



**CITY COUNCIL MEETING AGENDA
APRIL 1, 2024, 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.

1. Call Meeting to Order and Pledge of Allegiance
2. Roll Call
3. Approval of the Agenda
4. Citizens Addressing the Council

State your name and address for the record. Please keep comments under 3 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.

CONSENT AGENDA

5. Approval of Consent Agenda
 - A) Approval of Bills
 - B) March 18, 2024, Workshop
 - C) March 18, 2024, City Council Meeting Minutes
 - D) Approve hiring of seasonal staff: Kenny Perschau, Layton Dose and Ryan Weller

OLD BUSINESS

None

NEW BUSINESS

6. 2024 Street and Utility Project Financing, Shannon Sweeney, D.D.A.
7. Resolution 16-2024 Providing For The Competitive Negotiated Sale Of \$7,345,000 General Obligation Improvement & Utility Revenue Bonds Series 2024A
8. Sibley East Pool, City Attorney
9. City Website – Munibit Quote, City Administrator
10. Electrical Pole Replacement (#2)

REPORTS OF OFFICERS, BOARDS AND COMMITTEES

11. MMPA Board Meeting Public Summary, Written Report
12. City Attorney Update, Ken Janssen
13. City Administrator Update, Jessica Steinke

MISCELLANEOUS BUSINESS

ADJOURNMENT

DATES TO REMEMBER:

April 4 – Arlington EDA 5:30pm

April 4 - Planning and Zoning 7:00pm

April 15 – Council Meeting and Public Hearing at 6:30 pm

***Check Summary Register©**

10150 Unposted

	Name	Check Date	Check Amt
10150 Cash			
Unposted	AARON WISCH	3/28/2024	\$167.10
Unposted	ABDO	3/28/2024	\$5,253.04
Unposted	AMAZON CAPITAL SERVICES	3/28/2024	\$550.38
Unposted	ARAMARK	3/28/2024	\$430.80
Unposted	ARLINGTON FIRE RELIEF	3/28/2024	\$2,000.00
Unposted	CANON FINANCIAL SERVICES, I	3/28/2024	\$160.19
Unposted	CENGAGE LEARNING INC.	3/28/2024	\$213.67
Unposted	CENTERPOINT ENERGY	3/28/2024	\$2,697.36
Unposted	CITY OF ARLINGTON	3/28/2024	\$9,857.80
Unposted	DELTA DENTAL OF MINNESOTA	3/28/2024	\$102.40
Unposted	DGR ENGINEERING	3/28/2024	\$1,188.50
Unposted	ECKBERT LAMMERS P.C.	3/28/2024	\$649.00
Unposted	EXPERT BILLING, LLC	3/28/2024	\$1,064.00
Unposted	GREATER MN COMMUNICATION	3/28/2024	\$110.00
Unposted	HJERPE CONTRACTING	3/28/2024	\$604.00
Unposted	INGRAM LIBRARY SERVICES	3/28/2024	\$512.72
Unposted	JAMES KLINGELHUTZ	3/28/2024	\$283.68
Unposted	LANO EQUIPMENT	3/28/2024	\$947.55
Unposted	LEAGUE OF MN CITIES INS. TRU	3/28/2024	\$1,000.00
Unposted	LEAGUE OF MN CITIES	3/28/2024	\$742.50
Unposted	MADISON NATIONAL LIFE INS. C	3/28/2024	\$49.20
Unposted	MCLEOD COOPERATIVE POWER	3/28/2024	\$8,932.67
Unposted	MEDIACOM	3/28/2024	\$1,269.08
Unposted	MINNESOTA LIFE	3/28/2024	\$100.77
Unposted	MINNESOTA VALLEY ELECTRIC	3/28/2024	\$23.01
Unposted	MJM MEDICAL DIRECTION SERV	3/28/2024	\$500.00
Unposted	MN VALLEY COUNCIL OF GOVE	3/28/2024	\$1,769.64
Unposted	OEM SERVICES	3/28/2024	\$1,475.00
Unposted	PEOPLE SERVICE INC.	3/28/2024	\$26,414.55
Unposted	RENVILLE SIBLEY SANITATION	3/28/2024	\$1,046.48
Unposted	RETROFIT ENVIRONMENTAL	3/28/2024	\$449.48
Unposted	SHERWIN-WILLIAMS CO.	3/28/2024	\$2,136.38
Unposted	SIB. COUNTY AUDITOR-TREASU	3/28/2024	\$94.50
Unposted	STERICYCLE	3/28/2024	\$158.88
Unposted	THOMES BROTHERS INC.	3/28/2024	\$118.05
Unposted	TRAVERSE DES SIOUX LIBRARY	3/28/2024	\$5,682.88
Unposted	U.S. BANK	3/28/2024	\$2,531.24
Unposted	ULINE	3/28/2024	\$3,059.00
Unposted	UNITED FARMERS COOPERATIV	3/28/2024	\$45.43
Unposted	VERIZON WIRELESS	3/28/2024	\$612.57
Unposted	ZACS SALES AND SERVICE	3/28/2024	\$5,825.00

Total Checks \$90,828.50

Prepared Northland Drying 6,654.00 - Forwarding 2024 Land Rent (A.Doehling)
TOTAL: \$97,482.50

Fund Summary

	10150 Cash
101 General Fund	\$28,778.95
201 Fire Fund	\$12,014.65
202 Ambulance Fund	\$4,503.24
203 Community Center Fund	\$1,991.35
207 Cemetery Fund	\$30.14
601 Water Fund	\$16,547.90
603 AGI Sewer Fund	\$16,782.57
604 Electric Fund	\$10,179.70
	<u>\$90,828.50</u>



CITY COUNCIL WORKSHOP MEETING MINUTES

March 18, 2024, 5:30pm

Arlington City Hall

1. Call Meeting to Order- *Mayor Scharpe called the meeting to order at 5:30 pm.*
2. Roll Call-
Members Present- Mayor Scharpe, Councilmembers Curtis Ling, Dave Meyer, Christina Litfin, Jeff Matz

Members Absent-Councilmember John Thomes

Staff Present- City Administrator Jessica Steinke

Guests Present- None
3. A special meeting workshop to discuss where the city is at, where it wants to be, and how to get there.
Discussion regarding the City status.

ADJOURNMENT

Ling made a motion to adjourn the meeting at 6:10 pm. Litfin seconded. Motion carried with all voting in favor.

City Administrator Jessica Steinke

Mayor Matthew Scharpe



CITY COUNCIL MEETING MINUTES
March 18, 2024, AT 6:30 PM
COUNCIL CHAMBERS

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1. Call Meeting to Order and Pledge of Allegiance-*Mayor Scharpe called the meeting to order at 6:30 pm. All stood for the pledge of allegiance.*

2. Roll Call-
Members Present- Mayor Matthew Scharpe, Councilmembers Curtis Ling, Christina Litfin, Dave Meyer, Jeff Matz

Members Absent- Councilmember John Thomes

Staff Present- City Administrator Jessica Steinke, Public Works Supervisor Kirby Weckworth

Guests Present- Jason Femrite of Bolton & Menk

3. Approval of the Agenda-
Matz made a motion to approve the agenda. Meyer seconded. Motion carried with all voting in favor.

4. Citizens Addressing the Council
State your name and address for the record. Please keep comments under 3 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.

No one addressed the council.

CONSENT AGENDA

5. Approval of Consent Agenda
 - A) Approval of Bills
 - B) March 4, 2024, City Council Meeting Minutes
 - C) Approve Seasonal Employee Starting Salary at \$16.00/hour
 - D) Approve Returning Seasonal Employee Salary at \$17.00/hour
 - E) Approve the hiring of part-time EMT Jeffrey Michel pending successful backgrounding.
 - F) Approve the hiring of full-time police officer Stephanie Kvarre at a starting salary of \$31.99 per hour (step 6).*Litfin made a motion to approve the consent agenda. Ling seconded. Motion carried with all voting in favor.*



NEW BUSINESS

6. RESOLUTION 15-2024 Accepting and Donation and Designating Its Use-
Meyer made a motion to approve Resolution 15-2024. The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Ling; and upon poll being taken thereon the following voted in favor thereof: Matz, Ling, Litfin, Meyer; the following against: none; the following abstained: none; the following were absent: Thomes.

7. RESOLUTION 16-2024 Declaring Costs to be Assessed, and Ordering Preparation of Proposed Assessments-
Ling made a motion to approve Resolution 16-2024. The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Meyer; and upon poll being taken thereon the following voted in favor thereof: Litfin, Matz, Meyer, Ling; the following against: none; the following abstained: none; the following were absent: Thomes.

8. Notice of Public Hearing-
Femrite gave an update on the bids for the street project. He said that they received 10 bids, and the lowest bid came in 12% under or \$800,000 under the engineer's estimate. Looking at potentially going from a three-year project to possibly one year project. Femrite felt that this will have a reputable contractor. Also stated that another open house. Steinke that the alert system could be used for delivery of notices. Ling made a motion to hold the public notice on Monday, April 15th at 6:30 pm. Litfin seconded. Motion carried with all voting in favor.

9. Preliminary General Bond Estimates – 2024A-
Steinke gave the numbers to the Council but would like Shannon Sweeney here to explain everything during the public hearing.

10. Sale/Auctioning of Old Blower Equipment, Kirby Weckworth-
Weckworth is looking to sell the old blower equipment since the City isn't really able to be used. Meyer thought that we should try to sell for \$40,000. Matz made a motion to start to sell the equipment at \$45,000. Meyer seconded. Motion carried with all voting in favor.

OLD BUSINESS

11. Citywide Cleanup Update-
Steinke updated the Council on the Citywide Cleanup. There is a possibility that we could do something in the Fall.

REPORTS OF OFFICERS, BOARDS AND COMMITTEES

12. February Police Department Report-*Submitted report.*

13. February Statement of Funds- *Submitted report.*

14. February People Service Reports- *Submitted report.*



15. City Administrator Update, Jessica Steinke-

Steinke updated the Council regarding the feasibility study. She also stated that the sale of the EDA land was pushed back. Other updates included the Main Street sign, replacement of salt truck, sale of other equipment, website update.

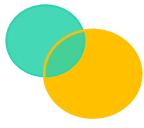
MISCELLANEOUS BUSINESS

ADJOURNMENT

Meyer made a motion to adjourn the meeting at 6:56 pm. Litfin seconded. Motion carried with all voting in favor.

City Administrator Jessica Steinke

Mayor Matthew Scharpe



March 27, 2024

City of Arlington
 Jessica Steinke, City Administrator
 204 Shamrock Drive
 Arlington, MN 55307

RE: 2024 Street & Utility Reconstruction Project Financing

Honorable Mayor, Council Members, and Administrator Steinke:

The purpose of this letter is to provide recommendations for the structure and sale of bonds for the proposed 2024 Street and Utility Reconstruction Project. The information provided has been updated based on the bids received, recent comparable bond sales, and the proposed assessment role for the project. Based on the bids received, project costs are as estimated as follows:

Construction, Engineering, & Contingency	\$7,114,797.27
Underwriter's Discount	91,812.50
Fiscal, Legal, Pay Agent	46,000.00
Credit Rating	19,500.00
Capitalized Interest	97,724.16
TOTAL PROJECT COSTS:	\$7,369,833.93

The funding sources to be utilized to finance project costs are summarized below:

G.O. Improvement & Utility Revenue Bonds	\$7,345,000.00
Construction Fund Earnings	24,833.93
TOTAL FUNDING SOURCES:	\$7,369,833.93

Payment and Revenue Requirements:

Based on current market conditions it is anticipated that annual debt service will total approximately \$525,000 per year for the proposed bond issue if the project is financed over a term of 20-years (see attached preliminary cash flow). Statutory debt coverage of an additional 5% (approximately \$26,000) is built into the revenue projection as required by state statutes.

Based on the bids received and allocations made to enterprise funds, it is estimated that the required tax levy to fund annual debt service will be \$203,000 per year, the storm sewer enterprise fund will be required to contribute \$88,000 per year, water revenues will fund approximately \$88,000 per year, and sanitary sewer revenues will fund approximately \$56,000 per year. Special assessments of \$1,444,677 levied against private property over a term of 20-years at an estimated interest rate of 5% will provide \$115,925 in annual revenue to be applied to debt service.

Based on my review of the 2023 year-end financials, the individual impacts to utility rates and the property tax levy are estimated as follows:

Wastewater:

It would be my understanding that **only** funds collected in fund 602 would be available for paying debt service costs for the reconstruction of the Arlington collection system under its agreement with the City

of Green Isle. That fund collected approximately \$107,320.55 in 2023 and made debt payments of \$51,569.39, and had expenses of \$10,970 leaving net revenues of approximately \$44,784.16 that appears to have reduced the deficit in that fund to (\$65,036.02).

To collect the amount needed to fund the 2024 project my expectation is that the base fee and flow charge retained by Arlington from only Arlington customers will both need to increase by approximately 20% so that when combined with the existing surplus, it produces sufficient revenues to make the new debt payments of approximately \$56,000. The flow charge retained by Arlington would increase from \$.00025/1,000 gals to \$.0003/1,000 gals. The base fee retained in the 602 fund would need to increase from \$7.49 per customer per month to \$9.00 per customer per month. Additional increases of 1% to 2% in 2026 and 2027 may be needed to keep pace with inflation in operating costs. As the 602 Fund presently has a deficit of \$65,036, it is recommended that the necessary rate increases be implemented prior to year-end if the 2024 project is implemented.

Water:

Water revenues appear to be sufficient at the end of 2023 to produce surplus revenues of approximately \$85,000. As the new debt service for the 2024 project is estimated at approximately \$88,000 per year, an increase of approximately 2% per year through 2027 would be required to generate the additional funds needed for debt service. Supplemental rate modifications could be required to cover inflationary increases in operating costs.

Storm Water:

To collect the amount needed to fund the 2024 project my expectation is that the storm water fee will need to increase by approximately 40% to produce sufficient revenues to make the new debt payments of approximately \$88,000. The utility presently supports approximately \$121,000 in annual debt service payments and is presently generating a surplus averaging a little over \$20,000 over the last three years. As the storm sewer fund has a cash balance of \$268,690 as of the end of 2023, it would be possible to phase in the rate increase over the next year or two as determined to be appropriate.

Tax Levy:

The final levy for collection in 2024 was certified at \$1,154,518. The estimated tax levy for the 2024 project will be approximately \$203,000 per year based on current project cost estimates and that \$1,444,677 in project costs are specially assessed to benefited private properties. For collection year 2025, assuming no other budgetary increases (or decreases), the total levy would be increased to \$1,357,518 which is a 17.58% increase to the total tax levy for collection in 2025.

Special Assessments:

It is customary to include special assessments for street/utility reconstruction projects. The attached preliminary bond schedule assumes that \$1,444,667 in project costs will be specially assessed against benefiting properties (not including City-owned property) over a 20-year term at an interest rate of 5%. Special assessments in general reduce the impacts that improvement projects have on the tax levy. The interest rate assigned to the special assessments is consistent with past improvement projects that have been implemented by the City.

Estimated Impact of Project:

To provide an updated estimate of the total impact for someone located within the project area that resides in a home with an assessor's estimated market value of \$150,000 and uses approximately 5,000 gallons of water per month, I would offer the following:

Annual Property Tax Dedicated to Debt for 2024 Bonds:	\$113.53
Annual Increase to Water fees for 2024 Project:	\$ 9.65

Annual Increase to Storm Water Fees for 2024 Project:	\$120.96
Annual Increase to Sanitary Sewer Fees for 2024 Project:	\$ 21.12
Annual Special Assessment Payment on \$14,675.17:	\$1,177.57

Total Estimated Annual Impact for a \$150,000 home in project area:	\$1,442.83
Total Estimated Annual Impact for a \$150,000 home not in the project area :	\$265.26

Alternatives considered:

Rural Development (Federal) and the Minnesota Public Facilities Authority (State) offer programs for the reconstruction of streets and/or utilities. After investigation of the eligibility and affordability requirements of those programs by staff, it was determined that the project was not likely to be grant eligible. Specifically, neither program will typically provide grant funding for storm sewer or street reconstruction which is a significant component of the proposed project. Due to the lack of grant eligibility and the lead time and added cost of working through their processes, it was determined that those programs were not a good fit for the proposed project.

General Obligation Improvement & Utility Revenue Bonds, Series 2024A:

If the Council chooses to pursue the finance of the project as proposed, David Drown Associates, Inc. recommends the project costs be financed through the issuance of \$7,345,000 of General Obligation Bonds through a competitive sale process.

Key elements include:

- 20-year term.
- Callable 2/1/2032
- Sale of bonds utilizing a competitive sale process
- We do recommend purchasing a Standard & Poor's Rating

Schedule and Issuance:

The proposed schedule for putting the project financing in place is proposed as follows:

April 1, 2024	Initiate competitive sale process
May 20, 2024	Award sale
June 12, 2024	Closing

If the Council determines that it is appropriate to proceed with the proposed project financing, it would be appropriate to act upon the enclosed resolution initiating the competitive bond sale process. I will be available to discuss this information with the Council at the April 1, 2024, meeting. Let me know if I can be of any additional assistance in the interim.

Sincerely,



Shannon Sweeney, Associate
David Drown Associates, Inc.

\$7,345,000
General Obligation Improvement & Utility Revenue Bonds, Series 2024A

Uses of Funds		
Street Reconstruction		4,083,023.05
Utility Reconstruction		3,031,774.22
Other		-
Total Project Costs		7,114,797.27
Underwriter's Discount Allowance	1.250%	91,812.50
Unused Underwriter's Discount Allowance		-
Fiscal Fee		30,000.00
Bond Counsel		12,500.00
Printing & Misc		2,000.00
Paying Agent		1,500.00
Rating Agency		19,500.00
Capitalized Interest		97,724.16
Accrued Interest		-
Rounding		-
		<u>7,369,833.93</u>

Sources of Funds		
Bond Issue		7,345,000.00
Construction Fund Earnings		24,833.93
Cash Contribution		-
		<u>7,369,833.93</u>

Payment Schedule & Cashflow

Payment Schedule					
12-Month Period ending	Principal	Interest Rate	Interest	Payment Total	plus 5% Coverage
6/4/2024	-		-	-	
2/1/2025	-	0.00%	168,695	168,695	172,244
2/1/2026	260,000	3.50%	265,198	525,198	551,457
2/1/2027	265,000	3.50%	256,098	521,098	547,152
2/1/2028	275,000	3.50%	246,823	521,823	547,914
2/1/2029	285,000	3.50%	237,198	522,198	548,307
2/1/2030	300,000	3.50%	227,223	527,223	553,584
2/1/2031	310,000	3.50%	216,723	526,723	553,059
2/1/2032	320,000	3.50%	205,873	525,873	552,166
2/1/2033	330,000	3.50%	194,673	524,673	550,906
2/1/2034	345,000	3.50%	183,123	528,123	554,529
2/1/2035	355,000	3.50%	171,048	526,048	552,350
2/1/2036	370,000	3.50%	158,623	528,623	555,054
2/1/2037	380,000	3.50%	145,673	525,673	551,956
2/1/2038	390,000	3.50%	132,373	522,373	548,491
2/1/2039	405,000	3.60%	118,723	523,723	549,909
2/1/2040	420,000	3.65%	104,143	524,143	550,350
2/1/2041	435,000	3.70%	88,813	523,813	550,003
2/1/2042	450,000	3.75%	72,718	522,718	548,853
2/1/2043	465,000	3.80%	55,843	520,843	546,885
2/1/2044	485,000	3.85%	38,173	523,173	549,331
2/1/2045	500,000	3.90%	19,500	519,500	545,475
	7,345,000		3,307,248	10,652,248	11,179,974

Bond Details	
Set Sale Date	4/1/2024
Sale Date	5/20/2024
Dated Date	6/12/2024
Closing Date	6/12/2024
1st Interest Payment	2/1/2025
Proceeds spent by:	12/31/2026
	<i>to Dated Date</i>
Purchase Price	7,253,187.50
Net Interest Cost	3,399,060.08
Net Effective Rate	3.7689%
Average Coupon	3.6671%
Yield	TBD
Average Life	12.279
Call Option	2/1/2032
Purchaser	Proposed for Competitive Sale
Bond Counsel	Dorsey
Pay Agent	U.S. Bank, N.A.
Tax Status	Tax Exempt, Bank Qualified
Continuing Disclosure	Full
Rebate	Subject to Rebate
Statutory Authority	M.S. 444 & 475

Pledged Revenues						Account Balances	
Collection Year	Tax Levy	Water Revenues	Wastewater Revenues	Storm Sewer Revenues	Special Assmts	Surplus (deficit)	Account Balance
					Capitalized & accrued interest >		97,724
2024	-	28,317	17,885	28,317	-	(97,724)	-
2025	202,884	88,406	55,836	88,406	115,925	-	-
2026	202,622	86,870	54,865	86,870	115,925	-	-
2027	202,176	87,329	55,155	87,329	115,925	-	-
2028	201,546	87,718	55,401	87,718	115,925	-	-
2029	205,982	88,037	55,603	88,037	115,925	-	-
2030	204,801	88,287	55,760	88,287	115,925	-	-
2031	203,436	88,466	55,873	88,466	115,925	-	-
2032	201,887	88,576	55,943	88,576	115,925	-	-
2033	205,404	88,616	55,968	88,616	115,925	-	-
2034	203,304	88,586	55,949	88,586	115,925	-	-
2035	206,271	88,486	55,886	88,486	115,925	-	-
2036	203,619	88,317	55,779	88,317	115,925	-	-
2037	200,784	88,077	55,628	88,077	115,925	-	-
2038	203,016	87,768	55,432	87,768	115,925	-	-
2039	204,633	87,321	55,150	87,321	115,925	-	-
2040	200,493	88,763	56,061	88,763	115,925	-	-
2041	201,280	88,026	55,596	88,026	115,925	-	-
2042	201,543	87,179	55,060	87,179	115,925	-	-
2043	201,270	88,212	55,713	88,212	115,925	-	-
2044	200,451	87,058	54,984	87,058	115,925	-	-
	4,057,400	1,788,416	1,129,526	1,788,416	2,318,492		-



**EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE
CITY OF ARLINGTON, MINNESOTA**

HELD: April 1, 2024

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Arlington, Sibley County, Minnesota, was duly held at the City Hall in said City on the 1st day of April, 2024, beginning at 6:30 o'clock P.M. for the purpose, in part, of authorizing the competitive negotiated sale of \$7,345,000 General Obligation Improvement & Utility Revenue Bonds, Series 2024A, of said City.

The following Council members were present:
And the following were absent:

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

RESOLUTION 17-2024

**RESOLUTION PROVIDING FOR THE COMPETITIVE NEGOTIATED SALE OF
\$7,345,000 GENERAL OBLIGATION IMPROVEMENT & UTILITY REVENUE BONDS
SERIES 2024A**

A. **WHEREAS**, the City Council of the City of Arlington, Minnesota (the "City"), has heretofore determined that it is necessary and expedient to issue the City's \$7,345,000 General Obligation Improvement & Utility Revenue Bonds, Series 2024A (the "Bonds"), to provide financing for the 2024 Street and Utility Reconstruction Project; and

B. **WHEREAS**, the City has retained David Drown Associates, Inc., in Minneapolis, Minnesota ("David Drown"), as its independent municipal advisor for the Bonds and is therefore authorized to sell the Bonds by a competitive negotiated sale in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9):

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

1. Authorization. The Council hereby authorizes David Drown to solicit bids for the competitive negotiated sale of the Bonds.

2. Meeting; Bid Opening. The Council shall meet at the time and place specified in the Terms of Offering attached hereto as Exhibit A for the purpose of considering sealed bids for, and awarding the sale of, the Bonds. The City Administrator, or designee, shall open bids at the time and place specified in such Terms of Offering.

3. Terms of Offering. The terms and conditions of the Bonds and the negotiation thereof are fully set forth in the "Terms of Offering" attached hereto as Exhibit A and hereby approved and made a part hereof.

4. Official Statement. In connection with said competitive negotiated sale, the officers or employees of the City are hereby authorized to cooperate with David Drown and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

The motion for the adoption of the foregoing resolution was duly seconded by Council member _____ and, after full discussion thereof and upon a vote being taken thereon, the following Council members voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Approved this 1st day of April, 2024.

STATE OF MINNESOTA)
COUNTY OF SIBLEY)
CITY OF ARLINGTON)

I, the undersigned, being the duly qualified and acting Clerk of the City of Arlington, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council of said City, duly called and held on the date therein indicated, insofar as such minutes relate to the City's \$7,345,000 General Obligation Improvement & Utility Revenue Bonds, Series 2024A.

WITNESS my hand as City Administrator of the City this 1st day of April, 2024.

City Administrator

TERMS OF OFFERING

City of Arlington, Minnesota

\$7,345,000

General Obligation Improvement & Utility Revenue Bonds, Series 2024A

(BOOK ENTRY ONLY)

TERMS OF PROPOSAL

Proposals for the Bonds will be received on Monday, May 20, 2024 at 11:00 A.M. Central Time, at the offices of David Drown Associates, Inc., 5029 Upton Avenue South, Minneapolis, Minnesota, after which time they will be opened and tabulated. Consideration for award of the Bonds will be by the City Council at 6:30 P.M., Central Time, on that same date.

SUBMISSION OF PROPOSALS

Proposals may be submitted in a sealed envelope or by fax (612) 605-2375 to David Drown Associates, Inc. Signed Proposals, without final price or coupons, may be submitted to David Drown Associates, Inc. prior to the time of sale. The bidder shall be responsible for submitting to David Drown Associates, Inc. the final Proposal price and coupons, by telephone (612) 920-3320 or fax (612) 605-2375 for inclusion in the submitted Proposal. David Drown Associates, Inc. will assume no liability for the inability of the bidder to reach David Drown Associates, Inc. prior to the time of sale specified above.

Notice is hereby given that electronic proposals will be received via PARITY[®], in the manner described below, until 11:00 A.M., CST, on May 20, 2024. Bids may be submitted electronically via PARITY[®] pursuant to this Notice until 11:00 A.M., CST, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY[®] conflict with this Notice, the terms of this Notice shall control. For further information about PARITY[®], potential bidders may contact David Drown Associates, Inc. or PARITY[®] at (212) 806-8304.

Neither the City of Arlington nor David Drown Associates, Inc. assumes any liability if there is a malfunction of PARITY. All bidders are advised that each Proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Bonds regardless of the manner of the Proposal submitted.

DETAILS OF THE BONDS

The Bonds will be dated June 12, 2024, as the date of original issue, and will bear interest payable on February 1 and August 1 of each year, commencing February 1, 2025. Interest will be computed on the basis of a 360-day year of twelve 30-day months. The Bonds will mature February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2026	\$ 260,000	2036	\$ 370,000
2027	265,000	2037	380,000

2028	275,000	2038	390,000
2029	285,000	2039	405,000
2030	300,000	2040	420,000
2031	310,000	2041	435,000
2032	320,000	2042	450,000
2033	330,000	2043	465,000
2034	345,000	2044	485,000
2035	355,000	2045	500,000

TERM BOND OPTION

Bids for the bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption and must conform to the maturity schedule set forth above at a price of par plus accrued interest to the date of redemption. In order to designate term bonds, the bid must specify as provided on the Proposal Form.

BOOK ENTRY SYSTEM

The Bonds will be issued by means of a book entry system with no physical distribution of Bonds made to the public. The Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The purchaser, as a condition of delivery of the Bonds, will be required to deposit the Bonds with DTC.

REGISTRAR

The City will name US Bank Trust Company, National Association, St. Paul, MN, as registrar for the Bonds. US Bank Trust Company, National Association shall be subject to applicable SEC regulations. The City will pay for the services of the registrar.

OPTIONAL REDEMPTION

The City may elect on February 1, 2032 and on any day thereafter, to prepay Bonds due on or after February 1, 2033. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All prepayments shall be at a price of par plus accrued interest.

SECURITY AND PURPOSE

The Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. The City will pledge tax levies, special assessments, and revenues from the City's water, wastewater, and storm sewer utilities. The proceeds will provide financing for the 2024 Street and Utility Reconstruction Project (the "Project").

TYPE OF PROPOSALS

Proposals shall be for not less than \$7,253,187.50 (98.75%) and accrued interest on the total principal amount of the Bonds. The apparent low-bidder as notified by David Drown Associates, Inc. shall wire, to a designated account, a good faith amount of \$146,900 by 3:00 p.m. on the date of sale. If the good faith wire transfer is not in process prior to the award, the City shall retain the right to reject the bid. In the event the purchaser fails to comply with the accepted proposal, said amount will be retained by the City. No proposal can be withdrawn or amended after the time set for receiving proposals unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made. Rates shall be in integral multiples of 5/100 or 1/8 of 1%. Rates must be in ascending order. Bonds of the same maturity shall bear a single rate from the date of the Bonds to the date of maturity. No conditional proposals will be accepted.

AWARD

The Bonds will be awarded on the basis of the lowest interest rate to be determined on a net interest cost (NIC) basis. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling. The City will reserve the right to waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Bonds, reject all proposals without cause, and reject any proposal which the City determines to have failed to comply with the terms herein.

MATURITY ADJUSTMENTS

The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

ISSUE PRICE DETERMINATION

In order to establish the issue price of the Bonds for federal income tax purposes, the City requires bidders to agree to the following, and by submitting a bid, each bidder agrees to the following.

If a bid is submitted by a potential underwriter, the bidder confirms that (i) the underwriters have offered or reasonably expect to offer the Bonds to the public on or before the date of the award at the offering price (the "initial offering price") for each maturity as set forth in the bid and (ii) the bidder, if it is the winning bidder, shall require any agreement among underwriters, selling group agreement, third-party distribution agreement or other agreement relating to the initial sale of the Bonds to the public to which it

is a party to include provisions requiring compliance by all parties to such agreements with the provisions contained herein. For purposes hereof, Bonds with a separate CUSIP number constitute a separate “maturity,” and “the public” does not include underwriters of the Bonds (including members of a selling group or retail distribution group) or persons related to underwriters of the Bonds.

If, however, a bid is submitted for the bidder’s own account in a capacity other than as an underwriter of the Bonds, and the bidder has no current intention to sell, reoffer, or otherwise dispose of the Bonds, the bidder shall notify the City to that effect at the time it submits its bid and shall provide a certificate to that effect in place of the certificate otherwise required below.

If the winning bidder intends to act as an underwriter, the City shall advise the winning bidder at or prior to the time of award whether the competitive sale rule applies.

If the City advises the Purchaser that the requirements for a competitive sale have been satisfied and that the competitive sale rule applies, the Purchaser will be required to deliver to the City at or prior to closing a certification, substantially in the form attached hereto as Exhibit A as to the reasonably expected initial offering price as of the award date.

If the City advises the Purchaser that the requirements for a competitive sale have not been satisfied, the Purchaser shall (1) advise the City as soon as practicable after the award, but on the date of the award, whether the underwriters have sold at least 10% of each maturity of the Bonds to the public at the initial offering price, and, if not, the maturities with respect to which that is not the case (the “Undersold Maturities”); (2) from time to time, and upon one or more requests of the City, inform the City in writing of the amounts, times and prices of sales of Bonds that are Undersold Maturities and whether such sales were to the public until, with respect to a maturity, at least 10% of that maturity has been sold to the public at a single price, or, if earlier, the date on which all Bonds of such Undersold Maturity have been sold to the Public; and (3) at or prior to closing, deliver to the City a certification substantially in the form attached hereto as Exhibit B.

Any action to be taken or documentation to be received by the City pursuant hereto may be taken or received on behalf of the City by David Drown Associates, Inc.

The Bonds will NOT be subject to the “hold-the-offering-price” rule. Any bid submitted pursuant to the Notice of Sale shall be considered a firm offer for the purchase of the Bonds, and bids submitted will not be subject to cancellation or withdrawal

BOND INSURANCE AT PURCHASER'S OPTION

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the underwriter, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the purchaser of the Bonds. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the purchaser, except that, if the City has requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any other rating agency fees shall be the responsibility of the purchaser. Failure of the municipal bond insurer to issue the policy after Bonds have been awarded to the purchaser shall not

constitute cause for failure or refusal by the purchaser to accept delivery on the Bonds.

CUSIP NUMBERS

If the Bonds qualify for assignment of CUSIP numbers such numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the purchaser to accept delivery of the Bonds. The purchaser shall pay the CUSIP Service Bureau charge for the assignment of CUSIP identification numbers.

SETTLEMENT

Within 40 days following the date of their award, the Bonds will be delivered without cost to the purchaser at a place mutually satisfactory to the City and the purchaser. Delivery will be subject to receipt by the purchaser of an approving legal opinion of bond counsel, and of customary closing papers, including a no-litigation certificate. On the date of settlement payment for the Bonds shall be made in federal, or equivalent, funds which shall be received at the offices of the City or its designee not later than 12:00 Noon, Central Time. Except as compliance with the terms of payment for the Bonds shall have been made impossible by action of the City, or its agents, the purchaser shall be liable to the City for any loss suffered by the City by reason of the purchaser's non-compliance with said terms for payment.

FULL CONTINUING DISCLOSURE

On the date of the actual issuance and delivery of the Bonds, the City will be obligated with respect to more than \$10,000,000 of outstanding municipal securities, including the Bonds being offered hereby. In order to assist bidders in complying with SEC Rule 15c2-12, the City will covenant to provide certain financial and operating information that is customarily prepared and is publicly available and notices of certain material events to the limited extent required by SEC Rule 15c2-12(d)(2). A description of the City's undertaking is set forth in the Official Statement.

OFFICIAL STATEMENT

The City has authorized the preparation of an Official Statement containing pertinent information relative to the Bonds, and said Official Statement will serve as a nearly final Official Statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For copies of the Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Municipal Advisor to the City, David Drown Associates, Inc., 5029 Upton Avenue South, Minneapolis, Minnesota 55410, and telephone (612) 920-3320.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as that term is defined in Rule 15c2-12. By awarding the Bonds to any underwriter or underwriting syndicate submitting a proposal therefor, the City agrees that, no more than seven business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded 40 copies of the Official Statement and the addendum or addenda described above. The City designates the senior managing underwriter of the syndicate to which the Bonds are awarded as its agent

for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter delivering a proposal with respect to the Bonds agrees thereby that if its proposal is accepted by the City (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

Dated: April 1, 2024

BY ORDER OF THE CITY COUNCIL

/s/ Jessica Steinke
City Administrator



Munibit Price Quote for the City of Arlington, MN

Price calculated by population: City of Arlington population ~ 2,200
No setup, design, or support fees, ever!

Annual Price - 20% off

\$119/mo (billed annually)

Monthly Price

\$149/mo (billed monthly)

Here's What's Included:

Website Builder

- Full readymade Municipal, Visitor or Community website. (No design work required)
- Custom domain setup. You must purchase your custom domain separately through a 3rd party provider (like GoDaddy) or apply for a free .gov domain. We walk you through these steps and help connect your domain once your plan begins.
- Built-in interactive tools, content management, multi-layer navigation and unlimited pages.

Interactive Tools

- Reservation Management, Resource Folders, Event & Meeting Calendars, Forms with Workflows, In-Page Document Viewer, People Directory, Map & Business Directory, AI Assisted Text Editor, Mass Email & Text Notifications, Searchable PDF Forms (like property cards), Payment Processing, News Posts, Event Posts, Community Posts, Job Posts, Page Alerts, Image Carousels, External Embeds, Property Listings, Quick Links, Ads, Video, & Search.

Customer Support

- Unlimited customer support (M-F, 8am-4pm)
- Online training sessions, training guides, and videos
- Everything is designed, built & managed in St. Charles, MO, USA



3515 11th St. East, Glencoe, MN 55336
Phone: (320) 864-3148 | 800-494-6272
www.mcleodcoop.com

Pole Change

Location: Alley on 3rd st between E Baker St, and E Adams St.

- Day before preparation and switching
 - \$3,300.00 (4 guys, 3 trucks)
- Pole change day
 - \$1,500.00 Materials
 - \$10,812.00 (6 guys, 5 trucks, vactor, pole trailer)
- Day after Switching
 - \$2,900.00 (4guys, 2trucks)

Total estimate for pole change
\$ 18,512.00

Our Mission: To enhance the quality of life for our members through effective, safe, and innovative solutions.

McLeod Cooperative Power is an equal opportunity provider and employer.

The public summary of the March 2024 MMPA Board of Directors meeting is below:

The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on March 19, 2024, at Chaska City Hall in Chaska, Minnesota and via videoconference.

The Board reviewed the Agency's operating and financial performance for February 2024.

Customer penetration for the residential Clean Energy Choice program increased to 5.4%. There was an increase of 28 customers participating in the residential Clean Energy Choice program from January to February.

The Board discussed the status of renewable projects the Agency is pursuing.

The Agency implemented a Board member energy learning platform.