

OFFICIAL CITY COUNCIL PROCEEDINGS  
REGULAR SESSION  
FEBRUARY 21, 2012

A regular session of the Granite Falls City Council was called to order by Mayor David Smiglewski at 7:30 p.m., Tuesday, February 21<sup>st</sup>, in the Council Chambers of City Hall. Council Members present: DuWayne Galow, Steve Nordaune, Steve Schaub, Joe Fagnano and Scott Peterson. Council Member absent: Bill Miller. Staff present: City Manager Bill Lavin, Finance Director Michael Betker and City Clerk Joan Taylor. Also in attendance were EDA Director Dennis VanHoof, YMC & Chippewa County Assessors Connie Erickson and Carol Schutz, David Hammerschmidt, Chippewa County Commissioners Dennis Anderson, Jim Dahlvang and Jeff Lopez, Carolyn Drude Ehlers & Associates and Advocate Tribune News Editor Scott Tedrick.

MINUTES: M/S NORDAUNE/SCHAUB TO APPROVE THE MINUTES OF THE FEBRUARY 6<sup>th</sup> REGULAR MEETING. Motion carried unanimously by those present.

BILLS: M/S NORDAUNE/GALOW TO APPROVE BILLS PRESENTED FOR PAYMENT. Motion carried unanimously by those present.

ASSESSMENT SERVICES: YMC Assessor Connie Erickson, Chippewa County Assessor Carol Schutz and David Hammerschmidt were in attendance to discuss an inquiry from council as to whether or not either or both counties could provide assessment services and if so at what cost. Following discussion it was determined that the counties could provide this service but there wouldn't be a savings to the city for them doing it. Therefore it was the consensus of council to continue to use Southwest Appraisals for the city assessments.

REPORTS: The EDA report was acknowledged at this time.

811 RLF: Upon the recommendation of the EDA Board, Nordaune introduced the following resolution and moved its adoption to defer the loan \$10,000 to Granite Falls Riverfront Revitalization for six months until August 2012 due to cash flow problems.

RESOLUTION NO. 12-25

RESOLUTION DEFERRING LOAN PAYMENT -  
GRANITE FALLS RIVERFRONT REVITALIZATION

WHEREAS, pursuant to Resolution No. 09-56, council approved a loan to Granite Falls Riverfront Revitalization in the amount of \$10,000 from the 811 Revolving Loan Fund at an interest rate of 2% payable over 10 years to assist with engineering and design work at the KK Berge Building located at 807 Prentice Street; and

WHEREAS, the Granite Falls Riverfront has requested deferment of payments on this loan for a period of 6 months due to cash flow problems with payments to resume in August 2012; and

WHEREAS, the EDA Board at its February 13<sup>th</sup> meeting recommended that council approve the loan deferment as requested.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA deferring the payment on the \$10,000 loan from the 811 Revolving Loan Fund to Granite Falls Riverfront Revitalization for a period of 6 months with payments to resume August 2012.

Adopted by the City Council this 21<sup>st</sup> day of February, 2012.

David Smiglewski  
Mayor

ATTEST:

Joan M. Taylor  
City Clerk

With second by Schaub, the resolution was adopted unanimously by those present.

811 RLF: Also upon the recommendation of the EDA Board, Nordaune introduced the following resolution and moved its adoption increasing the loan to Jim Aus to assist him in the purchase of the Dairy Queen by \$50,000 making the entire loan from the 811 Revolving Loan Fund \$150,000.

RESOLUTION NO. 12-26

RESOLUTION APPROVING LOAN INCREASE FROM  
811 REVOLVING LOAN FUND TO JIM AUS

WHEREAS, pursuant to Resolution No. 11-175 council approved a loan from the 811 Revolving Loan Fund in the amount of \$100,000 at an interest rate of 3% payable over 10 years to Jim Aus to provide assistance with the purchase of the Dairy Queen contingent upon receipt of letters of commitment received from the Granite Falls Bank, the Southwest Initiative Foundation and the Western Minnesota Revolving Loan Fund; and

WHEREAS, the Southwest Initiative Foundation has decided not to participate in this financing package; and

WHEREAS, Jim Aus has requested an additional \$50,000 to the loan from the 811 Revolving Loan Fund to enable Mr. Aus to purchase the Dairy Queen; and

WHEREAS, the EDA Board its February 13<sup>th</sup> meeting has recommended council consider increasing the loan to Mr. Aus from \$100,000 to \$150,000 as the Granite Falls Bank has agreed to the increase its loan for the same amount.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, increasing the loan to Jim Aus from the 811 Revolving Loan Fund by \$50,000 from \$100,000 to \$150,000 to help with the purchase of the Dairy Queen.

Adopted by the City Council this 21<sup>st</sup> day of February, 2012.

David Smiglewski  
Mayor

ATTEST:  
Joan M. Taylor  
City Clerk

With second by Galow, the resolution was adopted unanimously by those present.

REPORTS: The Airport Commission report was acknowledged at this time.

2012 AIRPORT IMPROVEMENTS: Council reviewed a proposal received from Bolton & Menk for professional services to complete the 2012 Airport Improvements consisting of obstruction removal and runway crack repairs. Following discussion, Schaub introduced a resolution and moved its adoption authorizing execution of an Agreement for Professional Services with Bolton & Menk for the 2012 Airport Improvements in an amount not to exceed \$28,000.

RESOLUTION NO. 12-27

RESOLUTION AUTHORIZING EXECUTION OF  
AGREEMENT FOR PROFESSIONAL SERVICES  
BOLTON & MENK

WHEREAS, Bolton & Menk has submitted an Agreement for Professional Services in conjunction with providing the 2012 Airport Improvement Projects which include obstruction removal and runway crack repair.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF

GRANITE FALLS, MINNESOTA, authorizing execution of the Agreement for Professional Services as submitted at a cost not to exceed of \$28,000 contingent upon receipt of a grant from the State Office of Aeronautics.

Adopted by the City Council this 21<sup>st</sup> day of February, 2012.

David Smiglewski  
Mayor

ATTEST:

Joan M. Taylor  
City Clerk

With second by Nordaune, the resolution was adopted unanimously by those present.

REFUNDING BONDS: Carolyn Drude from Ehlers & Associates was in attendance to present the sale report for five proposals received for the sale of \$1,390,000 General Obligation Refunding Bonds, Series 2012A. Following discussion, Schaub introduced the following resolution and moved its adoption to accept the bid from United Bankers' Bank from Bloomington, Minnesota at a true interest rate of 1.2767% for the sale of the above referenced bonds.

RESOLUTION NO. 12-28

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$1,395,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012A, PLEDGING FOR THE SECURITY THEREOF SPECIAL ASSESSMENTS, NET REVENUES, TAX INCREMENTS, TAX ABATEMENTS AND LEVYING A TAX FOR THE PAYMENT THEREOF

WHEREAS, the City Council of the City of Granite Falls, Minnesota (the "City"), hereby determines and declares that it is necessary and expedient to provide moneys for a crossover advance refunding of the City's i) \$640,000 original principal amount of General Obligation Improvement Bonds, Series 2005B, dated September 8, 2005 (the "Prior 2005B Bonds"); ii) and \$1,455,000 original principal amount of General Obligation Bonds, Series 2006A, dated November 1, 2006 (the "Prior 2006A Bonds" and, together with the Prior 2005B Bonds, the "Prior Bonds"); and

WHEREAS, iii) \$485,000 of the principal amount of the Prior 2005B Bonds which matures on and after February 1, 2015 (the "Refunded 2005B Bonds"), is callable on February 1, 2014 (the "February 1, 2014 Crossover Date"), at a price of par plus accrued interest, as provided in the resolution adopted by the City Council on August 15, 2005, authorizing the issuance of the Prior 2005B Bonds (the "Prior 2005B Resolution"); iv) and \$845,000 aggregate principal amount of the Prior 2006A Bonds which matures on and after February 1, 2013 (the "Refunded 2006A Bonds" and, together with the Refunded 2005B Bonds, the "Refunded Bonds"), is callable on the February 1, 2013 (the "February 1, 2013 Crossover Date" and, together with the February 1, 2014 Crossover Date, the "Crossover Dates"), at a price of par plus accrued interest, as provided in the resolution adopted by the City Council on October 2, 2006, authorizing the issuance of the Prior 2006A Bonds

(the "Prior 2006A Resolution" and together with the Prior 2005B Resolution, the "Prior Resolutions"); and

WHEREAS, the City Council hereby determines and declares that it is necessary and expedient to issue \$1,395,000 General Obligation Refunding Bonds, Series 2012A (the "Bonds" or individually, a "Bond"), pursuant to Minnesota Statutes, Chapter 475, to provide moneys for the crossover advance refunding of the Refunded Bonds; and

WHEREAS, the proceeds of the Tax Increment Portion of the Prior 2006A Bonds were issued pursuant to the provisions of a Tax Increment Financing Plan (the "Plan") Tax Increment Financing District No. 8 (the "Tax Increment District"), as a redevelopment district within Municipal Development District No. 1 (the "Development District"), to provide funds which were expended within the Development District to finance certain capital and administration costs associated with the construction of a relocated hardware store within Development District, as set forth in the Plan and the tax increments derived from the Tax Increment District (the "Tax Increments") have been pledged to the payment of the Tax Increment Portion of the Prior 2006A Bonds; and

WHEREAS, the City has heretofore established a tax abatement program (the "Program") pursuant to the provisions of Minnesota Statutes, Sections 469.1812 through 469.1815, with respect to providing for the abatement of property taxes for a period of ten years on various properties in the City, as described in the resolution adopted by the City Council on September 7, 2004, approving the Program (the "Abatement Resolution"); and

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

WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent financial advisor for the sale of the Bonds and was therefore authorized to sell the Bonds by private negotiation in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9) and a proposal to purchase the Bonds has been solicited by Ehlers; and

WHEREAS, the proposals set forth on Exhibit A attached hereto were received by the City Clerk, or designee, at the offices of Ehlers at 10:00 a.m. this same day pursuant to the Terms of Proposal established for the Bonds; and

WHEREAS, it is in the best interests of the City that the Bonds be issued in book-entry form as hereinafter provided; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Granite Falls, Minnesota, as follows:

Acceptance of Offer. The proposal of \_\_\_\_\_ (the "Purchaser"), to purchase the Bonds in accordance with the Terms of Proposal, at the rates of interest hereinafter set forth, and to pay therefor the sum of \$ \_\_\_\_\_, plus interest accrued to settlement, is hereby found, determined and declared to be the most favorable proposal received and is hereby accepted and the Bonds are hereby awarded to the Purchaser. The Administrator is directed to retain the deposit of the Purchaser and to return to the unsuccessful bidders any good faith checks or drafts.

Bond Terms.

Original Issue Date; Denominations; Maturities. The Bonds shall dated March 21, 2012, as the date of original issue, shall be issued forthwith on or after such date in fully registered form, shall be numbered from R-1 upward in the denomination of \$5,000 each or in any integral multiple thereof of a single maturity (the "Authorized Denominations") and shall mature, without option of prepayment, on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2014	\$	2018	\$
2015		2019	
2016		2020	
2017		2021	

As may be requested by the Purchaser, one or more term Bonds may be issued having mandatory sinking fund redemption and final maturity amounts conforming to the foregoing principal repayment schedule, and corresponding additions may be made to the provisions of the applicable Bond(s).

Book Entry Only System. The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York or any of its successors or its successors to its functions hereunder (the "Depository") will act as securities depository for the Bonds, and to this end:

The Bonds shall be initially issued and, so long as they remain in book entry form only (the "Book Entry Only Period"), shall at all times be in the form of a separate single fully registered Bond for each maturity of the Bonds; and for purposes of complying with this requirement under paragraphs 6 and 11 Authorized Denominations for any Bond shall be deemed to be limited during the Book Entry Only Period to the outstanding principal amount of that Bond.

Upon initial issuance, ownership of the Bonds shall be registered in a bond register maintained by the Bond Registrar (as hereinafter defined) in the name of CEDE & CO., as the nominee (it or any nominee of the existing or a successor Depository, the "Nominee").

With respect to the Bonds neither the City nor the Bond Registrar shall have any responsibility or obligation to any broker, dealer, bank, or any other financial institution for which the Depository holds Bonds as securities depository (the "Participant") or the person for which a Participant holds an interest in the Bonds shown on the books and records of the Participant (the "Beneficial Owner"). Without limiting the immediately preceding sentence, neither the City, nor the Bond Registrar, shall have any such responsibility or obligation with respect to (A) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in the Bonds, or (B) the delivery to any Participant, any Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any notice of redemption, or (C) the payment to any Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the principal of or premium, if any, or interest on the Bonds, or (D) the consent given or other action taken by the Depository as the Registered Holder of any Bonds (the "Holder"). For purposes of securing the vote or consent of any Holder under this Resolution, the City may, however, rely upon an omnibus proxy under which the Depository assigns its consenting or voting rights to certain Participants to whose accounts the Bonds are credited on the record date identified in a listing attached to the omnibus proxy.

The City and the Bond Registrar may treat as and deem the Depository to be the absolute owner of the Bonds for the purpose of payment of the principal of and premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to the Bonds, for the purpose of obtaining any consent or other action to be taken by Holders for the purpose of registering transfers with respect to such Bonds, and for all purpose whatsoever. The Bond Registrar, as paying agent hereunder, shall pay all principal of and premium, if any, and interest on the Bonds only to the Holder or the Holders of the Bonds as shown on the bond register, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid.

Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new Nominee in place of the existing Nominee, and subject to the transfer provisions in paragraph 11, references to the Nominee hereunder shall refer to such new Nominee.

So long as any Bond is registered in the name of a Nominee, all payments with respect to the principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, by the Bond Registrar or City, as the case may be, to the Depository as provided in the Letter of Representations to the Depository required by the Depository as a condition to its acting as book-entry Depository for the Bonds (said Letter of Representations, together with any replacement thereof or amendment or substitute thereto, including any standard procedures or policies referenced therein or applicable thereto respecting the procedures and other matters relating to the Depository's role as book-entry Depository for the Bonds, collectively hereinafter referred to as the "Letter of Representations").

All transfers of beneficial ownership interests in each Bond issued in book-entry form shall be limited in principal amount to Authorized Denominations and shall be effected by procedures by the Depository with the Participants for recording and transferring the ownership of beneficial interests in such Bonds.

In connection with any notice or other communication to be provided to the Holders pursuant to this Resolution by the City or Bond Registrar with respect to any consent or other action to be taken by Holders, the Depository shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action; provided, that the City or the Bond Registrar may establish a special record date for such consent or other action. The City or the Bond Registrar shall, to the extent possible, give the Depository notice of such special record date not less than 16 calendar days in advance of such special record date to the extent possible.

Any successor Bond Registrar in its written acceptance of its duties under this Resolution and any paying agency/bond registrar agreement, shall agree to take any actions necessary from time to time to comply with the requirements of the Letter of Representations.

In the case of a partial prepayment of a Bond, the Holder may, in lieu of surrendering the Bonds for a Bond of a lesser denomination as provided in paragraph 6 hereof, make a notation of the reduction in principal amount on the panel provided on the Bond stating the amount so redeemed.

Termination of Book-Entry Only System. Discontinuance of a particular Depository's services and termination of the book-entry only system may be effected as follows:

The Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the City and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of the Depository with respect to the Bond if it determines that the Depository is no longer able to carry out its functions as securities depository or the continuation of the system of book-entry transfers through the Depository is not in the best interests of the City or the Beneficial Owners.

Upon termination of the services of the Depository as provided in the preceding paragraph, and if no substitute securities depository is willing to undertake the functions of the Depository hereunder can be found which, in the opinion of the City, is willing and able to assume such functions upon reasonable or customary terms, or if the City determines that it is in the best interests of the City or the Beneficial Owners of the Bond that the Beneficial Owners be able to obtain certificates for the Bonds, the Bonds shall no longer be registered as being registered in the bond register in the name of the Nominee, but may be registered in whatever name or names the Holder of the Bonds shall designate at that time, in accordance with paragraph 11. To the extent that the Beneficial Owners are designated as the transferee by the Holders, in accordance with paragraph 11, the Bonds will be delivered to the Beneficial Owners.

Nothing in this subparagraph (c) shall limit or restrict the provisions of paragraph 11.

Letter of Representations. The provisions in the Letter of Representations are incorporated herein by reference and made a part of the resolution, and if and to the extent any such provisions are inconsistent with the other provisions of this resolution, the provisions in the Letter of Representations shall control.

Allocation of Bonds to Prior 2005B Bonds and Prior 2006A Bonds; Allocation of Prepayments to Portions of Debt Service. The aggregate principal amount of \$ \_\_\_\_\_ maturing in each of the years and amounts hereinafter set forth are issued to refund the Prior 2005B Bonds (the "Prior 2005B Refunding Portion"). The aggregate principal amount of \$ \_\_\_\_\_ maturing in each of the years and amounts hereinafter set forth are issued to refund the Prior 2006A Bonds (the "Prior 2006A Refunding Portion"), which shall be further allocated as follow: the aggregate principal amount of \$ \_\_\_\_\_ maturing in each of the years and amounts hereinafter set forth are issued to refund the Improvement Refunding Portion of the Prior 2006A Bonds (the "Improvement Refunding Portion of the Prior 2006A Bonds Portion"); the aggregate principal amount of \$ \_\_\_\_\_ maturing in each of the years and amounts hereinafter set forth are issued to refund the Tax Abatement Refunding Portion of the Prior 2006A Bonds (the "Tax Abatement Refunding Portion of the Prior 2006A Bonds Portion"), and the aggregate principal amount of \$ \_\_\_\_\_ maturing in each of the years and amounts hereinafter set forth are issued to refund the Tax Increment Portion of the Prior 2006A Bonds (the "Tax Increment Refunding Portion of the Prior 2006A Bonds Portion"):



<u>Year</u>	<u>Prior 2005B Refunding Portion</u>	<u>Improvement Refunding Portion of the Prior 2006A Bonds Portion</u>	<u>Tax Abatement Refunding Portion of the Prior 2006A Bonds Portion</u>	<u>Tax Increment Refunding Portion of the Prior 2006A Refunding Portion</u>
2014	\$	\$	\$	\$
2015				
2016				
2017				
2018				
2019				
2020				
2021				

If Bonds are prepaid, the prepayments shall be allocated to the portions of debt service (and hence allocated to the payment of Bonds treated as relating to a particular portion of debt service) as provided in this paragraph. If the source of prepayment is the general fund of the City, or other generally available source, the prepayment may be allocated to any of the portions of debt service in such amounts as the City shall determine. If the source of a prepayment is special assessments or taxes pledged to the Prior 2005B Bonds, the prepayment shall be allocated to the Prior 2005B Refunding Portion of debt service. If the source of a prepayment is special assessments and taxes pledged to the Improvement Refunding Portion of the Prior 2006A Bonds, the prepayment shall be allocated to the Improvement Refunding Portion of the Prior 2006A Bonds Portion of debt service. If the source of a prepayment is tax abatements pledged to the Tax Abatement Refunding Portion of the Prior 2006A Bonds, the prepayment shall be allocated to the Tax Abatement Refunding Portion of the Prior 2006A Bonds Portion of debt service. If the source of a prepayment is tax increments pledged to the Tax Increment Portion of the Prior 2006A Bonds, the prepayment shall be allocated to the Tax Increment Refunding Portion of the Prior 2006A Bonds Portion of debt service.

Purpose; Refunding Findings. The Bonds shall provide funds for the crossover advance refundings of the Refunded Bonds (the "Refundings"). It is hereby found, determined and declared that the Refundings are pursuant to Minnesota Statutes, Section 475.67. There shall result a reduction in the present value of the dollar amount of the debt service to the City from a total dollar amount of \$\_\_\_\_\_ for the Prior 2005B Bonds to a total dollar amount of \$\_\_\_\_\_ for the Prior 2005B Refunding Portion of the Bonds, computed in accordance with the provisions of Minnesota Statutes, Section 475.67, Subdivision 12. The dollar amount of such present value of the debt service for the Prior 2005B Bonds is lower by at least three percent than the dollar amount of such present value of the debt service for the Prior 2005B Bonds, as required by Minnesota Statutes, Section 475.67, Subdivision 12. 1. There shall result a reduction in the present value of the dollar amount of the debt service to the City from a total dollar amount of \$\_\_\_\_\_ for the Prior 2006A Bonds to a total dollar amount of \$\_\_\_\_\_ for the Prior 2006A Refunding Portion of the Bonds, computed in accordance with the provisions of Minnesota Statutes, Section 475.67, Subdivision 12. The dollar amount of such present value of the debt service for the Prior 2006A Bonds is lower by at least three percent than the dollar amount of such present value of the debt service for the Prior 2006A Bonds, as required by Minnesota Statutes, Section 475.67, Subdivision 12.

Interest. The Bonds shall bear interest payable semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing February 1, 2013, calculated on the basis

of a 360-day year of twelve 30-day months, at the respective rates per annum set forth opposite the maturity years as follows:

<u>Maturity Year</u>	<u>Interest Rate</u>	<u>Maturity Year</u>	<u>Interest Rate</u>
2014	%	2018	%
2015		2019	
2016		2020	
2017		2021	

No Redemption. The Bonds shall not be subject to redemption and prepayment prior to their stated maturity dates.

Bond Registrar. Bond Trust Services Corporation, in Roseville, Minnesota, is appointed to act as bond registrar and transfer agent with respect to the Bonds (the "Bond Registrar"), and shall do so unless and until a successor Bond Registrar is duly appointed, all pursuant to any contract the City and Bond Registrar shall execute which is consistent herewith. The Bond Registrar shall also serve as paying agent unless and until a successor paying agent is duly appointed. Principal and interest on the Bonds shall be paid to the registered holders (or record holders) of the Bonds in the manner set forth in the form of Bond and paragraph 12.

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

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
CHIPPEWA AND YELLOW MEDICINE COUNTIES  
CITY OF GRANITE FALLS

R- \_\_\_\_\_ \$ \_\_\_\_\_

GENERAL OBLIGATION REFUNDING BOND, SERIES 2012A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	February 1,	March 21, 2012	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The City of Granite Falls, Chippewa and Yellow Medicine Counties, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, without option of prior payment, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing February 1, 2013, at the rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months) until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the principal

office of Bond Trust Services Corporation, in Roseville, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given to Bondholders not less than ten days prior to the Special Record Date. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America. So long as this Bond is registered in the name of the Depository or its Nominee as provided in the Resolution hereinafter described, and as those terms are defined therein, payment of principal of, premium, if any, and interest on this Bond and notice with respect thereto shall be made as provided in the Letter of Representations, as defined in the Resolution, and surrender of this Bond shall not be required for payment of the redemption price upon a partial redemption of this Bond. Until termination of the book-entry only system pursuant to the Resolution, Bonds may only be registered in the name of the Depository or its Nominee.

No Optional Redemption. The Bonds of this issue (the "Bonds") are not subject to redemption and prepayment prior to their stated maturity dates.

Issuance; Purpose; General Obligation. This Bond is one of an issue in the total principal amount of \$1,395,000, all of like date of original issue and tenor, except as to number, maturity, interest rate, denomination, issued pursuant to and in full conformity with the City Charter, the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council on February 21, 2012 (the "Resolution"), for the purpose of providing funds sufficient for crossover advance refundings of certain outstanding general obligation bonds of the Issuer. This Bond is payable out of the Escrow Account and the Debt Service Account of the Issuer's General Obligation Refunding Bonds, Series 2012A Fund. This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of its principal, premium, if any, and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

Denominations; Exchange; Resolution. The Bonds are issuable solely in fully registered form in Authorized Denominations (as defined in the Resolution) and are exchangeable for fully registered Bonds of other Authorized Denominations in equal aggregate principal amounts at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

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

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

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

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

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

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the City Charter, the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond, have been done, have happened and have been performed, in regular and due form, time and manner as required by law, and that this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser, does not exceed any charter, constitutional or statutory limitation of indebtedness.



Dated: \_\_\_\_\_

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

\_\_\_\_\_

Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm having a membership in one of the major stock exchanges or any other "Eligible Guarantor Institution" as defined in 17 CFR 240.17 Ad-15(a)(2).

The Bond Registrar will not effect transfer of this Bond unless the information concerning the transferee requested below is provided.

Name and Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Include information for all joint owners if the Bond is held by joint account.)

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

Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless a Certificate of Authentication on such Bond, substantially in the form hereinabove set forth, shall have been duly executed by an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate the signatures of officers of the City on each Bond by execution of the Certificate of Authentication on the Bond and by inserting as the date of registration in the space provided the date on which the Bond is authenticated, except that for purposes of delivering the original Bonds to the Purchaser, the Bond Registrar shall insert as a date of registration the date of original issue of March 21, 2012. The Certificate of Authentication so executed on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.

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

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration (as provided in paragraph 10) of, and deliver, in the name of the designated transferee or

transferees, one or more new Bonds of any Authorized Denomination or Denominations of a like aggregate principal amount, having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation.

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

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

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

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

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

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

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

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

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

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

Funds and Accounts. There is hereby created a special fund to be designated the "General Obligation Refunding Bonds, Series 2012A Fund" (the "Fund") to be administered and maintained by the Finance Officer as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. In such records there shall be established accounts or accounts shall continue to be maintained as the case may be, of the Fund for the purposes and in the amounts as follows:

Escrow Account. The Escrow Account is established for the Refunded Bonds and shall be maintained as an escrow account with U.S. Bank National Association (the "Escrow Agent"), in St. Paul, Minnesota, which is a suitable financial institution within or without the State. All proceeds of the sale of the Bonds shall be received by the Escrow Agent and applied to fund the Escrow Account or to pay costs of issuing the Bonds. Proceeds of the Bonds not used to pay costs of issuance are hereby irrevocably pledged and appropriated to the Escrow Account, together with all investment earnings thereon. The Escrow Account shall be invested in securities maturing or callable at the option of the holder on such dates and bearing interest at such rates as shall be required to provide sufficient funds, together with any cash or other funds retained in the Escrow Account, (i) to pay when due the interest to accrue on the Bonds to and including the Crossover Dates and (ii) to pay when called for redemption on the Crossover Dates, the principal amount of the Refunded Bonds. The Escrow Account shall be irrevocably appropriated to the payment of (i) all interest on the Bonds to and including the Crossover Dates and (ii) the principal of the Refunded Bonds due by reason of their call for redemption on the Crossover Dates. The moneys in the Escrow Account shall be used solely for the purposes herein set forth and for no other purpose, except that any surplus in the Escrow Account may be remitted to the City, all in accordance with the Escrow Agreement, by and between the City and Escrow Agent (the "Escrow Agreement"), a form of which is on file in the office of the Clerk. Any moneys remitted to the City upon termination of the Escrow Agreement shall be deposited in the Debt Service Account.

Debt Service Account. There shall be maintained the following separate subaccounts in the Debt Service Account to be designated the "Improvement Debt Service Subaccount", the "System Debt Service Subaccount" and the "Tax Increment, Special Assessment and Tax Levy Subaccount". There are hereby irrevocably appropriated and pledged to, and there shall be credited to the separate subaccounts of the Debt Service Account:

Improvement Debt Service Subaccount. To the Improvement Debt Service Subaccount there is hereby pledged and irrevocably appropriated and there shall be credited: (1) after the Crossover Dates, all uncollected special assessments pledged to the payment of the Prior 2005B Refunding Portion of the Bonds and Improvement Refunding Portion of the Prior 2006A Portion of the Bonds; (2) a proportionate share of any amount paid for the Bonds in excess of the minimum bid received upon delivery of the Bonds; (3) any collections of all taxes heretofore or hereafter levied for the payment of the Prior 2005B Refunding Portion of the Bonds and the Improvement Refunding Portion of the Prior 2006A Portion of the Bonds and interest thereon which are not needed to pay the Prior 2005B Refunding Portion of the Bonds and Improvement Refunding Portion of the Prior 2006A Portion of the Bonds as a result of the Refunding; (4) proportionate shares of any balance remitted to the City upon the termination of the Escrow Agreement; (5) all investment earnings on funds in the Improvement Debt Service Subaccount; and (6) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Improvement Debt Service Subaccount. The amount of any surplus remaining in the



Improvement Debt Service Subaccount when the Prior 2005B Refunding Portion of the Bonds and the Improvement Refunding Portion of the Prior 2006A Bonds Portion of the Bonds and interest thereon are paid shall be used consistent with Minnesota Statutes, Section 475.61, Subdivision 4. The moneys in the Improvement Debt Service Subaccount shall be used solely to pay the principal of and interest on the Prior 2005B Refunding Portion of the Bonds and the Improvement Refunding Portion of the Prior 2006A Bonds Portion of the Bonds or any other bonds hereafter issued and made payable from the Fund.

Tax Abatement Debt Service Subaccount. To the Tax Abatement Debt Service Account there is hereby pledged and irrevocably appropriated and there shall be credited: (1) a proportionate share of any amount paid for the Bonds in excess of the minimum bid; (2) after the February 1, 2013 Crossover Date, all uncollected Tax Abatements pledged to the payment of the Tax Abatement Refunding Portion of the Prior 2006A Bonds; (3) any collections of all tax abatements and taxes heretofore or hereafter levied or collected for the payment of the Tax Abatement Refunding Portion of the Prior 2006A Bonds Portion of the Bonds and interest thereon which are not needed to pay the Tax Abatement Refunding Portion of the Prior 2006A Bonds Portion of the Bonds as a result of the Refunding; (4) a proportionate share of any balance remitted to the City upon the termination of the Escrow Agreement; (5) all investment earnings on funds held in the Tax Abatement Debt Service Subaccount; and (6) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Tax Abatement Debt Service Subaccount. The Tax Abatement Debt Service Subaccount shall be used solely to pay the principal and interest and any premiums for redemption of the Tax Abatement Refunding Portion of the Prior 2006A Bonds Portion of the Bonds and any other general obligation bonds of the City hereafter issued by the City and made payable from said account as provided by law.

Tax Increment Debt Service Subaccount. To the Tax Increment Debt Service Subaccount there is hereby pledged and irrevocably appropriated and there shall be credited: (1) after the Crossover Date, Tax Increments not otherwise pledged and applied to the payment of other obligations of the City, in an amount sufficient, together with other sums herein or herein pledged, to pay the annual principal and interest payments on the Tax Increment Portion of the Prior 2006A Portion of the Bond; (2) a proportionate share of any amount paid for the Bonds in excess of the minimum bid; (3) any collections of all taxes heretofore or hereafter levied for the payment of the Tax Increment Refunding Portion of the Prior 2006A Bonds Portion of the Bonds and interest thereon which are not needed to pay the Tax Increment Refunding Portion of the Prior 2006A Bonds Portion of the Bonds as a result of the Refunding; (4) a proportionate share of any balance remitted to the City upon the termination of the Escrow Agreement; (5) all investment earnings on funds in the Tax Increment Debt Service Subaccount; and (6) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Tax Increment Debt Service Subaccount. The amount of any surplus remaining in the Tax Increment Debt Service Subaccount when the Tax Increment Refunding Portion of the Prior 2006A Refunding Portion of the Bonds and interest thereon are paid shall be used consistent with Minnesota Statutes, Section 475.61, Subdivision 4.

The moneys in the Debt Service Account shall be used solely to pay the principal of and interest on the Bonds or any other bonds hereafter issued and made payable from the Fund. No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued, and (2) in addition to the above, in an amount not greater

than the lesser of five percent of the proceeds of the Bonds or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Fund (or any other City account which will be used to pay principal and interest to become due on the Bonds) in excess of amounts which under the applicable federal arbitrage regulations may be invested without regard as to yield shall not be invested in excess of the applicable yield restrictions imposed by the 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, the proceeds of the Bonds and money in the Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the federal Internal Revenue Code of 1986, as amended (the "Code").

Covenants Relating to the Prior 2005B Refunding Portion of the Bonds and the Improvement Refunding Portion of the Prior 2006A Bonds Portion of the Bonds.

Special Assessments. The City has heretofore levied special assessments pursuant to the Prior 2005B Resolution and the Prior 2006A Resolution, which were pledged to the payment of the principal and interest on the Prior 2005B Bonds and the Improvement Refunding Portion of the Prior 2006A Bonds and, after the Crossover Date, the uncollected special assessments for the Prior 2005B Bonds and the Improvement Refunding Portion of the Prior 2006A Bonds are now pledged to the payment of principal and interest on the Prior 2005A Refunding Portion of the Bonds and the Improvement Refunding Portion of the Prior 2006A Bonds Portion of the Bonds. The special assessments are such that if collected in full they, together with estimated collections of taxes herein pledged for the payment of the Prior 2005B Refunding Portion of the Bonds and the Improvement Refunding Portion of the Prior 2006A Bonds Portion of the Bonds, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Prior 2005B Refunding Portion of the Bonds and the Improvement Refunding Portion of the Prior 2006A Bonds Portion of the Bonds. The special assessments were levied as provided below, payable in equal, consecutive, annual installments, with general taxes for the years shown below and with interest on the declining balance of all such assessments at the rate shown opposite such years:

<u>Improvement Designations</u>	<u>Amounts</u>	<u>Interest Rate</u>	<u>Collection Years</u>
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See attached schedules

Tax Levy; Coverage Test; Cancellation of Certain Tax Levies. To provide moneys for payment of the principal and interest on the Prior 2005B Refunding Portion of the Bonds and the Improvement Refunding Portion of the Prior 2006A Bonds Portion of the Bonds, there is hereby levied upon all of the taxable property in the City a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the City for the years and in the amounts as follows:

<u>Years of Tax Levy</u>	<u>Years of Tax Collection</u>	<u>Amounts</u>
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See attached schedule

The tax levies are such that if collected in full they, together with estimated collections of special assessments and any other revenues herein pledged for the payment of the Prior 2005B Refunding Portion of the Bonds and the Improvement Refunding Portion of the Prior 2006A Bonds Portion of the Bonds, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Prior 2005B Refunding Portion of the Bonds and the Improvement Refunding Portion of the Prior 2006A Bonds Portion of the Bonds. The tax levies

shall be irrevocable so long as any of the Prior 2005B Refunding Portion of the Bonds and the Improvement Refunding Portion of the Prior 2006A Bonds Portion of the Bonds are outstanding and unpaid, provided that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61, Subdivision 3.

Upon payment of the Prior 2005B Bonds and the Improvement Refunding Portion of the Prior 2006A Bonds, the uncollected taxes levied in the Prior 2005B Resolution and the Prior 2006A Resolution authorizing the issuance of the Prior 2005B Bonds and the Improvement Refunding Portion of the Prior 2006A Bonds which are not needed to pay the Prior 2005B Bonds and the Improvement Refunding Portion of the Prior 2006A Bonds as a result of the Refunding shall be canceled.

General Obligation Pledge. For the prompt and full payment of the principal and interest on the Prior 2005B Refunding Portion of the Bonds and the Improvement Refunding Portion of the Prior 2006A Bonds Portion of the Bonds, as the same respectively become due, the full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the balance in the Improvement Debt Service Subaccount is ever insufficient to pay all principal and interest then due on the Prior 2005B Refunding Portion of the Bonds and the Improvement Refunding Portion of the Prior 2006A Bonds Portion of the Bonds and any other bonds 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 Improvement Debt Service Subaccount when a sufficient balance is available therein.

Covenants Relating to the Tax Abatement Refunding Portion of the Prior 2006A Bonds Portion of the Bonds.

Tax Abatements; Use of Tax Abatements. The Council has previously adopted an Abatement Resolution and thereby approved the Tax Abatements, including the pledge thereof to the payment of the principal of the Tax Abatement Portion of the Prior 2006A Bonds. The estimated total amount of the Tax Abatements, if received as estimated for the full maximum term thereof, is not less than the Tax Abatement Refunding Portion of the Prior 2006A Bonds Portion of the Bonds. The Council hereby confirms the Abatement Resolution, which is hereby incorporated as though set forth herein.

Tax Levy; Coverage Test. To provide moneys, together with the Tax Abatements, for payment of the interest on the Tax Abatement Refunding Portion of the Prior 2006A Bonds Portion of the Bonds, there is hereby levied upon all of the taxable property in the City a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the City for the years and in the amounts as follows:

<u>Year of Tax Levy</u>	<u>Year of Tax Collection</u>	<u>Amount</u>
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See attached schedule.

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

General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Tax Abatement Refunding Portion of the Prior 2006A Bonds Portion of the Bonds as the same respectively become due, the full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the balance in the Escrow Account or the Tax Abatement Debt Service Subaccount is ever insufficient to pay all principal and interest then due on the Tax Abatement Refunding Portion of the Prior 2006A Bonds Portion of the Bonds payable therefrom, the deficiency shall be promptly paid out of any other accounts of the City which are available for such purpose, and such other funds may be reimbursed without interest from the Escrow Account or the Tax Abatement Debt Service Subaccount when a sufficient balance is available therein.

Covenants Relating to the Tax Increment Refunding Portion of the Prior 2006A Refunding Portion of the Bonds.

Original Net Tax Capacity; Tax Increments; Use of Tax Increments. The County Auditors of Chippewa and Yellow Medicine Counties have certified the original net tax capacity of property in the Tax Increment District. The County Auditors shall determine in each year if the then current net tax capacity of property in the Tax Increment District exceeds the original net tax capacity, and shall calculate, in the manner provided in Minnesota Statutes, Section 469.177, Subdivision 3, the captured net tax capacity (as defined therein) attributable to the Tax Increment District. The City hereby determines to retain 100% of the captured tax capacity for purposes of tax increment financing. The County Auditors shall, in each such year, compute the local tax rate to be extended against the captured net tax capacity in the manner provided in Minnesota Statutes, Section 469.177, Subdivision 3, and the tax generated thereby shall constitute the Tax Increments for the year in which it is received. The County Auditors will remit to the City the Tax Increments so received. The City hereby appropriates the Tax Increments to the Tax Increment Debt Service Subaccount, which appropriation shall continue until the Tax Increment Refunding Portion of the Prior 2006A Bonds Portion of the Bonds and any additional bonds payable from the Tax Increment Debt Service Subaccount are paid or discharged.

Reservation of Rights. Notwithstanding any provisions herein to the contrary, the City reserves the right to terminate, reduce, or apply to other lawful purposes the Tax Increments herein pledged to the payment of the Tax Increment Refunding Portion of the Prior 2006A Bonds Portion of the Bonds and interest thereon to the extent and in the manner permitted by law.

Coverage Test. The estimated collections of Tax Increments and other revenues herein pledged for the payment of the Tax Increment Refunding Portion of the Prior 2006A Bonds Portion of the Bonds, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Tax Increment Refunding Portion of the Prior 2006A Bonds Portion of the Bonds.

Future Tax Levies. In the event that it is anticipated that the aggregate of Tax Increments and any other funds appropriated to and then held in the Tax Increment Debt Service Subaccount and the estimated collections of Tax Increments to be received in the next succeeding year will not be sufficient to pay the principal and interest on the Tax Increment Refunding Portion of the Prior 2006A Bonds Portion of the Bonds to become due in the first calendar year after such determination and the first six months of the succeeding calendar year, the City Council shall pass a resolution requesting the County Auditors of Chippewa and Yellow Medicine Counties to levy an ad valorem tax in an amount as is necessary, together with the aforementioned funds then held in the Tax Increment Debt Service Subaccount and said estimated collections of Tax Increments, to pay the principal and interest on the Tax Increment Refunding Portion of the Prior 2006A Bonds Portion of the Bonds to become due during said period.

General Obligation Pledge. For the prompt and full payment of the principal and interest on the Tax Increment Refunding Portion of the Prior 2006A Refunding Portion of the Bonds, as the same respectively become due, the full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the balance in the Escrow Account or the Tax Increment Debt Service Subaccount is ever insufficient to pay all principal and interest then due on the Tax Increment Refunding Portion of the Prior 2006A Refunding Portion of the Bonds and any other bonds 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 Escrow Account or the Tax Increment Debt Service Subaccount when a sufficient balance is available therein.

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

Defeasance. When all Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Bonds shall, to the extent permitted by law, cease. The City may discharge its obligations with respect to any Bonds which are due on any date by irrevocably depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full, provided that notice of redemption thereof has been duly given. The City may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

Securities; Escrow Agent. Securities purchased from moneys in the Escrow Account shall be limited to securities set forth in Minnesota Statutes, Section 475.67, Subdivision 8, and any amendments or supplements thereto. Securities purchased from the Escrow Account shall be purchased simultaneously with the delivery of the Bonds. The City Council has investigated the facts and hereby finds and determines that the Escrow Agent is a suitable financial institution to act as escrow agent.

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

Purchase of SLGS or Open Market Securities. The Escrow Agent, as agent for the City, is hereby authorized and directed to purchase on behalf of the City and in its name the appropriate United States Treasury Securities, State and Local Government Series and/or open market securities as provided in paragraph 22, from the proceeds of the Bonds, to the extent necessary, other available funds, all in accordance with the provisions of this resolution and the Escrow Agreement and to

execute all such documents (including the appropriate subscription form) required to effect such purchase in accordance with the applicable U.S. Treasury Regulations.

Certificate of Registration. The Clerk is hereby directed to file a certified copy of this resolution with the County Auditors of Chippewa and Yellow Medicine Counties, Minnesota, together with such other information as the County Auditors shall require, and to obtain the County Auditors' Certificates that the Bonds have been entered in the County Auditors' Bond Registers and that the tax levy required by law has been made.

Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser, and to the attorneys approving the legality of the issuance of the Bonds, certified copies of all proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other affidavits, certificates and information as are required to show the facts relating to the legality and marketability of the Bonds as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any re furnished, shall be deemed representations of the City as to the facts recited therein.

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

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

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

the Bonds are issued by a governmental unit with general taxing powers;

no Bond is a private activity bond;

ninety-five percent or more of the net proceeds of the Bonds are to be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City);

the aggregate face amount of all tax exempt bonds (other than private activity bonds) issued by the City (and all subordinate entities thereof, and all entities treated as one issuer with the City) during the calendar year in which the Bonds are issued and outstanding at one time is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code;

there shall not be taken into account for purposes of said \$5,000,000 limit any bond issued to refund (other than to advance refund) any bond to the extent the amount of the refunding bond does not exceed the outstanding amount of the refunded bond;

the aggregate face amount of the Bonds does not exceed \$5,000,000;

each of the Refunded Bonds was issued as part of an issue which was treated as meeting the rebate requirements by reason of the exception for governmental units issuing \$5,000,000 or less of bonds;

the combined average maturity of the Prior 2005B Refunding Portion of the Bonds does not exceed the combined average maturity of the Refunded 2005B Bonds; and

the combined average maturity of the Prior 2006A Refunding Portion of the Bonds does not exceed the combined average maturity of the Refunded 2006A Bonds; and

no part of the Prior 2005B Refunding Portion of the Bonds has a maturity date which is later than the date which is thirty years after the dates the Prior 2005B Bonds were issued; and

no part of the Prior 2006A Refunding Portion of the Bonds has a maturity date which is later than the date which is thirty years after the dates the Prior 2006A Bonds were issued.

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

the Bonds are issued after August 7, 1986;

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

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

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 2012 will not exceed \$10,000,000;

not more than \$10,000,000 of obligations issued by the City during this calendar year 2012 have been designated for purposes of Section 265(b)(3) of the Code; and

the aggregate face amount of the Bonds 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.

Continuing Disclosure. The City is the sole obligated person with respect to the Bonds. The City hereby agrees, in accordance with the provisions of Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, as amended, and a Continuing Disclosure Undertaking (the "Undertaking") hereinafter described to:

Provide or cause to be provided to the Municipal Securities Rulemaking Board (the "MSRB") by filing at [www.emma.msrb.org](http://www.emma.msrb.org) in accordance with the Rule, certain annual financial

information and operating data in accordance with the Undertaking. The City reserves the right to modify from time to time the terms of the Undertaking as provided therein.

Provide or cause to be provided to the MSRB notice of the occurrence of certain events with respect to the Bonds in not more than ten (10) business days after the occurrence of the event, in accordance with the Undertaking.

Provide or cause to be provided to the MSRB notice of a failure by the City to provide the annual financial information with respect to the City described in the Undertaking, in not more than ten (10) business days following such amendment.

The City agrees that its covenants pursuant to the Rule set forth in this paragraph and in the Undertaking is intended to be for the benefit of the Holders of the Bonds and shall be enforceable on behalf of such Holders; provided that the right to enforce the provisions of these covenants shall be limited to a right to obtain specific enforcement of the City's obligations under the covenants.

The Mayor and Clerk or any other officer of the City authorized to act in their place are hereby authorized and directed to execute on behalf of the City the Undertaking in substantially the form presented to the City Council subject to such modifications thereof or additions thereto as are (i) consistent with the requirements under the Rule, (ii) required by the Purchaser of the Bonds, and (iii) acceptable to the Mayor and Clerk .

Official Statement. The Official Statement relating to the Bonds prepared and distributed by the Ehlers is hereby approved and the officers of the City are authorized in connection with the delivery of the Bonds to sign such certificates as may be necessary with respect to the completeness and accuracy of the Official Statement.

Supplemental Resolution. The Prior Resolutions are hereby supplemented to the extent necessary to give effect to the provisions hereof.

Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to KleinBank, Chaska, Minnesota on the closing date for further distribution as directed by the City's financial advisor, Ehlers.

Governmental Bonds Post-Issuance Compliance Policies and Procedures. The City hereby approves the Governmental Bonds Post-Issuance Compliance Policies and Procedures in substantially the form presented to the City Council.

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.

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 Nordaune and, after a full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof:



and the following voted against the same: Galow, Nordaune, Smiglewski, Schaub, Fagnano and Peterson

whereupon the resolution was declared duly passed and adopted.

STATE OF MINNESOTA  
COUNTIES OF CHIPPEWA AND YELLOW MEDICINE  
CITY OF GRANITE FALLS

I, the undersigned, being the duly qualified and acting Clerk of the City of Granite Falls, 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 providing for the issuance and sale of \$1,395,000 General Obligation Refunding Bonds, Series 2012A.

WITNESS my hand on February 21, 2012.

\_\_\_\_\_  
Clerk

With second by Nordaune, the resolution was adopted unanimously by those present.

MN FALLS DAM: Three members of the Chippewa County Board of Commissioners were in attendance to explain to council the board's decision not to sign the Joint Powers Agreement relative to the Minnesota Falls Dam.

REPORTS: The Hospital Board report and Police Chief's report were acknowledged at this time.

CHARITABLE GAMBLING: Council acknowledged receipt of a Minnesota Lawful Gambling Application for Exempt Permit from the Granite Falls Chamber of Commerce to conduct the Western Fest raffle. Council agreed to waive the 60-day time requirement of this permit application and took no further action indicating to the state that the local authority approves the application.

FLOOD PLAIN ORDINANCE: Nordaune introduced the following resolution and moved its adoption calling for a public hearing relative to adoption of the updated Flood Plain Ordinance.

RESOLUTION CALLING HEARING ON  
AMENDING FLOOD PLAIN ORDINANCE

WHEREAS, in order to participate in the National Flood Insurance Program Community Rating System the city's Flood Plain Ordinance needs to be amended and updated; and

WHEREAS, to amend the Flood Plain Ordinance a public hearing must be held to consider public input relative to the amendments to be made.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, calling for a public hearing to be held at 8:00 p.m. Monday, March 5, 2012 as required to present the amendments proposed to the city's Flood Plain Ordinance.

Adopted by the City Council this 21<sup>st</sup> day of February, 2012.

David Smiglewski  
Mayor

ATTEST:

Joan M. Taylor  
City Clerk

With second by Galow, the resolution was adopted unanimously by those present.

PEDESTRIAN BRIDGE: Following discussion Fagnano introduced a resolution supporting the submittal of grant application to the Minnesota DNR for funding through the Federal Recreational Trail Program for restoration/rehabilitation of the pedestrian bridge.

RESOLUTION NO. 12-30

RESOLUTION IN SUPPORT OF GRANT APPLICATION TO  
MINNESOTA DEPARTMENT OF NATURAL RESOURCES

WHEREAS, the City of Granite Falls supports the grant application made to the Minnesota Department of Natural Resources for the Federal Recreational Trail Program. The application is to restore/rehabilitate the Granite Falls Pedestrian Bridge. The bridge is of historical significance and also serves as the critical crossing of the Minnesota River for the proposed Minnesota River Trail Project, and

WHEREAS, the City of Granite Falls recognizes the fifty (50) percent match requirement for the Federal Recreational Trail Program, and has secured the matching funds.

NOW, THEREFORE, BE IT RESOLVED, if the City of Granite Falls is awarded a grant by the Minnesota Department of Natural Resources, the City of Granite Falls agrees to accept the grant award, and may enter in to an agreement with the State of Minnesota for the above referenced project. The City of Granite Falls will comply with all applicable laws, environment requirements and regulations as stated in the grant agreement, and

BE IT FURTHER RESOLVED, the City Council of the City of Granite Falls names the fiscal agent for the City of Granite Falls for this project as:

Mike Betker  
Finance Director  
City of Granite Falls  
641 Prentice Street  
Granite Falls, MN 56241

BE IT FURTHER RESOLVED, the City of Granite Falls hereby assures the Granite Falls Pedestrian Bridge will be maintained for a period of no less than 20 years.

Adopted by the City Council this 21<sup>st</sup> day of February, 2012.

David Smiglewski  
Mayor

ATTEST:

Joan M. Taylor  
City Clerk

With second by Nordaune, the resolution was adopted unanimously by those present.

ELECTRICAL DISTRIBUTION MAPS: Following discussion relative to the necessity of updating the city's electrical distribution maps in order to complete an Arc Flash Assessment mandated by the National Electric Safety Code, Galow introduced a resolution and moved its adoption accepting the proposal received from HDR Engineers in an amount not to exceed \$3,000 to upgrade the city's electrical distribution maps as required.

RESOLUTION NO. 12-31

RESOLUTION ACCEPTING PROPOSAL TO  
UPDATE ELECTRICAL DISTRIBUTION MAPS

WHEREAS, in accordance with the National Electric Safety Code an employer of a electric utility must perform an assessment to determine potential exposure to an electric arc for employees working on or near electric lines; and

WHEREAS, to accomplish the assessment the city is required to update its electrical distribution maps; and

WHEREAS, HDR the city's electrical engineers have submitted a proposal to complete the map update in an amount not to exceed \$3,000.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, accepting the proposal submitted by HDR in an amount not to exceed \$3,000 to complete the update to the electrical distribution system maps.

Adopted by the City Council this 21<sup>st</sup> day of February, 2012.

David Smiglewski  
Mayor

ATTEST:

Joan M. Taylor  
City Clerk

With second by Schaub, the resolution was adopted unanimously by those present.

LIBRARY/SENIOR CENTER: Nordaune introduced the following resolution and moved its adoption calling for quotes for the purchase and installation of handicapped door openers at the Library and Senior Center

RESOLUTION NO. 12-32

RESOLUTION CALLING FOR QUOTES FOR  
HANDICAPPED DOOR OPENERS FOR  
LIBRARY AND SENIOR CENTER

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, calling for quotes for the purchase and installation of handicapped door openers for the Library and Senior Center; said quotes to be considered by council at its March 5<sup>th</sup> meeting.

Adopted by the City Council this 21<sup>st</sup> day of February, 2012.

David Smiglewski  
Mayor

ATTEST:

Joan M. Taylor

City Clerk

With second by Galow, the resolution was adopted unanimously by those present.

SENIOR CITIZEN CENTER: Following discussion Nordaune introduced a resolution and moved its adoption authorizing renewal of the custodial contract at the Senior Citizen Center with Frank Kranitz at an amount of \$650 per month for one year becoming effective on March 1, 2012.

RESOLUTION NO. 12-33

RESOLUTION RENEWING  
INDEPENDENT CONTRACT – SENIOR CITIZEN CENTER

WHEREAS, pursuant to Resolution No. 11-28 the city renewed a contract for custodial services at the Senior Citizen Center with Frank Kranitz for one year at a contract price of \$650 per month; and

WHEREAS, Frank Kranitz has requested a renewal of the custodial contract for 12 months beginning March 1, 2012 at the same contract price of \$650 per month.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, renewing the independent contract with Frank Kranitz for custodial services at the Senior Citizen Center for one year commencing on March 1, 2012 at a contract price of \$650 per month.

Adopted by the City Council this 21<sup>st</sup> day of February, 2012.

David Smiglewski  
Mayor

ATTEST:

Joan M. Taylor  
City Clerk

With second by Schaub, the resolution was adopted unanimously by those present.

MAINTENANCE OF CITY PARKS: As Mr. Hubert has notified the city that he will not be renewing the contract for seasonal maintenance of city parks and other properties, Schaub introduced the following resolution and moved its adoption calling for bids for seasonal maintenance of city parks and other properties for years 2012 and 2013; said bids to be received until 2:00 p.m., Thursday March 15<sup>th</sup> to be considered by council at its March 19<sup>th</sup> meeting.

RESOLUTION NO. 12-34

RESOLUTION CALLING FOR BIDS FOR  
SEASONAL MAINTENANCE OF CITY PARKS AND OTHER PROPERTIES

WHEREAS, Robert Hubert has provided seasonal maintenance services for city parks and other properties for the 2011 growing season in an amount of \$8,400; and

WHEREAS, Mr. Hubert has indicated that he is no longer interested in this contract.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, calling for bids for the seasonal maintenance of city parks and other properties for the 2012 and 2013 growing seasons with bids to be received by 2:00 p.m., March 15, 2012 to be considered by council at its March 19<sup>th</sup> meeting.

Adopted by the City Council this 21<sup>st</sup> day of February, 2012.

David Smiglewski  
Mayor

ATTEST:

Joan M. Taylor  
City Clerk

With second by Galow, the resolution was adopted unanimously by those present.

CABLE ACCESS COORDINATOR SERVICES: Council reviewed a request from Paul Hoernamann to renew his contract for cable access coordinator services for 2012 at the same amount of One Hundred Fifteen Dollars (\$115.00) per week plus Twenty Five Dollars (\$25.00) per council meeting or special meetings when requested. Following discussion, Nordaune introduced a resolution and moved its adoption renewing the contract with Paul Hoernamann as stated above.

RESOLUTION NO. 12-35

RESOLUTION RENEWING CONTRACT FOR  
PUBLIC ACCESS COORDINATOR SERVICES – 2012

WHEREAS, Paul Hoernamann provided public access coordinator services for city in 2011; and

WHEREAS, Paul Hoernamann has requested renewal of said contract, in writing, pursuant to the renewal option in above-referenced

contract in the amount of One Hundred Fifteen Dollars (\$115.00) per week plus Twenty Five Dollars (\$25.00) per council meeting or special meetings when requested for 2012 as per the terms of said contract.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, renewing the Public Access Coordinator Services Contract for 2012 with Paul Hoernamann in the amount of One Hundred Fifteen Dollars (\$115.00) per week plus Twenty Five Dollars (\$25.00) per council meeting or special meetings when requested for 2012 as per the terms of said contract.

Adopted by the City Council this 21<sup>st</sup> day of February, 2012.

David Smiglewski  
Mayor

ATTEST:

Joan M. Taylor  
City Clerk

With second by Fagnano, the resolution was adopted unanimously by those present.

SCRAP IRON: Following discussion relative to the sale of the city's scrap iron pile it was the consensus of council to sell the scrap iron in house.

DRIVER'S EXAM STATION: Nordaune introduced the following resolution and moved its adoption to renew the Lease Agreement with the Department of Public Safety for use of the City Council Chambers at City Hall the second and fourth Wednesdays of each month between the hours of 8:00 a.m. and 4:00 p.m. commencing September 1, 2011 through August 31, 2014 to be used as a driver examination station for the sum of \$500 per year.

RESOLUTION NO. 12-36

AUTHORIZING EXECUTION OF AMENDMENT TO  
LEASE AGREEMENT WITH DEPARTMENT OF PUBLIC SAFETY

WHEREAS, pursuant to Resolution No. 04-177 council approved renewal of the Lease Agreement with the Department of Public Safety for the use of the Council Chambers at City Hall the second and fourth Wednesdays of each month between the hours of 8:00 a.m. and 4:00 p.m., except holidays, commencing September 1, 2004 running through August 31, 2011, to be used as a driver examination station for the sum of \$460 per year; and

WHEREAS, the Department of Public Safety desires the renewal said agreement for a three year and one month period beginning September 1, 2011 through August 31, 2014.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, authorizing the Mayor and City Manager to execute a Lease Agreement PS0318 for the use of the Council Chambers at City Hall the second and fourth Wednesdays of each month between the hours of 8:00 a.m. and 4:00 p.m., except holidays, commencing September 1, 2011, and continuing through August 31, 2014 to be used as a driver examination station for the sum of \$500 per year.

Adopted by the city council this 21<sup>st</sup> day of February, 2012.

David Smiglewski  
Mayor

ATTEST:

Joan M. Taylor  
City Clerk

With second by Galow, the resolution was adopted unanimously by those present.

FLOOD MITIGATION: Council was advised that the Flood Mitigation Task Force will be meeting on Friday, February 24<sup>th</sup>. Council was also updated relative to discussions held between Yellow Medicine County, Stony Run Township, the city and John Berends.

WATER TREATMENT PLANT: Council reviewed the most recent project update relative to Water Treatment Plant construction.

ADJOURN: M/S/P NORDAUNE/SCHAUB TO ADJOURN at 8:50 p.m.

David Smiglewski  
Mayor

ATTEST:

Joan M. Taylor  
City Clerk

BILLS PAID:

ACS  
ADVOCATE-TRIBUNE

SOFTWARE SUPPORT  
KCC ADV

1,602.46  
1,270.91



ALPHA WIRELESS	FIRE DEPT	166.61
AMERICAN WELDING SUPPLIES	SHOP WELDING SUPPLIES	28.82
ARNESON DISTRIBUTING INC.	BEER	57.50
ARTIC GLACIER INC	ICE	88.26
ASSURANT EMPLOYEE BENEFITS	LONG TERM DIS	221.77
AUS/JOHN	JANUARY CARETAKER FEE	565.00
AUS/NANCY	BOARDING	40.00
BAKER & TAYLOR BOOKS	BOOKS	350.51
BARR ENGINEERING CO.	DAM INSPECTION	620.00
BEVERAGE WHOLESALERS INC	BEER	129.15
BISBEE PLUMBING & HEATING	KCC/MAIN POOL HEATER	1,665.93
BORDER STATES ELECTRIC SUPPLY	CIP @ GARAGE	510.33
CARLSON & STEWART REFRIG INC	MATL/LABOR CO2	182.50
CDW GOVERNMENT INC	TAPE CLEANING CARTRIDGE	64.80
CENTRAL MN MUNICIPAL POWER	PURHCASE POWER	116,215.26
CENTURYLINK	CITYHALL	1,602.93
CITIZENS ALLIANCE BANK	INT PHASE II	5,352.85
CITY OF MINNEAPOLIS	2012 USER ACCESS FEE/PD	204.00
COALITION OF GREATER MN CITIES	CGMC ACTION DAY	65.00
COMPUTERS & BEYOND	KASPERSKY/SOFTWARE	69.78
CORPORATE MECHANICAL	KCC AIR HANDLERS	836.15
CROSSROADS TRUCK REPAIR INC	01 BUSES	103.00
CRYSTEEL TRUCK EQUIPMENT	327 ARMS & COLLAR	620.21
DAN'S SHOP INC	06 BUS FILTER	15.80
DANA F. COLE & CO LLP	ADMIN FEE	115.97
DAVIS TYPEWRITER CO	DVD'S	47.81
DEMCO	GRANT \$ LABELS	118.37
EHLERS & ASSOCIATES, INC.	HOSP BONDS	292.50
EMERGENCY AUTOMOTIVE TECH INC	SOUNDOFF BAR #1 SQUAD	993.94
FOOD NETWORK MAGAZINE	MAGAZINE SUB	20.00
G & K SERVICES	RUGS/TOWELS/KCC	109.74
GLACIAL RIDGE WINERY	WINE	418.92
GRANITE FALLS BANK	INT PHASE III	4,071.73
GRANITE TRUE VALUE	#27 COSTS	6.40
GREAT PLAINS GAS CO.	KCC	5,961.24
HILLYARD-HUTCHINSON	KCC HAND SOAP	263.47
HOERNEMANN/PAUL	CABLE SERVICE	255.00
HOLMSTROM & KVAM	SKYVIEW ADDITION	405.15
IRBY	SAFETY GLOVES	652.13
JOHNSON BROS WHOLESALE LIQUOR	LIQUOR	2,191.06
KRANITZ/FRANK	WORK @ SENIOR CITZ	325.00
LA CONSTRUCTION & DESIGN INC	REPAIR SHINGLES	470.00
LALIM/JODI	BLDG MAINT	342.50
LEAGUE OF MN CITIES INS TRUST	DEDUCTIBLE ACCIDENT KCC	500.00
LEE/DAVID	METER READINGS	1,072.00
LEE'S AUTO & DIESEL	BUS 2001 REPAIRS	1,077.01
LIGHT FUND	155 SKYLINE DR	103.73
LOCHER BROTHERS	BEER	7,548.65
M.A.A.C., INC.	TRUPNA 9TH AVE TAXES	13,010.00
MADISON BOTTLING CO.	BEER	6,001.72
MARCO	CANON COPIER COUNT	519.56
MARSHALL NORTHWEST PIPE	BUTTERFLY VALVE/KCC	903.05
MARTIN TRUCKING	FREIGHT	706.50
MEDIACOM	FD INTERNET	50.95
MN DPT OF PUBLIC SAFETY	WATER/HAZ MATL	100.00
MN VALLEY COOPERATIVE	PUMPHOUSE UTILITIES	1,554.42
MN VALLEY SERVICES LLC	FILTER/FUEL LINE	10.13
MN VALLEY TESTING LAB, INC.	WWTP TESTING	764.00
MONTE FIRESTONE	TIRES	582.19
OFFICE DEPOT	MISC OFFICE	66.05
OFFICE PEEPS	PAYROLL ENVELOPES	66.85
PETTY CASH	*FY* PD POSTAGE	95.80
PHILLIPS WINE & SPIRITS CO.	LIQUOR	4,491.76
PRENTICE PLACE COMMONS ASSN	MONTHLY ASSN DUES	154.58
PROACTION SAFETY & SALES	UNIFORMS	223.96
PROTECTION SYSTEMS INC	INSPECTIONS	1,063.41
QUALITY WINE SPIRITS CO.	LIQUOR	3,993.94
RECREATION SUPPLY COMPANY	HEATPUMP SPA MOTOR	299.12
REGIONAL DEVELOP. COMMISSION	ADMIN DEED GRANT	10,918.00
RODEBERG & BERRYMAN, INC.	FLOOD DEMO	1,085.25
RYER PLUMBING & HEATING	REPLACE HEAT TUBE	1,153.89
SAWMILL/THE	#27 DEAD LATCH	16.03

SCHWAN'S SALES ENT.	KCC ICE CREAM RESALE	47.75
SHRED-IT SIOUX FALLS	SHREDDING	32.64
SMIGLEWSKI/DAVID	MILEAGE/BREAKFAST	156.25
SODE'S PERFORMANCE	SNOW REMOVAL	180.00
STANTEC CONSULTING SERVICES	NEW ELECTRICAL METERS	3,712.63
SUPER AMERICA	BUS DIESEL	175.02
SWANSON CONSTRUCTION	9TH AVE/PRENTICE PLAZA	1,246.56
VANHOOF/DENNIS	EDA CELL PHONE REIMB	53.43
VERIZON WIRELESS	HOSPITAL CELLS	1,163.82
VIKING COCA-COLA BOTTLING CO.	SODA	63.00
VINOCOPIA INC	WINE	480.00
VISA	MOTEL SMIG	112.49
WBM WINE & SPIRITS	LIQUOR	1,126.35
WEST CENTRAL SANITATION	RBS	347.81
XCEL ENERGY	FACILITY CHARGE	1,219.29
ZEP	KCC CLEANING SUPPLIES	275.06

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Final Totals... 218,235.11