

Barnesville City Council
Regular Meeting
July 13, 2020

Via Teleconference as authorized by
Minn. Stat. 13D.021, subd. 1(4)

Mayor Rick called this regular meeting to order at 7:03 p.m. Members present were Council members Scott Bauer, Tonya Stokka, Alyssa Bergman, Don Goedtke, and Brad Field. Absent was Council member Dawn Stuvland. Others in attendance were City Administrator Mike Rietz, Lucas Croaker with Ohnstad Twitchell, City Clerk Jeri Reep, TEC Manager Guy Swenson, EDA Director Karen Lauer, Police Chief Dean Ernst, Finance Director Laurie Schell, Public Works Supt. Don Williams, Ambulance Manger Scott Nelson, Charlie Revering with NWS, Dan Hanson with Moore Engineering, and Michael Stein with the Record Review.

Mayor Rick asked if there were any additions or corrections to the agenda. City Administrator Mike Rietz stated that the resignation of Brandon Moennes could be removed from the agenda, and to add the Change Order No. 3 for Sellin Brothers.

07-13-20-01 Motion by Mrs. Stokka and second by Mrs. Bergman to approve the agenda, with the following additions: remove the resignation of Brandon Moennes and add the Change Order No. 3 for Selling Brothers. Motion carried.

Mayor Rick stated the next item on the agenda was the consent agenda.

07-13-20-02 Motion by Mrs. Stokka and second by Mrs. Bergman to approve the consent agenda. Motion carried. The following items were on the consent agenda:

1. Approval of the minutes of the regular meeting held on June 8, 2020.
2. Approval of the minutes of the special meeting held on June 23, 2020.
3. Approval of department head reports.
4. Approval of check numbers 88682-8819 and EFT payments for a total of \$1,070,811.64.
5. Approval of 2nd quarter transfers.
6. Approve the resignation of Kassondra Miller
7. Approval to hire Savannah Messer as Seasonal Parks & Beach worker at \$12.00 per hour.
8. Approval to hire Meghan Messer as Seasonal Parks & Beach worker at \$12,00 per hour.
9. Approval of the appointment of Jared Peterson to the EDA Board.
10. Approval of the lot merge request at 307 2nd Street NW.

Mayor Rick stated the next item on the agenda was the boards and commission reports.

Council members reported on the boards and commissions they serve on.

Mayor Rick stated the next item on the agenda was the public forum. Mayor Rick asked if there were any citizens that wanted to be heard. There were none.

Mayor Rick stated the next item on the agenda was the public hearing vacating an alley.

07-13-20-03 Motion by Mr. Goedtke and second by Mrs. Stokka to open the public hearing at 7:13 p.m. Motion carried.

City Administrator Mike Rietz informed council members that this vacation at the alley in the 200 Block of 2nd Street NE, was accepted at the June Council meeting. Mr. Rietz stated that he has mailed hearing notices to the affected property owners, and have not heard any objections.

Mayor Rick asked if there were any comments or questions. There were none.

07-13-20-04 Motion by Mrs. Stokka and second by Mrs. Bergman to close the public hearing at 7:16 p.m. Motion carried.

07-13-20-05 Motion by Mrs. Stokka and second by Mr. Goedtke to approve the Resolution vacating an alley in the 200 block of 2nd Street NE. Upon a roll call vote, the following voted aye: Council members Stokka, Goedtke, Bauer, Bergman and Field. The following were absent: Council member Stuvland. Motion carried.

**CITY OF BARNESVILLE
CLAY COUNTY, MINNESOTA
RESOLUTION NO. 07-13-20-05**

**RESOLUTION VACATING AN ALLEY IN THE 200 BLOCK OF 2ND ST NE
FROM THE WEST EDGE OF THE RIGHT-OF-WAY OF 2ND AVE. NE
RUNNING NORTHWESTERLY A DISTANCE OF APPROXIMATELY 328 FEET
TO ITS POINT OF TERMINATION**

BE IT RESOLVED by the City Council (the "Council") for the City of Barnesville, Minnesota (the "City"), that it is in the public interest to vacate that portion of the alley in the 200 block of 2nd St NE from the west edge of the right-of-way of 2nd Ave. NE running northwesterly a distance of approximately 328 feet to its point of termination.

BE IT FURTHER RESOLVED that the above described section of alley is hereby vacated, however, reserving the original right-of-way as an easement for the existing and future utilities for the purpose of ingress and egress to construct, maintain, repair and reconstruct said utilities. Said reserved easement shall be in perpetuity.

Dated: July 13, 2020

Adopted:

Jason Rick, Mayor

ATTEST:

Michael Rietz, City Administrator

Mayor Rick stated the next item on the agenda was the detachment request from Darrel Thomas.

City Administrator Mike Rietz informed council members that Darrel Thomas is interested in re-arranging the property lines on the greenhouse property. He plans to split the house off onto its own parcel. It currently is part of the greenhouse property. The property where the main greenhouse building is located is currently outside of the city limits and the house is a part of that property.

Mr. Thomas stated that he wanted to discuss this with the Council to see if there are any objections prior to incurring the cost of a survey.

Council member Field stated that he has no issue with the detachment.

Mr. Thomas thanked council members for their consideration in this matter.

Mayor Rick stated the next item on the agenda was the EDA Annual report.

EDA Chair Ryan Tonsfeldt next discussed the EDA Annual report. Mr. Tonsfeldt stated the mission of the EDA is to grow the greater Barnesville area as a family friendly community with a thriving business environment. Mr. Tonsfeldt discussed the goals and the accomplishments of the EDA. EDA Director Karen Lauer wanted to recognize the EDA Board members for the work on making the goals a reality.

Council members had no questions for EDA Chair Ryan Tonsfeldt.

Mayor Rick stated the next item on the agenda was the Resolution authorizing application for DEED public infrastructure grant.

City Administrator Mike Rietz informed council members that the EDA has been working closely with Lodestar Transport to identify a site which will allow the business to expand their operations.

07-13-20-06 Motion by Mr. Goedtke and second by Mr. Bauer to approve the Resolution authorized application to the MN Dept of Employment and Economic Development Business development public infrastructure grant program. Upon a roll call vote the following voted aye: Council members Stokka, Goedtke, Bauer, Bergman and Field. The following were absent: Council member Stuvland. Motion carried.

**CITY OF BARNESVILLE
COUNTY OF CLAY
STATE OF MINNESOTA
RESOLUTION NO. 07-13-20-06**

**RESOLUTION AUTHORIZED APPLICATION TO THE MINNESOTA
DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT
BUSINESS DEVELOPMENT PUBLIC INFRASTRUCTURE GRANT PROGRAM**

BE IT RESOLVED that the City of Barnesville act as the legal sponsor for project(s) contained in the Business Development Infrastructure Application to be submitted on July 17, 2020 and that the Mayor and City Administrator are hereby authorized to apply to the Department of Employment and Economic Development for funding of this project on behalf of the City of Barnesville.

BE IT FURTHER RESOLVED that the City of Barnesville has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure matching funds, adequate construction, operation, maintenance and replacement of the proposed project for its design life.

BE IT FURTHER RESOLVED that the City of Barnesville has not violated any Federal, State, or local laws pertaining to fraud, bribery, kickbacks, collusion, conflict of interest or other unlawful or corrupt practiced.

BE IT FURTHER RESOLVED that upon approval of its application by the state, the City of Barnesville may enter into an agreement with the State of Minnesota for the above referenced project(s), and that it will comply with all applicable laws and regulations as stated in all contract agreements.

BE IT FURTHER RESOLVED that upon approval of its application by the state, the City of Barnesville will commit \$12,500 towards the local match requirement.

BE IT FURTHER RESVOLED that the City of Barnesville will the repay the grant if milestones are not realized by the completion date identified in the Application.

The City of Barnesville certifies that it will comply with all applicable laws, regulations, and rules of the Business Development Infrastructure Application.

NOW, THEREFORE BE IT RESOLVED that the Mayor and City Administrator, or their successors in office, are hereby authorized to execute such agreements, and amendments thereto, as are necessary to implement the project(s) on behalf of the applicant.

I CERTIFY THAT the above resolution was adopted by the City Council of the City of Barnesville on July 13, 2020.

Signed:

Witnessed:

Jason Rick
Mayor

Jeri Reep
City Clerk

Signed:

Witnessed:

Michael Rietz
City Administrator

Jeri Reep
City Clerk

Mayor Rick stated the next item on the agenda was the Moore Engineering Task Order 7-1.

City Administrator Mike Rietz stated that this Task Order 7-1 is to authorize Moore Engineering to complete a feasibility study for the construction of the planned stormwater pond in the commercial park. This Task Order 7-1 adds a phase to do the work for the pond at a cost of \$2,950.00.

07-13-20-07 Motion by Mr. Bauer and second by Mrs. Bergman to approve the Task Order 7-1 with Moore Engineering at a cost of \$2,950.00. Motion carried.

Mayor Rick stated the next item on the agenda was the Resolution ordering preparation of report on Improvements.

07-13-20-08 Motion by Mr. Bauer and second by Mrs. Stokka to approve the Resolution Ordering Preparation of Report on Improvement. Upon a roll call vote the following voted aye: Council members Stokka, Goedtke, Bauer, Bergman and Field. The following were absent: Council member Stuvland. Motion carried.

**CITY OF BARNESVILLE
COUNTY OF CLAY
STATE OF MINNESOTA
RESOLUTION NO. 07-13-20-08
RESOLUTION ORDERING PREPARATION OF REPORT ON IMPROVEMENT**

WHEREAS: it is proposed to improve the Barnesville Commercial Park by constructing a stormwater pond to service the developing area of the Commercial Park and to assess the benefited property for all or a portion of the cost of the improvement, pursuant to Minnesota Statutes, Chapter 429,

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

That the proposed improvement called Improvement No. 2020-02 be referred to Moore Engineering for study and that the person is instructed to report to the council with all convenient speed advising the council in a preliminary way as to where're the proposed improvement is necessary, cost-effective, and feasible; where it should best be made as proposed or in connection with some other improvement, the estimated cost of the improvement as recommended and a description of the methodology used to calculate individual assessments for affecter parcels.

Adopted by the Council this 13th day of July, 2020.

Jason Rick, Mayor

Michael Rietz, City Administrator

Mayor Rick stated the next item on the agenda was the Change Order No. 3 with Sellin Brothers.

City Engineer Dan Hanson stated that this change order extends the completion date of the contract to October 23, 2020 based on the schedule provided. This adds to the project time the added time needed to install the sand bedding and the PVC liner and also includes the 30-day water balance testing.

07-13-20-09 Motion by Mrs. Stokka and second by Mrs. Bergman to approve the Change Order No. 3 for the wastewater treatment system improvements. Motion carried.

Mayor Rick stated the next item on the agenda was the Resolution authorizing a PFA loan for the Wastewater Lagoon project.

City Administrator Mike Rietz stated that this is a Resolution authorizing the use of PFA funding for the Wastewater Lagoon Project. This is a loan with 1% interest.

07-13-20-10 Motion by Mr. Field and second by Mr. Goedtke to approve the Resolution authorizing PFA financing for the Wastewater Lagoon Rehab Project. Upon a roll call vote, the following voted aye: Council members Stokka, Goedtke, Bauer, Bergman and Field. The following were absent: Council member Stuvland. Motion carried.

CITY OF BARNESVILLE
COUNTY OF CLAY
STATE OF MINNESOTA

RESOLUTION NO. 07-13-20-10
ACCEPTING THE OFFER OF
THE MINNESOTA PUBLIC FACILITIES AUTHORITY TO PURCHASE
A \$1,961,315 GENERAL OBLIGATION WASTEWATER
REVENUE NOTE OF 2020,
PROVIDING FOR ITS ISSUANCE, AND AUTHORIZING
EXECUTION OF A BOND PURCHASE AND PROJECT LOAN AGREEMENT

A. WHEREAS, the City Council of the City of Barnesville, Minnesota (the "Issuer"), has heretofore applied for a loan from the Minnesota Public Facilities Authority (the "Authority") to provide financing pursuant to Minnesota Statutes, Chapters 444 and 475, for funding eligible project costs of the clean water project, specifically improvements to the stabilization ponds (the "Project"); and

B. WHEREAS, the Authority is authorized pursuant to Minnesota Statutes, Chapter 446A, as amended, to issue its bonds (the "Authority Bonds") and to use the proceeds thereof, together with certain other funds, to provide loans and other assistance to municipalities to fund

eligible costs of construction of publicly owned wastewater facilities in accordance with Title VI of the federal Clean Water Act; and

C. WHEREAS, the Issuer has applied for a loan from the Authority pursuant to such program, and the Authority has committed to make a loan (the "Loan") to the Issuer in the principal amount set forth below, to be disbursed and repaid in accordance with the terms of a Minnesota Public Facilities Authority Bond Purchase and Project Loan Agreement (the "Bond Purchase Agreement") executed by the Authority and Issuer, a copy of which is before this meeting and on file with the Issuer; and the Bond Purchase Agreement, as executed, is incorporated by reference; and

D. WHEREAS, the Issuer intends to issue its General Obligation Wastewater Revenue Note of 2020 (the "Note") to evidence and secure its obligations to repay the Loan; and

E. WHEREAS, the Issuer intends the interest to be paid on the Note to be tax-exempt, and also will need to assure the tax-exemption of the Authority Bonds; and

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

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

NOW, THEREFORE, BE IT RESOLVED by the governing body of the City of Barnesville, Clay County, Minnesota, as follows:

1. Acceptance of Offer; Payment. The offer of the Authority to purchase the Note at the rates of interest hereinafter set forth, and to pay therefore the sum as provided below, is hereby accepted, and the sale of the Note is hereby awarded to the Authority. The purchase price of the Note by the Authority to be paid by the Authority shall be 100% of the principal amount of the Note. Payment for the Note shall be disbursed in installments as eligible costs of the Project are reimbursed or paid, all as provided in the Bond Purchase Agreement.

2. Title; Date; Denomination; Interest Rates; Maturities. The Note shall be a fully registered negotiable obligation, shall be titled the "General Obligation Wastewater Revenue Note of 2020," shall be dated as of the date of delivery and shall be issued forthwith. The Note shall be in the principal amount, bear interest, mature and be subject to redemption, all as stated in Section 6 of this Resolution. Interest on and principal of the Note shall be paid as set forth in Section 6 of this Resolution.

3. Purpose; Cost. The proceeds of the Note shall provide funds to finance construction of the Project. The Note is issued to aid in financing improvements to the Wastewater System or part thereof. The total cost of the construction of the Project, including legal and other

professional charges, publication and printing costs, interest accruing on money borrowed for the Project before the collection of net revenues pledged and appropriated therefore, and all other costs necessarily incurred and to be incurred from the inception to the completion of the Project, is estimated to be at least equal to the amount of the Note. The Issuer covenants that it shall do all things and perform all acts required of it to assure that work on the Project proceeds with due diligence to completion and that any, and all permits and studies required under law for the Project are obtained.

4. Redemption. The Note shall be subject to optional and mandatory redemption and prepayment in whole or in part as required in the Bond Purchase Agreement and as set forth in Section 6 of this Resolution. If the redemption is in part, such prepayment of principal shall be applied in the sole discretion and option of the Holder, (i) to a future payment of principal on the Note in the manner determined by the Holder or (ii) reduce each unpaid annual principal installment required with respect to the Note in the portion that such installment bears to the total of all unpaid principal installments (i.e., the remaining principal payment schedule shall be reamortized to provide proportionately reduced principal payments in each year) with respect to the Note.

5. Registration of Note. At the time of issuance and delivery of the Note, the City Administrator shall register the Note in the name of the Authority, as purchaser and payee, in a note register which she and her successors in office shall maintain for the purpose of registering the ownership of the Note. The force and effect of such registration shall be as stated in the form of Note set forth in Section 6 of this Resolution. Payment of principal installments and interest, whether upon redemption or otherwise, made with respect to the Note, may be made to the registered holder thereof or to his, her or its legal representative, without presentation or surrender of the Note.

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

UNITED STATES OF AMERICA
 STATE OF MINNESOTA
 CLAY COUNTY
 CITY OF
 BARNESVILLE
 \$1,961,315 GENERAL OBLIGATION
 WASTEWATER REVENUE NOTE OF 2020

KNOW ALL PERSONS BY THESE PRESENTS that the City of Barnesville, Clay County, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to pay to the Minnesota Public Facilities Authority or the registered assign, the principal sum of ONE MILLION NINE HUNDRED SIXTY-ONE THOUSAND THREE HUNDRED FIFTEEN DOLLARS, or so much thereof as may have been disbursed, on August 20 of the years and in the installments as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2021	\$50,315.00	2031	\$100,000.00
2022	92,000.00	2032	101,000.00
2023	93,000.00	2033	102,000.00
2024	94,000.00	2034	103,000.00
2025	95,000.00	2035	104,000.00
2026	96,000.00	2036	106,000.00
2027	97,000.00	2037	107,000.00
2028	97,000.00	2038	108,000.00
2029	98,000.00	2039	109,000.00
2030	99,000.00	2040	110,000.00

and to pay interest on so much of the principal amount of the debt as may be disbursed from time to time as provided in the Bond Purchase Agreement (as defined below) and remains unpaid, until the principal amount hereof is paid or has been provided for, at the rate of 1.00% per annum (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Note is payable semiannually on each February 20 and August 20, commencing February 20, 2021.

Principal and Interest Payments. Interest shall accrue only on the aggregate amount of this Note which has been disbursed under the Public Facilities Authority Bond Purchase Agreement dated as of _____, 2020, by and between the Issuer and the Minnesota Public Facilities Authority. The principal installments of this Note shall be paid in the amounts scheduled above even if at the time of payment the full principal amount of this Note has not been disbursed; provided that if all or a portion of the full principal amount of this Note is not to be disbursed pursuant to the terms of the Bond Purchase Agreement, the amount of the principal not to be disbursed shall be applied to reduce each unpaid principal installment in the proportion that such installment bears to the total of all unpaid principal installments (i.e., the remaining principal payment schedule shall be reamortized to provide similarly level annual installments of total debt

service payments). Interest on this Note includes amounts treated by the Minnesota Public Facilities Authority as service fees. Principal, interest and any premium due under this Note will be paid on each payment date by wire payment on or before, or by check or draft mailed at least five (5) business days prior to, the payment date to the person in whose name this Note is registered (the "Holder") on the registration books of the Issuer maintained by the City Administrator, as note registrar (the "Note Registrar") and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given to Holders not less than ten (10) days prior to the Special Record Date. The principal of and premium, if any, and interest on this Note is payable in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

Redemption. The principal of this Note is subject to payment in mandatory installments as set forth in this Note. In addition, the principal of this Note is subject to optional prepayment, upon forty-five (45) days prior written notice to the Holder and subject to the approval of the Holder in its sole option and discretion, in whole or in part, on any February 20 or August 20 at a price equal to one hundred percent (100%) of the principal amount to be repaid, together with accrued interest thereon through the redemption date and a premium equal to all fees and expenses of the Holder, if any, in connection with the prepayment in connection with the Holder in its sole discretion. The principal of this Note is subject to mandatory prepayment, if as a result of action by the Issuer or the Minnesota Public Facilities Authority pursuant to the Bond Purchase Agreement, the entire principal amount of this Note is not to be disbursed for project cost reimbursement, or if the entire principal amount is not fully disbursed within three (3) years of the date of this Agreement, unless an extension is requested in writing by the Issuer and granted by the Minnesota Public Facilities Authority, the balance of the amount not disbursed shall be applied to prepaid principal on the Note on the immediately succeeding February 20 or August 20 at a price equal to one hundred percent (100%) of the principal amount to be repaid, together with accrued interest thereon to the redemption date and without premium. In the case of such mandatory partial prepayment, the principal so prepaid shall be applied to reduce each unpaid annual principal installment required with respect to the Note in proportion that such installment bears to the total of all unpaid principal amounts (i.e., the remaining principal payment schedule shall be reamortized to provide the proportionately reduced principal payment in each year) with respect to the Note.

Purpose; General Obligation. This Note has been issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota and a resolution of the governing body of the Issuer adopted _____, 2020 (the "Resolution") for the purpose of providing money to finance eligible project costs of the wastewater project, specifically to reconstruct Secondary Cell #2, and is payable out of the General Obligation Wastewater Revenue Note of 2020 Fund of the Issuer, to which account have been pledged net revenues of the Issuer's municipal wastewater

system. This Note constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of said principal installments and interest when the same become due, the full faith, credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

Registration; Transfer. This Note is issuable only in registered form in a single denomination equal to the entire principal amount thereof. This Note shall be registered in the name of the payee on the note register of the Issuer by Note Registrar. Thereafter this Note may be transferred to a bona fide purchaser only by delivery with an assignment duly executed by the Holder or his, her or its legal representative, and the Issuer may treat the Holder as the person exclusively entitled to exercise all the rights and powers of an owner until this Note is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said note register by the Note Registrar. Thereupon the Issuer shall execute and deliver, in exchange for this Note, a new fully registered Note in the name of the transferee (but not registered in blank or to "bearer" or similar designation), in aggregate principal amount equal to the principal amount of this Note, of the same maturity and principal installments and bearing interest at the same rate.

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

Bond Purchase Agreement. The terms and conditions of the Bond Purchase Agreement are incorporated herein by reference and made a part hereof. The Bond Purchase Agreement may be attached to this Note, and shall be attached to this Note transfer of this Note by the Holder

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

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

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Note, have been done, have happened and have been performed, in regular and due form, time and manner as required by law; that the Issuer has covenanted and agreed with the Holder that it will impose and collect charges for the service, use and availability of and connection to its municipal wastewater system at the times and in amounts necessary to produce net revenues adequate to pay all principal and interest when due on this Note; that the Issuer will levy a direct, annual, irrevocable ad valorem tax upon all of the taxable property in the Issuer, without limitation as to rate or amount, for the years and in amounts sufficient to pay the installments of principal and interest on this Note as they respectively become due, if the net revenues from said municipal wastewater system and any other revenues irrevocably appropriated

to said General Obligation Wastewater Revenue Note of 2020 Fund are insufficient therefore; and that this Note, together with all other debts of the Issuer outstanding on the date hereof, being the date of its actual issuance and delivery, does not exceed any charter, constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Barnesville, Clay County, Minnesota, has caused this Note to be executed on its behalf by the manual signatures of its Acting Mayor and of its City Administrator, the Issuer using no seal, all as of July 13, 2020.

CITY OF BARNESVILLE,
CLAY COUNTY, MINNESOTA

Jason Rick, Mayor

Michael Rietz, City Administrator

General Obligation Wastewater Revenue Note of 2020.

ASSIGNMENT

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

Dated: _____

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

Signature Guaranteed:

Signature(s) must be guaranteed by a member of the Medallion Signature program.

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

Name and Address: _____

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

7. Execution. The Note shall be executed on behalf of the Issuer by the manual signatures of its Mayor and of its City Administrator (the "Authorized Officers"). In the event of disability or resignation or other absence of either such officer, the Note may be signed by the manual signature of that officer who may act on behalf of such absent or disabled officer. In case either such officer whose signature shall appear on the Note shall cease to be such officer before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

8. Delivery; Application of Proceeds. The Note when so prepared and executed shall be delivered by the City Administrator to the Authority, as purchaser thereof, prior to disbursements pursuant to the Bond Purchase Agreement.

9. Fund and Accounts. There has heretofore been created a separate fund in the treasury of the Issuer designated the "AGeneral Obligation Wastewater Revenue Note of 2020 Fund" (the "Fund"). The City Administrator and all officials and employees of the Issuer concerned therewith shall establish and maintain financial records of the receipts and disbursements of the municipal wastewater system (the "Wastewater System") in accordance with this resolution. There shall be maintained in the Fund, in addition to any accounts heretofore created, the following three (3) separate accounts:

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

b. An "Authority Debt Service Account," to which shall be irrevocably appropriated, pledged and credited: (1) net revenues of the Wastewater System in an amount sufficient, with other moneys, to pay the principal of, and interest on, the Note when due; (2) all collections of taxes which may hereafter be levied for the payment of the principal of, and interest on, the Note; (3) all investment earnings on moneys held in the Authority Debt Service Account; (4) any amounts transferred from the Authority Construction Account; and (5) any other moneys which are properly available and are appropriated by the Issuer to the Authority Debt Service Account. The moneys in said account shall be used only to pay or prepay the principal of, and interest on, the Note and

any other general obligation bonds hereafter issued and made payable from said account, and to pay any rebate due to the United States with respect to the Authority Bonds in connection with the Note.

c. An "Operation and Maintenance Account," into which shall be paid all gross revenues and earnings derived from the operation of the Wastewater System, including all charges for the service, use and availability of and connection to the Wastewater System, when collected, and all moneys received from the sale of any facilities or equipment of the Wastewater System or any by-products thereof. From this account there shall be paid all the normal, reasonable and current costs of operating and maintaining the Wastewater System. Current expenses include the reasonable and necessary costs of operating, maintaining and insuring the Wastewater System, salaries, wages, costs of materials and supplies, necessary legal, engineering and auditing services, and all other items which, by sound accounting practices, constitute normal, reasonable and current costs of operating and maintenance, but excluding any allowance for depreciation, extraordinary repairs and payments into any debt service account. All moneys remaining in the Operation and Maintenance Account after paying or providing for the foregoing items constitute, and are referred to in this resolution as, "net revenues". Excess net revenues of the Wastewater System may be used for any proper purpose.

10. No portion of the proceeds of the Note shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Note was issued, and (2) in addition to the above in an amount not greater than the lesser of five percent (5%) of the proceeds of the Note or \$100,000. To this effect, any proceeds of the Note or any sums from time to time held in the Authority Construction Account, Operation and Maintenance Account or Authority Debt Service Account (or any other account of the Issuer which will be used to pay principal or interest to become due on the Note) in excess of amounts which under then-applicable federal arbitrage regulations may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. In addition, moneys in the Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Note to be "federally guaranteed" within the meaning of Section 149(b) of the federal Internal Revenue Code of 1986, as amended (the "Code").

The Issuer shall observe the covenants of this Section 9 and Sections 16, 17 and 18 of this Resolution and of Article III and Article IV of the Bond Purchase Agreement with regard to the Fund.

11. Coverage Test; Pledge of Net Revenues; Excess Revenues. It is hereby found, determined and declared that the net revenues of the Wastewater System are sufficient in amount to pay when due one hundred five percent (105%) of the principal of and interest on the

Note and any other debt payable there from when due, and the net revenues of the Wastewater System are hereby pledged to the payment of the Note, but solely to the extent required to meet, with other pledged sources, one hundred five percent (105%) of the principal and interest requirements of the Note as the same become due. Excess net revenues may be used for any proper purpose.

Nothing contained herein shall be deemed to preclude the Issuer from making further pledges and appropriations of the net revenues of the Wastewater System for the payment of other or additional obligations of the Issuer, provided that it has first been determined by the Issuer that estimated net revenues of the Wastewater System will be sufficient, in addition to all other sources, for the payment of the Note and such additional obligations, and any such pledge and appropriation of net revenues may be made superior or subordinate to, or on a parity with, the pledge and appropriation herein. The Note is issued pursuant to Minnesota Statutes, Chapter 444, and nothing herein shall preclude the Issuer from levying taxes for the payment of the Note.

12. Pledge to Produce Revenues. As is authorized by Minnesota Statutes, Section 444.075, the Issuer hereby covenants and agrees with the holder of the Note that it will impose and collect charges for the service, use and availability of and connection to the Wastewater System at the times and in the amounts required to produce net revenues adequate to pay all principal and interest when due on the Note and any other debt payable there from. Nothing herein shall preclude the Issuer from levying taxes for the payment of the Note as permitted by Minnesota Statutes, Chapter 444.

13. General Obligation Pledge. The full faith, credit and taxing powers of the Issuer shall be, and are hereby, irrevocably pledged for the prompt and full payment of the principal and interest on the Note as the same respectively become due. If the net revenues of the Wastewater System appropriated and pledged to the payment of principal of and interest on the Note, together with other funds irrevocably appropriated to the Authority Debt Service Account referred to in paragraph 9 of this resolution, shall at any time be insufficient to pay such principal and interest when due, the Issuer covenants and agrees to levy, without limitation as to rate or amount, an ad valorem tax upon all taxable property in the Issuer sufficient to pay such principal and interest as they become due. If the balance in the Authority Debt Service Account is ever insufficient to pay all principal and interest then due on the Note and any other obligations payable therefrom, the deficiency shall be promptly paid out of any other funds of the Issuer which are available for such purpose, and such other funds may be reimbursed, with or without interest, from the Authority Debt Service Account when a sufficient balance is available therein.

If the net revenues of the Wastewater System appropriated and pledge to the payment of the principal of and interest on the Note shall at any time be insufficient to pay such principal and interest when due without regard to other funds available to make such payments, the Issuer covenants and agrees to promptly notify the Authority in writing of such fact. Such notice shall also contain the estimated amount of such deficiency and the anticipated source to pay such deficiency. This Issuer currently estimates net revenues pledged and appropriated to the payment of principal of and interest on the Note to be not less than five percent (5%) in excess of the principal of and interest on the Note when due and, accordingly, no tax is levied at this time.

14. Certificate of Registration. The City Administrator of the Issuer is hereby directed to file a certified copy of this resolution with the County Auditor of Clay County, Minnesota, together with such other information as the County Auditor shall require, and to obtain the County Auditor's certificate that the Note has been entered in the County Auditor's Bond Register.

15. Bond Purchase Agreement. The Bond Purchase Agreement is hereby approved in substantially the form heretofore presented to the City Council, and in the form executed is hereby incorporated by reference and made a part of this resolution. Each and all of the provisions of this resolution relating to the Note are intended to be consistent with the provisions of the Bond Purchase Agreement, and to the extent that any provision in the Bond Purchase Agreement is in conflict with this Resolution as it relates to the Note, that provision shall control and this Resolution shall be deemed accordingly modified. The Authorized Officers, as set forth in Section 7 hereof and subject to the same provisions as set forth in Section 7 hereof, are hereby authorized and directed to execute the Bond Purchase Agreement. The execution of the Bond Purchase Agreement by the appropriate officers shall be conclusive evidence of the approval of the Bond Purchase Agreement in accordance with the terms hereof. The Bond Purchase Agreement may be attached to the Note, and shall be attached to the Note if the holder of the Note is any person other than the Authority.

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

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

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

18. Tax-Exempt Status of the Note; Rebate. The Issuer shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Note, including without limitation (1) requirements relating to temporary periods for investments, (2) limitations on amounts invested at a yield greater than the yield on the Note, and (3) the rebate of excess investment earnings to the United States if the Note (together with other obligations reasonably expected to be issued and outstanding at one time in this calendar year) exceeds the small-issuer exception amount of \$5,000,000.

19. Tax-Exempt Status of the Authority Bonds; Rebate. The Issuer with respect to the Note shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Authority Bonds, including without limitation (1) requirements relating to temporary periods for investments, (2) limitations on amounts invested at a yield greater than the yield on the Authority Bonds, and (3) the rebate of excess investment earnings to the United States. The Issuer covenants and agrees with the Authority and holders of the Note that the investments of proceeds of the Note, including the investment of any revenues pledged to the Note which are considered gross proceeds of the Authority Bonds under the applicable regulations, and accumulated sinking funds, if any, shall be limited as to amount and yield in such manner that the Authority Bonds shall not be arbitrage bonds within the meaning of Section 148 of the Code and any regulations thereunder. On the basis of the existing facts, estimates and circumstances, including the foregoing findings and covenants, the Issuer hereby certifies that it is not expected that the proceeds of the Note will be used in such manner as to cause the Authority Bonds to be arbitrage bonds under Section 148 of the Code and any regulations thereunder. The Authorized Officers of the Issuer shall furnish a certificate to the Authority embracing or based on the foregoing certification at the time of delivery of the Note to the Authority. The proceeds of the Note will likewise be used in such manner that the Note is not a private activity bond under Section 103(b) of the Code.

20. Designated As A Qualified Tax-Exempt Obligation. The Issuer does hereby designate the Note as a Qualified Tax-Exempt Obligation for purposes of Section 265(b)(3) of the federal Internal Revenue Code of 1986, as amended.

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

The City hereby certifies and/or covenants as follows:

a. Not later than 60 days after the date of payment of a Reimbursement Expenditure, the City (or person designated to do so on behalf of the City) has made or will have made a written declaration of the City's official intent (a "Declaration") which effectively (i) states the City's reasonable expectation to reimburse itself for the payment of the Reimbursement Expenditure out of the proceeds of a subsequent borrowing; (ii) gives a general and functional description of the property, project or program to which the Declaration relates and for which the Reimbursement Expenditure is paid, or identifies a specific fund or account of the City and the general functional purpose thereof from which the Reimbursement Expenditure was to be paid (collectively the "Project"); and (iii) states the maximum principal amount of debt expected to be issued by the City for the purpose of financing the Project; provided, however, that no such Declaration shall necessarily have been made with respect to: (i) "preliminary expenditures" for the Project, defined in the Reimbursement Regulations to include engineering or architectural, surveying and soil testing expenses and similar prefatory costs, which in the aggregate do not exceed 20% of the "issue price" of the Bonds, and (ii) a *de minimis* amount of Reimbursement Expenditures not in excess of the lesser of \$100,000 or 5% of the proceeds of the Bonds.

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

c. The "reimbursement allocation" described in the Reimbursement Regulations for each Reimbursement Expenditure shall and will be made forthwith following (but not prior to) the issuance of the Note and in all events within the period ending on the date which is the later of 18 months [three years if issue is exempt from rebate as a less than \$5 million issue] after payment of the Reimbursement Expenditure or one year after the date on which the Project to which the Reimbursement Expenditure relates is first placed in service, but not more than three years after the date of the Reimbursement Expenditure [this three-year rule is not applicable if issue is exempt from rebate as a less than \$5 million issue].

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

Provided, however, that the Issuer may take action contrary to any of the foregoing covenants in this paragraph 19 upon receipt of an opinion of its Bond Counsel for the Bonds stating in effect that such action will not impair the tax-exempt status of the Bonds.

22. Severability. If any section, paragraph or provision of this resolution shall

be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

23. Headings. Headings in this resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.

24. Default. If the Issuer fails to comply with any of the terms of the Bond Purchase Agreement or the Note, the Authority may declare the Issuer to be in default and may take any action or pursue any remedy available to the Authority.

25. Effective Date. This Resolution shall be effective immediately upon being duly passed and adopted by the governing body of the Issuer.

PASSED by the City Council of the City of Barnesville this 13th day of July, 2020.

APPROVED BY:

Jason Rick, Mayor

ATTEST:

Michael Rietz, City Administrator

Mayor Rick stated the next item on the agenda was the Resolution appointing election judges.

07-13-20-11 Motion by Mrs. Stokka and second by Mr. Bauer to approve the Resolution appointing election judges. Upon a roll call vote, the following voted aye: Council members Stokka, Goedtke, Bauer, Bergman and Field. The following were absent: Council member Stuvland. Motion carried.

**CITY OF BARNESVILLE
CLAY COUNTY, MINNESOTA
RESOLUTION NO.
CITY OF BARNESVILLE OF CLAY COUNTY, MINNESOTA
APPOINTING ELECTION JUDGES
FOR THE ELECTION OF
AUGUST 11, 2020 AND NOVEMBER 3, 2020**

WHEREAS: a Primary Election will be held on August 11, 2020 and a General Election will be held on November 3, 2020; and

WHEREAS: MN Statute 204B, subd. 2, requires election judges for precincts in a Municipality be appointed by the governing body of the municipality; and

WHEREAS: the City of Barnesville has one voting precinct; and

WHEREAS: the following City of Barnesville residents have agreed to serve as election Judges and have met the qualifications established by the State of Minnesota.

NOW, THEREFORE, BE IT RESOLVED, that the City of Barnesville hereby appoints the following persons to serve as election judges for the Primary and General Election of 2018, with the understanding that amendments may be necessary to the appointments in order to fill vacancies and meet party splits.

Judges: Carolyn Gabel, Mary Ann Scheffler, Betty Bodine, Janna Cayler, Cheryl Harris, Dar Hines, Marlene Schell, Betty Ishaug, Karen Prim, Joan Kritzberger, Judy Friesen, Mary Iverson, Patty Swenson, Shirley Bolgrean, Mabel Sacrison, Evonne Herbig, and head judge Jeri Reep.

Adopted by the City Council of the City of Barnesville this 13th day of July, 2020

Jason Rick
Mayor

Attest:

Jeri Reep
City Clerk

Mayor Rick stated the next item on the agenda was the discussion on City Hall office hours.

City Administrator Mike Rietz informed council members that the Personnel and Finance committee reviewed discontinuing the practice of being open until 6:00 p.m. the first Monday of each month. The traffic from 4:30 p.m. until 6:00 p.m. is extremely light during those hours.

07-13-20-12 Motion by Mr. Field and second by Mrs. Bergman to eliminate the late hours on the first Monday of each month at City Hall, with hours of 7:30 a.m. to 4:30 p.m., Monday thru Friday. Motion carried.

Mayor Rick stated the next item on the agenda was the utility open balance comparison discussion.

TEC Manager Guy Swenson discussed with council members the extension of the cold weather rule requirements, and the continuing of monitoring the accounts receivable. Council members had no further questions for Mr. Swenson.

Mayor Rick stated the next item on the agenda was the continuation of electronic meetings of the City Council. Mayor Rick stated he thought the meetings electronically have been working out well. Council member Stokka also felt things were working well with the electronic meetings. Council member Goedtke stated that he would like to see portfolio meetings held in person. Council member Bergman felt that the meetings are going fine electronically. Council member Field suggested to go one more month with remote meetings, and re-visit at the August regular meeting.

Mayor Rick adjourned the meeting at 8:43 p.m.

Submitted by:

Attest:

Jeri Reep
City Clerk

Jason Rick
Mayor