

OFFICIAL CITY COUNCIL PROCEEDINGS
REGULAR SESSION
AUGUST 5, 2019

A regular session of the Granite Falls City Council was called to order by Mayor Smiglewski at 7:00 p.m., Monday, August 5th, in the Council Chambers of City Hall. Council Members present: DuWayne Galow, Steve Nordaune, Brad Peterson, Joe Fagnano and Scott Peterson. Staff present: City Manager Crystal Johnson, Finance Director Neal Carstensen and City Clerk Joan Taylor. Also in attendance were EDA Director Cathy Anderson, Chris Mickelson from Ehlers, Dale, Joshua and Randi Streblov, Justin Nilson from Abdo, Eick & Meyers, Aaron Backman, and Advocate Tribune News Reporter Noah Lusti.

CONSENT AGENDA: M/S/P GALOW/NORDAUNE TO APPROVE THE CONSENT AGENDA AS FOLLOWS: Minutes, Bills, Fire Department, Public Works, Correspondence and Meetings & Events.

AUDIT REPORT: Justin Nilson from Abdo, Eick & Meyers was in attendance to report on the 2018 audit.

BONDS: Chris Mickelson from Ehlers was in attendance to review with council the Sale Day Report for the sale of \$1,060,000 General Obligation Improvement Bonds, Series 2019A. Following discussion, Nordaune introduced a resolution and moved its adoption authorizing the sale of G.O. IMPROVEMENT BONDS, SERIES 2019A.

Member Nordaune introduced the following resolution and moved its adoption:

RESOLUTION NO. 19-113

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$1,060,000 GENERAL OBLIGATION BONDS, SERIES 2019A, PLEDGING FOR THE SECURITY THEREOF SPECIAL ASSESSMENTS AND NET REVENUES AND LEVYING A TAX FOR THE PAYMENT THEREOF

A. WHEREAS, the City Council of the City of Granite Falls, Minnesota (the "City"), has heretofore determined and declared that it is necessary and expedient to issue \$1,060,000 General Obligation Bonds, Series 2019A (the "Bonds" or individually a "Bond"), pursuant to Minnesota Statutes, Chapters 475 and 429 to finance street improvements (the "Street Improvements") and pursuant to Minnesota Statutes, Chapter 444 to finance the costs of improvements to the municipal water system (the "Water Improvements", together with the "Street Improvements", are referred to herein as the "Improvements"); and

B. WHEREAS, the Street Improvements and all their components have been ordered prior to the date hereof, after a hearing thereon for which notice was given describing the Improvements or all their components by general nature, estimated cost, and area to be assessed; and

C. WHEREAS, the City of Granite Falls, Minnesota (the "City"), owns and operates a municipal water system (the "Water System") and a municipal sanitary sewer system (the "Sewer

System" and together with the Water System, are referred to herein as the "System"), as separate revenue producing public utilities); and

D. WHEREAS, the net revenues of the Water System are pledged to the City's outstanding original principal amount \$8,120,000 General Obligation Water Revenue Bond of 2014, dated November 13, 2014 (the "Outstanding Water Bonds"); and

E. WHEREAS, the net revenues of the Water System and the Sewer System are pledged to the "Water and Sewer Revenue Portion" of the City's outstanding General Obligation Bonds, Series 2016A in the original principal amount \$1,875,000, dated August 11, 2016 (the "Outstanding Bonds"); and

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

G. WHEREAS, the proposals set forth on Exhibit A attached hereto were received by the Clerk, or designee, at the office of Ehlers, at 10:30 A.M. on the date hereof, pursuant to the Preliminary Official Statement for the Bonds, dated July 25, 2019; and

H. 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 Council of the City of Granite Falls, Minnesota, as follows:

1. Acceptance of Proposal. 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 Finance Director, or its designee in accordance with the Terms of Proposal, is directed to retain the deposit of the Purchaser and to forthwith return to the unsuccessful bidders their good faith checks or drafts.

2. Bond Terms.

(a) Original Issue Date; Denominations; Maturities; Term Bond Option. The Bonds shall be dated September 5, 2019, as the date of original issue and 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 on February 1 in the years and amounts as follows:

	(i	(i	(i	(i
<u>ear</u>	<u>mount</u>	<u>ear</u>	<u>mount</u>	
	(v	(v	(v	(v
	(i	(x	(x	(x
021		029		
	(x	(x	(x	(x
022		030		

023	(x	(x	(x	(x
		031		
	(x	(x	(x	(x
	(x	(x	(x	(x
	(x	(x	(x	(x
	(x	(x	(x	(x
	(x	(x	(x	(x

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 Bonds.

(b) Allocation. The aggregate principal amount of \$_____ maturing in each of the years and amounts hereinafter set forth are issued to finance the Street Improvements (the "Street Improvement Portion"); and the aggregate principal amount of \$_____ maturing in each of the years and amounts hereinafter set forth are issued to finance the Water Improvements (the "Water Improvement Portion"):

<u>Year</u>	Street Improvement Portion <u>(Amount)</u>	ater Improvement Portion <u>(Amount)</u>	<u>Total Amount</u>
021			
022			

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 moneys is the general fund of the City, or other generally available source, including a tax levy, the prepayment may be allocated to either or both of the portions of debt service in such amounts as the City shall determine. If the source of the prepayment is special assessments pledged to the Improvements, the prepayment shall be allocated to the Street Improvement Portion of debt service. If the source of a prepayment is excess net revenues of the

System pledged to the Water Improvements, the prepayment shall be allotted to the Water Improvement Portion of debt service.

(c) 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:

- (i) 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 5 and 10 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.
- (ii) 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").
- (iii) 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.
- (iv) 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.

- (v) 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 10 hereof, references to the Nominee hereunder shall refer to such new Nominee.
- (vi) 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").
- (vii) 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.
- (viii) 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 15 calendar days in advance of such special record date to the extent possible.
- (ix) 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.
- (x) 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:
- (xi) 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.

(xii) 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 10. To the extent that the Beneficial Owners are designated as the transferee by the Holders, in accordance with paragraph 10, the Bonds will be delivered to the Beneficial Owners.

(xiii) Nothing in this subparagraph (d) shall limit or restrict the provisions of paragraph 10.

(d) 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.

3. Purpose. The Street Improvement Portion of the Bonds shall provide funds to finance the Street Improvements and the Water Improvement Portion of the Bonds shall provide funds to finance the Water Improvements. The total cost of the Improvements, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Bonds. The City covenants that it shall do all things and perform all acts required of it to assure that work on the Improvements proceeds with due diligence to completion and that any and all permits and studies required under law for the Improvements are obtained.

4. Interest. The Bonds shall bear interest payable semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2020, 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>	(c	<u>interest Rate</u>	(c	<u>maturity Year</u>	(c	<u>interest Rate</u>	(c
	(c		(c		(c		(c
	(c		(c		(c		(c
021				029			
	(c		(c		(c		(c
022				030			
	(c		(c		(c		(c
023				031			
	(c		(c		(c		(c
024				032			
	(c		(c		(c		(c
025				033			
	(c		(c		(c		(c
026				034			
	(c		(c		(c		(c

027	(c	(c	035	(c	(c
028	(c	(c		(c	(c

5. Redemption. All Bonds maturing on February 1, 2029 and thereafter, shall be subject to redemption and prepayment at the option of the City on February 1, 2028, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the City; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected registered holder of the Bonds not more than sixty (60) days and not fewer than thirty (30) days prior to the date fixed for redemption.

To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar prior to giving notice of redemption shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers so assigned to such Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the City or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the City and Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the City shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of the Bond, without service charge, a new Bond or Bonds having the same stated maturity and interest rate and of any Authorized Denomination or Denominations, as requested by the Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

6. 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.

7. 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 BOND, SERIES 2019A

<u>Interest Rate</u>	(c	<u>Maturity Date</u>	(c	<u>Date of Original Issue</u>	(c	<u>USIP</u>	(c
	(c		(c		(c		(c
	(c	February 1, 20	(c	September 5, 2019	(c		(c

REGISTERED OWNER: CEDE & CO.
PRINCIPAL AMOUNT: DOLLARS

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, unless called for earlier redemption, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2020, 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 (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. 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.

Optional Redemption. All Bonds of this issue (the "Bonds") maturing on February 1, 2029, and thereafter, are subject to redemption and prepayment at the option of the Issuer on February 1, 2028, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and the principal

amounts within each maturity to be redeemed shall be determined by the Issuer; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected registered holder of the Bonds not more than sixty (60) days and not fewer than thirty (30) days prior to the date fixed for redemption.

Prior to the date on which any Bond or Bonds are directed by the Issuer to be redeemed in advance of maturity, the Issuer will cause notice of the call thereof for redemption identifying the Bonds to be redeemed to be mailed to the Bond Registrar and all Bondholders, at the addresses shown on the Bond Register. All Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption have been duly deposited.

Selection of Bonds for Redemption; Partial Redemption. To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to the Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the Issuer or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of the Bond, without service charge, a new Bond or Bonds having the same stated maturity and interest rate and of any Authorized Denomination or Denominations, as requested by the Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

Issuance; Purpose; General Obligation. This Bond is one of an issue in the total principal amount of \$_____, all of like date of original issue and tenor, except as to number, maturity, interest rate, denomination and redemption privilege, issued pursuant to and in full conformity with the City Charter, the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council on August 5, 2019 (the "Resolution"), for the purpose of providing money to finance various street improvement projects and improvements to the municipal water system within the jurisdiction of the Issuer. This Bond is payable out of the General Obligation Bonds, Series 2019A Fund of the Issuer. 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 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 (except as otherwise provided herein with respect to the Record Date) and for all other purposes, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

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

Qualified Tax Exempt Obligations. The Bonds have been designated by the Issuer as "qualified tax exempt obligations" for purposes of Section 265(b)(3) of the 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; that the Issuer has covenanted and agreed with the Holders of the Bonds that it will impose and collect charges for the service, use and availability of the municipal water system and the sanitary sewer system (collectively, the "System") at the times and in amounts necessary to produce net revenues, together with other sums pledged to the payment of the Water Improvement Portion of the Bonds as defined in the Resolution, adequate to pay all principal and interest when due on the Water Improvement Portion of the Bonds; and that the Issuer will levy a direct, annual, irrevocable ad valorem tax upon all of the taxable property of the Issuer, without limitation as to rate or amount, for the years and in amounts sufficient to pay the principal and interest on the Water Improvement Portion of the Bonds as they respectively become due, if the net revenues from the System, and any other sums irrevocably appropriated to the Debt Service Account are insufficient therefor; 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.

IN WITNESS WHEREOF, the City of Granite Falls, Chippewa and Yellow Medicine Counties, Minnesota, by its City Council has caused this Bond to be executed on its behalf by the facsimile signatures of its Mayor and its City Clerk, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

Date of Registration:

Registrable by: BOND TRUST SERVICES CORPORATION

BOND REGISTRAR'S
CERTIFICATE OF
AUTHENTICATION

Payable at: BOND TRUST SERVICES CORPORATION
CITY OF GRANITE FALLS, CHIPPEWA AND YELLOW MEDICINE COUNTIES, MINNESOTA

This Bond is one of the Bonds described in the resolution mentioned within.
Bond Trust Services Corporation
Roseville, Minnesota.
as Bond Registrar

/s/ Facsimile _____
Mayor

/s/ Facsimile _____
City Clerk

By _____
Authorized Signature

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UTMA - _____ as custodian for _____
(Cust) (Minor)

under the _____ Uniform Transfers to Minors Act
(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the Bond on the books kept for the registration thereof, with full power of substitution in the premises.

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.)

8. Execution. The Bonds shall be in typewritten form, shall be executed on behalf of the City by the signatures of its Mayor and City 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.

9. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless a Certificate of Authentication on the Bond, substantially in the form hereinabove set forth, shall have been duly executed by an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate the signatures of officers of the City on each Bond by execution of the Certificate of Authentication on the Bond and by inserting as the date of registration in the space provided the date on which the Bond is authenticated, except that for purposes of delivering the original Bonds to the Purchaser, the Bond Registrar shall insert as a date of registration the date of original issue, which date is September 5, 2019. The Certificate of Authentication so executed on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.

10. 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 9) 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 the Holder's attorney duly authorized in writing.

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

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

11. 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.

12. 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.

13. 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 12) 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.

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

15. Fund and Accounts. There is hereby established a special fund to be designated "General Obligation Bonds, Series 2019A Fund" (the "Fund") to be administered and maintained by the Finance Director as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The Fund shall be maintained in the manner herein specified until the Bonds and the interest thereon shall have been fully paid. The Operation and Maintenance Account heretofore established by the City for the Water System shall continue to be maintained in the manner heretofore provided by the City. The Operation and Maintenance Account heretofore established by the City for the Sewer System shall continue to be maintained in the manner heretofore provided by the City, (the Operation and Maintenance Account for the Water System and the Operation and Maintenance Account for the Sewer System are referred to collectively herein as the "Operation and Maintenance Accounts".) All moneys remaining after paying or providing for the items set forth in the resolution establishing the Operation and Maintenance Accounts shall constitute and are referred to as "net revenues" until the Bonds have been paid. There shall be maintained in the Fund the following

separate accounts to which shall be credited and debited all income and disbursements of the System as hereinafter set forth. The Finance Director of the City and all officials and employees concerned therewith shall establish and maintain financial records of the receipts and disbursements of the System in accordance with this resolution. 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:

(a) Construction Account. To the Construction Account there shall be credited the proceeds of the sale of the Bonds, less any amount paid for the Bonds in excess of the minimum bid. From the Construction Account there shall be paid all costs and expenses of the Improvements, including the cost of any construction contracts heretofore let and all other costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65. Moneys in the Construction Account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Street Improvement Portion of the Bonds may also be used to the extent necessary to pay interest on the Street Improvement Portion of the Bonds due prior to the anticipated date of commencement of the collection of taxes and special assessments herein levied or covenanted to be levied; and provided further that if upon completion of the Street Improvements there shall remain any unexpended balance in the Construction Account, the balance (other than any special assessments) shall be transferred to the Street Improvements Debt Service Subaccount or may be transferred by the Council to the fund of any other improvement instituted pursuant to Minnesota Statutes, Chapter 429, and provided further that any special assessments credited to the Construction Account shall only be applied towards payment of the costs of the Street Improvements upon adoption of a resolution by the City Council determining that the application of the special assessments for such purpose will not cause the City to no longer be in compliance with Minnesota Statutes, Section 475.61, Subdivision 1.

(b) Debt Service Account. There shall be maintained two separate subaccounts in the Debt Service Account to be designated the "Street Improvements Debt Service Subaccount," and the "Water Improvements Debt Service Subaccount." There are hereby irrevocably appropriated and pledged to, and there shall be credited to the separate subaccounts of the Debt Service Account:

(i) Street Improvements Debt Service Subaccount. To the Street Improvements Debt Service Subaccount there shall be credited: (A) all collections of special assessments herein covenanted to be levied with respect to the Improvements and either initially credited to the Construction Account and not already spent as permitted above and required to pay any principal and interest due on the Street Improvement Portion of the Bonds or collected subsequent to the completion of the Street Improvements and payment of the costs thereof; (B) a pro rata share of all funds paid for the Bonds in excess of the minimum bid; (C) any collections of all taxes herein or hereinafter levied for the payment of the Street Improvement Portion of the Bonds; (D) a pro rata share of all funds remaining in the Construction Account after completion of the Street Improvements and payment of the costs thereof, if not used to fund another Chapter 429 improvement project; (E) all investment earnings on funds held in the Street Improvements Debt Service Subaccount; and (F) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Street Improvements Debt Service Subaccount. The Street Improvements Debt Service Subaccount shall be used solely to pay the principal and interest and any premium for redemption of the Street Improvement Portion of the Bonds and any other general

obligation bonds of the City hereafter issued by the City and made payable from said subaccount as provided by law.

- (ii) Water Improvements Debt Service Subaccount. To the Water Improvements Debt Service Subaccount there shall be credited: (A) the net revenues of the System not otherwise pledged and applied to the payment of other obligations of the City, in an amount, together with other funds which may herein or hereafter from time to time be irrevocably appropriated to the Water Improvements Debt Service Subaccount, sufficient to meet the requirements of Minnesota Statutes, Section 475.61 for the payment of the principal and interest of the Water Improvement Portion of the Bonds; (B) any collections of all taxes which may hereafter be levied in the event that the net revenues of the System and other funds herein pledged to the payment of the principal and interest on the Water Improvement Portion of the Bonds are insufficient therefore; (C) a pro rata share of all funds remaining in the Construction Account after completion of the Water Improvements and payment of the costs thereof; (D) all investment earnings on funds held in the Water Improvements Debt Service Subaccount; and (E) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Water Improvements Debt Service Subaccount. The Water Improvements Debt Service Subaccount shall be used solely to pay the principal and interest and any premium for redemption of the Water Improvement Portion of the Bonds and any other general obligation bonds of the City hereafter issued by the City and made payable from said subaccount as provided by law.

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 Construction Account or Debt Service Account (or any other City account which will be used to pay principal or interest to become due on the bonds payable therefrom) in excess of amounts which under then applicable federal arbitrage regulations may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. Money in the Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

16. Covenants Relating to the Street Improvement Portion of the Bonds.

(a) Assessments. It is hereby determined that no less than twenty percent of the cost to the City of each of the Street Improvements financed hereunder within the meaning of Minnesota Statutes, Section 475.58, Subdivision 1(3), shall be paid by special assessments to be levied against every assessable lot, piece and parcel of land benefited by any of the Street Improvements. The City hereby covenants and agrees that it will let all construction contracts not heretofore let within one year after ordering each of the Street Improvements financed hereunder unless the resolution ordering the Street Improvements specifies a different time limit for the letting of construction contracts. The City hereby further covenants and agrees that it will do and perform as soon as they may be done all acts and things

necessary for the final and valid levy of such special assessments, and in the event that any such assessment be at any time held invalid with respect to any lot, piece or parcel of land due to any error, defect, or irregularity in any action or proceedings taken or to be taken by the City or the City Council or any of the City officers or employees, either in the making of the assessments or in the performance of any condition precedent thereto, the City and the City Council will forthwith do all further acts and take all further proceedings as may be required by law to make the assessments a valid and binding lien upon such property. It is hereby determined that the assessments shall be 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 a rate per annum not greater than the maximum permitted by law and not less than the rates per annum shown opposite their collection years specified below:

<u>Improvement Designation</u>	<u>Amount</u>	<u>Levy Years</u>	<u>Collection Years</u>	<u>Rate</u>
019 Street Improvements		See Attached Exhibit B		

At the time the assessments are in fact levied the City Council shall, based on the then-current estimated collections of the assessments, make any adjustments in any ad valorem taxes required to be levied in order to assure that the City continues to be in compliance with Minnesota Statutes, Section 475.61, Subdivision 1.

17. Tax Levy; Coverage Test. To provide moneys for payment of the principal and interest on the Street Improvement 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>
(clxxvii) <u>Y</u>	(clxxviii) <u>Y</u>	(clxxix) <u>A</u>
(clxxx)	(clxxxi)	(clxxxii)
(clxxxiii)	(clxxxiv) <u>S</u>	(clxxxv)

See Attached Exhibit B

The tax levies are such that if collected in full they, together with estimated collections of special assessments and other revenues herein pledged for the payment of the Street Improvement 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 Street Improvement Portion of the Bonds. The tax levies shall be irrevocable so long as any of the Street Improvement 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.

18. Covenants Relating to the Water Improvement Portion of the Bonds.

(a) Sufficiency of Net Revenues. It is hereby found, determined and declared that the net revenues of the System are sufficient in amount to pay when due the principal of and interest on the Water Improvement Portion of the Bonds and the Outstanding Bonds and a sum at least five percent in excess thereof. The net revenues of the Water System are sufficient to pay when due the principal and interest on the Outstanding Water Bonds and a sum at least five percent in excess thereof. The net

revenues of the System are hereby pledged on a parity lien with the Outstanding Water Bonds and Outstanding Bonds and shall be applied for that purpose, but solely to the extent required to meet, together with other pledged sums, the principal and interest requirements of the Water Improvement Portion of the Bonds as the same become due. Nothing contained herein shall be deemed to preclude the City from making further pledges and appropriations of the net revenues of the System for the payment of other or additional obligations of the City, provided that it has first been determined by the City Council that the estimated net revenues of the System will be sufficient in addition to all other sources, for the payment of the Water Improvement Portion of the Bonds and such additional obligations and any such pledge and appropriation of the net revenues may be made superior or subordinate to, or on a parity with the pledge and appropriation herein.

(b) Excess Net Revenues of the System. Net revenues of the System in excess of those required for the foregoing may be used for any proper purpose.

(c) Covenant to Maintain Rates and Charges. In accordance with Minnesota Statutes, Section 444.075, the City hereby covenants and agrees with the Holders of the Bonds that it will impose and collect charges for the service, use, availability and connection to the System at the times and in the amounts required to produce net revenues adequate to pay all principal and interest when due on the Water Improvement Portion of the Bonds. Minnesota Statutes, Section 444.075, Subdivision 2, provides as follows: "Real estate tax revenues should be used only, and then on a temporary basis, to pay general or special obligations when the other revenues are insufficient to meet the obligations."

19. General Obligation Pledge. For the prompt and full payment of the principal and interest on the Bonds, as the same respectively become due, the full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Bonds 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 Debt Service Account when a sufficient balance is available therein.

20. 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:

(a) Provide or cause to be provided to the Municipal Securities Rulemaking Board (the "MSRB") by filing at 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.

(b) 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.

(c) 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 occurrence.

(d) 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 City Clerk of the City, or any other officer of the City authorized to act in their place (the "Officers") 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 Officers.

21. 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.

22. Compliance With Reimbursement Bond Regulations. The provisions of this paragraph are intended to establish and provide for the City's compliance with United States Treasury Regulations Section 1.150-2 (the "Reimbursement Regulations") applicable to the "reimbursement proceeds" of the Bonds, being those portions thereof which will be used by the City to reimburse itself for any expenditure which the City paid or will have paid prior to the Closing Date (a "Reimbursement Expenditure").

The City hereby certifies and/or covenants as follows:

(a) Not later than 60 days after the date of payment of a Reimbursement Expenditure, the City (or person designated to do so on behalf of the City) has made or will have made a written declaration of the City's official intent (a "Declaration") which effectively (i) states the City's reasonable expectation to reimburse itself for the payment of the Reimbursement Expenditure out of the proceeds of a subsequent borrowing; (ii) gives a general and functional description of the property, project or program to which the Declaration relates and for which the Reimbursement Expenditure is paid, or identifies a specific fund or account of the City and the general functional purpose thereof from which

the Reimbursement Expenditure was to be paid (collectively the "Improvements"); and (iii) states the maximum principal amount of debt expected to be issued by the City for the purpose of financing the Improvements; provided, however, that no such Declaration shall necessarily have been made with respect to: (i) "preliminary expenditures" for the Improvements, defined in the Reimbursement Regulations to include engineering or architectural, surveying and soil testing expenses and similar prefatory costs, which in the aggregate do not exceed 20% of the "issue price" of the Bonds, and (ii) a de minimis amount of Reimbursement Expenditures not in excess of the lesser of \$100,000 or 5% of the proceeds of the Bonds.

(b) Each Reimbursement Expenditure is a capital expenditure or a cost of issuance of the Bonds or any of the other types of expenditures described in Section 1.150-2(d)(3) of the Reimbursement Regulations.

(c) The "reimbursement allocation" described in the Reimbursement Regulations for each Reimbursement Expenditure shall and will be made forthwith following (but not prior to) the issuance of the Bonds and in all events within the period ending on the date which is the later of three years after payment of the Reimbursement Expenditure or one year after the date on which the Improvements to which the Reimbursement Expenditure relates is first placed in service.

(d) Each such reimbursement allocation will be made in a writing that evidences the City's use of Bond proceeds to reimburse the Reimbursement Expenditure and, if made within 30 days after the Bonds are issued, shall be treated as made on the day the Bonds are issued.

Provided, however, that the City may take action contrary to any of the foregoing covenants in this paragraph upon receipt of an opinion of its Bond Counsel for the Bonds stating in effect that such action will not impair the tax-exempt status of the Bonds.

23. Certificate of Registration. A certified copy of this resolution is hereby directed to be filed in the offices of the County Auditor of Chippewa County, Minnesota and Yellow Medicine County, Minnesota, together with such other information as each respective County Auditor shall require and to obtain the County Auditor's Certificate that the Bonds have been entered in the County Auditor's Bond Register and the tax levy required by law has been made.

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

25. Negative Covenant as to Use of Bond Proceeds and Improvements. The City hereby covenants not to use the proceeds of the Bonds or to use the Improvements, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Improvements, 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.

26. Tax-Exempt Status of the Bonds and 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 small issuer 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 (i) the Bonds are issued by a governmental unit with general taxing powers; (ii) no Bonds are a private activity bond; (iii) 95% 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); and (iv) the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City (and all entities subordinate to, or 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.

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

- (a) the Bonds are issued after August 7, 1986;
- (b) the Bonds are not "private activity bonds" as defined in Section 141 of the Code;
- (c) the City hereby designates the Bonds as "qualified tax exempt obligations" for purposes of Section 265(b)(3) of the Code;
- (d) the reasonably anticipated amount of tax exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the City (and all entities treated as one issuer with the City, and all subordinate entities whose obligations are treated as issued by the City) during this calendar year 2019 will not exceed \$10,000,000; and
- (e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2019 have been designated for purposes of Section 265(b)(3) of the Code; and
- (f) 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.

28. Official Statement. The Official Statement relating to the Bonds prepared and distributed by 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.

29. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to Old National Bank in

Chaska, Minnesota on the closing date for further distribution as directed by the City's municipal advisor, Ehlers.

30. 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.

31. 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 B. Peterson and, after a full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof: Galow, Nordaune, Smiglewski, B. Peterson, Fagnano and S. Peterson. and the following voted against the same: None

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 City 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 authorizing the issuance and awarding the sale of \$ _____ General Obligation Bonds, Series 2019A.

WITNESS my hand on August 5, 2019.

City Clerk

EXHIBIT A

Bid Tabulation

[To be provided by Ehlers]EXHIBIT B

Tax Levy Schedules

[To be provided by Ehlers]

With second by B. Peterson, the resolution was adopted unanimously.

811 RLF LOAN: EDA Director Cathy Anderson was in attendance to request approval of a loan from the 811 Revolving Loan Fund. Following discussion, Nordaune introduced a

resolution and moved its adoption approving a loan to Joshua, Randi and Dale Streblov from the 811 Revolving Loan Fund in the amount of \$50,000 to be used to purchase Carl's Bakery contingent upon action taken by the RDC. The loan will be at an interest rate of 4% with payments to be made over a 10-year period.

RESOLUTION NO. 19-114

RESOLUTION APPROVING LOAN FROM
811 REVOLVING LOAN FUND TO JOSHUA AND RANDI STREBLOW AND
DALE STREBLOW

WHEREAS, Joshua, Randi and Dale Streblov have applied to the EDA for a loan from the 811 Revolving Loan Fund in the amount of \$50,000 to be used to purchase Carl's Baker; and

WHEREAS, the Economic Development Authority at its July 8th meeting recommended council approval for a loan to and Joshua and Randi and Dale Streblov from the 811 Revolving Loan Fund in the amount of \$50,000 at an interest rate of 4% with payments to be made over a 10-year period.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA approving a loan to Joshua, Randi and Dale Streblov from the 811 Revolving Loan Fund, contingent upon action by the RDC, in the amount of \$50,000 at an interest rate of 4% with payments to be made over a 10-year period to help with the purchase of Carl's Bakery.

Adopted by the City Council this 5th day of August, 2019.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Fagnano, the resolution was adopted unanimously.

APPOINTMENT: EDA Director Anderson also advised council that Jeff Cobb has resigned from the EDA Board leaving a vacancy. Melissa Syring was submitted for consideration for appointment to fill the vacancy.

TIF: The EDA Board has recommended the adoption of certain resolutions in order to move forward with establishing a TIF District for redevelopment.

Fagnano introduced the following resolution and moved its adoption approving the terms of an internal loan.

RESOLUTION NO. 19-115

APPROVING THE TERMS OF AN INTERNAL LOAN
IN CONNECTION WITH THE ACQUISITION
OF THE VIKING JR. MOTEL SITE

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRANITE FALLS MINNESOTA ("CITY") AS FOLLOWS:

Section 1. Background.

1.01. The City determined a need to incur certain costs in connection with the acquisition of Viking Jr. Motel site (the "Project").

1.02. The City has determined to finance the Project on a temporary basis from the 241 Community Development Fund, which fund is administered by the City and has a balance that is legally available for such purposes.

1.03. The City intends to reimburse the Fund for the Project from future tax levies, special assessments, net revenues or other available City funds in accordance with the terms of this resolution (which terms are referred to collectively as the ("Internal Loan").

Section 2. Terms of Internal Loan.

2.01. The City shall repay to the Fund the principal amount of funds advanced for Project not to exceed \$75,000 together with interest on the principal amount advanced, accruing from the date of each initial expenditure or advance, at the rate of interest specified by the Clerk (which rate shall be generally comparable to the greater of the average rate of earnings on investment of City funds or the average rate on general obligation bonds of the City).

2.02. Principal and interest ("Payments") shall be paid semi-annually on each August 1 and February 1 ("Payment Dates"), commencing on the first Payment Date after receipt of the first tax levy proceeds after disbursements from the Fund and continuing through the date the principal and accrued interest of the Internal Loan is paid in full.

2.03. The principal sum and all accrued interest payable under this Internal Loan are pre-payable in whole or in part at any time by the City without premium or penalty.

2.04. This resolution is evidence of an internal borrowing by the City and shall not be deemed to constitute a general obligation of the City or any political subdivision thereof. Neither the City, nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Internal Loan or other costs, and neither the full faith and credit nor the taxing power of the City or any political subdivision thereof is pledged to the

payment of the principal of or interest on this Internal Loan or other costs incident hereto. The City shall have no obligation to pay any principal amount of the Internal Loan or accrued interest thereon, which may remain unpaid after the final Payment Date.

2.05. The City may amend the terms of this Internal Loan at any time by resolution of the City Council, including a determination to forgive the outstanding principal amount and accrued interest to the extent permissible under law.

2.06. The City Council declares its official intent to reimburse itself for the costs of the Project from the proceeds of tax-exempt bonds.

Section 3. Effective Date. This resolution is effective upon the date of its approval.

Adopted by the City Council of Granite Falls, Minnesota, this 5th day of August, 2019.

Mayor

ATTEST:

City Clerk

With second by Nordaune, the resolution was adopted unanimously.

Nordaune introduced the following resolution and moved its adoption finding a parcel to be occupied by structurally substandard buildings.

RESOLUTION NO. 19-116

RESOLUTION OF THE CITY OF GRANITE FALLS FINDING A PARCEL TO BE OCCUPIED BY STRUCTURALLY SUBSTANDARD BUILDINGS

WHEREAS, it has been proposed that the City Council for the City of Granite Falls, Minnesota, (the "City"), create a tax increment financing district in an area within the City to be designated a redevelopment district as defined in Minnesota Statutes, Section 469.174, Subd. 10; and

WHEREAS, In order to create this type of tax increment financing district, the City must make a determination that before the demolition or removal of the substandard buildings, certain conditions existed; and

WHEREAS, The conditions found by the City to exist throughout the proposed tax increment financing district are that parcels consisting of 70

percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance; and

WHEREAS, In order to deem a parcel as being occupied by a structurally substandard building, the City must first pass a resolution before the demolition or removal that the parcel was occupied by one or more structurally substandard buildings and that after demolition and clearance the City intended to include the parcel within the proposed tax increment financing district; and

WHEREAS, There exists in the City on each parcel or parcels described in Exhibit A attached hereto (collectively, the "Parcel") one or more structurally substandard buildings to be demolished or removed (the "Substandard Building Condition"); and

WHEREAS, A parcel is deemed to be occupied by a structurally substandard building if the Substandard Building Condition is met within three years of the filing of the request for certification of the parcel as part of the tax increment financing district with the county auditor; and if certain other conditions are met.

NOW, THEREFORE, BE IT RESOLVED by the City Council for the City of Granite Falls that 15% of the area of the Parcel identified on Exhibit A attached hereto contains improvements and is occupied by one or more structurally substandard buildings and that after demolition and clearance the City intends to include this Parcel within the proposed tax increment financing district.

The motion for the adoption of the foregoing resolution was duly seconded by Council member B. Peterson and upon a vote being taken thereon, the following voted in favor thereof: Galow, Nordaune, Smiglewski, B. Peterson, Fagnano and S. Peterson.

and the following voted against the same: None

Dated: August 5, 2019

Mayor

ATTEST:

City Clerk

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

B. Peterson introduced the following resolution and moved its adoption authorizing an interfund loan for advance of costs in connection to a TIF District.

RESOLUTION NO. 19-117

RESOLUTION AUTHORIZING AN INTERFUND LOAN FOR ADVANCE OF CERTAIN COSTS IN CONNECTION WITH A TAX INCREMENT FINANCING DISTRICT

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

Section 1. Background.

1.01. The City heretofore intends to establish a tax increment financing district on the parcel or parcels described in Exhibit A attached hereto (the "TIF District") in an area within the City known as Viking Jr. Motel site for the purpose of financing certain improvements within the TIF District.

1.02. The City has determined to pay for certain costs of land/building acquisition, site improvements/preparation, public utilities, streets and sidewalks, other improvements, interest and administrative costs (collectively, the "Qualified Costs"), which costs may be financed on a temporary basis from City funds available for such purposes.

1.03. Under Minnesota Statutes, Section 469.178, Subd. 7, the City is authorized to advance or loan money from the City's general fund or any other fund from which such advances may be legally authorized, in order to finance the Qualified Costs.

1.04. The City intends to reimburse itself for the Qualified Costs from tax increments derived from the TIF District in accordance with the terms of this resolution (which terms are referred to collectively as the "Interfund Loan").

Section 2. Terms of Interfund Loan.

2.01. The City hereby authorizes the advance of up to \$75,000 from the 241 Community Development Fund or so much thereof as may be paid as Qualified Costs. The City shall reimburse itself for such advances together with interest at the rate stated below. Interest accrues on the principal amount from the date of each advance. The maximum rate of interest permitted to be charged is limited to the greater of the rates specified under Minnesota Statutes, Section 270C.40 or Section 549.09 as of the date the loan or advance is authorized, unless the written agreement states that the maximum interest rate will fluctuate as the interest rates specified under Minnesota Statutes, Section 270C.40 or Section 549.09 are from time to time adjusted. The interest rate shall be 5% and will not fluctuate.

2.02. Principal and interest ("Payments") on the Interfund Loan shall be paid semi-annually on each August 1 and February 1 (each a "Payment Date"), commencing on the first Payment Date on which the City has Available Tax Increment (defined below), or on any other dates determined by the City Clerk, through the date of last

receipt of tax increment from the TIF District.

2.03. Payments on this Interfund Loan are payable solely from "Available Tax Increment," which shall mean, on each Payment Date, tax increment available after other obligations have been paid, or as determined by the City Clerk, generated in the preceding six (6) months with respect to the property within the TIF District and remitted to the City by Yellow Medicine County, all in accordance with Minnesota Statutes, Sections 469.174 to 469.1799, all inclusive, as amended. Payments on this Interfund Loan may be subordinated to any outstanding or future bonds, notes or contracts secured in whole or in part with Available Tax Increment, and are on parity with any other outstanding or future interfund loans secured in whole or in part with Available Tax Increment.

2.04. The principal sum and all accrued interest payable under this Interfund Loan are pre-payable in whole or in part at any time by the City without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Interfund Loan.

2.05. This Interfund Loan is evidence of an internal borrowing by the City in accordance with Minnesota Statutes, Section 469.178, Subd. 7, and is a limited obligation payable solely from Available Tax Increment pledged to the payment hereof under this resolution. This Interfund Loan and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the City. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Interfund Loan or other costs incident hereto except out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on this Interfund Loan or other costs incident hereto. The City shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the final Payment Date.

2.06. The City may amend the terms of this Interfund Loan at any time by resolution of the City Council, including a determination to forgive the outstanding principal amount and accrued interest to the extent permissible under law.

Section 3. Effective Date. This resolution is effective upon the date of its approval.

Dated: August 8, 2019

Mayor

City Clerk

With second by S. Peterson, the resolution was adopted unanimously.

REPORTS: The KCC Board report and Hospital Board reports were acknowledged at this time.

PARK BOARD: Staff updated council concerning the playground equipment for Highland Park. It was the consensus of council to continue to look into grant funding to help purchase new equipment.

REPORT: The Utilities Commission report was acknowledged at this time.

BRIDGE LIGHTING: Following discussion, M/S NORDAUNE/B. PETERSON TO APPROVE THE BRIDGE LIGHTING REQUEST SUBMITTED BY INFANTS REMEMBERED IN SILENCE ON OCTOBER 15TH. Motion carried unanimously.

AUDITING SERVICES: Nordaune introduced a resolution and moved its adoption accepting the proposal received from Abdo, Eick & Meyers to provide auditing services for years 2019, 2020 and 2021 in the amounts of \$36,100, \$36,750 and \$37,400 respectively.

RESOLUTION NO. 19-118

RESOLUTION ACCEPTING PROPOSAL
FOR AUDITING SERVICES

WHEREAS, a proposal has been submitted by Abdo, Eick & Meyers, LLP, to provide auditing services for the city for years ending December 31, 2019, 2020 and 2021 in the amounts of \$36,100, \$36,750 and \$37,400 respectively.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, accepting the proposal of Abdo, Eick & Meyers, LLC to provide auditing services for years 2019, 2020 and 2021 in the amounts of \$36,100, \$36,750 and \$37,400 respectively.

Adopted by the City Council this 5th day of August, 2019.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by B. Peterson, the resolution was adopted unanimously.

WELL FENCING: Nordaune introduced the following resolution and moved its adoption authorizing submitted of a grant application to the Minnesota Department of Health to complete the security fencing around the city's well site.

RESOLUTION NO. 19-119

RESOLUTION AUTHORIZING SUBMITTAL OF GRANT APPLICATION
TO THE MINNESOTA DEPARTMENT OF HEALTH

WHEREAS, Water Treatment Plant Superintendent is in the process of completing a Source Water Protection Competitive Grant application for assistance with completion of the fencing project at the City's wells in the amount of \$2,900; and

WHEREAS, if the application is accepted there is a 50/50 split of the grant award from the city.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, approving submittal of the Source Water Protection Competitive Grant application in the amount of \$2,900 to complete the fencing project at the city's well sites.

Adopted by the City Council this 5th day of August, 2019.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Galow, the resolution was adopted unanimously.

ASSESSMENT SERVICES: Fagnano introduced the following resolution and moved its adoption accepting the proposal of Rural Appraisal Services to provide assessment services for calendar year 2020 in the amount of \$30,000.

RESOLUTION NO. 19-120

RESOLUTION ACCEPTING PROPOSAL FROM
RURAL APPRAISAL SERVICES FOR 2020 ASSESSMENT SERVICES

WHEREAS, a proposal has been submitted Rural Appraisal Services, Steven and David Hammerschmidt, to provide assessment services for calendar year 2020 in the amount of \$30,000; and

WHEREAS, the proposal is calculated by the assessment rate of \$18.75 per parcel for 1,600 parcels.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, accepting the proposal of Rural Appraisal Services to provide assessment services for calendar year 2020 in the amount of \$30,000.

Adopted by the City Council this 5th day of August, 2019.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Nordaune, the resolution was adopted unanimously.

PUBLIC HEARING: Nordaune introduced the following resolution and moved its adoption calling for a public hearing concerning Project 2 and 6 of the 2019 Street & Utility Improvements to correct the assessment amounts that were previously stated.

RESOLUTION NO. 19-121

RESOLUTION CALLING FINAL ASSESSMENT HEARING FOR PROJECTS 2 & 6 - 2019 STREET & UTILITY IMPROVEMENT PROGRAM

WHEREAS, the city clerk having been directed to prepare a proposed assessment of the costs for projects 2 & 6 of the 2019 Street and Utility Improvements;

Street/Utility Improvements:

- 17th Street, from 7th Avenue to 8th Avenue. Project to include complete reconstruction including excavation, geotextile fabric, aggregate base, new curb & gutter, and bituminous surfacing to the existing street width of 42'. Edge drains will also be included to help with subsurface drainage.
- 3rd Street, from 5th Avenue to 6th Avenue. Project to include complete reconstruction including excavation, geotextile fabric, aggregate base, new curb & gutter, and bituminous surfacing to a street width of 36'.

AND WHEREAS, the clerk has notified the council that such proposed assessments have been completed and filed in the clerk's office for public inspection,

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA:

1. A hearing shall be held on the 19th day of August, 2019 in the City Hall at 7:15 p.m. to pass upon such proposed assessments and at such time and place all persons owning property affected by such improvements will be given an opportunity to be heard with reference to such assessments.
2. The city clerk is hereby directed to cause a notice of the hearing on the proposed assessment to be published once in the official newspaper at least two weeks prior to the hearing, and shall state in the notice the total cost of the improvement. The clerk shall also cause mailed notice to be given to the owner of each parcel described in the assessment roll not less than two weeks prior to the hearings.
3. The owner of any property so assessed may, at any time prior to certification of the assessment to the county auditor, pay the whole of the assessment on such property, with interest accrued to the date of payment, to the City of Granite Falls, except that no interest shall be charged if the entire assessment is paid before December 31, 2019. The property owner may at any time thereafter, pay to the County Auditor the entire amount of the assessment remaining unpaid, with interest accrued to December 31st of the year in which such payment is made. Such payment must be made before November 15th or interest will be charged through December 31st of the succeeding year.

Adopted by the City Council this 5th day of August, 2019.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by B. Peterson, the resolution was adopted unanimously.

MEMORIAL PARK: B. Peterson introduced the following resolution and moved its adoption calling for bids for Phase II Memorial Park Improvements; said bids to be due August 28th at 2:00 p.m.

RESOLUTION NO. 19-122

RESOLUTION CALLING FOR BIDS FOR PHASE II IMPROVEMENTS – MEMORIAL PARK

WHEREAS, pursuant to Resolution No. 18-107 council accepted the proposal received from Damon Farber Landscape Architects to provide architectural services to complete the Memorial Park Phase II Improvements ; and

WHEREAS, council entered into a Grant Contract with the State of Minnesota in the amount of \$732,261.00 to complete Phase II Improvements to Memorial Park; and

WHEREAS, the bidding documents have now been completed.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, calling for bids for Phase II Improvements in Memorial Park.

Adopted by the City Council this 5th day of August, 2019.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by S. Peterson, the resolution was adopted unanimously.

The following proposals were received relative to Phase III Improvements to Memorial Park:

Engan Associates Willmar, MN	\$18,000	Proposal does not specify that SHPO submittals are included in scope, cost-estimating/cost control is not mentioned
U + B Architecture Minneapolis, MN	\$16,800	Original proposal did not include Expenses – follow up – email provided total fee of \$16,800 including expenses, cost estimating/cost control is not mentioned
MacDonald & Mack Architects	\$29,110	Proposal includes a professional cost estimator

Following discussion, Nordaune introduced a resolution accepting the proposal received from U + B Architecture in the amount of \$16,800 contingent upon acknowledgement that this is a not-to-exceed price.

RESOLUTION NO. 19-123

RESOLUTION ACCEPTING PROPOSAL FOR
PHASE III IMPROVEMENTS – MEMORIAL PARK

WHEREAS, pursuant to Resolution No. 19-94 requested proposals for architectural services for Phase III Memorial Park Improvements;

WHEREAS, the following proposals were received:

Engan Associates Willmar, MN	\$18,000	Proposal does not specify that SHPO submittals are included in scope, cost-estimating/cost control is not mentioned
U + B Architecture Minneapolis, MN	\$16,800	Original proposal did not include Expenses – follow up – email provided total fee of \$16,800 including expenses, cost estimating/cost control is not mentioned
MacDonald & Mack Architects	\$29,110	Proposal includes a professional cost estimator

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, accepting the proposal received from U + B Architecture and Design, Inc. contingent upon receiving notice that it is a cost not-to-exceed of \$16,800 to complete Phase III Improvements in Memorial Park.

Adopted by the City Council this 5th day of August, 2019.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by B. Peterson, the resolution was adopted unanimously.

POLICY: Upon the recommendation of Police Chief Struffert, Nordaune introduced the following resolution and moved its adoption adopting the Law Enforcement Sexual Assault Investigation Policy as presented.

RESOLUTION NO. 19-124

RESOLUTION ADOPTING LAW ENFORCEMENT

SEXUAL ASSAULT INVESTIGATION POLICY

WHEREAS, Police Chief Struffert is requesting council adopt the Law Enforcement Sexual Assault Investigation Policy as proposed.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, adopting the Law Enforcement Sexual Assault Investigation Policy as as required by the State of Minnesota.

Adopted by the City Council this 5th day of August, 2019.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Galow, the resolution was adopted unanimously.

CUSTODIAL SERVICES: Nordaune introduced a resolution and moved its adoption renewing the contract for custodial services for city buildings with Brenda Peterson at the same terms and conditions as last year.

RESOLUTION NO. 19-125

RESOLUTION RENEWING CONTRACT
FOR CUSTODIAL SERVICES - CITY BUILDINGS

WHEREAS, Brenda Peterson provided custodial services for city buildings for 2018/2019; and

WHEREAS, Brenda Peterson has requested pursuant to the renewal option in the above-referenced contract renewal of said contract at a rate of \$1,180 per month and \$15 per hour for any additional work as requested for the period August 1, 2019 through July 31, 2020.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, renewing the Custodial Services - City Buildings Contract with Brenda Peterson for the period of one year beginning August 1, 2019 through July 31, 2020 in the amount of One Thousand One Hundred Eighty Dollars (\$1,180) per month and Fifteen Dollars (\$15) per hour for additional work requested, as per the terms of said contract.

Adopted by the City Council this 5th day of August, 2019.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Fagnano, the resolution was adopted unanimously.

SURPLUS EQUIPMENT: Fire Chief Opdahl has requested that certain fire equipment that is obsolete, bad or failed testing and are no longer needed be declared surplus and authorize their disposal. Following discussion, Nordaune introduced a resolution authorizing the disposal of this equipment.

RESOLUTION NO. 19-126

RESOLUTION DECLARING CITY OWNED PROPERTY AS SURPLUS
AND AUTHORIZING THE DISPOSAL OF SAME

WHEREAS, the City Code authorizes that excess property, when no longer needed for a municipal purpose, shall be declared surplus and disposed of in the manner stated therein; and

WHEREAS, the Fire Department has determined that the following equipment is obsolete, bad or failed testing and longer needed and should be declared surplus property and should be disposed of:

- | | | |
|----|-----------------------------------|---|
| 1 | TC 160 Thermal Camera and Charger | weak batteries |
| 1 | MicroIR Camera and Charger | no power at all |
| 12 | scott nsg2 4.5 packs | obsolete |
| 24 | Scott 30 minute air bottles | obsolete |
| 15 | turnout coats | Fire Dex, isoDRI, etc. obsolete |
| 18 | turnout pants | Fire Dex, isoDRI, etc. obsolete |
| 1 | Container of misc. plumbing | various fire truck connections |
| 1 | 30' 2.5" hose | White 2.5" truck fill hose failed test |
| 2 | 2 1/2" Hose 50' | White 2.5" fire hose failed test |
| 5 | 1 1/2" Hose 50' | Yellow 1.5" Red Rubber 1.5" Red 1.5" Red 1.5" Yellow Rubber 1.5" all failed |
| 3 | 5" Angus Hose | 100' Yellow Rubber Angus original 1993 failed test |
| 1 | 30' Three Fly | failed test |
| 1 | 14' Roof Ladder | failed test |

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, declaring the above listed equipment as surplus property and authorizing the sale of the equipment.

Adopted by the City Council this 18th day of October, 2018.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by B. Peterson, the resolution was adopted unanimously.

2019 STREET/UTILITY IMPROVEMENTS: Upon receipt of a petition received from residents in Highland Park and upon the recommendation of the city engineer, Fagnano introduced the following resolution and moved its adoption authorizing execution of Change Order No. 1 to the 2019 Street and Utility Improvements as follows:

- Adding a concrete cross gutter and associated bituminous paving at the intersection of 11th avenue and 17th Street for a total cost of \$6,847.00
- Installation of a storm sewer at the intersection of Fromm Circle and Skyline Drive for an increase in the contract of \$38,821.75

RESOLUTION NO. 19-127

RESOLUTION AUTHORIZING EXECUTION OF
CHANGE ORDER NO. 1 – 2019 STREET/UTILITY IMPROVEMENTS

(Copy on file in city clerk's office)

With second by Galow, the resolution was adopted unanimously.

HISTORICAL SOCIETY: As there are funds remaining in the Minnesota Historical Society Grant it has been recommended to request proposals for a professional photographer to photograph the Volstead House. Nordaune introduced the following resolution and moved its adoption requesting proposals for a professional photographer.

RESOLUTION NO. 19-128

RESOLUTION REQUESTING PROPOSALS FOR PROFESSIONAL PHOTOGRAPHER
VOLSTEAD HOUSE

(Copy on file in city clerk's office)

With second by B. Peterson, the resolution was adopted unanimously.

HWY 23 COALITION: Aaron Beckman was in attendance to update council relative to the activities of the Highway 23 Coalition.

ORDINANCES: M/S GALOW/S. PETERSON TO HAVE THE SECOND READING AND SUBSEQUENT ADOPTION OF AN ORDINANCE AMENDING CITY CODE 10.

ORDINANCE NO. 195, 2ND SERIES

AN ORDINANCE OF THE CITY OF GRANITE FALLS, MINNESOTA, AMENDING CITY CODE SECTION TABLE OF SPECIAL ORDINANCES III, VACATIONS, BY VACATING A PORTION OF AN UNNAMED STREET AND BY ADOPTING BY REFERENCE CITY CODE CHAPTER 10, GENERAL CODE CONSTRUCTION AND PENALTIES.

Motion carried unanimously. The Ordinance will become effective following publication.

M/S NORDAUNE/B. PETERSON TO HAVE THE SECOND READING AND SUBSEQUENT ADOPTION OF THE AMENDED TOBACCO ORDINANCE.

ORDINANCE NO. 196, 2ND SERIES

AN ORDINANCE OF THE CITY OF GRANITE FALLS GRANITE FALLS, MINNESOTA, AMENDING CITY CODE CHAPTER 112, TOBACCO REGULATIONS, AND ADOPTING BY REFERENCE CITY CODE CHAPTER 10, GENERAL CODE CONSTRUCTION AND PENALTIES

Motion carried unanimously. The Ordinance will become effective following publication.

M/S B. PETERSON/FAGNANO TO HAVE THE FIRST READING OF AN ORDINANCE OF THE CITY OF GRANITE FALLS, MINNESOTA, AMENDING CITY CODE CHAPTER 150, BUILDING/CONSTRUCTION REGULATIONS, BY AMENDING ORDINANCE 150.08, SWIMMING POOL CONSTRUCTION REGULATION, SECTION (B) DEFINITIONS. Motion carried unanimously.

Following discussion it was the consensus of council to wait to see what the state and federal governments due regarding the Clean In-Door Air Ordinance.

BARBER CIRCLE/DANIELS DRIVE: Staff updated council regarding Barber Circle/Daniels Drive construction.

MEMORIAL PARK: Council was also updated relative to Phase I Improvements in Memorial Park.

HWY 212/23 PROJECT: Council reviewed a list of costs that will be incurred by the city regarding the Highway 212/23 project to be completed in 2020.

COUNCIL VACANCY: It was the consensus of council to move forward with advertising the council vacancy.

CLOSE MEETING: M/S NORDAUNE/S. PETERSON TO CLOSE THE PUBLIC MEETING TO DISCUSS NEGOTIATING STRATEGIES AT 8:40 P.M. Motion carried unanimously.

Meeting was reopened at 9:03

ADJOURN: M/S/P NORDAUNE/S. PETERSON TO ADJOURN AT 9:05 p.m.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk