



Le Sueur County, MN

Tuesday, December 11, 2018

Board Meeting

Item 8

**10:00 a.m. 2019-23 CIP and Issuance of General Obligation Bonds
Public Hearing**

Staff Contact:

AFFIDAVIT OF PUBLICATION

PUBLIC NOTICES

I do solemnly swear that the notice, as per the proof, was published in the regular and entire edition of the

LeSueur County News

with the known office of issue being located in the county of:

LeSueur

with additional circulation in the counties of:

LeSueur

and has full knowledge of the facts stated below:

- (A) The newspaper has complied with all of the requirements constituting qualification as a qualified newspaper as provided by Minn. Stat. §331A.02.
- (B) This Public Notice was printed and published in said newspaper(s) once each week, for 1 successive week(s); the first insertion being on 11/21/2018.

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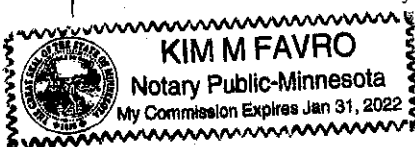
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By: Linda Castle
Authorized Agent

By: Linda Castle
Print Name

Subscribed and sworn to or affirmed before me on 11-26-18 by:

[Signature]
Notary Public



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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, December 11, 2018 at approximately 10:00 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 \$13,750,000 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 file written comments respecting 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
Publish in the Le Sueur County News: November 21, 2018
49096 LCN 11/21

Le Sueur County

2019 to 2023

CAPITAL IMPROVEMENT PLAN

Amended Date
December 11, 2018

2019-2023 CAPITAL IMPROVEMENT PLAN

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Attachment A-CAPITAL IMPROVEMENT FUNDING SUMMARY

Attachment B-COUNTY AUDITORS REPORT OF OUTSTANDING INDEBTEDNESS

Attachment C-2019 Bond Issue Estimated Costs

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
Amended December 12, 2017

INTRODUCTION

The Le Sueur County Capital Improvement Plan is a multi-year guide to the construction and / 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 2019 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 wellbeing 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 2018 EMV is \$4,054,677,300. Therefore, the total amount of outstanding debt cannot exceed \$121,640,319.

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:

	2016	2017	2018
Estimated Market Value	\$3,958,055,700	\$3,981,422,600	\$4,054,677,300
x 0.12%	<u>.0012</u>	<u>.0012</u>	<u>.0012</u>
CIP legal lending limit (interest and principle payment)	\$ 4,749,667*	\$4,777,707*	\$4,865,613*

* 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.

COUNTY DEBT AND OVERLAPPING DEBT

The total amount of requested projects under the 2019-2023 CIP is \$74,145,772. 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, \$20,200,000 would be funded using Capital Improvement Program General Obligation bonds.

2019	\$13,700,000
2020	\$0
2021	\$2,500,000
2022	\$0
2023	\$4,000,000
Total	\$20,200,000

Assuming bonds are paid over 20 years at current market interest rates, the maximum combined annual principal and interest payments are show in Table 1, G.O. Capital Improvement Bonds. This is below the statutory limit of \$4,865,613 to be used for principal and interest payments.

Of the CIP total amount, \$0 would be funded using G.O. County Jail Bonds, according to the plan, which is subject to change.

2019	\$0
2020	\$0
2021	\$0
2022	\$0
2023	\$0
Total	\$0

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 2019 Based on Jail Bond Limitation

Estimated Market Value (2018)	\$4,054,677,300
% Limitation (0.09671%)	\$3,921,278
Principal and Interest Payment	\$827,580

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, 2017.

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.

CIP PROJECTS

2019 - 2023

The CIP is organized by year beginning with year 2019 projects.
These schedules are subject to change due to priority and financial conditions.

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 Bonds	Other Local Funds	Land Records Fund	CSAH General Obligation Bonds	CSAH - Munic General Obligation Bonds	Federal Highway Admin	Grants	Total
HIGHWAY																		
TH 112 Turnback Project Rural	Reconstruction																\$15,500,000	\$15,500,000
TH 112 Turnback Project Urban	Reconstruction																\$650,000	\$650,000
CSAH 15 - TH 112 to CSAH 26	Bit Rehab and Overlay								\$374,000							\$1,326,000		\$1,700,000
CSAH 28 - CIR and Bit Overlay	Bit Rehab and Overlay								\$700,000									\$700,000
County Wide Sealcoats	Sealcoat							\$173,000	\$911,000									\$1,084,000
CSAH 33 Replace Bridge 92723	Box Culvert								\$120,000		\$120,000							\$240,000
CSAH 37 - TAP Sidewalk Project	ADA/Sidewalk Improv.									\$46,510						\$628,662		\$675,172
CSAH 52 - Replace Bridge #4458	Box Culvert									\$150,000	\$150,000							\$300,000
County Road 104 - Grading Base/Bit	New Construction							\$335,000				\$665,000						\$1,000,000
Clear Lake Lane	New Construction							\$136,612	\$348,988									\$485,600
Replace Tandem Trucks / Pick-up	Equipment							\$518,000										\$518,000
ADMINISTRATION																		
Justice Center, Phase 1					\$10,000,000													\$10,000,000
Phase 2 Remodel	Courthouse				\$3,700,000													\$3,700,000
MAINTENANCE																		
HUMAN SERVICES																		
PARKS																		
SHERIFF																		
Jail portion of LEC, Phase 1			\$0															\$0
Replace Three Squad Cars		\$114,000																\$114,000
MIS																		
Justice Center Equipment		\$340,000																\$340,000
TOTALS		\$454,000	\$0	\$0	\$13,700,000	\$0	\$0	\$1,162,612	\$2,453,988	\$196,510	\$270,000	\$665,000	\$0	\$0	\$0	\$1,954,662	\$16,150,000	\$37,006,772

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 - Manic General Obligation Bonds	Federal Highway Admin	Grants	Total
HIGHWAY																		
CSAH 10 - CSAH 30 to TH 13	CIR and Overlay								\$700,000									\$700,000
CSAH 33 - CSAH 3 to County Line	FDR and Overlay								\$2,000,000									\$2,000,000
TH 112 - CR 115 to TH 169	Reconstruct City Portion																\$11,000,000	\$11,000,000
CR 131 - CSAH 6 to Waterville	Bituminous Overlay							\$400,000										\$400,000
CR 131 - TH 13 to County Line	Bituminous Overlay							\$400,000										\$400,000
Replace Equipment	Equipment							\$300,000										\$300,000
ADMINISTRATION																		
West Jefferson Sewer							\$2,000,000											\$2,000,000
HUMAN SERVICES																		
Replace Vehicle		\$28,000																\$28,000
PARKS																		
EMERGENCY MANAG.																		
Vehicle		\$30,000																\$30,000
SHERIFF																		
Replace Three Squad Cars		\$114,000																\$114,000
Montgomery Radio Shed		\$100,000																\$100,000
Computers (MDT's)		\$156,000																\$156,000
MIS																		
Replace Equipment		\$150,000																\$150,000
TOTALS		\$578,000	\$0	\$0	\$0	\$0	\$2,000,000	\$1,100,000	\$2,700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,000,000	\$17,378,000

Year 2021

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 Bonds	Federal Highway Admin	Grants	Total
HIGHWAY																		
CSAH 14 - CSAH 11 to CSAH 6	Bit Rehab and Overlay								\$1,680,000									\$1,680,000
CSAH 13 - TH 60 to CSAH 16	Bit Rehab and Overlay								\$555,000									\$555,000
County Wide	Seal Coat							\$250,000	\$500,000									\$750,000
Equipment Replacement	Equipment							\$500,000										\$500,000
MAINTENANCE																		
Phase 3, Sheriff Residence					\$2,500,000													\$2,500,000
HUMAN SERVICES																		
Replace Vehicle		\$28,000																\$28,000
PARKS																		
SHERIFF																		
Replace Three Squad Cars		\$114,000																\$114,000
MIS																		
Replace Equipment		\$150,000																\$150,000
TOTALS		\$292,000	\$0	\$0	\$2,500,000	\$0		\$750,000	\$2,735,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,277,000

Year 2022

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 Bonds	Federal Highway Admin	Grants	Total
HIGHWAY																		
CSAH 11 - Le Center to CSAH 32	CIR - Road Slide Repair								\$1,200,000									\$1,200,000
CSAH 23 - UP RR to TH 112	Reconstruct and Surface								\$1,500,000									\$1,500,000
CR 103 - CR 105 to CR 104	Bituminous Overlay							\$200,000										\$200,000
CR 104 - CSAH 16 to CR 104	Bituminous Overlay							\$300,000										\$300,000
Equipment Replacement	Equipment							\$500,000										\$500,000
MAINTENANCE																		
Generator and Parking Lot		\$100,000																\$100,000
																		\$0
HUMAN SERVICES																		
Replace Vehicle		\$28,000																\$28,000
PARKS																		
																		\$0
SHERIFF																		
Replace Three Squad Cars		\$114,000																\$114,000
																		\$0
MIS																		
Replace Equipment		\$150,000																\$150,000
																		\$0
TOTALS		\$392,000	\$0	\$0	\$0	\$0		\$1,000,000	\$2,700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,092,000

Year 2023

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 Bonds	Federal Highway Admin	Grants	Total
HIGHWAY																		
Replace County Shop	Le Center				\$4,000,000									\$4,000,000				\$8,000,000
Equipment Replacement	Equipment							\$500,000										\$500,000
CR 101 from TH 22 - CSAH 19	Bituminous Overlay							\$600,000										\$600,000
MAINTENANCE																		
																		\$0
																		\$0
HUMAN SERVICES																		
Replace Vehicle		\$28,000																\$28,000
PARKS																		
																		\$0
SHERIFF																		
Replace Three Squad Cars		\$114,000																\$114,000
																		\$0
																		\$0
MIS																		
Replace Equipment		\$150,000																\$150,000
																		\$0
																		\$0
TOTALS		\$292,000	\$0	\$0	\$4,000,000	\$0		\$1,100,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000	\$0	\$0	\$0	\$9,392,000

Attachment A Capital Improvement Funding Summary 2019-2023

	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 Admin	Grants	Total
2019	\$454,000	\$0	\$0	\$13,700,000	\$0	\$0	\$1,162,612	\$2,433,988	\$196,510	\$270,000	\$665,000	\$0	\$0	\$0	\$1,954,662	\$16,150,000	\$37,066,772
2020	\$578,000	\$0	\$0	\$0	\$0	\$2,000,000	\$1,100,000	\$2,700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,000,000	\$17,378,000
2021	\$292,000	\$0	\$0	\$2,500,000	\$0	\$0	\$750,000	\$2,735,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,277,000
2022	\$392,000	\$0	\$0	\$0	\$0	\$0	\$1,000,000	\$2,700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,092,000
2023	\$292,000	\$0	\$0	\$4,000,000	\$0	\$0	\$1,100,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000	\$0	\$0	\$0	\$9,392,000
Total	\$2,008,000	\$0	\$0	\$20,200,000	\$0	\$2,000,000	\$5,112,612	\$10,588,988	\$196,510	\$270,000	\$665,000	\$0	\$4,000,000	\$0	\$1,954,662	\$27,150,000	\$74,145,772

Table 1

Estimated G.O. Capital Improvement Plan Bonds

Estimated Annual Debt Service Payments

Year	Total Bond Amount	Term (years)	Interest Rate	2020	2021	2022	2023	2024	2025
2019	\$13,700,000	20	3.75%		\$985,881	\$985,881	\$985,881	\$985,881	\$985,881
2020	\$0	20	3.50%			\$0	\$0	\$0	\$0
2021	\$2,500,000	20	3.50%				\$175,903	\$175,903	\$175,903
2022	\$0	20	3.50%					\$0	\$0
2023	\$4,000,000	20	3.50%						\$281,444
2024									
2025									
Estimated Total Annual D/S Payments				\$0	\$985,881	\$985,881	\$1,161,783	\$1,161,783	\$1,443,228

Le Sueur County, Minnesota

General Obligation Capital Improvement Bond Max Debt Calculation

Tax Levy Year	Tax Collect Year	Bond Pay Year	CIP Bond Portion 2015A	CIP Bonding authority carries forward 2016A	CIP Bonds 2017A	CIP Bonds 2018A CIP	CIP Bonds Projected 2019? CIP	CIP Bond Total P & I
2016	/	2017	/	2018				
2017	/	2018	/	2019	526,900.00	178,600.00	279,761.67	921,905.00
2018	/	2019	/	2020	522,900.00	180,300.00	281,450.00	1,112,350.00
2019	/	2020	/	2021	523,800.00	176,900.00	285,000.00	1,111,400.00
2020	/	2021	/	2022	524,500.00	178,500.00	288,250.00	1,114,700.00
2021	/	2022	/	2023	525,000.00		286,200.00	1,112,100.00
2022	/	2023	/	2024	525,300.00		284,000.00	893,750.00
2023	/	2024	/	2025	525,400.00		281,650.00	326,100.00
2024	/	2025	/	2026	525,300.00		284,150.00	324,800.00
2025	/	2026	/	2027			286,350.00	323,350.00
2026	/	2027	/	2028			283,250.00	321,750.00
2027	/	2028	/	2029			325,000.00	998,900.00
2028	/	2029	/	2030			322,950.00	1,002,025.00
2029	/	2030	/	2031			325,750.00	998,625.00
2030	/	2031	/	2032			323,250.00	998,500.00
2031	/	2032	/	2033			325,600.00	997,090.00
2032	/	2033	/	2034			322,650.00	999,010.00
2033	/	2034	/	2035			324,550.00	999,010.00
2034	/	2035	/	2036			326,150.00	997,420.00
2035	/	2036	/	2037			322,450.00	999,210.00
2036	/	2037	/	2038			323,600.00	998,720.00
2037	/	2038	/	2039			324,450.00	1,001,320.00
2038	/	2039	/	2040				1,001,760.00
			4,199,100.00	714,300.00	2,840,061.67	11,128,605.00	-	20,471,572.07
								39,353,638.74

Calculation of CIP Debit Limit

2018 Estimated Taxable Market Value

4,054,677,300

Annual CIP Bonding Limit

0.12%

Maximum Annual CIP Debt Service

4,865,613

Less Maximum Annual CIP Debt Service on Existing and Proposed Debt

3,103,585

Remaining Annual CIP Bonding Capacity

1,762,028

Le Sueur County, Minnesota

General Obligation Jail Bonds Max Debt Calculation

Tax Levy Year	Tax Collect Year	Bond Pay Year	Jail Bond 2017B	Jail Bond 2018B	Jail Bond Total P & I
2016	/	2017 / 2018			-
2017	/	2018 / 2019	490,522.51	141,029.17	631,551.68
2018	/	2019 / 2020	490,717.50	333,850.00	824,567.50
2019	/	2020 / 2021	487,317.50	338,450.00	825,767.50
2020	/	2021 / 2022	488,767.50	337,750.00	826,517.50
2021	/	2022 / 2023	489,917.50	336,900.00	826,817.50
2022	/	2023 / 2024	490,767.50	335,900.00	826,667.50
2023	/	2024 / 2025	491,317.50	334,750.00	826,067.50
2024	/	2025 / 2026	489,130.00	338,450.00	827,580.00
2025	/	2026 / 2027	486,567.50	336,850.00	823,417.50
2026	/	2027 / 2028	488,630.00	335,100.00	823,730.00
2027	/	2028 / 2029	488,550.00	338,200.00	826,750.00
2028	/	2029 / 2030	488,190.00	336,000.00	824,190.00
2029	/	2030 / 2031	487,550.00	338,650.00	826,200.00
2030	/	2031 / 2032	486,630.00	336,000.00	822,630.00
2031	/	2032 / 2033	490,430.00	338,200.00	828,630.00
2032	/	2033 / 2034	488,810.00	335,100.00	823,910.00
2033	/	2034 / 2035	486,910.00	336,162.50	823,072.50
2034	/	2035 / 2036	489,730.00	336,900.00	826,630.00
2035	/	2036 / 2037	487,130.00	337,312.50	824,442.50
2036	/	2037 / 2038	489,250.00	337,400.00	826,650.00
2037	/	2038 / 2039		336,375.00	336,375.00
2038	/	2039 / 2040			-
			9,776,835.01	6,875,329.17	16,652,164.18

Calculation of Jail Bond Max Debt

2018 Estimated Taxable Market Value	4,054,677,300
% Limitation	0.09671%
Maximum Annual Jail Bond Debt Service Principal and Interest	3,921,278
Less Maximum Annual Jail Debt Service on Existing and Proposed Debt	827,580
Remaining Annual Jail Bond Principal and Interest	3,093,698

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 2017									
				Total	General Obligation	G. O. Tax Increment	G. O. Special Assessment	G. O. Revenue	Revenue	Other (Identify)			
County													
Le Sueur	20,220,000	9,610,000	2,335,000	27,495,000	22,515,000					4,980,000		4,980,000	
Cities													
Cleveland	2,242,711	0	160,000	2,082,711				2,082,711			29,400		
Elysian	3,320,760	0	200,140	3,120,620			2,600,000	520,620					655,000
Heidelberg	0	0	0	0									
Kasota	0	0	0	0									
Kilkenny	0	0	0	0									
Le Center	11,711,000	0	753,000	10,958,000	4,983,750		1,681,250	4,313,000					
Le Sueur	26,957,752	2,300,000	2,621,411	26,636,341	4,000,000		1,815,000	11,162,000	9,659,341				4,105,000
Montgomery	17,252,295	2,205,000	4,789,451	14,667,844	4,528,844		1,120,000	9,019,000					7,815,000
New Prague - not home County													
Waterville	13,310,000	0	729,000	12,581,000	434,000			11,987,000		160,000			
Total of Cities	74,794,518	4,505,000	9,253,002	70,046,516	13,946,594	0	7,196,250	39,084,331	9,659,341	160,000	29,400	0	12,575,000
School District													
Cleveland #391	0	496,167	0	496,167	496,167						95,963		
WEM #2143	0	0	0	0									
LSH #2397	12,035,000	0	1,050,000	10,985,000	10,445,000					540,000			
Tri City United #2905	34,270,000	0	2,862,000	31,408,000	31,408,000						1,060,000		24,170,000
Mankato #77 - not home County													
St Peter #508-not home County													
Belle Plaine #716-not home County													
New Prague #721-not home County													
Total of Schools	46,305,000	496,167	3,912,000	42,889,167	42,349,167	0	0	0	0	540,000	1,155,963	0	24,170,000
Townships													
Washington Township	16,968	0	11,728	5,240			5,240						
Total of Townships	16,968	0	11,728	5,240	0	0	5,240	0	0	0	0	0	0
Special District													
Lake Washington San Sewer	8,552,389	0	888,890	7,663,499			7,328,499		335,000		7,198,499		465,000
Total of Spec Dist	8,552,389	0	888,890	7,663,499	0	0	7,328,499	0	335,000	0	7,198,499	0	465,000
GRAND TOTAL	149,888,875	14,611,167	16,400,620	148,099,422	78,810,761	0	14,529,989	39,084,331	9,994,341	5,680,000	8,383,862	4,980,000	37,210,000

Le Sueur County, Minnesota

\$13,700,000 General Obligation CIP Bonds, Series 2019A

Assumes Current Market Non-BQ AA Market Rates +25bps

Sources & Uses

Dated 02/14/2019 | Delivered 02/14/2019

Sources Of Funds

Par Amount of Bonds	\$13,700,000.00
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Total Sources	\$13,700,000.00
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Uses Of Funds

Total Underwriter's Discount (1.000%)	137,000.00
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Costs of Issuance	80,000.00
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Deposit to Capitalized Interest (CIF) Fund	482,074.57
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Deposit to Project Construction Fund	13,000,000.00
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Rounding	925.43
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Total Uses	\$13,700,000.00
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Le Sueur County, Minnesota

\$13,700,000 General Obligation CIP Bonds, Series 2019A

Assumes Current Market Non-BQ AA Market Rates +25bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/14/2019	-	-	-	-	-
08/01/2019	-	-	232,007.07	232,007.07	-
02/01/2020	-	-	250,067.50	250,067.50	482,074.57
08/01/2020	-	-	250,067.50	250,067.50	-
02/01/2021	500,000.00	2.500%	250,067.50	750,067.50	1,000,135.00
08/01/2021	-	-	243,817.50	243,817.50	-
02/01/2022	510,000.00	2.600%	243,817.50	753,817.50	997,635.00
08/01/2022	-	-	237,187.50	237,187.50	-
02/01/2023	525,000.00	2.650%	237,187.50	762,187.50	999,375.00
08/01/2023	-	-	230,231.25	230,231.25	-
02/01/2024	540,000.00	2.800%	230,231.25	770,231.25	1,000,462.50
08/01/2024	-	-	222,671.25	222,671.25	-
02/01/2025	555,000.00	2.900%	222,671.25	777,671.25	1,000,342.50
08/01/2025	-	-	214,623.75	214,623.75	-
02/01/2026	570,000.00	3.000%	214,623.75	784,623.75	999,247.50
08/01/2026	-	-	206,073.75	206,073.75	-
02/01/2027	590,000.00	3.150%	206,073.75	796,073.75	1,002,147.50
08/01/2027	-	-	196,781.25	196,781.25	-
02/01/2028	605,000.00	3.250%	196,781.25	801,781.25	998,562.50
08/01/2028	-	-	186,950.00	186,950.00	-
02/01/2029	625,000.00	3.500%	186,950.00	811,950.00	998,900.00
08/01/2029	-	-	176,012.50	176,012.50	-
02/01/2030	650,000.00	3.600%	176,012.50	826,012.50	1,002,025.00
08/01/2030	-	-	164,312.50	164,312.50	-
02/01/2031	670,000.00	3.750%	164,312.50	834,312.50	998,625.00
08/01/2031	-	-	151,750.00	151,750.00	-
02/01/2032	695,000.00	3.800%	151,750.00	846,750.00	998,500.00
08/01/2032	-	-	138,545.00	138,545.00	-
02/01/2033	720,000.00	3.900%	138,545.00	858,545.00	997,090.00
08/01/2033	-	-	124,505.00	124,505.00	-
02/01/2034	750,000.00	4.000%	124,505.00	874,505.00	999,010.00
08/01/2034	-	-	109,505.00	109,505.00	-
02/01/2035	780,000.00	4.050%	109,505.00	889,505.00	999,010.00
08/01/2035	-	-	93,710.00	93,710.00	-
02/01/2036	810,000.00	4.100%	93,710.00	903,710.00	997,420.00
08/01/2036	-	-	77,105.00	77,105.00	-
02/01/2037	845,000.00	4.200%	77,105.00	922,105.00	999,210.00
08/01/2037	-	-	59,360.00	59,360.00	-
02/01/2038	880,000.00	4.250%	59,360.00	939,360.00	998,720.00
08/01/2038	-	-	40,660.00	40,660.00	-
02/01/2039	920,000.00	4.300%	40,660.00	960,660.00	1,001,320.00
08/01/2039	-	-	20,880.00	20,880.00	-
02/01/2040	960,000.00	4.350%	20,880.00	980,880.00	1,001,760.00
Total	\$13,700,000.00	-	\$6,771,572.07	\$20,471,572.07	-

Yield Statistics

Bond Year Dollars	\$172,865.28
Average Life	12.618 Years
Average Coupon	3.9172540%
Net Interest Cost (NIC)	3.9965065%
True Interest Cost (TIC)	3.9836115%
Bond Yield for Arbitrage Purposes	3.8786685%
All Inclusive Cost (AIC)	4.0455875%

IRS Form 8038

Net Interest Cost	3.9172540%
Weighted Average Maturity	12.618 Years

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Le Sueur County, Minnesota

\$13,700,000 General Obligation CIP Bonds, Series 2019A

Assumes Current Market Non-BQ AA Market Rates +25bps

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
02/14/2019	-	-	-	-	-	-	-
08/01/2019	-	-	232,007.07	232,007.07	(232,007.07)	-	-
02/01/2020	-	-	250,067.50	250,067.50	(250,067.50)	-	-
08/01/2020	-	-	250,067.50	250,067.50	-	250,067.50	-
02/01/2021	500,000.00	2.500%	250,067.50	750,067.50	-	750,067.50	1,000,135.00
08/01/2021	-	-	243,817.50	243,817.50	-	243,817.50	-
02/01/2022	510,000.00	2.600%	243,817.50	753,817.50	-	753,817.50	997,635.00
08/01/2022	-	-	237,187.50	237,187.50	-	237,187.50	-
02/01/2023	525,000.00	2.650%	237,187.50	762,187.50	-	762,187.50	999,375.00
08/01/2023	-	-	230,231.25	230,231.25	-	230,231.25	-
02/01/2024	540,000.00	2.800%	230,231.25	770,231.25	-	770,231.25	1,000,462.50
08/01/2024	-	-	222,671.25	222,671.25	-	222,671.25	-
02/01/2025	555,000.00	2.900%	222,671.25	777,671.25	-	777,671.25	1,000,342.50
08/01/2025	-	-	214,623.75	214,623.75	-	214,623.75	-
02/01/2026	570,000.00	3.000%	214,623.75	784,623.75	-	784,623.75	999,247.50
08/01/2026	-	-	206,073.75	206,073.75	-	206,073.75	-
02/01/2027	590,000.00	3.150%	206,073.75	796,073.75	-	796,073.75	1,002,147.50
08/01/2027	-	-	196,781.25	196,781.25	-	196,781.25	-
02/01/2028	605,000.00	3.250%	196,781.25	801,781.25	-	801,781.25	998,562.50
08/01/2028	-	-	186,950.00	186,950.00	-	186,950.00	-
02/01/2029	625,000.00	3.500%	186,950.00	811,950.00	-	811,950.00	998,900.00
08/01/2029	-	-	176,012.50	176,012.50	-	176,012.50	-
02/01/2030	650,000.00	3.600%	176,012.50	826,012.50	-	826,012.50	1,002,025.00
08/01/2030	-	-	164,312.50	164,312.50	-	164,312.50	-
02/01/2031	670,000.00	3.750%	164,312.50	834,312.50	-	834,312.50	998,625.00
08/01/2031	-	-	151,750.00	151,750.00	-	151,750.00	-
02/01/2032	695,000.00	3.800%	151,750.00	846,750.00	-	846,750.00	998,500.00
08/01/2032	-	-	138,545.00	138,545.00	-	138,545.00	-
02/01/2033	720,000.00	3.900%	138,545.00	858,545.00	-	858,545.00	997,090.00
08/01/2033	-	-	124,505.00	124,505.00	-	124,505.00	-
02/01/2034	750,000.00	4.000%	124,505.00	874,505.00	-	874,505.00	999,010.00
08/01/2034	-	-	109,505.00	109,505.00	-	109,505.00	-
02/01/2035	780,000.00	4.050%	109,505.00	889,505.00	-	889,505.00	999,010.00
08/01/2035	-	-	93,710.00	93,710.00	-	93,710.00	-
02/01/2036	810,000.00	4.100%	93,710.00	903,710.00	-	903,710.00	997,420.00
08/01/2036	-	-	77,105.00	77,105.00	-	77,105.00	-
02/01/2037	845,000.00	4.200%	77,105.00	922,105.00	-	922,105.00	999,210.00
08/01/2037	-	-	59,360.00	59,360.00	-	59,360.00	-
02/01/2038	880,000.00	4.250%	59,360.00	939,360.00	-	939,360.00	998,720.00
08/01/2038	-	-	40,660.00	40,660.00	-	40,660.00	-
02/01/2039	920,000.00	4.300%	40,660.00	960,660.00	-	960,660.00	1,001,320.00
08/01/2039	-	-	20,880.00	20,880.00	-	20,880.00	-
02/01/2040	960,000.00	4.350%	20,880.00	980,880.00	-	980,880.00	1,001,760.00
Total	\$13,700,000.00	-	\$6,771,572.07	\$20,471,572.07	(482,074.57)	\$19,989,497.50	-

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Le Sueur County, Minnesota

\$13,700,000 General Obligation CIP Bonds, Series 2019A

Assumes Current Market Non-BQ AA Market Rates +25bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	105% of Total
02/01/2020	-	-	482,074.57	482,074.57	(482,074.57)	-	-
02/01/2021	500,000.00	2.500%	500,135.00	1,000,135.00	-	1,000,135.00	1,050,141.75
02/01/2022	510,000.00	2.600%	487,635.00	997,635.00	-	997,635.00	1,047,516.75
02/01/2023	525,000.00	2.650%	474,375.00	999,375.00	-	999,375.00	1,049,343.75
02/01/2024	540,000.00	2.800%	460,462.50	1,000,462.50	-	1,000,462.50	1,050,485.63
02/01/2025	555,000.00	2.900%	445,342.50	1,000,342.50	-	1,000,342.50	1,050,359.63
02/01/2026	570,000.00	3.000%	429,247.50	999,247.50	-	999,247.50	1,049,209.88
02/01/2027	590,000.00	3.150%	412,147.50	1,002,147.50	-	1,002,147.50	1,052,254.88
02/01/2028	605,000.00	3.250%	393,562.50	998,562.50	-	998,562.50	1,048,490.63
02/01/2029	625,000.00	3.500%	373,900.00	998,900.00	-	998,900.00	1,048,845.00
02/01/2030	650,000.00	3.600%	352,025.00	1,002,025.00	-	1,002,025.00	1,052,126.25
02/01/2031	670,000.00	3.750%	328,625.00	998,625.00	-	998,625.00	1,048,556.25
02/01/2032	695,000.00	3.800%	303,500.00	998,500.00	-	998,500.00	1,048,425.00
02/01/2033	720,000.00	3.900%	277,090.00	997,090.00	-	997,090.00	1,046,944.50
02/01/2034	750,000.00	4.000%	249,010.00	999,010.00	-	999,010.00	1,048,960.50
02/01/2035	780,000.00	4.050%	219,010.00	999,010.00	-	999,010.00	1,048,960.50
02/01/2036	810,000.00	4.100%	187,420.00	997,420.00	-	997,420.00	1,047,291.00
02/01/2037	845,000.00	4.200%	154,210.00	999,210.00	-	999,210.00	1,049,170.50
02/01/2038	880,000.00	4.250%	118,720.00	998,720.00	-	998,720.00	1,048,656.00
02/01/2039	920,000.00	4.300%	81,320.00	1,001,320.00	-	1,001,320.00	1,051,386.00
02/01/2040	960,000.00	4.350%	41,760.00	1,001,760.00	-	1,001,760.00	1,051,848.00
Total	\$13,700,000.00	-	\$6,771,572.07	\$20,471,572.07	(482,074.57)	\$19,989,497.50	\$20,988,972.38

Significant Dates

Dated	2/14/2019
First Coupon Date	8/01/2019

Yield Statistics

Bond Year Dollars	\$172,865.28
Average Life	12.618 Years
Average Coupon	3.9172540%
Net Interest Cost (NIC)	3.9965065%
True Interest Cost (TIC)	3.9836115%
Bond Yield for Arbitrage Purposes	3.8786685%
All Inclusive Cost (AIC)	4.0455875%

2019A GO CIP Bonds - PreS | SINGLE PURPOSE | 11/20/2018 | 9:58 AM



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LEADERS IN PUBLIC FINANCE

December 11, 2018

Pre-Sale Report for

Le Sueur County, Minnesota

\$13,700,000 General Obligation Capital Improvement
Bonds, Series 2019A



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:	\$13,700,000 General Obligation Capital Improvement Bonds, Series 2019A
Purpose:	<p>The proposed Series 2019A issue includes financing for two purposes:</p> <ol style="list-style-type: none"> 1. To fund the remaining portion of the construction of a new justice center, and; 2. To fund the second phase of the County Courthouse remodel. <p>Both purposes will utilize 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 2019. 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 \$1,760,000 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 County has approximately \$79,000,000 in remaining debt capacity for tax-supported debt.</p>
Term/Call Feature:	<p>The Bonds are being issued for a 21-year term. Principal on the Bonds will be due on February 1 in the years 2021 through 2040. Interest is payable every six months beginning August 1, 2019. Bond proceeds will be used to make the initial August 1, 2019 and February 1, 2020 interest payments.</p> <p>The Bonds maturing on and after February 1, 2029 will be pre-payable at the County's sole discretion on February 1, 2028 or any date thereafter.</p>
Bank Qualification:	Because the County is issuing more than \$10,000,000 in tax-exempt obligations during the calendar year, the County will not be able to designate the Bonds as "bank qualified" obligations.
Rating:	<p>The County's most recent bond issues were rated "AA" by Standard & 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.
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 1.00% 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 it 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 no refunding opportunities exist at this time.</p> <p>We will continue to monitor the market and the call dates for the County's outstanding debt and will alert you to any future refunding opportunities.</p>
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 "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.
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 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, but the 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>Bond Counsel: Dorsey & Whitney LLP</p> <p>Paying Agent: Bond Trust Services Corporation</p> <p>Rating Agency: Standard & Poor's Global Ratings (S&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:	December 11, 2018
Distribute Official Statement:	Week of December 17, 2018
Conference with Rating Agency:	Week of December 31, 2018
Board of Commissioners Award Sale of the Bonds:	January 15, 2019
Estimated Closing Date:	February 14, 2019

Attachments

Sources and Uses of Funds

Proposed Debt Service Schedules

Ehlers Contacts

Municipal Advisors:	Bruce Kimmel	(651) 697-8572
	Todd Hagen	(651) 697-8508
	Chris Mickelson	(651) 697-8556
Disclosure Coordinator:	Rose Xiong	(651) 697-8589
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

\$13,700,000 General Obligation CIP Bonds, Series 2019A

Assumes Current Market Non-BQ AA Market Rates +25bps

Sources & Uses

Dated 02/14/2019 | Delivered 02/14/2019

Sources Of Funds

Par Amount of Bonds	\$13,700,000.00
Total Sources	\$13,700,000.00

Uses Of Funds

Total Underwriter's Discount (1.000%)	137,000.00
Costs of Issuance	80,000.00
Deposit to Capitalized Interest (CIF) Fund	482,074.57
Deposit to Project Construction Fund	13,000,000.00
Rounding	925.43
Total Uses	\$13,700,000.00

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Le Sueur County, Minnesota

\$13,700,000 General Obligation CIP Bonds, Series 2019A

Assumes Current Market Non-BQ AA Market Rates +25bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/14/2019	-	-	-	-	-
08/01/2019	-	-	232,007.07	232,007.07	-
02/01/2020	-	-	250,067.50	250,067.50	482,074.57
08/01/2020	-	-	250,067.50	250,067.50	-
02/01/2021	500,000.00	2.500%	250,067.50	750,067.50	1,000,135.00
08/01/2021	-	-	243,817.50	243,817.50	-
02/01/2022	510,000.00	2.600%	243,817.50	753,817.50	997,635.00
08/01/2022	-	-	237,187.50	237,187.50	-
02/01/2023	525,000.00	2.650%	237,187.50	762,187.50	999,375.00
08/01/2023	-	-	230,231.25	230,231.25	-
02/01/2024	540,000.00	2.800%	230,231.25	770,231.25	1,000,462.50
08/01/2024	-	-	222,671.25	222,671.25	-
02/01/2025	555,000.00	2.900%	222,671.25	777,671.25	1,000,342.50
08/01/2025	-	-	214,623.75	214,623.75	-
02/01/2026	570,000.00	3.000%	214,623.75	784,623.75	999,247.50
08/01/2026	-	-	206,073.75	206,073.75	-
02/01/2027	590,000.00	3.150%	206,073.75	796,073.75	1,002,147.50
08/01/2027	-	-	196,781.25	196,781.25	-
02/01/2028	605,000.00	3.250%	196,781.25	801,781.25	998,562.50
08/01/2028	-	-	186,950.00	186,950.00	-
02/01/2029	625,000.00	3.500%	186,950.00	811,950.00	998,900.00
08/01/2029	-	-	176,012.50	176,012.50	-
02/01/2030	650,000.00	3.600%	176,012.50	826,012.50	1,002,025.00
08/01/2030	-	-	164,312.50	164,312.50	-
02/01/2031	670,000.00	3.750%	164,312.50	834,312.50	998,625.00
08/01/2031	-	-	151,750.00	151,750.00	-
02/01/2032	695,000.00	3.800%	151,750.00	846,750.00	998,500.00
08/01/2032	-	-	138,545.00	138,545.00	-
02/01/2033	720,000.00	3.900%	138,545.00	858,545.00	997,090.00
08/01/2033	-	-	124,505.00	124,505.00	-
02/01/2034	750,000.00	4.000%	124,505.00	874,505.00	999,010.00
08/01/2034	-	-	109,505.00	109,505.00	-
02/01/2035	780,000.00	4.050%	109,505.00	889,505.00	999,010.00
08/01/2035	-	-	93,710.00	93,710.00	-
02/01/2036	810,000.00	4.100%	93,710.00	903,710.00	997,420.00
08/01/2036	-	-	77,105.00	77,105.00	-
02/01/2037	845,000.00	4.200%	77,105.00	922,105.00	999,210.00
08/01/2037	-	-	59,360.00	59,360.00	-
02/01/2038	880,000.00	4.250%	59,360.00	939,360.00	998,720.00
08/01/2038	-	-	40,660.00	40,660.00	-
02/01/2039	920,000.00	4.300%	40,660.00	960,660.00	1,001,320.00
08/01/2039	-	-	20,880.00	20,880.00	-
02/01/2040	960,000.00	4.350%	20,880.00	980,880.00	1,001,760.00
Total	\$13,700,000.00	-	\$6,771,572.07	\$20,471,572.07	-

Yield Statistics

Bond Year Dollars	\$172,865.28
Average Life	12.618 Years
Average Coupon	3.9172540%
Net Interest Cost (NIC)	3.9965065%
True Interest Cost (TIC)	3.9836115%
Bond Yield for Arbitrage Purposes	3.8786685%
All Inclusive Cost (AIC)	4.0455875%

IRS Form 8038

Net Interest Cost	3.9172540%
Weighted Average Maturity	12.618 Years

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Le Sueur County, Minnesota

\$13,700,000 General Obligation CIP Bonds, Series 2019A

Assumes Current Market Non-BQ AA Market Rates +25bps

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
02/14/2019	-	-	-	-	-	-	-
08/01/2019	-	-	232,007.07	232,007.07	(232,007.07)	-	-
02/01/2020	-	-	250,067.50	250,067.50	(250,067.50)	-	-
08/01/2020	-	-	250,067.50	250,067.50	-	250,067.50	-
02/01/2021	500,000.00	2.500%	250,067.50	750,067.50	-	750,067.50	1,000,135.00
08/01/2021	-	-	243,817.50	243,817.50	-	243,817.50	-
02/01/2022	510,000.00	2.600%	243,817.50	753,817.50	-	753,817.50	997,635.00
08/01/2022	-	-	237,187.50	237,187.50	-	237,187.50	-
02/01/2023	525,000.00	2.650%	237,187.50	762,187.50	-	762,187.50	999,375.00
08/01/2023	-	-	230,231.25	230,231.25	-	230,231.25	-
02/01/2024	540,000.00	2.800%	230,231.25	770,231.25	-	770,231.25	1,000,462.50
08/01/2024	-	-	222,671.25	222,671.25	-	222,671.25	-
02/01/2025	555,000.00	2.900%	222,671.25	777,671.25	-	777,671.25	1,000,342.50
08/01/2025	-	-	214,623.75	214,623.75	-	214,623.75	-
02/01/2026	570,000.00	3.000%	214,623.75	784,623.75	-	784,623.75	999,247.50
08/01/2026	-	-	206,073.75	206,073.75	-	206,073.75	-
02/01/2027	590,000.00	3.150%	206,073.75	796,073.75	-	796,073.75	1,002,147.50
08/01/2027	-	-	196,781.25	196,781.25	-	196,781.25	-
02/01/2028	605,000.00	3.250%	196,781.25	801,781.25	-	801,781.25	998,562.50
08/01/2028	-	-	186,950.00	186,950.00	-	186,950.00	-
02/01/2029	625,000.00	3.500%	186,950.00	811,950.00	-	811,950.00	998,900.00
08/01/2029	-	-	176,012.50	176,012.50	-	176,012.50	-
02/01/2030	650,000.00	3.600%	176,012.50	826,012.50	-	826,012.50	1,002,025.00
08/01/2030	-	-	164,312.50	164,312.50	-	164,312.50	-
02/01/2031	670,000.00	3.750%	164,312.50	834,312.50	-	834,312.50	998,625.00
08/01/2031	-	-	151,750.00	151,750.00	-	151,750.00	-
02/01/2032	695,000.00	3.800%	151,750.00	846,750.00	-	846,750.00	998,500.00
08/01/2032	-	-	138,545.00	138,545.00	-	138,545.00	-
02/01/2033	720,000.00	3.900%	138,545.00	858,545.00	-	858,545.00	997,090.00
08/01/2033	-	-	124,505.00	124,505.00	-	124,505.00	-
02/01/2034	750,000.00	4.000%	124,505.00	874,505.00	-	874,505.00	999,010.00
08/01/2034	-	-	109,505.00	109,505.00	-	109,505.00	-
02/01/2035	780,000.00	4.050%	109,505.00	889,505.00	-	889,505.00	999,010.00
08/01/2035	-	-	93,710.00	93,710.00	-	93,710.00	-
02/01/2036	810,000.00	4.100%	93,710.00	903,710.00	-	903,710.00	997,420.00
08/01/2036	-	-	77,105.00	77,105.00	-	77,105.00	-
02/01/2037	845,000.00	4.200%	77,105.00	922,105.00	-	922,105.00	999,210.00
08/01/2037	-	-	59,360.00	59,360.00	-	59,360.00	-
02/01/2038	880,000.00	4.250%	59,360.00	939,360.00	-	939,360.00	998,720.00
08/01/2038	-	-	40,660.00	40,660.00	-	40,660.00	-
02/01/2039	920,000.00	4.300%	40,660.00	960,660.00	-	960,660.00	1,001,320.00
08/01/2039	-	-	20,880.00	20,880.00	-	20,880.00	-
02/01/2040	960,000.00	4.350%	20,880.00	980,880.00	-	980,880.00	1,001,760.00
Total	\$13,700,000.00	-	\$6,771,572.07	\$20,471,572.07	(482,074.57)	\$19,989,497.50	-

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At 10:00 a.m. the Chairperson called the Public Hearing for the approval of the 2019 to 2023 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 Le Sueur County News, 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 _____, the Board approved the following resolution:

**RESOLUTION RELATING TO APPROVAL OF A CAPITAL
IMPROVEMENT PLAN AND ISSUANCE OF GENERAL OBLIGATION CAPITAL
IMPROVEMENT BONDS, SERIES 2019A**

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 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 the remaining portion of the construction of a new justice center as detailed in the County's 2019 - 2023 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 \$13,750,000. 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 competitive sale basis. This Board shall meet on January 15, 2019, 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.

STATE OF MINNESOTA

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COUNTY OF LE SUEUR

I, Darrell Pettis, County Administrator of said County of Le Sueur, do hereby certify that I have compared the foregoing copy as adopted by the County Board of said County at their meeting held on the 11th day of December, 2018 and recorded in the Commissioner Record Book now remaining on file and on record in my office and that the same is a correct transcript there from, and of the whole of such original.

Witness by hand and official seal this 11th day of December 2018.

County Administrator