

CERTIFICATION OF MINUTES RELATING TO
REIMBURSEMENT OF EXPENDITURES

Issuer: City of Lake Elmo, Minnesota

Governing Body: City Council

Kind, date, time and place of meeting: A regular meeting held on June 7, 2005, at 7:00 p.m.,
at the City offices.

Members present: Mayor Dean Johnston
Council Members: Rita Conlin, Anne Smith, Liz Johnson, Steve DeLapp

Members absent: None

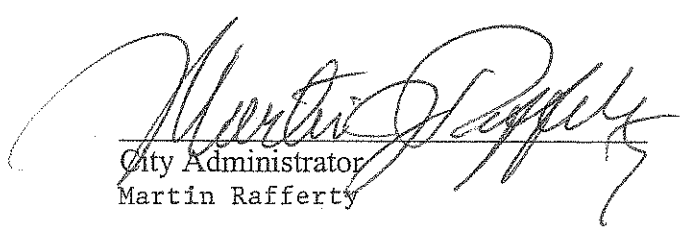
Documents Attached:
Minutes of said meeting (including):

RESOLUTION NO. 2005-052

RESOLUTION AUTHORIZING REIMBURSEMENT OF EXPENDITURES

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the bonds referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said bonds; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer this 7th day of June, 2005.


City Administrator
Martin Rafferty

Councilmember DeLapp introduced the following resolution and moved its adoption, which motion was seconded by Councilmember Johnson:

RESOLUTION AUTHORIZING REIMBURSEMENT OF EXPENDITURES

BE IT RESOLVED by the City Council (the "Council") of Lake Elmo, Minnesota (the "City"), as follows:

1. Recitals.

(a) The Department of Treasury has promulgated final regulations governing the use of proceeds of tax-exempt bonds, all or a portion of which are to be used to reimburse an issuer for project expenditures made by the issuer prior to the date of issuance of such bonds. Those regulations (Treasury Regulations, Section 1.150-2) (the "Regulations") require that the issuer adopt a statement of official intent to reimburse an original expenditure not later than 60 days after payment of the original expenditure. The Regulations also generally require that the bonds be issued and the reimbursement allocation made from the proceeds of the bonds within 18 months after the date the expenditure is paid or the date the project is placed in service or abandoned, but in no event more than three years after the date the expenditure is paid. The Regulations generally permit reimbursement of capital expenditures and costs of issuance of the bonds.

(b) The City desires to comply with requirements of the Regulations with respect to the project hereinafter identified.

2. Official Intent Declaration.

(a) The City has determined that it will undertake a project (the "Project") comprising certain improvements to the City's water utility system (the "System"). The cost of the Project is presently estimated at \$ 4,987,000

(b) Other than (i) expenditures to be paid or reimbursed from sources other than the Bonds (as hereinafter defined), (ii) expenditures constituting preliminary expenditures within the meaning of Section 1.150-2(f)(2) of the Regulations, or (iii) de minimis expenditures (as defined in Section 1.150-2(f)(1) of the Regulations), no expenditures for the Project have heretofore been paid by the City and no expenditures will be paid by the City until after the date of this Resolution.

(c) The City reasonably expects to issue General Obligation Water Revenue Bonds in an estimated maximum aggregate principal amount of \$4,500,000 (the "Bonds") after the date of payment of all or a portion of the costs of the Project. All reimbursed expenditures shall be capital expenditures, a cost of issuance of the Bonds or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulations.

3. Budgetary Matters. As of the date hereof, there are no funds of the City reserved, allocated on a long term-basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside) to provide permanent financing for the expenditures related to the Project, other than pursuant to the issuance of the Bonds. This

resolution, therefore, is determined to be consistent with the budgetary and financial circumstances of the City as they exist or are reasonably foreseeable on the date hereof.

4. Reimbursement Allocations. The Finance Director of the City shall be responsible for making the "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the Bonds to reimburse the source of temporary financing used by the City to make payment of the prior costs of the Project. Each allocation shall be evidenced by an entry on the official books and records of the City maintained for the Project and shall specifically identify the actual original expenditure being reimbursed.

M/S/P Johnson/Smith - to approve the June 7, 2005 City Council Agenda, as amended. (Motion passed 5-0).

2. MINUTES: May 17, 2005 (Postponed)

3. PUBLIC INQUIRIES/INFORMATONAL:

A. Public Inquiries - NONE

B. Public Informational:

(1) Fire Department:20 Years of Service Ring Presentation

On behalf of a grateful community, Mayor Johnston handed out 20 Years of service rings to the following firefighters: Greg Malmquist (20.5 years), John Eder (20.5 years), Jim Sachs (25 years), Dick Sachs (29.5 years).

(2)Introduction of New Firefighters

Fire Chief Malmquist introduced the four new recruits on the Fire Department – Rick Myeron, Marie Dufford, Maurice Butler and Ty Jacobson.

4. CONSENT AGENDA:

A. Resolution No. 2005-051: Approving Claims

M/S/P DeLapp/Johnson - to adopt Resolution No. 2005-051 approving claim numbers 260, 261, 262, DD431 through DD440, 27373 through 27365 which were used for staff payroll dated May 26, 2005; claims 27386 through 27448 in the total amount of \$138,695.23. (Motion passed 5-0).

B. Reimbursement Resolution No. 2005-052

The Finance Director reported in order for the City to reimburse the General Fund from tax-exempt bond issued, the City is required to adopt a resolution authorizing the repayment of funds. A draft resolution granting reimbursement to the General Fund for Capital expenditures from bonds issued by the City was provided to the Council.

M/S/P DeLapp/Johnson - to adopt Resolution No. 2005-052 granting the City to repay expenditures made out of the General Fund from Bond Proceeds. (Motion passed 5-0).

C. New Telephone System

The Finance Director reported that the City signed a new agreement for phone service which allowed for the installation of a T-1 line at a rate less than what the City had been paying for analog lines. The new T-1 line provides an additional six voice lines to our existing five lines. In order to accommodate the additional lines and upgrade the current phone system, the City has been negotiating with several telephone vendors. Staff recommends purchasing 3 Com telephone equipment from VATACOM at a price not to exceed \$13,540. The replacement of the phone equipment has been scheduled on the CIP for this year in the amount of \$15,000.

M/S/P DeLapp/Johnson - to approve the purchase of 3 Com telephone equipment from VATACOM at a price not to exceed \$13,540. (Motion passed 5-0).