

ROCHESTER PUBLIC UTILITIES
BOARD MEETING MINUTES
April 15, 2013

Members Present: Mr. Williams, Mr. Stahl, Mr. Wojcik, Mr. Reichert and Mr. Browning
Absent: None
Also Present: Mr. Adkins, City Attorney

Board President Williams called the meeting to order at 12:00 Noon.

1. Mr. Wojcik moved to approve the minutes of the March 26, 2013 meeting, seconded by Mr. Stahl.

All voting "AYE"

2. Mr. Williams opened the meeting for comments from the public. No one wished to be heard.
3. The resolution regarding the sale of 2013B Electric Revenue Bonds to finance the CapX2020 construction project was discussed. Mr. Koshire said a similar process was used for the sale of bonds in 2000 and 2007. Ms. Parker, Director of Corporate Services, said staff was working on the Official Statement for the bonds. A revised Council resolution was distributed during the meeting for informational purposes. Ms. Parker said that RPU's bonds would be tax-exempt. She said that May 14 is the pricing date for the bonds. Mr. Williams said that he would like to discuss RPU's long-term debt and other issues at some point in the future.

Mr. Wojcik moved to approve a resolution approving and consenting to the issuance of Electric Utility Revenue Bonds, Series 2013B, seconded by Mr. Reichert.

All voting "AYE"

Resolution No. 16
Resolution Approving and Consenting to
the Issuance of Electric Utility Revenue Bonds, Series 2013B
by the City of Rochester

BE IT RESOLVED By the Public Utility Board (the "Board") of Rochester Public Utilities ("RPU") as follows:

1. Recitals.
 - (a) The Board, in cooperation with the Rochester Common Council (the "Council"), has determined that it is in the best interests of RPU for the City to issue its Electric Utility Revenue Bonds, Series 2013B (the "Bonds") to provide funds to finance a portion of RPU's percentage

interest in the CapX 2020 Southwest Metro to Rochester to La Crosse transmission line project (the "Improvements");

- (b) On the date hereof, the Council will consider a Resolution Authorizing the Sale of the City's Electric Utility Revenue Bonds, Series 2013B and Providing for Their Issuance (the "Resolution") to finance the Improvements to the City's municipal electric utility (the "Electric Utility");
- (c) The Resolution would, upon its adoption, authorize the issuance of Electric Utility Revenue Bonds, Series 2013B in an aggregate principal amount not to exceed \$46,000,000 (the "Bonds"), delegate to a pricing committee the authority to negotiate with Barclays Capital Inc., as representative of the participating underwriter(s) the maturity schedule, rates of interest, redemption provisions and other details of the Bonds within specified parameters, pledge the Net Revenues of the Electric Utility for the payment of the Bonds, and set forth other covenants and obligations of the City relating to the Electric Utility; and
- (d) The Resolution, in the form actually adopted, is hereby incorporated into this Resolution to the same extent as though set forth in full herein, and each capitalized term which is used in this Resolution but not otherwise defined herein shall have the meaning given to that term in the Resolution.

2. Consent and Approval.

- (a) The Board hereby consents to and approves the issuance of the Bonds, and determines that the issuance of the Bonds by the City is necessary and desirable and that the issuance of the Bonds is appropriate for the purposes for which the Bonds are issued and hereby authorizes and requests that City issue the Bonds.
- (b) The Board hereby concurs in the award, issuance and sale of the Bonds and joins in and concurs in the adoption of the Resolution, and adopts all of the covenants and agreements contained therein with the same force and effect as if said Resolution had been adopted by the Board.
- (c) The approval hereby given to the Resolution includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the Pricing Committee described therein.
- (d) The Board hereby covenants and pledges to cooperate with the Council (and to take such actions, or refrain from acting, as the case may be, as may be necessary) in order to fully effectuate the intent, purposes and obligations of the City under the Resolution.

4. Ms. Hillenbrand, Director of Human Resources, discussed the recommended changes to the proposed Collective Bargaining Agreement between the City of Rochester and the International Brotherhood of Electrical Workers (Inside Group), Local 949, for 2013-2014 with the Board. She acknowledged the professionalism of the employees during the negotiation process. Changes include a two year contract, a new wage grid, and changes to the sick leave account for new employees. Additional changes were attached to the For Board Action request.

Mr. Wojcik asked who the sick leave can go to. Ms. Hillenbrand said that in the event of the death of an active employee, the benefits would go to the dependent(s) of the employee, but not the beneficiaries. Mr. Stahl asked if this was governed by statute. Ms. Hillenbrand said that this is negotiated as part of the bargaining agreement. Mr. Wojcik also asked how the City's health care plan compared to other health care plans. Ms. Hillenbrand said the City is seeking an analysis of its health plan based on the Affordable Health Care Act. Mr. Williams noted that the specified wage increases of 1.75% and 2% over the two year term of the agreement are greater than that if health care increases for this period are factored in. He said that RPU may need to budget for health care insurance costs in the future.

Mr. Browning moved to approve the two year IBEW (Inside Group) agreement, seconded by Mr. Reichert.

All voting "AYE"

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota that the Common Council of the said City is requested to approve a 2013-2014 Collective Bargaining Agreement with IBEW, Inside Group, Local 949, and the City of Rochester Public Utility Board, and that the Common Council authorize the Mayor and the City Clerk to execute the documents.

5. Other Business:
 - a. RPU will hold its 11th annual Arbor Day Celebration on Friday, April 26 from 11:00 a.m. to 1:00 p.m. in Mayo Park, downtown Rochester.
 - b. Mr. Williams said the Board is tentatively planning to hold an informal study session on May 14 at 4:00 p.m. in the board room. More details will be announced in the near future.
6. Mr. Stahl moved to adjourn the meeting, seconded by Mr. Wojcik.

All voting "AYE"

The meeting adjourned at 12:20 p.m.

Submitted by:

Haathlean Wilson
Secretary

Approved by the Board:

Jerry Williams
Board President

4/30/13
Date