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# Le Sueur County, MN

Tuesday, June 6, 2017

Board Meeting

## Item 2

**9:00 a.m. CIP Public Hearing (15 min)**

*RE: 2017 - 2021 CIP*

Staff Contact:

# Le Sueur County

2017 to 2021

## CAPITAL IMPROVEMENT PLAN

Amended June 6, 2017

# 2017-2021 CAPITAL IMPROVEMENT PLAN

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Approved October 4, 2005  
Amended October 10, 2006  
Amended October 2, 2007  
Amended August 5, 2008  
Amended June 14, 2011  
Amended December 23, 2014  
Amended June 6, 2017

## INTRODUCTION

The Le Sueur County Capital Improvement Plan is a multi-year guide to the construction and *I* or improvement of county roads and facilities and the acquisition of capital equipment. Through the process of preparing and updating a Capital Improvement Plan, the county meets the needs for orderly maintenance of the physical assets of the county. This CIP is intended to serve as a planning tool and is structured to present meaningful long-range perspective of the county's long-range capital needs.

Minnesota Statutes Chapter 373.40 authorizes counties to adopt a Capital Improvement Plan (CIP.) The law requires that a Capital Improvements Plan be prepared that must cover a five year period beginning with the date of the Plan adoption. The CIP must cover:

- 1) The estimated schedule, timing and details of the specific capital improvements.
- 2) Estimated cost of the capital improvements identified.
- 3) The need for the improvements.
- 4) The sources of revenue needed to pay for the improvements.

Approval of the CIP and annual amendments must be approved by the County Board by a three-fifths vote after a noticed public hearing. MN Laws 2005, Chapter 1, Article 3, Sections 101-102 have eliminated DEED's role in the CIP process. Therefore, the final step in the CIP planning process will be for the County to obtain Board approval of the plan on a three-fifths vote. Upon approval by the Board, CIP bonds may be issued.

A County may issue general obligation bonds for improvements included in an approved Plan if the following conditions are satisfied:

1. The County must publish notice of and conduct a public hearing on the issuance of the bonds. The bonds are subject to referendum voter approval only if a petition requesting a vote signed by five percent of the votes cast in the last general election is received within 30 days of the hearing.
2. The maximum annual debt service payment on all outstanding CIP bonds does not exceed 0.12 percent of the taxable market value of the County, excluding market value included in TIF districts.
3. The issuance of bonds must be approved by at least three-fifths of the members of the County Board.

The Le Sueur County Capital Improvement Plan has been created in accordance with the guidelines of Minnesota Statutes, Section 373.40. The CIP covers public improvements and building projects, with a useful life of five years or greater, currently anticipated to be undertaken by the county during the next five years. While cost estimates and proposed funding sources are identified for each general improvement area, the CIP is not intended to provide a complete financing plan for each project. As the County prepares to undertake individual projects, the County Board will consider a specific finance program. The priority and scheduling of each project may also change over time.

Le Sueur County believes the Capital Improvement process is an important element of responsible fiscal management. Major capital expenses can be anticipated and coordinated so as to minimize potentially adverse financial impacts caused by the timing and magnitude of capital outlays. This coordination of capital projects is important to the county in achieving its goals of an adequate physical plant, equipment and sound fiscal management. In these financially difficult times, good planning is essential for the wise use of limited funding.

## **THE CAPITAL IMPROVEMENT PLANNING PROCESS**

The Capital Improvement Planning process is as follows: The County Board authorizes the preparation of the CIP. The Administrator is instructed to assemble all known capital projects necessary over the next five-year period. The County Board then reviews the projects according to the project priority, fiscal impact and available funding. From this information, a preliminary capital improvement plan is prepared. A public hearing is held to solicit input from citizens and other governmental units. Changes may be made based on that input and a final project list is established.

The County Board then prepares the final plan and works with its financial advisor to prepare a general obligation bond sale and repayment schedule if necessary to the CIP. Once the proceeds from the bond sales become available, the 2017 projects are implemented.

In subsequent years, the process is repeated as projects are completed and new needs arise. Capital Improvement planning always looks five years into the future.

The CIP will be revised and updated on an annual basis during the annual budget cycle. Changes to the priorities established in the plan should be expected. Changes can be caused by reductions in funding levels, grants or other aid, delays in construction, emergency needs or simply a change in community preferences.

## **CIP POLICY SUMMARY**

In adopting the Capital Improvements Plan (CIP), the County finds:

1. The projects contained in the CIP are necessary to maintain the existing infrastructure of the County, to meet the anticipated service demands of the County and to properly provide for the safety and general well being of its residents.
2. The County has considered the costs of the projects and the available financial resources and has determined that these projects are within the financial ability of the County. Further, the County has determined that failure to undertake the CIP will result in a greater financial burden in the future.
3. The County has reviewed the alternatives for shared facilities with other units of governments. Le Sueur County will participate in shared facility options if such options are found to be efficient and cost effective.
4. The CIP is designed to make the most effective use of all financial resources available to the County, including current budgeted revenue, grants, fund reserves and borrowing. The County's goal is to maintain a reasonable balance among all available resources. The debt proposed in the CIP is within the statutory and financial capacity of the County. The County will structure all necessary debt in a manner that makes the best use of its financial resources and minimizes the impact on county residents. For those projects utilizing debt, borrowing is needed to provide the improvement in a timely manner and to spread the financial impacts over a period of years.

## FINANCING THE CAPITAL IMPROVEMENT PLAN

### Tax Levy

The tax levy funds are derived from the County property tax. The County Board determines the annual amount of the tax levy.

### Capital Replacement / Building Fund

The County may establish a capital building fund for future financing.

### General Obligation Bonds.

Minnesota Statutes, Chapter 475 allows general obligation bonds to be issued for building purposes in an amount up to the county's debt limit. This requires a vote of the public and must be approved by one vote more than 50% of those voting. The tax levy for debt service is spread on the basis of market value. First under MS 475, with few exceptions, counties cannot incur debt in excess of 3% of the assessor's estimated market value for the county. In Le Sueur County, the 2017 EMV is \$3,981,422,600. Therefore, the total amount of outstanding debt cannot exceed \$119,442,678. The 2016 EMV is \$3,958,055,700. Outstanding debt cannot exceed \$118,741,671.

### G.O. Capital Improvement Bonds

Minnesota Statute Chapter 373.40 allows counties to issue general obligation bonds for purposes defined in the Capital Improvement Plan. The annual obligation of debt cannot exceed 0.0012 times the Estimated Market Value for interest and principle payments without a referendum vote.

The calculation of Le Sueur County's debt limit is as follows:

*The maximum amount that can be levied on all of the County's CIP bonds is limited by the following formula:*

	2015	2016	2017
Estimated Market Value	\$3,878,425,100	\$3,958,055,700	\$3,981,422,600
x 0.12%	<u>.0012</u>	<u>.0012</u>	<u>.0012</u>
CIP legal lending limit (interest and principle payment)	\$ 4,654,110*	\$4,749,667*	\$4,777,707*

*\* 2011 G.O. Capital Improvement Bond sale proceeds were used for ARMER 800 megahertz public safety communication system. By state statute, bond proceeds used for the purchase of ARMER 800 megahertz public safety communication equipment is not included in the CIP annual obligation of debt that cannot exceed 0.0012 times the Market Value for interest and principle payments.*

### G.O. State Aid Road Bonds

Counties may issue general obligation bonds pursuant to Minnesota Statutes, section 162.181 and Chapter 475 for the purpose of financing the costs of State-Aid highway construction projects within the County.

### Bridge Bonding

The Minnesota Department of Transportation administers the Federal Bridge Replacement funds. The state has financed bridge replacements through a State-bonding program for bridges greater than 20-feet in length.

### Capital Equipment Notes

Counties are given authority to issue general obligation capital notes by resolution of the County Board without a referendum. General obligation capital notes are subject to the County's debt limit.

### 429 Improvement Bonds

Counties may issue bonds pursuant to Minnesota Statutes, Chapters 375B, 429, 444 and 475 for the purpose of financing the costs of sanitary sewer system projects within the County.

### G.O. County Jail Bonds

Counties may issue general obligation bonds for the creation of a county jail, sheriff's residence or both, pursuant to the provisions of MN Statutes, Chapters 641 and 475. No election is required if the amount of all bonds issued for this purpose and interest on them which are due and payable in any year does not exceed an amount equal to 0.09671 percent of the Estimated Market Value for interest and principle payments without a referendum vote.

### County State-Aid Highways Regular Construction

The purpose of the state-aid program is to provide resources, from the Highway Users Tax Distribution Fund, to assist local governments with the construction and maintenance of community-interest highways and streets on the state-aid system.

### County State-Aid Highway Municipal Construction

The purpose of the state-aid program is to provide resources, from the Highway Users Tax Distribution Fund, to assist local governments with the construction and maintenance of community-interest highways and streets on the state-aid system to be used on state aid roads in cities whose population is under 5000.



# CIP PROJECTS

## 2017 - 2021

**The CIP is organized by year beginning with year 2017 projects.  
These schedules are subject to change due to priority and financial conditions.**

Year 2017

Project	Description	General Fund	G. O. Jail Bonds	G.O. Bonds	G.O. Capital Improvement Bonds	Capital Notes	429 Improvement Bonds	Local Road and Bridge Fund	CSAII Regular Construction	CSAII Municipal Construction	Fund 29 State Bridge Bonds	Other Local Funds	Land Records Fund	CSAH General Obligation Bonds	CSAH - Music General Obligation	Federal Highway Admin	Grants	Total
<b>HIGHWAY</b>																		
CSAH 3 - Waseca County to TH 60	Bit Rehab and Overlay								\$424,592									\$424,592
CSAH 3 - TH 60 to CSAH 14	Bit Rehab and Overlay									\$350,000								\$350,000
CSAH 3 - TH 99 to TH 21	Bit Rehab and Overlay								\$988,943									\$988,943
CSAH 12 - CSAH 13 to CSAH 11	Bit Rehab and Overlay							\$68,590	\$317,931									\$386,521
CSAH 26 - CSAH 5 to Montgomery	Bit Rehab and Overlay								\$1,788,952									\$1,788,952
CSAH 61 - Waseca Co to TH 60	Bit Rehab and Overlay								\$150,156									\$150,156
CSAH 62 - Waseca Co to TH 60	Concrete Rehab								\$5,000									\$5,000
CR 104 - CR 104 to CSAH 15	Grading and Base							\$500,000										\$500,000
Clear Lake Lane	Reconstruct																\$425,000	\$425,000
County Wide	Bituminous Seal Coat							\$295,744	\$932,759									\$1,228,503
Replace Tandem Truck								\$275,000										\$275,000
Le Sueur Shop					\$1,030,000													\$1,030,000
<b>MAINTENANCE</b>																		
Carpet First Floor		\$45,000																\$45,000
<b>HUMAN SERVICES</b>																		
<b>PARKS</b>																		
<b>SHERIFF</b>																		
Jail portion of LEC, Phase 1			\$7,325,000															\$7,325,000
Phase 1, Justice Center					\$1,535,000													\$1,535,000
Replace Three Squad Cars		\$90,000																\$90,000
In Car Cameras		\$35,000																\$35,000
<b>MIS</b>																		
Replacement of Equipment		\$150,000																\$150,000
<b>TOTALS</b>		\$320,000	\$7,325,000	\$0	\$2,565,000	\$0	\$0	\$1,139,334	\$4,608,333	\$350,000	\$0	\$0	\$0	\$0	\$0	\$0	\$425,000	\$16,732,667

Year 2018

Project	Description	General Fund	G. O. Jail Bonds	G.O. Bonds	G.O. Capital Improvement Bonds	Capital Notes	429 Improvement Bonds	Local Road and Bridge Fund	CSAH Regular Construction	CSAH Municipal Construction	Fund 29 State Bridge Bonds	Other Local Funds	Land Records Fund	CSAH General Obligation Bonds	CSAH - Munic General Obligation	Federal Highway Admin	Grants	Total
<b>HIGHWAY</b>																		
CSAH 5 - TH 99 to CSAH 26	CIR/Bit Overlay								\$1,200,000									\$1,200,000
CSAH 10 - CSAH 32 to Rice Co.	CIR/Bit Overlay								\$800,000									\$800,000
TH 112 - CR 115 to TH 99	Reconstruct replace bridge 92723								\$120,000		\$120,000						\$15,000,000	\$15,000,000
CSAH 33 - 0.5 mi S CSAH 28									\$120,000		\$120,000							\$240,000
CSAH 37	TAP Sidewalk replace bridge 4458									\$51,429		\$500,941						\$552,370
CSAH 52 in Watervale	4458 replace Bituminous								\$150,000		\$150,000							\$300,000
CR 104 - CSAH 15 to CR 104								\$425,000										\$425,000
Replace Tandem Truck								\$275,000										\$275,000
Replace Tractor and Mower								\$100,000										\$100,000
<b>ADMINISTRATION</b>																		
West Jefferson SSD							\$2,500,000											\$2,500,000
<b>MAINTENANCE</b>																		
<b>HUMAN SERVICES</b>																		
<b>PARKS</b>																		
<b>SHERIFF</b>																		
Replace Three Squad Cars		\$90,000																\$90,000
Joint portion of LEC, Phase 1			\$1,000,000															\$1,000,000
Justice Center, Phase I					\$9,000,000													\$9,000,000
Montgomery Radio Shed		\$100,000																\$100,000
<b>MIS</b>																		
Replacement of Equipment		\$150,000																\$150,000
<b>VETS SERVICES</b>																		
Replace Van		\$30,000																\$30,000
<b>TOTALS</b>		\$270,000	\$1,000,000	\$0	\$9,000,000	\$0	\$2,500,000	\$800,000	\$2,270,000	\$51,429	\$270,000	\$500,941	\$0	\$0	\$0	\$0	\$15,000,000	\$31,762,370

Year 2019

Project	Description	General Fund	G. O. Jail Bonds	G.O. Bonds	G.O. Capital Improvement Bonds	Capital Notes	429 Improvement Bonds	Local Road and Bridge Fund	CSAH Regular Construction	CSAH Municipal Construction	Fund 29 State Bridge Roads	Other Local Funds	Land Records Fund	CSAH General Obligation Bonds	CSAH - Munic General Obligation	Federal Highway Adm'n	Grants	Total
<b>HIGHWAY</b>																		
CSAH 23 - UP RR to TH 112	Reconstruct and Surface Improvement and Overlay								\$1,200,000								\$4,145,000	\$5,345,000
CSAH 15 - TH 112 to CSAH 26	Overlay								\$374,000							\$1,326,000		\$1,700,000
CSAH 37	Sidewalk TAP															\$383,090		\$383,090
CR 103 - CR 105 to CR 104	Bituminous Overlay							\$200,000										\$200,000
CR 104 - CSAH 16 to CR 105	Bituminous Overlay							\$700,000										\$700,000
CR 131 - CSAH 6 to Waterville	Bituminous Overlay							\$600,000										\$600,000
County Wide	Bituminous Overlay Intermittent Seal Coat							\$250,000	\$500,000									\$750,000
Replace Tandem Truck								\$275,000										\$275,000
<b>MAINTENANCE</b>																		
Phase 2	Courthouse				\$3,000,000													\$3,000,000
<b>HUMAN SERVICES</b>																		
<b>PARKS</b>																		
<b>SHERIFF</b>																		
Replace Three Squad Cars		\$90,000																\$90,000
<b>MIS</b>																		
Replacement of Equipment		\$150,000																\$150,000
<b>TOTALS</b>		\$240,000	\$0	\$0	\$3,000,000	\$0	\$0	\$2,025,000	\$2,074,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,709,090	\$4,145,000	\$13,193,090

Year 2020

Project	Description	General Fund	G. O. Jail Bonds	G.O. Bonds	G.O. Capital Improvement Bonds	Capital Notes	429 Improvement Bonds	Local Road and Bridge Fund	CSAH Regular Construction	CSAH Municipal Construction	Fund 29 State Bridge Bonds	Other Local Funds	Land Records Fund	CSAH General Obligation Bonds	CSAH - Music General Obligation	Federal Highway Admin	Grants	Total
<b>HIGHWAY</b>																		
CSAH 28 - CSAH 30 to TH 13	CIR & Overlay								\$600,000									\$600,000
CSAH 33 - CSAH 26 to CSAH 28	FDR & Overlay								\$2,000,000									\$2,000,000
TH 112 - CR 115 to TH 169	Reconstruct in L.S.																\$11,000,000	
Replace Tandem Truck								\$275,000										\$275,000
Replace County Shop	Le Center				\$4,000,000									\$4,000,000				\$8,000,000
<b>MAINTENANCE</b>																		
Phase 3, Sheriff Residence					\$1,000,000													
<b>HUMAN SERVICES</b>																		
<b>PARKS</b>																		
<b>SHERIFF</b>																		
Replace Three Squad Cars		\$90,000																\$90,000
<b>MIS</b>																		
Replacement of Equipment		\$150,000																\$150,000
<b>TOTALS</b>		\$240,000	\$0	\$0	\$5,000,000	\$0		\$275,000	\$2,600,000	\$0	\$0	\$0	\$0	\$4,000,000	\$0	\$0	\$11,000,000	\$11,115,000

Year 2021

Project	Description	General Fund	G. O. Jail Bonds	G.O. Bonds	G.O. Capital Improvements Bonds	Capital Notes	429 Improvement Bonds	LSCA Road and Bridge Fund	CSAH Regular Construction	CSAH Municipal Construction	Fund 29 State Bridge Bonds	Other Local Funds	Land Records Fund	CSAH General Obligation Bonds	CSAH - Munic General Obligation	Federal Highway Admin	Grants	Total
<b>HIGHWAY</b>																		
County Wide	Seal Coat							\$250,000	\$500,000									\$750,000
CSAH 14 - CSAH 11 to CSAH 6	Overlay								\$1,680,000									\$1,680,000
CSAH 13 - TH 60 to CSAH 16	Overlay								\$555,000									\$555,000
CSAH 11 - Le Center to 32	Road Slide & CIR								\$1,200,000									\$1,200,000
<b>MAINTENANCE</b>																		
<b>HUMAN SERVICES</b>																		
<b>PARKS</b>																		
<b>SHERIFF</b>																		
Replace Three Squad Cars		\$90,000																\$90,000
<b>MIS</b>																		
Replacement of Equipment		\$150,000																\$150,000
<b>TOTALS</b>		\$240,000	\$0	\$0	\$0	\$0		\$250,000	\$3,935,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,425,000

COUNTY DEBT AND OVERLAPPING DEBT

The total amount of requested projects under the 2017-2021 CIP is \$89,358,127. See Attachment A, Capital Improvement Funding Summary for a breakdown of funding sources. If these projects are to be funded, that amount of money must be generated through the tax levy, sale of bonds or taken from county reserves. Some of the funding mechanisms have statutory limits including the G.O. CIP Bonds shown below.

Of the total CIP amount, \$19,565,000 would be funded using Capital Improvement Program General Obligation bonds.

2017	\$2,565,000
2018	\$9,000,000
2019	\$3,000,000
2020	\$5,000,000
2021	\$0
Total	\$19,565,000

Assuming bonds are paid over 20 years at current market interest rates, the maximum combined annual principal and interest payments are shown in Table 1, G.O. Capital Improvement Bonds. This is below the statutory limit of \$4,777,707 to be used for principal and interest payments.

Of the CIP total amount, \$8,325,000 would be funded using G.O. County Jail Bonds in 2017 and 2018, according to the plan, which is subject to change.

2017	\$7,325,000
2018	\$1,000,000
2019	\$0
2020	\$0
2021	\$0
Total	\$8,325,000

County Jail bonds can be issued without a referendum if the maximum annual debt service payment of principal and interest to be paid in any year does not exceed 0.09671% of the estimated market value of taxable property within the County as certified for the year in which the bond are issued.

**Projected G.O. Bond Limitation for Bond Year 2018 Based on Jail Bond Limitation**

Estimated Market Value (2017)	\$3,981,422,600
% Limitation (0.09671%)	\$3,850,433
Projected Principal and Interest Payment	\$559,051

The County reserves the right to vary the term of any borrowing identified in this plan with the understanding that the maximum payment of all outstanding CIP Bonds cannot exceed the statutory limit.

In preparing this Capital Improvement Plan, the County must consider for each project, and the plan as a whole, several factors, including the level of overlapping debt of the County. Attachment B, County Auditor's Report of Outstanding Indebtedness provides detailed information about the County's overlapping debt status as of December 31, 2016.

**CONTINUATION OF THE CAPITAL IMPROVEMENT PLAN**

The County Board will use the process outlined on page 2 of this plan and will review the CIP annually. The Board will review proposed projects and may add or delete projects based on priority decisions. While following the CIP process on an annual basis, the Board can continue to provide necessary improvements while keeping debt based spending within reasonable limitations.



**Attachment A Capital Improvement Funding Summary 2017-2021**

	General Fund	G.O. Jail Bonds	G.O. Bonds	G.O. Capital Improvement Program (CIP) Bonds	Capital Notes	429 Improvement Bonds	Local Road and Bridge Fund	CSAH Regular Construction	CSAH Municipal Construction	Fund 29 State Bridge Bonds	Other Local Funds	Land Records Fund	CSAH General Obligation Bonds	CSAH -Munic General Obligation Bonds	Federal Highway Admio	Grants	Total
2017	\$320,000	\$7,325,000	\$0	\$2,565,000	\$0	\$0	\$1,139,334	\$4,608,333	\$350,000	\$0	\$0	\$0	\$0	\$0	\$0	\$425,000	\$16,732,667
2018	\$370,000	\$1,000,000	\$0	\$9,000,000	\$0	\$2,500,000	\$800,000	\$2,270,000	\$51,429	\$270,000	\$500,941	\$0	\$0	\$0	\$0	\$11,000,000	\$31,762,370
2019	\$240,000	\$0	\$0	\$3,000,000	\$0	\$0	\$2,025,000	\$2,074,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,709,090	\$4,145,000	\$13,193,090
2020	\$370,000	\$0	\$0	\$5,000,000	\$0	\$0	\$275,000	\$2,600,000	\$0	\$0	\$0	\$0	\$4,000,000	\$0	\$0	\$11,000,000	\$23,245,000
2021	\$240,000	\$0	\$0	\$0	\$0	\$0	\$250,000	\$3,935,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,425,000
<b>Total</b>	<b>\$1,540,000</b>	<b>\$8,325,000</b>	<b>\$0</b>	<b>\$19,565,000</b>	<b>\$0</b>	<b>\$2,500,000</b>	<b>\$4,489,334</b>	<b>\$15,487,333</b>	<b>\$401,429</b>	<b>\$270,000</b>	<b>\$500,941</b>	<b>\$0</b>	<b>\$4,000,000</b>	<b>\$0</b>	<b>\$1,709,090</b>	<b>\$30,570,000</b>	<b>\$89,358,127</b>

Table 1

Estimated G.O. Capital Improvement Plan Bonds

Estimated Annual Debt Service Payments

Year	Total Bond Amount	Term (years)	Interest Rate	2017	2018	2019	2020	2021	2022
2016	\$0								
2017	\$2,565,000	10	2.30%			\$290,053	\$290,053	\$290,053	\$290,053
2018	\$9,000,000	20	3.00%				\$604,941	\$604,941	\$604,941
2019	\$3,000,000	20	3.00%					\$201,647	\$201,647
2020	\$5,000,000	20	3.00%						\$336,079
2021	\$0								
2022									
2023									
2024									
2025									
<b>Estimated Total Annual D/S Payments</b>				\$0	\$0	\$290,053	\$894,994	\$1,096,642	\$1,432,720

Table 2

Estimated G.O. Jail Bonds

Estimated Annual Debt Service Payments

Year	Total Bond Amount	Term (years)	Interest Rate	2017	2018	2019	2020	2021	2022
2016	\$0								
2017	\$7,325,000	20	3.00%			\$492,355	\$492,355	\$492,355	\$492,355
2018	\$1,000,000	20	3.00%				\$67,216	\$67,216	\$67,216
2019									
2020									
2021									
2022									
2023									
2024									
2025									
<b>Estimated Total Annual D/S Payments</b>				\$0	\$0	\$492,355	\$559,571	\$559,571	\$559,571

County Auditors Report of Outstanding Indebtedness

COUNTY OF: Le Sueur

Name of Governmental Unit	Bonds										Other Long-term Indebtedness (Identify)	State Aid and Tax Anticipation Certificates	Refunding (Included in Bonds Outstanding)
	Outstanding Jan. 1, 2016	Issued During the Year	Paid During the Year	Bonds Outstanding December 31									
				Total	General Obligation	G. O. Tax Increment	G. O. Special Assessment	G. O. Revenue	Revenue	Other (Identify)			
<b>County</b>													
Le Sueur	18,995,000	2,500,000	2,280,000	20,215,000	14,525,000					5,690,000		5,690,000	1,000,000
<b>Cities</b>													
Cleveland	2,435,711	0	193,000	2,242,711				2,242,711					
Elysian	1,613,450	1,930,000	222,690	3,320,760			2,860,000	460,760					715,000
Heidelberg	0	0	0	0									
Kasota	0	0	0	0									
Kilkenny	0	0	0	0									
Le Center	10,054,425	2,655,000	998,425	11,711,000	5,261,250		1,753,750	4,696,000					
Le Sueur	29,652,832	0	2,695,000	26,957,752	2,245,000		2,380,000	12,114,000	10,218,752				5,040,000
Montgomery	15,677,295	3,095,000	1,520,000	17,252,295	11,763,253		2,205,000	3,284,042					6,345,000
New Prague - not home County													
Waterville	14,082,633	0	772,633	13,310,000	633,000			12,482,000		195,000			
<b>Total of Cities</b>	<b>73,516,348</b>	<b>7,680,000</b>	<b>6,401,828</b>	<b>74,794,518</b>	<b>19,902,503</b>	<b>0</b>	<b>9,198,760</b>	<b>35,279,513</b>	<b>10,218,752</b>	<b>195,000</b>	<b>0</b>	<b>0</b>	<b>12,100,000</b>
<b>School District</b>													
Cleveland #391	0	0	0	0							155,061		
WEM #2143	0	0	0	0							25,004		
LSH #2397	13,045,000	0	1,010,000	12,035,000	11,445,000					590,000			11,445,000
Tri City United #2905	37,009,000	0	2,739,000	34,270,000	34,270,000						1,135,000		
Menkato #77 - not home County													
St Peter #508-not home County													
Belle Plaine #716-not home County													
New Prague #721-not home County													
<b>Total of Schools</b>	<b>50,054,000</b>	<b>0</b>	<b>3,749,000</b>	<b>48,305,000</b>	<b>45,715,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>590,000</b>	<b>1,315,065</b>	<b>0</b>	<b>11,445,000</b>
<b>Townships</b>													
Washington Township	34,284	0	17,316	16,968				16,968					
<b>Total of Townships</b>	<b>34,284</b>	<b>0</b>	<b>17,316</b>	<b>16,968</b>	<b>0</b>	<b>0</b>	<b>16,968</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Special District</b>													
Lake Washington San Sewer	9,047,156	0	494,767	8,552,389			8,192,389	360,000			8,032,389		520,000
<b>Total of Spec Dist</b>	<b>9,047,156</b>	<b>0</b>	<b>494,767</b>	<b>8,552,389</b>	<b>0</b>	<b>0</b>	<b>8,192,389</b>	<b>360,000</b>	<b>0</b>	<b>0</b>	<b>8,032,389</b>	<b>0</b>	<b>520,000</b>
<b>GRAND TOTAL</b>	<b>162,846,786</b>	<b>10,160,000</b>	<b>12,942,911</b>	<b>149,883,876</b>	<b>80,142,503</b>	<b>0</b>	<b>17,408,107</b>	<b>35,639,513</b>	<b>10,218,752</b>	<b>6,475,000</b>	<b>9,347,454</b>	<b>5,690,000</b>	<b>25,065,000</b>

# Le Sueur County, Minnesota

## \$2,565,000 General Obligation CIP Bonds, Series 2017A

### Issue Summary

Assumes Current Market BQ AA Rates plus 25bps

### Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/01/2017	-	-	-	-	-
02/01/2018	-	-	25,352.50	25,352.50	25,352.50
08/01/2018	-	-	25,352.50	25,352.50	-
02/01/2019	235,000.00	1.300%	25,352.50	260,352.50	285,705.00
08/01/2019	-	-	23,825.00	23,825.00	-
02/01/2020	240,000.00	1.450%	23,825.00	263,825.00	287,650.00
08/01/2020	-	-	22,085.00	22,085.00	-
02/01/2021	245,000.00	1.600%	22,085.00	267,085.00	289,170.00
08/01/2021	-	-	20,125.00	20,125.00	-
02/01/2022	250,000.00	1.800%	20,125.00	270,125.00	290,250.00
08/01/2022	-	-	17,875.00	17,875.00	-
02/01/2023	250,000.00	1.900%	17,875.00	267,875.00	285,750.00
08/01/2023	-	-	15,500.00	15,500.00	-
02/01/2024	260,000.00	2.100%	15,500.00	275,500.00	291,000.00
08/01/2024	-	-	12,770.00	12,770.00	-
02/01/2025	260,000.00	2.200%	12,770.00	272,770.00	285,540.00
08/01/2025	-	-	9,910.00	9,910.00	-
02/01/2026	265,000.00	2.300%	9,910.00	274,910.00	284,820.00
08/01/2026	-	-	6,862.50	6,862.50	-
02/01/2027	275,000.00	2.400%	6,862.50	281,862.50	288,725.00
08/01/2027	-	-	3,562.50	3,562.50	-
02/01/2028	285,000.00	2.500%	3,562.50	288,562.50	292,125.00
<b>Total</b>	<b>\$2,565,000.00</b>	<b>-</b>	<b>\$341,087.50</b>	<b>\$2,906,087.50</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$15,807.50
Average Life	6.163 Years
Average Coupon	2.1577574%
Net Interest Cost (NIC)	2.3524751%
True Interest Cost (TIC)	2.3621191%
Bond Yield for Arbitrage Purposes	2.1494106%
All Inclusive Cost (AIC)	2.5905223%

### IRS Form 8038

Net Interest Cost	2.1577574%
Weighted Average Maturity	6.163 Years

Series 2017A GO CIP Bonds | Issue Summary | 5/8/2017 | 1:20 PM



## Le Sueur County, Minnesota

**\$7,325,000 General Obligation Jail Bonds, Series 2017B**

Assumes Current Market BQ AA+ Rates plus 25bps

Credit Enhanced (AA underlying)

### Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/01/2017	-	-	-	-	-
08/01/2018	-	-	186,585.00	186,585.00	-
02/01/2019	210,000.00	1.250%	93,292.50	303,292.50	489,877.50
08/01/2019	-	-	91,980.00	91,980.00	-
02/01/2020	305,000.00	1.400%	91,980.00	396,980.00	488,960.00
08/01/2020	-	-	89,845.00	89,845.00	-
02/01/2021	310,000.00	1.550%	89,845.00	399,845.00	489,690.00
08/01/2021	-	-	87,442.50	87,442.50	-
02/01/2022	315,000.00	1.750%	87,442.50	402,442.50	489,885.00
08/01/2022	-	-	84,686.25	84,686.25	-
02/01/2023	320,000.00	1.850%	84,686.25	404,686.25	489,372.50
08/01/2023	-	-	81,726.25	81,726.25	-
02/01/2024	330,000.00	2.050%	81,726.25	411,726.25	493,452.50
08/01/2024	-	-	78,343.75	78,343.75	-
02/01/2025	335,000.00	2.150%	78,343.75	413,343.75	491,687.50
08/01/2025	-	-	74,742.50	74,742.50	-
02/01/2026	340,000.00	2.250%	74,742.50	414,742.50	489,485.00
08/01/2026	-	-	70,917.50	70,917.50	-
02/01/2027	350,000.00	2.350%	70,917.50	420,917.50	491,835.00
08/01/2027	-	-	66,805.00	66,805.00	-
02/01/2028	355,000.00	2.450%	66,805.00	421,805.00	488,610.00
08/01/2028	-	-	62,456.25	62,456.25	-
02/01/2029	365,000.00	2.550%	62,456.25	427,456.25	489,912.50
08/01/2029	-	-	57,802.50	57,802.50	-
02/01/2030	375,000.00	2.700%	57,802.50	432,802.50	490,605.00
08/01/2030	-	-	52,740.00	52,740.00	-
02/01/2031	385,000.00	2.750%	52,740.00	437,740.00	490,480.00
08/01/2031	-	-	47,446.25	47,446.25	-
02/01/2032	395,000.00	2.850%	47,446.25	442,446.25	489,892.50
08/01/2032	-	-	41,817.50	41,817.50	-
02/01/2033	405,000.00	2.950%	41,817.50	446,817.50	488,635.00
08/01/2033	-	-	35,843.75	35,843.75	-
02/01/2034	420,000.00	3.050%	35,843.75	455,843.75	491,687.50
08/01/2034	-	-	29,438.75	29,438.75	-
02/01/2035	430,000.00	3.150%	29,438.75	459,438.75	488,877.50
08/01/2035	-	-	22,666.25	22,666.25	-
02/01/2036	445,000.00	3.200%	22,666.25	467,666.25	490,332.50
08/01/2036	-	-	15,546.25	15,546.25	-
02/01/2037	460,000.00	3.300%	15,546.25	475,546.25	491,092.50
08/01/2037	-	-	7,956.25	7,956.25	-
02/01/2038	475,000.00	3.350%	7,956.25	482,956.25	490,912.50
<b>Total</b>	<b>\$7,325,000.00</b>	<b>-</b>	<b>\$2,480,282.50</b>	<b>\$9,805,282.50</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$87,422.50
Average Life	11.935 Years
Average Coupon	2.8371215%
Net Interest Cost (NIC)	2.9041522%
True Interest Cost (TIC)	2.8869998%
Bond Yield for Arbitrage Purposes	2.8054454%
All Inclusive Cost (AIC)	2.9686198%

### IRS Form 8038

Net Interest Cost	2.8371215%
Weighted Average Maturity	11.935 Years

Series 2017B GO Jail Bond | 5/9/2017 | 1:19 PM



# Le Sueur County, Minnesota

## \$4,490,000 General Obligation Refunding Bonds, Series 2017

Issue Summary - Proposed Cur Ref 06A, 07A, 08A

Assuming Current GO BQ "AA" Market Rates

### Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/05/2017	-	-	-	-	-
02/01/2018	190,000.00	0.950%	15,088.23	205,088.23	205,088.23
08/01/2018	-	-	30,677.50	30,677.50	-
02/01/2019	730,000.00	1.050%	30,677.50	760,677.50	791,355.00
08/01/2019	-	-	26,845.00	26,845.00	-
02/01/2020	740,000.00	1.200%	26,845.00	766,845.00	793,690.00
08/01/2020	-	-	22,405.00	22,405.00	-
02/01/2021	750,000.00	1.350%	22,405.00	772,405.00	794,810.00
08/01/2021	-	-	17,342.50	17,342.50	-
02/01/2022	755,000.00	1.550%	17,342.50	772,342.50	789,685.00
08/01/2022	-	-	11,491.25	11,491.25	-
02/01/2023	765,000.00	1.650%	11,491.25	776,491.25	787,982.50
08/01/2023	-	-	5,180.00	5,180.00	-
02/01/2024	560,000.00	1.850%	5,180.00	565,180.00	570,360.00
<b>Total</b>	<b>\$4,490,000.00</b>	<b>-</b>	<b>\$242,970.73</b>	<b>\$4,732,970.73</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$15,737.61
Average Life	3.505 Years
Average Coupon	1.5438857%
Net Interest Cost (NIC)	1.8291895%
True Interest Cost (TIC)	1.8391278%
Bond Yield for Arbitrage Purposes	1.5413621%
All Inclusive Cost (AIC)	2.2573718%

### IRS Form 8038

Net Interest Cost	1.5438857%
Weighted Average Maturity	3.505 Years

Proposed CR 2006A 2007A a | Issue Summary | 5/9/2017 | 9:43 AM



Fiscal Year	CIP Bonding authority carries					CIP Bonds Projected 2017 CIP	Total P & I
	CIP Bonds 2006A	CIP Bonds 2007A	CIP Bonds 2008A	CIP Bond Portion 2015A	forward 2016A		
2017	202,600.00	196,112.50	321,461.25	524,300.00	173,669.32		1,418,143.07
2018	228,200.00	230,625.00	372,122.50	525,700.00	176,800.00	25,352.50	1,558,800.00
2019	231,000.00	228,625.00	370,922.50	526,900.00	178,600.00	285,705.00	1,821,752.50
2020	228,400.00	231,425.00	374,322.50	522,900.00	180,300.00	287,650.00	1,824,997.50
2021	230,600.00	228,825.00	377,122.50	523,800.00	176,900.00	289,170.00	1,826,417.50
2022	232,400.00	231,025.00	374,002.50	524,500.00	178,500.00	290,250.00	1,830,677.50
2023	228,800.00	232,825.00	375,142.50	525,000.00		285,750.00	1,647,517.50
2024		234,225.00	375,480.00	525,300.00		291,000.00	1,426,005.00
2025				525,400.00		285,540.00	810,940.00
2026				525,300.00		284,820.00	810,120.00
2027						288,725.00	288,725.00
2028						292,125.00	292,125.00
2029							-
2030							-
2031							-
2032							-
2033							-
2034							-
2035							-
2036							-
2037							-
2038							-
	<b>1,582,000.00</b>	<b>1,813,687.50</b>	<b>2,940,576.25</b>	<b>5,249,100.00</b>	<b>1,064,769.32</b>	<b>2,906,087.50</b>	<b>15,556,220.57</b>

2017 Estimated Taxable Market Value	3,981,422,600
Annual CIP Bonding Limit	0.12%
Maximum Annual CIP Debt Service	<u>4,777,707</u>
Less Maximum Annual CIP Debt Service on Existing and Proposed Debt	<u>1,830,678</u>
Remaining Annual CIP Bonding Capacity	2,947,030



At \_\_\_\_\_ a.m. the Chairperson called the Public Hearing for the approval of the **2017 to 2021 Capital Improvement Bonds** pursuant to Minnesota Statutes, Section 373.40.

The Chairperson stated that this was the time and place fixed for a public hearing to be held on the County's Capital Improvement Plan (the "Plan") and issuance of bonds (the "Bonds") under Minnesota Statutes, Section 373.40. The County Administrator presented an affidavit showing publication of the notice of public hearing at least fourteen (14) but not more than twenty-eight (28) days prior to the date fixed for the public hearing in the **Montgomery Messenger**, being the official newspaper of the County. The affidavit was examined, found to be satisfactory and ordered it to be placed on file with the County Administrator.

The Chairperson then opened the meeting for the public hearing on the proposal to adopt the Plan and approve the issuance of the Bonds. The purpose of the hearing was explained, the nature of the Plan and the Bonds was discussed and all persons present who desired to do so were afforded an opportunity to express their views with respect to the proposal to approve the Plan and issue the Bonds.

With \_\_\_\_\_ comments being received from the public on the proposals, at \_\_\_\_\_ a.m. the Chairperson declared the public hearing to be closed.

On motion by \_\_\_\_\_, seconded by \_\_\_\_\_, and unanimously approved, the Board approved the following resolution:

**RESOLUTION RELATING TO APPROVAL OF A CAPITAL  
IMPROVEMENT PLAN AND ISSUANCE OF GENERAL OBLIGATION CAPITAL  
IMPROVEMENT PLAN BONDS, SERIES 2017A**

BE IT RESOLVED by the Board of Commissioners (the Board) of Le Sueur County, Minnesota (the Issuer), as follows:

WHEREAS, the Issuer has published notice of its intent to hold a hearing on the issuance of capital improvement plan bonds under Minnesota Statutes, Section 373.40 (the "Bonds") and on its proposed Capital Improvement Plan (the "Plan"), at least fourteen (14) but not more than twenty-eight (28) days prior to the date hereof, pursuant to and in accordance with Minnesota Statutes, Section 373.40 (the "Act"); and

WHEREAS, the Board held a public hearing on the date hereof on the Plan and on the issuance of the Bonds to finance capital to finance the construction of a new County highway maintenance shop and a portion of the costs associated with the construction of a new Justice Center as detailed in the County's 2017-2021 Capital Improvement Plan. The County will pay debt service with future ad valorem property taxes. As described in the Act and in the Plan (the "Project");

WHEREAS, the Board has considered the factors described in subdivision 3 of the Act with respect to the Plan;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby a) approves the Plan, and (b) authorizes the issuance of the Bonds in an amount not to exceed **\$2,565,000**. Pursuant to Minnesota Statutes, Section 475.60, Subdivision 2, paragraph (9), Ehlers & Associates is authorized to prepare and distribute an Official Statement and to solicit proposals for the Bonds on behalf of the County on a negotiated basis. This Board shall meet on **July 18, 2017**, for the purpose of considering proposals for the purchase of the Bonds and of taking such action thereon as may be in the best interests of the County.

June 6, 2017

## Pre-Sale Report for

Le Sueur County, Minnesota

\$2,565,000 General Obligation Capital Improvement Plan  
Bonds, Series 2017A



**Prepared by:**

Bruce Kimmel, CIPMA  
Senior Municipal Advisor

And

Todd Hagen, CIPMA  
Senior Municipal Advisor

And

Chris Mickelson  
Financial Specialist



## Executive Summary of Proposed Debt

Proposed Issue:	\$2,565,000 General Obligation Capital Improvement Plan Bonds, Series 2017A
Purposes:	<p>The proposed issue includes financing to fund the construction of a new County highway maintenance shop and to fund a portion of the costs associated with the construction of a new justice center, utilizing general obligation (G.O.) bonds authorized through a capital improvement plan (CIP) process.</p> <p>Debt service will be paid from ad valorem property taxes, beginning with taxes payable in 2018. State law limits annual debt service on CIP bonds to 0.12% of the issuer's estimated market value. After adding the estimated debt service on this issue to the actual debt service on the County's existing CIP issues, the County has over \$2,900,000 remaining in its annual CIP debt service capacity.</p>
Authority:	<p>The Bonds are being issued pursuant to Minnesota Statutes, Chapter 373.40 and Chapter 475. The Bonds will be general obligations of the County for which its full faith, credit and taxing powers are pledged.</p> <p>The Bonds count against the County's overall debt limit for tax-supported debt, in which outstanding principal is limited to 3% of the County's estimated market value. Including this Bond issue, the City has approximately \$108,250,000 in remaining debt capacity for tax-supported debt.</p>
Term/Call Feature:	<p>The Bonds are being issued for a 10.5-year term. Principal on the Bonds will be due on February 1 in the years 2019 through 2028. Interest is payable every six months beginning February 1, 2018.</p> <p>The Bonds maturing on and after February 1, 2026 will be pre-payable at the County's sole discretion on February 1, 2025 or any date thereafter.</p>
Bank Qualification:	Because the County is expecting to issue no more than \$10,000,000 in tax exempt debt during the 2017 calendar year, the County will be able to designate the Bonds as "bank qualified" obligations. Bank qualified status broadens the market for the Bonds, which can result in lower interest rates.
Rating:	<p>The County's most recent bond issues were rated "AA" by Standard &amp; Poor's. The County will request a new rating for the Bonds.</p> <p>If the winning bidder on the Bonds elects to purchase bond insurance, the rating for the issue may be higher than the County's bond rating in the event that the bond rating of the insurer is higher than that of the County.</p>
Basis for Recommendation:	The proposed Bond issue is the most cost-efficient means of achieving the desired CIP financing, and is expected to yield the lowest possible interest cost while also preserving future prepayment flexibility. Moreover, the competitive sale approach described below is consistent with the County's historical debt



	issuance method, as well as best practices published by the Governmental Finance Officers Association (GFOA).
Method of Sale/Placement:	<p>In order to obtain the lowest interest cost to the County, we will competitively bid the purchase of the Bonds from local and national underwriters/banks.</p> <p>We have included an allowance for discount bidding equal to 1.20% of the principal amount of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction. If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to lower the County's borrowing amount.</p> <p>Under current market conditions, most investors in municipal bonds prefer "premium" pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered "reoffering premium." The amount of the premium varies, but it is not uncommon to see premiums for new issues in the range of 2.00% to 10.00% of the face amount of the issue. This means that an issuer with a \$2,000,000 offering may receive bids that result in proceeds of \$2,040,000 to \$2,200,000.</p> <p>For this Bond issuance, it is to be determined if any premium received will reduce the size of the issue or increase the net proceeds of the project. The adjustments may slightly change the true interest cost of the original bid, either up or down.</p>
Review of Existing Debt:	<p>We have reviewed all outstanding indebtedness for the County and find that refunding opportunities may exist for the Series 2006A, 2007A and 2008A issues. To achieve Bank Qualification for this issue and the Series 2017B issue, these refunding opportunities will be considered later this year to allow for a 2018 closing date. We will continue to monitor the market and the call dates for the County's outstanding debt and will alert you to any additional future refunding opportunities.</p>
Continuing Disclosure:	<p>Because the County has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the County will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually as well as providing notices of the occurrence of certain "material events" to the Municipal Securities Rulemaking Board (the "MSRB"), as required by rules of the Securities and Exchange Commission (SEC). The County is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the necessary reports.</p>



<p>Arbitrage Monitoring:</p>	<p>Because the Bonds are tax-exempt securities, the County must ensure compliance with certain Internal Revenue Service (IRS) rules throughout the life of the issue. These rules apply to all gross proceeds of the issue, including initial proceeds and investment earnings in construction, escrow, debt service, and any reserve funds. How issuers spend bond proceeds and how they track interest earnings on funds (arbitrage/yield restriction compliance) are common subjects of IRS inquiries. Your specific responsibilities will be detailed in the Tax Certificate prepared by your Bond Attorney and provided at closing. You have retained Ehlers to assist you with compliance with these rules.</p>
<p>Other Service Providers:</p>	<p>This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, so their final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us.</p> <p><b>Bond Attorney:</b> Dorsey &amp; Whitney LLP</p> <p><b>Paying Agent:</b> Bond Trust Services Corporation</p> <p><b>Rating Agency:</b> Standard &amp; Poor’s Global Ratings (S&amp;P)</p>

This presale report summarizes our understanding of the County’s objectives for the structure and terms of this financing as of this date. As additional facts become known or capital markets conditions change, we may need to modify the structure and/or terms of this financing to achieve results consistent with the County’s objectives.



## Proposed Debt Issuance Schedule

Pre-Sale Review by Board of Commissioners:	June 6, 2017
Distribute Official Statement:	Week of June 19, 2017
Conference with Rating Agency:	Week of June 26, 2017
Board of Commissioners Awards Sale of the Bonds:	July 18, 2017
Estimated Closing Date:	August 15, 2017

## Attachments

- Sources and Uses of Funds
- Proposed Debt Service Schedule
- Resolution Authorizing Ehlers to Proceed with Bond Sale

## Ehlers Contacts

Municipal Advisors:	Bruce Kimmel	(651) 697-8572
	Todd Hagen	(651) 697-8508
	Chris Mickelson	(651) 697-8556
Disclosure Coordinator:	Jen Chapman	(651) 697-8566
Financial Analyst:	Alicia Gage	(651) 697-8551

The Official Statement for this financing will be mailed or e-mailed to the Board of Commissioners for their review prior to the sale date.



# Le Sueur County, Minnesota

\$2,565,000 General Obligation CIP Bonds, Series 2017A

Issue Summary

Assumes Current Market BQ AA Rates plus 25bps

## Total Issue Sources And Uses

Dated 08/15/2017 | Delivered 08/15/2017

	CIP Bonds - Highway Maintenance Shop	CIP Bonds - Non-Jail/LEC	Issue Summary
<b>Sources Of Funds</b>			
Par Amount of Bonds	\$1,030,000.00	\$1,535,000.00	\$2,565,000.00
<b>Total Sources</b>	<b>\$1,030,000.00</b>	<b>\$1,535,000.00</b>	<b>\$2,565,000.00</b>
<b>Uses Of Funds</b>			
Total Underwriter's Discount (1.200%)	12,360.00	18,420.00	30,780.00
Costs of Issuance	13,050.69	19,449.31	32,500.00
Deposit to Project Construction Fund	1,000,000.00	1,500,000.00	2,500,000.00
Rounding Amount	4,589.31	(2,869.31)	1,720.00
<b>Total Uses</b>	<b>\$1,030,000.00</b>	<b>\$1,535,000.00</b>	<b>\$2,565,000.00</b>

Series 2017A GO CIP Bonds | Issue Summary | 6/ 1/2017 | 10:03 AM





# Le Sueur County, Minnesota

\$2,565,000 General Obligation CIP Bonds, Series 2017A

Issue Summary

Assumes Current Market BQ AA Rates plus 25bps

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+	Fiscal Total
08/15/2017	-	-	-	-	-
02/01/2018	-	-	23,389.86	23,389.86	23,389.86
08/01/2018	-	-	25,362.50	25,362.50	-
02/01/2019	235,000.00	1.400%	25,362.50	260,362.50	285,725.00
08/01/2019	-	-	23,717.50	23,717.50	-
02/01/2020	240,000.00	1.450%	23,717.50	263,717.50	287,435.00
08/01/2020	-	-	21,977.50	21,977.50	-
02/01/2021	245,000.00	1.550%	21,977.50	266,977.50	288,955.00
08/01/2021	-	-	20,078.75	20,078.75	-
02/01/2022	250,000.00	1.700%	20,078.75	270,078.75	290,157.50
08/01/2022	-	-	17,953.75	17,953.75	-
02/01/2023	250,000.00	1.850%	17,953.75	267,953.75	285,907.50
08/01/2023	-	-	15,641.25	15,641.25	-
02/01/2024	260,000.00	2.050%	15,641.25	275,641.25	291,282.50
08/01/2024	-	-	12,976.25	12,976.25	-
02/01/2025	260,000.00	2.200%	12,976.25	272,976.25	285,952.50
08/01/2025	-	-	10,116.25	10,116.25	-
02/01/2026	265,000.00	2.350%	10,116.25	275,116.25	285,232.50
08/01/2026	-	-	7,002.50	7,002.50	-
02/01/2027	275,000.00	2.450%	7,002.50	282,002.50	289,005.00
08/01/2027	-	-	3,633.75	3,633.75	-
02/01/2028	285,000.00	2.550%	3,633.75	288,633.75	292,267.50
<b>Total</b>	<b>\$2,565,000.00</b>	<b>-</b>	<b>\$340,309.86</b>	<b>\$2,905,309.86</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$15,707.75
Average Life	6.124 Years
Average Coupon	2.1665093%
Net Interest Cost (NIC)	2.3624635%
True Interest Cost (TIC)	2.3713369%
Bond Yield for Arbitrage Purposes	2.1573500%
All Inclusive Cost (AIC)	2.6011219%

## IRS Form 8038

Net Interest Cost	2.1665093%
Weighted Average Maturity	6.124 Years

# Le Sueur County, Minnesota

\$1,030,000 General Obligation Bonds, Series 2017A

CIP Bonds - Highway Maintenance Shop

Assumes Current Market BQ AA Rates plus 25bps

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/15/2017	-	-	-	-	-
02/01/2018	-	-	9,390.53	9,390.53	9,390.53
08/01/2018	-	-	10,182.50	10,182.50	-
02/01/2019	95,000.00	1.400%	10,182.50	105,182.50	115,365.00
08/01/2019	-	-	9,517.50	9,517.50	-
02/01/2020	95,000.00	1.450%	9,517.50	104,517.50	114,035.00
08/01/2020	-	-	8,828.75	8,828.75	-
02/01/2021	100,000.00	1.550%	8,828.75	108,828.75	117,657.50
08/01/2021	-	-	8,053.75	8,053.75	-
02/01/2022	100,000.00	1.700%	8,053.75	108,053.75	116,107.50
08/01/2022	-	-	7,203.75	7,203.75	-
02/01/2023	100,000.00	1.850%	7,203.75	107,203.75	114,407.50
08/01/2023	-	-	6,278.75	6,278.75	-
02/01/2024	105,000.00	2.050%	6,278.75	111,278.75	117,557.50
08/01/2024	-	-	5,202.50	5,202.50	-
02/01/2025	105,000.00	2.200%	5,202.50	110,202.50	115,405.00
08/01/2025	-	-	4,047.50	4,047.50	-
02/01/2026	105,000.00	2.350%	4,047.50	109,047.50	113,095.00
08/01/2026	-	-	2,813.75	2,813.75	-
02/01/2027	110,000.00	2.450%	2,813.75	112,813.75	115,627.50
08/01/2027	-	-	1,466.25	1,466.25	-
02/01/2028	115,000.00	2.550%	1,466.25	116,466.25	117,932.50
<b>Total</b>	<b>\$1,030,000.00</b>	<b>-</b>	<b>\$136,580.53</b>	<b>\$1,166,580.53</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$6,304.94
Average Life	6.121 Years
Average Coupon	2.1662448%
Net Interest Cost (NIC)	2.3622814%
True Interest Cost (TIC)	2.3711460%
Bond Yield for Arbitrage Purposes	2.1573500%
All Inclusive Cost (AIC)	2.6010223%

## IRS Form 8038

Net Interest Cost	2.1662448%
Weighted Average Maturity	6.121 Years

Series 2017A GO CIP Bonds | CIP Bonds - Highway Maint | 6/1/2017 | 10:03 AM



# Le Sueur County, Minnesota

\$1,535,000 General Obligation Bonds, Series 2017A

CIP Bonds - Non-Jail/LEC

Assumes Current Market BQ AA Rates plus 25bps

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/15/2017	-	-	-	-	-
02/01/2018	-	-	13,999.33	13,999.33	13,999.33
08/01/2018	-	-	15,180.00	15,180.00	-
02/01/2019	140,000.00	1.400%	15,180.00	155,180.00	170,360.00
08/01/2019	-	-	14,200.00	14,200.00	-
02/01/2020	145,000.00	1.450%	14,200.00	159,200.00	173,400.00
08/01/2020	-	-	13,148.75	13,148.75	-
02/01/2021	145,000.00	1.550%	13,148.75	158,148.75	171,297.50
08/01/2021	-	-	12,025.00	12,025.00	-
02/01/2022	150,000.00	1.700%	12,025.00	162,025.00	174,050.00
08/01/2022	-	-	10,750.00	10,750.00	-
02/01/2023	150,000.00	1.850%	10,750.00	160,750.00	171,500.00
08/01/2023	-	-	9,362.50	9,362.50	-
02/01/2024	155,000.00	2.050%	9,362.50	164,362.50	173,725.00
08/01/2024	-	-	7,773.75	7,773.75	-
02/01/2025	155,000.00	2.200%	7,773.75	162,773.75	170,547.50
08/01/2025	-	-	6,068.75	6,068.75	-
02/01/2026	160,000.00	2.350%	6,068.75	166,068.75	172,137.50
08/01/2026	-	-	4,188.75	4,188.75	-
02/01/2027	165,000.00	2.450%	4,188.75	169,188.75	173,377.50
08/01/2027	-	-	2,167.50	2,167.50	-
02/01/2028	170,000.00	2.550%	2,167.50	172,167.50	174,335.00
<b>Total</b>	<b>\$1,535,000.00</b>	<b>-</b>	<b>\$203,729.33</b>	<b>\$1,738,729.33</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$9,402.81
Average Life	6.126 Years
Average Coupon	2.1666866%
Net Interest Cost (NIC)	2.3625856%
True Interest Cost (TIC)	2.3714649%
Bond Yield for Arbitrage Purposes	2.1573500%
All Inclusive Cost (AIC)	2.6011886%

## IRS Form 8038

Net Interest Cost	2.1666866%
Weighted Average Maturity	6.126 Years

Series 2017A GO CIP Bonds | CIP Bonds - Non-Jail/LEC | 6/1/2017 | 10:03 AM



# Le Sueur County, Minnesota

\$2,565,000 General Obligation CIP Bonds, Series 2017A

Issue Summary

Assumes Current Market BQ AA Rates plus 25bps

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2018	-	-	23,389.86	23,389.86	24,559.35
02/01/2019	235,000.00	1.400%	50,725.00	285,725.00	300,011.25
02/01/2020	240,000.00	1.450%	47,435.00	287,435.00	301,806.75
02/01/2021	245,000.00	1.550%	43,955.00	288,955.00	303,402.75
02/01/2022	250,000.00	1.700%	40,157.50	290,157.50	304,665.38
02/01/2023	250,000.00	1.850%	35,907.50	285,907.50	300,202.88
02/01/2024	260,000.00	2.050%	31,282.50	291,282.50	305,846.63
02/01/2025	260,000.00	2.200%	25,952.50	285,952.50	300,250.13
02/01/2026	265,000.00	2.350%	20,232.50	285,232.50	299,494.13
02/01/2027	275,000.00	2.450%	14,005.00	289,005.00	303,455.25
02/01/2028	285,000.00	2.550%	7,267.50	292,267.50	306,880.88
<b>Total</b>	<b>\$2,565,000.00</b>	<b>-</b>	<b>\$340,309.86</b>	<b>\$2,905,309.86</b>	<b>\$3,050,575.35</b>

## Significant Dates

Dated	8/15/2017
First Coupon Date	2/01/2018

## Yield Statistics

Bond Year Dollars	\$15,707.75
Average Life	6.124 Years
Average Coupon	2.1665093%
Net Interest Cost (NIC)	2.3624635%
True Interest Cost (TIC)	2.3713369%
Bond Yield for Arbitrage Purposes	2.1573500%
All Inclusive Cost (AIC)	2.6011219%

## IRS Form 8038

Net Interest Cost	2.1665093%
Weighted Average Maturity	6.124 Years

Commissioner \_\_\_\_\_ introduced the following resolution and moved its adoption:

**Resolution Providing for the Sale of  
\$2,565,000 General Obligation CIP Bonds, Series 2017A**

- A. WHEREAS, the Board of Commissioners of Le Sueur County, Minnesota has heretofore determined that it is necessary and expedient to issue the County's \$2,565,000 General Obligation CIP Bonds, Series 2017A (the "Bonds"), to finance the construction of a new County highway maintenance shop and a portion of the costs associated with the construction of a new Justice Center; and
- B. WHEREAS, the County has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent municipal advisor for the Bonds in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9);

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Le Sueur County, Minnesota, as follows:

- 1. Authorization. The Board of Commissioners hereby authorizes Ehlers to assist the County for the sale of the Bonds.
- 2. Meeting; Proposal Opening. The Board of Commissioners shall meet at 9:00 a.m. on July 18, 2017, 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 County 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 County upon its completion.

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner \_\_\_\_\_ and, after full discussion thereof and upon a vote being taken thereon, the following Commissioners voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Dated this 6<sup>th</sup> day of June, 2017.

\_\_\_\_\_  
County Administrator

June 6, 2017

## Pre-Sale Report for

Le Sueur County, Minnesota

\$7,325,000 General Obligation Jail Bonds, Series 2017B



**Prepared by:**

Bruce Kimmel, CIPMA  
Senior Municipal Advisor

And

Todd Hagen, CIPMA  
Senior Municipal Advisor

And

Chris Mickelson,  
Financial Specialist



## Executive Summary of Proposed Debt

Proposed Issue:	\$7,325,000 General Obligation Jail Bonds, Series 2017B
Purposes:	The proposed issue includes financing to fund a portion of the costs associated with construction of the jail and law enforcement center portions of a new justice center, utilizing general obligation (G.O.) bonds to be paid from ad valorem property taxes. The County anticipates issuing one or more series of bonds in 2018 to fund further portions of the justice center construction budget, in an amount to be decided by the County Board later this year or early next year.
Authority:	<p>The Bonds are being issued pursuant to Minnesota Statutes, Chapters 475 and 641. The Bonds will be general obligations of the County for which its full faith, credit and taxing powers are pledged.</p> <p>Minnesota Statute Chapter 641 allows for the issuance of G.O. jail bonds without referendum if the total principal and interest for all jail bonds issued in any year does not exceed 0.09671% of estimated taxable market value within the County. Including this Bond issue, the County has approximately \$3,360,000 in remaining annual debt capacity for jail bond issuance.</p> <p>The Bonds count against the County's overall debt limit for tax-supported debt, in which outstanding principal is limited to 3% of the County's estimated market value. Including this Bond issue (and also the estimated Series 2017A), the County has roughly \$100,925,000 in remaining debt capacity for tax-supported debt.</p>
Term/Call Feature:	<p>The Bonds are being issued for a 20.5-year term. Principal on the Bonds will be due on February 1 in the years 2019 through 2038. Interest is payable every six months beginning August 1, 2018.</p> <p>The Bonds maturing on and after February 1, 2029 will be subject to prepayment at the discretion of the County on February 1, 2028 or any date thereafter.</p>
Bank Qualification:	Because the County is expecting to issue no more than \$10,000,000 in tax exempt debt during the calendar year, the County will be able to designate the Bonds as "bank qualified" obligations. Bank qualified status broadens the market for the Bonds, which can result in lower interest rates.
State Credit Enhancement:	County bond issues for certain facilities, including jails, are authorized to receive credit enhancement from the State, meaning a guarantee to investors that the State will pay debt service if the County somehow fails to do so. Even though the County's Standard & Poor's AA rating is only one notch below the State's AA+ rating, Ehlers has found that investors appreciate the added security of credit enhanced bonds. To qualify for the credit enhancement, the County must pass a resolution of application, and then submit an application and \$500 fee to the State. Ehlers will coordinate the State application process on the County's behalf.



<p>Rating:</p>	<p>The County will utilize the State of Minnesota’s bond rating (Standard &amp; Poor’s AA+) through participating in the State credit enhancement program.</p> <p>The County’s most recent bond issue was rated AA by Standard &amp; Poor’s. The County will request a new rating for this issuance.</p> <p>If the winning bidder elects to purchase bond insurance, the rating for this issue may be higher than the County’s bond rating if the bond rating of the insurer is higher than that of the County.</p>
<p>Basis for Recommendation:</p>	<p>Based on our knowledge of your situation, your objectives communicated to us, our advisory relationship as well as characteristics of various municipal financing options, we are recommending the issuance of general obligation jail bonds as a suitable financing option because:</p> <ul style="list-style-type: none"> <li>- Bank qualified G.O. bonds utilizing a competitive sale process with state credit enhancement provides the lowest possible interest cost; and,</li> <li>- This is the most overall cost effective option that still maintains future flexibility for the early prepayment of debt.</li> </ul>
<p>Method of Sale/Placement:</p>	<p>In order to obtain the lowest interest cost to the County, we will competitively bid the purchase of the Bonds from local and national underwriters/banks.</p> <p>We have included an allowance for discount bidding equal to 0.8000% of the principal amount of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction. If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to lower the County’s borrowing amount.</p> <p>Under current market conditions, most investors in municipal bonds prefer “premium” pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered “reoffering premium.” The amount of the premium varies, but it is not uncommon to see premiums for new issues in the range of 2.00% to 10.00% of the face amount of the issue. This means that an issuer with a \$2,000,000 offering may receive bids that result in proceeds of \$2,040,000 to \$2,200,000.</p> <p>For this Bond issuance, it is to be determined if any premium received will reduce the size of the issue or increase the net proceeds of the project. The adjustments may slightly change the true interest cost of the original bid, either up or down.</p>
<p>Review of Existing Debt:</p>	<p>We have reviewed all outstanding indebtedness for the County and find that refunding opportunities may exist for the Series 2006A, 2007A and 2008A issues. To achieve Bank Qualification for this issue and the Series 2017A issue, these refunding opportunities will be considered later this year to allow for a 2018 closing date. We will continue to monitor the market and the call dates for the</p>





	County's outstanding debt and will alert you to any additional future refunding opportunities.
Continuing Disclosure:	Because the County has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the County will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the "MSRB"), as required by rules of the Securities and Exchange Commission (SEC). The County is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.
Arbitrage Monitoring:	Because the Bonds are tax-exempt securities, the County must ensure compliance with certain Internal Revenue Service (IRS) rules throughout the life of the issue. These rules apply to all gross proceeds of the issue, including initial bond proceeds and investment earnings in construction, escrow, debt service, and any reserve funds. How issuers spend bond proceeds and how they track interest earnings on funds (arbitrage/yield restriction compliance) are common subjects of IRS inquiries. Your specific responsibilities will be detailed in the Tax Certificate prepared by your Bond Attorney and provided at closing. You have retained Ehlers to assist you with compliance with these rules.
Other Service Providers:	<p>This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, so their final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us.</p> <p><b>Bond Attorney:</b> Dorsey &amp; Whitney LLP</p> <p><b>Paying Agent:</b> Bond Trust Services Corporation</p> <p><b>Rating Agency:</b> Standard &amp; Poor's Global Ratings (S&amp;P)</p>

This presale report summarizes our understanding of the County's objectives for the structure and terms of this financing as of this date. As additional facts become known or capital markets conditions change, we may need to modify the structure and/or terms of this financing to achieve results consistent with the County's objectives.



## Proposed Debt Issuance Schedule

Pre-Sale Review by Board of Commissioners:	June 6, 2017
Distribute Official Statement:	Week of June 19, 2017
Conference with Rating Agency:	Week of June 26, 2017
County Board Meeting to Award Sale of the Bonds:	July 18, 2017
Estimated Closing Date:	August 15, 2017

### Attachments

- Sources and Uses of Funds
- Proposed Debt Service Schedule
- Resolution Authorizing Ehlers to Proceed with Bond Sale
- Resolution Authorizing Ehlers to Proceed with State Credit Enhancement

### Ehlers Contacts

Municipal Advisors:	Bruce Kimmel	(651) 697-8572
	Todd Hagen	(651) 697-8508
	Chris Mickelson	(651) 697-8556
Disclosure Coordinator:	Jen Chapman	(651) 697-8566
Financial Analyst:	Alicia Gage	(651) 697-8551

The Official Statement for this financing will be mailed or e-mailed to the County Commissioners for their review prior to the sale date.



# Le Sueur County, Minnesota

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\$7,325,000 General Obligation Jail Bonds, Series 2017B

Assumes Current Market BQ AA+ Rates plus 25bps

Credit Enhanced (AA underlying)

## Sources & Uses

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Dated 08/15/2017 | Delivered 08/15/2017

### Sources Of Funds

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Par Amount of Bonds	\$7,325,000.00
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<b>Total Sources</b>	<b>\$7,325,000.00</b>
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### Uses Of Funds

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Total Underwriter's Discount (0.800%)	58,600.00
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Costs of Issuance	58,000.00
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Deposit to Project Fund	7,208,400.00
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<b>Total Uses</b>	<b>\$7,325,000.00</b>
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Series 2017B GO Jail Bond | 6/1/2017 | 10:03 AM



# Le Sueur County, Minnesota

\$7,325,000 General Obligation Jail Bonds, Series 2017B

Assumes Current Market BQ AA+ Rates plus 25bps

Credit Enhanced (AA underlying)

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/15/2017	-	-	-	-	-
08/01/2018	-	-	181,042.10	181,042.10	-
02/01/2019	210,000.00	1.300%	94,183.75	304,183.75	485,225.85
08/01/2019	-	-	92,818.75	92,818.75	-
02/01/2020	305,000.00	1.400%	92,818.75	397,818.75	490,637.50
08/01/2020	-	-	90,683.75	90,683.75	-
02/01/2021	310,000.00	1.500%	90,683.75	400,683.75	491,367.50
08/01/2021	-	-	88,358.75	88,358.75	-
02/01/2022	315,000.00	1.650%	88,358.75	403,358.75	491,717.50
08/01/2022	-	-	85,760.00	85,760.00	-
02/01/2023	320,000.00	1.800%	85,760.00	405,760.00	491,520.00
08/01/2023	-	-	82,880.00	82,880.00	-
02/01/2024	325,000.00	2.000%	82,880.00	407,880.00	490,760.00
08/01/2024	-	-	79,630.00	79,630.00	-
02/01/2025	335,000.00	2.150%	79,630.00	414,630.00	494,260.00
08/01/2025	-	-	76,028.75	76,028.75	-
02/01/2026	340,000.00	2.300%	76,028.75	416,028.75	492,057.50
08/01/2026	-	-	72,118.75	72,118.75	-
02/01/2027	350,000.00	2.400%	72,118.75	422,118.75	494,237.50
08/01/2027	-	-	67,918.75	67,918.75	-
02/01/2028	355,000.00	2.500%	67,918.75	422,918.75	490,837.50
08/01/2028	-	-	63,481.25	63,481.25	-
02/01/2029	365,000.00	2.600%	63,481.25	428,481.25	491,962.50
08/01/2029	-	-	58,736.25	58,736.25	-
02/01/2030	375,000.00	2.700%	58,736.25	433,736.25	492,472.50
08/01/2030	-	-	53,673.75	53,673.75	-
02/01/2031	385,000.00	2.800%	53,673.75	438,673.75	492,347.50
08/01/2031	-	-	48,283.75	48,283.75	-
02/01/2032	395,000.00	2.900%	48,283.75	443,283.75	491,567.50
08/01/2032	-	-	42,556.25	42,556.25	-
02/01/2033	405,000.00	3.000%	42,556.25	447,556.25	490,112.50
08/01/2033	-	-	36,481.25	36,481.25	-
02/01/2034	420,000.00	3.100%	36,481.25	456,481.25	492,962.50
08/01/2034	-	-	29,971.25	29,971.25	-
02/01/2035	435,000.00	3.200%	29,971.25	464,971.25	494,942.50
08/01/2035	-	-	23,011.25	23,011.25	-
02/01/2036	445,000.00	3.250%	23,011.25	468,011.25	491,022.50
08/01/2036	-	-	15,780.00	15,780.00	-
02/01/2037	460,000.00	3.350%	15,780.00	475,780.00	491,560.00
08/01/2037	-	-	8,075.00	8,075.00	-
02/01/2038	475,000.00	3.400%	8,075.00	483,075.00	491,150.00
<b>Total</b>	<b>\$7,325,000.00</b>	<b>-</b>	<b>\$2,507,720.85</b>	<b>\$9,832,720.85</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$87,192.64
Average Life	11.903 Years
Average Coupon	2.8760695%
Net Interest Cost (NIC)	2.9432770%
True Interest Cost (TIC)	2.9248610%
Bond Yield for Arbitrage Purposes	2.8429350%
All Inclusive Cost (AIC)	3.0068545%

## IRS Form 8038

Net Interest Cost	2.8760695%
Weighted Average Maturity	11.903 Years

Series 2017B GO Jail Bond | 6/ 1/2017 | 10:03 AM



# Le Sueur County, Minnesota

\$7,325,000 General Obligation Jail Bonds, Series 2017B

Assumes Current Market BQ AA+ Rates plus 25bps

Credit Enhanced (AA underlying)

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2018	-	-	-	-	-
02/01/2019	210,000.00	1.300%	275,225.85	485,225.85	509,487.14
02/01/2020	305,000.00	1.400%	185,637.50	490,637.50	515,169.38
02/01/2021	310,000.00	1.500%	181,367.50	491,367.50	515,935.88
02/01/2022	315,000.00	1.650%	176,717.50	491,717.50	516,303.38
02/01/2023	320,000.00	1.800%	171,520.00	491,520.00	516,096.00
02/01/2024	325,000.00	2.000%	165,760.00	490,760.00	515,298.00
02/01/2025	335,000.00	2.150%	159,260.00	494,260.00	518,973.00
02/01/2026	340,000.00	2.300%	152,057.50	492,057.50	516,660.38
02/01/2027	350,000.00	2.400%	144,237.50	494,237.50	518,949.38
02/01/2028	355,000.00	2.500%	135,837.50	490,837.50	515,379.38
02/01/2029	365,000.00	2.600%	126,962.50	491,962.50	516,560.63
02/01/2030	375,000.00	2.700%	117,472.50	492,472.50	517,096.13
02/01/2031	385,000.00	2.800%	107,347.50	492,347.50	516,964.88
02/01/2032	395,000.00	2.900%	96,567.50	491,567.50	516,145.88
02/01/2033	405,000.00	3.000%	85,112.50	490,112.50	514,618.13
02/01/2034	420,000.00	3.100%	72,962.50	492,962.50	517,610.63
02/01/2035	435,000.00	3.200%	59,942.50	494,942.50	519,689.63
02/01/2036	445,000.00	3.250%	46,022.50	491,022.50	515,573.63
02/01/2037	460,000.00	3.350%	31,560.00	491,560.00	516,138.00
02/01/2038	475,000.00	3.400%	16,150.00	491,150.00	515,707.50
<b>Total</b>	<b>\$7,325,000.00</b>	<b>-</b>	<b>\$2,507,720.85</b>	<b>\$9,832,720.85</b>	<b>\$10,324,356.89</b>

## Significant Dates

Dated	8/15/2017
First Coupon Date	8/01/2018

## Yield Statistics

Bond Year Dollars	\$87,192.64
Average Life	11.903 Years
Average Coupon	2.8760695%
Net Interest Cost (NIC)	2.9432770%
True Interest Cost (TIC)	2.9248610%
Bond Yield for Arbitrage Purposes	2.8429350%
All Inclusive Cost (AIC)	3.0068545%

## IRS Form 8038

Net Interest Cost	2.8760695%
Weighted Average Maturity	11.903 Years

Series 2017B GO Jail Bond | 6/ 1/2017 | 10:03 AM



Commissioner \_\_\_\_\_ introduced the following resolution and moved its adoption:

**Resolution Providing for the Sale of  
\$7,325,000 General Obligation Jail Bonds, Series 2017B**

- A. WHEREAS, the Board of Commissioners of Le Sueur County, Minnesota has heretofore determined that it is necessary and expedient to issue the County's \$7,325,000 General Obligation Jail Bonds, Series 2017B (the "Bonds"), to finance a portion of the costs associated with construction of a new County Jail facility; and
- B. WHEREAS, the County has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent municipal advisor for the Bonds in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9);

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Le Sueur County, Minnesota, as follows:

- 1. Authorization. The Board of Commissioners hereby authorizes Ehlers to assist the County for the sale of the Bonds.
- 2. Meeting; Proposal Opening. The Board of Commissioners shall meet at 9:00 a.m. on July 18, 2017, 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 County 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 County upon its completion.

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner \_\_\_\_\_ and, after full discussion thereof and upon a vote being taken thereon, the following Commissioners voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Dated this 6<sup>th</sup> day of June, 2017.

\_\_\_\_\_  
County Administrator

Resolution No. \_\_\_\_\_

Commissioner \_\_\_\_\_ introduced the following resolution and moved its adoption:

### Resolution Authorizing the County to Enter into a Credit Enhancement Program Agreement with the Minnesota Public Facilities Authority

- A. WHEREAS, the County Board of Le Sueur County, Minnesota (the "County") proposes to issue its General Obligation Jail Bonds, Series 2017A (the "Bonds"), the proceeds of which will be used to finance a portion of the construction of a new County Jail facility; and
- B. WHEREAS, the County Board hereby determines it is in the best interest of the County to apply to the Minnesota Public Facilities Authority (the "Authority") for credit enhancement of the Bonds;

NOW, THEREFORE, BE IT RESOLVED by the County Board of Le Sueur County, Minnesota, as follows:

1. Approval of the Authority's Credit Enhancement Program Agreement. The Authority's Credit Enhancement Program Agreement (the "Agreement") is hereby approved, the same being before the County Board and made a part of this resolution by reference.
2. Authorization to Sign Agreement and Related Forms. The County Board Chair and the County Administrator are authorized to sign the Agreement on the County's behalf and to execute any other related forms prescribed by the Authority with respect to the Agreement.
3. Agreement to Comply with Minnesota Statutes, Section 446A.086. The County is entering into the Agreement with the Authority pursuant to Minnesota Statutes, Section 446A.086 (the "Act") and the County hereby agrees to comply with and be bound by the provisions of the Act.
4. Submission of the Agreement. The County Board Chair and County Administrator are hereby authorized to submit, on the County's behalf, the Agreement to the Authority, together with the nonrefundable application fee in the amount of \$500.

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner \_\_\_\_\_ and, after full discussion thereof and upon a vote being taken thereon, the following Commissioners voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Dated this 6<sup>th</sup> day of June, 2017.

\_\_\_\_\_  
County Administrator

# AFFIDAVIT OF PUBLICATION

(Includes Language Required by 2015 Legislation, Chapter 14, Relating to Mortgage Foreclosure Notices)

STATE OF MINNESOTA)  
 ) ss.  
 COUNTY OF LE SUEUR)

Donna Schumacher, being first duly sworn, on oath states as follows:

1. I am the publisher of the **Montgomery Messenger**, or the publisher's designated agent. I have personal knowledge of the facts stated in this Affidavit, which is made pursuant to Minnesota Statutes §331A.07.

2. The newspaper has complied with all of the requirements to constitute a qualified newspaper under Minnesota law, including those requirements found in Minnesota Statutes §331A.02 and §331A.06.

3. The dates of the month and the year and day of the week upon which the public notice attached/copied below was published in the newspaper are as follows:

**Thursday, May 18, 2017**

**M-159: Le Sueur County June 6 Hearing Notice**

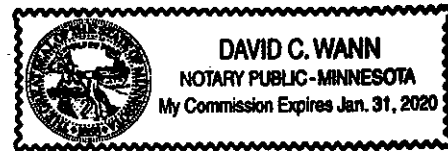
4. [NEW] Mortgage Foreclosure Notices [Effective 7/1/15]. Pursuant to Minnesota Statutes §580.033 relating to the publication of mortgage foreclosure notices: The newspaper's known office of issue is located in Le Sueur County. The newspaper complies with the conditions described in §580.033, subd. 1, clause (1) or (2). If the newspaper's known office of issue is located in a county adjoining the county where the mortgaged premises or some part of the mortgaged premises described in the notice are located, a substantial portion of the newspaper's circulation is in the latter county.

*Donna Schumacher*  
 [Signature]

Subscribed and sworn to before me on  
 this 18<sup>TH</sup> day of

MAY 2017

*David C. Wann*  
 Notary Public



**Montgomery Messenger**  
 Suel Printing Company  
 Contact: Donna  
 310 First Street South  
 Montgomery, MN 56069  
 952-758-4435 Fax: 952-758-4135  
 legals@newpraguetimes.com

[FORM Rev. 6/15]

**PUBLIC NOTICE**

**NOTICE OF PUBLIC HEARING  
 LE SUEUR COUNTY  
 STATE OF MINNESOTA**

NOTICE IS HEREBY GIVEN that the Board of Commissioners of Le Sueur County, State of Minnesota (the "County"), will hold a public hearing on Tuesday, June 6, 2017 at approximately 9:00 A.M. in the Board Chambers at the County Government Center, 88 South Park Avenue, Le Center, Minnesota, relating to a proposal concerning (1) the adoption of a five year capital improvement plan (the "Plan") and (2) the issuance of general obligation bonds (the "Bonds") to finance various capital improvements within the County pursuant to Minnesota Statutes, Section 373.40. The maximum principal amount of the Bonds to be issued under the Plan is \$2,600,000 for projects identified in the Plan. A draft copy of the Plan is on file with the County Administrator and is available for public inspection at the County Courthouse during regular business hours.

If a petition requesting a vote on the issuance of the Bonds, signed by voters equal to five percent (5%) of the votes cast in the last County general election, is filed with the County Auditor within thirty (30) days after the public hearing, the County may issue the Bonds only after obtaining approval of a majority of voters voting on the question of the issuance of the Bonds at an election.

At the time and place fixed for the public hearing, the Board of Commissioners will give all persons who appear at the hearing an opportunity to express their views with respect to the proposal. In addition, interested persons may direct any questions or comments to the County Administrator regarding the proposal with the County Administrator at or prior to said public hearing.

BY ORDER OF THE BOARD OF COMMISSIONERS  
 OF LE SUEUR COUNTY, MINNESOTA

County Administrator  
 (Published in the Montgomery Messenger, Thursday, May 18, 2017, No. M159-518)