

Mountain Lake City Council Meeting
Mountain Lake City Hall
Monday, October 17, 2016
6:30 PM

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. Approval of Bills: Check #'s 9919242 - 9919291, 454-456E*(1-5)
Payroll #'s 62732-62761
 - b. Approval of October 3 Council Minutes*(6-10)
 - c. Approval of September 22 Utilities Commission Minutes*(11-12)
 - d. Approval of September 12 Lake Commission Minutes*(13-14)
 - e. Approval of September 9 Economic Development Authority Minutes*(15-16)
 - f. Approval of July 14 Tree Commission Minutes*(17-18)
 - g. Approval of September 14 Library Board Minutes, September Library Report and Expenditures*(19-21)
 - h. Adopt Resolution # 26-16, Resolution to Permit Gambling*(22)

3. Public – A total of ten (10) minutes is allotted for individuals to briefly discuss a topic of concern with the Council.

4. New Industrial Park, Rob Anderson, EDA
 - a. Infrastructure Preliminary Cost Estimate*(23-29)
 - b. Authorize Advisory Service Agreement*(30-32)
 - c. Capital Financing and Debt Management Presentation, Tammy Omdal, Northland Securities*(33-38)
 - d. Portions of Bank Term Sheet and Finance Plan Summary*(39-45)
 - e. Purchase Agreement*(46-49)
 - f. Resolution #25-16, Issuance and Sale of Bonds*(50-66)

5. Public Utilities
 - a. Resolution #27-16 Attach Unpaid Utility Bills*(67)

6. 2016 Budget Review – Separate Packet

7. Administrator
 - a. Guaranteed Energy Savings Program (GESP) Contract Extension*(68-69)
 - b. Authorizing Utility Insured Cash Sweep
 - c. Public Nuisance Update

8. Preparation for Union Negotiations – Meeting May be Closed.

9. Adjourn

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October 17, 2016
mtg
9919242 - 9919291
454E - 456E

October 2016

Check Amt Invoice Comment

10100 United Prairie

Paid Chk#	Date	Payee	Check Amt	Invoice	Comment
10100 United Prairie					
Paid Chk# 9919242	10/3/2016	THIRD AVENUE AUTO PARTS			
E 101-43100-404		Repairs/Maint Machinery/Equip	(\$2.17)		EARLY PAY CREDIT
E 101-43100-404		Repairs/Maint Machinery/Equip	\$45.95	S155883	OIL FILTER FOR BLADE
Total THIRD AVENUE AUTO PARTS			\$43.78		
Paid Chk# 9919243	10/3/2016	DAILY GLOBE			
E 211-45500-591		Periodicals	\$150.00		LIBRARY-1 YEAR SUBSCRIPTION
Total DAILY GLOBE			\$150.00		
Paid Chk# 9919244	10/10/2016	COMMISSIONER OF REVENUE			
G 101-21702		State Withholding	\$37.32		
Total COMMISSIONER OF REVENUE			\$37.32		
Paid Chk# 9919245	10/10/2016	INTERNAL REVENUE SERVICE			
G 101-21701		Federal Withholding	\$69.75		
G 101-21703		FICA Tax Withholding	\$671.68		
Total INTERNAL REVENUE SERVICE			\$741.43		
Paid Chk# 9919246	10/13/2016	AFLAC			
G 101-21713		AFLAC	\$192.74		
Total AFLAC			\$192.74		
Paid Chk# 9919247	10/13/2016	BCBS/HSA			
G 101-21714		HSA	\$793.85		
Total BCBS/HSA			\$793.85		
Paid Chk# 9919248	10/13/2016	COMMISSIONER OF REVENUE			
G 101-21702		State Withholding	\$751.05		
Total COMMISSIONER OF REVENUE			\$751.05		
Paid Chk# 9919249	10/13/2016	GISLASON & HUNTER			
G 101-21712		Garnishments	\$362.72		
Total GISLASON & HUNTER			\$362.72		
Paid Chk# 9919250	10/13/2016	INTERNAL REVENUE SERVICE			
G 101-21701		Federal Withholding	\$1,712.76		
G 101-21703		FICA Tax Withholding	\$2,276.22		
Total INTERNAL REVENUE SERVICE			\$3,988.98		
Paid Chk# 9919251	10/13/2016	LAW ENFORCEMENT LABOR SERV			
G 101-21711		PD UNION DUES	\$147.00		
Total LAW ENFORCEMENT LABOR SERV			\$147.00		
Paid Chk# 9919252	10/13/2016	PERA			
G 101-21704		PERA	\$4,145.23		
Total PERA			\$4,145.23		
Paid Chk# 9919253	10/13/2016	VALIC			
G 101-21705		VALIC	\$388.00		
Total VALIC			\$388.00		
Paid Chk# 9919254	10/14/2016	CARCHIOUS RODNEY			
E 608-46330-401		Repairs/Maint Buildings	\$49.50		SEPT MAINT-HERITAGE ESTATES
E 607-46330-401		Repairs/Maint Buildings	\$25.50		SEPT MAINT-HERITAGE ESTATES
E 608-46330-401		Repairs/Maint Buildings	\$968.88		INSTALL 6 WINDOWS
E 608-46330-401		Repairs/Maint Buildings	\$499.12		INSTALL 6 WINDOWS

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		Check Amt	Invoice	Comment
Total CARCHIOUS RODNEY		\$1,543.00		
Paid Chk#	9919255	10/14/2016	CITIZEN PUBLISHING	
E 205-46500-343	Busnes Recrut/Comm Dev	\$180.00	9/28/2016	FALL HOME IMPROVEMENT AD
Total CITIZEN PUBLISHING		\$180.00		
Paid Chk#	9919256	10/14/2016	COTTONWOOD COUNTY AUD/TREAS	
E 235-46340-354	Real Estate Taxes	\$1,011.00		2ND HALF TAX-CUSTOM MOTORS BLDG 22.520.0350
Total COTTONWOOD COUNTY AUD/TREAS		\$1,011.00		
Paid Chk#	9919257	10/14/2016	DARON J. FRIESEN	
E 608-46330-402	Repairs/Maint- Ground	\$181.50		MOWING HERITAGE ESTATES
E 607-46330-402	Repairs/Maint- Ground	\$93.50		MOWING HERITAGE ESTATES
E 609-46330-402	Repairs/Maint- Ground	\$425.00		MOWING MASON MANOR
Total DARON J. FRIESEN		\$700.00		
Paid Chk#	9919258	10/14/2016	ROBERT ANDERSON	
E 205-46500-331	Travel Expenses	\$195.37		MILEAGE FOR MEETINGS
Total ROBERT ANDERSON		\$195.37		
Paid Chk#	9919259	10/17/2016	KDOM RADIO	
E 231-42154-430	Miscellaneous	\$156.00	55310940545	AMB-FARM SAFETY MONTH ADS
Total KDOM RADIO		\$156.00		
Paid Chk#	9919260	10/17/2016	COUNTRY PRIDE SERVICES	
E 231-42154-212	Motor Fuels	\$91.53		AMB DIESEL
E 101-42100-212	Motor Fuels	\$449.87		PD-EXPLORER GAS
E 101-42100-212	Motor Fuels	\$95.50		PD-EXPEDITION GAS
E 101-45200-212	Motor Fuels	\$95.53		PARKS GAS
E 221-42200-212	Motor Fuels	\$94.83		FIRE DEPT GAS
E 101-43100-212	Motor Fuels	\$490.22		ST DEPT GAS
E 101-43150-220	Repair/Maint Supply	\$26.67	166602	QUICKCRETE-STORM SEWER
E 101-45200-430	Miscellaneous	\$25.60	166811,16728	PARKS-WASP SPRAY,KEY,BULBS
E 101-45186-400	Janitor-Repairs/Maint	\$41.08	166813,16716	COMM CTR-CLEANERS & KEY
E 101-45183-430	Miscellaneous	\$4.39	166852	CAMPGROUND-MAG SETTER, BOLTS
E 101-43100-430	Miscellaneous	\$34.19	167182,16725	ST DEPT-20#PROPANE, ALL WEATHER CEMENT
E 211-45500-220	Repair/Maint Supply	\$37.33	167362,16776	LIBRARY-KEY,CLEANERS
E 101-45183-402	Repairs/Maint- Ground	\$25.61	167839,16802	CAMPGROUND-REBAR FOR WI-FI TOWER
E 608-46330-401	Repairs/Maint Buildings	\$1,190.11	167967	WINDOWS-5TH AVE BLDG
E 607-46330-401	Repairs/Maint Buildings	\$619.31	167968	WINDOWS-APT 400A
E 101-43100-404	Repairs/Maint Machinery/Equip	\$20.00	93454	ST DEPT-SKID STEER TIRE REPAIR
Total COUNTRY PRIDE SERVICES		\$3,341.77		
Paid Chk#	9919261	10/17/2016	ADVANCED SYSTEMS INC	
E 101-41400-200	Office Supplies	\$35.20	501879	CITY-COPIES ON SAVIN 3352 7-12-16 TO 10-4-16
E 205-46500-200	Office Supplies	\$8.07	501879	COPIES ON SAVIN 3352 7-12-16 TO 10-4-16
Total ADVANCED SYSTEMS INC		\$43.27		
Paid Chk#	9919262	10/17/2016	AMERIPRIDE	
E 101-43100-215	Shop Supplies	\$30.16	2800677685	TOWELS FOR ST DEPT
E 101-41400-401	Repairs/Maint Buildings	\$41.78	2800677685	MATS FOR CITY HALL
Total AMERIPRIDE		\$71.94		
Paid Chk#	9919263	10/17/2016	BOUND TREE MEDICAL	
E 231-42154-404	Repairs/Maint Machinery/Equip	\$22.19	82281301	PAPER-ZOLL X SERIES
Total BOUND TREE MEDICAL		\$22.19		

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Paid Chk#	Date	Department	Check Amt	Invoice	Comment
Paid Chk# 9919264	10/17/2016	CARCHIOUS RODNEY			
E 312-47000-430	Miscellaneous		\$840.00	311	REPLACE 56 SQ FT SIDEWALK-REPLACE FROM STREET PROJECT
Total CARCHIOUS RODNEY			\$840.00		
Paid Chk# 9919265	10/17/2016	CASEYS-CREDIT CARD DEPARTMENT			
E 101-45200-212	Motor Fuels		\$256.97		PARKS GAS
E 101-43100-212	Motor Fuels		\$52.50		ST DEPT GAS
E 101-00000-430	Miscellaneous		\$67.40		UT GAS (BILLED THEM)
E 507-46103-212	Motor Fuels		\$42.15	9/22/16	PICKUP GAS-TAKE ALUM CANS TO MANKATO
E 205-46500-430	Miscellaneous		\$18.36	9/9/16	EDA LUNCH
otal CASEYS-CREDIT CARD DEPARTMENT			\$437.38		
Paid Chk# 9919266	10/17/2016	CITIZEN PUBLISHING			
E 101-41400-351	Legal Notices Publishing		\$30.80	9/14/16	ORDINANCE #8-18
E 101-41400-351	Legal Notices Publishing		\$161.70	9/21/16	TAX ABATEMENT-PANKRATZ IND PARK
E 101-41400-351	Legal Notices Publishing		\$30.00	9/7/16	ORDINANCE #9-16
Total CITIZEN PUBLISHING			\$222.50		
Paid Chk# 9919267	10/17/2016	DEPT OF EMPLOYMENT & ECON DEVE			
E 507-45150-430	Miscellaneous		\$24.30		UNEMPLOYMENT-J.LOUANGSAPHAKDY-WEED HARVESTOR OPERATOR
otal DEPT OF EMPLOYMENT & ECON DEVE			\$24.30		
Paid Chk# 9919268	10/17/2016	DONNA MARCY			
E 101-42100-308	Training & Instruction		\$300.00		EVOC FOR MATHIOWETZ & VITZTHUM
Total DONNA MARCY			\$300.00		
Paid Chk# 9919269	10/17/2016	EMILY ADRIAN			
E 231-42154-308	Training & Instruction		\$44.28		MILEAGE TO AMB TRAINING
Total EMILY ADRIAN			\$44.28		
Paid Chk# 9919270	10/17/2016	ENGINEERING UNLIMITED			
E 101-45200-430	Miscellaneous		\$160.67	052221	ST DEPT PADLOCKS
Total ENGINEERING UNLIMITED			\$160.67		
Paid Chk# 9919271	10/17/2016	EXPERT T BILLING			
E 231-42154-300	Professional Svcs		\$351.00		SEPTEMBER AMB RUNS
Total EXPERT T BILLING			\$351.00		
Paid Chk# 9919272	10/17/2016	FAIRMONT AWARDS			
E 221-42200-430	Miscellaneous		\$58.50	102296	FD-PLAQUE FOR J.JACKSON
Total FAIRMONT AWARDS			\$58.50		
Paid Chk# 9919273	10/17/2016	HANSEN CONCRETE CO			
E 101-45183-402	Repairs/Maint- Ground		\$754.00	11517	CONCRETE FOR WI-FI TOWER AT CAMPGROUND
Total HANSEN CONCRETE CO			\$754.00		
Paid Chk# 9919274	10/17/2016	HEIMAN FIRE EQUIPMENT--USE THI			
E 221-42200-404	Repairs/Maint Machinery/Equip		\$81.76	0850608-IN	FD--RECOUPLE HOSE,BARWAY COUPLING
Total HEIMAN FIRE EQUIPMENT--USE THI			\$81.76		
Paid Chk# 9919275	10/17/2016	HOMETOWN SANITATION SERVICE			
E 101-45183-384	Refuse/Garbage Disposal		\$120.00	207750	OCT GARBAGE AT CAMPGROUND
Total HOMETOWN SANITATION SERVICE			\$120.00		
Paid Chk# 9919276	10/17/2016	INDOFF INCORPORATED			

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			Check Amt	Invoice	Comment
E 211-45500-200	Office Supplies		\$39.53		LIBRARY OFFICE SUPPLIES
	Total INDOFF INCORPORATED		\$39.53		
Paid Chk# 9919277	10/17/2016	INGRAM			
E 211-45500-590	Capital Outlay Books		\$347.88		LIBRARY BOOKS
E 211-45500-592	A.V. Materials		\$48.47		LIBRARY AV
	Total INGRAM		\$396.35		
Paid Chk# 9919278	10/17/2016	KDOM RADIO			
E 101-00000-430	Miscellaneous		\$29.50	540160940445	MONTHLY ADV
	Total KDOM RADIO		\$29.50		
Paid Chk# 9919279	10/17/2016	KEEPRS, INC			
E 101-42100-205	Uniforms		\$172.79	322185	JACKET FOR EMILY
	Total KEEPRS, INC		\$172.79		
Paid Chk# 9919280	10/17/2016	LEAGUE OF MN CITIES-FINANCE			
E 101-43100-151	Worker s Comp Ins Prem		\$1,715.65		ST-4-15 TO 4-16 WORK COMP AUDIT
E 231-42154-151	Worker s Comp Ins Prem		\$125.25		AMB-4-15 TO 4-16 WORK COMP AUDIT
E 101-00000-361	General Liability Ins		\$106.54		WATER/SEWER 4-15 TO 4-16 WORK COMP AUDIT
E 101-00000-361	General Liability Ins		\$326.58		ELEC-4-15 TO 4-16 WORK COMP AUDIT
E 101-42100-151	Worker s Comp Ins Prem		\$159.64		PD-4-15 TO 4-16 WORK COMP AUDIT
E 101-45200-151	Worker s Comp Ins Prem		\$22.16		PARKS-4-15 TO 4-16 WORK COMP AUDIT
E 101-00000-361	General Liability Ins		\$12.88		UT-OFFICE 4-15 TO 4-16 WORK COMP AUDIT
E 205-46500-151	Worker s Comp Ins Prem		\$28.60		EDA-4-15 TO 4-16 WORK COMP AUDIT
E 101-41400-151	Worker s Comp Ins Prem		\$28.60		CITY-4-15 TO 4-16 WORK COMP AUDIT
E 211-45500-151	Worker s Comp Ins Prem		(\$2.90)		LIB-4-15 TO 4-16 WORK COMP AUDIT
E 221-42200-151	Worker s Comp Ins Prem		\$117.00		FIRE-4-15 TO 4-16 WORK COMP AUDIT
	Total LEAGUE OF MN CITIES-FINANCE		\$2,640.00		
Paid Chk# 9919281	10/17/2016	LOHRENZ INC			
E 101-46200-402	Repairs/Maint- Ground		\$500.00	6618	SHAPING AREA BY THE CEMETERY
	Total LOHRENZ INC		\$500.00		
Paid Chk# 9919282	10/17/2016	MAYNARDS FOOD CENTER			
E 205-46500-430	Miscellaneous		\$37.33	9/19/16	EDA-POP
E 101-41400-200	Office Supplies		\$15.58	9/21/16	TP-CITY HALL
E 101-41400-200	Office Supplies		\$6.82	9/30/16	CLEANERS-CITY HALL
E 101-41400-200	Office Supplies		\$18.56	9/7/16	CLEANERS-CITY HALL
	Total MAYNARDS FOOD CENTER		\$78.29		
Paid Chk# 9919283	10/17/2016	MCFOA			
E 101-41400-433	Dues and Subscriptions		\$35.00		7-1-16 TO 6-30-17 MEMBERSHIP
	Total MCFOA		\$35.00		
Paid Chk# 9919284	10/17/2016	MELLISSA KLASSEN			
E 231-42154-308	Training & Instruction		\$279.42		AMB--MEMSA CONF EXPENSE
	Total MELLISSA KLASSEN		\$279.42		
Paid Chk# 9919285	10/17/2016	MINNESOTA ASSOC SMALL CITIES			
E 101-41400-433	Dues and Subscriptions		\$1,146.80		2016-17 MEMBERSHIP
	Total MINNESOTA ASSOC SMALL CITIES		\$1,146.80		
Paid Chk# 9919286	10/17/2016	MUNICIPAL UTILITIES			
E 101-43160-381	Electric Utilities		\$3,856.36		SEPTEMBER STREET LIGHTING
	Total MUNICIPAL UTILITIES		\$3,856.36		

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October 2016

			Check Amt	Invoice	Comment
Paid Chk# 9919287 10/17/2016 NICKEL CONSTRUCTION					
E 101-43150-220	Repair/Maint Supply		\$7.15	16692	PVC PIPE FOR STORM SEWER
	Total NICKEL CONSTRUCTION		\$7.15		
Paid Chk# 9919288 10/17/2016 PRAXAIR					
E 231-42154-210	Operating Supplies		\$81.47	74404825	OXYGEN FOR AMBULANCE
	Total PRAXAIR		\$81.47		
Paid Chk# 9919289 10/17/2016 SOUTH CENTRAL COLLEGE					
E 231-42154-308	Training & Instruction		\$393.28	00149430	EMT REFRESHER-NATALIE JUNKER
	Total SOUTH CENTRAL COLLEGE		\$393.28		
Paid Chk# 9919290 10/17/2016 SW/WC SERVICE COOPERATIVES					
E 101-42100-131	Employer Paid Health		\$3,224.16		NOV HEALTH INS-POLICE DEPT
E 101-41400-131	Employer Paid Health		\$2,458.84		NOV HEALTH INS-OFFICE
E 101-43100-131	Employer Paid Health		\$2,212.96		NOV HEALTH INS-ST DEPT
E 101-45200-131	Employer Paid Health		\$737.66		NOV HEALTH INS-PARKS DEPT
E 211-45500-131	Employer Paid Health		\$1,229.42		NOV HEALTH INS-LIBRARY
E 101-46200-131	Employer Paid Health		\$737.64		NOV HEALTH INS-CEMETERY
E 205-46500-131	Employer Paid Health		\$1,229.42		NOV HEALTH INS-EDA
E 101-42100-135	Employer Paid Other		\$420.50		NOV HEALTH INS-BRIAN LUNZ
	Total SW/WC SERVICE COOPERATIVES		\$12,250.60		
Paid Chk# 9919291 10/17/2016 TOWNS EDGE AUTO					
E 101-42100-406	Vehicle Maint/Gen Repairs		\$61.87	76941	CHANGE OIL, FILTER & GREASE-PD EXPLORER
	Total TOWNS EDGE AUTO		\$61.87		
	10100 United Prairie		\$44,369.44		
Fund Summary					
10100 United Prairie					
101 GENERAL FUND			\$32,956.18		
205 ECONOMIC DEVELOPMENT AUTHORITY			\$1,697.15		
211 LIBRARY FUND			\$1,849.73		
221 FIRE DEPT FUND			\$352.09		
231 AMBULANCE FUND			\$1,544.42		
235 SW HOUSING GRANT			\$1,011.00		
312 CITY WIDE PROJ-DEBT SERV			\$840.00		
507 LAKE COMMISSION FUND			\$66.45		
607 EDA----4 PLEX FUND			\$738.31		
608 EDA----8 PLEX FUND			\$2,889.11		
609 EDA-- MASON MANOR			\$425.00		
			\$44,369.44		
Paid Chk# 000454E 10/6/2016 UNITED PRAIRIE BANK					
G 609-22800	Notes Payable - Current		\$437.51		MASON MANOR-PRINC PAYMENT
E 609-46330-610	Interest		\$853.02		MASON MANOR-INTEREST PAYMENT
	Total UNITED PRAIRIE BANK		\$1,290.53		
Paid Chk# 000455E 10/7/2016 STATE OF MINNESOTA					
E 101-41910-430	Miscellaneous		\$138.99		3RD QUARTER BLDG PERMIT SURCHARGE
	Total STATE OF MINNESOTA		\$138.99		
Paid Chk# 000456E 10/7/2016 STATE OF MINNESOTA					
G 101-20802	Sales Tax Payable		\$717.00		3RD QTR CAMPGROUND TAX
	Total STATE OF MINNESOTA		\$717.00		

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DRAFT
Mountain Lake City Council Meeting
Mountain Lake City Council Meeting
Mountain Lake City Hall
Monday, October 3, 2016

Public Hearing
5:30 p.m.

Regular Meeting
6:30 PM

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

Members Absent: None

Staff Present: Wendy Meyer, Clerk/Administrator; Maryellen Suhrhoff, City Attorney, Muske, Muske, and Suhrhoff; Rob Anderson, EDA Director, Marva Ott, EDA Assistant

Others Present: EDA Board Advisory Members Brad Hanson and Dean Janzen; EDA Board Member Vern Peterson; Cheryl Hiebert, Mt. Lake Observer/Butterfield Advocate; Kelly Hanson; Mike Johnson; Jason Kruser; Chad Peterson; Daintri Peterson; Khamtay Tanyavong; and Dale Friesen

Call to Order

The Public Hearing on Proposed Property Tax Abatements, New Industrial Park was opened at 5:30 PM. Resolution #24-16 Approving Property Tax Abatements, the Preliminary Bank Term Sheet, the Project Calendar, the Bond Summary and the Purchase Agreement were reviewed. The city intends to purchase 26.1 acres at a cost of \$342,000 immediately southwest of the city, north of Hwy. 60 and east of CR#27, for a new industrial park. The public hearing is required prior to approving the use of pledging/using property tax abatements as a funding mechanism for the repayment of bonds issued to purchase the land. Two businesses are interested in building there, a road maintenance company and a fast food/gas station/convenience store. Many present said they were in favor of the project but had concerns about the cost. A number of questions, concerns and comments about the project were made by the members of the public in attendance and the council.

Some present at various times during the public hearing urged the city to be proactive and take the initiative and develop the property. The city and EDA have undertaken projects that ultimately benefitted the city and its residents by creating new jobs, new housing, and a larger tax base. These things likely wouldn't have happened if the city and EDA had not taken the lead.

What is the expected cost and size of the lots? A final design with streets and platted lots has not been prepared. Exact size and cost has not yet been determined. The cost of infrastructure will affect the lot cost. Lots will be large to accommodate the commercial and light industrial businesses that are the types of business most likely to locate there.

Explain how tax abatement bonds work? Property taxes from the parcels listed are being pledged to make the bond payments if land sales and other income are not enough. The owners of these properties will not notice any difference on their property tax statement or when they pay their property taxes. The amount of property taxes paid by these properties will not be affected.

Could this project raise property owners' property taxes? Yes, if the project does not cash flow property taxes might need to be increased. The yearly bond payment for the land purchase will be approximately \$32,000. The council's goal every year is to keep property taxes as low as possible. But costs go up. An increase caused by this project could be offset with cuts in another area of the budget. Property taxes would not rise if the city makes offsetting budget cuts.

Will the new businesses hurt existing businesses? The two existing gas station/convenience stores were contacted by the EDA and asked to consider participating. Neither business was interested so another gas station/convenience store company is being sought by the franchisee.

Why this location? Why now? The property was identified several years ago by the EDA as being the best location for a new industrial park. The cost to install water, sewer, and electricity here would be cheaper than other areas looked at because utilities are nearby. The property has high visibility and easy access from Highway 60. The city needs an industrial park, there is one site remaining in Jennie's Subdivision. The owner of the 26.1 acres was not interested in selling but has since died. Now the family wants to sell; they want a closing date of November 1 2016.

Why can't the sale wait until there are written commitments from businesses? Businesses are unlikely to commit in writing. Businesses, once they have decided to build, want to get started as soon as possible. Waiting to develop the property until there are firm commitments would cause these businesses to move to neighboring communities where developed industrial park lots are 'shovel-ready'. In addition, if the city does not buy the property on November 1 the family

will sell it to someone else, likely a farmer. The property could be acquired by condemnation (eminent domain) but that process is not popular and causes hard feelings.

Could a private developer be found to buy and develop the property? This is unlikely to happen in smaller outstate cities. The city will need to develop the industrial park itself. Industrial parks in neighboring communities have been developed by that city or it's EDA.

What is the cost and timeline of infrastructure? Because there are two interested businesses the EDA envisions that infrastructure work will be done in 2017. In 2015 the city's engineers estimated that the infrastructure cost for 50 acres, the 26.1 acres being considered and parcels to the east, would be \$2.5M. The property being purchased is 26.1 acres. No revised estimate has been prepared.

The cost of the land, \$14,250/acre, is high. Why is the city paying that much? The family wanted that amount and was not open to negotiation. They are unhappy with the city. When Hwy. 60 was moved in the 1970s the farm was divided by the highway making it less valuable. The family feels the city should have done more to prevent this from happening.

A farmer will not pay \$14,250/acre. Why can't the city purchase the land for less than \$14,250/acre but more than a farmer would pay? The family is not unhappy with any farmers, they are unhappy with the city. If the city is going to buy it the family wants \$14,250/acre.

If the city purchases the land, installs infrastructure, and no lots are sold how much are residential property taxes going to increase? The school district when preparing for a building project and bond referendum provides residents with the approximate property tax increase based on the value of the house or business. These figures have not been requested from the county auditor/treasurer's office but could be.

Resolution #24-16 was reviewed. The resolution approves using tax abatements to assist in the financing of the acquisition of land for an industrial park. The purchase agreement has not been approved but could be approved at this meeting. The sale is contingent on the council approving the issuance of bonds at its October 17 meeting. There was discussion on the impact of delaying the authorization of the purchase agreement to October 17, and on penalties if the city defaulted on the signed purchase agreement.

The public hearing was closed at 7:30 p.m.

Motion by Savage, seconded by Ysker, to adopt Resolution #24-16 Approving Property Tax Abatements. Motion carried unanimously. City staff was directed to get written commitments from the two groups interested in purchasing lots, an updated cost of infrastructure, and property



tax increases based on the value of a home or business if the project has no lots sales or other income.

Call to Order

The council meeting was called to order at 7:40 PM. Motion by Savage, seconded by Ysker, to adopt the agenda and consent agenda as presented. Motion carried unanimously.

Check #'s 9919204 – 9919241, 453E
Payroll #'s 62717 - 62731
September 19 Council Minutes
September 8 Utilities Commission Minutes
August 16 Police Commission Minutes
Resignation of Nathan Harder, Planning and Zoning Commission

Public

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

Final Reading and Adoption of Ordinance #10-16 Amending Section 2.13 Salaries of Mayor, Council Members, and Members of Boards and Commissions

Motion by Ysker, seconded by Kass, to adopt Ordinance #10-16. Motion carried unanimously.
The ordinance takes effect January 3, 2017.

Attach Unpaid Utility Bill

The matter was tabled to the October 17 council meeting.

Call for Substation Site Preparation and Grading Bids

Preliminary drawings were briefly reviewed. Motion by Savage, seconded by Ysker, to call for site preparation and grading bids. Motion carried unanimously.

Canvassing Board

The council will meet as the Canvassing Board to canvas municipal election results on Monday, November 14 at 5:30 PM.

Snow Removal Policy Review

The policy was reviewed. No changes were made. Motion by Kass, seconded by Kruser, to adopt the policy as presented. Motion carried unanimously.

Cottonwood County Contract for Winter Maintenance

The contract for ice and snow removal, sanding, salting and hauling of snow on CSAH 27 and 29, a total of three (3) miles was reviewed. Motion by Kruser, seconded by Ysker, to approve the contract. Motion carried unanimously.

Public Nuisance Update

Abatements at several properties were discussed.

Yoder v City of Mountain Lake

Motion by Kass, seconded by Ysker, to close the open meeting to discuss litigation as per MN Statute 13D.05 Subd. 3b at 7:55 PM. Motion carried unanimously. Motion by Kruser, seconded by Savage, to close the closed meeting and open the open meeting at 8:00 PM. Motion by Kass, seconded by Savage, to accept the settlement and authorize the mayor and administrator to sign. Motion carried unanimously.

Preparation for Union Negotiations

Motion by Kruser, seconded by Kass, to close the meeting at 8:02PM and open the closed meeting pursuant to MN Statutes 179.01 – 179A.25 to consider union contract negotiation strategies. Motion carried unanimously. Motion by Savage, seconded by Ysker, to close the closed meeting and open the open meeting at 8:16PM. Motion carried unanimously. Council Member Kruser, Council Member Ysker, and the administrator will meet to prepare an offer for negotiations with Law Enforcement Labor Services.

Adjourn

The meeting was adjourned at 8:18 PM.

ATTEST:

Wendy Meyer, Clerk/Administrator

Mt. Lake Utilities Commission
Commission Meeting
Thursday, September 22, 2016
7AM

Members Present: Commissioners John Carrison, Todd Johnson, Mike Johnson, Mark Langland, Brett Lohrenz, David Savage, Council Liaison

Members Absent: None

Staff Present: Wendy Meyer, Clerk/Administrator; Lynda Cowell, Utilities Office Manager; Ron Melson, Electric Supt.; Patrick Oja, Lineman; Kevin Krahn, Water and Wastewater Supt.; David Watkins, Water and Wastewater Worker

Others Present: None

Call to Order

The meeting was called to order at 7 AM.

Approval of September 8 Minutes and Check Numbers 16528 - 16560

Check # 16552, Suzlon, and #16554 TeamLab were discussed. Motion by T. Johnson, seconded by M. Johnson, to approve the minutes and bills. Motion carried unanimously.

Electric Dept. Update

Melson updated the commission on pole replacement, power plant tuck-pointing and the sub-station project.

Sub-station

The Mt. Lake Economic Development Authority has agreed to give PIN 22.524.0010 to the Utilities following a public hearing. An easement on PIN 22. 034.0401, the farmland south of the railroad tracks is being prepared. Motion by Langland, seconded by T. Johnson, recommending the council call for site preparation and graded bids. Motion carried unanimously.

Power Plant Boiler

The city is participating in the Guaranteed Energy Savings Program (GESp) a MN Department of Commerce program. The energy usage of the boiler was reviewed as part of the GESp energy audit by McKinstry. It was determined that work that could be done through the program had a lengthy payback and does not make financial sense. McKinstry has proposed that the utility consider updates outside the program. As a first step they would be hired to perform an

engineering study. Cost estimate for the upgrades is \$150,000-\$200,000. By consensus the commission agreed to not do any work on the boiler at this time.

Water/Wastewater Dept. Updates

The jet-rodder is in the shop for repairs, estimated cost is \$4,000 -\$10,000. Discharge of wastewater from the treatment ponds was discussed.

Well #7 Project Reimbursements

Prior to the Small Cities Development Program (SCDP) grant and the Public Facilities Authority (PFA) grant/loan being awarded the water department paid startup expenses. When the grants/loan was awarded the city, the fiscal manager for the project paid the water department for startup costs. It was later determined that \$19,566.65 worth of items were not reimbursable under the terms of the grant/loan. The water department will need to return these repay these funds to the project fund. Motion by Carrison, seconded by T. Johnson, to reimburse the project fund \$19,566.65. Motion carried unanimously.

Public Facilities Authority (PFA) Clean Water Revolving Fund 2017 Intended Use Plan (IUP)

The draft list was briefly reviewed. Mountain Lake's wastewater treatment upgrades are ranked #11.

Attachment of Unpaid Utility Bill #4390-00-2

Motion by Lohrenz, seconded by M. Johnson, to recommend to the council that a bill for #4390-00-2 be attached for collection with property taxes. Motion carried unanimously.

Theft of Electricity

After shut-off for non-payment someone re-connected a meter on Second Avenue. There was discussion on ways to address the problem. The ordinance will be reviewed at a future meeting.

Community Solar

An opportunity being offered by Central MN Municipal Power and Services (CMPAS) was discussed. Reviewing and updating city ordinances were discussed. Windom's new ordinance, other cities' ordinance and Mountain Lake's existing ordinance will be reviewed at a future meeting.

CMPAS Annual Membership Meeting and Dinner (Tues. Oct. 4, 3PM, Mankato) Invitation
Commission members and staff were asked to return the registration form if they intend to attend the meeting.

Adjourn

(12)

**Regular Lake Commission Meeting
Monday, Sept. 12, 2016**

Members Present: Jim Peterson, Dave Bucklin, Jason Kruser, John Oeltjenbruns, Jean Haberman, Heather Funk, and Mike James

Guests Present: Wendy Meyer, Mike Nelson

Chair Peterson called the meeting to order at 6:30 p.m. M/S/P Bucklin/Kruser to approve the minutes of the Aug. 8, 2016 meeting.

Treasurer's Report:

Bills:

Sid Ewert - Weed harvester storage for 2017	180.00
Country Pride - 50' Foundation liner for weed barrier	615.60

Income:

Stan & Christi Bennett - Donation for weed harvester storage	180.00
UPB - Interest	1.00

M/S/P Kruser/Funk to approve Treasurer's Report

Lake:

- The secondary maintenance permit for harvesting expired on Sept. 1st. Jim went out three times to remove vegetation by the dam, fishing pier, and island to make a path through the dense vegetation.
- The harvester was taken out of the lake on Sept. 7th. The city crew will take care of end-of-the-year maintenance, which will include oiling, replacing some cutting teeth, checking hydraulic hoses, etc.
- Now that the curly leaf pondweed is being cut, the native vegetation has taken over and is causing major interference in the use of the lake. Some research will have to be done to see what we can do about the problem.

Trail:

- Dave, Jim, and Jay supported and anchored the walking bridge until it can be moved into place when it dries out. Installation of the weed barrier is also on hold until the ground is drier.
- The island needs maintenance work done. The City is going to borrow equipment from the County to do some of the cutting. The Ag class is willing to do some community service on the island.

- The City is going to hire a student next summer to do some trail maintenance.
- Dave talked to an engineer about plans for installing approximately 14' of 24" culvert by Yoder's property, installing tile at Lawcon Park where there is a drainage problem, and plunge pool repairs.
- Dave presented an estimate for a sediment basin on the Golf Course. The cost would be \$8,423.50 with a 20% contingency for a total approximate cost of \$10,108.20. He can request \$7,500 from state cost-share. The golf course said that the excavated dirt could be put on the golf course and then seeded. Dave and Jim will attend the golf course board meeting on Wed., Sept. 14th to discuss the sediment basin.
- Dave and Jay are willing to continue with invasive species (Buckthorn, Wild Parsnip, Leafy Spurge, Poison Ivy) control. He is requesting state cost-share funding for the total project cost of \$7,850.00, less in-kind of 50% of the labor and education hours - \$3,425.00, for a total amount of \$4,525.00 requested. He will get the City Council's permission for both of these state cost-share projects.

Beach:

- Steve Funk asked his students to find pictures of fire pits, benches, and pergolas. The Lake Commission members reviewed these and came up with a recommendation for his class. When Steve has cost estimates, Wendy will apply for grants to help fund this project.

New Business:

- Maureen and Marlin Palm are storing some leftover prizes from the kid's fishing contests and from the Odin Sportsmen's Club. They asked if they could be donated to a toy drive. Motion passed to donate the leftover prizes.
- Jason brought up some concerns about mowing the trail leading to the bench on the hill on the north side of the lake. Wendy stated that Randy Markle (DNR) gave the City permission to mow up to the bench. After discussion about benefits and concerns, Kruser/Oeltjenbruns motioned to stop mowing the trail next summer. Motion failed.

Respectfully submitted,

Jean Haberman,
Secretary

REGULAR MEETING
ECONOMIC DEVELOPMENT AUTHORITY
September 9, 2016
12:00 Noon

PRESENT: Darla Kruser, Mark Hanson, Mike Nelson, Vern Peterson, Steve Syverson, Brian Harder, Jerry Haberman, and Clara Johnson, Advisory
ABSENT: Brad Hanson, Advisory
STAFF PRESENT: Rob Anderson and Marva Ott
CITY ADMINISTRATOR: Wendy Meyer
GUESTS: Cheryl Hiebert, Observer/Advocate; Allen Rahn

1. Call to Order: Mark called the meeting to order.
2. Consent Agenda. Additional bills were added totaling \$379.00 for advertising at KDOM and Citizen. Motion made and seconded by Steve and Brian to approve the Consent Agenda and additional bills as presented. Carried.
3. Industrial Park: Rob gave an update on financing with UPB. Still waiting for an answer from them regarding terms.
 - a. Pass Resolution today initiating process for establishing redevelopment plan.
 - b. Purchase agreement reviewed with questions asked and concerns voiced. Rob explained that bond council told him not to sign the purchase agreement until financing is in place. The bank is not ready to give terms until next week and Rob will email the board when he hears from the bank.
 - c. We may need a special meeting to authorize the sale of the bonds to the bank but ultimately it will be the city's responsibility.
 - d. Resolution for redevelopment plan- Motion made and seconded by Mike and Brian to pass the resolution. Motion carried with all board members voting aye and no one voting nay.
 - e. Other-nothing.
4. 2017 EDA Budget-questions were asked and answered. Motion made and seconded by Jerry and Steve to approve the budget as presented. Carried.
5. Balzer:
 - a. Watkins property-Watkins are open to doing a contract for deed with the EDA for \$60,000.00 with terms being \$10,000.00 per year for 6 years.
 - b. Contract for deed with Balzer-Balzer is interested in paying \$5,000.00 per year rent with an option to buy the property during that 6 year period. Balzer will take care of demolition when they are ready. Rob still needs to finalize terms with Balzer and they need to accept the property as is. Wendy will ask Kevin Krahn about water and sewer on the property and Rob will let the board know.
6. 2016 Strategic Planning Session- date was set for November 8th but due to it being Election Day the board decided to change that date. Discussion held on who we should invite to participate including the EDA board, city council, major business leaders, chamber board, Jim Sneer and the 2 school representatives. Also mentioned were the Mt. Lake Foundation chair and a representative from the minority population (Bruce P.).

15 (1)

7. TIF Redevelopment District: the construction committee met with Sanford representatives yesterday and Jerry reported on his take of the meeting including that the process will be a slow one. Sanford would like a larger space than what was on the preliminary drawing and they are okay with apartments on the second level. They also said that they would require more parking spaces so we may need to acquire the property across the street. Rob explained that Sanford had also met with Community Asset Foundation representatives to talk about putting the clinic out by the Lodge building. Rob also stated that the EDA can offer better financing terms with the TIF than anyone else can. Rob was directed to contact Community Asset representatives to see if they are interested in partnering.
8. Utilities on County Road #1 lot purchase: Wendy explained how the utilities and EDA have worked together on several projects. That land is very low. The board discussed whether we should sell or donate the land. Vern made a motion to donate the land to utilities and Darla 2nd the motion. Carried.
9. General Discussion:
 - a. Lakeview Estates Lots-nothing new to report.
 - b. Fulda Credit Union-building is ready for them to move in to. Junk in back needs to be dealt with eventually. We will ask the attorney if we are required to hold the property.
 - c. Custom Motors-nothing has been done yet by the attorney. She dropped the ball on pursuing a lawsuit but will start the process. Board discussed several issues with the attorney not following through on EDA items.
 - d. Subway-they are very interested in the Pankratz property and Mt. Lake is their next project that they will work on starting in 2017. Casey's and Cenex are not interested in partnering with Subway so they will bring in their own convenience store.
 - e. Puente property taxes- Café and lot taxes in the amount of \$3,324.72 are past due. They are in violation of their contract for deed. Lot taxes are \$956 for 2015 and 2016. Rob was directed to write Lori a letter stating that she has until October 15th to get the taxes paid in full or the board will consider taking the lot back.
 - f. Pop'd Kerns water leak-window leaked again so they will replace it again. The flooring is still an issue and they are working on trying to find a solution to the problem.
 - g. Next meeting is October 14th.
11. Nothing further. Meeting adjourned.

Mountain Lake Tree Commission
Minutes
July 14, 2016
7 PM
Mountain Lake City Hall

This meeting was scheduled and posted for Monday, July 11, 7:45PM but due to lack of quorum was rescheduled to July 14.

Members Present: David Bucklin, Steve Harder, Jerry Logue

Members Absent: None

Staff Present: Wendy Meyer, Clerk/Administrator

Others Present: None

Call to Order

Bucklin called the meeting to order at 7PM.

Minutes and Agenda

Motion by Harder, seconded by Logue, to approve the April 11 minutes. Motion carried.

Motion by Harder, seconded by Logue, to adopt the agenda as presented. Motion carried.

Commission Structure

The commission does not have a vice-chair. Motion by Harder, seconded by Logue, to cast a unanimous ballot for Logue as vice-chair. Motion carried. Two additional commission members are needed.

2017 Budget

The budget was discussed. As in the past the city will provided \$3,000 and the utility \$5000. Soil and Water will likely contribute \$1,000. Details of the program were reviewed. The process for soliciting tree removals and tree plants will need to be changed because Judy Harder is no longer able to do the work. Revising the process was discussed in length. Bucklin will take the sample applications that he and the city administrator drafted and comments from this meeting and prepare applications for the commission's review. The program will be promoted in the utility bill mailed around the 23rd of September. Program cut-off for 2017

plantings and removals will be around the 1st of January. There are trees on the 2017 removal list; they are large and may require all the money to be allocated for 2017 tree removals. Bucklin intends to order 25-30 trees.

Trim and Tube Date

Saturday September 17 was selected. Interested residents should meet at City Hall at 8 AM. Bucklin and Meyer will promote the event during their appearances on KDOM radio. An announcement will also be placed in the utility bill newsletter.

Food Forest

Bucklin discussed the work being done by the Soil and Water Conservation District's summer intern at the site.

Next Meeting Date

The next meeting is scheduled for Monday, October 10.

Adjourn

The meeting was adjourned at 8:05 PM.

ATTEST:

Wendy Meyer, Clerk/Administrator

Mountain Lake Public Library Board Minutes
September 14, 2016

Members Present: Marci Balderas, Dennis Cords, Vickie Krueger, Barrie Wright, Diane Englin, Carol Lehman-Director

Members Absent: None

Others Present: Darla Kruser, city council liaison

The meeting was called to order at 4:05 p.m. by chairman, Barrie Wright.

M/S/P Hernandez/Englin to approve the minutes of the July 20, 2016 meeting.

Carol presented the July monthly report indicating 2,902 total circulation and expenditures in the amount of \$1,909.03.

Carol presented the August monthly report indicating 3,055 total circulation and expenditures in the amount of \$1,328.19.

M/S/P Cords/Krueger to accept the July and August reports as given and approve the July and August expenditures.

Old Business: None

New Business: Carol reported that Gloria Klassen resigned as library aide, effective 9-20-16. The library hours, usage, and needs will be reviewed prior to this part-time position being filled.

Meeting adjourned at 5:00 p.m. by chairman, Barrie Wright.

NEXT MEETING: Wednesday, October 12, 2016 – 4:00 p.m.

Respectfully submitted,

MB

Marci Balderas, secretary

CITY OF MOUNTAIN LAKE
PUBLIC LIBRARY REPORT
MONTH OF September, 2016

CIRCULATION AND USE

Adult fiction			_____
Adult nonfiction			_____
Non print (includes videos, cassettes, art prints, etc.)			_____
Juvenile			_____
Periodicals			_____
TOTAL CIRCULATION			<u>3,062</u>
Interlibrary loan sent			<u>332</u>
Interlibrary loan received			<u>275</u>
TOTAL ILL			<u>607</u>
ILL NON SYSTEM			<u>82</u>

RECEIPTS

Cash income			_____
Donations (monetary)			_____
County Revenue			<u>11,498.23</u>
Misc. Revenue			<u>10.00</u>
Fines			<u>3.00</u>
Meeting room rental			_____
Sale of supplies			_____
TOTAL RECEIPTS			<u>\$11,511.23</u>

EXPENDITURES

Books			_____
Periodicals			<u>416.69</u>
Audio-visual			<u>238.66</u>
Supplies			<u>39.53</u>
Postage			_____
Miscellaneous			_____
Telephone			<u>65.11</u>
Repairs & maintenance			<u>345.00</u>
Repairs & maint. of equipment			_____
Project expense			_____
Capital outlay			_____
Automation			_____
Gas Utilities			<u>52.89</u>
TOTAL EXPENDITURES			<u>\$1,157.88</u>

LIBRARY DIRECTOR

(20)
Carol Hedman

LIBRARY EXPENDITURES - SEPTEMBER 2016

Frontier	Telephone Expense	\$65.11
Dennis Hulzebos	Repairs & Maintenance-Janitorial	\$345.00
Indoff, Inc.	Office Supplies	\$39.53
Ingram	Books 347.88 / AV 48.47	\$396.35
MN Energy Resources	Gas Utilities	\$52.89
Synchrony Bank/Amazon	Books 68.81 / AV 190.19	\$259.00
		<hr/>
	Total	\$1,157.88

Resolution #26-16

RESOLUTION TO PERMIT GAMBLING

City of Mountain Lake, Minnesota

WHEREAS, an official of the City of Mountain Lake, Minnesota has received a Minnesota Lawful Gambling Application for an Exempt Permit submitted by the Mountain Lake Chamber of Commerce on October 11, 2016; and

WHEREAS, the City of Mountain Lake has no objection to the application, which would allow the Mountain Lake Chamber of Commerce to conduct a raffle at Sweetfield's Coffee Shop, 218 N. 10th Street, Mountain Lake, Minnesota on Saturday November 26, 2016.

NOW THEREFORE, BE IT RESOLVED, that the City of Mountain Lake waives the 30-day waiting period and approves the application with no waiting period; and

BE IT FURTHER RESOLVED that the City of Mountain Lake recommends prompt approval of said application by the Minnesota Gambling Control Board.

Adopted this 17th day of October 2016.

Mike Nelson, Mayor

ATTEST:

Wendy Meyer, Administrator/Clerk

West Mountain Lake Road Industrial Development Area
 Preliminary Project Cost Estimate - 44' Roadway

Mountain Lake, Minnesota

October 11, 2016

Stuart Avenue is 44'

Filename: F:\MTE\KSI\1127593_Design\A_Calculations\Mountain Lake Road_Quant\MSR Lake Road Development (47)

Item No.	Item Description	Unit	Estimated Unit Price	Mountain Lake Road						Cul-de-sac Road						Total Estimated Quantity	Total Estimated Cost
				Utilities and Gravel		Curb and Pavement		Utilities and Gravel		Curb and Pavement		Utilities and Gravel		Curb and Pavement			
				Estimated Quantity	Estimated Cost	Estimated Quantity	Estimated Cost	Estimated Quantity	Estimated Cost	Estimated Quantity	Estimated Cost	Estimated Quantity	Estimated Cost	Estimated Quantity	Estimated Cost		
SURFACE IMPROVEMENTS																	
1	Mobilization & Traffic Control	Lump Sum	\$100,000.00	0.50	\$50,000.00	0.20	\$20,000.00	0.15	\$15,000.00							1	\$100,000.00
2	Clear & Grub Trees	Lump Sum	\$3,000.00		\$0.00		\$0.00		\$0.00							0	\$0.00
3	Remove Curb and Gutter	Linear Foot	\$4.00	40	\$160.00		\$0.00		\$0.00							40	\$160.00
4	Common Excavation (P) (17.5')	Cubic Yard	\$6.00	9,700	\$58,200.00		\$0.00	4,200	\$25,200.00							13,900	\$83,400.00
5	Subgrade Excavation (BY) (6")	Cubic Yard	\$6.00	900	\$5,400.00		\$0.00	400	\$2,400.00							1,300	\$7,800.00
6	Subgrade Correction (C.V.) (6")	Cubic Yard	\$15.00	900	\$13,500.00		\$0.00	400	\$6,000.00							1,300	\$19,500.00
7	Geotextile Fabric, Type V (100%)	Square Yard	\$1.50	6,700	\$10,050.00		\$0.00	4,200	\$6,300.00							10,900	\$16,350.00
8	Common Laborers	Hour	\$70.00	20	\$1,400.00		\$0.00	20	\$1,400.00							40	\$2,800.00
9	3 Cu Yd Shovel	Hour	\$175.00	10	\$1,750.00		\$0.00	10	\$1,750.00							20	\$3,500.00
10	Dozer/Blade	Hour	\$130.00	10	\$1,300.00	30	\$3,900.00	10	\$1,300.00	30	\$3,900.00					80	\$10,400.00
11	10 Cu Yd Truck	Hour	\$90.00	10	\$900.00		\$0.00	10	\$900.00							20	\$1,800.00
12	4.0 Cu Yd Front End Loader	Hour	\$140.00	10	\$1,400.00		\$0.00	10	\$1,400.00							20	\$2,800.00
13	1/2 Cu Yd Skid Loader	Hour	\$100.00	10	\$1,000.00		\$0.00	10	\$1,000.00							20	\$2,000.00
14	Aggregate Base, Class 3 (12")	Ton	\$14.00	6,450	\$90,300.00		\$0.00	2,800	\$39,200.00							9,250	\$129,500.00
15	Aggregate Base, Class 5 (6")	Ton	\$17.00	3,220	\$54,740.00	170	\$2,890.00	1,400	\$23,800.00							4,870	\$82,790.00
16	Type SP 9.5 Wearing Course Mixture (2")	Ton	\$75.00		\$0.00	990	\$74,250.00		\$0.00							1,340	\$100,500.00
17	Type SP 12.5 Non-Wearing Course Mixture (3")	Ton	\$70.00		\$0.00	1,485	\$103,950.00		\$0.00							2,010	\$140,700.00
18	Concrete Curb and Gutter, Design B618	Linear Foot	\$12.00		\$0.00	3,700	\$44,400.00		\$0.00							5,350	\$64,200.00
19	4"-10" Tile Repair	Linear Foot	\$20.00	100	\$2,000.00		\$0.00	100	\$2,000.00							200	\$4,000.00
20	4" Perforated Pipe Edge Drain	Linear Foot	\$7.00	3,700	\$25,900.00		\$0.00	1,650	\$11,550.00							5,350	\$37,450.00
21	4" PVC Sump Drain Line Services	Each	\$200.00	0	\$0.00		\$0.00	0	\$0.00							0	\$0.00
22	Inlet Protection	Each	\$100.00	10	\$1,000.00		\$0.00	4	\$400.00							14	\$1,400.00
23	Silt Fence	Linear Foot	\$5.00	3,700	\$18,500.00		\$0.00	1,650	\$8,250.00							5,350	\$26,750.00
24	Filter Log Type Straw Bioroll	Linear Foot	\$3.50	1,850	\$6,475.00		\$0.00	825	\$2,887.50							2,675	\$9,362.50
25	Erosion Control Blanket, Category 0	Square Yard	\$4.00	1,000	\$4,000.00		\$0.00	1,000	\$4,000.00							2,000	\$8,000.00
26	Temporary Seeding	Acre	\$800.00	10.0	\$8,000.00	1.0	\$800.00	5.0	\$4,000.00	1.0	\$800.00					17	\$13,600.00
27	Permanent Seeding	Acre	\$1,500.00	10.0	\$15,000.00	1.0	\$1,500.00	5.0	\$7,500.00	1.0	\$1,500.00					17	\$25,500.00
	Sub-Total, Surface Improvements				\$370,975.00		\$251,690.00		\$166,237.50								\$894,262.50
	STORM SEWER																
28	Construct Water Quality Pond and Site Grading	Cubic Yard	\$4.00	40,000	\$160,000.00		\$0.00		\$0.00							40,000	\$160,000.00

West Mountain Lake Road Industrial Development Area
 Preliminary Project Cost Estimate - 44' Roadway

Mountain Lake, Minnesota

October 11, 2016

Filename: H:\MFLRS\41125753_DesignA_Calculations\Mountain Lake_Road_Quant.xls\Mt Lake Road Development (44')

Item No.	Item Description	Unit	Estimated Unit Price	Mountain Lake Road				Cul-de-sac Road				Total Estimated Quantity	Total Estimated Cost
				Estimated Quantity	Estimated Cost	Estimated Quantity	Estimated Cost	Estimated Quantity	Estimated Cost				
55	2" Curb Stop & Box	Each	\$350.00	9	\$3,150.00			4	\$1,400.00			13	\$4,550.00
56	2" Water Service	Linear Foot	\$20.00	360	\$7,200.00			160	\$3,200.00			520	\$10,400.00
57	Adjust Gate Valve Box	Each	\$300.00		\$0.00				\$0.00			0	\$0.00
	Sub-Total Water System				\$127,300.00				\$40,400.00				\$167,700.00
	Subtotal Estimated Construction Costs				\$894,375.00				\$255,037.50				\$1,506,462.50
	10% Contingency				\$89,437.50				\$25,503.75				\$150,646.25
	Total Estimated Construction Costs				\$983,812.50				\$280,541.25				\$1,657,108.75
	Preliminary, Design and Construction Engineering (1.6%)				\$157,410.00				\$44,890.00				\$265,140.00
	Legal, Interim Financing, Platting, Permits & Fees, Misc. (7%)				\$68,870.00				\$19,640.00				\$116,000.00
	Subtotal Estimated Project Cost for Mountain Lake Road				\$1,210,092.50				\$345,071.25				\$1,555,631.50
	Total Estimated Project Cost for Mountain Lake Road												
	Subtotal Estimated Project Cost for Cul-de-sac Road												\$142,546.00
	Total Estimated Project Cost for Cul-de-sac Road												\$487,617.25
	Total Estimated Project Cost for West Mountain Lake Road Industrial Development Area												\$2,038,248.75

West Mountain Lake Road Industrial Development Area
 Preliminary Project Cost Estimate - 38' Roadway

Mountain Lake, Minnesota

October 11, 2016

west end of Mt. Laeke Rd - urban section
 (pavement, curb & gutter)

Filename: P:\MOUNT_LAKE\11257952_Design\A_Civilizations\Mountain Lake Road_Quant.xlsx\MT Lake Road Development (38')

Item No.	Item Description	Unit	Estimated Unit Price	Mountain Lake Road						Cul-de-sac Road						Total Estimated Quantity	Total Estimated Cost
				Utilities and Gravel		Curb and Pavement		Utilities and Gravel		Curb and Pavement		Utilities and Gravel		Curb and Pavement			
				Estimated Quantity	Estimated Cost	Estimated Quantity	Estimated Cost	Estimated Quantity	Estimated Cost	Estimated Quantity	Estimated Cost	Estimated Quantity	Estimated Cost	Estimated Quantity	Estimated Cost		
SURFACE IMPROVEMENTS																	
1	Mobilization & Traffic Control	Lump Sum	\$100,000.00	0.50	\$50,000.00	0.20	\$20,000.00	0.15	\$15,000.00	0.15	\$15,000.00	0.15	\$15,000.00	1	\$100,000.00		
2	Clear & Grub Trees	Lump Sum	\$3,000.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00		
3	Remove Curb and Gutter	Linear Foot	\$4.00	40	\$160.00		\$0.00		\$0.00		\$0.00		\$0.00	40	\$160.00		
4	Common Excavation (F) (17.5")	Cubic Yard	\$6.00	8,700	\$52,200.00		\$0.00	3,800	\$22,800.00		\$0.00		\$0.00	12,500	\$75,000.00		
5	Subgrade Excavation (EV) (6")	Cubic Yard	\$6.00	900	\$5,400.00		\$0.00	400	\$2,400.00		\$0.00		\$0.00	1,300	\$7,800.00		
6	Subgrade Correction (C.V.) (6")	Cubic Yard	\$15.00	900	\$13,500.00		\$0.00	400	\$6,000.00		\$0.00		\$0.00	1,300	\$19,500.00		
7	Geotextile Fabric, Type V (100%)	Square Yard	\$1.50	7,900	\$11,850.00		\$0.00	3,400	\$5,100.00		\$0.00		\$0.00	11,300	\$16,950.00		
8	Common Laborers	Hour	\$70.00	20	\$1,400.00		\$0.00	20	\$1,400.00		\$0.00		\$0.00	40	\$2,800.00		
9	3 Cu Yd Shovel	Hour	\$175.00	10	\$1,750.00		\$0.00	10	\$1,750.00		\$0.00		\$0.00	20	\$3,500.00		
10	Dozer/Blade	Hour	\$130.00	10	\$1,300.00	30	\$3,900.00	10	\$1,300.00	30	\$3,900.00		\$0.00	80	\$10,400.00		
11	10 Cu Yd Truck	Hour	\$90.00	10	\$900.00		\$0.00	10	\$900.00		\$0.00		\$0.00	20	\$1,800.00		
12	4.0 Cu Yd Front End Loader	Hour	\$140.00	10	\$1,400.00		\$0.00	10	\$1,400.00		\$0.00		\$0.00	20	\$2,800.00		
13	1/2 Cu Yd Skid Loader	Hour	\$100.00	10	\$1,000.00		\$0.00	10	\$1,000.00		\$0.00		\$0.00	20	\$2,000.00		
14	Aggregate Base, Class 5 (12")	Ton	\$14.00	5,800	\$81,200.00		\$0.00	2,500	\$35,000.00		\$0.00		\$0.00	8,300	\$116,200.00		
15	Aggregate Base, Class 5 (6")	Ton	\$17.00	2,900	\$49,300.00	170	\$2,890.00	1,300	\$22,100.00		\$0.00		\$0.00	4,450	\$75,650.00		
16	Type SP 9.5 Wearing Course Mixture (2")	Ton	\$75.00		\$0.00	850	\$63,750.00		\$0.00		\$0.00		\$0.00	1,150	\$86,250.00		
17	Type SP 12.5 Non-Wearing Course Mixture (3")	Ton	\$70.00		\$0.00	1,275	\$89,250.00		\$0.00		\$0.00		\$0.00	1,725	\$120,750.00		
18	Concrete Curb and Gutter, Design B618	Linear Foot	\$12.00		\$0.00	3,700	\$44,400.00		\$0.00		\$0.00		\$0.00	5,000	\$60,000.00		
19	4"-10" Tile Repair	Linear Foot	\$20.00	100	\$2,000.00		\$0.00	100	\$2,000.00		\$0.00		\$0.00	200	\$4,000.00		
20	4" Perforated Pipe Edge Drain	Linear Foot	\$7.00	3,700	\$25,900.00		\$0.00	1,650	\$11,550.00		\$0.00		\$0.00	5,350	\$37,450.00		
21	4" PVC Sump Drain Line Services	Each	\$200.00	0	\$0.00		\$0.00	0	\$0.00		\$0.00		\$0.00	0	\$0.00		
22	Inlet Protection	Each	\$100.00	10	\$1,000.00		\$0.00	4	\$400.00		\$0.00		\$0.00	14	\$1,400.00		
23	Silt Fence	Linear Foot	\$5.00	3,700	\$18,500.00		\$0.00	1,650	\$8,250.00		\$0.00		\$0.00	5,350	\$26,750.00		
24	Filter Log Type Straw Bioroll	Linear Foot	\$3.50	1,850	\$6,475.00		\$0.00	825	\$2,887.50		\$0.00		\$0.00	2,675	\$9,362.50		
25	Erosion Control Blanket, Category 0	Square Yard	\$4.00	1,000	\$4,000.00		\$0.00	1,000	\$4,000.00		\$0.00		\$0.00	2,000	\$8,000.00		
26	Temporary Seeding	Acre	\$800.00	10.0	\$8,000.00	1.0	\$800.00	5.0	\$4,000.00	1.0	\$800.00		\$0.00	17.0	\$13,600.00		
27	Permanent Seeding	Acre	\$1,500.00	10.0	\$15,000.00	1.0	\$1,500.00	5.0	\$7,500.00	1.0	\$1,500.00		\$0.00	17.0	\$25,500.00		
	Sub-Total, Surface Improvements				\$352,235.00		\$226,490.00		\$156,737.50		\$92,160.00				\$827,622.50		
	STORM SEWER																
28	Construct Water Quality Pond and Site Grading	Cubic Yard	\$4.00	40,000	\$160,000.00		\$0.00		\$0.00		\$0.00		\$0.00	40,000	\$160,000.00		

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West Mountain Lake Road Industrial Development Area
 Preliminary Project Cost Estimate - 38' Roadway

Mountain Lake, Minnesota

October 11, 2016

Filename: H:\M\T\081411257553_Design\A_Calculations\Mountain Lake Road_Quant.xlsx(Mt. Lake Road Development) (38')

Item No.	Item Description	Unit	Estimated Unit Price	Mountain Lake Road				Cul-de-sac Road				Total Estimated Quantity	Total Estimated Cost		
				Utilities and Gravel		Curb and Pavement		Utilities and Gravel		Curb and Pavement					
				Estimated Quantity	Estimated Cost	Estimated Quantity	Estimated Cost	Estimated Quantity	Estimated Cost	Estimated Quantity	Estimated Cost				
29	Pond Control Structure	Lump Sum	\$15,000.00	1	\$15,000.00									1	\$15,000.00
30	Pond Underdrain System	Linear Foot	\$10.00	2,000	\$20,000.00									2,000	\$20,000.00
31	12" RC Pipe Sewer Class V	Linear Foot	\$28.00	50	\$1,400.00			50	\$1,400.00					100	\$2,800.00
32	15" RC Pipe Sewer Class V	Linear Foot	\$30.00	100	\$3,000.00			250	\$7,500.00					350	\$10,500.00
33	18" RC Pipe Sewer Class III	Linear Foot	\$32.00	550	\$17,600.00									550	\$17,600.00
34	24" RC Pipe Sewer Class III	Linear Foot	\$35.00	450	\$15,750.00									450	\$15,750.00
35	18" RC Apron	Each	\$550.00		\$0.00									0	\$0.00
36	24" RC Apron	Each	\$650.00	1	\$650.00									1	\$650.00
37	Construct Drainage Structure, Design R-1	Linear Foot	\$235.00	20.0	\$4,700.00			10.0	\$2,350.00					30	\$7,050.00
38	Construct Drainage Structure, Design 48-4020	Linear Foot	\$300.00	24.0	\$7,200.00			6.0	\$1,800.00					30	\$9,000.00
39	Casting Assembly - Storm	Each	\$650.00	7	\$4,550.00			3	\$1,950.00					10	\$6,500.00
40	Random Riprap	Cubic Yard	\$50.00	10	\$500.00									10	\$500.00
	Sub-Total Storm Sewer				\$250,350.00				\$15,000.00						\$265,350.00
	SANITARY SEWER SYSTEM														
41	Connect to Existing Manhole	Each	\$2,500.00	1	\$2,500.00					1	\$2,500.00			2	\$5,000.00
42	8" PVC Pipe Sewer, SDR 35	Linear Foot	\$30.00	2,100	\$63,000.00			340	\$10,200.00					2,440	\$73,200.00
43	6" PVC Sanitary Sewer Service, SDR 26	Linear Foot	\$25.00	360	\$9,000.00			160	\$4,000.00					520	\$13,000.00
44	8"x6" PVC Wye Branch, SDR 26	Each	\$250.00	9	\$2,250.00			4	\$1,000.00					13	\$3,250.00
45	Casing Under Rail Road	Linear Foot	\$230.00	125	\$28,750.00									125	\$28,750.00
46	Construct Drainage Structure, Design 4007	Linear Foot	\$250.00	135	\$33,750.00			55	\$13,750.00					190	\$47,500.00
47	Casting Assembly - Sanitary	Each	\$650.00	10	\$6,500.00			3	\$1,950.00					13	\$8,450.00
	Sub-Total Sanitary Sewer				\$145,750.00				\$33,400.00						\$179,150.00
	WATER SYSTEM														
48	6" PVC C900 Watermain	Linear Foot	\$25.00	120	\$3,000.00			40	\$1,000.00					160	\$4,000.00
49	8" PVC C900 Watermain	Linear Foot	\$30.00	2,250	\$67,500.00			650	\$19,500.00					2,900	\$87,000.00
50	6" Gate Valve & Box	Each	\$1,300.00	6	\$7,800.00			2	\$2,600.00					8	\$10,400.00
51	8" Gate Valve & Box	Each	\$1,600.00	4	\$6,400.00			1	\$1,600.00					5	\$8,000.00
52	Hydrant (8' Bury)	Each	\$3,800.00	6	\$22,800.00			2	\$7,600.00					8	\$30,400.00
53	Watermain Fittings (SBDI)	Pound	\$7.00	900	\$6,300.00			300	\$2,100.00					1,200	\$8,400.00
54	2" Corporation Stop & Saddle	Each	\$350.00	9	\$3,150.00			4	\$1,400.00					13	\$4,550.00

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West Mountain Lake Road Industrial Development Area
 Preliminary Project Cost Estimate - 38' Roadway

Mountain Lake, Minnesota

October 11, 2016

Filename: H:\MTL\KSS\1125753_Design\A_Calculations\Mountain Lake Road_Quant.xls\Mountain Lake Road Development (38')

Item No.	Item Description	Unit	Estimated Unit Price	Mountain Lake Road				Cul-de-sac Road				Total Estimated Quantity	Total Estimated Cost
				Utilities and Gravel		Curb and Pavement		Utilities and Gravel		Curb and Pavement			
				Estimated Quantity	Estimated Cost	Estimated Quantity	Estimated Cost	Estimated Quantity	Estimated Cost	Estimated Quantity	Estimated Cost		
55	2" Curb Stop & Box	Each	\$350.00	9	\$3,150.00			4	\$1,400.00			13	\$4,550.00
56	2" Water Service	Linear Foot	\$20.00	360	\$7,200.00			160	\$3,200.00			520	\$10,400.00
57	Adjust Gave Valve Box	Each	\$300.00		\$0.00				\$0.00			0	\$0.00
	Sub-Total Water System				\$127,300.00				\$40,400.00				\$167,700.00
	Subtotal Estimated Construction Costs				\$875,635.00		\$226,490.00		\$245,537.50		\$92,160.00		\$1,439,822.50
	10% Contingency				\$87,563.50		\$22,649.00		\$24,553.75		\$9,216.00		\$143,982.25
	Total Estimated Construction Costs				\$963,198.50		\$249,139.00		\$270,091.25		\$101,376.00		\$1,583,804.75
	Preliminary, Design and Construction Engineering (16%)				\$154,110.00		\$39,860.00		\$43,210.00		\$16,220.00		\$253,410.00
	Legal, Interim Financing, Platting, Permits & Fees, Misc. (7%)				\$67,420.00		\$17,440.00		\$18,910.00		\$7,100.00		\$110,870.00
	Subtotal Estimated Project Cost for Mountain Lake Road				\$1,184,728.50		\$306,439.00						
	Total Estimated Project Cost for Mountain Lake Road				\$1,491,167.50								
	Subtotal Estimated Project Cost for Cul-de-sac Road								\$332,211.25		\$124,696.00		
	Total Estimated Project Cost for Cul-de-sac Road										\$456,907.25		
	Total Estimated Project Cost for West Mountain Lake Road Industrial Development Area												\$1,948,084.75

**MUNICIPAL ADVISORY SERVICE AGREEMENT
BY AND BETWEEN
THE CITY OF MOUNTAIN LAKE, MINNESOTA
AND
NORTHLAND SECURITIES, INC.**

This Agreement made and entered into by and between the City of Mountain Lake, Minnesota (hereinafter "City") and Northland Securities, Inc., of Minneapolis, Minnesota (hereinafter "NSI").

WITNESSETH

WHEREAS, the City desires to have NSI provide it with advice on the structure, terms, timing and other matters related to the issuance of the Taxable General Obligation Tax Abatement Bonds, Series 2016A (the "Debt") serving in the role of municipal (financial) advisor, and

WHEREAS, NSI is a registered municipal advisor (registration # 866-00082-00), and

WHEREAS, NSI will act as municipal advisor in accordance with the duties and responsibilities of Rule G-42 of the Municipal Securities Rulemaking Board, and

WHEREAS, the City and NSI are entering into this Agreement to define the municipal advisory relationship at the earliest opportunity related to the inception of the municipal advisory relationship for the Debt, and

WHEREAS, NSI desires to furnish services to the City as hereinafter described,

NOW, THEREFORE, it is agreed by and between the parties as follows:

SERVICES TO BE PROVIDED BY NSI

NSI shall provide the City with services necessary to analyze, structure, offer for sale and close the Debt. The services will be tailored to meet the needs of this engagement and may include:

Planning and Development

1. Assist City officials to define the scope and the objectives for the Debt.
2. Investigate and consider reasonably feasible financing alternatives.
3. Assist the City in understanding the material risks, potential benefits, structure and other characteristics of the recommended plan for the Debt, including issue structure, estimated debt service payments, projected revenues, method of issuance, bond rating, sale timing, and call provisions.
4. Prepare a schedule of events related to the issuance process.
5. Coordinate with bond counsel any actions needed to authorize the issuance of the Debt.
6. Attend meetings of the City Council and other project and bond issue related meetings as needed and as requested.

Bond Sale

1. Distribute the Term Sheet and bid form to prospective bidders.
2. Directly contact potential bidders to assure bidding interest is established.
3. Assist the City in receiving the bids, compute the accuracy of the bids received, and recommend to the City the most favorable bid for award.
4. Coordinate with bond counsel the preparation of required contracts and resolutions.

Post Sale Support

1. Coordinate the bond issue closing including making all arrangements for bond printing, registration, and delivery.
2. Furnish to the City a complete transcript of the transaction, if not provided by bond counsel.
3. Assist, as requested by the City, with the investment of bond issue proceeds.

There are no specific limitations on the scope of this agreement.

COMPENSATION

For providing these services with respect to the Debt, NSI shall be paid a lump sum of \$7,000. The fee due to NSI shall be payable by the City upon the closing of the Bonds.

NSI agrees to pay the following expenses from its fee:

- Out-of-pocket expenses such as travel, long distance phone, and copy costs.
- Preparation of the bond transcript.

The City agrees to pay for all other expenses related to the processing of the bond issue(s) including, but not limited to, the following:

- Engineering and/or architectural fees.
- Publication of legal notices.
- Bond counsel and local attorney fees.
- Fees for various debt certificates.
- City staff expenses.
- Accounting and other related fees.

It is expressly understood that there is no obligation on the part of the City under the terms of this Agreement to issue the Debt. If the Debt is not issued, NSI agrees to pay its own expenses and receive no fee for any services it has rendered.

CONFLICTS OF INTEREST

NSI is not aware of any material conflicts of interest that could reasonably be anticipated to impair NSI's ability to provide advice to or on behalf of the City in accordance with the standards of conduct for municipal advisors.

The compensation for services provided in this Agreement is customary in the municipal securities market, but may pose a conflict of interest. Since the fee is payable at closing and only if the Debt is issued, NSI may have an incentive to encourage issuance. Compensation linked to the size of the transaction may provide incentive to increase the amount of the Debt. Compensation considerations

will not impair NSI's ability to provide unbiased and competent advice or to fulfill its fiduciary duty to the City. In executing this Agreement, the City acknowledges and accepts the potential conflicts of interest posed by the compensation to NSI.

Northland Capital Holdings is the parent company of NSI. Another subsidiary of Northland Capital Holdings is Northland Trust, Inc. Northland Trust provides paying agent services to issuers of municipal bonds. The City is solely responsible for the decision on the source of paying agent services. Any engagement of Northland Trust is outside the scope of this Agreement. No compensation paid to Northland Trust is shared with NSI.

NSI does not provide executive search, organizational development, compensation systems or other management consulting services that may directly or indirectly affect City staff that recommend the engagement of municipal advisor services and may pose a conflict of interest.

LEGAL AND DISCIPLINARY ACTIONS

There are no legal or disciplinary events reported by the Securities and Exchange Commission contained in Form MA or Form MA-I. The City can find information about these forms and accessing information related to NSI at www.sec.gov/municipal.

SUCCESSORS OR ASSIGNS

The terms and provisions of this Agreement are binding upon and inure to the benefit of the City and NSI and their successors or assigns.

TERM OF THIS AGREEMENT

This Agreement may be terminated by thirty (30) days written notice by either the City or NSI and it shall terminate sixty (60) days following the closing date related to the issuance of the Debt.

Dated this 26th day of September, 2016.

Northland Securities, Inc.

By: John R. Fifield, Jr.
John R. Fifield, Jr. - Senior Vice President

City of Mountain Lake, Minnesota

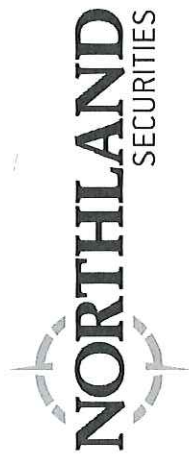
By: _____
Its: _____



CAPITAL FINANCING AND DEBT MANAGEMENT

City of Mountain Lake, MN
Presentation to City Council
October 17, 2016

Tammy Omdal
Senior Vice President, Northland Securities



Member FINRA and SIPC

The information in this presentation is based on sources believed to be reliable, but does not purport to be complete and is not warranted by Northland Securities, Inc.

ITEMS TO COVER

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- ◎ **Sale of Taxable G.O. Tax Abatement Bonds, Series 2016A, \$366,000, for acquisition of land for industrial development**
- ◎ **Sale of future bonds in 2017, estimated to be \$2.0M, to finance infrastructure for improvement of land for industrial development**

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TAXABLE G.O. TAX ABATEMENT BONDS, SERIES 2016

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- Par amount of \$366,000
- Proceeds from the Bonds will be used to finance land acquisition for an industrial park.
- General obligation of the City and the Bonds are payable from an annual tax abatement levy
- Purchaser is United Prairie Bank
- Average coupon 3.703%; True Interest Cost 3.67%
- \$33,000 average annual debt service payment for 15 years
- Subject to prepayment at any time at a price of par plus accrued interest (i.e., when land is sold proceeds may be used to call the bonds and eliminate the debt)

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FUTURE BONDS TO FINANCE INFRASTRUCTURE IMPROVEMENTS FOR INDUSTRIAL PARK

- Preliminary estimated project cost of \$2.0 million
- Costs may be assessed to the property
 - minimum 20% assessment of street improvement costs in order to have authority to issue bonds; may pledge revenue from utility funds for utility improvements
- Bonds would be issued in 2017 as general obligation bonds (full faith and credit of the City)
- Assume payable over 20 years at average coupon of 2.0%
- \$126,000 average annual debt service payment for 20 years
- Benefiting property may be special assessed for the improvements reducing (cancelling) the need for a tax levy to pay debt service

IMPACT OF DEBT FINANCING FOR INDUSTRIAL LAND ON TAX RATE

	SCENARIO A			SCENARIO B				
	Yr 2017	Yr 2018	Yr 2019	Yr 2020	Yr 2017	Yr 2018	Yr 2019	Yr 2020
Debt Service Levies:								
Bonds issued for land acquisition	\$34,304	\$33,699	\$34,203	\$33,629	\$34,304			
Bonds issued for improvements		\$132,510	\$130,725	\$134,190				
Total	\$34,304	\$166,209	\$164,928	\$167,819	\$34,304	\$0	\$0	\$0
Estimated Net Tax Capacity of City (Pay 2016)	\$572,552	\$572,552	\$572,552	\$572,552	\$572,552	\$572,552	\$572,552	\$592,552
Estimated Impact of Debt Service Levies on Tax Rate	0.060	0.290	0.288	0.293	0.060	-	-	-
Impact on Property:								
Residential homestead property valued at \$100,000	\$43	\$208	\$207	\$210	\$43	\$0	\$0	\$0
Residential homestead property valued at \$60,000	\$22	\$88	\$87	\$88	\$22			
Commercial property valued at \$1,000,000	\$1,198	\$5,806	\$5,761	\$5,862	\$1,198	\$0	\$0	\$0

Note: Scenario B assumes land sale proceeds and special assessments will be available and sufficient to cancel tax levies, beginning in year 2018.



QUESTIONS/ANSWERS

Tammy Omdal

612-851-4964

tomdal@northlandsecurities.com

Northland Securities, Inc.

45 South 7th Street, Suite 2000

Minneapolis, Minnesota 55402

800-851-2920

www.northlandsecurities.com



FINAL BANK TERM SHEET

City of Mountain Lake, Minnesota Taxable General Obligation Tax Abatement Bonds, Series 2016A

City of Mountain Lake Mountain Lake, located in Cottonwood County, is located in the southwestern portion of Minnesota. The City lies approximately 12 miles northeast of Windom, 15 miles southwest of St. James, and 150 miles southwest of the Twin Cities Metropolitan Area. Access is provided via State Highway 60 as well as County Roads 1 and 27. In addition, Interstate Highway 90 lies just 20 miles south of the City.

Purchaser: United Prairie Bank, Mountain Lake, MN
10 Fire Stone Drive
Mankato, MN 56001
Attn: Jeff Weldon, CFO
Telephone: 507-386-4865
jweldon@unitedprairiebank.com

Issuer Contact: City of Mountain Lake
930 Third Avenue
Box C
Mountain Lake, MN 56159
Attn: Wendy Meyer, Administrator/Clerk
Telephone: 507-427-2999 Ext. 1
city@mountainlake.govoffice.com

Placement Agent: Northland Securities, Minneapolis, Minnesota
Tammy Omdal Telephone: 612-851-4964
Email: tomdal@northlandsecurities.com
Trent Wells Telephone: 612-851-5915
Email: twells@northlandsecurities.com

Bond Counsel: Briggs and Morgan, Professional Association, Minneapolis, MN

Par Amount: \$366,000

Purchase Price: \$366,000

Pricing Date: October 10, 2016

Award Meeting: October 17, 2016

Dated Date: November 1, 2016

Closing Date: November 1, 2016

Interest Due: February 1 and August 1, commencing August 1, 2017.

10/11/2016

Term Bonds:

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Average Life</u>
02/01/2023	2.60%	\$123,000	3.876 years
02/01/2028	3.60%	\$125,000	9.330 years
02/01/2032	4.10%	\$118,000	13.792 years

Mandatory Sinking Fund:

	<u>2023 Term Bond</u>	<u>2028 Term Bond</u>	<u>2032 Term Bond</u>
02/01/2018	\$17,000	02/01/2024 \$23,000	02/01/2029 \$28,000
02/01/2019	\$20,000	02/01/2025 \$24,000	02/01/2030 \$29,000
02/01/2020	\$21,000	02/01/2026 \$25,000	02/01/2031 \$30,000
02/01/2021	\$21,000	02/01/2027 \$26,000	02/01/2032 \$31,000
02/01/2022	\$22,000	02/01/2028 \$27,000	
02/01/2023	\$22,000		

Optional Redemption: The Bonds are subject to prepayment on any day at a price of par plus accrued interest.

Rating: Not Rated.

Authority and Purpose: The Bonds are being issued pursuant to Minnesota Statutes, Chapter 475 and Sections 469.1812-469.1815, as amended. Proceeds of the Bonds will be used to finance land acquisition for an industrial park.

Security: The Bonds are valid and binding general obligations of the city and are payable from an annual tax abatement levy. The full faith and credit of the City is also pledged to their payment. In the event of any deficiency in the Debt Service Account established for this Issue, the City has validly obligated itself to levy additional ad valorem taxes upon all of the taxable property within the City, without limitation of amount.

Not Bank Qualified: The Bonds will not be designated as bank qualified tax-exempt obligations.

No Continuing Disclosure The City will not enter into an undertaking to annually provide continuing disclosure information with respect to the bonds.

Taxability of Interest: In the opinion of Bond Counsel to be delivered at closing, interest on the Bonds is included in gross income for State of Minnesota and federal income tax purposes and is included, to

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Northland Securities, Inc., 45 South 7th Street, Suite 2000, Minneapolis, MN 55402 800-851-2920

Member FINRA and SIPC



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10/11/2016

the same extent, in both gross income and taxable net income for State of Minnesota income tax purposes.

Additional Provisions:

The Bonds will be held with the Purchaser and not reoffered to the public.

Bonds will be issued in \$1,000 denominations.

One typewritten bond per term bond maturity will be printed.

Paying Agent:

Northland Trust Services, Inc., Minneapolis, Minnesota.

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Northland Securities, Inc., 45 South 7th Street, Suite 2000, Minneapolis, MN 55402 800-851-2920

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Financing Overview

This Finance Plan Summary describes the recommended terms and process for the issuance of the following bond issue:

- \$366,000 Taxable General Obligation Tax Abatement Bonds, Series 2016A (the "Bonds" or "2016A Bonds").

Purpose

Proceeds from the Bonds will be used to finance land acquisition for an industrial park. The Bonds have been sized based on a proposed purchase agreement and other estimated related costs for the land transaction. The table below contains the sources and uses of funds for the bond issue.

Sources Of Funds

Par Amount of Bonds	\$366,000.00
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Total Sources	\$366,000.00
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Uses Of Funds

Costs of Issuance	15,471.00
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Deposit to Project Construction Fund	350,000.00
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Rounding Amount	529.00
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Total Uses	\$366,000.00
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Authority

The Bonds will be issued pursuant to the authority of Minnesota Statutes, Chapter 475 and Sections 469.1812-469.1815.

Summary of Terms

The key terms of the bond issue are summarized in the following table.

Type of Bond Sale	Direct Purchase with United Prairie Bank
Municipal Advisor	Northland Securities, Inc.
Bond Pricing	Monday, September 26, 2016
Council Consideration	Monday, October 17, 2016
Repayment Term	The Bonds will mature annually each February 1 in the years 2018 - 2032. Interest on the Bonds will be payable on August 1, 2017 and semiannually thereafter on each August 1 and February 1.
Security	General Obligation of the City. The Bonds are payable from an annual tax abatement levy.
Prepayment Option	The Bonds are subject to prepayment at any time at a price of par plus accrued interest.
Tax Status	The Bonds will be taxable, and not bank qualified obligations.
Rating	Nonrated
Bond Counsel	Briggs and Morgan, P.A., Minneapolis, Minnesota

Structure

The structure for the bond issue and debt service schedule are illustrated in Attachment 1. The Bonds have been structured with even annual payments over 15 years. Although payments are grouped in three "term bonds" due in 2023, 2028 and 2032, principal will be paid off each year through sinking fund payments, as shown in the debt service schedule.

Security and Source of Repayment

The Bonds will be general obligations of the City. The City will levy an annual tax abatement levy for repayment of the Bonds.

Plan Rationale

The Finance Plan recommended in this report is based on a variety of factors and information provided by the City related to financed projects and your objectives, Northland's knowledge of the City and our experience in working with similar cities and projects. The issuance of Taxable General Obligation Tax Abatement Bonds provides the best means of achieving the City's objectives and cost effective financing.

Risk Factors

The tax abatement levy needs to be calculated annually in accordance with the abatement resolution. The abatement levy must be included in the preliminary levy used for annual Truth in Taxation hearings. A tax abatement levy was authorized as a special levy (not subject to levy limits) under the most recent legislation. Levy limits are not currently enacted. The status of a tax abatement levy under future levy limitations (if any) cannot be predicted.

Issuing Process

The City has directed Northland to work with United Prairie Bank for purchase of the Bonds. Northland will act as municipal advisor and establish terms with the Bank on behalf of the City. The City has chosen this approach because the City has a prior relationship with United Prairie Bank.

Attachment 1 -Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/01/2016	-	-	-	-	-
08/01/2017	-	-	9,402.00	9,402.00	-
02/01/2018	17,000.00	2.600%	6,268.00	23,268.00	32,670.00
08/01/2018	-	-	6,047.00	6,047.00	-
02/01/2019	20,000.00	2.600%	6,047.00	26,047.00	32,094.00
08/01/2019	-	-	5,787.00	5,787.00	-
02/01/2020	21,000.00	2.600%	5,787.00	26,787.00	32,574.00
08/01/2020	-	-	5,514.00	5,514.00	-
02/01/2021	21,000.00	2.600%	5,514.00	26,514.00	32,028.00
08/01/2021	-	-	5,241.00	5,241.00	-
02/01/2022	22,000.00	2.600%	5,241.00	27,241.00	32,482.00
08/01/2022	-	-	4,955.00	4,955.00	-
02/01/2023	22,000.00	2.600%	4,955.00	26,955.00	31,910.00
08/01/2023	-	-	4,669.00	4,669.00	-
02/01/2024	23,000.00	3.600%	4,669.00	27,669.00	32,338.00
08/01/2024	-	-	4,255.00	4,255.00	-
02/01/2025	24,000.00	3.600%	4,255.00	28,255.00	32,510.00
08/01/2025	-	-	3,823.00	3,823.00	-
02/01/2026	25,000.00	3.600%	3,823.00	28,823.00	32,646.00
08/01/2026	-	-	3,373.00	3,373.00	-
02/01/2027	26,000.00	3.600%	3,373.00	29,373.00	32,746.00
08/01/2027	-	-	2,905.00	2,905.00	-
02/01/2028	27,000.00	3.600%	2,905.00	29,905.00	32,810.00
08/01/2028	-	-	2,419.00	2,419.00	-
02/01/2029	28,000.00	4.100%	2,419.00	30,419.00	32,838.00
08/01/2029	-	-	1,845.00	1,845.00	-
02/01/2030	29,000.00	4.100%	1,845.00	30,845.00	32,690.00
08/01/2030	-	-	1,250.50	1,250.50	-
02/01/2031	30,000.00	4.100%	1,250.50	31,250.50	32,501.00
08/01/2031	-	-	635.50	635.50	-
02/01/2032	31,000.00	4.100%	635.50	31,635.50	32,271.00
Total	\$366,000.00	-	\$121,108.00	\$487,108.00	-

Date And Term Structure

Dated	11/01/2016
Delivery Date	11/01/2016
First available call date	Any Date
Call Price	100.000%

Yield Statistics

Bond Year Dollars	\$3,270.50
Average Life	8.936 Years
Average Coupon	3.7030423%
Net Interest Cost (NIC)	3.7030423%
True Interest Cost (TIC)	3.6723730%
All Inclusive Cost (AIC)	4.2629530%

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City of Mountain Lake, Minnesota

\$366,000 Taxable General Obligation Tax Abatement Bonds, Series 2016A

FINAL

Detail Costs Of Issuance

Dated 11/01/2016 | Delivered 11/01/2016

COSTS OF ISSUANCE DETAIL

Municipal Advisor	\$7,000.00
Bond Counsel	\$7,500.00
Paying Agent	\$750.00
CUSIP Fee	\$221.00
TOTAL	\$15,471.00

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PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT is made and entered into this 3rd day of October, 2016, by and between Steven J. Pankratz as Trustee of the Mabel S. Pankratz Revocable Living Trust Agreement dated July 9, 1993, whose address is 110 E. Center St., #1659, Madison, SD 57042 (hereinafter "Seller"), and City of Mountain Lake, whose address is PO Box C, Mountain Lake, MN 56159 (hereinafter "Buyer").

RECITALS

1. Seller is the owner of certain land located in Cottonwood County, Minnesota, and described as follows, to-wit:

Commencing at the Southwest corner of the NW ¼ of Section 4, Township 105, Range 34; thence North along the West section line of said NW ¼ a distance of 958 feet; thence East parallel with the South section line of said NW ¼ a distance of 133 feet; thence North parallel with the West section line of said NW ¼ a distance of 75 feet; thence East parallel with the South section line of said NW ¼ a distance of 1,305.5 feet, thence south a distance of 1,033 feet to the south line of said NW ¼ to a point which is 1,450.5 feet East of the Southwest corner of said NW ¼; thence West along the South line of said NW ¼ to the point of beginning, containing 34.02 acres, more or less. EXCEPTING those parts thereof shown as Parcel 10 on Minnesota Department of Transportation Right-of-Way Plat Numbered 17-6 as the same is on file and of record in the office of the County Recorder in and for Cottonwood County, Minnesota. (Parcel No. 12-004-0500).

(hereinafter "Property").

2. Buyer desires to purchase the Property from Seller, and after discussions and negotiations, the parties have reached an agreement for such sale and desire to reduce their agreement to writing, as provided herein.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants, conditions and terms contained herein, the parties hereby mutually agree as follows:

1.0 SALE.

On or before November 1, 2016, the date of closing, Buyer shall pay to Seller, as and for the purchase of the Property, the sum of Three Hundred Forty-two Thousand and No/100 Dollars (\$342,000.00).

The purchase agreement is contingent on the authorization of the sale of the City of Mountain Lake, Taxable General Obligation Abatement Bonds, Series 2016A, scheduled for award on October 17, 2016.

2.0 DEED/MARKETABLE TITLE.

Upon performance by Buyer, Seller shall deliver a Trustee's Deed conveying marketable title, subject to:

- A. Building and zoning laws, ordinances, state and federal regulations.
- B. Restrictions relating to use or improvement of the Property without effective forfeiture provisions.
- C. Reservation of any mineral rights by the State of Minnesota.
- D. Utility and Drainage Easements which do not interfere with existing improvements.

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- E. Rights of tenants as follows: None.
- F. Others: The terms and provisions of this Agreement.

3.0 SPECIAL ASSESSMENTS/TAXES.

Seller and Buyer shall prorate, through the date of closing, all real estate taxes and installments of special assessments certified for payment, along with such taxes that are due and payable in the year of closing. Seller shall pay for all real estate taxes and all special assessments due and payable therewith in the years preceding the year in which the closing is held. Seller shall pay, on the date of closing, any deferred real estate taxes (i.e., green acres, etc.) or special assessments, payment of which is required as a result of the closing of this sale. Buyer shall pay real estate taxes due and payable in the year following closing and thereafter, and any unpaid special assessments payable therewith and thereafter, the payment of which is not otherwise provided for above.

4.0 TITLE AND EXAMINATION.

- A. Seller shall within a reasonable time after execution of this Agreement, provide evidence of title in the form of either: (1) a commitment for an owner's policy of title insurance in the amount of the purchase price on a current ALTA form issued by an insurer licensed to write title insurance in Minnesota; or (2) an Abstract of Title or a Registered Property Abstract certified to date. Evidence of title shall include proper searches covering bankruptcies, state and federal judgments and liens, and levied and pending special assessments. Buyer shall: (1) pay the entire premium for such title insurance policy if no lender's policy is obtained and only the additional cost of obtaining a simultaneously-issued owner's policy if a lender's policy is obtained; or (2) Seller shall pay all costs of providing the abstract. Seller shall surrender any abstract in Seller's possession or control to Buyer at closing.
- B. Seller shall use Seller's best efforts to provide marketable title by the date of closing. In the event Seller has not provided marketable title by the date of closing, Seller shall have an additional 30 days to make title marketable, or in the alternative, Buyer may waive title defects by written notice to the Seller. In addition to the 30-day extension, Buyer and Seller may, by mutual agreement, further extend the closing date. Lacking such extension, either party may declare this Purchase Agreement null and void; neither party shall be liable for damages hereunder to the other, and earnest money shall be refunded to Buyer; Buyer and Seller shall immediately sign a Cancellation of Purchase Agreement.

5.0 SUBDIVISION/WARRANTIES.

- A. Seller makes the following warranties to Buyer, but only those warranties which are marked with an "x" apply:
 - That the legal description of the real property to be conveyed has been or will be approved for recording as of the date of closing.
 - That there is a right of access to the Property from a public right of way.
 - That prior to the closing, payment in full will have been made for all labor, materials, machinery, fixtures or tools furnished within the 120 days immediately preceding the closing in connection with construction, alteration or repair of any structure on or improvement to the Property.
 - That Seller has not received any notice from any governmental authority as to violation of law, ordinance or regulation. If the Property is subject to restrictive covenants, that Seller has not received any notice from any person or authority as to a breach of the covenants. Any notices received by Seller will be provided to Buyer immediately.

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- That taxes due and payable in the year 2016 are of agricultural non-homestead classification. No representations or warranties are made concerning the amount of subsequent real estate taxes.

B. These warranties shall survive the delivery of the Deed to Buyer. Seller agrees to allow reasonable access to the Property for performance of any surveys or inspections agreed to herein.

6.0 TIME OF ESSENCE.

Time is of the essence in this Purchase Agreement.

7.0 ENTIRE AGREEMENT.

This Purchase Agreement, any attached exhibits and any addenda or amendments signed by the parties, shall constitute the entire agreement between Seller and Buyer and shall supersede any other written or oral agreements between Seller and Buyer. This Purchase Agreement can be modified only in writing signed by Seller and Buyer.

8.0 DEFAULT.

If Buyer defaults in any of the agreements herein, Seller may terminate this Purchase Agreement, and payments made hereunder may be retained by Seller as liquidated damages. If this Purchase Agreement is not so terminated, Buyer or Seller may seek actual damages or breach of this Agreement or specific performance of this Agreement, and as to specific performance, such action must be commenced within six months after such right of action arises.

9.0 POSSESSION.

Seller shall deliver possession of the Property no later than immediately after closing. All interest, rents, electricity, natural gas and all other utilities or expenses relating to the Property (except as otherwise provided herein) shall be prorated between the parties as of the date of closing. Seller agrees to remove all debris and all personal property not included herein from the Property by the closing date.

10.0 ENVIRONMENTAL CONCERNS.

To the best of the Seller's knowledge, there are no hazardous substances or underground storage tanks on the Property.

11.0 MISCELLANEOUS.

- A. **Execution of Documents.** Seller and Buyer agree to execute any and all documents necessary to implement the full terms and conditions of this Agreement.
- B. **Survival of Representations and Warranties.** All agreements, representations and warranties made herein will survive the closing and shall continue to be binding and enforceable between the parties.
- C. **Successors Bound.** The provisions of this Agreement shall inure to the benefit of and be binding upon the successors of the parties. This Agreement, and all documents, contracts, easements, restrictive covenants, rights of first refusal and contracts executed in conjunction herewith shall inure to the benefit of and be binding upon all heirs, successors and assigns of Buyer and Seller.
- D. **Governing Law.** This Agreement shall be governed by the laws of the State of Minnesota.
- E. **Severability.** If one provision of this Agreement is held invalid, that shall not affect any other provision of this Agreement.

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F. **Assignment.** Neither party may assign their rights, duties, obligations or benefits under this Agreement without the prior written consent of the other party.

IN WITNESS WHEREOF, this Agreement has been executed on the day and year first above written.

SELLER: MABEL S. PANKRATZ
REVOCABLE LIVING TRUST
AGREEMENT DATED JULY 9, 1993

Dated: _____

Steven J. Pankratz, Trustee

BUYER:
CITY OF MOUNTAIN LAKE

Dated: _____

By _____

Its _____

Dated: _____

By _____

Its _____

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

HELD: October 17, 2016

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Mountain Lake, Cottonwood County, Minnesota, was duly called and held at the City Hall on October 17, 2016, at 5:30 P.M., for the purpose, in part, of authorizing the issuance and awarding the sale of \$366,000 Taxable General Obligation Tax Abatement Bonds, Series 2016A.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION #25-16

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF
\$366,000 TAXABLE GENERAL OBLIGATION TAX ABATEMENT BONDS, SERIES
2016A AND PLEDGING TAX ABATEMENTS FOR THE SECURITY THEREOF AND
LEVYING A TAX FOR THE PAYMENT THEREOF

A. WHEREAS, the City Council of the City of Mountain Lake, Minnesota (the "City"), has heretofore determined and declared that it is necessary and expedient to issue \$366,000 aggregate principal amount Taxable General Obligation Tax Abatement Bonds, Series 2016A (the "Bonds" or individually, a "Bond"), pursuant to Minnesota Statutes, Chapter 475, and Sections 469.1812 through 469.1815, as amended, to finance the acquisition of the land for an industrial park (the "Project"); and

B. WHEREAS, the City has heretofore established a tax abatement program (the "Program") pursuant to the provisions of Minnesota Statutes, Sections 469.1812 through 469.1815, with respect to providing for the abatement of property taxes for a period of fifteen years on various properties in the City, as described in the resolution adopted by the City Council on October 3, 2016, approving the Program (the "Abatement Resolution"); and

C. WHEREAS, the amount of the property taxes abated are estimated to be at least equal to the principal amount of the Bonds and pursuant to the provisions of the Abatement Resolution, funds are to be expended to provide money to pay for Project; and

D. WHEREAS, the City has retained Northland Securities, Inc., in Minneapolis, Minnesota ("Northland"), as its municipal 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 Council of the City of Mountain Lake, Minnesota, as follows:

1. Acceptance of Offer. The offer of United Prairie Bank, in Mountain Lake, Minnesota, to purchase the \$366,000 aggregate principal amount of the Bond and to pay therefor the sum of \$366,000, all in accordance with the terms and at the rates of interest hereinafter set forth, are hereby accepted.

2. Bond Terms; Original Issue Date; Denominations; Maturities; Interest and Redemption. The City shall forthwith issue the Bonds, which shall be in fully registered form without interest coupons, shall be dated, mature, bear interest, be subject to redemption and be payable as provided in the form of the Bond.

(a) Original Issue Date; Denominations; Maturities. The date of original issue of the Bonds is November 1, 2016. The Bonds shall be issued forthwith on or after such date in fully registered form, shall 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 February 1 in the years and amounts and bear interest payable semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2017, 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>Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2018	\$17,000	2.60%	2026	\$25,000	3.60%
2019	20,000	2.60	2027	26,000	3.60
2020	21,000	2.60	2028	27,000	3.60
2021	21,000	2.60	2029	28,000	4.10
2022	22,000	2.60	2030	29,000	4.10
2023	22,000	2.60	2031	30,000	4.10
2024	23,000	3.60	2032	31,000	4.10
2025	24,000	3.60			

3. Purpose; Findings. The Bonds shall provide funds to finance the Project. Pursuant to the Abatement Resolution, the City's share of real estate taxes generated as a result of the Program (the "Tax Abatements") have been pledged to the payment of the Bonds. The principal amount of the Bonds does not exceed the estimated amount of Tax Abatements, presently estimated to be \$418,000. The total cost of the Project, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Bonds. Proceeds of the Bonds shall be expended on costs or uses permitted by Minnesota Statutes, Sections 469.1812 through 469.1815, and shall not be expended on any costs or devoted to any other uses.

4. Redemption.

(a) Optional Redemption. The Bonds are subject to redemption and prepayment at the option of the Issuer on any date without penalty, in whole or in multiples of \$1,000, upon

written notice to the Owner, at a redemption price of par plus accrued interest to day of prepayment. If redemption is in part, the Issuer may select the specific principal installments hereof, or applicable portions thereof, to be prepaid

(b) Mandatory Redemption. The Bonds maturing on February 1, 2023, 2028 and 2032 (the "Term Bonds") shall be redeemed by lot in the following years and principal amounts, without any premium, plus accrued interest thereon to such redemption dates (after any credits are made as provided below):

Mandatory Redemption Schedule

February 1, 2023 Term Bond

<u>Year</u>	<u>Principal Amount</u>
2018	\$17,000
2019	20,000
2020	21,000
2021	21,000
2022	22,000
2023 (maturity)	22,000

Mandatory Redemption Schedule

February 1, 2028 Term Bond

<u>Year</u>	<u>Principal Amount</u>
2024	\$23,000
2025	24,000
2026	25,000
2027	26,000
2028 (maturity)	27,000

Mandatory Redemption Schedule

February 1, 2032 Term Bond

<u>Year</u>	<u>Principal Amount</u>
2029	\$28,000
2030	29,000
2031	30,000
2032 (maturity)	31,000

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

The City 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 Term 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 Term 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 City. Each such Term 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 City.

5. 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 11.

6. Form of Bond. The Bonds, together with the Certificate of Registration, shall be in substantially the following form:

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

R- _____ \$ _____

TAXABLE GENERAL OBLIGATION TAX ABATEMENT BOND, SERIES 2016A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP No.</u>
	February 1,	November 1, 2016	

REGISTERED OWNER: _____

PRINCIPAL AMOUNT:

The City of Mountain Lake, Cottonwood County, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, unless called for prior redemption, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2017, at the rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-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 this Bond is payable upon presentation and surrender hereof at the 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") 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 Holders 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.

THE ISSUER HAS ELECTED TO ISSUE THIS BOND AS A TAXABLE BOND, AND THE INTEREST IS INTENDED TO BE INCLUDED IN GROSS INCOME FOR FEDERAL INCOME TAXATION PURPOSES AND, TO THE SAME EXTENT, INCLUDED IN BOTH GROSS INCOME AND TAXABLE NET INCOME FOR STATE INCOME TAXATION PURPOSES.

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Optional Redemption. All Bonds are subject to redemption and prepayment at the option of the Issuer on any date without penalty, in whole or in multiples of \$1,000, upon written notice to the Owner, at a redemption price of par plus accrued interest to day 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. The Bonds maturing on February 1, 2023, 2028 and 2032 (the "Term Bonds") shall be redeemed by lot in the following years and principal amounts, without any premium, plus accrued interest thereon to such redemption dates (after any credits are made as provided below):

Mandatory Redemption Schedule

February 1, 2023 Term Bond

<u>Year</u>	<u>Principal Amount</u>
2018	\$17,000
2019	20,000
2020	21,000
2021	21,000
2022	22,000
2023 (maturity)	22,000

Mandatory Redemption Schedule

February 1, 2028 Term Bond

<u>Year</u>	<u>Principal Amount</u>
2024	\$23,000
2025	24,000
2026	25,000
2027	26,000
2028 (maturity)	27,000

Mandatory Redemption Schedule

February 1, 2032 Term Bond

<u>Year</u>	<u>Principal Amount</u>
2029	\$28,000
2030	29,000
2031	30,000
2032 (maturity)	31,000

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

The City 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 Term 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 Term 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 City. Each such Term 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 City.

Issuance; Purpose; General Obligation. This Bond is one of an issue in the total principal amount of \$366,000, all of like date of original issue and tenor, except as to number, maturity, interest rate and denomination, 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 17, 2016 (the "Resolution"), for the purpose of providing money to finance the acquisition of land for an industrial park. This Bond is payable out of the Taxable General Obligation Tax Abatement Bonds, Series 2016A Fund, constitutes a general obligation of the Issuer and to provide moneys for the prompt and full payment of its principal, premium, if any, and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

Denominations; Exchange; Resolution. The Bonds are issuable solely in fully registered form in the denominations of \$1,000 and integral multiples thereof of a single maturity and are exchangeable for fully registered Bonds of other authorized denominations in equal aggregate principal amounts at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the office of the Bond Registrar.

Transfer. This Bond is transferable by the Holder in person or 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 Loss. The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the loss of this Bond and any legal or unusual costs regarding lost Bonds.

Treatment of Registered Owners. The Issuer and 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 otherwise provided herein 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.

Taxable Interest. The interest on this Bond is included in the gross income of the owner hereof for purposes of United States income tax and to the same extent in both gross income and taxable net income for purposes of State of Minnesota income tax.

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 that 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.

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

Date of Registration:

CERTIFICATE OF AUTHENTICATION

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

NORTHLAND TRUST SERVICES, INC.
Minneapolis, Minnesota
Bond Registrar

By _____
Authorized Signature

Registrable at: NORTHLAND TRUST SERVICES, INC.

Payable at: NORTHLAND TRUST SERVICES, INC.

CITY OF MOUNTAIN LAKE,
COTTONWOOD COUNTY, MINNESOTA

/s/ Facsimile _____
Mayor

/s/ Facsimile _____
Administrator-Clerk

CERTIFICATE OF REGISTRATION

The transfer of ownership of the principal amount of the attached Bond may be made only by the registered owner or the registered owner's legal representative last noted below:

<u>DATE OF REGISTRATION</u>	<u>REGISTERED OWNER</u>	<u>SIGNATURE OF BOND REGISTRAR</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

REGISTER OF PARTIAL PAYMENTS

The installment of principal amount of the attached Bond has been prepaid on the dates and in the amounts noted below:

<u>DATE</u>	<u>AMOUNT</u>	<u>SIGNATURE OF OWNER</u>	<u>SIGNATURE OF BOND REGISTRAR</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

If a notation is made on this register, such notation has the effect stated in the attached Bond. Partial payments do not require the presentation of the attached Bond to the Bond Registrar, and an Owner could fail to note the partial payment here.

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7. Execution. The 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.

8. 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 the Bond, substantially in the form hereinabove set forth, shall have been duly executed by the Bond Registrar. 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, November 1, 2016. The Certificate of Authentication so executed on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.

9. 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 8) of, 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 canceled 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 general 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's 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.

10. 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.

11. 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 first day of the calendar month of 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 (10) days prior to the Special Record Date.

12. Treatment of Registered Owner. The City and Bond Registrar may treat the person in whose name any Bond is registered as the owner of the Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in paragraph 11) on, the Bond and for all other purposes whatsoever whether or not the Bond shall be overdue, and neither the City nor the Bond Registrar shall be affected by notice to the contrary.

13. 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.

14. Fund and Accounts. There is hereby created a special fund to be designated the "Taxable General Obligation Tax Abatement Bonds, Series 2016A Fund" (the "Fund") to be administered and maintained by the Administrator-Clerk as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The Fund shall

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be maintained in the manner herein specified until the Bonds and the interest thereon have been fully paid. There shall be maintained in the Fund the following separate accounts:

(a) Capital Account. To the Capital Account there shall be credited the proceeds of the sale of the Bonds. From the Capital Account there shall be paid all costs and expenses of acquiring the Project and all other costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65; and the moneys in the Capital Account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Bonds may also be used to the extent necessary to pay interest on the Bonds due prior to the receipt of the taxes levied herein.

(b) Debt Service Account. To the Debt Service Account there is hereby pledged and irrevocably appropriated and there shall be credited: (i) Tax Abatements in an amount sufficient to pay the annual principal payments on the Bonds; (ii) any collections of all taxes herein and hereafter levied for the payment of the Bonds and interest thereon; (iii) all funds remaining in the Capital Account after completion of the Project and payment of the costs thereof; (iv) all investment earnings on funds held in the Debt Service Account; and (v) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Debt Service Account. The Debt Service Account shall be used solely to pay the principal and interest and any premiums for redemption of the Bonds and any other general obligation bonds of the City hereafter issued by the City and made payable from said account as provided by law.

15. Tax Abatements; Use of Tax Abatements. As provided in Whereas clause B hereof, the Council has adopted the Abatement Resolution and has thereby approved the Tax Abatements, including the pledge thereof to the payment of principal on the Bonds. As provided in the Abatement Resolution, the estimated total amount of the Tax Abatements, if received as estimated for the full maximum term thereof, is not less than \$418,000, and therefore the principal amount of the Bonds does not exceed the maximum projected amount of the Tax Abatements. The Council hereby confirms the Abatement Resolution, which is hereby incorporated as though set forth herein.

16. Tax Levy; Coverage Test. To provide moneys for payment of the interest on the Bonds, there is hereby levied upon all of the taxable property in the City a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the City for the years and in the amounts as follows:

<u>Year of Tax Levy</u>	<u>Year of Tax Collection</u>	<u>Amount</u>
2017-2030	2018-2031	See attached Exhibit A

The tax levies are such that if collected in full they, together with estimated collections of Tax Abatements, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levies shall be irrevocable so long as the Bonds are outstanding and unpaid, provided that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61, Subdivision 3.

17. General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Bonds as the same respectively become due, the full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Bonds payable therefrom, the deficiency shall be promptly paid out of any other accounts of the City which are available for such purpose, and such other funds may be reimbursed without interest from the Debt Service Account when a sufficient balance is available therein.

18. Defeasance. When all Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Bonds shall, to the extent permitted by law, cease. The City may discharge its obligations with respect to any Bonds which are due on any date by irrevocably depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full; or if any 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 Bonds 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, provided that notice of redemption thereof has been duly given. The City may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, 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.

19. Taxable Status of the Bonds. The City does not qualify the Bonds as tax-exempt under the Internal Revenue Code of 1986, as amended. It is hereby determined that the Bonds are to be issued as fully taxable obligations, and all interest received on the Bonds is to be included in the gross income of the Holder of any Bond for federal income taxation purposes and, to the same extent, in both gross income and taxable net income for state income taxation purposes.

20. Certificate of Registration. The Administrator-Clerk is hereby directed to file a certified copy of this resolution with the County Auditor of Cottonwood County, Minnesota, together with such other information as the County Auditor shall require, and to obtain the County Auditor's certificate that the Bonds have been entered in the County Auditor's Bond Register and that the tax levy required by law has been made.

21. Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser, and to the attorneys approving the legality of the issuance of the Bonds, certified copies of all proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other affidavits, certificates and information as are required to show the facts relating to the legality and marketability of the Bonds as the same appear from the books and records under their custody and control or as

otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

22. 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.

23. 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.

TAX LEVIES

<u>Year of Tax Levy</u>	<u>Year of Tax Collection</u>	<u>Amount</u>
2016	2017	\$17,303.50
2017	2018	13,698.70
2018	2019	13,202.70
2019	2020	12,629.40
2020	2021	12,106.10
2021	2022	11,505.50
2022	2023	10,954.90
2023	2024	10,135.50
2024	2025	9,278.30
2025	2026	8,383.30
2026	2027	7,450.50
2027	2028	6,479.90
2028	2029	5,324.50
2029	2030	4,126.05
2030	2031	2,884.55

(66)

Resolution #27-16

Certification of Unpaid Utility Charges

City of Mt. Lake, MN

WHEREAS the City Council of the City of Mountain Lake, Minnesota acknowledges that the Mt. Lake Utilities Accounts listed below have unpaid utility charges; and

Parcel Identification Number	Account Number	Amount Attached
22.611.0620	4390-00-2	\$1,198.92
22.520.1070	15940-08-7	\$8.91
22.520.2071	4310-01-3	\$371.16
22.520.2010	4170-00-4	\$445.85

WHEREAS the cost of the utilities has been billed to the account holders and to this date remain unpaid; and

WHEREAS Minnesota Statutes, Chapter 444.075 (Subd. 3e) allows unpaid utility charges to be certified to the county auditor for collection as other taxes are collected and provides a procedure for such certification; and

WHEREAS City Ordinance 3.05 Subd. 8 allows unpaid utility charges to be made a lien upon the premises served and provides a procedure for certification;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Mountain Lake, Minnesota that it approve the certification as listed above, payable in a single installment at an annual rate of 0% interest.

BE IT FURTHER RESOLVED that the City Clerk is hereby authorized and directed to certify the same to the County Auditor.

Adopted by the Council this 17th day of October 2016.

Mike Nelson, Mayor

ATTEST: _____
Wendy Meyer, Administrator/Clerk

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STATE OF MINNESOTA
Work Order Contract Amendment No. 1
Contract: GESP Master Contract 47085 (WOC)

Agreement Start Date:	<u>03/18/2016</u>	Total Agreement Amount:	<u>\$5,423.80</u>
Original Expiration Date:	<u>10/31/2016</u>	Original Agreement:	<u>\$5,423.80</u>
Current Expiration Date:	<u>10/31/2016</u>	Previous Amendment(s) Total:	<u>\$0.00</u>
Requested Expiration Date:	<u>04/30/2017</u>	This Amendment:	<u>\$0.00</u>

This amendment is by and between the State of Minnesota, acting through its **City of Mountain Lake**, P. O. Box C Mountain Lake, MN 56159 ("State Institution") and **McKinstry Co, LLC**, 6900 WEDGWOOD ROAD N. #480 MAPLE GROVE, MN 55311 ("Contractor").

Recitals

1. WHEREAS, the Minnesota Department of Commerce ("Commerce") entered into a Master Contract with Contractor identified as Master Contract 47085, dated 06/08/2012 ("Original Agreement"), for guaranteed energy savings work.
2. WHEREAS, State Institution then entered into a Work Order Contract with Contractor identified as Contract (WOC), dated ~~03/09/16~~ 03/18/2016 ("Original Work Order Contract"), to complete guaranteed energy savings work.
3. WHEREAS, State Institution and Contractor wish to amend the Original Work Order Contract to extend the term. NOW, THEREFORE, State Institution and Contractor have agreed to amend the Original Work Order Contract as stated below.

Amendment(s)

REVISION 1. Clause 1. "**Term of Contract**" is amended as follows:

- 1.1 **Effective date:** Effective ~~03/09/16~~ 03/18/2016, or the date the State Institution obtains all required signatures under Minn. Stat. § 16C.05, subd. 2, whichever is later.
The Contractor must not begin work under this contract until this contract is fully executed and the Contractor has been notified by the State Institution's Authorized Representative to begin the work.
- 1.2 **Expiration date:** Expires ~~10/31/16~~ 04/30/17, or until all obligations have been satisfactorily fulfilled, whichever occurs first.

(Continued on next page.)

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STATE OF MINNESOTA
Work Order Contract Amendment No. 1
Contract: GESP Master Contract 47085 (WOC)

Except as herein amended, the provisions of the Original Master Contract, the Work Order, and any previous amendments, exhibits, and attachments thereto remain in full force and effect.

1. STATE INSTITUTION ENCUMBRANCE VERIFICATION

Individual certifies that funds have been encumbered as required by Minnesota Statutes, Sections 16A.15 and 16C.05 (with delegated authority)

Signed: _____

Date: _____

WOC No.: 1 _____

2. CONTRACTOR

The Contractor certifies that the appropriate person(s) have executed the contract on behalf of the Contractor as required by applicable articles, bylaws, resolutions, or ordinances.

By: _____

Title: _____

Date: _____

3. STATE INSTITUTION

Individual certifies that funds have been encumbered as required by Minnesota Statutes, Sections 16A.15 and 16C.05 (with delegated authority)

By: _____

Title: _____

Date: _____

4. MN DEPT. OF COMMERCE

(with delegated Authority)

By: _____

Title: _____

Date: _____

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