

OFFICIAL CITY COUNCIL PROCEEDINGS
REGULAR SESSION
JULY 17, 2017

A regular session of the Granite Falls City Council was called to order by Mayor David Smiglewski at 7:00 p.m., Monday, July 17th, in the Council Chambers of City Hall. Council Members present: DuWayne Galow, Sarina Otaibi, Joe Fagnano and Scott Peterson. Council Member absent: Steve Nordaune and Steve Schaub. Staff present: City Manager Crystal Johnson and City Clerk Joan Taylor. Also in attendance were Kyle Haemig from CMPAS, EDA Director Cathy Anderson, Mary Gillespie, Melanie Gatchell and members of the Utilities Commission.

MINUTES: M/S GALOW/PETERSON TO APPROVE THE MINUTES OF THE JULY 3RD REGULAR MEETING. Motion carried unanimously by those present.

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

HISTORICAL SOCIETY: Galow introduced the following resolution and moved its adoption authorizing the Granite Falls Historical Society to submit a grant application to the Minnesota Historical and Cultural Heritage Program for assistance to the city to assess future repairs to the Volstead House.

RESOLUTION NO. 17-95

RESOLUTION AUTHORIZING SUBMITTAL OF GRANT APPLICATION
TO THE MINNESOTA HISTORICAL SOCIETY

WHEREAS, Terri Dinesen on behalf of the Granite Falls Historical Society is in the process of completing a grant application for assistance from the Minnesota Historical and Cultural Heritage Program to hire a structural engineer & architect to assess possible additional repairs needed to the Volstead House.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, approving submittal of the grant application to Minnesota Historical and Cultural Heritage Program for assistance to the city to assess future repairs to the Volstead House.

Adopted by the City Council this 17th day of July, 2017.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

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

TURBINE #3: Kyle Haemig from CMPAS was in attendance to discuss with council the economic evaluation of turbine #3 made by CMPAS. Following discussion it was the consensus of council to have the Utilities Commission review this and make a recommendation to council.

PAINTING ON FLOODWALL: EDA Director Cathy Anderson and Chamber Director Mary Gillespie were in attendance to discuss with council the submittal of a grant to be submitted by the EDA that if approved would allow for the painting of a mural on the KK Berge building and onto the adjacent floodwall from the KK Berge building to the first pylon of the walking bridge. Following discussion **M/S FAGNANO/GALOW TO ALLOW THE EDA TO MOVE FORWARD WITH THE PROJECT, WORKING WITH THE ARTS COUNCIL AND COMMUNITY, WITH THE FINAL DECISION ON THE MURAL MADE BY COUNCIL.** Motion carried unanimously by those present.

REPORTS: The following reports were acknowledged at this time: EDA Board, Building Inspector, Hospital Board, Police Chief and Granite Falls Historical Society.

APPOINTMENTS: M/S GALOW/FAGNANO TO APPOINT JENNIFER LUEPKE TO THE LIBRARY BOARD. Motion carried unanimously by those present.

Due to the absence of Steve Schaub, M/S GALOW/FAGNANO TO APPOINT SCOTT PETERSON TEMPORARILY AS THE COUNCIL REPRESENTATIVE ON THE PLANNING COMMISSION. Motion carried unanimously by those present.

FFA: Council reviewed a request received from the FAA to use Sorlien Park for a "Movie Night". Following discussion M/S OTAIBI/GALOW TO ALLOW THE FAA TO HOLD A MOVIE NIGHT AT SORLIEN PARK CONTINGENT UPON THEM GETTING THE PROPER LICENSING OR PERMITS TO SHOW THE MOVIES THEY DECIDE TO PLAY. Motion carried unanimously by those present.

APPOINTMENTS: Following discussion M/S GALOW/OTAIBI TO TEMPORARILY APPOINT CATHY ANDERSON TO THE PLANNING COMMISSION SHOULD IT BECOME NECESSARY TO OBTAIN A QUORUM FOR A MEETING. Motion carried unanimously.

BONDS: Otaibi introduced the following resolution and moved its adoption authorizing the sale of G.O. DISPOSAL SYSTEM BONDS, SERIES 2017A.

RESOLUTION NO. 17-96

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF GENERAL OBLIGATION DISPOSAL SYSTEM BONDS, SERIES 2017A AND PLEDGING FOR THE SECURITY THEREOF SPECIAL ASSESSMENTS AND LEVYING A TAX FOR THE PAYMENT THEREOF

A. WHEREAS, the City Council of the City of Granite Falls, Minnesota (the "City") has heretofore determined and declared that it is necessary and expedient to issue General Obligation Improvement Bonds, Series 2017A (the "Bonds" or individually, a "Bond"), pursuant to Minnesota Statutes, Chapters 475 and 429, and Section 115.46 to finance improvements to the City's municipal sanitary sewer utility system within the City (the "Improvements"); and

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

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

D. WHEREAS, the City Council designates the Mayor, the City Administrator and Ehlers as a "Pricing Committee" and the Pricing Committee may set the date and time to receive proposals pursuant to the Terms of Proposal established for the Bonds as long as the date is no later than July 20, 2017; and

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

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

1. Acceptance of Proposal. The City shall proceed forthwith to issue the Bonds, in the form and upon the terms set forth in this Resolution. The authority to accept the most favorable proposal for the purchase of the Bonds (the "Purchaser"), the principal amount, the interest rates and the amount of the Purchaser's discount is hereby delegated by the City Council to the Pricing Committee; provided that the principal amount of the Bonds shall not exceed \$1,025,000 and offering the lowest true interest cost on the Bonds.

2. Bond Terms.

(a) Original Issue Date; Denominations; Maturities; Term Bond Option. The Bonds shall be dated August 17, 2017, as the date of original issue, be issued forthwith on or after such date in fully registered form, be numbered from R-1 upward in the denomination of \$5,000 each or in any integral multiple thereof of a single maturity (the "Authorized Denominations"), be issued in a principal amount, bear interest and mature as set forth in the Certificate of Pricing Committee. As may be requested by the Purchaser, one or more term Bonds may be issued having mandatory sinking fund redemption and final maturity amounts

conforming to the foregoing principal repayment schedule, and corresponding additions may be made to the provisions of the applicable Bonds.

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

(i) The Bonds shall be initially issued and, so long as they remain in book entry form only (the "Book Entry Only Period"), shall at all times be in the form of a separate single fully registered Bond for each maturity of the Bonds; and for purposes of complying with this requirement under paragraphs 5 and 10 Authorized Denominations for any Bond shall be deemed to be limited during the Book Entry Only Period to the outstanding principal amount of that Bond.

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

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

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

fully satisfy and discharge the City's obligations with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid.

(v) Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new Nominee in place of the existing Nominee, and subject to the transfer provisions in paragraph 10, references to the Nominee hereunder shall refer to such new Nominee.

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

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

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

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

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

(i) The Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the City and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of the Depository with respect to the Bond if it determines that the Depository is no longer able to carry out its functions as

securities depository or the continuation of the system of book-entry transfers through the Depository is not in the best interests of the City or the Beneficial Owners.

(ii) Upon termination of the services of the Depository as provided in the preceding paragraph, and if no substitute securities depository is willing to undertake the functions of the Depository hereunder can be found which, in the opinion of the City, is willing and able to assume such functions upon reasonable or customary terms, or if the City determines that it is in the best interests of the City or the Beneficial Owners of the Bond that the Beneficial Owners be able to obtain certificates for the Bonds, the Bonds shall no longer be registered as being registered in the bond register in the name of the Nominee, but may be registered in whatever name or names the Holder of the Bonds shall designate at that time, in accordance with paragraph 11. To the extent that the Beneficial Owners are designated as the transferee by the Holders, in accordance with paragraph 10, the Bonds will be delivered to the Beneficial Owners.

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

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

3. Purpose. The Bonds shall provide funds to finance the Improvements. The total cost of the Improvements, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Bonds. The Bond is issued to aid in financing a disposal system or part thereof, pursuant to Minnesota Statutes, Section 115.46. The City covenants that it shall do all things and perform all acts required of it to assure that work on the Improvements proceeds with due diligence to completion and that any and all permits and studies required under law for the Improvements are obtained.

4. Interest. The Bonds shall bear interest payable semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2026, calculated on the basis of a 360-day year of twelve 30-day months and will bear interest as established by the authority given to the Pricing Committee based on the Purchaser's proposal.

5. Redemption. All Bonds maturing on February 1, 2027, and thereafter, shall be subject to redemption and prepayment at the option of the City on February 1, 2026, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be prepaid shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of

redemption shall be given to the paying agent and to each affected registered holder of the Bonds at least thirty days prior to the date fixed for redemption.

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

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

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

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

MINNESOTA CREDIT ENHANCEMENT PROGRAM

R-_____

\$_____

GENERAL OBLIGATION DISPOSAL SYSTEM BOND, SERIES 2017A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

THE CITY OF GRANITE FALLS, CHIPPEWA AND YELLOW MEDICINE COUNTIES, MINNESOTA (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, unless called for earlier redemption, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2018, at the rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months) until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the principal office of Bond Trust Services Corporation, in Roseville, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given to Bondholders not less than ten days prior to the Special Record Date. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America. So long as this Bond is registered in the name of the Depository or its Nominee as provided in the Resolution hereinafter described, and as those terms are defined therein, payment of principal of, premium, if any, and interest on this Bond and notice with respect thereto shall be made as provided in Letter of Representations, as defined in the Resolution, and surrender of this Bond shall not be required for payment of the redemption price upon a partial redemption of this Bond. Until termination of the book-entry only system pursuant to the Resolution, Bonds may only be registered in the name of the Depository or its Nominee.

Optional Redemption. All Bonds of this issue (the "Bonds") maturing on February 1, 2027, and thereafter, shall be subject to redemption and prepayment at the option of the City on February 1, 2026, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment; if redemption is in part, the selection of the amounts and maturities of the Bonds to be prepaid shall be at the discretion of the Issuer. If only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption

date. Mailed notice of redemption shall be given to the paying agent and to each affected Holder of the Bonds at least thirty days prior to the date fixed for redemption.

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

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

Issuance; Purpose; General Obligation. This Bond is one of an issue in the total principal amount of \$_____, all of like date of original issue and tenor, except as to number, maturity, interest rate, denomination and redemption privilege, issued pursuant to and in full conformity with the City Charter, the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council on July 17, 2017 (the "Resolution") for the purpose of providing money to finance a disposal system or part thereof pursuant to Minnesota Statutes, Section 115.46 within the jurisdiction of the Issuer. This Bond is payable out of the General Obligation Disposal System Bonds, Series 2017A Fund of the Issuer. This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of its principal, premium, if any, and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

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

Transfer. This Bond is transferable by the Holder in person or by the Holder's attorney duly authorized in writing at the principal office of the Bond Registrar upon presentation and surrender hereof to the Bond Registrar, all subject to the terms and conditions provided

in the Resolution and to reasonable regulations of the Issuer contained in any agreement with the Bond Registrar. Thereupon the Issuer shall execute and the Bond Registrar shall authenticate and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee (but not registered in blank or to "bearer" or similar designation), of an Authorized Denomination or Denominations, in aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate.

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

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

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

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

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

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

Date of Registration:

Registrable by: BOND TRUST SERVICES

CORPORATION

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

Payable at: SERVICES

BOND TRUST

This Bond is one of the Bonds described in the resolution mentioned within.

CORPORATION

Bond Trust Services Corporation
Roseville, Minnesota, as Bond Registrar

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

By _____
Authorized Signature

/s/ Facsimile _____

/s/ Facsimile _____
Clerk

ABBREVIATIONS

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

TEN COM as tenants in common

TEN ENT as tenants by the entireties

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

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

under the _____ Uniform Transfers to Minors Act
(State)

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

ASSIGNMENT

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

Dated: _____	<p>NOTICE: _____</p> <p>The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.</p>
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Signature Guaranteed: _____

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

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

Name and Address: _____

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

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

9. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless a Certificate of Authentication on the Bond, substantially in the form hereinabove set forth, shall have been duly executed by an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate the signatures of officers of the City on each Bond by execution of the Certificate of Authentication on the Bond and, by inserting as the date of registration in the space provided, the date on which the Bond is authenticated, except that for purposes of delivering the original Bonds to the Purchaser, the Bond Registrar shall insert as a date of registration the date of original issue of August 17, 2017. The Certificate of Authentication so executed on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.

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

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration (as provided in paragraph 9) of, and deliver, in the name of the designated transferee or transferees, one or more new Bonds of any Authorized Denomination or Denominations of a like aggregate principal amount, having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation.

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

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

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

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

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

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

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

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

13. Treatment of Registered Owner. The City and Bond Registrar may treat the person in whose name any Bond is registered as the owner of the Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in paragraph 12) on the Bond and for all other purposes whatsoever whether or not the Bond shall be overdue, and neither the City nor the Bond Registrar shall be affected by notice to the contrary.

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

15. Fund and Accounts. There is hereby created a special fund to be designated the "General Obligation Disposal System Bonds, Series 2017A Fund" (the "Fund") to be administered and maintained by the Clerk as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The Fund shall be maintained in the manner herein specified until all of the Bonds and the interest thereon have been fully paid. There shall be maintained in the Fund the "Construction Account" and "Debt Service Account":

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

(b) Debt Service Account. There are hereby irrevocably appropriated and pledged to, and there shall be credited to, the Debt Service Account: (i) all collections of special assessments herein covenanted to be levied with respect to the Improvements and either initially credited to the Construction Account and not already spent a permitted above and required to pay any principal and interest due on the Bonds or collected subsequent to the completion of the Improvements and payment of the costs thereof; (ii) all funds paid for the Bonds in excess of the minimum bid; (iii) any collection of all taxes herein or hereafter levied for the payment of the Bonds; (iv) all funds remaining in the Construction Account after completion of the Improvements and payment of the costs thereof; (v) all investment earnings on funds held in the Debt Service Account; and (vi) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Debt Service Account. The Debt Service Account shall be used solely to pay the principal and interest and any premiums for redemption of the Bonds and any other general obligation bonds of the City hereafter issued by the City and made payable from the account as provided by law.

No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued and (2) in addition to the above in an amount not greater than the lesser of five percent of the proceeds of the Bonds or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Construction Account or the Debt Service Account (or any other City account which will be used to pay principal or interest to become due on the bonds payable therefrom) in excess of amounts which under then applicable federal arbitrage regulations

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

16. Assessments. It is hereby determined that no less than twenty percent of the cost to the City of each Improvement financed hereunder within the meaning of Minnesota Statutes, Section 475.58, Subdivision 1(3), shall be paid by special assessments to be levied against every assessable lot, piece and parcel of land benefited by any of the Improvements. The City hereby covenants and agrees that it will let all construction contracts not heretofore let within one year after ordering each Improvement financed hereunder unless the resolution ordering the Improvement specifies a different time limit for the letting of construction contracts. The City hereby further covenants and agrees that it will do and perform as soon as they may be done all acts and things necessary for the final and valid levy of such special assessments, and in the event that any such assessment be at any time held invalid with respect to any lot, piece or parcel of land due to any error, defect, or irregularity in any action or proceedings taken or to be taken by the City or the City Council or any of the City officers or employees, either in the making of the assessments or in the performance of any condition precedent thereto, the City and the City Council will forthwith do all further acts and take all further proceedings as may be required by law to make the assessments a valid and binding lien upon such property. The special assessments have heretofore been authorized. Subject to such adjustments as are required by the conditions in existence at the time the assessments are levied, it is hereby determined that the assessments shall be payable in equal, consecutive, annual installments, with general taxes for the years shown below and with interest on the declining balance of all such assessments at the rates per annum not less than the rate per annum set forth opposite the collection years specified below:

<u>Improvement Designation</u>	<u>Levy Years</u>	<u>Collection Years</u>	<u>Amount</u>	<u>Rate</u>
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See Attached Schedule

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

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

<u>Year of Tax Levy</u>	<u>Year of Tax Collection</u>	<u>Amount</u>
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The tax levies are such that if collected in full they, together with estimated collections of special assessments and other revenues herein pledged for the payment of the Bonds, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levies shall be irrevocable so long as any of the Bonds are outstanding and unpaid, provided that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61, Subdivision 3.

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

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

The City hereby certifies and/or covenants as follows:

(a) Not later than sixty days after the date of payment of a Reimbursement Expenditure, the City (or person designated to do so on behalf of the City) has made or will have made a written declaration of the City's official intent (a "Declaration") which effectively (i) states the City's reasonable expectation to reimburse itself for the payment of the Reimbursement Expenditure out of the proceeds of a subsequent borrowing; (ii) gives a general and functional description of the property, project or program to which the Declaration relates and for which the Reimbursement Expenditure is paid, or identifies a specific fund or account of the City and the general functional purpose thereof from which the Reimbursement Expenditure was to be paid (collectively the "Improvements"); and (iii) states the maximum principal amount of debt expected to be issued by the City for the purpose of financing the Improvements; provided, however, that no such Declaration shall

necessarily have been made with respect to: (i) "preliminary expenditures" for the Improvements, defined in the Reimbursement Regulations to include engineering or architectural, surveying and soil testing expenses and similar prefatory costs, which in the aggregate do not exceed twenty percent 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 five percent of the proceeds of the Bonds.

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

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

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

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

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

(a) Provide or cause to be provided to the Municipal Securities Rulemaking Board (the "MSRB") by filing at www.emma.msrb.org in accordance with the Rule, certain annual financial information and operating data in accordance with the Undertaking. The City reserves the right to modify from time to time the terms of the Undertaking as provided therein.

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

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

(d) The City agrees that its covenants pursuant to the Rule set forth in this paragraph and in the Undertaking is intended to be for the benefit of the Holders of the

Bonds and shall be enforceable on behalf of such Holders; provided that the right to enforce the provisions of these covenants shall be limited to a right to obtain specific enforcement of the City's obligations under the covenants.

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

21. State Credit Enhancement Program. The City hereby ratifies and confirms its covenants in the resolution duly adopted on June 19, 2017, obligating itself to notify the Commissioner of Management and Budget of the State of Minnesota of a potential default in payment of the Bonds and to use the provisions of Minnesota Statutes, Section 446A.086 to guarantee the payment of principal and interest on the Bonds. The Mayor and Clerk are hereby authorized and directed to enter into an agreement with the paying agent for the Bonds or any department of the State of Minnesota required by the provisions of Minnesota Statutes, Section 446A.086.

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

23. Certificate of Registration. A certified copy of this resolution is hereby directed to be filed with the County Auditors of Chippewa and Yellow Medicine Counties, together with such other information as the County Auditors shall require, and there shall be obtained from the County Auditors a certificate that the Bonds have been entered in the Bond Registers.

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

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

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

For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements for governmental units issuing \$5,000,000 or less of bonds, the City hereby finds, determines and declares that (i) the Bonds are issued by a governmental unit with general taxing powers; (ii) no Bond is a private activity bond; (iii) ninety five percent or more of the net proceeds of the Bonds are to be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City); and (iv) the aggregate face amount of all tax exempt bonds (other than private activity bonds) issued by the City (and all entities subordinate to, or treated as one issuer with the City) during the calendar year in which the Bonds are issued and outstanding at one time is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

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

- (a) the Bonds are issued after August 7, 1986;
- (b) the Bonds are not "private activity bonds" as defined in Section 141 of the Code;
- (c) the City hereby designates the Bonds as "qualified tax exempt obligations" for purposes of Section 265(b)(3) of the Code;
- (d) the reasonably anticipated amount of tax exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the City (and all entities treated as one issuer with the City, and all subordinate entities whose obligations are treated as issued by the City) during this calendar year 2017 will not exceed \$10,000,000; and
- (e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2017 have been designated for purposes of Section 265(b)(3) of the Code.

The City shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this paragraph.

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

29. 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.

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

The motion for the adoption of the foregoing resolution was duly seconded by member Galow and, after a full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof: Galow, Otaibi, Smiglewski, Fagnano and Peterson and the following voted against the same: None

Whereupon the resolution was declared duly passed and adopted.

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

I, the undersigned, being the duly qualified and acting Clerk of the City of Granite Falls, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council, duly called and held on the date therein indicated, insofar as such minutes relate to providing for the issuance and the sale of the General Obligation Disposal System Bonds, Series 2017A.

WITNESS my hand on July 17, 2017.

Clerk

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

MEMORIAL PARK: Galow introduced the following resolution and moved its adoption supporting grant funding for Regional Parks and Trails in Greater Minnesota for Memorial Park Phase II Improvements.

RESOLUTION NO. 17-97

**RESOLUTION SUPPORTING GRANT FUNDING
FOR REGIONAL PARK OR TRAIL IN GREATER MINNESOTA:**

Park or trail name: Memorial Park
Park or Trail I.D. #14-005D
Date of Resolution: July 17, 2017

BE IT RESOLVED that the City of Granite Falls has the legal public authority to sponsor a

BE IT FURTHER RESOLVED that as we are fully aware of the information provided in the funding request, including any non-state match and other long-term commitments (as defined in the funding request), related master plan and any supporting information as submitted.

BE IT RESOLVED that, if selected for funding by the COMMISSION, the City of Granite Falls shall act as legal sponsor for the PROJECT contained in the Department of Natural Resources (DNR) Parks & Trails Legacy Grant Application (STATE'S GRANT APPLICATION) and that City Manager Crystal Johnson is hereby authorized to apply to the Department of Natural Resources for funding of this project on behalf of the applicant.

BE IT FURTHER RESOLVED that the APPLICANT has not incurred any development costs and has not entered into a written purchase agreement to acquire the property described in the funding request and therefore, also in the STATE'S GRANT APPLICATION.

BE IT FURTHER RESOLVED that the APPLICANT has or will acquire fee title or permanent easement over the land described in the funding request and therefore, also in the STATE'S GRANT APPLICATION for regional parks and has or will acquire fee title, perpetual easement or a minimum of a 20 year lease over the land described in the funding request and therefore, also in the STATE'S GRANT APPLICATION for regional trails.

BE IT FURTHER RESOLVED that, upon approval of its application by the state, the applicant may enter into an agreement with the State of Minnesota for the above-referenced project, and that the applicant certifies that it will comply with all applicable laws and regulations as stated in the grant contract including dedicating the park property for uses consistent with the grant program into perpetuity and committing to maintain the trail for a period of no less than 20 years and providing a perpetual easement for recreational trail purposes on all lands acquired for trail use.

NOW, THEREFORE BE IT RESOLVED that the City Manager is hereby authorized to execute such agreements as are necessary to implement the project on behalf of the applicant.

I CERTIFY THAT the above resolution was adopted by the City Council of Granite Falls on 7 / 17 / 2017.

SIGNED:

WITNESSED:

David Smiglewski
Mayor (Date)

Crystal Johnson
City Manager (Date)

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

LIBRARY: The following quotes were received for replacement of carpeting in the Library.

The Homestore Design Center, Montevideo	\$ 9,924.85
Aus Floors and More, Inc.	\$10,555.50

Following discussion, Peterson introduced a resolution and moved its adoption waiving calling for quotes and accepting the quote received from Homestore Design Center in the amount of \$9,924.85 for replacement of the carpeting at the Library.

RESOLUTION NO. 17-98

RESOLUTION WAIVING CALLING FOR QUOTES AND ACCEPTING QUOTE FOR REPLACEMENT OF CARPETING AT LIBRARY

WHEREAS, the Library Board is recommending replacement of the carpeting at the Library; and

WHEREAS, the following quotes were received to replace the carpeting:

The Homestore Design Center, Montevideo	\$ 9,924.85
Aus Floors and More, Inc.	\$10,555.50

WHEREAS, it being in the best interest of the city to expedite the replacement of carpeting it has been recommended that council waive calling for quotes and accept the quote received from The Homestore Design Center in the amount of \$9,924.85.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, waiving calling for quotes and accepting the quote from The Homestore Design Center in the amount of \$9,924.85.

Adopted by the City Council this 17th day of July, 2017.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

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

VOLSTEAD HOUSE: Council reviewed a proposal received from LSEngineering, Inc. to provide engineering services in the amount of \$8,800 to evaluate additional repairs necessary to the Volstead House. Following discussion Galow introduced a resolution and moved its adoption accepting the proposal received from LSEngineering, Inc. to complete the evaluation of the additional repairs to the porch floor and handicapped ramp.

RESOLUTION NO. 17-99

RESOLUTION ACCEPTING PROPOSAL FOR ENGINEERING SERVICES –
VOLSTEAD HOUSE REPAIRS

WHEREAS, during the repair of the porch and roof at the Volstead House it was determined that the floor of the porch and the handicapped ramp were in need of repair; and

WHEREAS, a proposal has been submitted by LSEngineering, Inc. to provide engineering services in the amount of \$8,800 relative to the additional repairs necessary to the Volstead House.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, accepting the proposal received from LSEngineering, Inc. in an amount not to exceed \$8,800 to provide engineering services relative to repairs to the porch floor and handicapped ramp at the Volstead House.

Adopted by the City Council this 17th day of July, 2017.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

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

GRANITE AREA ARTS COUNCIL: Council reviewed a request received from the Granite Area Arts Council for a donation from the city for calendar year 2017. Following discussion Otaibi introduced a resolution and moved its adoption authorizing a donation of \$1,500 to the Granite Area Arts Council.

RESOLUTION NO. 17-100

RESOLUTION APPROVING DONATION
TO GRANITE AREA ARTS COUNCIL

WHEREAS, the Granite Area Arts Council has requested financial assistance for the 2017 budget year.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, approving a donation of \$1,500 for calendar year 2017 to the Granite Area Arts Council.

Adopted by the City Council this 17th day of July, 2017.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

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

MEMORIAL PARK: Galow introduced the following resolution and moved its adoption accepting the proposal received from Damon Farber for architectural services relative to Phase II Improvements to Memorial Park in the amount of \$4,500.

RESOLUTION NO. 17-101

RESOLUTION ACCEPTING PROPOSAL FOR ARCHITECTURAL SERVICES –
MEMORIAL PARK PHASE II IMPROVEMENTS

WHEREAS, pursuant to Resolution No. 16-49 council accepted the proposal received from Damon Farber Landscape Architects to provide architectural services to complete the Memorial Park Implementation Plan; and

WHEREAS, Damon Farber Landscape Architects has now submitted a proposal for architectural services relative to Phase II Improvements for Memorial Park in an amount not to exceed \$4,500; however, if additional services are requested and approved it will be billed on a per-hour basis.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, accepting the proposal received from Damon Farber Landscape Architects in an amount not to exceed \$4,500 to provide architectural services for Phase II Improvements to Memorial Park. Should additional services be requested it will be billed on a per-hour basis as set forth in the proposal.

Adopted by the City Council this 17th day of July, 2017.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

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

FOOD SHELF: Following discussion Peterson introduced a resolution and moved its adoption approving a donation to Neighbors United Resource Center Food Shelf for 2017 of \$5,000.

RESOLUTION NO. 17-102

RESOLUTION APPROVING DONATION TO
NEIGHBORS UNITED RESOURCE CENTER FOOD SHELF

WHEREAS, Yellow Medicine County Service Director Rae Ann Keeler-Aus has requested a donation from the city in support of Neighbors United Resource Center Food Shelf.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, approving a donation of \$5,000 to support the Neighbors United Resource Center Food Shelf for calendar year 2017.

Adopted by the City Council this 17th day of July, 2017.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

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

2018 TRANSIT GRANT: Peterson introduced the following resolution and moved its adoption approving the submittal of the 2018 Public Transit Grant Application to the Minnesota Department of Transportation, Office of Transit.

RESOLUTION NO. 17-103

RESOLUTION APPROVING THE 2018 PUBLIC TRANSIT GRANT APPLICATION

Resolved that the City of Granite Falls enter into an Agreement with the State of Minnesota to provide public transportation service in the City of Granite Falls.

Further resolved that the City of Granite Falls agrees to provide a local share of 20% percent of the total operating cost and 20% of the total capital costs.

Further resolved that the City of Granite Falls authorizes the Mayor and the City Manager to execute the aforementioned Agreement and any amendments thereto.

CERTIFICATION

I hereby certify that the foregoing resolution is a true and correct copy of the resolution presented to and adopted by the Granite Falls City Council at a duly authorized meeting thereof held on the 17th day of July, 2017, as shown by the minutes of said meeting in my possession.

Joan M. Taylor
City Clerk

Notary: _____

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

MEANDER DONATION: Galow introduced the following resolution and moved its adoption authorizing a donation in the amount of \$1,250 to the Meander Opening Night Celebration.

RESOLUTION NO. 17-104

RESOLUTION APPROVING DONATION TO GRANITE CHAMBER OF
COMMERCE
FOR MEANDER OPENING NIGHT CELEBRATION

WHEREAS, the Granite Falls Chamber of Commerce requested a donation from the city for the opening night celebration for this year's Meander event.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, approving a donation to the Granite Falls Chamber of Commerce in the amount of One Thousand Two Hundred Fifty Dollars (\$1,250) for the opening night celebration for this year's Meander.

Adopted by the city council this 17th day of July, 2017.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

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

SOLAR BILLBOARD: Staff advised council that installation of the Solar Billboard has begun.

PIONEERLAND LIBRARY SYSTEM: Council was advised that Pioneerland Library System is not recommending an increase this year in the city's contribution to Pioneerland.

ADJOURN: M/S/P PETERSON/FAGNANO TO ADJOURN at 8:35 p.m.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

BILLS PAID:

Total ADVOCATE-TRIBUNE:	111.20
Total ALEXANDRIA TECH & COMMUNITY COLLEGE:	270.00
Total ALMICH'S MARKET:	32.96
Total AMERICAN WELDING & GAS INC:	73.55
Total ANDERSON, CHRIS:	271.65
Total ARTIC GLACIER INC:	275.66
Total AUS, NANCY:	100.00
Total BAKER BROS. CONSTRUCTION INC.:	425.00
Total BEVERAGE WHOLESALERS:	236.20
Total BOLTON & MENK INC:	3,125.00
Total BOND TRUST SERVICES CORP:	196,144.87
Total BORDER STATES ELECTRIC SUPPLY:	114.84
Total BREAKTHRU BEVERAGE:	1,209.80
Total BRIAN'S TREE SERVICE:	4,295.00
Total BUFFALO RIDGE CONCRETE INC:	795.20
Total CENTRAL MN MUNICIPAL POWER:	145,104.13
Total CENTURYLINK:	1,845.39
Total CHAMBER OF COMMERCE:	2,500.00
Total CHIPPEWA COUNTY:	1,060.70
Total CITIZENS ALLIANCE BANK:	5,352.85
Total CIVIC SYSTEMS:	4,104.00
Total CNH CAPITAL:	562.89
Total COALITION OF UTILITY CITIES:	1,380.92
Total CUMMINS INC:	2,414.57
Total DAKOTA SUPPLY GROUP:	131.27

Total DAVE'S ELECTRIC MOTOR CO:	23.94
Total DC SIGNS:	95.00
Total DEPARTMENT OF ENERGY:	14,516.02
Total DUININCK BROS. INC.:	15,929.00
Total E & C GRAPHICS INC:	748.13
Total FARM & HOME PUBLISHERS LTD:	53.80
Total FARMERS UNION OIL CO.:	2,877.36
Total FARWEST LINE SPECIALTIES LLC:	409.65
Total FLEXIBLE PLASTICS INC:	553.58
Total G & K SERVICES:	56.23
Total GAFFANEY, MIKE:	442.50
Total GOPHER STATE ONE-CALL:	40.50
Total GRAINGER INC, WW:	227.50
Total GRANITE AREA ARTS COUNCIL:	1,500.00
Total GRANITE FALLS BANK:	12,692.98
Total GRANITE FALLS BASEBALL:	100.00
Total GRANITE TRUE VALUE:	1,933.15
Total GRAYMONT CAPITAL INC:	1,717.47
Total GREAT PLAINS GAS CO.:	1,969.57
Total HAWKINS INC:	507.00
Total HOERNEMANN, PAUL:	255.00
Total HOLMSTROM & KVAM PLLP:	20,920.86
Total J STATE TRUCK CENTER:	74,487.00
Total JOBSHQ:	688.40
Total JOHNSON BROS WHOLESALE LIQUOR:	1,175.09
Total JOHNSON, CRYSTAL:	24.15
Total JOHNSON, KURT:	50.22
Total KEELER-AUS, RAE ANN:	650.00
Total KISSINGER & FELLMAN P.C.:	1,273.00

Total LEE'S AUTO & DIESEL:	50.00
Total LIGHT FUND:	162.90
Total LINCOLN PIPESTONE RURAL WATER:	375.54
Total LITTLECREEK, SKYLER:	30.00
Total LOCHER BROTHERS:	8,728.03
Total LS ENGINEERS:	2,625.00
Total MADISON BOTTLING CO.:	11,190.75
Total MADISON NATIONAL LIFE:	199.08
Total MARCO TECHNOLOGIES LLC:	249.92
Total MARTIN TRUCKING:	724.20
Total MCGRANN SHEA CARNIVAL STRAUGHN:	172.50
Total MESERB:	1,039.65
Total MID-AMERICAN RESEARCH CHEMICAL:	395.83
Total MINNESOTA VALLEY TECH. INC:	80.00
Total MN CITY MANAGEMENT ASSN:	100.00
Total MN MULTI HOUSING ASSOCIATION:	99.00
Total MN MUNICIPAL UTILITIES ASSN:	275.00
Total MN VALLEY COOPERATIVE:	1,287.91
Total MN VALLEY TESTING LAB INC.:	330.00
Total NEIGHBORS UNITED YM FOOD SHELF:	5,000.00
Total NORTHERN BUSINESS PRODUCTS:	7.99
Total OFFICE DEPOT:	287.05
Total OFFICE PEEPS:	45.40
Total PHILLIPS WINE & SPIRITS CO.:	556.05
Total PRENTICE PLACE COMMONS ASSN:	100.51
Total REZNECHEK, DONALD:	1,347.50
Total SAWMILL, THE:	19.00
Total SCHWIETERS FORD OF MONTEVIDEO:	123.19
Total SHERWIN-WILLIAMS:	283.35
Total SOUTHERN WINE & SPIRITS OF MN:	881.48
Total SW-WC SERVICE COOPERATIVES:	37,965.00
Total THORSTAD, JERRY:	175.00
Total THRIFTY WHITE PHARMACY:	3.99
Total THULL, RON:	186.68
Total TIMM, DEREK:	2,562.50
Total TOSTENSON SEPTIC LLC:	525.00
Total TROY'S ELECTRIC COMPANY:	1,345.36

Total VIKING COCA-COLA BOTTLING CO.:	111.60
Total WAYNE'S STANDARD:	160.00
Total WEST CENTRAL SANITATION:	627.98
Total WINE MERCHANTS:	240.00
Total XCEL ENERGY:	1,346.20
Total XEROX CORPORATION:	69.95
Total ZEP:	105.44
Total ZIEGLER INC.:	7,000.00
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Grand Totals:	617,046.28