HIBBING CITY COUNCIL
Hibbing City Council and Hibbing Public Utilities Joint Workshop Meeting
Tuesday, March 11, 2025
5:00 PM

Councilor Justin Fosso	City Administrator Greg Pruszinske
Councilor John Schweiberger	City Clerk-Dep Admin Candie Seppala
Councilor James Bayliss	Finance Dir - Treasurer Sheena Mulner
Councilor Jay Hildenbrand	City Attorney Andy Borland
Councilor Jennifer Hoffman Saccoman	Chief of Police Steve Estey
Councilor Chris Whitney	City Engineer Jesse Story
Mayor Pete Hyduke	

I. DISCUSSIONS TO INCLUDE

1. Rate Study
2. Natural Gas Line to the Memorial Building
3. Effluent in the sanitary sewer from the generating station to the WWTF
4. Effluent in the sanitary sewer from the Memorial Building
5. Fire suppression infrastructure, inoperable fire hydrants
6. Traffic semaphores, operations, and maintenance
7. Sanitation

II. ADJOURNMENT:

HPU HIBBING PUBLIC UTILITIES

1902 E 6TH AVE
HIBBING, MINNESOTA 55746-0249
TELEPHONE: 218-262-7700
FAX: 218-262-7702

Item 1 – City Discussion

March 11th, 2025

Jeff Hart, Chairman
Hibbing Public Utilities Commission
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 1 – City Discussion

Dear Commissioners and Councilors;

Please see attached discussion materials related to HPU's obligations vis-à-vis the City of Hibbing with covenants made during the issuance of the Public Facilities Authority (PFA) water financing for the 2023 Water Projects. These include:

- Rate Study performed by Baker Tilly, focusing on water in particular where the Commission obligation to the City was created by mutual resolutions
- 2024 Financial Report (unaudited) to verify financial standing of the utility in regards to its maintenance of the reserve accounts for water debt through the PFA

We look forward to meeting with you and this topic and others with you at the joint meeting.

Sincerely;

Luke J. Peterson

Luke J. Peterson

HIBBING PUBLIC UTILITIES

1902 E 6TH AVE
HIBBING, MINNESOTA 55746-0249
TELEPHONE: 218-262-7700
FAX: 218-262-7702

March 7, 2025

Mayor and Council, City of Hibbing
c/o Sheena Mulner, Finance Director / Treasurer
Hibbing City Hall
401 East 21st Street
Hibbing, MN 55746

Re: Debt Compliance Certification

Hibbing Public Utilities hereby certifies compliance with all Covenants required of:

- $9,336,684 GENERAL OBLIGATION REVENUE NOTE, SERIES 2023A
- $4,880,939 GENERAL OBLIGATION REVENUE NOTE, SERIES 2023B

Specifically; In regards to *City Council Resolutions 23-12-05 and 12-12-06, Section 6.02 Commission Covenants with City:*.

> *A) The Commission has covenanted with the City to undertake and complete rate studies for the Utility as specified in Section 3.0IB of the Commission Resolution.*
>
> *b) The Commission has further covenanted with the Issuer to establish, administer and maintain the Reserve Account, as specified in Section 4.02B of the Commission's Resolution*

In regards to item A, the Commission hereby notifies the City that it has engaged Baker Tilly for the Utility (water) specified in Section 3.01B and here to present the rate study to the City.

In regards to item B, the Commission herby certifies that it meets the in full compliance with the debt service requirements as stipulated in its Resolution, requiring it to segregate and set aside funds in a jointly held account with the City.

- As of Feb 28, 2025 the Commission Reports a balance in the Debt Service Reserve Account of $619,449.14
- This balance reflects an amount that is 244% (2.44 times) the estimated debt service payment of $254,340 due on August 20th, 2025

This substantial reserve not only satisfies but significantly exceeds the required debt service coverage ratio to ensure adequate coverage.

Sincerely;

Luke J. Peterson

Luke J. Peterson
CC: Abdo, LLP Auditors to City and Public Utility Commission; Baker Tilly, LLP

4M Fund — MINNESOTA MUNICIPAL MONEY MARKET FUND | LMC LEAGUE of MINNESOTA CITIES

4M Fund Monthly Statement

Hibbing Public Utilities Commission

Activity Summary (35441-103) 2023 PFA Loan D.S. Reserve- City of Hibbing & HPUC

2/1/2025 - 2/28/2025

Investment Pool Summary	4M	4MP
Beginning Balance	$617,410.18	$0.00
Dividends	$2,038.96	$0.00
Purchases	$0.00	$0.00
Redemptions	$0.00	$0.00
Ending Balance	$619,449.14	$0.00
Average Monthly Rate	4.305%	4.322%
Share Price	$1.000	$1.000
Total	**$619,449.14**	**$0.00**

Total Fixed Income	**$0.00**
Account Total	**$619,449.14**

Your PMA Representative
Xander Nguyen
(763) 497-1490
xnguyen@pmanetwork.com

Hibbing Public Utilities Commission
Luke Peterson
1902 6th Avenue E.
Hibbing, MN 55746

PMA™
PMA Financial Network
2135 CityGate Lane, 7th Floor
Naperville, IL 60563

4M Fund
MINNESOTA MUNICIPAL MONEY MARKET FUND
LMC LEAGUE of MINNESOTA CITIES

4M Fund Monthly Statement

Hibbing Public Utilities Commission

Transaction Activity (35441-103) 2023 PFA Loan D.S. Reserve- City of Hibbing & HPUC

4M 2/1/2025 - 2/28/2025

Transaction	Trade Date	Settle Date	Description	Redemption	Purchase	Share Price	Shares this Transaction
11269699	02/28/2025	02/28/2025	Dividend Reinvest	$0.00	$2,038.96	$1.000	2,038.960
				$0.00	**$2,038.96**		**2,038.960**

Beginning Balance: $617,410.18 | Ending Balance: $619,449.14

4M Fund
MINNESOTA MUNICIPAL MONEY MARKET FUND

LMC LEAGUE of MINNESOTA CITIES

4M Fund Monthly Statement

Hibbing Public Utilities Commission

Current Portfolio

2/28/2025

Type	Code	Holding Id	Trade Date	Settle Date	Maturity Date	Description	Cost	Rate	NAV	Face/Par	Market Value
4M				02/28/2025		4M Account Balance	$619,449.14	4.305%	$1.000	$619,449.14	$619,449.14
							$619,449.14			**$619,449.14**	**$619,449.14**

Time and Dollar Weighted Average Portfolio Yield: n/a

Weighted Average Portfolio Maturity: n/a

Note: Weighted Yield & Weighted Average Portfolio Maturity are calculated using "Market Value" and are only based on the fixed rate investments.

Portfolio Summary

Type	Allocation (%)	Allocation ($)	Description
4M	100.000%	$619,449.14	4M Account

Index

Cost is comprised of the total amount you paid for the investment including any fees and commissions.

Rate is the average monthly rate for liquid investments or the rate on the last business day of the month for SDA investments or the yield to maturity or yield to worst for fixed term investments.

Face/Par is the amount received at maturity for fixed rate investments.

Market Value reflects the market value as reported by an independent third-party pricing service. Certificates of Deposit and other assets for which market pricing is not readily available from a third-party pricing service are listed at "Cost".

4M MONTHLY STATEMENT DISCLAIMER

4M and 4M Plus Activity Summary

This section shows all of the activity in the 4M and 4M Plus shares. The Average Rate represents the average net interest rate over the previous month which is then annualized. Income Summary represents the interest earned for the Month and Fiscal Year to Date.

Information regarding the 4M Fund investment objectives, risks, charges and expenses can be found in the 4M Fund Information Statement, which can be obtained at www.4MFund.com or by calling PMA at the phone number listed.

An investment in 4M and 4M Plus is not insured or guaranteed by the FDIC or any other governmental agency. Although the 4M and 4M Plus seek to maintain a stable value of $1.00 per share, it is possible to lose money by investing in the 4M and 4M Plus.

Securities and municipal advisory brokerage services (investments purchased with proceeds from a municipal securities issuance), and investments cleared through our clearing firm, Pershing LLC, are offered through PMA Securities, LLC, a broker-dealer and municipal advisor registered with the SEC and MSRB, and a member of FINRA and SIPC. All other products and brokerage services are generally provided by PMA Financial Network, LLC. Thus, certificates of deposit ("CD"), savings deposit accounts ("SDA") and commercial paper ("CP") may be executed through either PMA entity, as applicable, depending on whether the investment was purchased with proceeds derived from municipal securities. PMA Securities, LLC and PMA Financial Network, LLC are operated under common ownership and are affiliated with PMA Asset Management, LLC.

Fixed Rate Investment Activity

This section shows all of the fixed term investments purchased and sold, maturities, interest received, and activity. This will include all CD, SDA, CP, securities and money market funds purchased through PMA Financial Network, LLC or PMA Securities, LLC as applicable. It also shows the approximate market value of each security whose price is obtained from an independent source believed to be reliable. However, PMA cannot guarantee their accuracy. This data is provided for informational purposes only. Listed values should not be interpreted as an offer to buy or sell at a specific price. CD's and CP are listed at their original cost. Redemption of a CD prior to maturity may result in early withdrawal penalties. Market values are based on the last day of the month for which this report date range is ending. If the run date of this report is prior to the end of the current month, the market values are listed as equivalent to the cost values.

Money Market Fund

The Rate shown for the money market fund represents the average net interest rate over the previous month which is then annualized. Information regarding the money market fund's investment objectives, risks, charges and expenses can be found in the money market fund's prospectus, which can be obtained by calling PMA at the phone numbers listed. The performance data featured represents past performance, which is no guarantee of future results. Investment returns will fluctuate. Current performance may be higher or lower than the performance data quoted. Please call PMA for the most recent performance figures.

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Additional Disclosures

All funds, and/or securities are located and safe kept in an account under the client's name at their custodial bank. Any certificates of deposit listed are located in the client's name at the respective bank. Any money market fund shares are held directly with the money market fund. It is recommended that any oral communications be re-confirmed in writing to further protect your rights, including rights under the Securities Investor Protection Act.

Debt Securities

Some debt securities are subject to redemption prior to maturity. In the event of a partial or whole call of a security, the securities call will be automatically selected on a random basis as is customary in the securities industry. The probability that your securities will be selected is proportional to the amount of your holdings relative to the total holdings. Redemption prior to maturity could affect the yield represented. Additional information is available upon request.

A financial statement of PMA Securities, LLC is available for inspection at its office or a copy will be mailed to you upon written request.

PLEASE ADVISE PMA AND OUR CLEARING FIRM, PERSHING LLC, IMMEDIATELY OF ANY INACCURACY OR DISCREPANCY ON YOUR STATEMENT. FOR A CHANGE OF ADDRESS OR QUESTIONS REGARDING YOUR ACCOUNT, PLEASE NOTIFY YOUR PMA REPRESENTATIVE. ANY ORAL COMMUNICATIONS SHOULD BE RE-CONFIRMED IN WRITING.

How to Contact PMA

Please call (630) 657-6400 or write to us at PMA, 2135 CityGate Lane, 7th Floor, Naperville, Illinois 60563.

How to Contact Pershing, LLC

Please call (201) 413-3330 or write to Pershing, LLC, One Pershing Plaza, Jersey City, New Jersey, 07399

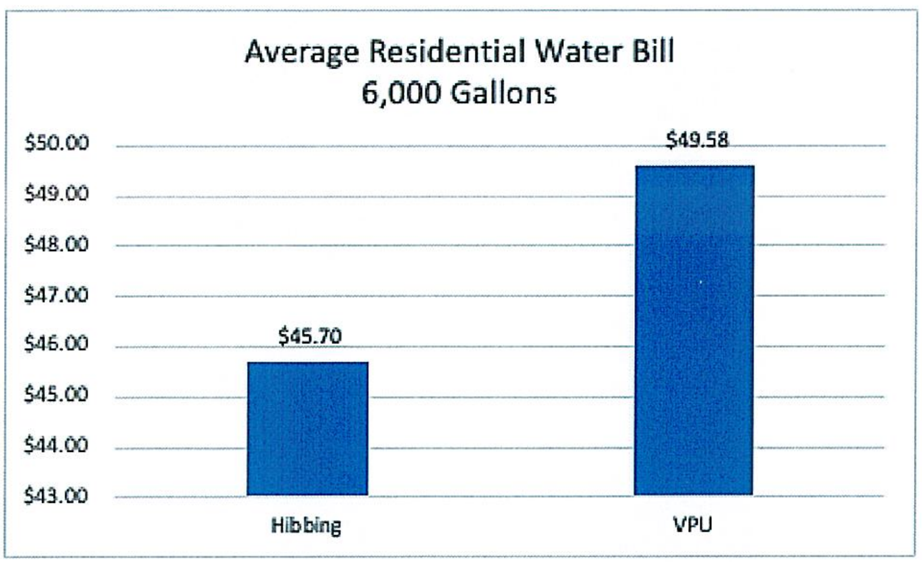
In accordance with FINRA Rule 2267, PMA Securities, LLC is providing the following information in the event you wish to contact FINRA. You may call (301) 590-6500 or write to FINRA at 1735 K Street NW, Washington, D.C. 20006-1500. In addition to the public disclosure number (800) 289-9999, FINRA provides an investor brochure which describes their Public Disclosure Program. Additional information is also available at www.finra.org.

Overall Rate Design Approach

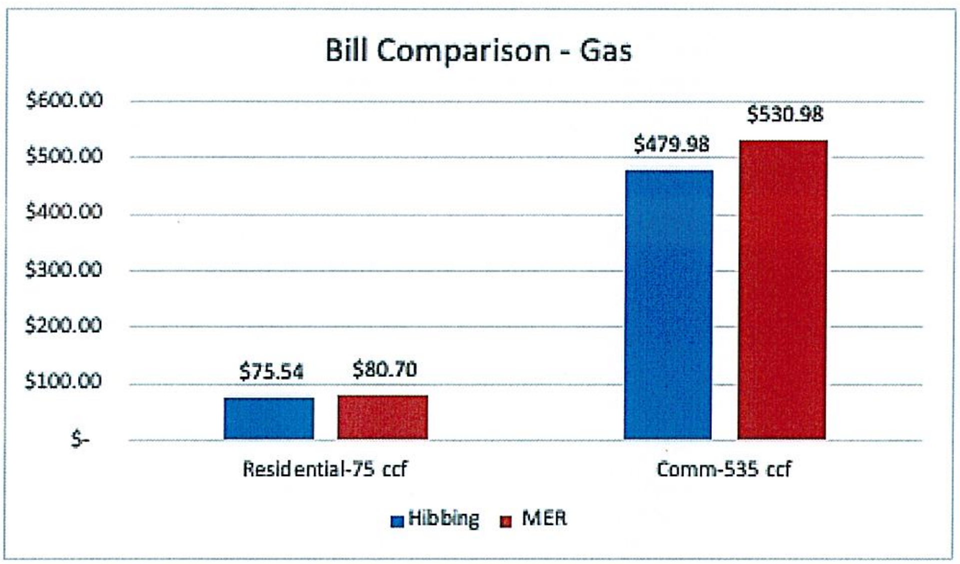
1. A 5-year phased-in approach was used for each utility's rate adjustment

2. HPU's rates compare favorably to area utilities after the rate adjustments

Water – Average residential monthly bill



Gas – Average monthly bill comparison



Electric – Average residential monthly bill