

**ARLINGTON CITY COUNCIL
MEETING AGENDA
JUNE 5, 2017 AT 6:30 PM
COUNCIL CHAMBERS**

The City Council is provided background information for agenda items in advance by city staff, committees and boards. Many decisions regarding agenda items are based upon this information, as well as: City policy and practices, input from constituents, questions or information that has not yet been presented or discussed regarding an agenda item. If you have a concern or question, please ask to be recognized by the Mayor during the "Citizens addressing the Council" portion of the agenda—state your name and address for the record. Please keep comments under 5 minutes. Individuals wishing to speak for more than five minutes should ask to be included on the agenda in advance. All comments are appreciated, but please refrain from personal or derogatory attacks on individuals.

1. Call Meeting to Order and Pledge of Allegiance.
2. Roll Call.
3. Approve the Agenda and any Agenda Additions.

CONSENT AGENDA

The items listed for consideration will be enacted by one motion unless the Mayor, a member of the City Council, City Staff or a person in attendance requests an item to be removed from the Agenda.

4. Approval of Consent Agenda
 - A) Approval of the May 15th Regular Meeting Minutes.
 - B) Approval of Bills.
 - C) Approve the Renewal of On Sale, Off Sale, Sunday & Community Center On Sale/Sunday Liquor Licenses for the Arlington Haus.
 - D) Approve the Renewal of On Sale, Off Sale, Sunday & Community Center On Sale/Sunday Liquor Licenses for the Arlington Dugout.
 - E) Approve the Renewal of an Off Sale Liquor License for Arlington Liquors.
 - F) Approve the Renewal of On Sale and Sunday Liquor Licenses for Double Tap.
 - G) Approve Double Tap LLC as an On Sale Liquor Vendor at the Community Center.

PUBLIC HEARINGS

5. Circle Drive Improvement Project Assessment Hearing.

PETITIONS, REQUESTS, & COMMUNICATIONS

6. Addressing the Council
 - A) Citizens Addressing the Council.
7. Announcements
 - A) Breakfast on the Farm, June 9th @ 6:30-10:30 a.m., Darlene Weckwerth Farm, 40647 296th St., Arlington.
 - B) Arlington Farmer's Market, June 12th – September 25th @ 4-6:30 p.m., Arlington Community Center West Parking Lot.
 - C) Public Forum on Community Policing in Arlington, June 14th @ 7:00 p.m., Arlington Community Center.
 - D) Relay for Life 5K Color Run, June 17th @ 8:00 a.m. - 12:00 p.m., Four Seasons Park
8. Communications
 - A) S&P Global Rating Letter Affirming 'AA-/Stable' Long-Term Rating.
 - B) MnDOT Response to City's Request to Decrease Speed Limit within City Limits (Highway 5).
 - C) MnPCA Response to City's Participation in Signing Joint Letter to Governor Dayton & MPCA Commissioner John Linc RE: Phosphorus Pollution.
 - D) Sibley County Assessor Revised Summary of Repeals of the 2017 Open Book Meeting.

- E) 2016 Drinking Water Report.
- F) Fire Hydrant Flushing Report.
- G) April Water/Wastewater Report.
- H) April Building Permit Report.

REPORTS OF OFFICERS, BOARDS & COMMITTEES

- 9. Tom Olinger (Abdo, Eick & Meyers)
 - A) Approve/Deny 2016 Audit Report.
 - B) Approve/Deny Update to Five Year Financial Plan. (Expires 2019)

ORDINANCES & RESOLUTIONS

- 10. Ordinances
 - A) First Reading: Ordinance 313 – An Ordinance Enacting a Code of Ordinances for the City of Arlington, Minnesota, Amending, Restating, Revising, Updating, Codifying, and Compiling Certain Ordinances of the City Dealing with the Subjects Embraced in the Code of Ordinances, and Providing Penalties for the Violation of the Code of Ordinances.
 - Chapter 6 (Nuisances)
 - B) Second Reading: Ordinance 314 – An Ordinance Rezoning a Portion of the Public Cemetery from R-1 One and Two Family Residence District to P/I Public Institutional District.
- 11. Resolutions
 - A) 46-2017 – Authorizing Issuance, Awarding Sale, Prescribing the Form and Details and Providing For the Payment of \$1,830,000 General Obligation Improvement and Utility Revenue Bonds, Series 2017A.
 - B) 47-2017 – Approving/Denying RSMC Site Plan.
 - C) 48-2017 – Modifying Truck Routes.
 - D) 49-2017 – Reauthorizing Membership in the 4M Fund.
 - E) 50-2017 – Approving the Application for a Lawful Gambling Permit for Arlington Area Chamber of Commerce on December 2, 2017.

UNFINISHED BUSINESS

NEW BUSINESS

- 12. Circle Drive Street & Utility Improvement Project.
 - A) Resolution 51-2017 - Awarding Bid.
 - B) Resolution 52-2017 – Approving an Assessment.

MISCELLANEOUS BUSINESS

- 13. Maintenance Department.
 - A) Department Update (Kirby Weckworth, Maintenance Supervisor).
- 14. Council Committee Updates.
- 15. Open Discussion.

ADJOURNMENT

Reminders:

EDA – June 12th @ 5:30 pm
Parks – June 26th @ 6 pm
Cemetery – June 26th @ 7:00 pm

**ARLINGTON CITY COUNCIL
MEETING MINUTES
JUNE 5, 2017**

The regular meeting was called to order at 6:30 p.m., Mayor Richard Nagel presiding.

Members present: Mayor Nagel, Battcher, Cowell, Hatlestad, Heiland, Jaszewski

Members absent: None

Also present: City Adm. Donabauer, City Attorney Arneson, Financial Advisor Shannon Sweeney, Engineer Jason Femrite, City Auditor Tom Olinger, Warren Dressen, Eric Joyce, Police Officer Voigt, Maint. Supvr. Weckworth, Kurt Menk

Motion by Jaszewski, seconded by Hatlestad, and passed by unanimous vote to approve the agenda as presented.

Motion by Battcher, seconded by Jaszewski, and passed by unanimous vote to approve the consent agenda as follows:

- A) Approval of the May 15th Regular Meeting Minutes
- B) Approval of Bills
- C) Approve the Renewal of On Sale, Off Sale, Sunday & Community Center On Sale/Sunday Liquor Licenses for the Arlington Haus
- D) Approve the Renewal of On Sale, Off Sale, Sunday & Community Center On Sale/Sunday Liquor Licenses for the Arlington Dugout
- E) Approve the Renewal of an Off Sale Liquor License for Arlington Liquors
- F) Approve the Renewal of On Sale and Sunday Liquor Licenses for Double Tap
- G) Approve Double Tap, LLC as an On Sale Liquor Vendor at the Community Center.

Battcher commented that the legislature made changes recently regarding Sunday (off sale) liquor sales and questioned how it would affect Arlington's licensees. Attorney Arneson stated that it was still a bit unclear, but he believed the City has the option to opt out of the change (allowing Sunday sales). Currently the City's ordinance does not allow Sunday sales (the ordinance would not have to be changed). He suggested the City poll the current license holders to get their input and possibly hold a public hearing on the subject. If the City decides to allow Sunday sales, the current ordinance would have to be changed accordingly.

Mayor Nagel recessed the regular meeting to hold a public hearing.

Mayor Nagel called the Circle Drive Improvement Project Assessment public hearing to order. Engineer Femrite gave a brief summation of the project details leading to this point (assessment hearing). He stated that he and City Adm. Donabauer met with the three property owners to discuss how the assessments would be levied against the various properties. One property owner had multiple lots and was going to combine them into one parcel. It was agreed that Cemstone would be assessed for 55% of the project, and Dressen Transport, Inc. and Scott Equipment (Lucas Properties) would be assessed for 22.5% each. Eng. Femrite stated that five bids had been received, with WM. Mueller & Sons being the low bidder at \$176,882.50. The engineer's estimate was \$181,851. Warren Dressen commented he was happy with the amount that was agreed to and believe that Jim Lucas was also. It was noted that no written comments, either for or against the proposed Circle Drive Improvement Project had been received.

Mayor Nagel adjourned the public hearing and reconvened the regular meeting at 6:42 p.m.

It was noted that there were no citizens present to address the Council on non-agenda items.

The following announcements were reviewed:

- A) Breakfast on the Farm, June 9th @ 6:30-10:30 a.m., Darlene Weckwerth Farm, 40647 296th St., Arlington
- B) Arlington Farmer's Market, June 12th – September 25th, 4-6:30 p.m. Arlington Community Center West Parking Lot
- C) Public Forum on Community Policing in Arlington, June 14th @ 7:00 p.m., Arlington Community Center
- D) Relay for Life 5K Color Run, June 17th @ 8:00 a.m. – 12:00 p.m., Four Seasons Park.

The Council reviewed the following communications:

- A) S&P Global Rating letter Affirming 'AA-/Stable' Long-Term Rating
- B) MnDOT Response to City's Request to Decrease Speed Limit within City Limits (Highway 5)
- C) MnPCA Response to City's Participation in Signing Joint Letter to Governor Dayton MPCA Commissioner John Line RE: Phosphorus Pollution
- D) Sibley County Assessor Revised Summary of Repeals of the 2017 Open Book Meeting
- E) 2016 Drinking Water Report
- F) Fire Hydrant Flushing Report
- G) April Water/Wastewater Report
- H) April Building Permit Report.

City Auditor Tom Olinger, Abdo, Eick & Meyers presented the 2016 Audit Report and Management Letter. He commented that the City made good strides with its segregation of duties issues from the previous year, but still has one area within the utility billing to work on. A utility inventory (transformers, wire, etc.) needs to be completed at or near year end. Olinger commented that the fund balance at the end of the year was around \$900,000, which was approximately 62% of the budgeted amount for the next year. He added that this was consistent with previous years and was healthy. He noted the changes and/or improvements made from the previous year for each fund. It was noted that the debt service fund was in good shape, staying fairly consistent year-to-year, which is good. Olinger commented that cash reserves within the water utility fund were improving. The sewer utility fund was short and the City should look at adjusting rates. The electric utility fund had a good reserve balance. Olinger commented that the City should start looking at re-investing in its infrastructure (buildings and streets) as they are starting to deteriorate (depreciate – below average).

Olinger talked about updating the City's Five Year Financial Plan. He reviewed the process that the City used to put it together a few years ago. He proposed a 3-year contract (\$15,000 - \$5,000/year) for the Council to consider. Adm. Donabauer stated that the document itself has been extremely beneficial to staff year-to-year with looking ahead/planning.

Motion by Jaszewski, seconded by Hatlestad, and passed by unanimous vote to approve the 2016 Annual Financial Report and Management Letter as presented by Abdo, Eick & Meyers.

Motion by Jaszewski, seconded by Hatlestad, and passed by unanimous vote to update the Five Year Financial Plan that expires 2019 as proposed by Abdo, Eick & Meyers.

The first reading of Ordinance 313 – An Ordinance Enacting a Code of Ordinances for the City of Arlington, Minnesota, Amending, Restating, Revising, Updating, Codifying, and Compiling Certain Ordinances of the City Dealing with the Subjects Embraced in the Code of Ordinances, and Providing Penalties for the Violation of the Code of Ordinances, was held. The Council reviewed a redraft of Chapter 6 (Nuisances). Attorney Arneson explained the reason for the redraft was to incorporate language pertaining to outdoor storage, which was originally contained in Ordinance 311 (zoning ordinance amendment) and not included in the first version of Chapter 6.

The second reading of Ordinance 314 – An Ordinance Rezoning a Portion of the Public Cemetery from R-1 One and Two Family Residence District to P/I Public Institutional District, was held.

Motion by Battcher, seconded by Heiland, and passed by unanimous vote to approve Ordinance 314 – An Ordinance Rezoning a Portion of the Public Cemetery from R-1 One and Two Family Residence District to P/I Public Institutional District, as follows:

ORDINANCE 314

AN ORDINANCE REZONING A PORTION OF THE PUBLIC CEMETERY FROM R-1 ONE AND TWO FAMILY RESIDENCE DISTRICT TO P/I PUBLIC INSTITUTIONAL DISTRICT

- I. THE CITY COUNCIL OF THE CITY OF ARLINGTON, MINNESOTA TO PROMOTE THE PUBLIC SAFETY, HEALTH, AND WELFARE, HEREBY ORDAINS SECTION 4, SUBD. 2 OF ORDINANCE 169, THE ZONING ORDINANCE, SHALL BE AMENDED BY REZONING A PORTION OF THE PUBLIC CEMETERY FROM R-1 ONE AND TWO FAMILY RESIDENCE DISTRICT TO P/I PUBLIC INSTITUTIONAL DISTRICT AS ILLUSTRATED IN EXHIBIT A, ATTACHED HERETO.**
- II. EFFECTIVE DATE.**

This Ordinance is effective upon its adoption and publication as prescribed by law.

Adopted by the City of Arlington on the 5th day of June, 2017.

/s/ Richard Nagel
By Richard Nagel, It's Mayor

/s/ Liza M. Donabauer
By Liza M. Donabauer, It's Administrator

Financial Advisor Sweeney stated that four bids had been received for the bond issue related to the 2017 Improvement Project. Northland Securities was the low bidder with an interest rate of 2.519%. An interest rate of 2.8% had been projected during the planning process. Sweeney commented that the difference between the two rates is approximately \$30,000 over the life of the bond issue. He reviewed the rating report from S&P. The City received an 'AA-' rating, which is the best the City can get for the size of the community. It reflects healthy fund balances time the City has taken to institute specific management policies, as well as their view of the local economy. The closing has been scheduled for June 20th. It was noted that by having the credit rating, saved the City at least \$30,000 (1/2%), but more likely \$50,000-\$60,000 in interest versus not having the credit rating.

Councilmember Battcher introduced the following resolution and moved for its adoption:

RESOLUTION 46-2017

A RESOLUTION AUTHORIZING ISSUANCE, AWARDED SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF \$1,830,000 GENERAL OBLIGATION IMPROVEMENT AND UTILITY REVENUE BONDS, SERIES 2017A

BE IT RESOLVED by the City Council, City of Arlington, Minnesota (the City), as follows:

SECTION 1. AUTHORIZATION AND SALE.

1.01. Authorization. This City Council, by resolution duly adopted on April 24, 2017 (the Preliminary Resolution), authorized the issuance and sale of its General Obligation Improvement and Utility Revenue Bonds, Series 2017A (the Bonds), pursuant to Minnesota Statutes, Section 444.075 and Chapters 429 and 475. Proceeds of the Bonds will be used to finance various street improvement projects in the City and improvements to the City's water, storm sewer and sewer utilities (collectively, the Systems).

1.2. Sale. Pursuant to the Official Statement prepared on behalf of the City by David Drown Associates, Inc., sealed proposals for the purchase of the Bonds were received at or before the time specified for receipt of proposals. The proposals have been opened, publicly read and considered, and the purchase price, interest rates and net interest cost under the terms of each proposal have been determined. The most favorable proposal received is that of Northland Securities, Inc., in Minneapolis, Minnesota (the Purchaser), to purchase the Bonds at a price of \$1,819,695.40, plus accrued interest on all Bonds to the day of delivery and payment, on the further terms and conditions hereinafter set forth.

1.3. Award. The sale of the Bonds is hereby awarded to the Purchaser, and the Mayor and City Administrator are hereby authorized and directed to execute a contract on behalf of the City for the sale of the Bonds. The good faith deposit of the Purchaser shall be retained and deposited by the City until the Bonds have been delivered and shall be deducted from the purchase price paid at settlement.

The portion of the Bonds (\$1,080,000) that is being issued pursuant to Minnesota Statutes, Chapters 429 and 475 (the Improvement Bonds) will be used to finance street improvements in the City (the Improvement Project). The portion of the Bonds (\$750,000) that is being issued pursuant to Minnesota Statutes, Section 444.075 and Chapter 475 (the Utility Bonds) will be used to finance improvements to the Systems (the Utility Projects; together with the Improvement Project, the Projects). Maturity schedules for the Improvement Bonds and the Utility Bonds are attached hereto.

SECTION 2. BOND TERMS; REGISTRATION; EXECUTION AND DELIVERY.

2.01. Issuance of Bonds. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Bonds having been done, now existing, having happened and having been performed, it is now necessary for the Council to establish the form and terms of the Bonds, to provide security therefor and to issue the Bonds forthwith.

2.02. Maturities; Interest Rates; Denominations and Payment. The Bonds shall be originally dated as of June 20, 2017, shall be in the denomination of \$5,000 each, or any integral multiple thereof, of single maturities, shall mature on February 1 in the years and amounts stated below, and shall bear interest from date of issue until paid or duly called for redemption, at the annual rates set forth opposite such years and amounts, as follows:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2019	\$105,000	2.000%	2025	\$115,000	2.000%
2020	105,000	2.000	2027	245,000	2.150
2021	105,000	2.000	2029	255,000	2.400
2022	110,000	2.000	2031	275,000	2.650
2023	115,000	2.000	2033	285,000	2.875
2024	115,000	2.000			

The Bonds shall be issuable only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof shall be payable by check or draft issued by the Registrar described herein, provided that so long as the Bonds are registered in the name of a securities depository, or a nominee thereof, in accordance with Section 2.08 hereof, principal and interest shall be payable in accordance with the operational arrangements of the securities depository.

2.03. Dates and Interest Payment Dates. Upon initial delivery of the Bonds pursuant to Section 2.07 and upon any subsequent transfer or exchange pursuant to Section 2.06, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. Interest on the Bonds shall be payable on February 1 and August 1 in each year, commencing February 1, 2018, each such date being referred to herein as an Interest Payment Date, to the persons in whose names the Bonds are registered on the Bond Register, as hereinafter defined, at the Registrar's close of business on the fifteenth day of the calendar month preceding that in which the Interest Payment Date falls, whether or not such day is a business day. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

2.04. Redemption. Bonds maturing in 2026 and later years shall be subject to redemption and prepayment at the option of the City, in whole or in part, in such order of maturity dates as the City may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the bond depository in accordance with its customary procedures) in integral multiples of \$5,000, on February 1, 2025, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The City Administrator shall cause notice of the call for redemption thereof to be published if and as required by law, and at least thirty (30) and not more than sixty (60) days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail, to the Registrar and registered holders of any Bonds to be redeemed at their addresses as they appear on the Bond Register described in Section 2.06 hereof, provided that notice shall be given to any securities depository in accordance with its operational arrangements. No defect in or failure to give such notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

Bonds maturing on February 1, 2027, 2029, 2031, and 2033 (the "Term Bonds") shall be subject to mandatory redemption prior to maturity pursuant to the sinking fund requirements of this Section 2.04 at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium. The Registrar shall select for redemption, by lot or other manner deemed fair, on February 1 in each of the following years the following stated principal amounts of such Bonds:

<u>Year</u>	<u>Principal Amount</u>
2026	\$120,000

The remaining \$125,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2027.

<u>Year</u>	<u>Principal Amount</u>
2028	\$125,000

The remaining \$130,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2029.

<u>Year</u>	<u>Principal Amount</u>
2030	135,000

The remaining \$140,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2031.

<u>Year</u>	<u>Principal Amount</u>
2032	\$140,000

The remaining \$145,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2033. Notice of redemption shall be given as provided in the preceding paragraph.

2.05. Appointment of Registrar. The City hereby appoints Northland Trust Services, Inc., in Minneapolis, Minnesota, as the initial Bond registrar, transfer agent and paying agent (the Registrar). The Mayor and City Administrator are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company organized under the laws of the United States or one of the states of the United States and authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar, effective upon not less than thirty days' written notice and upon the appointment and acceptance of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the Bond Register to the successor Registrar.

2.06. Registration. The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a register (the Bond Register) in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged. The term Holder or Bondholder as used herein shall mean the person (whether a natural person, corporation, association, partnership, trust, governmental unit, or other legal entity) in whose name a Bond is registered in the Bond Register.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the Holder thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the Holder thereof or by an attorney duly authorized by the Holder in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the first day of the month in which each interest payment date occurs and until such interest payment date.

(c) Exchange of Bonds. At the option of the Holder of any Bond in a denomination greater than \$5,000, such Bond may be exchanged for other Bonds of authorized denominations, of the same maturity and a like aggregate principal amount, upon surrender of the Bond to be exchanged at the office of the Registrar. Whenever any Bond is so surrendered for exchange the City shall execute and the Registrar shall authenticate and deliver the Bonds which the Bondholder making the exchange is entitled to receive.

(d) Cancellation. All Bonds surrendered for payment, transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name any Bond is at any time registered in the Bond Register as the absolute owner of the Bond, whether the Bond shall be overdue or not, for the purpose of receiving payment of or on account of, the principal of and interest on the Bond and for all other purposes; and all payments made to or upon the order of such Holder shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds (except for an exchange upon a partial redemption of a Bond), the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1, as amended.

(j) Valid Obligations. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits under this Resolution as the Bonds surrendered upon such transfer or exchange.

2.07. Execution, Authentication and Delivery. The Bonds shall be prepared under the direction of the City Administrator and shall be executed on behalf of the City by the signatures of the Mayor and the City Administrator, provided that the signatures may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until the date of delivery of such Bond. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond, substantially in the form provided in Section 2.09, has been executed by the manual signature of an authorized representative of the Registrar.

Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on any Bond shall be conclusive evidence that it has been duly authenticated and delivered under this Resolution. When the Bonds have been prepared, executed and authenticated, the City Administrator shall deliver them to the Purchaser upon payment of the purchase price in accordance with the contract of sale theretofore executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

2.08. Securities Depository. (a) For purposes of this section the following terms shall have the following meanings:

“Beneficial Owner” shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person’s subrogee.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“DTC” shall mean The Depository Trust Company of New York, New York.

“Participant” shall mean any broker-dealer, bank or other financial institution for which DTC holds bonds as securities depository.

“Representation Letter” shall mean the Representation Letter pursuant to which the City agrees to comply with DTC’s Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. The Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the City shall be affected by any notice to the contrary. Neither the Registrar nor the City shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the Bond Register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with DTC’s Operational Arrangements, 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 interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of physical certificates, the City may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC, if not previously filed with DTC, by the Mayor or City Administrator is hereby authorized and directed.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of physical certificates and the method of payment of principal of and interest on such Bonds in the form of physical certificates.

2.09. Form of Bonds. The Bonds shall be prepared in substantially the form found at EXHIBIT A hereto.

SECTION 3. USE OF PROCEEDS. There is hereby established on the official books and records of the City a General Obligation Improvement and Utility Revenue Bonds, Series 2017A Construction Fund (the Construction Fund). Within the Construction Fund are established the following accounts:

(a) Improvement Construction Account. The Improvement Construction Account shall be credited with \$1,032,866 from the proceeds of the Improvement Bonds. Every item of expense made for the Improvement Project shall be deducted from Improvement Construction Account to the extent paid from proceeds of the Improvement Bonds. The City Administrator shall maintain the Improvement Construction Account until payment of all costs and expenses incurred in connection with the construction of the Improvement Project have been paid.

(b) Utility Construction Account. The Utility Construction Account shall be credited with \$726,050 from the proceeds of the Utility Bonds. The City Administrator shall maintain the Utility Construction Account until all costs and expenses incurred by the City in connection with the construction of the Utility Projects have been paid.

All funds on hand in the Construction Fund when terminated, which shall be no later than June 20, 2022, shall be credited to the Bond Fund described in Section 4 hereof, unless and except as such proceeds may be transferred to some other fund or account as to which the City has received from bond counsel an opinion that such other transfer is permitted by applicable laws and does not impair the exemption of interest on the Bonds from federal income taxes.

SECTION 4. GENERAL OBLIGATION IMPROVEMENT AND UTILITY REVENUE BONDS, SERIES 2017A BOND FUND. So long as any of the Bonds are outstanding and any principal or interest thereon unpaid, the City Administrator shall maintain on the official books and records of the City a separate fund designated as the General Obligation Improvement and Utility Revenue Bonds, Series 2017A Bond Fund (the Bond Fund). Into the Bond Fund shall be paid (a) the amounts specified in Section 3 above, (b) any amount in excess of the amounts credited to the Construction Fund as provided in Section 3 hereof received from the Purchaser upon delivery of the Bonds, (c) the special assessments and net revenues described in Sections 5 and 6 hereof; (d) any taxes collected pursuant to Section 7 hereof, and (e) any other funds appropriated by the City Council for the payment of the Bonds. The principal of and interest on the Bonds shall be payable from the Bond Fund, and the money on hand in the Bond Fund from time to time shall be used only to pay the principal of and interest on the Bonds. If the balance on hand in the Bond Fund is at any time insufficient to pay principal and interest then due on the Bonds, such amounts shall be paid from other money on hand in other funds of the City, which other funds shall be reimbursed therefor when sufficient money becomes available in the Bond Fund. The City Council also covenants and agrees that it will each year levy a sufficient amount of ad valorem taxes to pay any accumulated or anticipated deficiency, which levy is not subject to any constitutional or statutory limitation.

There are hereby established two accounts in the Bond Fund, designated as the “Debt Service Account” and the “Surplus Account.” There shall initially be deposited into the Debt Service Account upon the issuance of the Bonds the amount set forth in (b) above. Thereafter, during each Bond Year (i.e., each twelve month period commencing on February 2 and ending on the following February 1), as monies are received into the Bond Fund, the City Administrator shall first deposit such monies into the Debt Service Account until an amount has been appropriated thereto sufficient to pay all principal and interest due on the Bonds through the end of the Bond Year. All subsequent monies received in the Bond Fund during the Bond Year shall be appropriated to the Surplus Account. If at any time the amount on hand in the Debt Service Account is insufficient for the payment of principal and interest then due, the City Administrator shall transfer to the Debt Service Account amounts on hand in the Surplus Account to the extent necessary to cure such deficiency. Investment earnings (and losses) on amounts from time to time held in the Debt Service Account and Surplus Account shall be credited or charged to said accounts.

SECTION 5. SPECIAL ASSESSMENTS. The City hereby covenants and agrees that, for the payment of the costs of the Improvement Project, the City has done or will do and perform all acts and things necessary for the final and valid levy of special assessments in the principal amount of \$382,496, which is not less than 20% of the cost of the Improvement Project. The principal of and interest on such special assessments are estimated to be levied and collected in the years and amounts shown on Appendix I attached hereto. The principal of the assessments shall be made payable in annual installments, with interest as established by this Council in accordance with law on unpaid installments thereof from time to time remaining unpaid. In the event any special assessment shall at any time be held invalid with respect to any lot or tract of land, due to any error, defect or irregularity in any action or proceeding taken or to be taken by the City or by this Council or by any of the officers or employees of the City, either in the making of such special assessment or in the performance of any condition precedent thereto, the City hereby covenants and agrees that it will forthwith do all such further things and take all such further proceedings as shall be required by law to make such special assessment a valid and binding lien upon said property.

SECTION 6. PLEDGE OF NET REVENUES. It is hereby found, determined and declared that the City owns and operates the System as a revenue-producing utility and convenience, and that the net operating revenues of the System, after deducting from the gross receipts derived from charges for the service, use and availability of the System the normal, current and reasonable expenses of operation and maintenance thereof, will be sufficient, together with any other pledged funds, for the payment when due of the principal of and interest on the Utility Bonds herein authorized, and on any other bonds to which such revenues are pledged.

Pursuant to Minnesota Statutes, Section 444.075, the City hereby covenants and agrees with the registered owners from time to time of the Bonds, that until the Utility Bonds and the interest thereon are discharged as provided in Section 8 or paid in full, the City will impose and collect reasonable charges in accordance with said Section 444.075 for the service, use and availability of the System according to schedules sufficient to produce net revenues sufficient to pay the Utility Bonds and any other bonds to which said net revenues have been pledged, and the net revenues, to the extent necessary, are hereby irrevocably pledged and appropriated to the payment of the Utility Bonds herein authorized and interest thereon when due. Nothing herein shall preclude the City from hereafter making further pledges and appropriations of the net revenues of the System for payment of additional obligations of the City hereafter authorized if the Council determines before the authorization of such additional obligations that the estimated net revenues of the System will be sufficient, together with any other sources pledged to the payment of the outstanding and additional obligations, for payment of the outstanding Utility Bonds and such additional obligations. Such further pledges and appropriations of net revenues may be made superior or subordinate to or on a parity with, the pledge and appropriation herein made.

SECTION 7. PLEDGE OF TAXING POWERS. For the prompt and full payment of the principal of and interest on the Bonds as such payments respectively become due, the full faith, credit and unlimited taxing powers of the City shall be and are hereby irrevocably pledged. In order to produce aggregate amounts which, together with the collections of other amounts as set forth in Section 4, will produce amounts not less than 5% in excess of the amounts needed to meet when due the principal and interest payments on the Bonds, ad valorem taxes are hereby levied on all taxable property in the City, the taxes to be levied and collected in the following years and amounts:

<u>Levy Years</u>	<u>Collection Years</u>	<u>Amount</u>
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See attached schedules

The taxes shall be irrevocable as long as any of the Bonds are outstanding and unpaid, provided that the City reserves the right and power to reduce the tax levies from other legally available funds, in accordance with the provisions of Minnesota Statutes, Section 475.61.

SECTION 8. DEFEASANCE. When all of the Bonds have been discharged as provided in this Section, all pledges, covenants and other rights granted by this Resolution to the Holders of the Bonds shall cease. The City may discharge its obligations with respect to any Bonds which are due on any date by depositing with the 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 Registrar a sum sufficient for the payment thereof in full with interest accrued from the due date 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 Registrar on or before that date an amount equal to the principal, redemption premium, if any, and interest then due, provided that notice of such redemption has been duly given as provided herein. 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 the Registrar or with a bank or trust company qualified by law to act as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited for such purpose, bearing interest payable at such times and at such rates and maturing or callable at the holder's option on such dates as shall be required to pay all principal and interest to become due thereon to maturity or, if notice of redemption as herein required has been irrevocably provided for, to an earlier designated redemption date. If such deposit is made more than ninety days before the maturity date or specified redemption date of the Bonds to be discharged, the City must have received a written opinion of Bond Counsel to the effect that such deposit does not adversely affect the exemption of interest on any Bonds from federal income taxation and a written report of an accountant or investment banking firm verifying that the deposit is sufficient to pay when due all of the principal and interest on the Bonds to be discharged on and before their maturity dates or earlier designated redemption date.

SECTION 9. TAX COVENANTS; ARBITRAGE MATTERS AND CONTINUING DISCLOSURE.

9.01. **General Tax Covenant.** The City agrees with the registered owners from time to time of the Bonds that it will not take, or permit to be taken by any of its officers, employees or agents, any action that would cause interest on the Bonds to become includable in gross income of the recipient under the Internal Revenue Code of 1986, as amended (the Code) and applicable Treasury Regulations (the Regulations), and agrees to take any and all actions within its powers to ensure that the interest on the Bonds will not become includable in gross income of the recipient under the Code and the Regulations. All proceeds of the Bonds deposited in the Construction Fund will be expended solely for the payment of the costs of the Projects. The Projects are and will be owned and maintained by the City and available for use by members of the general public on a substantially equal basis. The City shall not enter into any lease, management contract, use agreement, capacity agreement or other agreement with any non-governmental person relating to the use of the Projects, or any portion thereof, or security for the payment of the Bonds which might cause the Bonds to be considered "private activity bonds" or "private loan bonds" pursuant to Section 141 of the Code.

9.02. **Arbitrage Certification.** The Mayor and City Administrator being the officers of the City charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with Section 148 of the Code, and applicable Regulations, stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of the Code and Regulations.

9.03. **Arbitrage Rebate.** (a) It is hereby found that the City has general taxing powers, that no Bond is a "private activity bond" within the meaning of Section 141 of the Code, that 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the City, and that the aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued by the City and all subordinate entities thereof during the year 2017 is not reasonably expected to exceed \$5,000,000. Therefore, pursuant to the provisions of Section 148(f)(4)(D) of the Code, the City shall not be required to comply with the arbitrage rebate requirements of paragraphs (2) and (3) of Section 148(f) of the Code.

(b) Notwithstanding the provisions of paragraph (a) of this Section 9.03, if the arbitrage rebate provisions of Section 148(f) of the Code apply to the Bonds, the City hereby covenants and agrees to make the determinations, retain records and rebate to the United States the amounts at the times and in the manner required by said Section 148(f) and applicable Regulations.

9.04. **Qualified Tax-Exempt Obligations.** The City Council hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the disallowance of interest expense for financial institutions, and hereby finds that the reasonably anticipated amount of tax-exempt governmental obligations (within the meaning of Section 265(b)(3) of the Code) which will be issued by the City and all subordinate entities during calendar year 2017 does not exceed \$10,000,000.

9.05. **Reimbursement.** The City certifies that the proceeds of the Bonds will not be used by the City to reimburse itself for any expenditure with respect to the Projects which the City paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, the City shall have made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations, provided that this certification shall not apply (i) with respect to certain de minimis expenditures, if any, with respect to the Projects meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to "preliminary expenditures" for the Projects as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the "issue price" of the Bonds.

9.06. **Continuing Disclosure.** (a) **Purpose and Beneficiaries.** To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary

offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the Rule), which will enhance the marketability of the Bonds, the City hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the Outstanding Bonds. The City is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the City fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any Outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of the Bond for federal income tax purposes.

(b) **Information To Be Disclosed.** The City will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the City, the following information at the following times:

- (1) on or before twelve (12) months after the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 2016, the following financial information and operating data in respect of the City (the Disclosure Information):
 - (A) the audited financial statements of the City for such fiscal year, prepared in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the City; and
 - (B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under headings: Valuations – County Auditor, Trends in Valuation and City Indebtedness.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the City shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the City shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been submitted to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access System (“EMMA”) or to the SEC. The City shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the City have materially changed or been discontinued, such Disclosure Information need no longer be provided if the City includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other City operations in respect of which data is not included in the Disclosure Information and the City determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the City shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

- (2) In a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events (each a “Material Fact”):
 - (A) Principal and interest payment delinquencies;
 - (B) Non-payment related defaults, if material;
 - (C) Unscheduled draws on debt service reserves reflecting financial difficulties;
 - (D) Unscheduled draws on credit enhancements reflecting financial difficulties;
 - (E) Substitution of credit or liquidity providers, or their failure to perform;
 - (F) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
 - (G) Modifications to rights of security holders, if material;
 - (H) Bond calls, if material, and tender offers;
 - (I) Defeasances;
 - (J) Release, substitution, or sale of property securing repayment of the securities, if material;
 - (K) Rating changes;
 - (L) Bankruptcy, insolvency, receivership or similar event of the obligated person;
 - (M) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into

a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(N) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

As used herein, for those events that must be reported if material, an event is “material” if it is an event as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, an event is also “material” if it is an event that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For the purposes of the event identified in (L) hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(3) In a timely manner, notice of the occurrence of any of the following events or conditions:

(A) the failure of the City to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;

(B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the City under subsection (d)(2);

(C) the termination of the obligations of the City under this section pursuant to subsection (d);

(D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and

(E) any change in the fiscal year of the City.

(c) Manner of Disclosure.

(1) The City agrees to make available to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, the information described in subsection (b).

(2) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

(1) The covenants of the City in this section shall remain in effect so long as any Bonds are Outstanding.

Notwithstanding the preceding sentence, however, the obligations of the City under this section shall terminate and be without further effect as of any date on which the City delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the City to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.

(2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the City from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Owners of any Bonds, by a resolution of this Council filed in the office of the recording officer of the City accompanied by an opinion of Bond Counsel, who may rely on certificates of the City and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the City or the type of operations conducted by the City, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the City agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

(3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

SECTION 10. CERTIFICATION OF PROCEEDINGS.

10.01. Registration of Bonds. The City Administrator is hereby authorized and directed to file a certified copy of this resolution with the County Auditor of Sibley County, together with such additional information as is required, and to obtain a certificate that the Bonds and the taxes levied pursuant hereto have been duly entered upon the County Auditor’s Bond register.

10.02. Authentication of Transcript. The officers of the City and the County Auditor are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records relating to the Bonds and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds, as the same appear from the books and records in their custody and control or as

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

10.03. Official Statement. The Preliminary Official Statement relating to the Bonds prepared and distributed by David Drown Associates, Inc. is hereby approved. David Drown Associates, Inc. is hereby authorized on behalf of the City to prepare and deliver within seven business days from the date hereof a final Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934. The officers of the City are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement.

APPENDIX I

Special Assessments and Taxes Levied with respect to the Improvement Project

Collection Year	Pledged Revenues					Account Balances	
	Tax Levy	Water Revs	Sanitary Sewer Revs	Storm Sewer Revs	Special Assmts	Surplus (deficit)	Account Balance
2017	-	2,943	1,802	1,261	-	(20,475)	5,759
2018	51,800	29,509	18,067	12,647	36,851	(5,759)	(0)
2019	56,194	29,098	17,815	12,470	36,851	-	(0)
2020	49,579	31,258	19,138	13,396	36,851	-	(0)
2021	53,569	30,795	18,854	13,198	36,851	-	(0)
2022	57,454	30,332	18,571	13,000	36,851	-	(0)
2023	55,984	29,869	18,287	12,801	36,851	-	(0)
2024	49,264	31,979	19,579	13,705	36,851	-	(0)
2025	53,149	31,464	19,264	13,485	36,851	-	(0)
2026	56,819	30,911	18,925	13,248	36,851	-	(0)
2027	49,876	32,931	20,162	14,113	36,851	-	(0)
2028	53,362	32,251	19,746	13,822	36,851	-	(0)
2029	56,722	31,572	19,330	13,531	36,851	-	(0)
2030	59,746	30,822	18,871	13,210	36,851	-	(0)
2031	52,130	32,645	19,987	13,991	36,851	-	(0)
2032	54,965	31,758	19,443	13,610	36,851	-	(0)
	810,611	470,139	287,840	201,488	552,758		(0)

Maturity Schedule—Improvement Bonds

<u>Date</u>	<u>Principal</u>
2019	\$65,000
2020	65,000
2021	60,000
2022	65,000
2023	70,000
2024	70,000
2025	65,000
2027	145,000
2029	145,000
2031	165,000
2033	165,000

Maturity Schedule—Utility Bonds

<u>Date</u>	<u>Principal</u>
2019	\$40,000
2020	40,000
2021	45,000
2022	45,000
2023	45,000
2024	45,000
2025	50,000
2027	100,000
2029	110,000
2031	110,000
2033	120,000

EXHIBIT A

UNITED STATES OF AMERICA
STATE OF MINNESOTA

CITY OF ARLINGTON

GENERAL OBLIGATION IMPROVEMENT AND UTILITY REVENUE BONDS,
SERIES 2017A

R-__			\$ _____
<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP No.</u>
__%	February 1, 20__	June 20, 2017	041645

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS

CITY OF ARLINGTON, State of Minnesota (the City) acknowledges itself to be indebted and for value received hereby promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above on the maturity date specified above and promises to pay interest thereon from the date of original issue specified above or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, at the annual interest rate specified above, payable on February 1 and August 1 in each year, commencing February 1, 2018 (each such date, an Interest Payment Date), all subject to the provisions referred to herein with respect to the redemption of the principal of this Bond before maturity. The interest so payable on any Interest Payment Date shall be paid to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the calendar month preceding that in which the Interest Payment Date occurs. Interest hereon shall be computed on the basis of a 360-day year composed of twelve 30-day months. The interest hereon and, upon presentation and surrender hereof at the principal office of the agent of the Registrar described below, the principal hereof are payable in lawful money of the United States of America by check or draft drawn on Northland Trust Services, Inc., Minneapolis, Minnesota, as Bond registrar, transfer agent and paying agent, or its successor designated under the Resolution described herein (the Registrar) or other agreed-upon means of payment by the Registrar or its designated successor. For the prompt and full payment of such principal and interest as the same respectively come due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

This Bond is one of an issue (the Bonds) in the aggregate principal amount of \$1,830,000 issued pursuant to a resolution adopted by the City Council on June 5, 2017 (the Resolution), to finance street improvement projects in the City and improvements to the City's water, storm sewer and sewer systems (collectively, the System), and is issued by authority of and in strict accordance with the provisions of the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Sections 444.075 and Chapters 429 and 475. For the full and prompt payment of the principal of and interest on the Bonds as the same become due, the full faith, credit and taxing power of the City have been and are hereby irrevocably pledged. The Bonds are issuable only in fully registered form, in the denomination of \$5,000 or any integral multiple thereof, of single maturities.

Bonds maturing in 2026 and later years shall be subject to redemption and prepayment at the option of the City, in whole or in part, in such order of maturity dates as the City may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the Bond depository in accordance with its customary procedures) in multiples of \$5,000, on February 1, 2025, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The City shall cause notice of the call for redemption thereof to be published if and to the extent required by law, and at least thirty (30) and not more than sixty (60) days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail (or, if applicable, provided in accordance with the operational arrangements of the securities depository), to the registered holders of any Bonds, at the holders' addresses as they appear on the Bond register maintained by the Bond Registrar, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

Bonds maturing in the years 2027, 2029, 2031, and 2033 shall be subject to mandatory redemption, at a redemption price equal to their principal amount plus interest accrued thereon to the redemption date, without premium, on February 1 in each of the years shown below, in an amount equal to the following principal amounts:

<u>Term Bonds Maturing in 2027</u>		<u>Term Bonds Maturing in 2029</u>	
<u>Sinking Fund Payment Date</u>	<u>Aggregate Principal Amount</u>	<u>Sinking Fund Payment Date</u>	<u>Aggregate Principal Amount</u>
2026	\$120,000	2028	\$125,000
2027 (final maturity)	125,000	2029 (final maturity)	130,000

Term Bonds Maturing in 2031

Term Bonds Maturing in 2033

<u>Sinking Fund Payment Date</u>	<u>Aggregate Principal Amount</u>	<u>Sinking Fund Payment Date</u>	<u>Aggregate Principal Amount</u>
2030	\$135,000	2032	\$140,000
2031 (final maturity)	140,000	2033 (final maturity)	145,000

Notice of redemption shall be given as provided in the preceding paragraph.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Registrar, by the registered owner hereof in person or by the owner’s attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner’s attorney, and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the City will cause a new Bond or Bonds to be issued in the name of the designated transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date; subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to any such transfer or exchange.

The Bonds have been designated by the City as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

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

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the City.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the City in accordance with its terms, have been done, do exist, have happened and have been performed as so required; that, prior to the issuance hereof, the City Council has by the Resolution covenanted and agreed to levy special assessments upon property specially benefited by the improvements financed with the Bonds and ad valorem taxes on all taxable property in the City and has agreed to collect and apply to payment of the Bonds certain net revenues of the System, which assessments, taxes and revenues are estimated to be collectible in years and amounts sufficient to produce sums not less than 5% in excess of the principal of and interest on the Bonds when due, and has appropriated such assessments, taxes and revenues to its General Obligation Improvement and Utility Revenue Bonds, Series 2017A Bond Fund for the payment of such principal and interest; that if necessary for the payment of such principal and interest, additional ad valorem taxes are required to be levied upon all taxable property in the City, without limitation as to rate or amount; that all proceedings relative to the projects financed by this Bond have been or will be taken according to law and that the issuance of this Bond, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation of indebtedness.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City has caused this Bond to be executed on its behalf by the facsimile signatures of its Mayor and City Administrator and has caused this Bond to be dated as of the date set forth below.

CITY OF ARLINGTON, MINNESOTA

(facsimile signature – City Administrator)

(facsimile signature – Mayor)

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

Date of Authentication: _____

NORTHLAND TRUST SERVICES, INC.,
as Registrar

By _____
Authorized Representative

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 the applicable laws or regulations:

WHEREAS, Ridgeview Sibley Medical Center (the Applicant) has submitted a request for site plan approval for a small building addition and parking lot reconfiguration with potential alteration to an existing helipad; and,

WHEREAS, the property is legally described as Lot 1, Block 1 Memorial Park Addition; Parcel No. 31.0684.010; and,

WHEREAS, City staff and consultants have reviewed proposed plans and forwarded comments and recommendations to the City of Arlington; and,

WHEREAS, City staff, consultants, or the Applicant may refer site plan approval to the Planning and Zoning Committee and City Council for approval; and,

WHEREAS, The Consulting Planner has referred site plan approval to the Planning and Zoning Commission and City Council due to the nature of the use; and,

WHEREAS, the Planning and Zoning Commission on June 1, 2017 reviewed the request and pertinent information; and,

WHEREAS, the Planning and Zoning Commission approved a resolution recommending the City Council approve the site plan; and,

WHEREAS, the City Council at a regular meeting June 5, 2017 reviewed the site plan and recommendation from the Planning and Zoning Commission.

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

THAT: It hereby approves a site plan for a building addition and parking lot reconfiguration at 601 West Chandler Street with the following conditions:

1. The "Use" is a medical clinic/hospital at 601 West Chandler Street.
2. Any alteration of the helipad requires written evidence of MnDOT approval be submitted to the Zoning Administrator.
3. Signage shall require submittal of a sign permit application and approval by the Zoning Administrator and/or Building Official.
4. Compliance with recommendations contained in the City Engineer's review memo dated May 31, 2017 and the Consulting Planner's review memo dated June 1, 2017.
5. Securing of temporary construction easement, if needed, from the City of Arlington.
6. Issuance of a building permit.
7. This approval is subject to all applicable codes, regulations and ordinances, and violation thereof shall be grounds for revocation.
8. This approval shall expire one year after date of approval unless the Applicant has commenced construction of the Use on the Property.
9. Approval of this site plan does not approve any future expansion or associated improvements on-site.
10. Any modifications not defined as "minor" by the Zoning Administrator shall require separate site plan approval.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Heiland, and upon poll being taken thereon the following voted in favor thereof: Battcher, Cowell, Hatlestad, Heiland, Jaszewski; and the following voted against the same: None; and the following abstained from voting: None; and the following were absent: None.

The foregoing resolution was adopted by the City Council of the City of Arlington this 5th day of June, 2017.

Signed: /s/ Richard Nagel
Mayor

Attested: /s/ Liza M. Donabauer
City Administrator

Whereupon the resolution was declared duly passed and adopted and was signed by the Mayor whose signature was attested by the City Administrator.

Adm. Donabauer stated that during the public hearing process for the 2017 Improvement Project, it was decided to eliminate West Alden Street as part of the truck route system. Truck route signs are to be removed from Alden St. The Council also had some discussion about making 2nd Avenue NW a truck route, but felt it was not a good time with the school construction going on. It could be done at a later date (after the construction is done); the road needs some work first.

Councilmember Battcher introduced the following resolution and moved for its adoption:

RESOLUTION 48-2017

A RESOLUTION MODIFYING TRUCK ROUTES

WHEREAS, the City Council has the authority to regulate the use of public streets; and

WHEREAS, from time to time the establishment of “truck routes” for truck traffic has been established by the City Council; and

WHEREAS, after recent discussions about the future of Alden Street W. with Cemstone moving its location to the east industrial park and the scope of the 2017 Street & Utility Improvement Project, a revision of the current truck route map was needed to protect the public safety, health, and welfare of the community.

NOW, THEREFORE BE IT RESOLVED, by the City Council of Arlington that the following attached map is the official truck route map of the City and that any other existing truck route maps are null and void.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Hatlestad, and upon poll being taken thereon the following voted in favor thereof: Battcher, Cowell, Hatlestad, Heiland, Jaszewski; and the following voted against the same: None; and the following abstained from voting: None; and the following were absent: None.

The foregoing resolution was adopted by the City Council of the City of Arlington this 5th day of June, 2017.

Signed: /s/ Richard Nagel
Mayor

Attested: /s/ Liza M. Donabauer
City Administrator

Whereupon the resolution was declared duly passed and adopted and was signed by the Mayor whose signature was attested by the City Administrator.

Councilmember Battcher introduced the following resolution and moved for its adoption:

RESOLUTION 49-2017

A RESOLUTION REAUTHORIZING MEMBERSHIP IN THE 4M FUND

WHEREAS, Minnesota Statutes (the Joint Powers Act) provides that governmental units may jointly exercise any power common to the contracting parties; and

WHEREAS, the Minnesota Municipal Money Market Fund (the 4M Fund) was formed in 1987, pursuant to the Joint Powers Act and in accordance with Minnesota Investment Statutes, by the adoption of a joint powers agreement in the form of a Declaration of Trust; and

WHEREAS, the Declaration of Trust, which has been presented to this Council, authorizes municipalities of the State of Minnesota to become Participants of the Fund and make use from time to time including the 4M Liquid Asset Fund, the 4M Plus Fund, the Term Series, the Fixed Rate Programs, and other Fund services offered by the Fund; and

WHEREAS, this Council deems it to be in the best interest for the municipality to make use of, from time to time, the approved services provided by the 4M Fund’s service providers including the Investment Advisor (Prudent Man Advisors, Inc.) or Sub-Advisor (RBC Global Asset Management (U.S.) Inc.), the Administrator (PMA Financial Network, Inc.), the Distributor (PMA Securities, Inc.) or the Fixed Rate Program Providers, PMA Financial Network, Inc. and PMA Securities, Inc., and the Custodian, U.S. Bank National Association, (“Service Providers”) and/or their successors.

WHEREAS, this Council deems it advisable for this municipality to enter into the Declaration of Trust and become a Participant of the Fund for the purpose of joint investment with other municipalities so as to enhance the investment earnings accruing to each; now,

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

Section 1. This municipality shall renew its membership as a Participant of the Fund and adopt and enter into the Declaration of Trust, a copy of which shall be filed in the minutes of this meeting. The appropriate officials are hereby authorized to execute those documents necessary to effectuate entry into the Declaration of Trust and the participation of all Fund programs.

Section 2. This municipality is authorized to invest monies from time to time and to withdraw such monies from time to time in accordance with the provisions of the Declaration of Trust. The following officers of the municipality or their successors are designated as “Authorized Officials” with authority to effectuate investments and withdrawals in accordance with the Declaration of Trust:

Print Name/Title	Signature
Print Name/Title	Signature
Print Name/Title	Signature

Section 3. The Trustees of the Fund are designated as having official custody of those monies invested in accordance with the Declaration of Trust.

Section 4. That the municipality may open depository and other accounts, enter into wire transfer agreements, safekeeping agreements, third party surety agreements securing deposits, collateral agreements, letters of credit, lockbox agreements, or other applicable or related documents with institutions participating in Fund programs including U.S. Bank National Association, or its successor, or programs of PMA Financial Network, Inc. or PMA Securities, Inc. for the purpose of transaction clearing and safekeeping, or the purchase of certificates of deposit (“CDs”) or other deposit products and that these institutions shall be deemed eligible depositories for the municipality. PMA Financial Network, Inc. and PMA Securities, Inc. and their successors are authorized to act on behalf of this municipality as its agent with respect to such accounts and agreements. Monies of this entity may be deposited in such depositories, from time to time in the discretion of the Authorized Officials, pursuant to the Fund’s Programs available through its Services Providers.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Heiland, and upon poll being taken thereon the following voted in favor thereof: Battcher, Cowell, Hatlestad, Heiland, Jaszewski; and the following voted against the same: None; and the following abstained from voting: None; and the following were absent: None.

The foregoing resolution was adopted by the City Council of the City of Arlington this 5th day of June, 2017.

Signed: /s/ Richard Nagel Mayor Attested: /s/ Liza M. Donabauer City Administrator

Whereupon the resolution was declared duly passed and adopted and was signed by the Mayor whose signature was attested by the City Administrator.

Councilmember Battcher introduced the following resolution and moved for its adoption:

RESOLUTION 50-2017

A RESOLUTION APPROVING THE APPLICATION FOR A LAWFUL GAMBLING PERMIT FOR ARLINGTON AREA CHAMBER OF COMMERCE

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Arlington hereby approves the application for a Lawful Gambling Permit as submitted by the Arlington Area Chamber of Commerce for a raffle event on December 2, 2017.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Cowell, and upon poll being taken thereon the following voted in favor thereof: Battcher, Cowell, Hatlestad, Heiland, Jaszewski; and the following voted against the same: None; and the following abstained from voting: None; and the following were absent: None.

The foregoing resolution was adopted by the City Council of the City of Arlington this 5th day of June, 2017.

Signed: /s/ Richard Nagel Mayor Attested: /s/ Liza M. Donabauer City Administrator

Whereupon the resolution was declared duly passed and adopted and was signed by the Mayor whose signature was attested by the City Administrator.

Councilmember Battcher introduced the following resolution and moved for its adoption:

RESOLUTION 51-2017

**A RESOLUTION ACCEPTING A BID AND AWARDING A CONTRACT FOR THE
CIRCLE DRIVE STREET & UTILITY IMPROVEMENT PROJECT**

WHEREAS, pursuant to an advertisement for bids for the Circle Drive Street & Utility Improvement project; and
WHEREAS, bids were received, opened, and tabulated according to the law, and the following bids were received complying with the advertisement:

	Base Bid
WM Mueller & Sons	\$176,882.50
OMG Midwest, Inc. (Chard)	\$189,522.95
GM Contracting, Inc.	\$215,981.11
Land Pride Construction, LLC	\$222,493.10
Cooreman Contracting, Inc.	\$259,478.75

AND WHEREAS, it appears that WM Mueller & Sons is the lowest responsible bidder.

NOW THEREFORE BE IT RESOLVED, by the City Council of Arlington, Minnesota:

1. The Mayor and City Administrator are hereby authorized and directed to enter into a contract with WM Mueller & Sons in the name of the City of Arlington for the Circle Drive Street & Utility Improvement Project according to the plans and specifications therefore approved by the City Council and on file in the office of the City Administrator.
2. The contract with WM Mueller will be for the Base Bid.
3. The City Engineer (Bolton & Menk) is hereby authorized and directed to return forthwith to all bidders the deposits made with their bids, except that the deposits of the successful bidder and the next lowest bidder shall be retained until a contract has been signed.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Cowell, and upon poll being taken thereon the following voted in favor thereof: Battcher, Cowell, Hatlestad, Heiland, Jaszewski; and the following voted against the same: None; and the following abstained from voting: None; and the following were absent: None.

The foregoing resolution was adopted by the City Council of the City of Arlington this 5th day of June, 2017.

Signed: /s/ Richard Nagel
Mayor

Attested: /s/ Liza M. Donabauer
City Administrator

Whereupon the resolution was declared duly passed and adopted and was signed by the Mayor whose signature was attested by the City Administrator.

Councilmember Battcher introduced the following resolution and moved for its adoption:

RESOLUTION 52-2017

A RESOLUTION ADOPTING AN ASSESSMENT

WHEREAS, pursuant to proper notice duly given as required by law, the council has met and heard and passed upon all objections to the proposed assessment for the Circle Drive Street & Utility Improvement Project, an improvement affecting commercial properties on Circle Drive (Dressen, Scott Equipment and Cemstone), and has amended such proposed assessment as it deems just;

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

1. Such proposed assessment, a copy of which is attached hereto and made a part hereof, is hereby accepted and shall constitute the special assessment against the lands named therein, and each tract of land therein included is hereby found to be benefitted by the proposed improvement in the amount of the assessment levied against it.
2. The assessments shall be payable in equal annual installments including principal and interest extending over a period of 7 years, with interest accrued at the rate of three percent (3%) per annum, the first of said installments to be payable with general property taxes, collectible during the year 2018.
3. The owner of any property so assessed may, at any time prior to certification of the assessment (November 15, 2017) to the County Auditor, pay to the City of Arlington, the entire assessment, or portion thereof, without interest. And thereafter at any time prior to November 15 of any year pay to the City of Arlington, the whole, or portion thereof, of the principal amount of the assessment remaining on such property,

understanding that the current year's installment of principal and interest through December 31 is payable to the County Auditor.

4. The City Administrator shall forthwith transmit a certified duplicate of this assessment to the County Auditor to be extended on the property tax lists of the county. Such assessments shall be collected and paid in the same manner as other municipal taxes.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Jaszewski, and upon poll being taken thereon the following voted in favor thereof: Battcher, Cowell, Hatlestad, Heiland, Jaszewski; and the following voted against the same: None; and the following abstained from voting: None; and the following were absent: None.

The foregoing resolution was adopted by the City Council of the City of Arlington this 5th day of June, 2017.

Signed: /s/ Richard Nagel
Mayor

Attested: /s/ Liza M. Donabauer
City Administrator

Whereupon the resolution was declared duly passed and adopted and was signed by the Mayor whose signature was attested by the City Administrator.

Maint. Supvr. Weckworth was present and provided an update on the department. He stated that he took over as supervisor in March. One complete pass of the city was done with the street sweeper; and the gravel alleys were attended to this spring. Nuessmeier fixed two breaks in the lighting system (wiring), and replaced 20+ bulbs in the fixtures at the Sportsman's Park. Tru Green sprayed various city owned property for weeds. Weckworth was pleased with the results. He thanked Councilmember Hatlestad and Mayor Nagel for their help with the Cleanup Day. The brush pile at the compost site had been chipped/reduced. The compost pile will be hauled away as the budget allows; there is some good dirt on the pile and will be kept. Weckworth commented that the tree garden is going again behind the city shop (30 bare root trees, arborvitae and evergreens); these are intended for city parks and boulevards eventually. With help from 10 students from the Sibley Serve day, the landscaping project was completed for the welcome sign on the north entrance to town (replicated the south entrance). They also placed the watering bags around the 60 trees planted last year. Weckworth stated he was doing what he could, but was anxious for the new person to start so he could get to some other bigger things.

Hatlestad questioned if the City had any extra 'children at play' signs. He felt some should be placed along the gravel portion of Circle Drive. Adm. Donabauer stated that the company that was hired to install signs for the city was going to be taking care of them.

Hatlestad commented that another member from the Cable Commission will be at the next regular meeting to provide an update.

Jaszewski provided an update on the Parks Committee. The Committee discussed the design for the new gazebo. They intend to keep it the same size and want a sidewalk up to it (like there is currently). The Committee agreed that the rental rate for the Senior Building should be \$125 with a \$250 deposit.

Jaszewski provided an update on the hospital board. The final construction documents are being reviewed and will be released to contractors for bidding. Jaszewski stated that Ridgeview had done a med survey of their facilities and shared the results for Arlington (non-compliance issues were not considered serious).

Battcher requested that Sunday liquor sales be on the next agenda for discussion. Adm. Donabauer stated she was going to be reaching out to the various licensees.

Motion by Heiland, seconded by Hatlestad, and passed by unanimous vote to adjourn the meeting at 8:09 pm.

City Administrator Liza M. Donabauer

Mayor Richard Nagel