

Mountain Lake City Council
Regular Council Meeting
Mountain Lake City Hall
Monday, Oct 5, 2015
6:30 p.m.

AGENDA

1. Meeting called to order by Mayor Mike Nelson
 - * Further information on agenda item is attached
2. Approval of Agenda and Consent Agenda
 - a. Bills: Check #'s 9917921-9917950; 404E – 405E*(1-4)
 - b. Approval of Payroll Checks #'s 62039 - 62053
 - c. Approval of Sept. 21 Council Minutes*(5-7)
 - d. Approval of August 31 Planning and Zoning Commission Minutes*(8-9)
 - e. Approval of Aug. 28 and Sept.10 Utility Commission Minutes*(10-12)
 - f. Approve hiring of Mark Pankratz, Scott Pankratz, and Shawn Hardy, Mt. Lake Fire Dept.
3. Public – A total of ten (10) minutes is allotted for individuals to briefly discuss a topic of concern with the Council.
4. Supt. Bill Strom, District 173 Operating Levy Presentation*(13-16)
5. 2015B Electric Bonds, Northland Securities
 - a. Adoption of Resolution #29-15 Authorizing the Issuance and Awarding the Sale*(17-42)
6. Third Reading – Ordinance #4-15, Revision of Section 8.13, Regulation of Potentially Dangerous and Dangerous Dogs*(43-48)
 - a. Adoption of Ordinance #4-15*(49)
7. Ordinance #5-15 – Revision of Section 9.11, Subd.3, #14, Businesses in a Transitional Residential Area*(50-58)
8. 2016 Budget
 - a. Trail – crack repair*(59)
 - b. Ambulance Rates*(60)
 - c. Review of Preliminary Budget and Levy – separate packet
9. Administrator
 - a. Guaranteed Energy Savings Program (GESP) Update
10. Adjourn

***Check Detail Register©**

September 2015 to October 2015

October 5, 2015
 mky
 ck # 9917921-9917950
 404 E + 405 E

	Check Amt	Invoice	Comment
10100 United Prairie			
Paid Chk# 9917921 9/18/2015 UNIVERSITY OF MINNESOTA			
E 101-43100-308 Training & Instruction	\$80.00	10/27/15	RICK-TREE INSPECTOR WORKSHOP
Total UNIVERSITY OF MINNESOTA	\$80.00		
Paid Chk# 9917922 9/21/2015 MOUNTAIN LAKE HELPING HANDS			
G 230-10682 HELPING HANDS DAYCARE LOAN	\$10,000.00		NEW LOAN
Total MOUNTAIN LAKE HELPING HANDS	\$10,000.00		
Paid Chk# 9917923 10/1/2015 AFLAC			
G 101-21713 AFLAC	\$192.74		
Total AFLAC	\$192.74		
Paid Chk# 9917924 10/1/2015 BCBS/HSA			
G 101-21714 HSA	\$371.17		
Total BCBS/HSA	\$371.17		
Paid Chk# 9917925 10/1/2015 COMMISSIONER OF REVENUE			
G 101-21702 State Withholding	\$766.90		
Total COMMISSIONER OF REVENUE	\$766.90		
Paid Chk# 9917926 10/1/2015 GISLASON & HUNTER			
G 101-21712 Garnishments	\$355.54		
Total GISLASON & HUNTER	\$355.54		
Paid Chk# 9917927 10/1/2015 INTERNAL REVENUE SERVICE			
G 101-21701 Federal Withholding	\$1,679.26		
G 101-21703 FICA Tax Withholding	\$2,206.82		
Total INTERNAL REVENUE SERVICE	\$3,886.08		
Paid Chk# 9917928 10/1/2015 LAW ENFORCEMENT LABOR SERV			
G 101-21711 PD UNION DUES	\$47.00		
Total LAW ENFORCEMENT LABOR SERV	\$47.00		
Paid Chk# 9917929 10/1/2015 PERA			
G 101-21704 PERA	\$3,473.12		
Total PERA	\$3,473.12		
Paid Chk# 9917930 10/1/2015 VALIC			
G 101-21705 VALIC	\$966.20		
Total VALIC	\$966.20		
Paid Chk# 9917931 10/2/2015 FRONTIER			
E 211-45500-321 Telephone	\$63.41		LIBRARY PHONE 507-427-2506
Total FRONTIER	\$63.41		
Paid Chk# 9917932 10/2/2015 MUNICIPAL UTILITIES			
E 507-46103-322 Postage	\$15.43		LAKE COMM-7/7/15 TO 9/30/15 POSTAGE
E 101-41400-200 Office Supplies	\$184.90		CITY-7/7/15 TO 9/30/15 POSTAGE
E 205-46500-200 Office Supplies	\$20.44		EDA-7/7/15 TO 9/30/15 POSTAGE
E 101-42100-200 Office Supplies	\$21.57		PD-7/7/15 TO 9/30/15 POSTAGE
Total MUNICIPAL UTILITIES	\$242.34		
Paid Chk# 9917933 10/2/2015 INDOFF INCORPORATED			
E 101-42100-200 Office Supplies	\$46.24	2674599	PD-ENVELOPES, CD'S WRITING PADS
E 101-41400-200 Office Supplies	\$37.36	2677925	COLORED PAPER-CITY
E 205-46500-200 Office Supplies	\$100.99	2677925	EDA-REPORT COVERS

1

***Check Detail Register©**

September 2015 to October 2015

		Check Amt	Invoice	Comment
E 101-00000-430	Miscellaneous	\$217.38	2680049	UT-60 REAMS PAPER
E 211-45500-200	Office Supplies	\$36.23	2680049	LIBRARY-10 REAMS PAPER
E 101-42100-200	Office Supplies	\$36.23	2680049	PD-10 REAMS PAPER
E 101-41400-200	Office Supplies	\$326.08	2680049	CITY-90 REAMS PAPER
E 101-00000-430	Miscellaneous	\$108.69	2680049	CHAMBER-30 REAMS PAPER
E 205-46500-430	Miscellaneous	\$108.69	2680049	EDA-30 REAMS PAPER
E 101-41400-200	Office Supplies	\$4.70	2684205	2016 DESK PAD-WENDY
E 101-42100-200	Office Supplies	\$9.38	2684205	PD-2016 DESK PAD
E 101-43100-200	Office Supplies	\$4.69	2684205	ST DEPT-2016 DESK PAD
E 205-46500-200	Office Supplies	\$4.69	2684205	2016 DESK PAD-MARVA
E 101-43100-200	Office Supplies	\$19.44	2684205	2016 PLANNER-RICK
E 205-46500-200	Office Supplies	\$20.94	2684272	2016 PLANNER -ROB
Total INDOFF INCORPORATED		\$1,081.73		
<hr/>				
Paid Chk# 9917934	10/2/2015	AMAZON		
E 211-45500-592	A.V. Materials	\$55.36		LIBRARY AV
Total AMAZON		\$55.36		
<hr/>				
Paid Chk# 9917935	10/2/2015	ASA AUTO PLAZA		
E 101-42100-406	Vehicle Maint/Gen Repairs	\$658.42	162723	WORK ON 2012 DODGE CHARGER
Total ASA AUTO PLAZA		\$658.42		
<hr/>				
Paid Chk# 9917936	10/2/2015	COTTONWOOD COUNTY AUD/TREAS		
E 101-41910-344	Property Cleanup	\$8,036.64		DEMO ERICH KRUEGER HOUSE ON 7TH STREET
Total COTTONWOOD COUNTY AUD/TREAS		\$8,036.64		
<hr/>				
Paid Chk# 9917937	10/2/2015	FRONTIER		
E 205-46500-321	Telephone	\$5.07		CHAMBER 800#
E 101-00000-430	Miscellaneous	\$91.01		UT-PHONE
E 101-41400-321	Telephone	\$175.29		CITY HALL PHONE-427-2999
E 101-42100-321	Telephone	\$212.26		POLICE DEPT PHONE-427-3403
E 101-45186-321	Telephone	\$57.98		SR CTR PHONE-427-2151
E 205-46500-321	Telephone	\$37.50		EDA PORTION OF DSL & 427-2999
E 101-43100-321	Telephone	\$68.01		STREET DEPT PHONE-427-2997
Total FRONTIER		\$647.12		
<hr/>				
Paid Chk# 9917938	10/2/2015	GREATAMERICA FINANCIAL SVCS		
E 101-41400-200	Office Supplies	\$39.36		SAVIN COLOR COPIER LEASE
E 101-42100-200	Office Supplies	\$13.13		SAVIN COLOR COPIER LEASE
E 205-46500-200	Office Supplies	\$8.41		SAVIN COLOR COPIER LEASE
E 101-00000-430	Miscellaneous	\$12.60		SAVIN COLOR COPIER LEASE
E 101-00000-430	Miscellaneous	\$136.49		SAVIN COLOR COPIER LEASE
Total GREATAMERICA FINANCIAL SVCS		\$209.99		
<hr/>				
Paid Chk# 9917939	10/2/2015	LAKER ELECTRIC		
E 101-45186-220	Repair/Maint Supply	\$151.23	4476	BALLAST-COMMUNITY CENTER
Total LAKER ELECTRIC		\$151.23		
<hr/>				
Paid Chk# 9917940	10/2/2015	MIDWAY FARM EQUIPMENT		
E 101-45200-404	Repairs/Maint Machinery/Equip	(\$56.60)		CREDIT ON ACCOUNT
E 101-45200-404	Repairs/Maint Machinery/Equip	\$97.04	IM14679	BELT FOR MOWER #8
Total MIDWAY FARM EQUIPMENT		\$40.44		
<hr/>				
Paid Chk# 9917941	10/2/2015	MINNESOTA MUTUAL LIFE		
E 211-45500-134	Employer Paid Life	\$1.70		OCT LIFE INS-LIBRARY
E 101-42100-135	Employer Paid Other	\$1.70		OCT BRIAN LUNZ LIFE INSURANCE

2

***Check Detail Register©**

September 2015 to October 2015

			Check Amt	Invoice	Comment
E 101-41400-134	Employer Paid Life		\$1.70		OCT WENDY FAST-LAKER APTS-LIFE INS
E 101-43100-134	Employer Paid Life		\$3.06		OCT LIFE INS-ST DEPT
E 101-41400-134	Employer Paid Life		\$3.40		OCT LIFE INS-OFFICE
E 101-46200-134	Employer Paid Life		\$1.02		OCT LIFE INS-CEMETERY
E 205-46500-134	Employer Paid Life		\$1.70		OCT LIFE INS-EDA ROB ANDERSON
G 101-21706	Hospitalization/Medical Ins		\$25.30		OCT LIFE INS-ROBB ANDERSON
G 101-21706	Hospitalization/Medical Ins		\$26.40		OCT LIFE INS-KIM HALL
G 101-21706	Hospitalization/Medical Ins		\$10.90		OCT LIFE INS-DARON FRIESEN
G 101-21706	Hospitalization/Medical Ins		\$12.00		OCT LIFE INS-STEVE PETERS
E 101-45200-134	Employer Paid Life		\$1.02		OCT LIFE INS-PARKS DEPT
E 101-42100-134	Employer Paid Life		\$3.40		OCT LIFE INS-POLICE DEPT
Total MINNESOTA MUTUAL LIFE			\$93.30		
<hr/>					
Paid Chk#	9917942	10/2/2015	MUNICIPAL UTILITIES		
E 101-45183-380	Elec,Water,Sewer		\$785.17		UT AT CAMPGROUND
E 101-45200-380	Elec,Water,Sewer		\$108.46		LAWCON PARK LIGHTS
E 101-41400-380	Elec,Water,Sewer		\$473.18		CITY HALL UT
E 101-45200-380	Elec,Water,Sewer		\$132.00		CITY PARK RESTROOMS UT
E 101-45186-380	Elec,Water,Sewer		\$358.83		SR CTR UT
E 101-43100-380	Elec,Water,Sewer		\$230.66		ST DEPT UT
E 221-42200-380	Elec,Water,Sewer		\$162.05		FIRE DEPT PORTION OF FIREHALL UT
E 231-42154-380	Elec,Water,Sewer		\$79.83		AMB PORTION OF FIREHALL UT
E 211-45500-380	Elec,Water,Sewer		\$338.10		LIBRARY UT
E 608-46330-380	Elec,Water,Sewer		\$4.37		8-PLEX PORTION OF ST LITE ON HERITAGE DRIVE
E 101-45200-380	Elec,Water,Sewer		\$1.98		UT AT CITY PARK SHELTERHOUSE
E 608-46330-380	Elec,Water,Sewer		\$79.73		UT 403 HERITAGE DRIVE
E 607-46330-380	Elec,Water,Sewer		\$2.26		4-PLEX PORTION OF ST LITE ON HERITAGE DRIVE
Total MUNICIPAL UTILITIES			\$2,756.62		
<hr/>					
Paid Chk#	9917943	10/2/2015	MUSKE, MUSKE, SURHOFF		
E 101-41400-304	Legal Fees		\$1,400.00		OCTOBER LEGAL RETAINER
Total MUSKE, MUSKE, SURHOFF			\$1,400.00		
<hr/>					
Paid Chk#	9917944	10/2/2015	NICKEL CONSTRUCTION		
E 101-43150-220	Repair/Maint Supply		\$101.61	15429	CAP FOR STORM SEWER
Total NICKEL CONSTRUCTION			\$101.61		
<hr/>					
Paid Chk#	9917945	10/2/2015	PRAXAIR		
E 231-42154-210	Operating Supplies		\$72.96	53775782	OXYGEN FOR AMB
Total PRAXAIR			\$72.96		
<hr/>					
Paid Chk#	9917946	10/2/2015	TASER INTERNATIONAL		
E 101-42100-430	Miscellaneous		\$65.85	S11412879	BATTERY FOR TASER
Total TASER INTERNATIONAL			\$65.85		
<hr/>					
Paid Chk#	9917947	10/2/2015	THIRD AVENUE AUTO PARTS		
E 101-45200-404	Repairs/Maint Machinery/Equip		\$2.97		FINANCE CHARGE
E 101-45200-404	Repairs/Maint Machinery/Equip		\$6.98	S148742	TRIMMER
E 101-43100-215	Shop Supplies		\$16.29	S148781	RAGSNBOX-ST DEPT
E 101-42100-406	Vehicle Maint/Gen Repairs		\$237.79	S148863	BRAKE WORK ON PD DODGE CHARGER
E 101-45200-404	Repairs/Maint Machinery/Equip		\$14.99	S149060	BAR,CHAIN LUBE-ST DEPT
E 101-42100-406	Vehicle Maint/Gen Repairs		\$16.37	S149091	OIL TREATMENT,NEUTRA-PD
E 101-42100-406	Vehicle Maint/Gen Repairs		\$30.57	S149148	BUG RELEASE,TIRE FOAM-PD
Total THIRD AVENUE AUTO PARTS			\$325.96		
<hr/>					
Paid Chk#	9917948	10/2/2015	TOWNS EDGE AUTO		

3

***Check Detail Register©**

September 2015 to October 2015

			Check Amt	Invoice	Comment
E 101-42100-406	Vehicle Maint/Gen Repairs		\$51.89	73853	CHANGE OIL, FILTER, GREASE-PD CHARGER
	Total TOWNS EDGE AUTO		\$51.89		
<hr/>					
Paid Chk#	9917949	10/2/2015	VERIZON		
E 231-42154-321	Telephone		\$9.97		AMB CELL PHONE
E 101-42100-321	Telephone		\$35.01		POLICE TABLET #1
E 101-42100-321	Telephone		\$35.01		POLICE TABLET #2
E 101-42100-321	Telephone		\$10.58		POLICE DEPT CELL PHONE
	Total VERIZON		\$90.57		
<hr/>					
Paid Chk#	9917950	10/2/2015	ZOLL MEDICAL CORPORATION		
E 231-42154-404	Repairs/Maint Machinery/Equip		\$58.03	2288191	ADULT CUFF-AMB
	Total ZOLL MEDICAL CORPORATION		\$58.03		
	10100 United Prairie		\$36,342.22		

Fund Summary

10100 United Prairie		
101 GENERAL FUND		\$25,054.36
205 ECONOMIC DEVELOPMENT AUTHORITY		\$308.43
211 LIBRARY FUND		\$494.80
221 FIRE DEPT FUND		\$162.05
230 REVOLVING LOAN FUND		\$10,000.00
231 AMBULANCE FUND		\$220.79
507 LAKE COMMISSION FUND		\$15.43
607 EDA----4 PLEX FUND		\$2.26
608 EDA----8 PLEX FUND		\$84.10
		\$36,342.22

Paid Chk# 000404E 9/21/2015 USDA-RURAL DEVELOPMENT					
E 211-45500-610	Interest		\$2,191.52		LIBRARY ROOF LOAN PAYMENT
E 211-45500-602	Other Long-Term Oblig Princ al		\$3,887.48		LIBRARY ROOF LOAN PAYMENT
	Total USDA-RURAL DEVELOPMENT		\$6,079.00		

Paid Chk# 000405E 10/1/2015 STATE OF MINNESOTA					
G 101-20802	Sales Tax Payable		\$840.00		3RD QUARTER CAMP GROUND TAX
	Total STATE OF MINNESOTA		\$840.00		

DRAFT
Mountain Lake City Council
Regular Council Meeting
Mountain Lake City Hall
Monday, Sept. 21, 2015
6:30 p.m.

Members Present: Mike Nelson, Darla Kruser, Dana Kass, David Savage, Andrew Ysker

Members Absent: None

Staff Present: Wendy Meyer, Clerk/Administrator; Maryellen Suhrhoff, Muske, Muske and Suhrhoff

Others Present: Drew Hage, Southwest Regional Development Commission; Jason Kruser; Doug Regehr

Call to Order

Mayor Nelson called the meeting to order at 6:30 p.m.

Agenda and Consent Agenda

Motion by Savage, seconded by Kass, to amend the agenda by adding 9c 2015B Electric Bonds and 9d Resolution #28-15 Approving State of MN Joint Powers Agreement with the City of Mt. Lake on behalf of its City Attorney and State of MN Authorized Agency Joint Power Agreement. Motion carried unanimously. Motion by Kass, seconded by Ysker, to adopt the consent agenda as presented and the agenda as amended. Motion carried unanimously.

Bills: Check #'s 9917869- 9917920; 402E – 403E
Payroll Checks #'s 62008 - 62038
Sept. 8 Council Minutes
April 13 Tree Commission Minutes
July and August Library Board Minutes, Library Reports and Expenditures
Aug 10 Make Commission Minutes
Aug. 13 Police Commission Minutes
Aug. 14 & 25 Economic Development Authority Minutes
Resolution #26-15 Administrative Penalty for Construction Project with Permit

Public

No one present addressed the council during this portion of the meeting.

Guaranteed Energy Savings Program (GESP), Drew Hage, SW Regional Development Commission (SRDC)

GESP enables units of government to undertake energy saving projects with no up-front costs. Funds for the projects are loaned by the MN Dept. of Commerce. The program is revenue neutral in that loan payment size is not greater than the savings realized from the improvements. Projects are determined based on an energy audit of city buildings and structures. Loans are \$250,000-\$300,000 in size and 15 years in length. Cities that do not reach the required loan size can bundle projects with other units of governments to meet requirements. Possible projects identified by city staff were discussed. Motion by Savage, seconded by Ysker, to begin the GESP project development process. Motion carried unanimously. Savage and Kass volunteered to serve on committee overseeing the process. As a first step Hage will arrange a conference call between city and Dept. of Commerce staff.

Second Reading – Ordinance #4-15, Revision of Section 8.13, Regulation of Potentially Dangerous and Dangerous Dogs

City attorney Suhrhoff reviewed the modifications of and additions to existing city code.

Cottonwood Soil and Water District Grant Opportunities

The district has applied for a three part Clean Water Fund grant and an Urban Forestry Emerald Ash Borer grant on behalf of the city. The Clean Water grant will require a city contribution in-kind or cash. District water plan funds are being requested for the city's tree program. The district is encouraging the city to apply for a Cottonwood County Invasive Species Grant to replace expected lost funding in 2016 from the Dept. of Natural Resources Invasive Species Program.

Rustic Trail Discussion

The gravel trail on city property on the north side of the lake was abandoned prior to the trail being surfaced because the grades did not meet Americans with Disabilities Act (ADA) requirements. There has been interest in cutting the grass that is growing over the gravel to establish a rustic trail. Motion by Kass, seconded by Ysker, to not cut the grass or move the bench. Motion carried unanimously.

2016 Budget

Possible expense reductions and revenue increases were discussed. Adjustments were or have been made to all department budgets that put the overall increase at 10%. The council intends to further reduce the final levy before it is adopted in December. Possible further reductions were discussed. Motion by Ysker, seconded by Savage, to adopt Resolution #27-15 setting the 2016 preliminary levy at \$665,305.66, a 10% increase over 2015. Motion carried unanimously. The final levy can be less than but not greater than the preliminary levy. Motion by Ysker, seconded by Savage, to hold the budget discussion and public input meeting at 6 PM prior to the Tues. Dec. 8 council meeting. Motion carried unanimously.

2016 Meal Site Agreement

The agreement was briefly reviewed.

National Emissions Standards for Hazardous Air Pollutants Update

Changes in the NESHAP rules as the result of a federal court case were briefly discussed. As a result the electric utility will likely need to add catalytic converters to its diesel generators.

2009B - 2015B Electric Bonds

A preliminary debt service summary identifying the savings if the 2009B Electric Bonds were refunded and re-issued was reviewed. Motion by Ysker, seconded by Kruser, to call the bonds. Motion carried unanimously.

City Attorney - Joint Powers Agreement

The joint powers agreement gives the city attorney access to the State of MN, Dept. of Public Safety, Bureau of Criminal Apprehension system and tools. Motion by Ysker, seconded by Savage, to adopt Resolution #28-15 Approving the State of MN Joint Power Agreement with the City of Mt. Lake on behalf of its City Attorney. Motion carried unanimously.

Adjourn

Nelson adjourned the meeting at 7:48 p.m.

ATTEST:

Wendy Meyer, Clerk/Administrator

**City of Mountain Lake
Planning and Zoning Commission
Monday, August 31, 2015
City Hall
5:30 p.m.**

Members Present: Bryan Bargaen, Nathan Harder, Sharron Hanson, Dean Janzen, Doug Regehr, Nik Strom, Tim Swoboda

Members Absent: None

Staff Present: Wendy Meyer, Clerk/Administrator

Others Present: Dana Kass, Council Member

Call to Order

Chairman Bargaen called the meeting to order at 6:30 p.m.

Additions to the Agenda and Adoption of the Agenda

There were no additions to the agenda. Motion by Janzen, seconded by Regehr, to adopt the agenda as presented. Motion carried.

Approval of June 1 and July 22 Minutes

Motion by Janzen, seconded by Swoboda, to approve the June 1 and July 22 minutes. Motion carried.

June through August Building and Shingling/Siding Permits

The permits were reviewed. Where applicable the setbacks were reviewed. All permits meet setback requirements. It was noted that Curt and Brenda Feil will need to combine parcels before their building permit (#37-15) for a garage can be issued. Motion to approve all permits and #37-15 contingent on the parcels being combined. Motion carried unanimously.

Consideration of Section 9.11, Subd. 3, #14 "Businesses in Transitional Residential Area" (BTRA) and #16 Home Occupations

Current city code, current city zoning maps, and samples of other MN cities' conditional use and interim use codes were reviewed and discussed. No action taken. The commission directed the clerk/administrator to review the comprehensive plan and provide them with relevant sections for their review; and to provide them with a list and information on the Conditional Uses that have been applied for in Mt. Lake for the past 10 to 15 years.

Adjourn

Bergen adjourned the meeting at 6:20 p.m.

ATTEST:

Wendy Meyer, Clerk/Administrator

SPECIAL UTILITIES COMMISSION MEETING
THURSDAY, AUGUST 27, 2015
7:00 A.M.

PRESENT: Mark Langland
Todd Johnson
John Carrison
Mike Johnson
Brett Lohrenz
David Savage-City Council Liaison

ABSENT: None

Staff: Lynda Cowell – Utilities Office Manager
Wendy Meyer - City Administrator
Dave Watkins - Water/Wastewater
Kevin Krahn - Water/Wastewater Supt.
Ron Melson - Electric Supt.

Others: None

Mark Langland - Chairman called the special meeting of the Utilities commission for August 27, 2015 to order at 7:00 a.m.

1. Minutes and Bills: Motion by Mike Johnson seconded by Brett Lohrenz to accept the minutes and bills as presented. Motion carried. Checks #15549-15580.

2. Water/Wastewater Department:

Nothing at this time.

3. Electric Department:

LED Street Lighting: Ron brought up a few questions on the LED lighting project. David and Wendy explained that the city could get some money to replace all the street lights with LED lighting. Margit from Energy Insight has been working on getting pricing for this project so the City can incorporate this into their budget process. All others parts of the project have not been decided at this time.

4. Office:

Adjustments: FYI

Calvin Rempel land: In May of 2015 a motion was made to put the Utilities land behind Calvin Rempel up for bids and the person that got the bid will pay all costs connected with the purchase transfer of the property. Calvin Rempel was not told about this motion so at this time the Utilities has paid \$1394.00 to have the property surveyed. This bill could possibly be split between Calvin and Geraldine Green as Ms. Green also wants property behind her property. More checking will be done on this.

Bob Jass electric at his home: (Revised) Brett brought up an issue with the power coming to his house. Ron stated that because the power is overhead there we stop at the top of the pole. So the bill that Bob Jass thinks we should pay, is really his to pay. Brett will go talk to Brad Hanson because he holds Bob Jass's insurance.

Brandon Green : Motion by Mike Johnson seconded by John Carrison to not asses the \$723 that is attached to the empty property. Motion carried. The commission feels that this old Utility bill should not be the responsibility of Brandon if he purchases the property.

Assest Capitalization(Jenny's, 2006 St. Project and Lakeview Estates: The auditors say that the Utilities owe some fees on these projects to the City. After some discussion about repayment to the City, the commission wants this looked into further.

Meeting adjourned.

REGULAR UTILITIES COMMISSION MEETING
THURSDAY, SEPTEMBER 10, 2015
7:00 A.M.

PRESENT: Mark Langland
Todd Johnson
David Savage-City Council Liaison

ABSENT: John Carrison
Mike Johnson
Brett Lohrenz

Staff: Lynda Cowell – Utilities Office Manager
Wendy Meyer - City Administrator
Dave Watkins - Water/Wastewater
Kevin Krahn - Water/Wastewater Supt.
Ron Melson - Electric Supt.

Others: Gloria McKissick

Mark Langland - Chairman called the regular meeting of the Utilities commission for September 10, 2015 to order at 7:00 a.m.

1. Minutes and Bills: No quorum.
2. Water/Wastewater Department:
3. Electric Department:
4. Office:

Utility bill/rental letter: Gloria McKissick came to the commission with questions about the rates and Utility bill. The commission explained the rates and how the utility bills are billed.

Meeting adjourned.

News September 23, 2015

Operating Levy
November 3, 2015

- 1. What are we asking for?** We are asking voters to put the district on a solid academic foundation for the next decade. Our proposal is to discontinue the current voter approved operating levy and replace it with the *exact same plan* for the next ten (10) years. No other changes have been made from our *current* to our *proposed* levy.
- 2. Are you asking for an operating levy or a building referendum?** This is an operating levy. It is not a building referendum.
- 3. How is an operating levy different from a building referendum?** An *operating levy* asks voters to approve funding needed to run a school. It supports elective classes, activities, paying utility costs, purchasing learning materials and hiring teachers. A *building referendum* asks voters to approve funding for building projects. Both require voter approval.
- 4. Why does the tax chart in the newspaper say *there is not a tax increase*, but the ballot says *there will be a tax increase*?** The likely tax increase comes from anticipated costs increases due to inflation, not the levy. Our proposed levy keeps the current tax rate in place with no changes.
- 5. What is the inflation adjustment?** We included an inflation adjustment, just like we did in 2007. It ensures that operating levy dollars don't lose value over time. This is the reason the ballot says that taxes will increase. Here's an example of how it works: If inflation increases 1.0% for a property tax of \$250, then the tax amount due for the next year will go up by \$2.50, making the new property tax \$252.50 per year.

6. What are the proposed taxes including an estimated 1% inflation adjustment? See the chart below.

Market Value	2017 Taxes		Annual Increase	2018 Inflation	
	Withdrawn	Proposed		Annual Increase	Monthly Increase
50,000	- 166.62	166.62	0	1.67	0.14
75,000	- 249.93	249.93	0	2.50	0.21
100,000	- 333.24	333.24	0	3.33	0.28
150,000	- 499.86	499.86	0	5.00	0.42
200,000	- 666.48	666.48	0	6.66	0.56

7. What do we use these funds for? We plan to use these funds to continue supporting the following:

- ✓ **Keep our class sizes small.** We are happy to report that enrollment has been steady over the past three years at 494 students in kindergarten through twelfth grade. Therefore, we average about thirty-eight students per grade level. When, for instance, the 4th grade enrollment rises to thirty-eight students we ask ourselves: Should we divide our 4th graders into two classrooms of nineteen students per class, or should we place all of thirty-eight 4th graders into one classroom? Answer: We divide them into two smaller classrooms. Operating levy dollars make this possible.
- ✓ **Keep our electives & activities alive.** We offer solid fundamentals (reading, math, science and social studies) with a positive record of academic success. And, we enhance the basics with elective classes and activities. Seventy-five percent of our students in high school are involved in athletics. That's much higher than the national average of about fifty percent. One-half to two-thirds of our students participate in fine arts. When students participate in activities, they succeed. They earn higher grades. Fewer students drop out. Peer relations improve, and substance abuse decreases. Operating levy dollars keep these electives and activities alive.

✓ **Maintain and update our curriculum.** Updating classroom curriculum and technology is an ongoing task. It's typical for schools to update every five to seven years. When funds are short we stretch these updates out for longer periods of time. Of course, our teachers supplement the curriculum to keep it relevant. For example: shortages in funds have resulted in our students studying from elementary school social studies and high school English curriculum that date back to the 1980's. As you can imagine, teachers have supplemented this material a lot over the years. It's past time for us to purchase new material. Operating levy dollars help us maintain and update changes in curriculum and technology.

8. How much annual revenue will this generate? If approved, this will increase our revenue by \$718,460. Fifty-three percent of that amount (\$383,407) will come from local property taxes (the operating levy). The remaining forty-seven percent (\$335,407) will come to us through state aid.

9. What percentage of the annual budget is \$718,460? The levy will cover about 15% of the budget.

10. What will you do if the levy fails? We're choosing to replace the current operating levy ahead of schedule. If it fails next month, we'll have two more opportunities to try again: November 8, 2016 and November 7, 2017. If it fails in 2017, up to \$700,000 in personnel and programs will be cut for the next school year.

11. Why are you ending it two years ahead of schedule? We want to make sure that the academic program is adequately funded before we consider any building projects. Funding educational programs must come first.

12. When and where will the vote take place? The vote will take place on November 3, 2015. Polling hours are from 3 pm to 8 pm. The polling place is located at the Mountain Lake High School.

13. Will my farm land be taxed? No! Operating levy taxes are not levied on agricultural land, buildings, or seasonal recreational residential property (e.g., cabins). Farmers will be taxed on their *house, garage and one acre of land*.

14. Will the state help? Yes! The state will contribute 47% (\$335,407) of the total amount: \$718,460. The state contribution only happens if the levy is approved.

15. Will the board hold an information meeting? Yes. An informational meeting has been scheduled.

Monday, October 19, 2015
 6:00 to 8:00 pm
 Mountain Lake High School Room #1

16. Can I contact a school board member? Yes. For additional information feel free to contact the district (Bill Strom, Superintendent / 427-2325) or any of the school board members.

Doug	Standerwick	Chair	DS@mountainlake.k12.mn.us
Tim	Swoboda	Vice Chair	TS@mountainlake.k12.mn.us
Julie	Brugman	Clerk	JB@mountainlake.k12.mn.us
Pam	Hoek	Treasurer	PH@mountainlake.k12.mn.us
Chad	Pedersen	Member	CP@mountainlake.k12.mn.us
Matt	Gohr	Member	MG@mountainlake.k12.mn.us
Tom	Fast	Member	TF@mountainlake.k12.mn.us

Mountain Lake, Minnesota

\$391,000

Electric Revenue Refunding Bonds, Series 2015B

Bond Sale Summary

October 5, 2015

PURPOSE: To full net advance refund on December 1, 2016, the December 1, 2017 through 2024 maturities of the City's Electric Revenue Bonds, Series 2009B.

FINANCE PLAN: To maximize debt service cost savings. See attached Debt Service Comparison for savings.

RESULTS: Bonds were placed with United Prairie Bank, Mountain Lake, Minnesota.

	Final on <u>09/10/2015</u>	Preliminary Numbers <u>08/20/2015</u>
Par Amount	\$391,000	\$365,000
Average Interest Rate	2.4088%	2.5345%
All Inclusive Cost (AIC)	3.1123%	3.0781%
Total Savings (\$)	\$20,034	\$19,403
Net Present Value Savings (%)	3.878%	4.583%



Debt Service Comparison

Date	Total P+I	DSR	Net New D/S	Old Net D/S	Savings
12/01/2015	-	(22.76)	(812.26)	(45.74)	766.52
12/01/2016	45,322.86	(391.00)	44,931.86	47,507.50	2,575.64
12/01/2017	49,125.00	(391.00)	48,734.00	51,307.50	2,573.50
12/01/2018	48,346.00	(391.00)	47,955.00	49,732.50	1,777.50
12/01/2019	51,567.00	(391.00)	51,176.00	53,157.50	1,981.50
12/01/2020	49,712.00	(391.00)	49,321.00	51,257.50	1,936.50
12/01/2021	52,876.00	(391.00)	52,485.00	54,357.50	1,872.50
12/01/2022	50,604.00	(391.00)	50,213.00	52,107.50	1,894.50
12/01/2023	53,358.50	(391.00)	52,967.50	54,857.50	1,890.00
12/01/2024	39,007.00	(39,491.00)	(484.00)	2,282.50	2,766.50
Total	\$439,918.36	(42,641.76)	\$396,487.10	\$416,521.76	\$20,034.66

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....	76,167.68
Net PV Cashflow Savings @ 2.401%(Bond Yield)....	62,057.96
Transfers from Prior Issue Debt Service Fund.....	(44,728.75)
Contingency or Rounding Amount.....	789.50
Net Present Value Benefit	\$18,118.71
Net PV Benefit / \$467,167.68 PV Refunded Debt Service	3.878%
Net PV Benefit / \$410,000 Refunded Principal...	4.419%
Net PV Benefit / \$391,000 Refunding Principal..	4.634%

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/10/2015	-	-	-	-	-
06/01/2016	-	-	4,918.36	4,918.36	-
12/01/2016	36,000.00	1.900%	4,404.50	40,404.50	45,322.86
06/01/2017	-	-	4,062.50	4,062.50	-
12/01/2017	41,000.00	1.900%	4,062.50	45,062.50	49,125.00
06/01/2018	-	-	3,673.00	3,673.00	-
12/01/2018	41,000.00	1.900%	3,673.00	44,673.00	48,346.00
06/01/2019	-	-	3,283.50	3,283.50	-
12/01/2019	45,000.00	1.900%	3,283.50	48,283.50	51,567.00
06/01/2020	-	-	2,856.00	2,856.00	-
12/01/2020	44,000.00	1.900%	2,856.00	46,856.00	49,712.00
06/01/2021	-	-	2,438.00	2,438.00	-
12/01/2021	48,000.00	2.650%	2,438.00	50,438.00	52,876.00
06/01/2022	-	-	1,802.00	1,802.00	-
12/01/2022	47,000.00	2.650%	1,802.00	48,802.00	50,604.00
06/01/2023	-	-	1,179.25	1,179.25	-
12/01/2023	51,000.00	2.650%	1,179.25	52,179.25	53,358.50
06/01/2024	-	-	503.50	503.50	-
12/01/2024	38,000.00	2.650%	503.50	38,503.50	39,007.00
Total	\$391,000.00	-	\$48,918.36	\$439,918.36	-

Dated	11/10/2015
Delivery Date	11/10/2015
First Coupon Date	6/01/2016
First available call date	
Call Price	-
Bond Year Dollars	\$2,030.81
Average Life	5.194 Years
Average Coupon	2.4088123%
Net Interest Cost (NIC)	2.4088123%
True Interest Cost (TIC)	2.4011784%
All Inclusive Cost (AIC)	3.1123391%
Bond Yield for Arbitrage Purposes	2.4011784%
Net Interest Cost	2.4088123%
Weighted Average Maturity	5.194 Years

EXTRACT OF MINUTES OF A MEETING
OF THE CITY COUNCIL
CITY OF MOUNTAIN LAKE, MINNESOTA

HELD: October 5, 2015

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Mountain Lake, Minnesota, was duly called and held at the City Hall on October 5, 2015, at 6:30 o'clock P.M., for the purpose, in part, of authorizing the issuance and awarding the sale of \$391,000 Electric Revenue Refunding Bonds, Series 2015B.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 29
RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF
\$391,000 ELECTRIC REVENUE REFUNDING BONDS, SERIES 2015B

A. WHEREAS, the City of Mountain Lake, Minnesota (the "City"), owns and operates a municipal electric light and power plant and system (the "Electric Utility"), which is under the jurisdiction of the City's Public Utilities Commission (the "Commission"), appointed by the City Council, and have been under the jurisdiction of the Commission since 1935; and

B. WHEREAS, the net revenues of the Electric Utility are pledged to the payment of the City's outstanding \$645,000 original principal amount of Electric Revenue Refunding Bonds, Series 2012C, dated November 15, 2012 (the "Outstanding 2012C Bonds"), and \$2,060,000 original principal amount of CREB Electric Revenue Bond, Series 2007B, dated June 1, 2007 (the "Outstanding 2007B Bonds" and together with the Outstanding 2012C Bonds, the "Outstanding Bonds") and \$550,000 original principal amount of Electric Revenue Bonds, Series 2009B, dated August 1, 2009 (the "Prior Bonds");; and

C. WHEREAS, \$345,000 aggregate principal amount of the Prior Bonds which matures or is subject to mandatory redemption on and after December 1, 2017, is callable on December 1, 2016 (the "Callable Prior Bonds"), pursuant to a resolution adopted on August 3, 2009, authorizing the issuance of the Prior Bonds (the "Prior Resolution"); and

D. WHEREAS, \$65,000 aggregate principal amount of the Prior Bonds which matures or is subject to redemption on December 1, 2015 and December 1, 2016 (the "Noncallable Prior Bonds"), will be paid on December 1, 2015 and December 1, 2016, and the payment of the Noncallable Prior Bonds is also consistent with the covenants made with the holders of the Prior Bonds; and

E. WHEREAS, the refunding of the Callable Prior Bonds is consistent with covenants made with the holders of the Prior Bonds and is necessary and desirable for the reduction of debt service cost to the City; and

F. WHEREAS, the City Council further hereby determines and declares that it is necessary and expedient to issue \$391,000 Electric Revenue Refunding Bonds, Series 2015B (the "Bonds", or individually a "Bond"), pursuant to Minnesota Statutes, Chapter 475, to provide moneys for the payment and advance refunding of the Prior Bonds, and, pursuant to Minnesota Statutes, Chapter 453, the Bonds will be payable solely from the Net Revenues of the Electric Utility. "Net Revenues" means the gross earnings of the Electric Utility after deduction of the reasonable and necessary cost of operating, maintaining, repairing and insuring the Electric Utility; and

G. WHEREAS, the City has retained Northland Securities, Inc. in Minneapolis, Minnesota ("Northland"), as its independent financial advisor for the sale of the Bonds and was therefore authorized to sell the Bonds by private negotiation in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9) and proposals to purchase the Bonds have been solicited by Northland; and

NOW, THEREFORE, BE IT RESOLVED by the City of Mountain Lake, Minnesota, as follows:

1. Findings. It is hereby found, determined and declared that:

(a) The Refunding. It is advisable, expedient and necessary to issue the Bonds to finance the advance refunding of the Prior Bonds.

(b) Outstanding Bonds. Except for the Outstanding Bonds and the Prior Bonds which have a prior lien on the revenues of the Electric Utility, the City has no outstanding bonds, warrants, certificates, or other obligations or evidences of indebtedness, or money borrowed for or on account of the Electric Utility or indebtedness for which any of the net revenues of all or a part of the Electric Utility has been appropriated or pledged.

(c) Reserve Account. A deposit shall be made to the Reserve Account in an amount equal to the lesser of (i) ten percent of the principal amount of the Parity Bonds (as hereinafter defined), (ii) one hundred twenty five percent of the average annual debt service requirements of the Parity Bonds, or (iii) the maximum annual debt service on the Parity Bonds, which deposit may be funded from the proceeds of the Bonds or available moneys of the City.

(d) Parity of Lien Test. All of the payments required to be made into the various funds and accounts provided for in the resolutions authorizing the issuance of the Outstanding Bonds, have been made and there is sufficient money in the Parity Revenue Bond Debt Service Account of the Electric Utility Fund to pay all principal and interest on all obligations payable from the revenues of the Electric Utility, coming due during the twelve month period next succeeding the issuance of the Bonds.

(e) Statement of Independent Accountant. As required in the resolutions authorizing the issuance of the Outstanding Bonds, there has been procured and filed with the Administrator-Clerk, a statement by an independent accountant, not in the regular employ of the City, reciting the opinion based upon necessary investigations that (i) the Net Revenues of the Electric Utility for the last completed fiscal year immediately preceding the issuance of the Bonds, adjusted for additional annual revenues from rate increases which become effective at least six months prior to the issuance of the Bonds, were equal to at least one and one-quarter times the average annual principal and interest coming due thereafter on the Parity Bonds (as hereinafter defined) then outstanding and the Bonds and (ii) equal to the average annual principal and interest coming due thereafter on all outstanding obligations payable from the revenues of the Fund, including any subordinate lien obligations and the Bonds. These facts shall be shown by a Certificate to be provided the Administrator-Clerk. Said "Adjusted Net Revenues" for the fiscal year shall be computed as if the existing rate had been in effect during all of the fiscal year.

2. Sufficiency of Net Revenues. The estimated Net Revenues to be derived from the operation of the Electric Utility during the term of the Bonds will be more than sufficient to produce Net Revenues after current costs of operation and maintenance adequate to pay principal and interest when due on the Bonds and to maintain reasonable reserves therefor.

3. Acceptance of Offer. The offer of United Prairie Bank, in Mountain Lake, Minnesota (the "Purchaser") to purchase the Bonds and to pay therefor the sum of \$391,000.00, plus interest accrued to settlement, all in accordance with the terms and at the rates of interest hereinafter set forth, is hereby accepted.

4. Original Issue Date; Denominations; Maturities; Interest. The Bonds shall be dated November 10, 2015, as the date of original issue, shall be issued forthwith on or after such date in fully registered form, be numbered from R-1 upward in the denomination of \$1,000 each or in any integral multiple thereof of a single maturity (the "Authorized Denominations"), and shall mature on December 1 in the years and amounts and bear interest payable semiannually on December 1 and June 1 of each year (each, an "Interest Payment Date"), commencing June 1, 2016, calculated on the basis of a 360-day year of twelve 30-day months, at the respective rates per annum set forth opposite the maturity years as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2020	\$207,000	%
2024	184,000	

5. Redemption. The Bonds are subject to redemption and prepayment at the option of the Issuer on December 1, 2020 and on any date thereafter at the option of the Issuer, in whole or in multiples of \$1,000, upon written notice to the registered holder of the bond at a redemption price of par plus accrued interest to date of prepayment. If redemption is in part, the Issuer may select the specific principal installments hereof, or applicable portions thereof, to be prepaid.

6. Purpose; Advance Refunding. The Bonds shall be issued pursuant to Minnesota Statutes, Chapter 453 and 475 to provide funds for the payment and advance refunding of the outstanding Callable Prior Bonds and the Noncallable Prior Bonds.

It is hereby found, determined and declared that the Refunding is pursuant to Minnesota Statutes, Section 475.67, subdivision 12, shall result in a reduction of the present value (as of _____, 20__) of the dollar amount of the debt service to the City from a total dollar amount of \$ _____ for the refunded Prior Bonds to a total dollar amount of \$ _____ for the Bonds, computed in accordance with the provisions of Minnesota Statutes, Section 475.67, subdivision 12. The dollar amount of such present value of the debt service for the Bonds is lower by at least three percent than the dollar amount of such present value of the debt service for the Prior Bonds as required in Minnesota Statutes, Section 475.67, subdivision 12.

7. Bond Registrar. Northland Trust Services, Inc., in Minneapolis, Minnesota, is appointed to act as bond registrar and transfer agent with respect to the Bonds (the "Bond Registrar"), and shall do so unless and until a successor Bond Registrar is duly appointed, all pursuant to any contract the City and Bond Registrar shall execute which is consistent herewith. The Bond Registrar shall also serve as paying agent unless and until a successor paying agent is duly appointed. Principal and interest on the Bonds shall be paid to the registered holders (or record holders) of the Bonds in the manner set forth in the form of Bond and paragraph 13.

8. Form of Bond. The Bonds, together with the Bond Registrar's Certificate of Authentication, the form of Assignment and the registration information thereon, shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COTTONWOOD COUNTY
CITY OF MOUNTAIN LAKE

R- _____

\$ _____

ELECTRIC REVENUE REFUNDING BOND, SERIES 2015B

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	December 1, _____	June 1, 2007	

REGISTERED OWNER: UNITED PRAIRIE BANK

PRINCIPAL AMOUNT:

THE CITY OF MOUNTAIN LAKE, COTTONWOOD COUNTY, MINNESOTA (the "Issuer"), hereby certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, solely out of the Electric Utility Fund of the Issuer, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, unless called for earlier redemption, and to pay interest thereon semiannually on June 1 and December 1, of each year (each, an "Interest Payment Date"), commencing June 1, 2016, at the rate per annum specified above, (calculated on the basis of a 360-day year of twelve thirty-day months) until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the principal office of Northland Trust Services, Inc., in Minneapolis, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given to Bondholders not less than ten days prior to the Special Record Date. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America.

Optional Redemption. This Bond is subject to redemption and prepayment at the option of the Issuer on December 1, 2020 and on any date thereafter at the option of the Issuer, in whole or in multiples of \$1,000, upon written notice to the Owner of the bond at a redemption price of par plus accrued interest to date of prepayment. If redemption is in part, the Issuer may select the specific principal installments hereof, or applicable portions thereof, to be prepaid.

Mandatory Redemption. Bonds maturing on December 1, 2020 and 2024 (the "Term Bonds") shall be redeemed by lot on December 1 in the following years and principal amounts, at their principal amount, without any premium, plus accrued interest thereon to such redemption date (after any credits are made as provided below):

Mandatory Redemption Schedule

December 1, 2020 Term Bond (inclusive)

<u>Year</u>	<u>Principal Amount</u>
2016	\$36,000
2017	41,000
2018	41,000
2019	45,000
2020 (maturity)	44,000

December 1, 2024 Term Bond (inclusive)

<u>Year</u>	<u>Principal Amount</u>
2021	\$48,000
2022	47,000
2023	51,000
2024 (maturity)	38,000

or, if less than such amount is then outstanding, an amount equal to the aggregate principal amount of the Bonds then outstanding.

The Issuer may, at its option to be exercised on or before the thirtieth day next preceding any date specified in the Mandatory Redemption Schedule, deliver to the Bond Registrar written notice, which shall (i) specify a principal amount of such Bonds previously redeemed (otherwise than pursuant to the Mandatory Redemption Schedule) or purchased and cancelled by the Bond Registrar and not theretofore applied as a credit against any redemption of Bonds pursuant to the Mandatory Redemption Schedule, and (ii) instruct the Bond Registrar to apply the principal amount of such Bonds so delivered or previously redeemed or purchased and cancelled for credit against the principal installments to be prepaid pursuant to the Mandatory Redemption Schedule and selected by the Issuer. Each such Bond so delivered or previously redeemed or purchased and cancelled shall be credited by the Bond Registrar against the principal installments to be prepaid pursuant to the Mandatory Redemption Schedule and selected by the Issuer.

Issuance; Purpose; Special Obligations. This Bond is one of an issue in the total principal amount of \$391,000, all of like date of original issue and tenor, except as to number, maturity, interest rate, denomination and redemption privilege, issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council on October 5, 2015 (the "Resolution"), for the purpose of providing moneys to advance refund the outstanding Electric Revenue Bonds, Series 2009B, dated August 1, 2009.

The Bonds and the interest thereon are payable solely and exclusively from the Net Revenues (as defined in the Resolution) of the Issuer's municipal electric light and power plant and system (the "Electric Utility") pledged to the payment thereof, and do not constitute a debt of the Issuer, within the meaning of any constitutional or statutory limitation of indebtedness. In the event of any default hereunder, the holder of this Bond may exercise any of the rights and privileges granted by the laws of the State of Minnesota subject to the provisions of the Resolution. The Issuer is authorized under certain conditions to issue additional revenue obligations on a parity of lien with the Bonds, all as provided in the Resolution.

Transfer. This Bond is transferable by the Holder in person or by the Holder's attorney duly authorized in writing at the principal office of the Bond Registrar upon presentation and surrender hereof to the Bond Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with the Bond Registrar. Thereupon the Issuer shall execute and the Bond Registrar shall authenticate and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee (but not registered in blank or to "bearer" or similar designation), of an authorized denomination or denominations, in aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate.

Fees upon Transfer or Loss. The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds.

Treatment of Registered Owners. The Issuer and the Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except as provided on the reverse side hereof with respect to the Record Date) and for all other purposes, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security unless the Certificate of Authentication hereon shall have been executed by the Bond Registrar.

Qualified Tax-Exempt Obligations. The Bonds have been designated by the Issuer as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the federal Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond, have been done, have happened and have been performed, in regular and due form, time and manner as required by law, and this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser does not exceed any constitutional or statutory limitation of indebtedness; and that the Issuer will maintain rates and charges for the electric service furnished by the Electric Utility sufficient in an amount to promptly meet the principal and interest requirements of the Bonds.

26

IN WITNESS WHEREOF, the City of Mountain Lake, Cottonwood County, Minnesota, has caused this Bond to be executed on its behalf by the facsimile signatures of the Mayor and the Administrator-Clerk, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

Date of Registration:

Registrable by: NORTHLAND TRUST SERVICES, INC.

Payable at: NORTHLAND TRUST SERVICES, INC.

BOND REGISTRAR'S
CERTIFICATE OF
AUTHENTICATION

This Bond is one of the
Bonds described in the
Resolution mentioned
within.

CITY OF MOUNTAIN LAKE,
COTTONWOOD COUNTY, MINNESOTA

/s/ Facsimile _____
Mayor

NORTHLAND TRUST SERVICES,
INC.

Minneapolis, Minnesota
Bond Registrar

/s/ Facsimile _____
Administrator-Clerk

By _____
Authorized Signature

27

9. Execution. The Bonds shall be in typewritten form, shall be executed on behalf of the City by the signatures of its Mayor and Administrator-Clerk and be sealed with the seal of the City; provided, as permitted by law, both signatures may be photocopied facsimiles and the corporate seal has been omitted. In the event of disability or resignation or other absence of either officer, the Bonds may be signed by the manual or facsimile signature of the officer who may act on behalf of the absent or disabled officer. In case either officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, the signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

10. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless a Certificate of Authentication on such Bond, substantially in the form hereinabove set forth, shall have been duly executed by an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate the signatures of officers of the City on each Bond by execution of the Certificate of Authentication on the Bond and by inserting as the date of registration in the space provided the date on which the Bond is authenticated, except that for purposes of delivering the original Bonds to the Purchaser, the Bond Registrar shall insert as a date of registration the date of original issue, which date is November 10, 2015. The Certificate of Authentication so executed on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.

11. Registration; Transfer; Exchange. The City will cause to be kept at the principal office of the Bond Registrar a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Bond Registrar shall provide for the registration of Bonds and the registration of transfers of Bonds entitled to be registered or transferred as herein provided.

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration (as provided in paragraph 10) and deliver, in the name of the designated transferee or transferees, one or more new Bonds of any authorized denomination or denominations of a like aggregate principal amount, having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no bond may be registered in blank or in the name of "bearer" or similar designation.

At the option of the Holder, Bonds may be exchanged for Bonds of any authorized denomination or denominations of a like aggregate principal amount and stated maturity, upon surrender of the Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration of, and deliver the Bonds which the Holder making the exchange is entitled to receive.

All Bonds surrendered upon any exchange or transfer provided for in this resolution shall be promptly cancelled by the Bond Registrar and thereafter disposed of as directed by the City.

All Bonds delivered in exchange for or upon transfer of Bonds shall be valid special obligations of the City evidencing the same debt, and entitled to the same benefits under this resolution, as the Bonds surrendered for such exchange or transfer.

Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing.

The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of any Bond and any legal or unusual costs regarding transfers and lost Bonds.

Transfers shall also be subject to reasonable regulations of the City contained in any agreement with the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates. The Administrator-Clerk is hereby authorized to negotiate and execute the terms of said agreement.

12. Rights Upon Transfer or Exchange. Each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

13. Interest Payment, Record Date. Interest on any Bond shall be paid on each interest payment date by check or draft mailed to the person in whose name the Bond is registered (the "Holder") on the registration books of the City maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such interest payment date (the "Regular Record Date"). Any such interest not so timely paid shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given by the Bond Registrar to the holders not less than ten days prior to the Special Record Date.

14. Treatment of Registered Owner. The City and the Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in paragraph 13) on, such Bond and for all other purposes whatsoever whether or not such Bond shall be overdue, and neither the City nor the Bond Registrar shall be affected by notice to the contrary.

15. Delivery; Application of Proceeds. The Bonds when so prepared and executed shall be delivered by the Administrator-Clerk to the Purchaser upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.

16. Fund and Accounts. For the convenience and proper administration of the proceeds derived from the sale of the Bonds and for the payment of principal of and interest on the Bonds, the Electric Utility Fund heretofore established (the "Fund") shall continue to be in effect, subject to the following accounts which are hereby or have been previously, established.

The Operation and Maintenance Account heretofore established by the City shall continue to be maintained in the manner heretofore and herein provided by the City. The City shall maintain the Fund and the Operation and Maintenance Account in a manner such that the net revenues of the Electric Utility are separately accounted for. All moneys remaining after paying or providing for the items set forth in the resolution establishing the Operation and Maintenance Account shall constitute and are referred to as "net revenues" until the Bonds and the Outstanding Bonds have been paid:

(a) Escrow Account. The Escrow Account shall be created and maintained as an escrow account with Northland Trust Services, Inc. (the "Escrow Agent") in Minneapolis, Minnesota, which is a suitable financial institution within or without the State. All proceeds of the sale of the Bonds shall be received by the Escrow Agent and applied to fund the Escrow Account or to pay costs of issuing the Bonds. Proceeds of the Bonds not used to pay costs of issuance or returned to the City are hereby irrevocably pledged and appropriated to the Escrow Account, together with all investment earnings thereon. Sums held in the Reserve Account established for the Prior Bonds in the amount of \$_____ shall be credited to the Escrow Account. Proceeds of the Bonds not used to pay costs of issuance or returned to the City are hereby pledged and appropriated to the Escrow Account, together with all investment earnings thereon. The Escrow Account shall be funded in an amount sufficient to pay when due the accrued interest, the principal amount of outstanding Prior Bonds to maturity or to the date called for redemption and to pay any premium required for redemption. The moneys in the Escrow Account shall be used solely for the purposes herein set forth and for no other purpose, except that any surplus in the Escrow Account may be remitted to the City, all in accordance with an Escrow Agreement (the "Escrow Agreement") by and between the City and the Escrow Agent. A form of the Escrow Agreement is on file in the office of the Administrator. Any moneys remitted to the City pursuant to the Escrow Agreement shall be deposited in the Debt Service Account.

(b) Operation and Maintenance Account. Money in the Fund shall first be disbursed monthly to make deposits into a separate and special account to pay current expenses of the Electric Utility. The account is known as the Electric Utility Operation and Maintenance Account (the "Operation and Maintenance Account"). There shall be deposited in the Operation and Maintenance Account each month an amount sufficient to meet the current expenses of the month plus an amount equal to 1/12th of any expenses payable on an annual basis such as insurance. After the first day of the month, further deposits may be made to the Operation and Maintenance Account from the Fund to the extent necessary to pay current expenses accrued and payable to the extent that funds are not available in the Surplus Account.

(c) Parity Revenue Bond Debt Service Account. Money in the Fund shall next be disbursed to make deposits into a special and separate account known as the Parity Revenue Bond Debt Service Account (the "Debt Service Account"). The required amount to be deposited in the Debt Service Account, and to which there is hereby irrevocably pledged, shall be a sum equal to at least 1/12th of the total principal and interest due on the Bonds and the Outstanding Bonds, and any other bonds issued on a parity therewith in accordance with the terms hereof (collectively, the "Parity Bonds")

during the ensuing 12 months; provided, however, that no further payments need be made to the Debt Service Account when the moneys held therein are sufficient for the payment of all principal and interest due on the Parity Bonds on or before the next maturity date of each issue thereof. In addition, to the Debt Service Account shall be credited (a) accrued interest paid by the Purchaser upon delivery of the Bonds and (b) any balance remaining in the Prior Bonds Parity Revenue Bond Debt Service Account established by the Prior Resolution. No money shall be paid out of the Debt Service Account except to pay principal and interest on the Parity Bonds as the same shall become due and payable.

(d) Reserve Account. Moneys in the Fund shall next be disbursed to make deposits into a special and separate account known as the Reserve Account. There is hereby pledged and appropriated from the proceeds of the Bonds \$_____, which amount equal to the lesser of (i) ten percent of the principal amount of the Parity Bonds payable from the Debt Service Account, (ii) one hundred twenty five percent of the average annual debt service requirements of the Parity Bonds payable from the Debt Service Account, or (iii) the maximum annual debt service on the Parity Bonds payable from the Debt Service Account. Amounts in the Reserve Account shall be allocated from time to time to each issue of bonds at such time outstanding and payable from the Debt Service Account in a proportion equal to (i) the original face amount of such issue of bonds divided by (ii) the sum of the original face amounts of each and all such issues of bonds. The Reserve Account shall be used only when and if moneys in the Debt Service Account or other moneys available therefor are insufficient to pay principal and interest on the Parity Bonds; provided, however, that the moneys in the Reserve Account may be used to prepay the Parity Bonds when such prepayment will retire all of the Parity Bonds then outstanding. Whenever any moneys constituting the Reserve Account shall be used to pay principal and interest, the Reserve Account shall be restored from the next available Net Revenues; provided, however, that the Reserve Account shall terminate whenever there are sufficient funds in the Debt Service Account to pay the outstanding principal amount of and all interest on the Parity Bonds. The balance in the Reserve Account shall be deemed to be the sum of all cash and the cost of all securities held in the account.

(e) Subordinate Obligations. Moneys in the Fund may next be used to pay principal of and interest on (including reasonable reserves therefor) any other obligations which by their terms shall be payable from the revenues of the Electric Utility, but subordinate to the Parity Bonds, and which have been issued for the purposes of extensions and improvements to the Electric Utility or to retire the Parity Bonds in advance of maturity, or to pay for extraordinary repairs or replacements to the Electric Utility.

(f) Surplus Revenue. All money thereafter remaining in the Fund at the close of each month may be deposited in any of the accounts created by this Resolution, may be used to pay for extraordinary repairs or replacements to the Electric Utility, may be used to pay or redeem the Parity Bonds or any of them in accordance with the terms hereof, or for any lawful purpose.

No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued and (2) in addition to the above in an amount not greater than the lesser of five percent of the proceeds of the Bonds or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Reserve Account or the Parity Revenue Bond Debt Service Account (or any other City account which will be used to pay principal or interest to become due on the bonds payable therefrom) in excess of amounts which under then applicable federal arbitrage regulations may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. Money in the Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

17. Investments. Moneys on deposit in the Fund may be invested in any securities described in Minnesota Statutes, Chapter 118A, as from time to time amended. Such investment may at any time be liquidated and the proceeds thereof applied for the purpose or purposes for which the Fund was created. All income derived from such investment shall constitute revenues of the Electric Utility and shall be retained in the Fund as earned.

18. Allocation of Money. The money in the Fund shall be allotted and paid to the various accounts herein established in the order in which the funds are listed on a cumulative basis, and if in any month the money in the accounts is insufficient to place the required amount in any account, the deficiency shall be made up in the following month or months after payment into all other funds having a prior claim on the revenues have been made in full.

19. Separate Accounting. All money held in any of the accounts created by this resolution shall be kept separate and apart from all municipal funds and accounts and shall be deposited in any bank or banks selected by the City.

20. Additional Parity Bonds. No Additional Parity Bonds shall be hereafter issued unless they are secured by a lien on the Net Revenues of the Electric Utility made expressly second and subordinate to the lien upon the Net Revenues securing the Parity Bonds; provided further, that additional obligations may be issued on a parity of lien with the Parity Bonds so long as the annual Net Revenues of the Electric Utility for the completed fiscal year immediately preceding the issuance of such additional obligations shall have been at least (a) one and one-quarter times the average annual principal and interest coming due thereafter on all Outstanding Bonds and Parity Bonds, including the additional obligations so to be issued adjusted for rate increases six months prior to the issuance of the additional obligations; and (b) equal to the average annual principal and interest coming due thereafter on all outstanding obligations payable from the revenues of the Fund, including any subordinate lien obligations and the additional obligations so to be issued. Such facts shall be shown by the Certificate of the Administrator-Clerk and recited in the resolution authorizing any such additional series. In addition, the following condition's shall be met:

(a) The payments required to be made (at the time of the issuance of such parity lien bonds) into the various accounts provided for in this resolution have been made.

(b) The resolution authorizing such additional bonds provides for the payment into the Reserve Account of an amount equal to the lesser of (i) 10% of the principal amount of such additional bonds, (ii) 125% of the average annual debt service requirements of the additional bonds, or (iii) the maximum annual debt service on the additional bonds to be funded from the proceeds of the additional bonds or available moneys of the City.

(c) The proceeds of such parity lien bonds shall be used only for the purpose of making improvements, additions or extensions to the Electric Utility.

(d) There shall be procured and filed with the Administrator-Clerk a statement by an independent accountant, not in the regular employ of the City, reciting the opinion based upon necessary investigations that the Net Revenues of the Electric Utility for the last completed fiscal year immediately preceding the issuance of such additional bonds or obligations, adjusted for additional annual revenues from rate increases which become effective at least six months prior to the issuance of such additional bonds, were equal to at least one and one-quarter times the average annual principal and interest coming due thereafter on the Parity Bonds then outstanding and the additional bonds. Said "Adjusted Net Revenues" for the fiscal year shall be computed as if the existing rate had been in effect during all of the fiscal year.

No additional Parity Bonds may be issued pursuant to this paragraph unless the conditions and requirements of the resolutions authorizing all Parity Bonds are complied with and fully performed.

21. Refunding Bonds. The City also reserves the right and privilege of issuing additional bonds on a parity of lien with the Parity Bonds if and to the extent needed to refund bonds maturing within six months of the issuance of the refunding bonds in case the moneys in the Parity Revenue Bond Debt Service Account and Reserve Account of the Fund are insufficient to pay the same at maturity, provided that such refunding Parity Bonds shall mature subsequent to all other Parity Bonds which are still outstanding upon completion of such refunding.

22. Subordinate Lien Bonds. Except as authorized in paragraphs 20 and 21, the City covenants and agrees that it will issue or incur no obligations payable from the Net Revenues of all or a part of the Electric Utility or constituting in any manner a lien thereon, unless such obligations are secured by a lien on such Net Revenues which is expressly made junior and subordinate to the lien and charge of the Parity Bonds on the Net Revenues, except that the Parity Bonds, or any part thereof, may be refunded and the refunding bonds issued shall enjoy complete equality of lien with the portion of any Parity Bonds not refunded, if there are any, provided that if only a portion of the outstanding Parity Bonds shall be so refunded and if such Parity Bonds shall be refunded in such manner that the annual principal and interest to become due on the refunding Parity Bonds shall be greater than the annual principal and interest to

become due on the Parity Bonds to be refunded (assuming payment at their maturity), then such Parity Bonds may not be refunded without the consent of the holders of the unrefunded portion of the outstanding Parity Bonds.

23. Application of Funds Upon Default. In the event that the moneys in the Parity Revenue Bond Debt Service Account and Reserve Account shall be insufficient at any time to pay the principal then due and interest then accrued on all Parity Bonds payable therefrom, said moneys shall, to the extent they constitute Net Revenues of the Electric Utility, first be applied to the payment pro rata of the accrued interest on all such Parity Bonds, and second shall be applied in payment pro rata of the then due and owing principal on all such Parity Bonds; and finally be applied to the payment pro rata of the outstanding principal of all such Parity Bonds ratably according to the aggregate outstanding principal amount thereof (whether or not then due) without any preference or priority.

24. Bondholder Remedies. The holders of twenty percent (20%) or more in aggregate principal amount of all outstanding Parity Bonds may, either at law or in equity, by suit, action, or other proceedings, protect and enforce the rights of all holders of all outstanding Parity Bonds or enforce or compel the performance of any and all of the covenants and duties specified in this resolution, to be performed by the Commission and City or their officers and agents, including the fixing and maintaining of rates and charges and the collection and proper segregation of revenues and the application and use thereof; provided, however, that nothing herein shall affect or impair the right of the Holder of any Parity Bond to enforce the payment of the principal of and interest on any Parity Bond at and after the maturity thereof, or the obligation of the Commission or the City to pay the principal of and interest on each of the Parity Bonds issued hereunder to the respective holders thereof at the time and place, from the source and in the manner provided in the Parity Bonds. In addition, if the City fails to pay the principal of or interest on any Parity Bond, when due, and such default shall continue for 10 days after notice thereof from the Holder of such Parity Bond, such Holder may (a) require that the City appoint a receiver or trustee to collect and receive all revenues and income of the Electric Utility, all of which revenues shall be held in separate trust for the benefit of the holders of all Parity Bonds, and apply all such revenues in accordance with the terms hereof, and (b) declare all Parity Bonds to be due and payable immediately in the amount of a pro rata share of any amounts held in the Electric Utility Fund in excess of an amount sufficient to meet the current expenses of the month plus an amount equal to 1/12th of any expenses payable on an annual basis, such as insurance, and upon any such declaration such amount shall immediately become due and payable.

25. Additional Covenants. For the protection of the holders of the Bonds herein authorized and all other Parity Bonds from time to time outstanding, the City herein covenants and agrees to and with the holders thereof from time to time as follows:

(a) It will at all times adequately maintain and efficiently operate the Electric Utility as a municipal electric utility. It will from time to time make all needful and proper repairs, replacements, additions and betterments to the equipment and facilities of the Electric Utility so that they may at all times be operated properly and advantageously, and whenever any equipment of the system shall have been worn out, destroyed or otherwise become insufficient for proper use, it shall be promptly replaced or repaired so

that the value and efficiency of the Electric Utility shall be at all times fully maintained and its revenues unencumbered by reason thereof.

(b) It will permit no free service to any consumer or utility. The rates for all electric service and the charges for all electricity supplied by the Electric Utility to the municipality and its residents and to all consumers shall be reasonable and just, taking into account the cost and value of the Electric Utility, the cost of maintaining and operating the Electric Utility and the proper and necessary allowances for depreciation and the amounts required for the payment of principal and interest on the bonds payable from the Net Revenues of the Electric Utility.

(c) It will establish, maintain and collect such charges and rates as will produce revenues sufficient to pay the reasonable cost of operation and maintenance of the Electric Utility and to pay interest on and principal of all Parity Bonds and one hundred percent (100%) of the interest on and principal of all subordinate lien bonds as and when they become due as well as to provide sufficient money to make the required appropriations to the various accounts established herein. Electric Utility user rates will be maintained at such levels so that the Electric Utility operations will produce Net Revenues which shall be equal to at least one hundred twenty-five percent (125%) of the proportionate share of the annual debt service due on the then outstanding Parity Bonds.

(d) The City will not sell, lease, mortgage, or in any manner dispose of the Electric Utility or any part thereof including any and all extensions and additions that may be made thereto until all bonds payable from the revenues of the Electric Utility or a part thereof have been paid in full; provided however, that the City may sell the Electric Utility or any part thereof if simultaneously with or prior to the sale all of the outstanding bonds are discharged in accordance with paragraph 28. This covenant shall not be construed to prevent the sale by the City at fair market value of real estate, equipment or other non-revenue-producing properties which in the judgment of the City have become unnecessary, uneconomical or inexpedient to use in connection with the Electric Utility provided that suitable facilities are obtained in place thereof.

(e) It will procure and keep in force insurance upon the Electric Utility of a kind and in an amount which would normally be carried by private companies in a like business, including public liability insurance, with an insurer or insurers in good standing; and it will keep in full force and effect fiduciary bonds on employees in charge of the Electric Utility. In the event of any loss, the proceeds from such insurance (including liability insurance) or bonds shall be used to make good such loss or to repair or restore the Electric Utility or to discharge all of the outstanding Parity Bonds in accordance with paragraph 28. Insurance premiums shall be paid as a cost of operation.

(f) The City shall cause to be kept proper books, records and accounts adapted to the Electric Utility separate from other accounts to be audited by a certified public accountant at the end of each fiscal year. A copy of the audit shall be furnished, without cost, to the original purchaser of any outstanding Parity Bonds within ninety (90) days after the close of each fiscal year. If the City fails to provide such audit at such time, the holders of twenty percent (20%) or more of the outstanding Parity Bonds may

cause such audit to be made at the expense of the City. The expense of preparing such audit shall be paid as a current operating expense of the Electric Utility. The original purchaser of the outstanding Parity Bonds and the holders thereof, or their duly appointed representatives, from time to time shall have the right at all reasonable times, to inspect the Electric Utility and to inspect and copy the books, records, accounts and data relating thereto. The City agrees to furnish copies of such audit, without cost, to any Holder or holders of the Parity Bonds at their request within ninety (90) days after the close of each fiscal year.

(g) It will faithfully and punctually perform all duties with reference to the Electric Utility required by the Constitution and laws of the State of Minnesota and this resolution.

(h) The City will grant no franchise to any competing utility.

26. Output Contracts. The City herein covenants that neither it nor the Commission has heretofore, nor will either the City or Commission hereafter enter into any contract which will obligate any person or persons to purchase electric energy from the City or Commission in a total aggregate amount which would cause any of the Bonds herein authorized to become private activity bonds within the meaning of Section 103(b) of the Internal Revenue Code and the regulations promulgated thereunder, and in particular Federal Income Tax Regulations, Section 1.103-7(b)(5).

27. Amendments. No change, amendment, modification or alteration shall be made in the covenants made with holders of the Parity Bonds without the consent of the holders of not less than sixty percent (60%) in principal amount of then such outstanding Parity Bonds except for changes, amendments, modifications and alterations made (a) to cure any ambiguity or formal defect or omission, or (b) any other change which would not materially prejudice the holders of such outstanding Parity Bonds; provided, however, that nothing herein contained shall permit or be construed as permitting (1) an extension of the maturity of the principal of or the interest on any such Parity Bonds, or (2) a reduction in the principal amount of any such Parity Bond or the rate of interest thereon, or (3) a privilege or priority of any such Parity Bond or Bonds over any other Parity Bond or Bonds except as otherwise provided herein, or (4) a reduction in the aggregate principal amount of such Parity Bonds required for consent to any change, amendment, modification or alteration, or (5) permit the creation of any lien ranking prior to or on a parity with the lien of such Parity Bonds, except as hereinbefore expressly permitted, or (6) modify any of the provisions of this paragraph without the consent of the holders of one hundred percent (100%) of the principal amount of Parity Bonds outstanding, or, in the case of any modifications described in clauses (1) through (5) the holders of only those outstanding Parity Bonds adversely affected by the modifications.

28. Discharge. When any Parity Bonds and the interest due thereon, have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the holders of such Parity Bonds shall, to the extent permitted by law, cease. The City may discharge any Parity Bonds which are due on any date by irrevocably depositing with the Bond Registrar for such Bonds on or before that date a sum sufficient for the payment thereof in full; or if any Parity Bond should not be paid when due, it may nevertheless be discharged by

depositing with the Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Parity Bonds which are called for redemption on any date when they are prepayable according to their terms, by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full, plus accrued interest and redemption premium, if any, provided that notice of such redemption has been duly given as provided in the resolution authorizing such Parity Bonds. The City may also at any time discharge its obligations with respect to any Parity Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action including the applicable provisions of Minnesota Statutes, Section 475.67, and any amendments thereto, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date; provided that the funds deposited in escrow in accordance with the provisions of Minnesota Statutes, Section 475.67 may but need not be in whole or part proceeds of advance refunding bonds. The City may discharge Parity Bonds as herein provided without the consent of the holders of any outstanding Parity Bonds.

29. Fiscal Year. As used in this resolution the words "Fiscal Year" shall mean the twelve month period beginning on January 1 of each year and ending on December 31 of the same year. Should it be deemed advisable at some later date to change its fiscal yearly basis, the same may be done by proper actions to that effect, with the approval of the original Purchaser of these Bonds, which change shall not constitute an amendment or modification of this resolution.

30. Covenant With Bondholders. Each and all of the terms and provisions of this resolution shall be and constitute a covenant on the part of the City to and with each and every Holder from time to time of the Bonds issued hereunder and any other Parity bonds from time to time outstanding.

31. Refunding Requirements.

(a) Refunding. The City will complete the Refunding at a total cost not to exceed the amount of the Bond proceeds and Net Revenues of the Electric Utility or other moneys available and appropriated for the payment thereof.

(b) Escrow Agreement. On or prior to the delivery of the Bonds the Mayor and Administrator-Clerk shall, and are hereby authorized and directed to, execute on behalf of the City the Escrow Agreement. The Escrow Agreement is hereby approved and adopted and made a part of this resolution and the City covenants that it will promptly enforce all provisions thereof in the event of default thereunder by the Escrow Agent.

(c) Securities; Escrow Agent. Securities, if any, purchased from moneys in the Escrow Account shall be limited to securities set forth in Minnesota Statutes, Section 475.67, Subdivision 8, and any amendments or supplements thereto. The City Council

has investigated the facts and hereby finds and determines that the Escrow Agent is a suitable financial institution to act as escrow agent.

(d) Notice of Redemption. The Callable Prior Bonds shall be redeemed and prepaid in accordance with the terms and conditions set forth in the Notice of Call for Redemption substantially in the form attached to the Escrow Agreement, which terms and conditions are hereby approved and incorporated herein by reference. The Notice of Call for Redemption shall be given pursuant to the Escrow Agreement. Failure to give notice by mail to any registered owner, or any defect therein, will not affect the validity of any proceedings for the redemption of the Callable Prior Bonds.

(e) Prior Bonds; Security. Until retirement of the Prior Bonds, all provisions for the security thereof shall be observed by the City and all of its officers and agents.

32. Tax-Exempt Status of the Bonds; Rebate. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Bonds, including without limitation (1) requirements relating to temporary periods for investments, (2) limitations on amounts invested at a yield greater than the yield on the Bonds, and (3) the rebate of excess investment earnings to the United States if the Bonds (together with other obligations reasonably expected to be issued and outstanding at one time in this calendar year) exceed the small issuer exception amount of \$5,000,000.

For purposes of qualifying for the exception to the federal arbitrage rebate requirements for governmental units issuing \$5,000,000 or less of bonds, the City hereby finds, determines and declares that:

- (a) the Bonds are issued by a governmental unit with general taxing powers;
- (b) no Bond is a private activity bond;
- (c) ninety-five percent or more of the net proceeds of the Bonds are to be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City);
- (d) the aggregate face amount of all tax exempt bonds (other than private activity bonds) issued by the City (and all subordinate entities thereof, and all entities treated as one issuer with the City) during the calendar year in which the Bonds are issued and outstanding at one time is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code;
- (e) the aggregate face amount of the Bonds does not exceed \$5,000,000;
- (f) each of the Refunded Bonds was issued as part of an issue which was treated as meeting the rebate requirements by reason of the exception for governmental units issuing \$5,000,000 or less of bonds;

(g) the average maturity of the Bonds does not exceed the average maturity of the Refunded Bonds; and

(h) no part of the of the Bonds has a maturity date which is later than the date which is thirty years after the date the Prior Bonds were issued.

33. Designation of Qualified Tax-Exempt Obligations. In order to qualify the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the City hereby makes the following factual statements and representations:

(a) the Bonds are issued after August 7, 1986;

(b) the Bonds are not "private activity bonds" as defined in Section 141 of the Code;

(c) the City hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;

(d) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the City (and all entities treated as one issuer with the City, and all subordinate entities whose obligations are treated as issued by the City) during this calendar year 2015 will not exceed \$10,000,000; and

(e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2015 have been designated for purposes of Section 265(b)(3) of the Code.

The City shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this paragraph.

34. Negative Covenant as to Use of Bond Proceeds and Project. The City hereby covenants not to use the proceeds of the Bonds or to use the improvements refinanced by the Prior Bonds (the "Project"), or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Project, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

35. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

36. Records and Certificates. The Administrator-Clerk is authorized and directed to prepare and furnish to the purchaser of the Bonds, and the attorneys approving the same, certified copies of all orders and resolutions of the City relating to the Electric Utility, and the issuance of the Bonds, and all other proceedings or records showing the right, power and authority of the City to issue the same and to provide funds for the payment thereof, and such certified copies and certificates shall be deemed representations of the City as to all statements therein.

37. Supplemental Resolution. The Prior Resolution authorizing the issuance of the Prior Bonds is hereby supplemented to the extent necessary to give effect to the provisions hereof.

38. Headings. Headings in this resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.

The motion for the adoption of the foregoing resolution was duly seconded by member _____ and, after a full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Whereupon the resolution was declared duly passed and adopted.

CITY OF MOUNTAIN LAKE, MN

ORDINANCE #4-15

AN ORDINANCE AMENDING SECTION 8.13 REGULATION OF
POTENTIALLY DANGEROUS AND DANGEROUS DOGS

Be it ordained by the City Council of the City of Mountain Lake that following subdivisions of Section 8.13 be amended to read (amendments are bolded and underlined):

Section 8.13 Regulation of Potentially Dangerous and Dangerous Dogs

Subdivision 1. Terms.

- A. Dangerous Dog. “Dangerous dog” means any dog that has:
1. Without provocation, inflicted substantial bodily harm on a human being on public or private property;
 2. Killed a domestic animal without provocation while off the owner’s property; or
 3. Been found to be potentially dangerous, and after the owner has notice that the dog is potentially dangerous, the dog aggressively bites, attacks, or endangers the safety of humans or domestic animals.
- B. Potentially Dangerous Dog. “Potentially dangerous dog” means any dog that:
1. When unprovoked, inflicts bites on a human or domestic animal on public or private property;
 2. When unprovoked, chases or approaches a person, including a person on a bicycle, upon the streets, sidewalks, or any public or private property, other than the dog owner’s property, in an apparent attitude of attack; or
 3. Has a known propensity, tendency, or disposition to attack unprovoked, causing injury or otherwise threatening the safety of humans or domestic animals.
- C. Proper Enclosure. “Proper enclosure” means securely confined indoors or in a securely enclosed and locked pen or structure suitable to prevent the animal from escaping and providing protection from the elements for the dog. A proper enclosure does not include a porch, patio, or any part of a house, garage, or other structure that would allow the dog to exit of its own volition, or any house or structure in which windows are open or in which door or window screens are the only obstacles that prevent the dog from exiting.
- D. Owner. “Owner” means any person, firm, corporation, organization, or department possessing, harboring, keeping, having an interest in, or having care, custody, or control of a dog.

E. Substantial Bodily Harm. “Substantial bodily harm” has the meaning given it under Minn. Stat. Section 609.02, Subdivision 7a.

F. Great Bodily Harm. “Great bodily harm” has the meaning given it under Minn. Stat. Section 609.02, Subdivision 8.

G. Provocation. “Provocation” means an act that an adult could reasonably expect may cause a dog to attack or bite.

H. Animal Control Authority. “Animal Control Authority” shall mean the Mountain Lake Police Department or its designated agent appointed to implement the provisions of this section.

Subdivision 2. Requirement. No person may own a dangerous dog.

Subdivision 3. No person may own a potentially dangerous dog unless the dog is registered as provided in this section.

A. The animal control authority shall issue a certificate of registration to the owner of a potentially dangerous dog if the owner presents sufficient evidence that:

1. An owner of a **potentially** dangerous dog shall keep the dog, while on the owner’s property, in a proper enclosure. If the dog is outside the proper enclosure, the dog must be muzzled and restrained by a substantial chain or leash and under the physical restraint of a responsible person. The muzzle must be made in a manner that will prevent the dog from biting any person or animal but that will not cause injury to the dog or interfere with its vision or respiration. The owner must have a posting on the premises with a clearly visible warning sign that there is a potentially dangerous dog on the property, including a warning symbol to inform children;
2. A surety bond issued by a surety company authorized to conduct business in this state in a form acceptable to the police department in the sum of at least \$300,000, payable to any person injured by the potentially dangerous dog, or a policy of liability insurance issued by an insurance company authorized to conduct business in this state in the amount of at least \$300,000, insuring the owner for any personal injuries inflicted by the potentially dangerous dog.

B. Warning Symbol. If the police department issues a certificate of registration to the owner of a potentially dangerous dog pursuant to subdivision 3.A., the police

department must provide, for posting on the owner's property, a copy of a warning symbol to inform children that there is a potentially dangerous dog on the property. The warning symbol must be the uniform symbol provided by the Minnesota Commissioner of Public Safety. The police department may charge the registrant a reasonable fee to cover its administrative costs and the cost of the warning symbol.

- C. Tag. A potentially dangerous dog registered under this section must have a standardized, easily identifiable tag identifying the dog as dangerous and containing the uniform dangerous dog symbol, affixed to the dog's collar at all times.
- D. Fee and Registration. The registration must be renewed annually. The police department may charge the owner an annual fee, in addition to any regular dog licensing fees, to obtain a certificate of registration for a potentially dangerous dog under this section.
- E. Potentially dangerous dog designation review. Beginning six months after a dog is declared a potentially dangerous dog, an owner may request annually that the police department review the designation. The owner must provide evidence that the dog's behavior has changed due to the dog's age, neutering, environment, completion of obedience training that includes modification of aggressive behavior, or other factors. If the police department finds sufficient evidence that the dog's behavior has changed, the authority may rescind the potentially dangerous dog designation.
- F. An owner of a potentially dangerous dog must notify the animal control authority in writing of the death of the dog or its transfer to a new location where the dog will reside within 30 days of the death or transfer, and must, if requested by the animal control authority, execute an affidavit under oath setting forth either the circumstances of the dog's death and disposition or the complete name, address, and telephone number of the person to whom the dog has been transferred or the address where the dog has been relocated.
- G. A person who owns a potentially dangerous dog and who rents property from another where the potentially dangerous dog will reside must disclose to the property owner prior to entering the lease agreement and at the time of any lease renewal that the person owns a potentially dangerous dog that will reside at the property.
- H. A person who transfers ownership of a potentially dangerous dog must notify the new owner that the animal control authority has identified the dog as potentially dangerous. The current owner must also notify the police department in writing of

the transfer of ownership and provide the police department with the new owner's name, address, and telephone number.

Subdivision 4. Exemption. Dogs may not be declared dangerous or potentially dangerous if they threaten, injure, or damage was sustained by a person:

1. Who was committing, at the time, a willful trespass or other tort upon the premises occupied by the owner of the dog;
2. Who was provoking, tormenting, abusing, or assaulting the dog or who can be shown to have repeatedly, in the past, provoked, tormented, abused, or assaulted the dog; or
3. Who was committing or attempting to commit a crime.

Subdivision 5. Hearing. The owner of any dog declared dangerous or potentially dangerous has the right to a hearing by an impartial hearing officer.

Subdivision 6. Notice. The authority declaring the dog dangerous or potentially dangerous shall give notice of this section by delivering or mailing it to the owner of the dog, or by posting a copy of it at the place where the dog is kept, or by delivering it to a person residing on the property, **and telephoning if the address of the owner is unknown.** The notice must include:

1. A description of the seized dog; the authority for and purpose of the dog declaration and seizure; the time, place, and circumstances under which the dog was declared dangerous or potentially dangerous; and the telephone number and contact person where the dog is kept;
2. A statement that the owner of the dog may request a hearing concerning the dog declaration and, if applicable, prior potentially dog declarations for the dog, and that failure to do so within 14 days of the date of the notice will terminate the owner's right to a hearing under this section;
3. A statement that if an appeal request is made within 14 days of the notice, the owner must immediately comply with the requirements of section 8.13, subdivision 3. A. 1. until such time as the hearing officer issues an opinion;
4. A statement that if the hearing officer affirms the dog declaration, the owner will have 14 days from receipt of the decision to comply with all other requirements of Section 8.13.;
5. A form to request a hearing under this subdivision; and

6. A statement that all actual costs of the care, keeping, and disposition of the dog are the responsibility of the person claiming an interest in the dog, except to the extent that a court or hearing officer finds the seizure or impoundment was not substantially justified by law.

Subdivision 7. Right to Hearing. Any hearing must be held within 14 days of the request to determine the validity of the dog declaration. The hearing officer must be an impartial employee of the local government or an impartial person retained by the local government to conduct the hearing. In the event that the dog declaration is upheld by the hearing officer, actual expenses of the hearing up to a maximum of \$1,000 will be the responsibility of the dog's owner. The hearing officer shall issue a decision on the matter within ten days after the hearing. **The hearing officer may grant a variance on one or more of the conditions if warranted by the specific facts of the case and if, in the judgment of the hearing officer, ample precautions are taken to protect the public.** The hearing officer's decision must be delivered to the dog's owner by hand delivery or registered mail as soon as practical and a copy must be provided to the police department.

Subdivision 8. Failure to comply with requirements.

A. A person who violates a provision of Section 8.13 is guilty of a misdemeanor.

B. Any person who shall keep a dangerous dog or potentially dangerous dog without complying with the requirements of this section shall pay a fine of \$5 per day for every day the person keeps, harbors or permits such dog to remain on the person's premises thereafter.

C. If a dog has been declared dangerous and not removed from the City of Mountain Lake after an opportunity for a hearing, the dog may be seized by the animal control authority and may be destroyed in a humane manner.

D. If a dog has been declared a potentially dangerous dog, after an opportunity for a hearing, and the owner is not complying with the requirements of this section, the potentially dangerous dog may be seized by the animal control authority. The dog may be reclaimed by the owner upon payment of impounding and boarding fees and presenting proof to the animal control authority that each of the requirements have been met. An animal not claimed within 14 days after notice may be disposed of and the owner liable for costs incurred for confining the dog, including euthanasia and disposal.

Subdivision 9. Extreme Circumstances. Notwithstanding, a dog may be destroyed in a proper and humane manner by the animal control authority if the dog:

1. Inflicted substantial or great bodily harm on a human on public or private property without provocation;
2. Inflicted multiple bites on a human on public or private property without provocation;

3. Bit multiple human victims on public or private property in the same attack without provocation or
4. Bit a human on public or private property without provocation in an attack where more than one dog participated in the attack.

Subdivision 10. Hearing. The animal control authority may not destroy the dog until the dog owner has had the opportunity for a hearing before an impartial decision maker.

Passed and approved this ____ day of _____, 2015.

Mayor

ATTEST:

City Administrator

Motion Carried

Ayes

Nays

Abstain

Published in the Mountain Lake Observer on _____, 2015.

Notice of Adoption of Ordinance #4-15

City of Mountain Lake, MN

**An Ordinance Amending Section 8.13 Regulation of Potentially
Dangerous and Dangerous Dogs**

The City of Mountain Lake at its Oct. 5, 2015 council meeting adopted Ordinance #4-15.

The Ordinance amends Subdivision 1 Terms with the addition of H. Animal Control Authority. Subdivision 3 No Person may own a Potentially Dangerous Dog unless the Dog is Registered as Provided in this Section is amended to clarify that a potentially dangerous dog can be kept if conditions are met. Subdivision 6 Notice is amended to allow contact by phone if the address of an owner is unknown. Subdivision 7 Right to Hearing is amended to allow the hearing officer to grant a variance if warranted. A new Subdivision 8 Failure to Comply with Requirements is established. The subdivision makes violation of Section 8.13 a misdemeanor; establishes a fine for non-compliance, authorizes the city to remove and destroy a dog that has been declared dangerous and not removed by the owner; and authorizes the city to seize a potentially dangerous dog for non-compliance.

A complete copy of the ordinance is available at the City Clerk's Office at the Mountain Lake City Hall. The public may inspect the ordinance during regular business hours. The ordinance can also be found on the city's website: www.mountainlakemn.com under the 'City Code, Policies and Notices' link.

City of Mt. Lake, MN

Ordinance 5-15

Be it ordained by the City Council of the City of Mountain Lake that the following subdivision of Section 9.11 Residential District be amended to read:

Subdivision 3 Conditional Uses

14. Businesses in a “transitional residential area”. Transitional residential area is an area with lots located on one of the following major thoroughfares: Third Avenue, Tenth Street, County Road 1 and Highway 60; and adjacent to or within 200 feet of a commercially zoned district. Proposed businesses should meeth the following criteria:
- a. Hours of operation shall be limited to between 6:30 a.m. and 9 p.m.
 - b. No outdoor displays or sales of merchandise or services shall be permitted.
 - c. Signs shall conform to Mountain Lake City Code, Section 9.50, Subdivsion 3.
 - d. No business shall be permitted to discharge offensive odors, fumes, smoke, glare, or noises which are audible beyond the property limits.
 - e. Deliveries to the premises shall be made only during the hours of operation.
 - f. Traffic assoicated with the use shall not be detrimental to the neighborhood or create congestion on the street where business is located. Parking must meet standards set forth in Mountain Lake City Code, Section 9.50, Subdivision 4.

Passed and approved on this _____ day of _____, 2015.

Mayor

ATTEST:

City Administrator

Motion Carried.

Ayes
Nays
Abstain

Published in the Mountain Lake Observer on _____, 2015.

Ordinance 5-15 Background

The Planning and Zoning Commission considered establishing an Interim Use Ordinance and amending the language in the current Section 9.11, Subd. 3, #14 *Businesses in a Transitional Residential Area* at their Aug. 31 and Sept. 28 meeting. The city's current 'Businesses in a Transitional Residential Area' language; state statutes; other cities' interim use ordinances (Slayton, Chanhassen, Bloomington, Plymouth, Wayzata, Anoka, Maple Grove); the City of Mt. Lake's current Comprehensive Plan; and ten Conditional Use Permits issued by the City of Mt. Lake were reviewed and discussed.

The Interim Use Ordinance issue was raised because a resident had an interest in opening a store in the residential district. The 'Businesses in a Transitional Residential Area' issue was raised because of the Conditional Use Permit recently issued to Michael Stewart.

The language of other cities' interim use ordinances specifies that the use must 'conform to zoning regulations (MN Statute 462.3597); 'meet the standards of a condition use permit' (Slayton, Plymouth, Chanhassen); or 'will not be in conflict with any provisions of the city code' (Bloomington, Wayzata, Anoka, Maple Grove).

The City of Mt. Lake would need to amend the allowed conditional uses currently in the ordinance. Currently the city's ordinance says that 'sales incidental to the business' are an acceptable part of a home business conditional use. 'Sales primary to the business' would need to be added to the home business conditional use ordinance to allow retail stores in the residential district even if the length of time they can operate is limited.

Three relevant sections of the comp. plan are attached.

After reviewing and discussing the commission is recommending that 'Hwy 60' be added to the roads along which a transitional business can be located. See next page.

Section 9.11 Residential District

Subdivision 3 Conditional Uses

14. Businesses in a “transitional residential area”. Transitional residential area is an area with lots located on one of the following major thoroughfares: Third Avenue, Tenth Street, County Road 1 and Highway 60; and adjacent to or within 200 feet of a commercially zoned district. Proposed businesses should meet the following criteria:
- a. Hours of operation shall be limited to between 6:30 a.m. and 9 p.m.
 - b. No outdoor displays or sales of merchandise or services shall be permitted.
 - c. Signs shall conform to Mountain Lake City Code, Section 9.50, Subdivision 3.
 - d. No business shall be permitted to discharge offensive odors, fumes, smoke, glare, or noises which are audible beyond the property limits.
 - e. Deliveries to the premises shall be made only during the hours of operation.
 - f. Traffic associated with the use shall not be detrimental to the neighborhood or create congestion on the street where business is located. Parking must meet standards set forth in Mountain Lake City Code, Section 9.50, Subdivision 4.

Economic Development Element

Mountain Lake Comprehensive Plan

Citizen Goals

1. Encourage industrial and commercial development along State Highway 60.

Strategies

- Promote the advantage of location between Minneapolis/St. Paul and Sioux Falls.
- Promote businesses that cater to needs of residents and visitors such as a motel/hotel, conference center, restaurants, service stations, etc.

2. Support the development of a strong, diversified, and growing economic base and create a favorable climate for economic development and ongoing business activities.

Strategies

- Promote and encourage quality commercial and industrial development in the city through the support and cooperation of the city council, EDA, business organizations and community leaders.
- Actively promote development and redevelopment with the community, including financial incentives, with particular emphasis on attracting and supporting businesses that provide livable-wage jobs.
- Promote and encourage environmentally sound commercial and industrial development through design standards and good site planning.
- Promote aesthetically pleasing development and redevelopment in highly visible areas of the city.
- Emphasize tax base expansion and job creation in economic development efforts by the city.
- Encourage culturally diverse businesses.

3. Support the economic vitality of the Downtown Commercial District.

Strategies

- Retain and attract the appropriate mix of retail/service business activity and housing opportunities in the Downtown.
- Support housing opportunities in the Downtown area.
- Promote additional parking for the downtown with adequate signage.
- Encourage the use of Federal, State, local, and other financial resources to promote reinvestment and the rehabilitation of Downtown.

4. Plan for the orderly, efficient and fiscally responsible growth of commercial and industrial development in Mountain Lake.

Strategies

- Locate and design industrial and commercial developments to provide good access and road service, while avoiding the routing of traffic through residential neighborhoods.
- Require new commercial and industrial developments to have access to adequately sized and designed public roads.

Mountain Lake Comprehensive Plan

- Encourage the development of additional commercial and industrial areas within the city in accordance with the zoning ordinance.
- Require all commercial and industrial development to be on public sewer and water.
- Locate commercial and industrial developments away from environmentally sensitive areas within the community.

35

Housing Element

Mountain Lake Comprehensive Plan

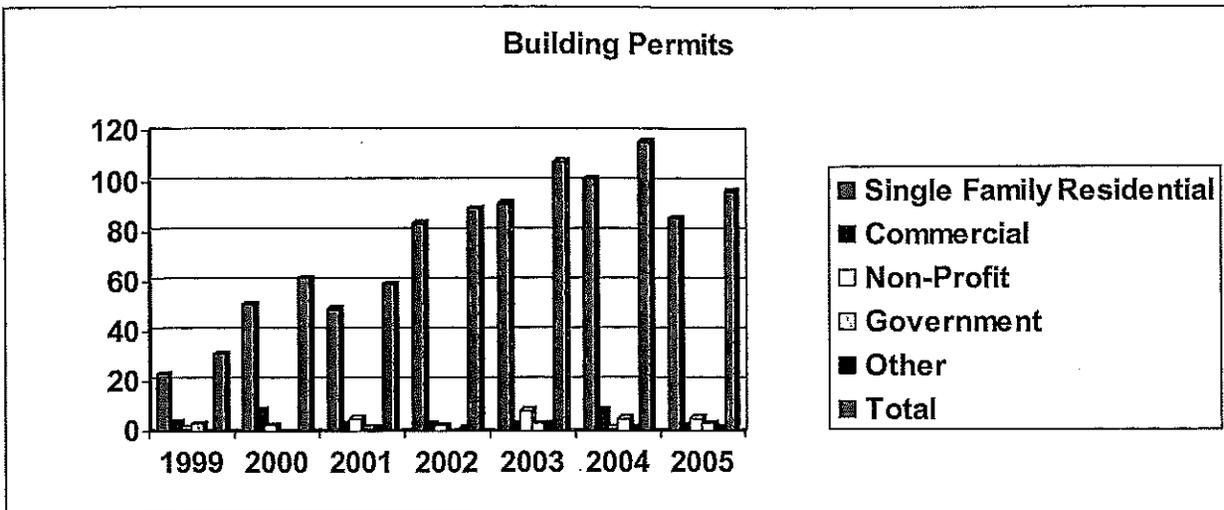


Figure 8: Building Permits (Source: Mountain Lake City Staff)

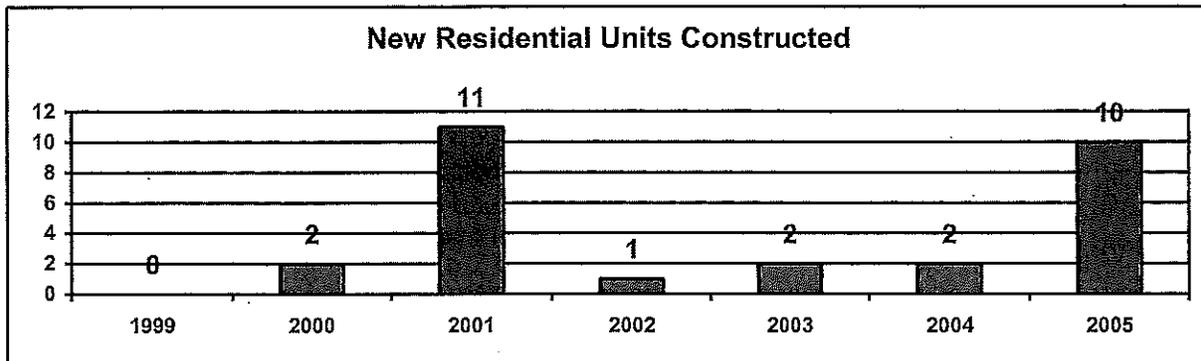


Figure 9: New Residential Units Constructed (Source: City of Mountain Lake City Staff, 2004)

Citizen Goals

1. Ensure adequate housing is available to meet the needs of the population.

Strategies

- Continue to study housing goals, needs, and resources.
- Develop Mountain Lake marketing strategy.
- Publicize the *Free Lot Program* within Mountain Lake to surrounding communities. Develop examples of possibilities of the lots to stimulate interest. Include costs, contractors, financing options, etc.
- Present information on housing programs on the City website.
- Advertise programs and Mountain Lake at area home shows and other expos.
- Prepare cost comparisons of cost of living to surrounding communities.

2. Plan for the orderly, efficient, and fiscally responsible growth of residential development in Mountain Lake.

Strategies

- Continue to guide residential growth in an orderly and compact manner so that new developments can be effectively served by public improvements and that the character and quality of the city's existing neighborhoods can be maintained and enhanced.
- Encourage well-designed, compatible low and high density infill residential development through the developed portions of the city, to encourage the efficient use of land, the establishment of a strong tax base and the cost effective provision of city services.
- Require all residential developments to be on public water and sewer.
- Encourage the incorporation of a system of trails and open spaces in new residential developments.

3. Support development that enhances community character and identity.

Strategies

- Work to strengthen and maintain the appearance of the 3rd Avenue/CSAH 27 corridor through lighting, sidewalks, signage, and other tools.
- Develop site-planning standards in both the downtown and general commercial areas that support and promote community aesthetic standards.
- Continue and plan for land uses in order to support and enhance Mountain Lake's ability to attract quality development by providing adequate quality land area within the planned growth areas.
- Support the redevelopment of vacant and abandoned sites within the downtown core.
- Ensure that high quality development is well planned and connected to existing development through the efficient use of streets, utilities and infrastructure.
- Encourage attractive entrances and gateways to the community.

4. Create a high-quality environment in all residential neighborhoods.

Strategies

- Enforce necessary ordinances to ensure the continued maintenance of the housing stock.
- Explore methods and funding options to promote improvement of the existing housing stock, including retrofitting existing homes to better serve today's families.
- Explore methods and funding options to encourage the rehabilitation or redevelopment of substandard housing at all housing price levels.
- Examine zoning and other regulations to ensure they allow the upgrading of older homes, neighborhoods, and small, irregularly shaped lots.
- Work with the cities public works and engineering staff to ensure adequate infrastructure for future developments.

Land Use Element

Mountain Lake Comprehensive Plan

Industrial Land Use

Industry provides the economic base of a community, providing employment and commercial opportunities. The location and type of industry allowed must be considered carefully so there will be no adverse impact on the quality of life for the citizens (noise, air, water pollution, etc.). Most industry requires a location on or near a major transportation route such as highway or rail line to accommodate the movement of goods. Industry is generally separated from commercial and residential land uses. Landscape buffers are often encouraged to keep industrial uses separated from other land uses. Mountain Lake's major industrial area is located along 3rd Avenue/Highway 27 and Trunk Highway 60 and future industrial growth will be encouraged to locate in this area.

Public Land Use

Public land includes parks and government facilities. For further description of park land, please refer to the "Parks and Recreation" element.

Agricultural Land Use

Many areas within City limits still maintain an agricultural use. A majority of this existing agricultural land will be directed to industrial and residential uses. The remaining agricultural lands are expected to remain preserved.

Open Space

Forested and wetlands are expected to be preserved to establish a greenbelt area. The City of Mountain Lake recognizes the importance of protecting the area around Mountain Lake for future enjoyment.

Citizen Goals

- 1. Encourage the completion of current projects including the campground, dam restoration, and nature path around the lake.**
- 2. Plan land uses and implement standards to minimize land use conflicts.**

Strategies

- Prepare and adopt a Zoning Ordinance that designates land use areas and guides development to appropriate areas in order to ensure desirable land use patterns and minimize conflicts.
- Encourage different land uses through appropriate land use planning and zoning standards and promote site aesthetics that are compatible with community standards.
- Continue to enforce Minnesota Building Codes.

BARGEN INCORPORATED

606 County Road 1
Phone (507) 427-2924
Mountain Lake, MN 56159

September 1, 2015

City of Mountain Lake
Attn: Ricky
PO Box C
Mountain Lake, MN 56159

Ricky,

Thank you for the opportunity to explain the asphalt pavement maintenance services our firm offers and to provide you with a quote for your bike trail. I am confident that you will find the services beneficial for your roads. I would like to explain the procedures our service crew uses.

Blow and Go procedure (Re-seal)

The existing cracks will be cleaned of debris and/or moisture using a heat lance. We will then fill the cracks with rubberized sealant, installing an overbanding safety seal.

Project Prices - Our price includes all materials, applicable taxes and labor to complete the project as explained.

Please note: The Customer is responsible for notifying the public that we will be working in your area.

Pavement maintenance can be extremely dusty and dirty work and we strongly encourage the public to keep their Personal property at a strong distance away from our work zone. This will avoid any possible concerns for dust, debris or damage. A recommended distance would be 75 – 150 feet away from the work zone. An Insurance Certificate is available upon request.

Bike Trail –crack repair (reseal) \$5,200.00

TERMS: Owner agrees that all payments required under this Contract shall be due and payable within 30 days of date of invoice. Owner further agrees that Borgen Inc. may charge interest at the annual rate of eighteen percent (18%), unless a lesser percentage is required by law on any sum due under this Contract which is not paid within 30 days of invoice date. If payments are not made when due, interest, costs incidental to collection and attorney's fees (if any attorney is retained for collection) shall be added to the unpaid balance. Borgen Inc. reserves the right, without penalty from Owner, to stop work on the project if Owner does not make payments to Borgen Inc. when due.

This Proposal/Contract may be withdrawn by Borgen Inc. if not accepted within 30 days, or at anytime, subject to increases related to material prices as noted above.

RE: Ambulance Income

The City hired Expert-T Billing to provide ambulance billing services a number of years ago.

Bill Schommer, Expert-T's owner, was recently in Mt. Lake to meet with staff.

Currently Mt. Lake's rates are:

\$450 – all runs except City of Butterfield.

\$550 – City of Butterfield. Calls are \$100 higher in Butterfield because the city does not pay a yearly per capita fee as the townships do.

Bill pointed out that our rates are low. The article below about Windom's rates was in the Sept. 9 Cottonwood County Citizen.

Based on the call numbers for 2014 and 2015 if Mt. Lake raises its rates to \$454.06 Medicare; \$600 private insurance with the exception of Butterfield calls; and \$700 for Butterfield calls, an additional \$10,000 of income can be realized in 2016.

The recommendation is to make these changes effective Oct. 1, 2015.

Ambulance rate increase to take effect this month

■ Windom's ambulance rate has increased by \$200.

Starting this month, the cost of an ambulance ride has increased by about \$200.

The new rate is \$650 for basic life support and \$850 for advanced life support. In requesting the rate increase, Ambulance Director Tim Hacker pointed out that Windom's transport rate was very low compared to other ambulance services in the area.

The new rate puts Windom's

rate a bit higher than Jackson's, which has rates of \$500 for BLS and \$600 for ALS, and significantly lower than Murray County, which has rates of \$900 for BLS and \$1,249 for ALS.

Windom's non-transport rate will be \$450.

When asked why there is such a wide variety of rates, City Administrator Steve Nasby replied that service funding varies by city. Some cities support the ambulance service through taxes, Windom does not.

Cott. Co Citizen

9-9-15

60