

FINANCE COMMITTEE

14-0033R

RESOLUTION CALLING FOR THE PREPAYMENT AND REDEMPTION OF
GENERAL OBLIGATION TAX ABATEMENT BONDS, SERIES 2005E OF
THE CITY OF DULUTH, MINNESOTA.

CITY PROPOSAL:

BE IT RESOLVED, by the city council (the "Council") of the city of Duluth, Minnesota (the "City"), as follows:

Section 1. Under and pursuant to Minnesota Statutes, Chapter 475 and the Home Rule Charter of the City, the City previously issued its \$310,000 General Obligation Tax Abatement Bonds, Series 2005E dated October 6, 2005 (the "2005 Bonds"). The 2005 Bonds were issued to finance acquisition of property for the extension of the City's lakewalk.

Section 2. The 2005 Bonds are substantially in the form prescribed by Resolution 05-0634 duly adopted by the Council on September 22, 2005 (hereinafter referred to as the "2005 Bond Resolution").

Section 3. The Council hereby determines that it is necessary and desirable in order to reduce debt service costs to the City, that the City redeem and prepay the 2005 Bonds maturing on and after February 1, 2015 (the "Redeemed Bonds"), of which \$210,000 in principal amount is outstanding and is hereby called for prepayment and redemption on February 19, 2014 (the "Redemption Date").

Section 4. (a) Funds previously deposited in the Debt Service Account in the amount of \$240,195.25 shall be segregated and shall constitute a separate trust fund to be used for no purpose other than the payment of the principal of the 2005 Bonds maturing on February 1, 2014, interest on the 2005 Bonds due on February 1, 2014, interest due on the Redeemed Bonds on the Redemption Date, and the principal of the Redeemed Bonds called for prepayment and redemption on the Redemption Date.

(b) It is hereby found and determined that the funds on deposit in the Debt Service Account in the amount of \$240,195.25 will be sufficient to pay the principal of the 2005 Bonds maturing on February 1, 2014 (\$25,000), the

interest on the 2005 Bonds maturing on February 1, 2014 (\$4,765), interest on the Redeemed Bonds to the Redemption Date (\$430.25), and the outstanding principal of the Redeemed Bonds (\$210,000) on the Redemption Date.

(c) Upon redemption of the Redeemed Bonds on the Redemption Date, the Debt Service Account shall be terminated.

Section 5. The Redeemed Bonds shall be redeemed and prepaid in accordance with their terms and in accordance with the terms and conditions set forth in the form of Notice of Call for Redemption on file with the city clerk as Public Document No. _____, which terms and conditions are hereby approved and incorporated herein by reference. The city clerk or his designee is hereby authorized and directed to send written Notice of Call for Redemption to Wells Fargo Bank, National Association, as bond registrar and paying agent for the 2005 Bonds, so that the bond registrar can provide the Notice of Call for Redemption to the bond holders at least 35 days prior to the Redemption Date.

Approved:



Department Director

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

FIN PS:le 01/02/2014

STATEMENT OF PURPOSE: The purpose of this resolution is to call for the prepayment and redemption of the City's General Obligation Tax Abatement Bonds, Series 2005E. The outstanding principal amount of the bonds to be prepaid and redeemed on February 19, 2014, is \$210,000, which funds are currently in the debt service account for such bonds.

NOTICE OF CALL FOR REDEMPTION
\$310,000 GENERAL OBLIGATION TAX ABATEMENT BONDS, SERIES 2005E
DATED OCTOBER 6, 2005
CITY OF DULUTH
ST. LOUIS COUNTY, MINNESOTA

NOTICE IS HEREBY GIVEN that, by order of the City Council of the City of Duluth, St. Louis County, Minnesota (the "City"), there have been called for redemption and prepayment on

February 19, 2014

all outstanding bonds of the City designated as General Obligation Tax Abatement Bonds, Series 2005E, dated October 6, 2005, having stated maturity dates of February 1 in the years 2015, 2016, 2017, 2019 and 2021, totaling \$210,000 in outstanding principal amount, and with the following CUSIP numbers:

Number	Maturity	Principal Amount*	Interest Rate	CUSIP Number**
R-5	2015	\$25,000	3.80%	264438 CJ 9
R-6	2016	30,000	3.90%	264438 CK 6
R-7	2017	30,000	4.00%	264438 CL 4
R-8	2019	60,000	4.15%	264438 CN 0
R-9	2021	65,000	4.30%	264438 CQ 3

The Bonds are being called at a price of par plus accrued interest to February 19, 2014, on which date all interest on said Bonds will cease to accrue. Holders of the Bonds hereby called for redemption are requested to present their Bonds for payment at the office of Wells Fargo Bank, National Association, Corporate Trust Operations, P.O. Box 1517, Minneapolis, Minnesota 55480-1517, on or before February 19, 2014.

Important Notice: In compliance with the Economic Growth and Tax Relief Reconciliation Act of 2001, federal backup withholding tax will be withheld at the applicable backup withholding rate in effect at the time of payment by the redeeming institutions if they are not provided with your social security number or federal employer identification number, properly certified. This requirement is fulfilled by submitting a W-9 Form, which may be obtained at a bank or other financial institution.

*Indicates full call of stated maturity.

** Neither the City nor the trustee shall be responsible for the selection of or use of the CUSIP number, and no representation is made as to its correctness indicated in the Notice of Call for Redemption. CUSIP numbers are included solely for the convenience of the Holders.

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Bond Registrar for the City of Duluth, Minnesota