

Morgan

Councilman Welter introduced the following resolution
and moved its adoption: RESOLUTION NO. 4 OF 1978.

RESOLUTION RELATING TO \$200,000 GENERAL
OBLIGATION SEWER AND WATER REVENUE BONDS;
AUTHORIZING THE ISSUANCE AND PUBLIC SALE
THEREOF

BE IT RESOLVED by the City Council of the City of Morgan,
Minnesota, as follows:

1. It is hereby found, determined and declared that the City did issue a Temporary Improvement Bond of 1977, in the principal amount of \$40,000 for the purpose of temporarily financing the cost of an improvement to the sewer and water system of the City, dated August 1, 1977, and maturing on August 1, 1980; that the funds now on hand in the fund from which said bond is primarily payable: viz., the Temporary Improvement Bond Fund, are insufficient for the redemption of the principal amount of said bond and for the payment of the interest due upon maturity; and that it is necessary and expedient for the City to issue its general obligation bonds in the principal amount of \$40,000 for the purpose of redeeming the entire principal amount of said temporary improvement bond on August 1, 1978.

2. This Council has heretofore determined that it is necessary to construct various improvements to the City's sewer and water system (the 1978 Sewer and Water Project), presently estimated to cost approximately \$132,000.

3. It is necessary for the City to issue its General Obligation Water and Sewer Revenue Bonds, in the aggregate principal amount of \$200,000, the proceeds of which will be used to finance costs and estimated costs of the improvements referred to in paragraphs 1 and 2 of this resolution, as set forth below:

Redemption of Temporary Improvement Bonds of 1977	\$	\$ 40,000
Construction of 1978 Sewer and Water Project	132,000	
Contingency Allowance	10,000	
Interest During Construction	<u>9,100</u>	
Total 1978 Sewer and Water Project		151,100
Legal and Fiscal Fees		5,000
Interest as Authorized by Minnesota Statutes, Section 475.56		<u>3,900</u>
Total		\$200,000

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4. The Council shall meet at the time and place specified in the notice of sale prescribed below for the purpose of receiving bids for and awarding the sale of the Bonds. The City Clerk-Treasurer is authorized and directed to cause notice of said meeting and of the purpose thereof to be published in one issue of The Morgan Messenger, a newspaper of general circulation in the City, and in one issue of Commercial West, published in Minneapolis, Minnesota, each publication to be made at least ten days before the date of said meeting. The notice shall be published in the following form:

NOTICE OF BOND SALE

\$200,000 GENERAL OBLIGATION
SEWER AND WATER REVENUE BONDS
CITY OF MORGAN, MINNESOTA

THESE BONDS WILL BE OFFERED Tuesday, May 23, 1978, at 7:00 o'clock P.M., C.D.T., at the City Hall in Morgan, Minnesota. Dated May 1, 1978, the bonds will mature on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1980	\$10,000	1985	\$15,000	1990	\$20,000
1981	10,000	1986	10,000	1991	15,000
1982	10,000	1987	15,000	1992	20,000
1983	15,000	1988	15,000	1993	20,000
1984	10,000	1989	15,000		

Bond maturing in the years 1989 through 1993 will be subject to redemption and prepayment on and after February 1, 1988. No rate of interest nor the net effective average rate of the issue may exceed 7% per annum. An opinion as to the validity of the bonds and the tax exempt nature of the interest thereon will be requested from Dorsey, Windhorst, Hannaford, Whitney & Halladay, of Minneapolis, Minnesota. The proceeds of the bonds will be used to finance various improvements to the City's sewer and water system.

April 5
Dated: ~~March 23~~, 1978.

BY ORDER OF THE CITY COUNCIL

/s/ John L. Kleinschmidt
City Clerk-Treasurer

5. The following Terms and Conditions of Sale shall constitute the terms and conditions for the sale and issuance of the Bonds, and the bond consultants for the City are hereby authorized and directed to cause the Terms and Conditions of Sale to be incorporated in material distributed to prospective bidders for the Bonds:

TERMS AND CONDITIONS OF SALE

\$200,000
GENERAL OBLIGATION
SEWER AND WATER REVENUE BONDS
CITY OF MORGAN, MINNESOTA

The City of Morgan, Minnesota (the City), has called for bids for the purchase from the City of its \$200,000 General Obligation Sewer and Water Revenue Bonds (the Bonds). This is a statement of the terms and conditions upon which bids for purchase of the Bonds are to be received and considered, the sale thereof awarded and the Bonds issued.

BID OPENING AND SALE

Sealed bids for the purchase of the Bonds will be received at the City Hall in Morgan, Minnesota, until 7:00 P.M., Central Daylight Time, on Tuesday, May 23, 1978, when they will be opened, read and considered by the City Council.

DATE AND INTEREST

The Bonds will be dated May 1, 1978. Interest will be payable February 1, 1979, and each August 1 and February 1 thereafter.

TYPE AND PURPOSE

The Bonds shall be negotiable coupon, general obligation, bearer bonds, for which the unlimited taxing powers of the City will be pledged, \$5,000 each, unless other denominations are requested by the purchaser within 48 hours after the award. The proceeds will be used to finance the construction of improvements to the municipal sewer and water system.

MATURITIES AND REDEMPTION

February 1, in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1980	\$10,000	1985	\$15,000	1990	\$20,000
1981	10,000	1986	10,000	1991	15,000
1982	10,000	1987	15,000	1992	20,000
1983	15,000	1988	15,000	1993	20,000
1984	10,000	1989	15,000		

Bonds maturing in 1988 and earlier years are not subject to prepayment prior to maturity. Bonds maturing in the years 1989 through 1993 will be subject to redemption and prepayment at the option of the City, in inverse order of serial numbers, on February 1, 1988, and any interest payment date thereafter, at their principal amount plus accrued interest.

PAYING AGENT

Principal and interest will be made payable at a suitable bank designated by the purchaser within 48 hours after award of sale, subject to approval by the City Council. The City will pay customary charges for this service.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such assignment and printing to be done at the expense of the purchaser, if the purchaser waives any extension of the time of delivery caused thereby.

DELIVERY

Within 40 days after award, the City will furnish and deliver to the purchaser, or its agent, the printed and executed Bonds, the opinion thereon of bond counsel, and customary closing papers, including a statement of non-litigation. Bond printing and legal opinion will be paid by the City. Delivery will be made anywhere in the State of Minnesota at the City's expense, or elsewhere in the continental United States at the expense of the purchaser. Payment must be made in Federal Funds, or equivalent immediately available funds, on day of delivery. The legal opinion will be printed on the Bonds.

RATES

All rates must be in integral multiples of 5/100 of 1% and may not exceed 7% per annum. All Bonds of the same maturity must bear a single rate from date of issue to maturity. No rate of any maturity may be lower than the highest rate carried by any of the preceding maturities. Additional coupons may not be used.

LEGAL OPINION AND SECURITY

An opinion as to the validity of the Bonds and the tax exempt nature of the interest thereon will be requested from Dorsey, Windhorst, Hannaford, Whitney & Halladay, of Minneapolis, Minnesota, and will be printed on the Bonds. The Bonds will be general obligations of the City, and, if necessary to pay principal thereof and interest thereon, the City is required to law to levy taxes upon all taxable property in the City, without limitation as to rate or amount.

TYPE OF BID - AMOUNT

Sealed bids must be mailed or delivered to the undersigned, must be unconditional except as to delivery in accordance with these Terms and Conditions, and must be accompanied by a cashier's check or certified check or bank draft in the amount of \$4,000, payable to the City Clerk-Treasurer to be retained by the City as liquidated

damages if the bid is accepted and the bidder fails to comply there-
with. The bid stating the lowest net interest cost on \$200,000
of Bonds (total interest from date of Bonds to stated maturities,
plus any discount or less any cash premium) will be deemed the most
favorable. No oral bid and no bid of less than \$196,100 plus
accrued interest will be considered. The City Council reserves
the right to reject any and all bids and to waive any informality
in any bid.

BY ORDER OF THE CITY COUNCIL

/s/ John L. Kleinschmidt
City Clerk-Treasurer

Philip L. Bicklund
Mayor

Attest:

John L. Kleinschmidt
City Clerk-Treasurer

The motion for the adoption of the foregoing resolution was duly seconded by Councilman Hinrichs, and upon vote being taken thereon, the following voted in favor thereof: All

and the following voted against the same: None

whereupon said resolution was declared duly passed and adopted and was signed by the Mayor and attested by the City Clerk-Treasurer.