

Regular City Council Meeting
Mountain Lake City Hall
Monday, March 16, 2020
6:30 p.m.

AGENDA

1. Meeting Called to Order *Additional information on agenda item is attached or at City Hall

2. Approval of Agenda and Consent Agenda
 - a. Bills: Checks #23444 – 23498, 661E – 662E (1-6)
 - b. Payroll: Checks #65214 – 65245
 - c. Approve January 13 Tree Commission Minutes (7-8)
 - d. Approve January 13 EDA Board Minutes (9-11)
 - e. Approve January 28 Police Commission Minutes (12-13)
 - f. Approve February 10 Lake Commission Minutes (14-15)
 - g. Approve February 20 Utilities Commission Minutes (16-17)
 - h. Approve March 2 City Council Minutes (18-20)
 - i. Approve to Submit Grant Application to Big Bend Wind for \$2,000 on Behalf of the Active Living Committee (21)
 - j. Approve Resolution #6-20 Accepting Donations to the City (22)

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

4. Economic Development Authority
 - a. Review – Finance Plan of Taxable General Obligation Refunding Bonds, Series 2020A (23-40)
 - b. Discussion/Action – Resolution #3-20 – Sale of the Taxable General Obligation Refunding Bonds, Series 2020A (Refunding of Series 2013B, 2014A, and 2016A) (41-43)
 - c. Discussion/Action – Resolution #4-20 – Resolution Calling for Public Hearing for Establishment of TIF District 9 (44-45)

5. Wastewater Department
 - a. Discussion/Action – MN Public Facilities Authority Bond Purchase and Project Loan Agreement with Point Source Implementation Grant (46-55)
 - b. Discussion/Action – Resolution #5-20 Accepting Offer of PFA to Purchase General Obligation Note (56-70)

6. Ambulance/Fire Department
 - a. Discussion – On-Call Wages – *David Watkins, Ambulance Director*
 - b. Discussion – Covered Hours Policy for City Employees that Take Calls – *Councilmember Kruser*

7. City Attorney

8. City Administrator
 - a. Update – Minnesota Legislation

9. Adjourn

***Check Detail Register©**

*March 16, 2020
mtg
ck# 23444-23498
661E-662E*

March 2020

Check Amt Invoice Comment

10100 United Prairie

Paid Chk# 023444 3/2/2020 JANZEN FABRICATION

E 101-43100-404	Repairs/Maint Machinery/Equip	\$230.91	2725	SKID STEER REPAIR
Total JANZEN FABRICATION		\$230.91		

Paid Chk# 023445 3/2/2020 MAYNARDS FOOD CENTER

E 101-41400-200	Office Supplies	\$23.80	2/12/20	PAPER TOWELS & TP-OFFICE
E 101-43100-200	Office Supplies	\$43.89	2/28/20	CLEANERS,PAPER TOWELS & TP-ST DEPT
E 101-41400-200	Office Supplies	\$16.22	2/4/20	GARBAGE BAGS-OFFICE
Total MAYNARDS FOOD CENTER		\$83.91		

Paid Chk# 023446 3/2/2020 MIDWAY AUTO BODY & GLASS

E 101-42100-406	Vehicle Maint/Gen Repairs	\$41.41	3360	PD-REMOVE CAMERA BRACKET,CLEAN OFF OLD ADHESIVE
Total MIDWAY AUTO BODY & GLASS		\$41.41		

Paid Chk# 023447 3/2/2020 MINNESOTA MUTUAL LIFE

E 101-42100-135	Employer Paid Other	\$1.70		MARCH BRIAN LUNZ LIFE INSURANCE
E 101-42100-134	Employer Paid Life	\$5.10		MARCH LIFE INS-POLICE DEPT
E 211-45500-134	Employer Paid Life	\$1.70		MARCH LIFE INS-LIBRARY
E 101-43100-134	Employer Paid Life	\$1.53		MARCH LIFE INS-ST DEPT
E 101-41400-134	Employer Paid Life	\$3.40		MARCH LIFE INS-OFFICE
E 101-45200-134	Employer Paid Life	\$1.02		MARCH LIFE INS-PARKS DEPT
E 101-46200-134	Employer Paid Life	\$0.85		MARCH LIFE INS-CEMETERY
E 205-46500-134	Employer Paid Life	\$1.70		MARCH LIFE INS-EDA ROB ANDERSON
G 101-21706	Hospitalization/Medical Ins	\$29.30		MARCH LIFE INS-ROBB ANDERSON
G 101-21706	Hospitalization/Medical Ins	\$10.90		MARCH LIFE INS-DARON FRIESEN
G 101-21706	Hospitalization/Medical Ins	\$12.00		MARCH LIFE INS-STEVE PETERS
Total MINNESOTA MUTUAL LIFE		\$69.20		

Paid Chk# 023448 3/2/2020 THIRD AVENUE AUTO PARTS

E 101-43100-404	Repairs/Maint Machinery/Equip	(\$3.78)		CREDIT ON ACCOUNT
E 101-43100-215	Shop Supplies	\$87.50	S178535	10 PIECE AIR CHISEL SET
E 101-43100-404	Repairs/Maint Machinery/Equip	\$17.29	S178638	AIR FILTER-PAYLOADER
E 101-43100-215	Shop Supplies	\$25.35	S178662	ST-WASHER FLUID,TIRE FOAM
E 101-43100-404	Repairs/Maint Machinery/Equip	\$20.29	S178694	LITE-#14
E 101-43100-404	Repairs/Maint Machinery/Equip	\$23.79	S178720	ST-PROFILE BLADE,SLICK MIST
E 101-42100-406	Vehicle Maint/Gen Repairs	\$7.27	S178766	PD-GALLON CAR WASH,MINI LAMP,BATTERY
E 101-42100-406	Vehicle Maint/Gen Repairs	\$2.09	S178806	PD-LITHIUM BATTERY
E 101-43100-404	Repairs/Maint Machinery/Equip	\$12.39	S178866	ST-OIL FILTER SKIDSTEER
Total THIRD AVENUE AUTO PARTS		\$192.19		

Paid Chk# 023449 3/9/2020 COMMISSIONER OF REVENUE

G 101-21702	State Withholding	\$49.52		
Total COMMISSIONER OF REVENUE		\$49.52		

Paid Chk# 023450 3/9/2020 INTERNAL REVENUE SERVICE

G 101-21701	Federal Withholding	\$67.34		
G 101-21703	FICA Tax Withholding	\$753.38		
Total INTERNAL REVENUE SERVICE		\$820.72		

Paid Chk# 023451 3/12/2020 AFLAC

G 101-21713	AFLAC	\$237.51		
Total AFLAC		\$237.51		

Paid Chk# 023452 3/12/2020 COMMISSIONER OF REVENUE

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March 2020

			Check Amt	Invoice	Comment
G 101-21702	State Withholding		\$730.41		
	Total COMMISSIONER OF REVENUE		\$730.41		
Paid Chk# 023453	3/12/2020	FURTHER/SELECT			
G 101-21714	HSA		\$686.60		
	Total FURTHER/SELECT		\$686.60		
Paid Chk# 023454	3/12/2020	GISLASON & HUNTER			
G 101-21712	Garnishments		\$414.26		
	Total GISLASON & HUNTER		\$414.26		
Paid Chk# 023455	3/12/2020	INTERNAL REVENUE SERVICE			
G 101-21701	Federal Withholding		\$1,677.00		
G 101-21703	FICA Tax Withholding		\$2,367.72		
	Total INTERNAL REVENUE SERVICE		\$4,044.72		
Paid Chk# 023456	3/12/2020	LAW ENFORCEMENT LABOR SERV			
G 101-21711	PD UNION DUES		\$186.00		
	Total LAW ENFORCEMENT LABOR SERV		\$186.00		
Paid Chk# 023457	3/12/2020	PERA			
G 101-21704	PERA		\$4,573.63		
	Total PERA		\$4,573.63		
Paid Chk# 023458	3/12/2020	VALIC			
G 101-21705	VALIC		\$63.00		
	Total VALIC		\$63.00		
Paid Chk# 023459	3/12/2020	ADVANCED SYSTEMS INC			
E 101-41400-200	Office Supplies	\$800.85	730520		CITY-COPIES ON COLOR COPIER 12-1-19 TO 2-29-20
E 205-46500-200	Office Supplies	\$68.06	730520		EDA-COPIES ON COLOR COPIER 12-1-19 TO 2-29-20
E 101-42100-200	Office Supplies	\$3.18	730520		PD-COPIES ON COLOR COPIER 12-1-19 TO 2-29-20
	Total ADVANCED SYSTEMS INC	\$872.09			
Paid Chk# 023460	3/12/2020	AGCO FINANCE-AGCOPLUS			
E 101-43100-212	Motor Fuels	\$16.54	IM42612		DEF-ST DEPT
E 101-00000-430	Miscellaneous	\$9.22	IM42652		PARTS FOR SNO BLOWER AT CITY HALL
E 101-43100-212	Motor Fuels	\$16.54	IM42772		DEF-ST DEPT
	Total AGCO FINANCE-AGCOPLUS	\$42.30			
Paid Chk# 023461	3/12/2020	ALPHA WIRELESS COMMUNICATIONS			
E 101-45200-404	Repairs/Maint Machinery/Equip	\$18.90	5890		3" RADIO ANTENNA-S.PETERS
E 101-46200-430	Miscellaneous	\$12.60	5890		3" RADIO ANTENNA-S.PETERS
	Total ALPHA WIRELESS COMMUNICATIONS	\$31.50			
Paid Chk# 023462	3/12/2020	AMBULANCE FUND			
E 231-42154-430	Miscellaneous	\$15.78	3/4/20		FOOD ON AMB RUN
E 231-42154-430	Miscellaneous	\$17.07	3/9/20		FOOD ON AMB RUN
	Total AMBULANCE FUND	\$32.85			
Paid Chk# 023463	3/12/2020	AMERIPRIDE			
E 101-43100-215	Shop Supplies	\$41.98	2801128457		TOWELS FOR ST DEPT
E 101-41400-401	Repairs/Maint Buildings	\$45.20	2801128457		MATS FOR CITY HALL
E 101-43100-215	Shop Supplies	\$56.80	2801138867		TOWELS FOR ST DEPT
E 101-41400-401	Repairs/Maint Buildings	\$56.66	2801138867		MATS FOR CITY HALL
	Total AMERIPRIDE	\$200.64			

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			Check Amt	Invoice	Comment
Paid Chk# 023464	3/12/2020	ANDYS AUTO REPAIR & TOWING			
E 231-42154-404	Repairs/Maint Machinery/Equip		\$205.00	911	AMBULANCE ALIGNMENT
	Total	ANDYS AUTO REPAIR & TOWING	\$205.00		
Paid Chk# 023465	3/12/2020	BARBARA CRAWFORD			
E 101-41410-100	Wages and Salaries		\$50.00		5 HRS ELECTION JUDGE
	Total	BARBARA CRAWFORD	\$50.00		
Paid Chk# 023466	3/12/2020	BOOKPAGE			
E 211-45500-434	Project Expense		\$354.00		LIBRARY PROJECT EXP
	Total	BOOKPAGE	\$354.00		
Paid Chk# 023467	3/12/2020	CARLA QUIRING			
E 101-41410-100	Wages and Salaries		\$130.00		13 HRS ELECTION JUDGE
	Total	CARLA QUIRING	\$130.00		
Paid Chk# 023468	3/12/2020	CITIZEN PUBLISHING			
E 231-42154-430	Miscellaneous		\$170.70	298402	AMB-EMT AD
E 101-41400-351	Legal Notices Publishing		\$49.20	298513	ORDINANCE 2-20
	Total	CITIZEN PUBLISHING	\$219.90		
Paid Chk# 023469	3/12/2020	COUNTRY PRIDE SERVICES			
E 221-42200-212	Motor Fuels		\$89.03		FIRE DEPT GAS
E 231-42154-212	Motor Fuels		\$176.73		AMBULANCE FUEL
E 101-42100-212	Motor Fuels		\$110.98		PD GAS
E 101-43100-212	Motor Fuels		\$1,698.40		ST DEPT GAS
E 101-43100-404	Repairs/Maint Machinery/Equip		\$610.19	101385,21884	ST DEPT-TIRES FOR S55,2X12,SPRAY PAINT
E 101-45186-220	Repair/Maint Supply		\$140.81	218279,21843	COMM CTR-BALLAST,TAPE FOR WINDOW
E 221-42200-401	Repairs/Maint Buildings		\$21.33	218819	IGNITOR FURNACE AT FIREHALL
E 231-42154-401	Repairs/Maint Buildings		\$10.51	218819	IGNITOR FURNACE AT FIREHALL
E 608-46330-401	Repairs/Maint Buildings		\$274.55	218875,21877	COMPOUND,PAINT SUPPLIES
	Total	COUNTRY PRIDE SERVICES	\$3,132.53		
Paid Chk# 023470	3/12/2020	CURT JANZEN			
E 221-42200-210	Operating Supplies		\$104.17		15 BAGS FLOOR DRY-FIRE DEPT
	Total	CURT JANZEN	\$104.17		
Paid Chk# 023471	3/12/2020	DENNIS HULZEBOS			
E 211-45500-400	Janitor-Repairs/Maint		\$345.00		MARCH MAINT AT LIBRARY
	Total	DENNIS HULZEBOS	\$345.00		
Paid Chk# 023472	3/12/2020	DUERKSEN ELECTRIC INC.			
E 211-45500-220	Repair/Maint Supply		\$101.50	4810	BULBS AND WORK AT LIBRARY
	Total	DUERKSEN ELECTRIC INC.	\$101.50		
Paid Chk# 023473	3/12/2020	EXPERT T BILLING			
E 231-42154-300	Professional Svcs		\$510.00		FEBRUARY RUNS
	Total	EXPERT T BILLING	\$510.00		
Paid Chk# 023474	3/12/2020	FAIRMONT GLASS & SIGN			
E 101-45186-401	Repairs/Maint Buildings		\$829.69	366006	WINDOW AT COMM CTR
	Total	FAIRMONT GLASS & SIGN	\$829.69		
Paid Chk# 023475	3/12/2020	H.E.A.T. TECHNICAL TEAM			
E 101-42100-313	H.E.A.T. Dues		\$602.55		2020 DUES-PD
	Total	H.E.A.T. TECHNICAL TEAM	\$602.55		

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			Check Amt	Invoice	Comment
Paid Chk# 023476	3/12/2020	HEIDI JAHNKE			
E 101-41410-100	Wages and Salaries		\$80.00		8 HRS ELECTION JUDGE
	Total	HEIDI JAHNKE	\$80.00		
Paid Chk# 023477	3/12/2020	INDOFF INCORPORATED			
E 211-45500-200	Office Supplies		\$17.52		LIBRARY OFFICE SUPPLIES
	Total	INDOFF INCORPORATED	\$17.52		
Paid Chk# 023478	3/12/2020	INGRAM			
E 211-45500-590	Capital Outlay Books		\$404.54		LIBRARY BOOKS
	Total	INGRAM	\$404.54		
Paid Chk# 023479	3/12/2020	JEAN HABERMAN			
E 101-41410-100	Wages and Salaries		\$50.00		5 HRS ELECTION JUDGE
	Total	JEAN HABERMAN	\$50.00		
Paid Chk# 023480	3/12/2020	JERRY LOGUE			
E 101-41410-100	Wages and Salaries		\$50.00		5 HRS ELECTION JUDGE
	Total	JERRY LOGUE	\$50.00		
Paid Chk# 023481	3/12/2020	JILL PANKRATZ			
E 101-41410-100	Wages and Salaries		\$50.00		5 HRS ELECTION JUDGE
	Total	JILL PANKRATZ	\$50.00		
Paid Chk# 023482	3/12/2020	KAREN BARGEN			
E 101-41410-100	Wages and Salaries		\$50.00		5 HRS ELECTION JUDGE
	Total	KAREN BARGEN	\$50.00		
Paid Chk# 023483	3/12/2020	KDOM RADIO			
E 101-00000-430	Miscellaneous		\$30.09	20020217	MONTHLY AD
E 101-00000-430	Miscellaneous		\$229.50	20020218	WEB PACKAGE
	Total	KDOM RADIO	\$259.59		
Paid Chk# 023484	3/12/2020	LOIS KORNS			
E 101-41410-100	Wages and Salaries		\$50.00		5 HRS ELECTION JUDGE
	Total	LOIS KORNS	\$50.00		
Paid Chk# 023485	3/12/2020	LYNDA COWELL			
E 101-41410-100	Wages and Salaries		\$48.00		4 HRS ELECTION JUDGE
	Total	LYNDA COWELL	\$48.00		
Paid Chk# 023486	3/12/2020	MICHAEL SCHULTE			
E 101-45186-401	Repairs/Maint Buildings		\$200.91		MICROPHONE SYSTEM FOR COMM CTR
E 101-41410-200	Office Supplies		\$68.67	3/3/20	ELECTION EXPENSES
	Total	MICHAEL SCHULTE	\$269.58		
Paid Chk# 023487	3/12/2020	MIDWAY FARM EQUIPMENT			
E 101-45200-500	Capital Outlay		\$5,600.00	EM02900	LAWN MOWER-SN#4000957876
	Total	MIDWAY FARM EQUIPMENT	\$5,600.00		
Paid Chk# 023488	3/12/2020	MINNESOTA WEST-CANBY			
E 221-42200-308	Training & Instruction		\$550.00	00257679	FD-OSHA-HAZMAT REVIEW
	Total	MINNESOTA WEST-CANBY	\$550.00		
Paid Chk# 023489	3/12/2020	MIRANDA STOESZ			
E 101-41410-100	Wages and Salaries		\$216.00		18 HRS ELECTION JUDGE

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March 2020

			Check Amt	Invoice	Comment
Total		MIRANDA STOESZ	\$216.00		
Paid Chk#	023490	3/12/2020	MONY VETSOUVANH		
E 101-41910-100	Wages and Salaries		\$50.00		5 HRS ELECTION JUDGE
Total		MONY VETSOUVANH	\$50.00		
Paid Chk#	023491	3/12/2020	PAM LOGUE		
E 101-41410-100	Wages and Salaries		\$50.00		5 HRS ELECTION JUDGE
Total		PAM LOGUE	\$50.00		
Paid Chk#	023492	3/12/2020	PLUM CREEK LIBRARY SYSTEM		
E 211-45500-309	Automation/Tech Expense		\$4,159.46		AUTOMATION/TECH EXP
E 211-45500-307	Delivery Services		\$1,835.00		DELIVERY EXP
E 211-45500-434	Project Expense		\$350.19		PROJECT EXP
E 211-45500-590	Capital Outlay Books		\$895.95		LIBRARY BOOKS-E-BOOKS
E 211-45500-592	A.V. Materials		\$334.04		LIB AV-ONE CLICK DIGITAL
Total		PLUM CREEK LIBRARY SYSTEM	\$7,574.64		
Paid Chk#	023493	3/12/2020	PRAXAIR		
E 231-42154-210	Operating Supplies		\$131.06	95022077	OXYGEN FOR AMB
Total		PRAXAIR	\$131.06		
Paid Chk#	023494	3/12/2020	SEBCO BOOKS		
E 211-45500-590	Capital Outlay Books		\$1,720.74		LIBRARY BOOKS
Total		SEBCO BOOKS	\$1,720.74		
Paid Chk#	023495	3/12/2020	SWWC SERVICE COOPERATIVES		
E 101-42100-131	Employer Paid Health		\$4,153.08		APRIL HEALTH INS-POLICE DEPT
E 101-41400-131	Employer Paid Health		\$3,193.44		APRIL HEALTH INS-OFFICE
E 101-43100-131	Employer Paid Health		\$1,437.05		APRIL HEALTH INS-ST DEPT
E 101-45200-131	Employer Paid Health		\$958.03		APRIL HEALTH INS-PARKS DEPT
E 211-45500-131	Employer Paid Health		\$479.82		APRIL HEALTH INS-LIBRARY
E 101-46200-131	Employer Paid Health		\$798.36		APRIL HEALTH INS-CEMETERY
E 205-46500-131	Employer Paid Health		\$1,596.72		APRIL HEALTH INS-EDA
E 101-42100-135	Employer Paid Other		\$564.50		APRIL HEALTH INS-BRIAN LUNZ
E 101-41400-135	Employer Paid Other		\$564.50		APRIL HEALTH INS-WENDY MEYER
E 101-43100-131	Employer Paid Health		\$564.50		APRIL RICK O HEALTH INSURANCE
E 101-42100-131	Employer Paid Health		\$479.82		FEB HLTH INS-JON BECK
E 101-42100-131	Employer Paid Health		\$479.82		MARCH HLTH INS-JON BECK
E 101-43100-131	Employer Paid Health		\$564.50		RICK O-FEB HEALTH INSURANCE
E 101-43100-131	Employer Paid Health		(\$1,878.50)		RICK O-CREDIT FEB HLTH INS
E 101-43100-131	Employer Paid Health		\$564.50		RICK O-MARCH HLTH INS
E 101-43100-131	Employer Paid Health		(\$1,878.50)		RICK O-CREDIT MARCH HEALTH INSURANCE
Total		SWWC SERVICE COOPERATIVES	\$12,641.64		
Paid Chk#	023496	3/12/2020	TASTE OF HOME		
E 211-45500-590	Capital Outlay Books		\$25.95		LIBRARY BOOKS
Total		TASTE OF HOME	\$25.95		
Paid Chk#	023497	3/12/2020	VAN HEE MEDIA		
E 211-45500-591	Periodicals		\$35.00		PERIODICALS-1 YR COMFREY TIMES/DARFUR GAZETE
Total		VAN HEE MEDIA	\$35.00		
Paid Chk#	023498	3/12/2020	WEBICINE		
E 101-41400-320	Internet		\$395.00	6867	WEB HOSTING

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	Check Amt	Invoice	Comment
Total WEBICINE	\$395.00		
10100 United Prairie	\$50,506.97		

Fund Summary

10100 United Prairie	
101 GENERAL FUND	\$35,504.15
205 ECONOMIC DEVELOPMENT AUTHORITY	\$1,666.48
211 LIBRARY FUND	\$11,060.41
221 FIRE DEPT FUND	\$764.53
231 AMBULANCE FUND	\$1,236.85
608 EDA----8 PLEX FUND	\$274.55
	<u>\$50,506.97</u>

Paid Chk#	Date	Bank	Amount	Comment
000661E	2/28/2020	UNITED PRAIRIE BANK		
E 101-41400-301	Auditing and Acct g Services		\$27.50	FEBRUARY ACH FEE
	Total UNITED PRAIRIE BANK		\$27.50	

Paid Chk#	Date	Bank	Amount	Comment
000662E	3/6/2020	UNITED PRAIRIE BANK		
G 609-22800	Notes Payable - Current		\$510.07	MASON MANOR-PRINC PAYMENT
E 609-46330-610	Interest		\$780.46	MASON MANOR-INTEREST PAYMENT
	Total UNITED PRAIRIE BANK		\$1,290.53	

Mountain Lake Tree Commission
Monday, January 13, 2019
7:45 PM
Mountain Lake City Hall

Members Present: David Bucklin, Steve Harder, Jerry Logue, Gary Hildebrandt

Members Absent: One Vacancy

Staff Present: Michael Schulte, Administrator/Clerk

Others Present: Mike Nelson, Mayor

Call to Order

Bucklin called the meeting to order at 7:51 PM.

Tree Commission Officers

Motion by Hildebrandt, seconded by Harder, to elect Dave Bucklin as Chair. Motion Carried 3 – 0. Abstain by Bucklin. Motion by Hildebrandt, seconded by Bucklin, to elect Jerry Logue as Vice-Chair. Motion carried 3 – 0. Abstain by Logue.

Minutes and Agenda

Motion by Harder, seconded by Hildebrandt, to approve the October 22 Minutes and Agenda. Motion carried 4 – 0.

2020 Tree Program

Applications submitted by the December 31, 2019 deadline were read and reviewed. Harder made a spreadsheet of the removal and planting requests. Harder and Bucklin visited the sites and provided the commission with notes of the sites. Various locations and trees were discussed. A final list will be brought to the next meeting so the administrator can receive bids to remove the trees and send letters to all applicants. Bucklin provided a list of trees that will be purchased.

City Pruning Day

Mayor Nelson requested that the pruning day be more coordinated to decide how the tree branches are properly disposed. Last year, branches were left on the boulevard and there was confusion on who was supposed to dispose the branches. Extra volunteers were suggested to help take the branches to the city burn site.

Conservation Corps Application 2020 Crew

The hope is to get the crew again for 2020. Bucklin will update the commission at the next meeting.

2020 New Site Ideas

Trees around the other stormwater pond at the commercial park were discussed and planned. A grant will be sought to cover the cost of these trees.

Next Meeting

The next meeting will be Monday, March 9, 2020 after the Lake Commission meeting which is projected to be 7:30 p.m.

Adjourn

The meeting was adjourned at 8:34 p.m.

Approved March 9, 2020

ATTEST:

Michael Schulte, Administrator/Clerk

REGULAR MEETING
ECONOMIC DEVELOPMENT AUTHORITY
January 13, 2020
12:00 Noon

PRESENT: Chuck Stevensen, Darla Kruser, Mike Nelson, Steve Syverson, Jerry Haberman and Vern Peterson. Clara Johnson, Advisor.

ABSENT: Jason Flanagan. Dean Janzen and Brad Hanson, Advisors.

STAFF: Rob Anderson and Tabitha Garloff

CITY ADMINISTRATOR: Michael Schulte

GUEST: Deanna Anderson, Observer/Advocate and Karen Stoesz.

1. Call to Order: Jerry called the meeting to order at 12:03 p.m.
2. Motion to Approve Consent Agenda
Consent Agenda:
 - a. Approval of December 9, 2019 Regular EDA Meeting Minutes.
 - b. Approval of Financial Reports and Bills. Motion made and seconded by Steve and Darla to approve the consent agenda with 2 additional bills as presented. Carried.
3. Election of 2020 Officers. Motion made and seconded by Steve and Darla for Jerry to remain president and Vern to remain vice-president. Carried.
4. 2019 Work Plan Year End Report. Rob reviewed the 2019 work plan. Motion made and seconded by Mike and Chuck to approve the 2019 work plan and adding the construction of Subway in the commercial park to the 2020 work plan goals. Carried.
5. Request from Future Growth, Inc. for Option Extension Agreement. The current agreement expires February 10, 2020. Future Growth is requesting an extension with a new expiration date of November 10, 2020. Motion made and seconded by Steve and Darla to approve the extension request. Carried.
6. Community Asset Foundation Housing Project Update. Rob gave an update including answers to the questions board members had at the December meeting. Rob stated principal and interest would be deferred for 10 years. The board asked if interest payments could be made during the 10-year deferral time frame. Rob talk with the Community Asset Foundation about their ability to make interest payments during the deferral period. Management fees figured into the financing are \$275 a month per unit with a 3% per year increase. The EDA would manage the units. Final numbers are being put together. If everything goes as planned construction could begin this year. Board members asked what type of management the EDA would be doing. Rob will provide more information via email when it is available.

7. Mt. Lake Commercial Park:
 - a. Report from January 8th Meeting with Subway. The EDA construction committee met with PJ Miller, Subway, Jeff Nelson, Falls Architect Studio and Todd Tetzloff, Wilcon Construction on January 8th. Jeff provided a site plan and floor plan. The EDA would build the shell of the building and Subway would finish the inside per their specifications. The building would be designed to allow for a drive thru window in the future. The next step is to have Wilcon Construction put together construction cost. Once Wilcon provides construction cost the EDA can put together financing. Subway is willing to sign a 10 years lease.
 - b. Business Visits. Rob met with Vern for an informal visit. Vern stated Peterson Drug has been sold NuCara, Des Moines, Iowa. Erica Schroeder will be a part owner. Vern stated business will continue as usual and he feels the new owners are a good fit for the community and the employees. There is an open house/retirement party scheduled for Vern at Peterson Drug on Friday, January 27th.
 - c. Cold Storage. Karen gave a brief update.
 - d. Brad Barga interested in Lot 4, Buy Now, Pay-off over Time, Build Later. Nothing new to report.
 - e. Other. The video of Mt. Lake was posted on Facebook and has 4,000 views. Rob handed out the brochures to presenters at CVN.

8. Lorraine Oeltjenbruns Request for New Carpet, 400 Heritage Drive, Apt. B. Tabitha stated she received email votes as follows: Jerry, replace just living room carpet, Steve, repair the seam between hallway and bedroom and table until next meeting, Vern, replace just living room carpet, Mike, replace all flooring. No votes received from, Darla, Chuck or Jason. Tabitha was told Lorraine had Holt's clean her carpet. Tabitha and Rob will go look at the carpet and email the board after looking at carpeting. The email vote will be to replace all flooring or just carpet. Tabitha will also get an estimate from Windom Floor and Sleep on flooring.

9. GENERAL DISCUSSION:
 - a. Our Hometown Café Lien Release Received. The lien release has been received along with the \$10,000 check being held in the Schramel Escrow Account.
 - b. Rob to Attend EDAM Winter Conference January 22nd through 24th in Bloomington.
 - c. Next Regular Board Meeting is February 17, 2020, Presidents Day. City Hall Closed. Next meeting will be February 24th.
 - d. Other Business. Michael stated there is a Northland Securities bond refund available that could potentially save approximately \$210,000 over the next 10 years. Krienke Foods and Mountain Power Hydraulic leases would not be affected. Board approved to move forward with the bond refund.

Milk Specialties is looking at putting in some robotics due to the lack of manpower. They have also faced an issue with employees lacking work ethic. Rob will contact the Mountain Lake Public School and Mountain Lake Christian School about their interest in a daycare center. Rob will contact Southwest Minnesota Housing Partnership regarding potential housing that was discussed in Jenny's Subdivision. Rob will contact Bill Strom about holding the March EDA board meeting at the school.

10. Adjourn. Jerry adjourned the meeting at 1:20 p.m.

doug bristol

From: Chuck <chuck@charleswitt.com>
Sent: Thursday, February 6, 2020 7:16 PM
To: dbristol@mountainlakemn.com
Subject: January Police Commission Minutes

Minutes, Police Commission Meeting
January 28, 2019

1. Meeting called to order at 7:04 PM
2. Members present:
 - a. Chad Eken, Chairman
 - b. Chuck Witt, Secretary
 - c. Randy Junker
 - d. Jason Flanagan
 - e. Michael Schulte, City Administrator
 - f. Doug Bristol, Police Chief
3. Minutes
 - a. November minutes read and approved
 - i. Motion: Randy Junker
 - ii. Second: Jason Flanagan
4. Bills/Income/Expenses
 - a. Nothing unusual to report
 - b. Estimated Year End was under budget
 - c. Allowed to be accepted without motion
5. Chief's Report
 - a. Vehicles
 - i. 2016 squad car has approximately 80,000 miles
 1. Brakes were replaced
 - ii. 2019 squad car has approximately 30,000 miles
 - b. Calls were above normal for the month of December
6. Old Business
 - a. Officer Will Pohlman
 - i. Rumor was that he was leaving for a position with Windom PD
 - ii. Officer Pohlman has indicated that he is staying
 - b. Department Issued Cell Phones
 - i. The department is moving forward with issuing cell phones to the officers
 - c. Officer Andrew Kinnetz
 - i. Working solo
 - ii. Performance is good
 - d. Officer Jon Beck
 - i. Stated will work full time, but not long term
 - ii. Working as a part time bailiff for Chisago County
 - e. Impound Lot

- i. Mercedes was returned to owner
 - 1. Received approximately \$740 for storage and towing fees
- ii. Nothing more from Utility Commission on negotiating terms of purchasing the allocated space

7. New Business

a. Hiring Update

- i. Received five (5) applications
 - 1. Adam Watkins is one applicant
 - 1. Had worked for Windom PD
 - 2. Released from employment during probation period
 - 3. Familiar with Zuercher, etc.
- ii. Interviews will be scheduled initially for Part Time position

b. City Ordinance Updates

- i. Excessive storage on property to be addressed
 - 1. A property has turned their backyard into a fenced-in private parking lot
 - 1. All vehicles stored have current tabs, insurance, registration, and are operable
 - 2. Owner does repairs on vehicles and sells them in Texas
 - 3. Owner claims he is not running a business out of the home
 - 2. A property has multiple vehicles plus additional junk on property
 - 3. A property owner has a jury trial in civil court
 - 1. A judgment in favor of the city does not guarantee clean-up
 - 4. A property has received judgment in favor of the city
 - 1. Judgment allows the city to tear down all structures on the property
 - 2. Judgment is being appealed
 - 3. Potential businesses have expressed interest with the city in this property

c. Police Commission

- i. Brian Lutz has resigned from the commission
- ii. Jamie Boldt-Smith has accepted to be on the commission

8. Items from the Floor

- a. None

9. Adjournment

- a. Motion: Randy Junker
- b. Second: Jason Flanagan
- c. Meeting adjourned at 8:06 PM

Chuck Witt

Owner | Charles Witt Communications, LLC | 507-382-0186
 414 11th Street N | Mountain Lake, MN 56159
www.charleswitt.com

Instructor | Mountain Lake Firearms Academy | 507-327-2807
<http://www.mountainlakefirearms.com>

"The right to keep and bear arms shall not be infringed." - 2nd Amendment

"Laws that forbid the carrying of arms...disarm only those who are neither inclined nor determined to commit crimes. Such laws make things worse for the assaulted and better for the assailants, they serve rather to encourage than to prevent homicides, for an unarmed man may be attacked with greater confidence than an armed man." - Thomas Jefferson

**Regular Lake Commission Meeting
Monday, February 10, 2020, 6:30 p.m.**

Members Present: Jason Kruser, Dave Bucklin, Janell Bargaen, Randy Loewen, Jean Haberman

Members Absent: Jason Honkomp, Jim Peterson

Guests Present: Mike Nelson, Michael Schulte

Chair Kruser called the meeting to order at 6:30 p.m.

M/S/P Bucklin/Bargaen to approve the minutes of the January 13th meeting.

Treasurer's Report (2/6/2020):

Income:

UPB Interest 58.37

Expenses:

WDR - License tabs for can trailer 19.25

Ending Balance: **\$40,975.19**

Savings Balance 22,025.19

Weed Harvester replacement funds from Cot. Co. (2018) 20,000.00

Weed Harvester replacement funds from Cot. Co. (Jan. 2019) 10,000.00

Weed Harvester replacement funds from Cot. Co. (Oct. 2019) 20,000.00

Total Savings Balance: **72,025.19**

M/S/P Bargaen/Bucklin to approve Treasurer's Report.

A big welcome was given to Randy Loewen, our new Lake Commission member!

Can Bin & Trailer: Michael Schulte contacted the ag. teacher and he said that they won't be able to fix the trailer. Steve Peters is going to purchase some lumber and Jason K. will plan a time to work on the trailer. For now, some cans need to be emptied from the bin and put into the trailer until warmer weather. Jason is working with Scott Pankratz on getting quotes for a banner for the bin.

Harvesting Permit: M/S/P Bucklin/Bargaen to pay a \$36 fee for an Aquatic Plant Management Permit.

Lake Gauge and Secchi Disk: Randy Loewen volunteered to take lake depth and Secchi Disk readings during the summer. He will put a gauge next to his dock.

Aquatic Invasive Species Grant: Dave Bucklin will check the requirements to see if we can apply by the February deadline.

Aerator: The aerator was turned on Wed., January 22nd. Jason K., Jason H., Jim, and Nathan Gisch drilled the holes and put out the thin ice signs.

Jason K. is going to get prices for a new 4" ice auger, Dewalt drill, and an Otter sled for the aeration system.

Wild Parsnip: Jean is going to contact Brian Nyborg, Area Wildlife Supervisor, to see if he can come to the March meeting to talk about controlling Wild Parsnip.

Respectfully submitted,

Jean Haberman
Secretary/Treasurer

Mountain Lake Municipal Utilities Commission Meeting
Mountain Lake City Hall
Thursday, February 20, 2020
7 AM

Members Present: Sue Garloff, Dean Janzen, Todd Johnson, Mark Langland, Randy Sawatzky

Members Absent: Council Liaison David Savage

Staff Present: Michael Schulte, Administrator/Clerk; Lynda Cowell, Utilities Office Manager; Ron Melson, Electric Superintendent; David Watkins, Electric Lineman; Lane Anderson, Electric Lineman; Taylor Nesmoie, Water/Wastewater Foreman; Scott Pankratz, Water/Wastewater Operator

Others Present: None

Call to Order

The meeting was called to order at 7:00 a.m.

Approval of Agenda, Minutes, and Bills

Motion by Johnson, seconded by Garloff, to approve the agenda, February 6 Minutes, and Bills #019661 - 019688. Motion carried 5 – 0.

Electric Department

A customer's meter was brought to Core & Main to test for deficiencies. The demand usage appears to not reset a few months in a row causing the bill to be inaccurate. The department will discuss further with the customer and credit any inaccurate payments. The department has been cleaning up the cold storage building and testing generators. The generators all checked out. Conductor Power is planning to come to Mountain Lake on Monday to fix the work that has been discussed over the past year.

Water/Wastewater Department

The jet rodder will be serviced next week and Pankratz has been carrying out daily work while Nesmoie has been out of the city.

Wastewater Ponds Project

An update was given by the administrator. The bid from Mathiowetz Construction Co was awarded by the council at their past meeting. The SIU agreement with Milk Specialties was also

approved by the council and has been sent to Milk Specialties for their signature. Other odds and ends of the PFA loan application are being completed by the administrator and Bolton & Menk.

Survey of Parcel ID #11.028.0201.

The city attorney is determining if the legal description of the 3.54 acre parcel is sufficient or if a new legal description is needed. The property owner will be contacted if needed to arrange who will pay for the survey.

2019 Congregation Small Tariff Report

The report was reviewed. Motion by Janzen, seconded by Johnson, to approve the 2019 Cogeneration Small Tariff Report. Motion carried 5 – 0.

Bonded Indebtedness as of 12/31/2019

The report was reviewed and explained by the administrator.

Adjourn

The meeting was adjourned at 7:38 a.m.

Approved March 12, 2020

ATTEST:

Michael Schulte, Administrator/Clerk

**Regular City Council Meeting
Mountain Lake City Hall
Monday, March 2, 2020
6:30 p.m.**

Members Present: David Savage, Dana Kass, Andrew Ysker

Members Absent: Darla Kruser, Mike Nelson

City Staff Present: Michael Schulte, City Administrator/Clerk; Maryellen Suhrhoff, City Attorney; Daron Friesen, Street Superintendent

Others Present: Deanna Anderson, Observer/Advocate; Doug Regehr, Rachel Yoder, Owen Todd, Bolton & Menk

Call to Order

The meeting was called to order by Mayor Nelson at 6:30 p.m.

Approval of Agenda & Consent Agenda

Motion by Kass, seconded by Ysker, to add 2.E – Approve Source Water Protection Plan Implementation Grant Application to the Minnesota Department of Health for \$3,000 to the consent agenda and 6.A – Response from Kuechle Underground to the agenda. Motion carried 3 – 0. Motion by Ysker, seconded by Kass to approve the agenda and consent agenda as amended. Motion carried 3 – 0.

Bills: Checks #23403-23443

Payroll: Checks #65198-65213

Approve February 6 Utilities Commission Minutes

Approve February 18 City Council Minutes

Approve Source Water Protection Plan Implementation Grant Application to the Minnesota Department of Health for \$3,000

Public

No one spoke during this portion of the meeting.

Street Department

Daron Friesen, Street Superintendent, provided a report of items completed in February. Snow removal, cleaning sidewalks, hauling snow, and maintenance and repairs on equipment were some of the main items completed in February.

Street Superintendent Position

Daron Friesen desires to stay in the Street Superintendent position. The Council, according to the AFSCME Union agreement, has the option to approve to continue Friesen in the position or move him back to his former position. Motion by Kass, seconded by Ysker, to approve to continue Daron Friesen in the Street Superintendent position. Motion carried 3 – 0.

Street Worker / Public Works II Position

With the approval of Friesen to continue in the Street Superintendent position, there is now a vacancy in the Street Department for the Street Worker / Public Works II position. The job description was reviewed by the City Administrator and the Street Superintendent. Motion by Ysker, seconded by Kass, to approve the Street Worker / Public Works II job description and approve to fulfill the procedures of filling the vacancy. Motion carried 3 – 0. The position will be posted internally for 10 days and posted externally if needed afterwards.

City Attorney

An agreement was signed between a property owner along 10th Street and the attorney on behalf of the city which states that only 4 registered vehicles on a gravel or paved driveway can reside on the property, that all garbage and construction materials must be cleaned up by March 7th, and that no cars can sit on the front yard. If any violation of the agreement occurs within the next year the city has the right to enter the property and remove the vehicles or materials. The agreement was approved by the district judge. A public nuisance citation was given to a property owner on 3rd Ave. Option-to-buy letters were sent to the two property owners for the wastewater ponds project. A good legal description was given for the property owned by the city to be sold to Shirley Riuhl. The greenhouse property remains in the appeal process. The city attorney has contacted the property owner's attorney to request if various city officials can meet with the property owners to walk through the property to go over what must be fixed to become in compliance with the building official. No response has been made. A response from Kuechle Underground regarding 2nd Avenue and the other punch list items was sent to the city attorney. Owen Todd, Bolton & Menk, was in attendance to state that Bolton & Menk's attorney will work with the city's attorney on addressing a statement back and stated if any legal costs should be made by the city that Bolton & Menk would cover the costs.

Utilities Easement Agreement – Leonard Penner

Staff and the attorney met with Leonard Penner last week. A utilities easement agreement was signed by Leonard Penner and is being brought forward to the City Council. Penner owns a small triangular section near the current lift station that is needed to install underground pipes from the current infrastructure up to the new wastewater ponds. In addition, a new electric pole will be installed to attach a guidewire to keep the current poles in line. The agreement states the city will attempt to better grade the manholes on Penner's property and allow him to hook up to the sewer

main if desired in the future. Motion by Ysker, seconded by Kass, to approve the utilities easement agreement with Leonard Penner. Motion carried 3 – 0.

American Public Power Association Legislative Rally

The administrator recently attended the American Public Power Association Legislative Rally in Washington D.C. Last Wednesday, a group of around 50 individuals from Minnesota utilities, in partnership with Minnesota Municipal Utilities Association, met with seven Minnesota U.S. Representatives and Minnesota’s two U.S. Senators, whether the Senator/Representative or their staff, to discuss the most pressing issues and trends regarding federal legislation pertaining to public power. The administrator spoke to Representative Pete Stauber and a staff member from Tom Emmer’s office.

Adjourn

The meeting was adjourned at 6:47 p.m.

ATTEST:

Michael Schulte, Administrator/Clerk

2020 Bike Rodeo Helmet Grant Application

Tell us briefly about your organization. For example, you may include a brief synopsis of the organization's mission and history - when founded, for what purpose, etc.

Mountain Lake's Active Living Committee was formed in March 2017 with the goal of promoting current opportunities for physical activity and identifying policy, system, and environmental gaps to create future programs to allow Mountain Lake residents additional chances to stay active year-round. Our committee initially focused on walking and biking initiatives and goals identified in the city's Active Living Plan created in 2015 but has since expanded into indoor winter programming and other recreational opportunities. We've also been fortunate to partner with other area organizations- including ECFE, Community Education, law enforcement, and businesses- to collaborate and increase promotion of these activities and have seen great success with these programs.

Please provide a description of the project to be funded, including the amount of support being requested and total budget for the project.

Our committee is planning to partner with local law enforcement to offer bike rodeo events in Mountain Lake and Windom as a means of educating young bicyclists on safe biking practices. These bike rodeo events include obstacles that will educate and reinforce correct bicycling practices including turn signaling, braking, and how to perform a basic bike check before riding. Volunteers with expertise in bike repair and maintenance will also provide basic maintenance to assure bikes are ready for the biking season. As part of the bike rodeo events, we also demonstrate how to properly fit a bike helmet to encourage safe riding; to encourage the use of bike helmets for children of all socioeconomic levels, we offer complimentary bike helmets to those who don't have a helmet or have a helmet that isn't safe for them to use. Our committee is requesting \$850 to cover the cost of 60 bike helmets with 30 of these helmets being designated for each community's bike rodeo. This number is based on the amount of helmets we've had in the past for these events and have been able to successfully give to children without helmets. When a light meal is provided with these events, the total budget for these events run ~\$1,000.00 and are made possible through volunteers who donate their time in-kind to the community.

What specifically will the funding be used for, and how will this benefit the community as a whole?

If granted, the requested funding amount will cover the bike helmets that our committee wishes to be able to give to those in need of a properly-fitted helmet. As these helmets are the major expense for the bike rodeos, but also imperative to encourage safe bike riding habits, our committee would be able to encourage safe physical activity to families regardless of their ability to afford a quality bike helmet. These bike helmets tie in well with current physical activity initiatives promoting biking in both Windom and Mountain Lake; Windom currently has a bike fix-it station installed within their city limits and has biking promotion strategies at the forefront of their city stakeholders' minds when building their new school building and working toward making Windom more bike-friendly. The Windom Kiwanis Club also volunteers their time to fix donated bicycles to give away to children of all ages at their annual bike giveaway event typically held in early spring (May/June) to further encourage physical activity. The community of Mountain Lake has also made significant strides in promoting biking on their lake trail by installing a Bluetooth-enabled bike rental system (available May-October) and offering the annual bike rodeo event. A bike fix-it station will be purchased through the Active Living Committee and installed in early Spring 2020 to offer bicyclists basic tools for bike repair and maintenance; it is also part of our committee's long-term goal to implement basic bike repair and maintenance into spring physical education classes to encourage independent and safe biking practices throughout grades K-12. Both bike rodeo events are community events and encourage physical activity to help make Cottonwood County residents healthier starting at a younger age.

RESOLUTION #6-20

RESOLUTION ACCEPTING DONATIONS TO THE CITY.

City of Mountain Lake, MN

WHEREAS, the City of Mountain Lake is generally authorized to accept donations of real and personal property pursuant to Minnesota Statutes Section 465.03 for the benefit of its citizens and is specifically authorized to accept gifts.

WHEREAS, the following persons and entities have offered to contribute the cash amounts set forth below to the city to be used with the Mountain Lake Fire Department and Mountain Lake Ambulance Department, respectively:

<u>Name of Donor</u>	<u>Amount</u>
Nickel Construction	\$12,500
Stanley and Sallie Green	\$500

WHEREAS, all such donations have been contributed to the city for the benefit of its citizens, as allowed by law; and

WHEREAS, the City Council finds that it is appropriate to accept the donations offered.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOUNTAIN LAKE, MINNESOTA AS FOLLOWS:

1. The donations described above are accepted and shall be used with the Mountain Lake Fire Department and Mountain Lake Ambulance Department, respectively.
2. The Mountain Lake City Council thanks all donors for their gift towards the Mountain Lake Fire & Ambulance Department,

Passed by the City Council of Mountain Lake, Minnesota this 16th day of March, 2020.

Mayor Mike Nelson

Attest:

Michael Schulte, City Administrator/Clerk

Finance Plan

City of Mountain Lake, Minnesota

\$2,305,000

Taxable General Obligation Refunding Bonds,
Series 2020A

March 16, 2020



150 South 5th Street, Suite 3300

Minneapolis, MN 55402

612-851-5900 800-851-2920

www.northlandsecurities.com

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Executive Summary

The following is a summary of the recommended terms for the issuance of \$2,305,000 Taxable General Obligation Refunding Bonds, Series 2020A (the "Bonds" or the "Refunding Bonds"). Additional information on the proposed finance plan and issuing process can be found after the Executive Summary, in the Issue Overview and Attachment 4 - Related Considerations.

Purpose	Proceeds from the Bonds will be used to crossover refund the 2022 through 2029 maturities of the City's Taxable General Obligation Tax Increment Bonds, Series 2013B on February 1, 2021; to crossover refund the 2022 through 2029 maturities of the City's General Taxable Obligation Tax Increment Bonds, Series 2014A on February 1, 2021; to current refund the 2021 through 2032 maturities of the City's Taxable General Obligation Tax Abatement Bonds, Series 2016A on May 26, 2020; and to pay the costs associated with the issuance of the Bonds.									
Security	The Bonds will be a General Obligation of the City. The City will pledge for payment of the Bonds: <ul style="list-style-type: none">• Tax increment revenues• Rental payments• Tax abatement levy• Ad valorem taxes									
Repayment Term	The Bonds will mature annually each February 1 in the years 2021 through 2032. Interest on the Bonds will be payable on August 1, 2020 and semiannually thereafter on each February 1 and August 1.									
Refunding Summary	<table><tr><td>Estimated Savings:</td><td>Dollar savings</td><td>\$231,293</td></tr><tr><td></td><td>Net Present Value</td><td>\$220,883</td></tr><tr><td></td><td>Net PV Percent</td><td>8.32%</td></tr></table>	Estimated Savings:	Dollar savings	\$231,293		Net Present Value	\$220,883		Net PV Percent	8.32%
Estimated Savings:	Dollar savings	\$231,293								
	Net Present Value	\$220,883								
	Net PV Percent	8.32%								
Estimated Interest Rate	Average coupon: 2.15% True interest cost (TIC): 2.44%									
Prepayment Option	Bonds maturing on and after February 1, 2029 will be subject to redemption on February 1, 2028 and any day thereafter at a price of par plus accrued interest.									
Rating	A rating will be requested from Standard and Poor's (S&P). The City's general obligation debt is currently rated "A+" by S&P.									
Tax Status	The Bonds will be taxable and not bank qualified obligations.									
Risk Factors	There are certain risks associated with all debt. Risk factors related to the Bonds are discussed in Attachment 6.									
Type of Bond Sale	Negotiated with Northland Securities, Inc.									
Pricing Date	Thursday, April 16, 2020									
Council Ratification	Monday, April 20, 2020									

Issue Overview

Purpose

Proceeds from the Bonds will be used for the following purposes:

- to crossover refund the 2022 through 2029 maturities of the City's Taxable General Obligation Tax Increment Bonds, Series 2013B on February 1, 2021 (the "Series 2013B Bonds" or "Series 2013B Portion");
- to crossover refund the 2022 through 2029 maturities of the City's General Taxable Obligation Tax Increment Bonds, Series 2014A on February 1, 2021 (the "Series 2014A Bonds" or "Series 2014A Portion");
- to current refund the 2021 through 2032 maturities of the City's Taxable General Obligation Tax Abatement Bonds, Series 2016A on May 26, 2020 (the "Series 2016A Bonds" or "Series 2016A Portion" and together with the Series 2013B Bonds and the Series 20104A Bonds, the "Refunded Bonds");
- and to pay the costs associated with the issuance of the Bonds.

The Bonds have been sized based on the proceeds required to refund the outstanding maturities of the Refunded Bonds. The table below contains the sources and uses of funds for the bond issue.

Refunding Summary

	2013B	2014A	2016A	Issue Summary
Sources Of Funds				
Par Amount of Bonds	\$860,000.00	\$1,125,000.00	\$320,000.00	\$2,305,000.00
Transfers from Prior Issue DSR Funds	-	187,691.93	-	187,691.93
Total Sources	\$860,000.00	\$1,312,691.93	\$320,000.00	\$2,492,691.93
Uses Of Funds				
Deposit to Current Refunding Fund	-	-	311,522.83	311,522.83
Deposit to Escrow Fund	831,919.37	1,280,178.67	-	2,112,098.04
Total Underwriter's Discount (1.500%)	12,900.00	16,875.00	4,800.00	34,575.00
Costs of Issuance	12,853.59	16,043.92	3,852.49	32,750.00
Rounding Amount	2,327.04	(405.66)	(175.32)	1,746.06
Total Uses	\$860,000.00	\$1,312,691.93	\$320,000.00	\$2,492,691.93

The Series 2013B Bonds maturing on and after February 1, 2022 are eligible for call and prepayment on February 1, 2021 (the "2013B Call Date"). A portion of the proceeds of the Bonds will be deposited in an escrow for the 2013B Bonds until February 1, 2021. At that time, monies in the escrow will be used to prepay all outstanding principal of the 2013B Bonds. The City will continue to pay principal and interest on the Series 2013B Bonds until the 2013B Call Date. Prior to that date, funds in the escrow will be used to make the interest payments on the new Series 2013B Portion of the Refunded Bonds. After the 2013B Call Date, the City will "crossover" and begin paying the full debt service on the Series 2013B Portion of the Refunding Bonds. Based on current market conditions, we have estimated total savings of \$82,445 with a present value of \$74,763, for the refunding of the Series 2013B Bonds.

The Series 2014A Bonds maturing on and after February 1, 2022 are eligible for call and prepayment on February 1, 2021 (the "2014A Call Date"). A portion of the proceeds of the Bonds will be deposited in an escrow for the 2014A Bonds until February 1, 2021. At that time,

monies in the escrow will be used to prepay all outstanding principal of the 2014A Bonds. The City will continue to pay principal and interest on the Series 2014A Bonds until the 2014A Call Date. Prior to that date, funds in the escrow will be used to make the interest payments on the new Series 2014A Portion of the Refunding Bonds. After the 2014A Call Date, the City will “crossover” and begin paying the full debt service on the Series 2014A Portion of the Refunding Bonds. Based on current market conditions, we have estimated total savings of \$126,665 with a present value of \$126,317, for the refunding of the Series 2014A Bonds.

The Series 2016A Bonds are eligible for call and prepayment on any date. The 2021 through 2032 maturities will be called for prepayment on May 26, 2020 (the “2016A Call Date”). A portion of the proceeds of the Bonds will be wired to Northland Trust Services, Inc., the Paying Agent on the 2016A Bonds, on May 26, 2020 to prepay the outstanding principal and accrued interest on the 2016A Bonds. The City will begin making payments on the Series 2016A Portion of the Refunding Bonds on August 1, 2020. Based on current market conditions, we have estimated total savings of \$22,184 with a present value of \$19,803, for the refunding of the Series 2016A Bonds.

The projected annual savings are shown in Attachment 1.

Authority

The Bonds will be issued pursuant to the authority of Minnesota Statutes, Sections 469.1812 through 469.1815 and Chapters 469 and 475.

Structure

The Bonds have been structured to result in relatively level annual savings for each issue being refunded, which is similar to the original structures of each of the Refunded Bonds.

Debt service reserve funds from the Series 2014A Bonds in the amount of \$187,691.93 will be transferred to the Bonds and used to reduce the size of the Series 2014A Bonds Portion of the Bonds. A new debt service reserve fund will not be established for the Series 2014A Portion of the Bonds.

The proposed structure for the bond issue and preliminary debt service projections are illustrated in Attachment 2.

Security and Source of Repayment

The Bonds will be general obligations of the City. The finance plan relies on the following assumptions for the revenues used to pay debt service, as provided by City staff:

- Tax Increment Revenues. The Series 2013B Portion of the Bonds is secured from tax revenues received from the City’s Tax Increment Financing District No. 1-5, as pledged by the Economic Development Authority of the City (the “EDA”) in a Pledge Agreement dated October 1, 2013 (the “2013B Pledge Agreement”). The anticipated amount of remaining tax increment revenue of TIF District No. 1-5 is approximately \$25,000 annually (collection years 2020-2023).
- Rental Payments. The Series 2013B Bonds are additionally secured by rental payments received by the EDA pursuant to a lease agreement between the EDA and Krienke Foods International, as pledged in the 2013B Pledge Agreement.

The Series 2014A Bonds are additionally secured by rental payments received by the EDA pursuant to a lease agreement between the EDA and MIFEK RE, LLC, d/b/a Mountain Lake Hydraulic, as pledged in the 2014A Pledge Agreement.

Bond Counsel for the City and the EDA has confirmed that the 2013B Pledge Agreement and the 2014A Pledge Agreement will remain in effect after the closing of the Refunding Bonds and no changes to the 2013B Pledge Agreement and the 2014A Pledge Agreement are required.

- Tax Abatements. The Series 2016A Portion of the Bonds is secured by an annual tax abatement levy. The total amount of the taxes proposed to be abated by the City on the parcels identified within the abatement area is estimated to be sufficient to pay annual principal over the remaining life of the Bonds. The abatement area was established with the issuance of the Series 2016A Bonds. The annual abatement levy is spread over the City's entire general tax base (net tax capacity) the same as the general fund levy. Property within the abatement area will pay the same amount of City taxes as property outside of the abatement area. There is no different impact on individual property tax statements for property within the abatement area compared to other property within the City as a whole.
- Property Taxes. The Series 2013B and Series 2014A Portions of the Bonds are not expected to need revenue from property taxes to pay debt service. The Series 2016A Portion of the Bonds is expected to need revenues from property taxes to pay debt service. An annual tax levy is needed to produce the statutory requirement of 105% of debt service for the Series 2016A Portion of the Bonds. The levies for the Series 2016A Portion of the Bonds may be adjusted annually based on actual monies in the debt service fund. For example, if the City were to receive land sale proceeds from the sale of property within the commercial park originally acquired by the City from proceeds of the Series 2016A Bonds, the land sale proceeds may be deposited into the debt service fund.

Preliminary levy schedules are shown in Attachment 3.

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 City objectives, Northland's knowledge of the City and our experience in working with similar cities and projects. The issuance of the Refunding Bonds provides the best means of achieving the City's objectives and cost effective financing. The City has successfully issued and managed this type of general obligation debt for previous projects.

A "crossover" refunding technique is recommended to achieve the refunding objective for the Series 2013B Bonds and Series 2014A Bonds and a current refunding technique is recommended to achieve the refunding objective for the Series 2016A Bonds. The average remaining interest rate on the Series 2013B Bonds is 4.93%, the average remaining interest rate on the Series 2014A Bonds is 4.45%, and the average remaining interest rate on the Series 2016A Bonds is 3.84%. Given current market conditions, Northland estimates the eligible maturities could be refunded with a new bond issue at an average interest rate of approximately 2.15%. This interest rate spread between the old and new bonds would result in a total combined debt service cost savings of approximately \$231,293 with a combined present value benefit of \$220,883. The savings is net of all financing costs and is an estimated amount.

Issuing Process

The City has engaged Northland to act as underwriter for the Bonds pursuant to federal securities regulations. Northland will purchase the Bonds in an “arm’s length” negotiated sale. The calendar of events for the issuing process can be found in Attachment 5.

In authorizing the issuance, the City Council will adopt a trigger (parameters) resolution. The resolution authorizes the Mayor and the City Clerk/Administrator to execute a bond purchase agreement when the total net savings is at least \$200,000. The bond purchase agreement will be ratified by the City Council at its next meeting. This approach gives the City greater flexibility in selling the Bonds when market conditions produce the desired results, rather than accepting the conditions that exist on a specific Council meeting date.

Underwriter: Northland Securities, Inc.

Bond Counsel: Briggs and Morgan, P.A., Minneapolis

Paying Agent and Escrow: Northland Trust Services, Inc.

Attachment 1 - Preliminary Debt Service Comparison

Combined

Date	Total P+I	PCF	Existing D/S	Net New D/S	Old Net D/S	Savings
02/01/2021	57,307.67	(2,137,606.74)	2,431,462.50	349,417.37	353,490.50	4,073.13
02/01/2022	307,022.50	-	-	307,022.50	356,582.00	49,559.50
02/01/2023	307,212.50	-	-	307,212.50	357,160.00	49,947.50
02/01/2024	302,177.50	-	-	302,177.50	353,350.50	51,173.00
02/01/2025	302,142.50	-	-	302,142.50	353,247.50	51,105.00
02/01/2026	301,877.50	-	-	301,877.50	352,683.50	50,806.00
02/01/2027	301,377.50	-	-	301,377.50	355,333.50	53,956.00
02/01/2028	295,497.50	-	-	295,497.50	352,247.50	56,750.00
02/01/2029	304,197.50	-	-	304,197.50	165,233.57	(138,963.93)
02/01/2030	32,265.00	-	-	32,265.00	32,690.00	425.00
02/01/2031	31,530.00	-	-	31,530.00	32,501.00	971.00
02/01/2032	30,780.00	-	-	30,780.00	32,271.00	1,491.00
Total	\$2,573,387.67	(2,137,606.74)	\$2,431,462.50	\$2,865,497.37	\$3,096,790.57	\$231,293.20

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....	375,146.92
Effects of changes in DSR investments.....	(156,010.25)
Net PV Cashflow Savings @ 2.141%(Bond Yield)....	219,136.67
Contingency or Rounding Amount.....	1,746.06
Net Present Value Benefit	\$220,882.73
Net PV Benefit / \$2,652,860.16 PV Refunded Debt Service	8.326%
Net PV Benefit / \$2,418,000 Refunded Principal...	9.135%
Net PV Benefit / \$2,305,000 Refunding Principal..	9.583%

Series 2013B

Date	Total P+I	PCF	Existing D/S	Net New D/S	Old Net D/S	Savings
02/01/2021	11,960.76	(841,960.76)	957,237.50	124,910.46	127,237.50	2,327.04
02/01/2022	117,575.00	-	-	117,575.00	129,262.50	11,687.50
02/01/2023	120,725.00	-	-	120,725.00	130,662.50	9,937.50
02/01/2024	118,730.00	-	-	118,730.00	126,862.50	8,132.50
02/01/2025	116,735.00	-	-	116,735.00	127,587.50	10,852.50
02/01/2026	119,687.50	-	-	119,687.50	128,087.50	8,400.00
02/01/2027	117,487.50	-	-	117,487.50	127,837.50	10,350.00
02/01/2028	115,177.50	-	-	115,177.50	127,337.50	12,160.00
02/01/2029	117,702.50	-	-	117,702.50	126,300.00	8,597.50
Total	\$955,780.76	(841,960.76)	\$957,237.50	\$1,068,730.46	\$1,151,175.00	\$82,444.54

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....	72,435.73
Net PV Cashflow Savings @ 2.141%(Bond Yield)....	72,435.73
Contingency or Rounding Amount.....	2,327.04
Net Present Value Benefit	\$74,762.77
Net PV Benefit / \$919,337.48 PV Refunded Debt Service	8.132%
Net PV Benefit / \$830,000 Refunded Principal...	9.008%
Net PV Benefit / \$860,000 Refunding Principal..	8.693%

Series 2014A

Date	Total P+I	PCF	Existing D/S	Net New D/S	Old Net D/S	Savings
02/01/2021	15,645.97	(1,295,645.98)	1,474,225.00	194,630.65	194,225.00	(405.65)
02/01/2022	157,990.00	-	-	157,990.00	194,837.50	36,847.50
02/01/2023	155,492.50	-	-	155,492.50	194,587.50	39,095.00
02/01/2024	152,927.50	-	-	152,927.50	194,150.00	41,222.50
02/01/2025	155,362.50	-	-	155,362.50	193,150.00	37,787.50
02/01/2026	152,632.50	-	-	152,632.50	191,950.00	39,317.50
02/01/2027	154,832.50	-	-	154,832.50	194,750.00	39,917.50
02/01/2028	151,787.50	-	-	151,787.50	192,100.00	40,312.50
02/01/2029	153,525.00	-	-	153,525.00	6,095.57	(147,429.43)
Total	\$1,250,195.97	(1,295,645.98)	\$1,474,225.00	\$1,429,180.65	\$1,555,845.57	\$126,664.92

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....	282,733.34
Effects of changes in DSR investments.....	(156,010.25)
Net PV Cashflow Savings @ 2.141%(Bond Yield).....	126,723.09
Contingency or Rounding Amount.....	(405.66)
Net Present Value Benefit	\$126,317.43
Net PV Benefit / \$1,390,619.40 PV Refunded Debt Service	9.084%
Net PV Benefit / \$1,280,000 Refunded Principal...	9.869%
Net PV Benefit / \$1,125,000 Refunding Principal..	11.228%

Series 2016A

Date	Total P+I	Net New D/S	Old Net D/S	Savings
02/01/2021	29,700.94	29,876.26	32,028.00	2,151.74
02/01/2022	31,457.50	31,457.50	32,482.00	1,024.50
02/01/2023	30,995.00	30,995.00	31,910.00	915.00
02/01/2024	30,520.00	30,520.00	32,338.00	1,818.00
02/01/2025	30,045.00	30,045.00	32,510.00	2,465.00
02/01/2026	29,557.50	29,557.50	32,646.00	3,088.50
02/01/2027	29,057.50	29,057.50	32,746.00	3,688.50
02/01/2028	28,532.50	28,532.50	32,810.00	4,277.50
02/01/2029	32,970.00	32,970.00	32,838.00	(132.00)
02/01/2030	32,265.00	32,265.00	32,690.00	425.00
02/01/2031	31,530.00	31,530.00	32,501.00	971.00
02/01/2032	30,780.00	30,780.00	32,271.00	1,491.00
Total	\$367,410.94	\$367,586.26	\$389,770.00	\$22,183.74

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....	19,977.84
Net PV Cashflow Savings @ 2.141%(Bond Yield).....	19,977.84
Contingency or Rounding Amount.....	(175.32)
Net Present Value Benefit	19,802.52
Net PV Benefit / \$342,903.27 PV Refunded Debt Service	5.775%
Net PV Benefit / \$308,000 Refunded Principal...	6.429%
Net PV Benefit / \$320,000 Refunding Principal..	6.188%

Attachment 2 - Preliminary Debt Service Schedules

Combined

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/26/2020	-	-	-	-	-
08/01/2020	-	-	8,571.42	8,571.42	-
02/01/2021	25,000.00	1.800%	23,736.25	48,736.25	57,307.67
08/01/2021	-	-	23,511.25	23,511.25	-
02/01/2022	260,000.00	1.850%	23,511.25	283,511.25	307,022.50
08/01/2022	-	-	21,106.25	21,106.25	-
02/01/2023	265,000.00	1.900%	21,106.25	286,106.25	307,212.50
08/01/2023	-	-	18,588.75	18,588.75	-
02/01/2024	265,000.00	1.900%	18,588.75	283,588.75	302,177.50
08/01/2024	-	-	16,071.25	16,071.25	-
02/01/2025	270,000.00	1.950%	16,071.25	286,071.25	302,142.50
08/01/2025	-	-	13,438.75	13,438.75	-
02/01/2026	275,000.00	2.000%	13,438.75	288,438.75	301,877.50
08/01/2026	-	-	10,688.75	10,688.75	-
02/01/2027	280,000.00	2.100%	10,688.75	290,688.75	301,377.50
08/01/2027	-	-	7,748.75	7,748.75	-
02/01/2028	280,000.00	2.250%	7,748.75	287,748.75	295,497.50
08/01/2028	-	-	4,598.75	4,598.75	-
02/01/2029	295,000.00	2.350%	4,598.75	299,598.75	304,197.50
08/01/2029	-	-	1,132.50	1,132.50	-
02/01/2030	30,000.00	2.450%	1,132.50	31,132.50	32,265.00
08/01/2030	-	-	765.00	765.00	-
02/01/2031	30,000.00	2.500%	765.00	30,765.00	31,530.00
08/01/2031	-	-	390.00	390.00	-
02/01/2032	30,000.00	2.600%	390.00	30,390.00	30,780.00
Total	\$2,305,000.00	-	\$268,387.67	\$2,573,387.67	-

Date And Term Structure

Dated	5/26/2020
Delivery Date	5/26/2020
First available call date	2/01/2028
Call Price	100.000%

Yield Statistics

Bond Year Dollars	\$12,508.68
Average Life	5.427 Years
Average Coupon	2.1456114%
Net Interest Cost (NIC)	2.4220194%
True Interest Cost (TIC)	2.4414211%
All Inclusive Cost (AIC)	2.7315471%

Series 2013B

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/26/2020	-	-	-	-	-
08/01/2020	-	-	3,173.26	3,173.26	-
02/01/2021	-	-	8,787.50	8,787.50	11,960.76
08/01/2021	-	-	8,787.50	8,787.50	-
02/01/2022	100,000.00	1.850%	8,787.50	108,787.50	117,575.00
08/01/2022	-	-	7,862.50	7,862.50	-
02/01/2023	105,000.00	1.900%	7,862.50	112,862.50	120,725.00
08/01/2023	-	-	6,865.00	6,865.00	-
02/01/2024	105,000.00	1.900%	6,865.00	111,865.00	118,730.00
08/01/2024	-	-	5,867.50	5,867.50	-
02/01/2025	105,000.00	1.950%	5,867.50	110,867.50	116,735.00
08/01/2025	-	-	4,843.75	4,843.75	-
02/01/2026	110,000.00	2.000%	4,843.75	114,843.75	119,687.50
08/01/2026	-	-	3,743.75	3,743.75	-
02/01/2027	110,000.00	2.100%	3,743.75	113,743.75	117,487.50
08/01/2027	-	-	2,588.75	2,588.75	-
02/01/2028	110,000.00	2.250%	2,588.75	112,588.75	115,177.50
08/01/2028	-	-	1,351.25	1,351.25	-
02/01/2029	115,000.00	2.350%	1,351.25	116,351.25	117,702.50
Total	\$860,000.00	-	\$95,780.76	\$955,780.76	-

Date And Term Structure

Dated	5/26/2020
Delivery Date	5/26/2020
First available call date	2/01/2028
Call Price	100.000%

Yield Statistics

Bond Year Dollars	\$4,530.28
Average Life	5.268 Years
Average Coupon	2.1142359%
Net Interest Cost (NIC)	2.3989867%
True Interest Cost (TIC)	2.4190108%
All Inclusive Cost (AIC)	2.7321503%

Series 2014A

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/26/2020	-	-	-	-	-
08/01/2020	-	-	4,150.97	4,150.97	-
02/01/2021	-	-	11,495.00	11,495.00	15,645.97
08/01/2021	-	-	11,495.00	11,495.00	-
02/01/2022	135,000.00	1.850%	11,495.00	146,495.00	157,990.00
08/01/2022	-	-	10,246.25	10,246.25	-
02/01/2023	135,000.00	1.900%	10,246.25	145,246.25	155,492.50
08/01/2023	-	-	8,963.75	8,963.75	-
02/01/2024	135,000.00	1.900%	8,963.75	143,963.75	152,927.50
08/01/2024	-	-	7,681.25	7,681.25	-
02/01/2025	140,000.00	1.950%	7,681.25	147,681.25	155,362.50
08/01/2025	-	-	6,316.25	6,316.25	-
02/01/2026	140,000.00	2.000%	6,316.25	146,316.25	152,632.50
08/01/2026	-	-	4,916.25	4,916.25	-
02/01/2027	145,000.00	2.100%	4,916.25	149,916.25	154,832.50
08/01/2027	-	-	3,393.75	3,393.75	-
02/01/2028	145,000.00	2.250%	3,393.75	148,393.75	151,787.50
08/01/2028	-	-	1,762.50	1,762.50	-
02/01/2029	150,000.00	2.350%	1,762.50	151,762.50	153,525.00
Total	\$1,125,000.00	-	\$125,195.97	\$1,250,195.97	-

Date And Term Structure

Dated	5/26/2020
Delivery Date	5/26/2020
First available call date	2/01/2028
Call Price	100.000%

Yield Statistics

Bond Year Dollars	\$5,920.63
Average Life	5.263 Years
Average Coupon	2.1145735%
Net Interest Cost (NIC)	2.3995941%
True Interest Cost (TIC)	2.4196491%
All Inclusive Cost (AIC)	2.7186051%

Series 2016A

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/26/2020	-	-	-	-	-
08/01/2020	-	-	1,247.19	1,247.19	-
02/01/2021	25,000.00	1.800%	3,453.75	28,453.75	29,700.94
08/01/2021	-	-	3,228.75	3,228.75	-
02/01/2022	25,000.00	1.850%	3,228.75	28,228.75	31,457.50
08/01/2022	-	-	2,997.50	2,997.50	-
02/01/2023	25,000.00	1.900%	2,997.50	27,997.50	30,995.00
08/01/2023	-	-	2,760.00	2,760.00	-
02/01/2024	25,000.00	1.900%	2,760.00	27,760.00	30,520.00
08/01/2024	-	-	2,522.50	2,522.50	-
02/01/2025	25,000.00	1.950%	2,522.50	27,522.50	30,045.00
08/01/2025	-	-	2,278.75	2,278.75	-
02/01/2026	25,000.00	2.000%	2,278.75	27,278.75	29,557.50
08/01/2026	-	-	2,028.75	2,028.75	-
02/01/2027	25,000.00	2.100%	2,028.75	27,028.75	29,057.50
08/01/2027	-	-	1,766.25	1,766.25	-
02/01/2028	25,000.00	2.250%	1,766.25	26,766.25	28,532.50
08/01/2028	-	-	1,485.00	1,485.00	-
02/01/2029	30,000.00	2.350%	1,485.00	31,485.00	32,970.00
08/01/2029	-	-	1,132.50	1,132.50	-
02/01/2030	30,000.00	2.450%	1,132.50	31,132.50	32,265.00
08/01/2030	-	-	765.00	765.00	-
02/01/2031	30,000.00	2.500%	765.00	30,765.00	31,530.00
08/01/2031	-	-	390.00	390.00	-
02/01/2032	30,000.00	2.600%	390.00	30,390.00	30,780.00
Total	\$320,000.00	-	\$47,410.94	\$367,410.94	-

Attachment 3 - Estimated Levy Schedules

Series 2013B

Date	Total P+I	105% Levy	Escrow Funds	Less: Tax		Net Levy	Levy Year	Collection Year
				Increment Revenues	Less: Rental Payments			
02/01/2021	11,960.76	12,558.80	(841,960.76)	25,000.00	-	-	-	Paid from Escrow Account
02/01/2022	117,575.00	123,453.75	-	25,000.00	107,460.00	-	2020	2021
02/01/2023	120,725.00	126,761.25	-	25,000.00	110,688.00	-	2021	2022
02/01/2024	118,730.00	124,666.50	-	25,000.00	114,012.00	-	2022	2023
02/01/2025	116,735.00	122,571.75	-	-	117,432.00	-	2023	2024
02/01/2026	119,687.50	125,671.88	-	-	120,948.00	-	2024	2025
02/01/2027	117,487.50	123,361.88	-	-	124,584.00	-	2025	2026
02/01/2028	115,177.50	120,936.38	-	-	128,316.00	-	2026	2027
02/01/2029	117,702.50	123,587.63	-	-	132,168.00	-	2027	2028
Total	\$955,780.76	\$1,003,569.80	(841,960.76)	\$100,000.00	\$955,608.00	-		

Note: A Pledge Agreement between the City and the EDA, dated October 1, 2013, provides a coverage test, which states in part as follows: "The Authority hereby pledges to the City for the payment by the City of the Bonds: (a) Tax Increments; and (b) rent payments received under the Lease." The Tax Increments generated within TIF District No. 1-5 have final collection in 2023 (statutory maximum) for bond payments through February 1, 2024. Amendments to the Lease, which were approved on October 11, 2018, extended the term of the Lease to October 1, 2028.

Series 2014A

Date	Total P+I	105% Levy	Escrow Funds	Less: Rent		Net Levy	Levy Year	Collection Year
				Payments				
02/01/2021	15,645.97	16,428.27	(1,295,645.98)	-	-	-	-	Paid from Escrow
02/01/2022	157,990.00	165,889.50	-	196,523.00	-	-	2020	2021
02/01/2023	155,492.50	163,267.13	-	202,658.00	-	-	2021	2022
02/01/2024	152,927.50	160,573.88	-	208,990.00	-	-	2022	2023
02/01/2025	155,362.50	163,130.63	-	215,527.00	-	-	2023	2024
02/01/2026	152,632.50	160,264.13	-	162,934.00	-	-	2024	2025
02/01/2027	154,832.50	162,574.13	-	167,668.00	-	-	2025	2026
02/01/2028	151,787.50	159,376.88	-	172,544.00	-	-	2026	2027
02/01/2029	153,525.00	161,201.25	-	177,566.00	-	-	2027	2028
Total	\$1,250,195.97	\$1,312,705.77	(1,295,645.98)	\$1,504,410.00	-	-		

Note: A Pledge Agreement between the City and the EDA, dated May 1, 2014, provides the following: "The Authority hereby pledges to the City for the payment by the City of the Bonds rent payments received under the Lease. Ninety-eight percent (98%) of tax increments derived from Tax Increment Financing District No. 1-6 are to be paid to the Company as a credit against rent payments as provided in the Lease." the term of the Lease expires on November 1, 2029.

Series 2016A

Date	Total P+I	105% Levy	Less:		Net Levy	Levy Year	Collection Year
			Abatement				
02/01/2021	29,700.94	31,185.99	21,000.00		10,185.99	2019	2020
02/01/2022	31,457.50	33,030.38	25,000.00		8,030.38	2020	2021
02/01/2023	30,995.00	32,544.75	25,000.00		7,544.75	2021	2022
02/01/2024	30,520.00	32,046.00	25,000.00		7,046.00	2022	2023
02/01/2025	30,045.00	31,547.25	25,000.00		6,547.25	2023	2024
02/01/2026	29,557.50	31,035.38	25,000.00		6,035.38	2024	2025
02/01/2027	29,057.50	30,510.38	25,000.00		5,510.38	2025	2026
02/01/2028	28,532.50	29,959.13	25,000.00		4,959.13	2026	2027
02/01/2029	32,970.00	34,618.50	30,000.00		4,618.50	2027	2028
02/01/2030	32,265.00	33,878.25	30,000.00		3,878.25	2028	2029
02/01/2031	31,530.00	33,106.50	30,000.00		3,106.50	2029	2030
02/01/2032	30,780.00	32,319.00	30,000.00		2,319.00	2030	2031
Total	\$367,410.94	\$385,781.49	\$316,000.00		\$69,781.49		

Attachment 4 – Related Considerations

Bank Qualification

The Bonds will not be designated as “bank qualified” obligations pursuant to Federal Tax Law.

Arbitrage Compliance

Since the Bonds are taxable, rather than tax-exempt, they will not be subject to rebate.

Continuing Disclosure

Type: Full

Dissemination Agent: Northland Securities

The requirements for continuing disclosure are governed by SEC Rule 15c2-12. The primary requirements of Rule 15c2-12 actually fall on underwriters. The Rule sets forth due diligence needed prior to the underwriter’s purchase of municipal securities. Part of this requirement is obtaining commitment from the issuer to provide continuing disclosure. The document describing the continuing disclosure commitments (the “Undertaking”) is contained in the Official Statement that will be prepared to offer the Bonds to investors.

The City has more than \$10,000,000 of outstanding debt and is required to undertake “full” continuing disclosure. Full disclosure requires annual posting of the audit and a separate continuing disclosure report, as well as the reporting of certain “material events.” Material events set forth in the Rule, including, but not limited to, bond rating changes, call notices, and issuance of “financial obligations” (such as USDA loans, Public Finance Authority loans and lease agreements) must be reported within ten days of occurrence. Northland currently serves as dissemination agent for the City. We will assist with getting your annual report filed in compliance with full continuing disclosure regulations.

Premiums

Since the Bonds are taxable, the proposed pricing will likely not include premiums. A premium price occurs when the underwriter pays the City an amount in excess of the par amount of a maturity in exchange for a higher coupon (interest rate). The use of premiums reflects the underwriter’s view on future market conditions, tax considerations for investors and other factors. Ultimately, the true interest cost calculation (“TIC”) will indicate the overall cost to the City, regardless of premium.

A premium price produces additional funds that can be used in several ways:

- The premium means that the City needs less bond proceeds and can reduce the size of the issue by the amount of the premium.
- The premium can be deposited in the Debt Service Fund and used to pay principal and interest.

Northland will work with City staff prior to the day of pricing to determine use of premium (if any).

Rating

A rating will be requested from Standard and Poor’s. The City’s general obligation debt is currently rated “A+” by S&P. The rating process will include a conference call with the rating analyst. Northland will assist City staff in preparing for and conducting the rating call.

Attachment 5 – Calendar of Events

The following checklist of items denotes each milestone activity as well as the members of the finance team who will have the responsibility to complete it. *Please note this proposed timetable assumes regularly scheduled City Council meetings.*

March 2020						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

April 2020						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

May 2020						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

June 2020						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Date	Action	Responsible Party
February 24	EDA approves interfund loan to Fund 341 (Debt Service Reserve Fund for Series 2014A Bonds)	EDA Action
February 25	EDA makes interfund loan to Fund 341. Northland posts Material Event Notice to EMMA relating to the Series 2014A Bonds Debt Service Reserve Fund upon confirmation of transfer from EDA	EDA Staff, Northland
March 9	Finance Plan and Trigger Resolution sent to City	Northland, Bond Counsel
March 16	Review of Finance Plan with EDA – 12:00 p.m. Trigger Resolution Approval by City – 6:30 p.m. Review of Finance Plan	City Council Action, Northland
March 11	Preliminary Official Statement Sent to City for Sign Off and to Rating Agency	Northland, City Staff
Mid-Late March	Rating Call	Northland, City, Rating Agency
April 2	Resolutions sent to City	Northland, City, Bond Counsel
April 8	Rating Received	Northland, City, Rating Agency
April 16	Pricing Date	Northland, City

April 20	Awarding Resolution adopted by the City - 6:30 p.m.	City Council Action, Northland, Bond Counsel
May 26	Closing on the Bonds (Funds wired to Escrow/Paying Agent for refunding of the Series 2013B, Series 2014A and Series 2016A Bonds)	Northland, City Staff, Bond Counsel

Attachment 6 - Risk Factors

Property Taxes: Final levies will be set based on the results of the pricing. Levies should be reviewed annually and adjusted as needed. The debt service levy must be included in the preliminary levy for annual Truth in Taxation hearings. Future Legislative changes in the property tax system, including the imposition of levy limits and changes in calculation of property values, would affect plans for payment of debt service. Delinquent payment of property taxes would reduce revenues needed to pay debt service.

Tax Increments: A variety of factors will influence actual revenues received from tax increments. These factors include payment of property taxes, captured value of the TIF district, tax rates and Legislative changes in the property tax system. Projected tax increment revenues should be reviewed annually and adjusted as needed.

Tax Abatement: 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.

Rental Payments: It is expected that a portion of the annual debt service will be paid from rental income received by the EDA pursuant to lease agreements established for the Series 2013B and Series 2014A Bonds. That income may fluctuate should a lease agreement be broken.

General: In addition to the risks described above, there are certain general risks associated with the issuance of bonds. These risks include, but are not limited to:

- Failure to comply with covenants in bond resolution.
- Failure to comply with Undertaking for continuing disclosure.
- Failure to comply with IRS regulations, including regulation related to use of the proceeds and arbitrage/rebate. The IRS regulations govern the ability of the City to issue its bonds as tax-exempt securities and failure to comply with the IRS regulations may lead to loss of tax-exemption.

Resolution #3-20
RESOLUTION APPROVING THE ISSUANCE OF
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020A
City of Mountain Lake, MN

CERTIFICATION OF MINUTES
RELATING TO TAXABLE GENERAL OBLIGATION REFUNDING BONDS,
SERIES 2020A

ISSUER: City of Mountain Lake, Minnesota

BODY: City Council

KIND, DATE, TIME AND PLACE OF MEETING:

A regular meeting held on Monday, March 16, 2020, at 6:30 p.m., in the City Offices

MEMBERS PRESENT:

MEMBERS ABSENT:

Documents Attached: Extract of Minutes of said meeting.

RESOLUTION APPROVING THE ISSUANCE OF
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020A

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the obligations referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said obligations; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS MY HAND officially as such recording officer on March 16, 2020.

Administrator/Clerk

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

HELD: Monday, March 16, 2020

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Mountain Lake, State of Minnesota, was duly held on Monday, March 16, 2020 at 6:30 p.m.

Member _____ introduced the following resolution and moved its adoption:

**RESOLUTION APPROVING THE ISSUANCE OF
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020A**

BE IT RESOLVED by the City Council of the City of Mountain Lake, State of Minnesota (herein, the "City"), as follows:

1. The City Council hereby finds and declares that it is necessary and expedient for the City to sell and issue its fully registered taxable general obligation refunding bonds in the total aggregate principal amount not to exceed \$2,325,000 (herein, the "Bonds"). The proceeds of the Bonds will be used, together with any additional funds of the City which might be required for:
 - (i) a crossover refunding of all or a portion of the February 1, 2022 through 2029 maturities, aggregating up to \$830,000 in principal amount, of the City's Taxable General Obligation Tax Increment Bonds, Series 2013B, dated October 1, 2013 as date of original issue;
 - (ii) a crossover refunding of all or a portion of the February 1, 2022 through 2029 maturities, aggregating up to \$1,280,000 in principal amount, of the City's Taxable General Obligation Tax Increment Bonds, Series 2014A, dated May 1, 2014 as date of original issue;
 - (iii) a current refunding of all or a portion of the February 1, 2021 through 2032 maturities, aggregating up to \$308,000 in principal amount, of the City's Taxable General Obligation Abatement Bonds, Series 2016A, dated November 1, 2016 as date of original issue; and
 - (iv) to pay the costs associated with issuing the Bonds.
2. The City Council desires to proceed with the sale of the Bonds by direct negotiation with Northland Securities, Inc. ("NSI"). NSI will purchase the Bonds in an arm's-length commercial transaction with the City.
3. The Mayor and the Administrator/Clerk are hereby authorized to approve the sale of the Bonds in an aggregate principal amount not to exceed \$2,325,000 and to execute a bond purchase agreement for the purchase of the Bonds with NSI, provided the total net savings is at least \$200,000 and the savings meet the 3% savings test as set forth in Minnesota Statutes 475.67, subdivision 12 for the two crossover refundings.

4. Upon approval of the sale of the Bonds by the Mayor and the Administrator/Clerk, the City Council will take action at its next regularly scheduled or special meeting thereafter to adopt the necessary approving resolutions as prepared by the City's bond counsel.
5. NSI is authorized to prepare an Official Statement related to the sale of the Bonds.
6. If the Mayor and Administrator/Clerk have not approved the sale of the bonds to NSI and executed the related bond purchase agreement by September 30, 2020, this resolution shall expire.

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

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Adopted this 16th day of March 2020.

Mike Nelson, Mayor

ATTEST:

Michael Schulte, Administrator/Clerk

Resolution #4-20
RESOLUTION CALLING PUBLIC HEARING ON THE ON THE
MODIFICATION OF REDEVELOPMENT PROJECT NO. 1 AND THE
ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 1-9
WITHIN THE REDEVELOPMENT PROJECT NO. 1 AND THE ADOPTION OF
THE MODIFIED DEVELOPMENT PROGRAM AND THE ADOPTION OF
THE TAX INCREMENT FINANCING PLAN RELATING THERETO
City of Mountain Lake, MN

BE IT RESOLVED by the City Council (the "Council") of the City of Mountain Lake, Minnesota (the "City"), as follows:

1. Public Hearing. This Council shall meet on Monday, April 20, 2020, at approximately 6:30 p.m., to hold a public hearing on the modification of on the modification of Redevelopment Project No. 1 and the establishment of Tax Increment Financing District No. 1-9 within the Redevelopment Project No. 1 and the adoption of the Modified Development Program and the adoption of the Tax Increment Financing plan relating thereto, all pursuant to and in accordance with Minnesota Statutes, Sections 469.090 through 469.1081, as amended, and Sections 469.174 through 469.1794, as amended (collectively, the "Act").

2. Notice of Hearing; Filing of TIF Plan. The City Clerk is hereby authorized to cause a notice of the hearing, substantially in the form attached hereto as Exhibit A, to be published as required by Section 469.175, Subdivision 3 of the Act, to place a copy of the proposed Modified Redevelopment Plan for Redevelopment Project No. 1 and the Tax Increment Financing Plan for the TIF District on file in the City Clerk's Office at City Hall, and to make such copies available for inspection by the public.

3. Consultation with Other Taxing Jurisdictions. The City Clerk is hereby directed to mail a notice of the public hearing and a copy of the proposed Tax increment Financing Plan for the TIF District to Cottonwood County and Independent School District No. 173, informing those taxing jurisdictions of the estimated fiscal and economic impact of the TIF District.

Adopted by the City Council of the City of Mountain Lake, Minnesota, this 16th day of March, 2020.

Mike Nelson, Mayor

ATTEST:

Michael Schulte, Administrator/Clerk

Exhibit A

CITY OF MOUNTAIN LAKE
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City Council of the City of Mountain Lake, Minnesota, will hold a public hearing on Monday, April 20, 2020, at approximately 6:30 p.m. in the City Hall Council Chambers, 930 Third Avenue, Mountain Lake, relating to the modification of Redevelopment Project No. 1 and the establishment of Tax Increment Financing District No. 1-9 (the "TIF District") within Redevelopment Project No. 1, and the proposed approval of the Modified Redevelopment Plan relating to Redevelopment Project No. 1 and the Tax Increment Financing Plan relating to the TIF District, pursuant to Minnesota Statutes, Sections 469.090 to 469.1081 and Sections 469.174 through 469.1794, as amended. Copies of the proposed Modified Redevelopment Plan and the proposed Tax Increment Financing Plan will be on file and available for public inspection at the office of the City Clerk at City Hall.

The property included within Redevelopment Project No. 1 is described in the proposed Modified Redevelopment Plan on file in the office of the City Clerk. The property to be included within the proposed TIF District is described in the Tax Increment Financing Plan on file in the office of the City Clerk. The boundaries of Redevelopment Project No. 1 and the proposed TIF District are shown in the following map.

[insert map]

All interested persons may appear at the hearing and present their views orally or in writing prior to the hearing to City Hall, 930 Third Avenue, Drawer C, Mountain Lake, MN 56159.

BY ORDER OF THE CITY COUNCIL

/s/ _____
City Clerk

m MINNESOTA
PUBLIC FACILITIES AUTHORITY

March 5, 2020

The Honorable Mike Nelson
Mayor, City of Mountain Lake
P.O. Box C
Mountain Lake, MN 56159-0320

Dear Mayor Nelson:

I am pleased to inform you that the Minnesota Public Facilities Authority (PFA) approved project financing for the City of Mountain Lake on March 2, 2020. The Project consists of construction and operation of a Class C WWTP including 2 ponds, chemical storage with chemical fee equipment, and lift station. PFA's financing is as follows:

Point Source Implementation-Grant	\$2,582,152
Clean Water SRF-Loan	<u>\$8,018,787</u>
	\$10,600,939

In addition to the grant dollars awarded, we conservatively estimate that the PFA loan (19 years at 1.000%) will save local taxpayers approximately \$117,032 in interest costs compared to market rate financing.

We congratulate The City of Mountain Lake for its successful application and its financial commitment to improve its wastewater infrastructure.

The financial assistance contract will be sent to you shortly. Loan disbursements are contingent upon our receipt of the City of Mountain Lake's general obligation bond and related documents.

If you have any questions about this project financing or about the PFA's programs in general, please feel free to contact Jeff Freeman, Executive Director at 651/259-7465.

Sincerely,



Steve Grove, Chair
MN Public Facilities Authority

C: Rep. Rod Hamilton
Sen. Bill Weber

MINNESOTA PUBLIC FACILITIES AUTHORITY

1st National Bank Building ■ 332 Minnesota Street ■ Suite W820 ■ Saint Paul, Minnesota 55101-1378 ■ USA
651-259-7469 PHONE ■ 800-657-3858 TOLL FREE ■ 651-296-8833 FAX ■ mn.gov/pfa

AN EQUAL OPPORTUNITY EMPLOYER AND SERVICE PROVIDER

mi MINNESOTA
PUBLIC FACILITIES AUTHORITY

March 5, 2020

Michael Schulte, City Administrator
City of Mountain Lake
P.O. Box C
Mountain Lake, MN 56159-0320

RE: BOND PURCHASE AND PROJECT LOAN AGREEMENT with POINT SOURCE IMPLEMENTATION
GRANT
Project Funding ID(s): MPFA-PSIG-G-043-FY20 MPFA-CWRF-L-043-FY20

Dear Michael:

Enclosed are two copies of the above referenced agreement. Please have the appropriate individuals review, sign, and date, then return both copies along with a check made payable to the Public Facilities Authority (see enclosed invoice) in the amount of \$12,910.76 in the addressed envelope enclosed.

Also, be sure to include a copy of your approved resolution, prepared by Bond Counsel, authorizing issuance of the note and execution of the loan agreement.

I will return one fully executed agreement to you for your records upon completion of the state signature process.

If you have any questions about any of this material, please feel free to contact your PFA program representative Mary Jane Schultz at 651.259.7467 or MaryJane.Schultz@state.mn.us .

Sincerely,

Jennie Brown

Jennie Brown, Contract Coordinator
MN Public Facilities Authority

C: Mary Jane Schultz

Enclosures

MINNESOTA PUBLIC FACILITIES AUTHORITY

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**MINNESOTA PUBLIC FACILITIES AUTHORITY
BOND PURCHASE AND PROJECT LOAN AGREEMENT WITH
POINT SOURCE IMPLEMENTATION GRANT**

This BOND PURCHASE AND PROJECT LOAN AGREEMENT with POINT SOURCE IMPLEMENTATION GRANT (“the Agreement”), is between the Minnesota Public Facilities Authority (the "Authority") and the City of Mountain Lake (“Recipient”) and is dated March 2, 2020.

The Project consists of construction and operation of a Class C WWTP including 2 ponds, chemical storage with chemical fee equipment, and lift station (“the Project”). The Project is further described and detailed in the MN Pollution Control Agency's certification(s) dated June 28, 2019, and in the Recipient’s Project application which is incorporated herein.

Program Funding for the Project	Name	Legal citations	Funding IDs	Amounts
Point Source Implementation Grant Program	("the PSIG Grant")	MS 446A.073	MPFA-PSIG-G-043-FY20	\$2,582,152
Clean Water State Revolving Fund Loan	("the Loan")	MS 446A.07; MN Rules 7380 .0400-.0480	MPFA-CWRF-L-043-FY20	\$8,018,787
Total Authority Project Financing:				\$10,600,939

ARTICLE 1 – TERMS AND CONDITIONS

Section 1.1 Terms. (a) General: The Authority hereby commits, subject to the availability of funds and the conditions and legal citations herein set forth, to provide TEN MILLION SIX HUNDRED THOUSAND NINE HUNDRED THIRTY NINE DOLLARS (\$10,600,939) to the Recipient for the purpose of financing eligible costs of the Project.

(b) Loan: The Loan shall be evidenced by the Note described in Section 1.4 of this Agreement (the “Note”). The final maturity date of the Loan will be August 20, 2039. The aggregate principal amount of the Loan disbursed and outstanding will bear interest and servicing fees collectively at the rate of 1.000% per annum accruing from and after the date of the Note through the date on which no principal of the Loan remains unpaid and all accrued interest and servicing fees thereon have been paid.

(c) Grant(s): The PSIG Grant is granted and is not required to be repaid except as otherwise provided in Article 9 of this Agreement.

Section 1.2 Authority Sources of Funds. (a) The Recipient acknowledges that the Authority may use the proceeds of one or more series of the Authority’s revenue bonds (the "Bonds"), federal capitalization grants, proceeds of state general obligation bonds, state appropriations from the Clean Water Legacy Fund, or other funds of the Authority, or a combination thereof, to fund the Agreement.

(b) At the written request of the Recipient, the Authority will provide information with respect to the funding of the Agreement, from time to time.

(c) Allocation and pledging of Loan: The Authority may, at any time, pledge the Loan as security for its Bonds. The Authority in its sole discretion may allocate the Loan to one or more sources of funds and may from time to time reallocate the Loan to one or more different sources of funds, including one or more different series of Bonds (whether or not that series of Bonds refunded the series of Bonds to which the Loan was originally allocated), or may sell the Loan if permitted by the documents relating to its Bonds.

debt payable from those revenues. The Recipient agrees to annually review and ensure that the gross revenues are sufficient for the payment of all system costs.

Section 1.5 Mandatory Payments. (a) The Recipient must repay the principal amount of the Loan, together with accrued interest and servicing fees, in the amounts and on the dates set forth in Exhibit A attached hereto (notwithstanding the rate of disbursement of the proceeds of the Loan), subject to adjustment as set forth in Section 1.3 or 1.6. The interest payment shown on Exhibit A is for informational purposes only; the actual interest payment will be the amount of interest which has accrued to the date of payment. The Authority will be entitled to retain for its own purposes any interest earnings on Loan proceeds that are not disbursed and will not be obligated to credit any such interest earnings against any required repayment of principal or payment of interest and servicing fees. Any payment of principal or interest received by the Authority in excess of the amounts set forth in Exhibit A, as then in effect, which is not a mandatory payment as designated in paragraph (b), or not expressly designated by the Recipient to be treated as an optional prepayment may, in the sole discretion of the Authority, be (i) held without interest payable by the Authority and applied to a future payment due on the Loan in a manner determined by the Authority, (ii) treated as a prepayment of principal on the Loan, or (iii) returned to the Recipient as an overpayment. Other than prepayments, the Authority will apply any payments received under the Note as follows: first, to the payment of any costs or expenses incurred by the Authority in enforcing any provision of the Note or this Agreement; second, to the payment of accrued and unpaid interest and servicing fees on the Note; and third, to the payment of principal of the Note then due.

(b) If the Recipient has pledged to the repayment of the Loan revenues subject to prepayment or lump-sum payments by a third party, such as special assessments or connection charges from another municipality, the Recipient will notify the Authority immediately upon receipt of any such payment. The Authority, in its sole discretion, may direct the Recipient to use the funds for the payment of eligible construction costs of the Project, or to transmit the funds to the Authority for payment on the Loan, immediately or at a later date. Any such payment received by the Authority may be applied to reduce each unpaid annual principal installment of the Loan in the proportion that such installment bears to the total of all unpaid principal installments, or, in the sole discretion of the Authority, may be applied to one or more future principal payments on the Loan in a manner determined by the Authority.

Section 1.6 Optional Prepayments. (a) The Recipient may not prepay the Loan except upon written consent of the Authority. If the Authority has consented, then upon 45 days' prior written notice to the Authority (or such lesser period as the Authority may accept), the Recipient may prepay the Loan and the Note, in whole or in part, on any February 20 or August 20 at a redemption price equal to the principal amount to be prepaid, together with accrued interest and servicing fees thereon to the redemption date and a premium equal to all fees and expenses of the Authority, if any, in connection with the prepayment, including any fees, expenses or other costs relating to the payment and redemption of the Bonds as determined by the Authority.

(b) The Authority may require that the Recipient, at its sole cost and expense, deliver to the Authority an opinion from a law firm, selected by the Authority, having a national reputation in the field of municipal finance law whose legal opinions are generally accepted by purchasers of municipal bonds ("Bond Counsel") to the effect that such prepayment will not cause the interest on the Note to be included in the gross income of the recipient thereof for federal income tax purposes.

Section 2.2 Construction Compliance. (a) State prevailing wages: The Recipient must comply with the provisions of prevailing wage requirements set forth in Minnesota Statutes, Sections 177.41 to 177.44, as then in effect.

(b) Federal prevailing wages: In addition to the prevailing wage requirements under Subsection (a), the Recipient must comply with, and require that all laborers and mechanics employed by contractors and subcontractors on the Project be paid wages at rates not less than those prevailing on projects of a similar character in the locality as determined by the Secretary of Labor in accordance with, the Davis-Bacon Act (40 U.S.C., sec. 276a through 276a-5), as amended.

(c) Federal American Iron and Steel: The Recipient will comply with the American Iron and Steel requirements of Section 608 of the Federal Water Pollution Control Act, unless the Project is granted a waiver from the EPA.

ARTICLE 3 – TAX COMPLIANCE COVENANTS

The Recipient acknowledges that the Note is intended to bear interest that is excluded from gross income of the owner thereof for federal and State of Minnesota income tax purposes (a “Tax-exempt Note”) and may be funded by the Authority from the proceeds of the Authority’s Bonds that are intended to bear interest that is excluded from gross income of the owner thereof for federal and State of Minnesota income tax purposes (“Tax-exempt Bonds”). The Recipient also acknowledges that, regardless of the source of funding, the Authority may pledge the Loan and the related Note as security for, and as a source of, the payment of debt service on any or all of its Tax-exempt Bonds. In consideration of these facts, the Recipient covenants and agrees with the Authority, whether or not strict compliance with those agreements is required to maintain the Note as a Tax-exempt Note or the Authority’s Bonds as Tax-exempt Bonds, as follows:

(a) The Recipient will not take, or, to the extent under its control, permit to be taken, any action that would cause the Note not to be a Tax-exempt Note or any Authority Bonds not to be Tax-exempt Bonds and will not omit from taking, or cause to be taken, any action required to maintain the Note as a Tax-exempt Note or the Authority’s Bonds as Tax-exempt Bonds.

(b) The Recipient will take all actions with respect to the Note necessary to comply with all instructions and requests of the Authority relating to maintaining the Authority’s Bonds as Tax-exempt Bonds and the Note as a Tax-exempt Note or compliance with the agreements set forth in this Section or in any Tax Compliance Certificate (hereinafter defined).

(c) The Recipient will comply with all requirements of any certificate or agreement (“Tax Compliance Certificate”) executed and delivered by it in connection with the issuance of the Note.

(d) The Recipient will promptly notify the Executive Director of the Authority in writing of any action or event which adversely affects the status of the Note as a Tax-exempt Note or any of the Authority’s Bonds as Tax-exempt Bonds.

constitutes "State Bond Financed Property", as that term is used in Minnesota Statutes, Section 16A.695 and the "Fourth Order Amending Order of the Commissioner of Finance Relating to Use and Sale of State Bond Financed Property" dated July 30, 2012 (the "Order"), as such may be amended, modified, supplemented, or replaced from time to time, and therefore the provisions contained in that statute and order apply to the Recipient's ownership interest in the Project and any Use contracts relating thereto. The Recipient agrees that the proceeds of the Agreement must be used, and the Project must be operated, in a manner that complies with Minnesota Statutes, Section 16A.695 and the Order. The Recipient must file the required state bond financed property declaration as provided in the Order and provide a copy of the filed declaration to the Authority, unless the filing requirement is waived in writing by the Commissioner of Minnesota Management and Budget.

Section 4.2 Lease or Management Contract. The Recipient agrees that any lease or management or similar contract (each a "Use Agreement") it enters into with respect to property constituting all or a part of the State Bond Financed Property must comply with the following requirements:

- (a) It must be for the express purpose of carrying out a governmental program established or authorized by law and established by official action of the Recipient.
- (b) It must be approved, in writing, by the Commissioner of Minnesota Management and Budget.
- (c) It must be for a term, including any renewals that are solely at the option of the lessee or manager, that is substantially less than the useful life of the property subject to that lease or management contract, but may allow renewal beyond that term upon determination by the Recipient that the use continues to carry out the governmental program.
- (d) It must be terminable by the Recipient if the other contracting party defaults under the contract, or if the governmental program is terminated or changed.
- (e) It must provide for oversight by the Recipient of the operation of the property that is the subject of the Use Agreement.
- (f) It must specifically identify the statute that provides the Recipient authority to enter into the Use Agreement.
- (g) It must contain a provision stating that the Use Agreement is being entered into in order to carry out a governmental program and must specifically identify the governmental program.

Section 4.3 Sale. The Recipient must not sell any property constituting all or a part of the State Bond Financed Property unless the sale complies with the following requirements:

- (a) The Recipient determines by official action that the property is no longer usable or needed by the Recipient to carry out the governmental program for which it was acquired or constructed.
- (b) The sale must be made as authorized by law.
- (c) The sale must be for fair market value as defined in Minnesota Statutes, Section 16A.695 as then in effect.

"obligated person" is defined in Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto ("Rule 15c2-12") or (ii) that an event has occurred with respect to the Recipient or the Loan that must be disclosed under Rule 15c2-12, or (iii) that any other action of the Recipient has occurred which the Authority determines in its sole discretion is material to an investor in the Bonds, the Recipient covenants that it will authorize and provide to the Authority, for inclusion in a Disclosure Document, all statements and information relating to the Recipient deemed material by the Authority for the purpose of satisfying Rule 15c2-12 as well as Rule 10b-5 promulgated pursuant to the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto ("Rule 10b-5"), including certificates and written representations of the Recipient evidencing satisfaction of the requirements of Rule 15c2-12 and Rule 10b-5. The Authority, in its sole discretion and as set forth in a resolution or official statement of the Authority, will determine materiality under each of clause (i) and clause (iii) pursuant to criteria established from time to time. The Recipient further covenants that, if determined to be such a material obligated person, it will execute and deliver a continuing disclosure agreement, in that form as the Authority determines to be necessary, desirable or convenient, in its sole discretion, for the purpose of meeting the requirements of Rule 15c2-12. Pursuant to the terms and provisions of that continuing disclosure agreement, the Recipient will thereafter provide ongoing disclosure with respect to all annual and event information and financial statements relating to the Recipient required by a continuing disclosure undertaking under Rule 15c-12. The Recipient further agrees that the Authority will have the right to disclose any information about the Recipient or the Loan, whether or not received from the Recipient, determined by the Authority in its sole discretion, to be material with respect to any of its Bonds.

ARTICLE 6 – SYSTEM REPLACEMENT FUND

This article is intentionally left blank.

ARTICLE 7 - FINANCIAL RECORDS, AUDITS, REPORTS AND INSPECTIONS

Section 7.1 Financial Recordkeeping. For all expenditures made pursuant to this Agreement, the Recipient must keep financial accounts and records in accordance with generally accepted accounting principles including invoices, contracts, receipts, vouchers and other documents sufficient to evidence in proper detail the nature and propriety of the expenditures and any investments made with proceeds of the Loan or other "gross proceeds" of the Note or the tax-exempt Bonds of the Authority. Such accounts and records must be accessible and available for a minimum of six years from the date of initiation of operation of the Project and for so long as the Note is outstanding for examination by authorized representatives of the Authority, the Office of the Legislative Auditor, the Office of the State Auditor and the EPA Office of Inspector General.

Section 7.2 Annual Financial Reports. (a) The Recipient must annually provide to the Authority for the term of the Loan a copy of an independent audit of its financial statements. All audit reports must be submitted within 30 days after the completion of the audit but no later than one year after the end of the fiscal year to be audited. The audits must be conducted in accordance with generally accepted government auditing standards and in compliance with Subpart F (Audit Requirements) of Title 2 U.S. Code of Federal Regulations Part 200.

demand repayment of any grant disbursements under this Agreement, (3) reject any pending application by the Recipient for financial assistance, (4) to the extent permitted by law, demand immediate payment of the Loan and the Note in full and, upon such demand, the outstanding principal amount of the Loan and Note will be immediately due and payable, with interest accrued thereon to the date of payment, or (5) exercise any other remedy available to the Authority at law or in equity, including under Minnesota Rules, Chapter 7380, as amended. If the Authority subsequently determines that the Recipient has cured all events of default, the interest rate on any unpaid Loan principal will then revert back to the original interest rate.

ARTICLE 10 – ADMINISTRATION

Section 10.1 Amendments. Any amendments to this Agreement must be in writing and must be executed by the Recipient by the same officials who signed the Agreement, or their successors.

Section 10.2 Termination of Loan. The obligations of the Recipient under this Agreement (except the obligations set forth in Section 2.1 (c), (d) and (e) and Article 4 hereof) will terminate when the Loan is fully paid.

Section 10.3 Fees. (a) Pursuant to Minnesota Statutes, section 446A.04, subdivision 5(a), the Authority may charge application fees and loan repayment servicing fees.

(b) Application fee: An application fee equal to one-half of one percent of the PSIG Grant amount must be paid to the Authority by the Recipient upon execution of this Agreement.

(c) Loan repayment servicing fees: The Recipient acknowledges that the Authority may apply up to 2 percent of any loan repayment as a servicing fee and that such fee will not increase the amount of any repayments or extend the period of repayment.

Section 10.4 Notices. In addition to any notice required under applicable law to be given in another manner, any notices required hereunder must be in writing, and will be sufficient if delivered by courier or overnight delivery service or sent by certified mail (return receipt requested), postage prepaid, to the address of the party to whom it is directed. That address must be the address specified below or a different address as may hereafter be specified by either party by written notice to the other:

In the case of the Authority:

Minnesota Public Facilities Authority
Attention: Executive Director
1st National Bank Building
332 Minnesota Street, Suite W820
Saint Paul, MN 55101-1378

In the case of the Recipient:

City of Mountain Lake
Attention: Mayor
P.O. Box C
Mountain Lake, MN 56159-0320

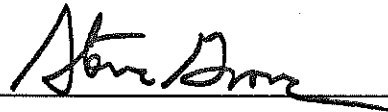
Recipient name: City of Mountain Lake
Project Funding ID(s): MPFA-PSIG-G-043-FY20 MPFA-CWRF-L-043-FY20

The Authority and the Recipient have caused this Agreement to be duly executed by their duly authorized undersigned representatives. Statutory Cities must execute this Agreement as provided in Minnesota Statutes, Section 412.201, as amended. Home Rule Charter Cities must execute this Agreement as provided in Minnesota Statutes, Chapter 410, as amended.

RECIPIENT: We have read and we agree to all of the above provisions of this Agreement.

MINNESOTA PUBLIC FACILITIES AUTHORITY:

By _____
Title Mike Nelson
Mayor
Date _____

By 
Title Steve Grove, or delegate
Chair
Date 3/4/2020

By _____
Title Michael Schulte
City Administrator
Date _____

ENCUMBERED: Individual signing certifies that funds have been encumbered as required by Minnesota Statute 16A.

By _____
PO date 03/02/20
PO ID(s) B2401:3000002841-2845

Mountain Lake - cw02

Loan Amortization Schedule
MPFA-CWRF-L-043-FY20

8,018,787.00

Rate: 1.000%

New WWTP with adv. treatment for phos

Date:

Maturity: 08/20/39

Type of Note: Tax Exempt

final loan amount: 8,018,787.00

Date	Effective	Source	Disbursement	Repayment	Interest	Principal	Loan Balance	Annl Debt Srv
projected	04/29/20	Op Res	8,018,787.00				8,018,787.00	
	08/20/20			27,511.59	24,724.59	2,787.00	8,016,000.00	27,511.59
	02/20/21			40,080.00	40,080.00		8,016,000.00	
	08/20/21			425,080.00	40,080.00	385,000.00	7,631,000.00	465,160.00
	02/20/22			38,155.00	38,155.00		7,631,000.00	
	08/20/22			427,155.00	38,155.00	389,000.00	7,242,000.00	465,310.00
	02/20/23			36,210.00	36,210.00		7,242,000.00	
	08/20/23			429,210.00	36,210.00	393,000.00	6,849,000.00	465,420.00
	02/20/24			34,245.00	34,245.00		6,849,000.00	
	08/20/24			431,245.00	34,245.00	397,000.00	6,452,000.00	465,490.00
	02/20/25			32,260.00	32,260.00		6,452,000.00	
	08/20/25			433,260.00	32,260.00	401,000.00	6,051,000.00	465,520.00
	02/20/26			30,255.00	30,255.00		6,051,000.00	
	08/20/26			435,255.00	30,255.00	405,000.00	5,646,000.00	465,510.00
	02/20/27			28,230.00	28,230.00		5,646,000.00	
	08/20/27			437,230.00	28,230.00	409,000.00	5,237,000.00	465,460.00
	02/20/28			26,185.00	26,185.00		5,237,000.00	
	08/20/28			439,185.00	26,185.00	413,000.00	4,824,000.00	465,370.00
	02/20/29			24,120.00	24,120.00		4,824,000.00	
	08/20/29			441,120.00	24,120.00	417,000.00	4,407,000.00	465,240.00
	02/20/30			22,035.00	22,035.00		4,407,000.00	
	08/20/30			443,035.00	22,035.00	421,000.00	3,986,000.00	465,070.00
	02/20/31			19,930.00	19,930.00		3,986,000.00	
	08/20/31			444,930.00	19,930.00	425,000.00	3,561,000.00	464,860.00
	02/20/32			17,805.00	17,805.00		3,561,000.00	
	08/20/32			447,805.00	17,805.00	430,000.00	3,131,000.00	465,610.00
	02/20/33			15,655.00	15,655.00		3,131,000.00	
	08/20/33			449,655.00	15,655.00	434,000.00	2,697,000.00	465,310.00
	02/20/34			13,485.00	13,485.00		2,697,000.00	
	08/20/34			451,485.00	13,485.00	438,000.00	2,259,000.00	464,970.00
	02/20/35			11,295.00	11,295.00		2,259,000.00	
	08/20/35			454,295.00	11,295.00	443,000.00	1,816,000.00	465,590.00
	02/20/36			9,080.00	9,080.00		1,816,000.00	
	08/20/36			456,080.00	9,080.00	447,000.00	1,369,000.00	465,160.00
	02/20/37			6,845.00	6,845.00		1,369,000.00	
	08/20/37			458,845.00	6,845.00	452,000.00	917,000.00	465,690.00
	02/20/38			4,585.00	4,585.00		917,000.00	
	08/20/38			460,585.00	4,585.00	456,000.00	461,000.00	465,170.00
	02/20/39			2,305.00	2,305.00		461,000.00	
	08/20/39			463,305.00	2,305.00	461,000.00	-	465,610.00
totals			8,018,787.00	8,869,031.59	850,244.59	8,018,787.00		8,869,031.59

Resolution #5-20
RESOLUTION ACCEPTING THE OFFER OF THE MINNESOTA PUBLIC FACILITIES AUTHORITY TO PURCHASE A \$8,018,787 GENERAL OBLIGATION SEWER REVENUE NOTE OF 2020, PROVIDING FOR ITS ISSUANCE AND AUTHORIZING EXECUTION OF A BOND PURCHASE AND PROJECT LOAN AGREEMENT
City of Mountain Lake, MN

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

HELD: MARCH 16, 2020

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 held at the City Hall on March 16, 2020, at 6:30 P.M., for the purpose in part of awarding the sale of a \$8,018,787 General Obligation Sewer Revenue Note of 2020.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION ACCEPTING THE OFFER OF THE MINNESOTA PUBLIC FACILITIES AUTHORITY TO PURCHASE A \$8,018,787 GENERAL OBLIGATION SEWER REVENUE NOTE OF 2020, PROVIDING FOR ITS ISSUANCE AND AUTHORIZING EXECUTION OF A BOND PURCHASE AND PROJECT LOAN AGREEMENT

A. WHEREAS, the City Council of the City of Mountain Lake, Minnesota (the "City"), has heretofore applied for a loan from the Minnesota Public Facilities Authority (the "PFA") to provide financing pursuant to Minnesota Statutes, Chapters 475 and Sections 115.46 and 444.075, for construction and operation of a Class C wastewater treatment plant including 2 ponds, chemical storage with chemical fee equipment, and a lift station as detailed in the Minnesota Pollution Control Agency's June 28, 2019 (the "Project"); and

B. WHEREAS, the PFA is authorized pursuant to Minnesota Statutes, Chapter 446A, as amended, to issue its bonds (the "PFA Bonds") and to use the proceeds thereof, together with certain other funds, to provide loans and other assistance to municipalities to fund eligible costs of construction of publicly owned clean water systems in accordance with the federal Safe Drinking Water Act and the federal Clean Water Act; and

C. WHEREAS, the City has applied for a loan from the PFA pursuant to such program and the PFA has committed to make a loan to the City in the principal amount of \$8,018,787, to be disbursed and repaid in accordance with the terms of a Minnesota Public Facilities Authority Bond Purchase and Project Loan Agreement dated March 2, 2020 (the

"Bond Purchase and Project Loan Agreement"), a copy of which has been presented to the Council and is on file with the Administrator-Clerk; and

D. WHEREAS, the \$8,018,787 General Obligation Sewer Revenue Note of 2020 (the "Note") of the City is tax-exempt, and in addition the City will need to assure the tax-exemption of the PFA Bonds; and

E. WHEREAS, in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(4), the City is authorized to issue obligations to a board, department or agency of the State of Minnesota by negotiation and without advertisement for bids and the PFA is, and has represented that it is, a board, department or agency of the State of Minnesota; and

F. WHEREAS, the City Council of the City of Mountain Lake, Minnesota (the "City"), owns and operates a municipal sanitary sewer system (the "Sewer System") and a municipal water utility system (the "Water System") as separate revenue producing public utilities; and

G. WHEREAS, the net revenues of the Sewer System are pledged to the payment of the outstanding (i) General Obligation Sewer Revenue Note of 2012, in the original principal amount of \$7,754,480, dated September 28, 2012; and (ii) General Obligation Refunding Bonds, Series 2015A, in the original principal amount of \$885,000, dated September 1, 2015, designated as the "Refunded 2001 Bonds Refunding Portion" (collectively, the "Outstanding Sewer Bonds");

H. WHEREAS, the net revenues of the Sewer System and Water System are pledged to the payment of the outstanding (i) General Obligation Corporate Purpose Bonds, Series 2006A, in the original principal amount of \$1,695,000, dated June 1, 2006, designated as the "System Portion"; and (ii) General Obligation Corporate Purpose Bonds, Series 2011A, in the original principal amount of \$1,215,000, dated August 1, 2011, designated as the "System Refunding Portion" (collectively, the "Outstanding Bonds"); and

I. WHEREAS, a contract or contracts for the Project have been made by the City with the approval of the PFA and all other state and federal agencies of which approval is required:

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

1. Acceptance of Offer; Payment. The offer of the PFA to purchase a \$8,018,787 General Obligation Sewer Revenue Note of 2020 of the City (the "Note"), at the rate of interest hereinafter set forth, and to pay therefor the sum of \$8,018,787 as provided below, is hereby accepted, and the sale of the Note is hereby awarded to the PFA. Payment for the Note shall be disbursed in installments as eligible costs of the Project are reimbursed or paid, all as provided in the Bond Purchase and Project Loan Agreement.

2. Title; Date; Denomination; Interest Rates; Maturities. The Note shall be a fully registered negotiable obligation, shall be titled "General Obligation Sewer Revenue Note of 2020," shall be dated as of the date of delivery and shall be issued forthwith. The Note shall be

in the principal amount of \$8,018,787, or so much thereof as shall be disbursed pursuant to the Bond Purchase and Project Loan Agreement, shall bear interest on so much of the principal amount of the Note as may be disbursed and remains unpaid until the principal amount of the Note has been paid or has been provided for, at the rate of 1.00% per annum (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Note is payable semi-annually on February 20 and August 20, commencing August 20, 2020. Interest starts accruing as of the date of the initial disbursement. Principal on the Note shall mature on August 20 of the years and in the installments as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2020	\$2,787	2030	\$421,000
2021	385,000	2031	425,000
2022	389,000	2032	430,000
2023	393,000	2033	434,000
2024	397,000	2034	438,000
2025	401,000	2035	443,000
2026	405,000	2036	447,000
2027	409,000	2037	452,000
2028	413,000	2038	456,000
2029	417,000	2039	461,000

Interest shall accrue only on the aggregate amount of the Note which has been disbursed and is unpaid under the Bond Purchase and Project Loan Agreement. The principal installments shall be paid in the amounts scheduled above even if at the time of payment the full principal amount of the Note has not been disbursed; provided that if the full principal amount of the Note is never disbursed, the amount of the principal not disbursed shall be applied to reduce each unpaid principal installment in the proportion that such installment bears to the total of all unpaid principal installments (i.e., the remaining principal payment schedule shall be reamortized to provide similarly level annual installments of total debt service payments). Principal, interest and any premium due under the Note will be paid on each payment date by wire payment, or by check or draft mailed at least five business days prior to the payment date to the person in whose name the Note is registered, in any coin or currency of the United States which at the time of payment is legal tender for public and private debts.

Interest on the Note includes amounts treated by the PFA as service fees.

3. Purpose; Cost. The proceeds of the Note shall provide funds to finance construction of the Project. The total cost of the construction of the Project, including legal and other professional charges, publication and printing costs, interest accruing on money borrowed for the Project before the collection of net revenues pledged and appropriated therefor, and all other costs necessarily incurred and to be incurred from the inception to the completion of the Project, is estimated to be at least equal to the amount of the Note. The City covenants that it shall do all things and perform all acts required of it to assure that work on the Project proceeds with due diligence to completion and that any and all permits and studies required under law for the Project are obtained.

4. Redemption. The Note shall be subject to redemption and prepayment in whole or in part at the option of the City, subject to the written consent of the PFA, or mandatorily as provided in the Bond Purchase and Project Loan Agreement.

5. Registration of Note. At the time of issuance and delivery of the Note, the officer of the City performing the functions of the treasurer (the "Administrator-Clerk") shall register the Note in the name of the payee in a note register which the Administrator-Clerk and the officer's successors in office shall maintain for the purpose of registering the ownership of the Note. The Note shall be prepared for execution with an appropriate text and spaces for notation of registration. The force and effect of such registration shall be as stated in the form of Note hereinafter set forth. Payment of principal installments and interest, whether upon redemption or otherwise, made with respect to the Note, may be made to the registered holder thereof or to the registered holder's legal representative, without presentation or surrender of the Note.

6. Form of Note. The Note, together with the Certificate of Registration attached thereto, shall be in substantially the following form:

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

\$8,018,787 GENERAL OBLIGATION SEWER REVENUE NOTE OF 2020

The City of Mountain Lake, Cottonwood County, Minnesota (the "City"), certifies that it is indebted and for value received promises to pay to the Minnesota Public Facilities Authority or the registered assign, the principal sum of EIGHT MILLION EIGHTEEN THOUSAND SEVEN HUNDRED EIGHTY-SEVEN DOLLARS, or so much thereof as may have been disbursed, on August 20 of the years and in the installments as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2020	\$2,787	2030	\$421,000
2021	385,000	2031	425,000
2022	389,000	2032	430,000
2023	393,000	2033	434,000
2024	397,000	2034	438,000
2025	401,000	2035	443,000
2026	405,000	2036	447,000
2027	409,000	2037	452,000
2028	413,000	2038	456,000
2029	417,000	2039	461,000

and to pay interest on so much of the principal amount of the debt as may be disbursed and remains unpaid until the principal amount hereof is paid or has been provided for, at the rate of 1.00% per annum (calculated on the basis of a 360-day year of twelve 30-day months). Interest

on the Note is payable semi-annually on February 20 and August 20, commencing August 20, 2020. Interest starts accruing as of the date of the initial disbursement.

Principal and Interest Payments. Interest shall accrue only on the aggregate amount of this Note which has been disbursed under the Minnesota Public Facilities Authority Bond Purchase and Project Loan Agreement dated as of March 2, 2020, by and between the City and the Minnesota Public Facilities Authority (the "Bond Purchase and Project Loan Agreement"). The principal installments shall be paid in the amounts scheduled above even if at the time of payment the full principal amount of this Note has not been disbursed; provided that if the full principal amount of this Note is never disbursed, the amount of the principal not disbursed shall be applied to reduce each unpaid principal installment in the proportion that such installment bears to the total of all unpaid principal installments (i.e., the remaining principal payment schedule shall be reamortized to provide similarly level annual installments of total debt service payments). Interest on this Note includes amounts treated by the Minnesota Public Facilities Authority as service fees. Principal, interest and any premium due under this Note will be paid on each payment date by wire payment, or by check or draft mailed at least five business days prior to the payment date to the person in whose name this Note is registered, in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

Redemption. This Note shall be subject to redemption and prepayment in whole or in part at the option of the City, subject to the written consent of the Minnesota Public Facilities Authority, or mandatorily as provided in the Bond Purchase and Project Loan Agreement.

Purpose; General Obligation. This Note has been issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota for the purpose of providing money to construct improvements to the municipal sanitary sewer system (the "Sewer System"), specifically for the construction and operation of a Class C wastewater treatment plant including 2 ponds, chemical storage with chemical fee equipment, and a lift station as detailed in the Minnesota Pollution Control Agency's June 28, 2019 (the "Project") and is payable out of the PFA Debt Service Account of the Sewer Fund of the City, to which account have been pledged net revenues of the Sewer System. This Note constitutes a general obligation of the City, and to provide moneys for the prompt and full payment of said principal installments and interest when the same become due, the full faith, credit and taxing powers of the City have been and are hereby irrevocably pledged.

Registration; Transfer. This Note shall be registered in the name of the payee on the books of the City by presenting this Note for registration to the Administrator-Clerk, who will endorse his or her name and note the date of registration opposite the name of the payee in the certificate of registration attached hereto. Thereafter this Note may be transferred to a bona fide purchaser only by delivery with an assignment duly executed by the registered owner or the registered owner's legal representative, and the City may treat the registered owner as the person exclusively entitled to exercise all the rights and powers of an owner until this Note is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted hereon by the Administrator-Clerk.

Fees Upon Transfer or Loss. The Administrator-Clerk may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer of this Note and any legal or unusual costs regarding transfers and lost notes.

Bond Purchase and Project Loan Agreement. The terms and conditions of the Bond Purchase and Project Loan Agreement are incorporated herein by reference and made a part hereof. The Bond Purchase and Project Loan Agreement may be attached to this Note, and shall be attached to this Note if the holder of this Note is any person other than the Minnesota Public Facilities Authority.

Tax-Exempt Obligation. The City intends that the interest on this Note will be excluded from gross income for United States income tax purposes or from both gross income and taxable net income for State of Minnesota income tax purposes.

Qualified Tax-Exempt Obligation. This Note has been designated by the City as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the federal Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Note, have been done, have happened and have been performed, in regular and due form, time and manner as required by law; that the City has covenanted and agreed with the holder of this Note that it will impose and collect charges for the service, use and availability of and connection to the Sewer System at the times and in amounts necessary to produce net revenues adequate to pay all principal and interest when due on this Note; that the City will levy a direct, annual, irrevocable ad valorem tax upon all of the taxable property in the City, without limitation as to rate or amount, for the years and in amounts sufficient to pay the installments of principal and interest on this Note as they respectively become due, if the net revenues from the Sewer System and any other revenues irrevocably appropriated to said PFA Debt Service Account are insufficient therefor; and that this Note, together with all other debts of the City outstanding on the date hereof, being the date of its actual issuance and delivery, 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 Note to be executed on its behalf by the signatures of its Mayor and of its Administrator-Clerk, and the corporate seal of the City having been intentionally omitted as permitted by law, all as of (do not date), 2020.

CITY OF MOUNTAIN LAKE,
COTTONWOOD COUNTY, MINNESOTA

(do not sign) _____
Mayor

(do not sign) _____
Administrator-Clerk

CERTIFICATE OF REGISTRATION

The transfer of ownership of the principal amount of the attached Note may be made only by the registered owner or his, her or its legal representative last noted below.

DATE OF
REGISTRATION

REGISTERED OWNER

SIGNATURE OF
ADMINISTRATOR-
CLERK

(do not date)

Minnesota Public Facilities Authority
Saint Paul, Minnesota
Federal Employer Identification
No. 41-6007162

(do not sign)

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

8. Delivery; Application of Proceeds. The Note when so prepared and executed shall be delivered by the Administrator-Clerk to the purchaser thereof prior to disbursements pursuant to the Bond Purchase and Project Loan Agreement, and the purchaser shall not be obliged to see to the proper application thereof.

9. Fund and Accounts. There has heretofore been created a separate fund in the City treasury designated the Sewer Fund (the "Fund"). The Administrator-Clerk and all municipal officials and employees concerned therewith shall maintain financial records of the receipts and disbursements of the Sewer System in accordance with the resolutions establishing the Fund. The Operation and Maintenance Account heretofore established by the City for the Sewer System shall continue to be maintained in the manner heretofore provided by the City. All moneys remaining after paying or providing for the items set forth in the resolution establishing the Operation and Maintenance Account shall constitute and are referred to as "net revenues" until the Note has have been paid. There shall be maintained in the Fund the following accounts:

(a) A "PFA Construction Account", to which shall be credited all proceeds received from the sale of the Note. The Note shall be the only source of moneys credited to the PFA Construction Account. It is recognized that the sale proceeds of the Note are received in reimbursement for costs expended on the Project or in direct payment of such costs, and that accordingly the moneys need not be placed in the PFA Construction Account upon receipt but may be applied immediately to reimburse the source from which the expenditure was made. The moneys in the PFA Construction Account shall be used solely for the purpose of paying for the cost of constructing the Project, including all costs enumerated in Minnesota Statutes, Section 475.65, provided that such moneys shall only be expended for costs and expenses which are permitted under the Bond Purchase and Project Loan Agreement. The PFA prohibits the use of proceeds of the Note to reimburse costs initially paid from proceeds of other obligations of the City unless otherwise specifically approved. Upon completion of the Project and the payment of the costs thereof, any surplus shall be transferred to the PFA Debt Service Account.

(b) A "PFA Debt Service Account", to which shall be irrevocably appropriated, pledged and credited: (i) net revenues of the Sewer System in an amount sufficient to pay the principal of, and interest on, the Note when due; (ii) any collection of taxes which may hereafter be levied in the event the net revenues of the Sewer System herein pledged for the payment of the Note are insufficient therefor; (iii) all investment earnings on moneys held in the PFA Debt Service Account; (iv) any amounts transferred from the PFA Construction Account; and (v) any other moneys which are properly available and are appropriated by the City Council to the PFA Debt Service Account.

The moneys in the PFA Debt Service Account shall be used only to pay or prepay the principal of, and interest on, the Note and any other general obligation bonds hereafter issued and made payable from the PFA Debt Service Account, and to pay any rebate due to the United States with respect to the PFA Bonds in connection with the Note.

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

The City shall observe the covenants of paragraphs 17, 18 and 19 of this resolution and of Article III of the Bond Purchase and Project Loan Agreement with regard to the Fund.

10. Coverage Test; Pledge of Net Revenues; Excess Revenues. It is hereby found, determined and declared that the net revenues of the Sewer System are sufficient in amount to pay when due the principal of and interest on the Note and the Outstanding Sewer Bonds and a sum at least five percent in excess thereof. It is hereby found, determined and declared that the net revenues of the Sewer System and the Water System are sufficient in amount to pay when due the principal of and interest the Outstanding Bonds and a sum at least five percent in excess thereof. The net revenues of the Sewer System are hereby pledged on a parity lien with the Outstanding Sewer Bonds and the Outstanding Bonds to the payment of the Note, but solely to the extent required to meet, together with other pledged sums, the principal and interest requirements of the Note. Excess net revenues may be used for any proper purpose. Nothing contained herein shall be deemed to preclude the City from making further pledges and appropriations of the net revenues of the Sewer System for the payment of other or additional obligations of the City, provided that it has first been determined by the City Council that estimated net revenues of the Sewer System will be sufficient, in addition to all other sources, for the payment of the Note and such additional obligations, and any such pledge and appropriation of net revenues may be made superior or subordinate to, or on a parity with, the pledge and appropriation herein. Net revenues in excess of those required for the foregoing may be used for any proper purpose.

11. Pledge to Produce Revenues. In accordance with Minnesota Statutes, Section 444.075, the City hereby covenants and agrees with the holder of the Note that it will

impose and collect charges for the service, use and availability of and connection to the Sewer System at the times and in the amounts required to produce net revenues adequate to pay, together with other pledged sums, all principal and interest when due on the Note. However, nothing herein shall preclude the City from levying taxes for the payment of the Note as permitted by Minnesota Statutes, Section 115.46.

12. General Obligation Pledge. The full faith, credit and taxing powers of the City shall be, and are hereby, irrevocably pledged for the prompt and full payment of the principal and interest on the Note as the same respectively become due. If the net revenues of the Sewer System appropriated and pledged to the payment of principal and interest on the Note, together with other funds irrevocably appropriated to the PFA Debt Service Account, shall at any time be insufficient to pay such principal and interest when due, the City covenants and agrees to levy, without limitation as to rate or amount, an ad valorem tax upon all taxable property in the City sufficient to pay such principal and interest as they become due. If the balance in the PFA Debt Service Account is ever insufficient to pay all principal and interest then due on the Note and any other obligations payable therefrom, the deficiency shall be promptly paid out of any other funds of the City which are available for such purpose, and such other funds may be reimbursed, with or without interest, from the PFA Debt Service Account when a sufficient balance is available therein.

13. 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 Note has been entered in the County Auditor's Bond Register.

14. Bond Purchase and Project Loan Agreement. The Bond Purchase and Project Loan Agreement is hereby approved in substantially the form heretofore presented to the City Council, and in the form executed is hereby incorporated by reference and made a part of this resolution. Each and all of the provisions of this resolution relating to the Note are intended to be consistent with the provisions of the Bond Purchase and Project Loan Agreement, and to the extent that any provision in the Bond Purchase and Project Loan Agreement is in conflict with this resolution as it relates to the Note, that provision shall control and this resolution shall be deemed accordingly modified except as provided in paragraph 15. The Mayor and Administrator-Clerk are hereby authorized and directed to execute the Bond Purchase and Project Loan Agreement. The execution of the Bond Purchase and Project Loan Agreement by the appropriate officers shall be conclusive evidence of the approval of the Bond Purchase and Project Loan Agreement in accordance with the terms hereof. The Bond Purchase and Project Loan Agreement may be attached to the Note, and shall be attached to the Note if the holder of the Note is any person other than the PFA.

15. Point Source Implementation Grant. In addition to the Note, the City is obligated to repay the Point Source Implementation Grant (as defined in the Bond Purchase and Project Loan Agreement) in accordance with Section 9.2, Article 9 of the Bond Purchase and Project Loan Agreement. Notwithstanding any provision to the contrary in the Bond Purchase and Project Loan Agreement, the Point Source Implementation Grant is payable solely from legally

available funds and is a special, limited revenue obligation and not a general obligation of the City.

16. Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to the PFA, and to the attorneys approving the legality of the issuance of the Note, certified copies of all proceedings and records of the City relating to the Note 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 Note 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.

17. Negative Covenants as to Use of Proceeds and Project. The City hereby covenants not to use the proceeds of the Note or to use the Project, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Project, in such a manner as to cause the Note to be a "private activity bond" within the meaning of Sections 103 and 141 through 150 of the Code. The City reasonably expects that no actions will be taken over the term of the Note that would cause it to be a private activity bond, and the average term of the Note is not longer than reasonably necessary for the governmental purpose of the issue. The City hereby covenants not to use the proceeds of the Note in such a manner as to cause the Note to be a "hedge bond" within the meaning of Section 149(g) of the Code.

The City hereby covenants not to use the proceeds of the Note or to use the Project, or to cause or permit them to be used, or to enter into any deferred payment arrangement for the cost of the Project, in such a manner as to cause the PFA Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code. The City reasonably expects that it will take no actions over the term of the Note that would cause the PFA Bonds to be private activity bonds, and the average term of the Note is not longer than reasonably necessary for its governmental purpose.

18. Tax-Exempt Status of the Note; Rebate. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Note, including without limitation (a) requirements relating to temporary periods for investments, (b) limitations on amounts invested at a yield greater than the yield on the Note, and (c) the rebate of excess investment earnings to the United States. The City expects to satisfy the two year expenditure exemption for gross proceeds of the Note as provided in Section 1.148-7(e)(1) of the Regulations. If any elections are available now or hereafter with respect to arbitrage or rebate matters relating to the Note, the Mayor, Administrator-Clerk, or either of them, are hereby authorized and directed to make such elections as they deem necessary, appropriate or desirable in connection with the Note, and all such elections shall be, and shall be deemed and treated as, elections of the City.

19. Tax-Exempt Status of the PFA Bonds; Rebate. The City with respect to the Note shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the PFA Bonds, including without limitation (a) requirements relating to temporary periods for investments, (b) limitations on amounts invested at a yield greater than the yield on the PFA Bonds, and (c) the rebate of

excess investment earnings to the United States. The City covenants and agrees with the PFA and holders of the Note that the investments of proceeds of the Note, including the investment of any revenues pledged to the Note which are considered gross proceeds of the PFA Bonds under the applicable regulations, and accumulated sinking funds, if any, shall be limited as to amount and yield in such manner that the PFA Bonds shall not be arbitrage bonds within the meaning of Section 148 of the Code and any regulations thereunder. On the basis of the existing facts, estimates and circumstances, including the foregoing findings and covenants, the City hereby certifies that it is not expected that the proceeds of the Note will be used in such manner as to cause the PFA Bonds to be arbitrage bonds under Section 148 of the Code and any regulations thereunder. The Mayor and Administrator-Clerk shall furnish a certificate to the PFA embracing or based on the foregoing certification at the time of delivery of the Note to the PFA. The proceeds of the Note will likewise be used in such manner that the Note is not a private activity bond under Section 103(b) of the Code.

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

- (a) the Note is issued after August 7, 1986;
- (b) the Note is not a "private activity bond" as defined in Section 141 of the Code;
- (c) the City hereby designates the Note as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code;
- (d) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the City (and all entities treated as one issuer with the City, and all subordinate entities whose obligations are treated as issued by the City) during this calendar year 2020 will not exceed \$10,000,000;
- (e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2020 have been designated for purposes of Section 265(b)(3) of the Code; and
- (f) the aggregate face amount of the Note does not exceed \$10,000,000.

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

21. 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.

22. 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 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.

Adopted this 16th day of March 2020.

Mike Nelson, Mayor

ATTEST:

Michael Schulte, Administrator/Clerk

STATE OF MINNESOTA
COUNTY OF COTTONWOOD
CITY OF MOUNTAIN LAKE

I, the undersigned, being the duly qualified and acting Administrator-Clerk of the City of Mountain Lake, Minnesota do hereby certify that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council, duly called and held on the date therein indicated, insofar as such minutes relate to the \$8,018,787 General Obligation Sewer Revenue Note of 2020.

WITNESS my hand and City's seal on March 16, 2020.

Administrator-Clerk