract of Minutes of Meeting of the
Board of Commissioners of Bemidji Economic Development Authority**

Pursuant to due call and notice thereof, a meeting of the Board of Commissioners of Bemidji Economic Development Authority was duly held at the Authority offices in Bemidji, Minnesota on Monday, November 6, 2017, at ___ o'clock P.M.

The following members were present:

and the following were absent:

* * * * * * * * *

Commissioner _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. _____

**RESOLUTION PROVIDING FOR THE PREPAYMENT AND REDEMPTION OF CERTAIN
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012**

WHEREAS, the Authority has previously issued and sold its Taxable General Obligation Refunding Bonds, Series 2012 (the "Bonds") dated January 25, 2012, in total principal amount of \$5,915,000 and the Bonds currently outstanding are subject to redemption at a redemption price of par plus accrued interest to the redemption date in such order of maturity as determined by the Authority; and

WHEREAS, the Authority has sufficient funds available to redeem \$790,000_in principal amount of such Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Bemidji Economic Development Authority as follows:

1. It is determined that it is in the best interests of the sound financial management of the Authority and the City of Bemidji that the outstanding Bonds maturing on February 1 in the years 2024 and 2025 be redeemed and prepaid on the earliest practicable date for which the required notice of redemption may be given, and those Bonds are hereby call for redemption such date as determined by the Finance Director.
2. The Finance Director is authorized and directed to provide notice of the redemption of such Bonds substantially in the form attached hereto as Exhibit A to the registrar and to such other parties as necessary to provide for the redemption of the Bonds.

Motion by: _____

Second by: _____

Those in Favor: _____

Those Against: _____

Date: _____

By: _____
Its President

Attest: _____
Its Secretary

NOTICE OF CALL FOR REDEMPTION

**TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012
DATED JANUARY 25, 2012**

BEMIDJI ECONOMIC DEVELOPMENT AUTHORITY, MINNESOTA

NOTICE IS HEREBY GIVEN that on _____, 201_, the Bemidji Economic Development Authority, Minnesota, will redeem and pay prior to maturity the portion of the outstanding bonds of its issue of Taxable General Obligation Refunding Bonds, Series 2012 dated January 25, 2012, which have stated maturity dates on February 1 in the years 2024 and 2025, in accordance with the terms of such bonds and as authorized by the resolution of the Board of Commissioners providing for their issuance. Payment of the principal of and accrued interest on such Bonds will be made at the office of Wells Fargo Bank, National Association., Minneapolis, Minnesota, on the aforesaid redemption date in accordance with the terms of the Bonds.

The Bonds to be redeemed, identified by CUSIP Number, Amount, Maturity and Interest Rate, are as follows:

<u>Number</u>	<u>CUSIP</u>	<u>Maturity</u> <u>(February 1)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>
R-11	AW4	2024	\$395,000	3.30%
R-12	AX2	2025	\$395,000	3.35%

The bonds will be redeemed at a price equal to their principal amount plus accrued interest to the date of redemption. Holders of such bonds should present them for payment on or before said date, on which date they will cease to bear interest.

A form W-9, Payer's Request for Taxpayer Identification Number, must be completed and returned with the called bond or 31% of the bond redemption proceeds will be withheld. Payment of the bonds to be redeemed will be made on and after _____, 201_ by submitting said bond along with the completed form W-9 to the following address:

If you request payment of principal and/or interest via wire transfer, please be advised there is a wire transfer fee which will be deducted from your payment.

Additional information may be obtained from the undersigned.

Dated: _____, 2017

BY ORDER OF THE BOARD OF COMMISSIONERS

/s/ Ron Eischens

Finance Director

Bemidji Economic Development Authority