

**THE MINUTES OF THE SPECIAL MEETING OF THE
HIBBING CITY COUNCIL
Wednesday December 13, 2023**

TIME AND PLACE: A Special Meeting of the Hibbing City Council was held on Wednesday, December 13, 2023 in the City Hall Council Chamber.

CALL TO ORDER: Mayor Pete Hyduke called the meeting to order at 8:00 a.m.

ATTENDANCE: Present at roll call Mayor Pete Hyduke, Councilor Justin Fosso, Councilor James Bayliss, Councilor Jennifer Hoffman Saccoman and Councilor Chris Whitney. Also present were City Administrator Greg Pruszinske, City Clerk-Deputy Administrator Candie Seppala, Treasurer-Finance Director Sheena Mulner and City Attorney Andy Borland. Councilor Jay Hildenbrand, Councilor John Schweiberger, City Engineer Jesse Story and Chief of Police Steve Estey were absent.

APPROVAL OF THE AGENDA:

Councilor Fosso, supported by Councilor Whitney, moved to approve the Agenda.

Motion CARRIED

DEPARTMENT AND COMMITTEE REPORTS:

Offer RESOLUTION NO. 23-12-05 AUTHORIZING THE ISSUANCE AND SALE OF A \$9,336,684 GENERAL OBLIGATION REVENUE NOTE, SERIES 2023A, AND PROVIDING FOR ITS PAYMENT (THIS RESOLUTION AUTHORIZES EXECUTION OF THE FINAL AGREEMENT)

City Administrator Greg Pruszinske spoke briefly about the requested PFA Funding for HPU and explained that this process started in January 2023. HPU General Manager Luke Peterson gave a quick overview about the requested PFA Funding for HPU, why the funds are necessary and how it will benefit HPU and the ratepayers and taxpayers. There was some discussion between Mr. Peterson, City Councilors and City Staff regarding the PFA Funding.

Mayor Hyduke asked Mr. Peterson what the time frame on the water treatment plant and the water distribution. Mr. Peterson stated that the water main problem was completed this summer and the water treatment plant on Townline Road is anticipated to be near completion by the end of 2024. Mr. Peterson stated that the Carey Valley water treatment plant pending final engineering is anticipated to be completed no sooner than 2025.

Councilor Hoffman Saccoman stated that HPU is coming to the City requesting \$15M from the PFA, Councilor Hoffman Saccoman asked Mr. Peterson if HPU will be coming back to the City in the future with additional PFA requests. Councilor Hoffman Saccoman explained that she does not want to tie future Councilors, ratepayers or taxpayers to unknown debt; what

do future phases and debts look like. Mr. Peterson stated that HPU does expect to come back and ask for more PFA financing. The Council will have full authority to approve or deny the future requests, there is nothing binding at this point.

Councilor Whitney asked Mr. Peterson what the targeted date is to complete all of the phases of the project. Mr. Peterson stated HPU has a target of about 2% of their system per year. Councilor Bayliss asked Mr. Peterson what the cost is to replace 2% of the system each year. Mr. Peterson stated that it is \$5-\$7M per year to replace 2% of the system. Councilor Bayliss stated that HPU would be replacing more per year if they could afford to replace more per year.

City Attorney Andy Borland explained that HPU contracted an outside firm to complete a rate study, that will be a study done over time to determine what the appropriate rates are to meet not only the obligations with the current water system and also to address the debt from the PFA Funding.

Councilor Bayliss, supported by Councilor Fosso, moved to offer RESOLUTION NO. 23-12-05 AUTHORIZING THE ISSUANCE AND SALE OF A \$9,336,684 GENERAL OBLIGATION REVENUE NOTE, SERIES 2023A, AND PROVIDING FOR ITS PAYMENT (THIS RESOLUTION AUTHORIZES EXECUTION OF THE FINAL AGREEMENT).

Motion CARRIED

Offer RESOLUTION NO. 23-12-06 AUTHORIZING THE ISSUANCE AND SALE OF A NOT TO EXCEED \$4,900,000 GENERAL OBLIGATION REVENUE NOTE, SERIES 2023B, AND PROVIDING FOR ITS PAYMENT (THIS RESOLUTION AUTHORIZES EXECUTION OF THE FINAL AGREEMENT IN AN AMOUNT NOT TO EXCEED \$4.9 MILLION WITH AN INTEREST RATE NOT TO EXCEED 3.5%)

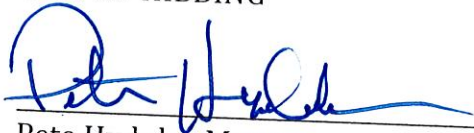
Councilor Hoffman Saccoman, supported by Councilor Whitney, moved to offer RESOLUTION NO. 23-12-06 AUTHORIZING THE ISSUANCE AND SALE OF A NOT TO EXCEED \$4,900,000 GENERAL OBLIGATION REVENUE NOTE, SERIES 2023B, AND PROVIDING FOR ITS PAYMENT (THIS RESOLUTION AUTHORIZES EXECUTION OF THE FINAL AGREEMENT IN AN AMOUNT NOT TO EXCEED \$4.9 MILLION WITH AN INTEREST RATE NOT TO EXCEED 3.5%).

Motion CARRIED

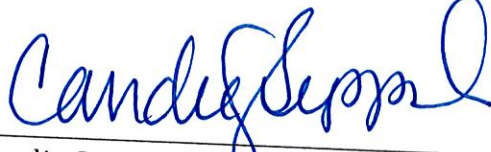
ADJOURNMENT: There being no further business, the meeting was adjourned at 8:20 p.m. by Councilor Bayliss and supported by Councilor Fosso.

Motion CARRIED

CITY OF HIBBING


Pete Hyduke, Mayor

ATTEST:


Candie Seppala, City Clerk-Deputy Administrator