

OFFICIAL CITY COUNCIL PROCEEDINGS
REGULAR SESSION
JUNE 18, 2018

A regular session of the Granite Falls City Council was called to order by Mayor David Smiglewski at 7:00 p.m., Monday, June 18th, in the Council Chambers of City Hall. Council Members present: DuWayne Galow, Sarina Otaibi, Steve Nordaune, Joe Fagnano and Scott Peterson. Staff present: Finance Director Neal Carstensen and City Clerk Joan Taylor. Also in attendance were EDA Director Cathy Anderson, City Engineer Mike Amborn, Jean Garbarini, Kristi Fernholtz and Advocate Tribune News Reporter Noah Lusti.

MINUTES: M/S GALOW/NORDAUNE TO APPROVE THE MINUTES OF THE JUNE 4TH REGULAR MEETING. Motion carried unanimously.

BILLS: M/S NORDAUNE/PETERSON TO APPROVE BILLS PRESENTED FOR PAYMENT. Motion carried unanimously.

REPORT: The Building Inspector's report was acknowledged at this time.

EDA BOARD: EDA Director Anderson was in attendance to request council approval for the sale of parcels #40-097-0105 (Lot 1, Block 1, Highland Park 6th Addition) and Parcel #40-097-0110 (Lot 2, Block 1 Highland Park 6th Addition to Edman Builders in the amount of \$2,000 to include a Development Agreement requiring obtaining a Certificate of Occupancy by December 31, 2019. Following discussion Nordaune introduced a resolution and moved its adoption authorizing the sale of these lots to Edman Builders with the Development Agreement.

RESOLUTION NO. 18-78

RESOLUTION AUTHORIZING SALE OF CITY-OWNED LAND

WHEREAS, Edman Builders has requested to purchase Parcels #40-097-0105 (Lot 1, Block 1, Highland Park 6th Addition) and Parcel #40-097-0110 (Lot 2, Block 1 Highland Park 6th Addition) from the city at a cost of \$2,000 with a Development Agreement to include a requirement that a Certificate of Occupancy be obtained by December 31, 2019; and

WHEREAS, the reduction in cost for these lots is due to the utility easement running through Parcel #40-097-0105 reducing the area which would be buildable on this lot.

NOW, THEREFOR, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, authorizing the sale of these two lots to Edman Builders in the amount of \$2,000 to include a Development Agreement including requirement of obtaining a Certificate of Occupancy by December 31, 2019.

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

David Smiglewski
Mayor

ATTEST:
Joan M. Taylor
City Clerk

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

The second request was to amend Resolution No. 18-65 reducing the sale of Lot 1, Block 1, Industrial Park Second Addition to E & H Piping, LLC by \$8,000 (\$1,333.33

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for each expected full-time employee to be working at this facility by June 30, 2020). Should the company not employ 6 full-time personnel by that date the owner will reimburse the city \$1,333.33 for each full-time employee not hired. Following discussion Nordaune introduced a resolution amending Resolution No. 18-65 as stated.

RESOLUTION NO. 18-79

RESOLUTION AMENDING RESOLUTION NO. 18-65
SALE OF CITY-OWNED PROPERTY

WHEREAS, pursuant to Resolution No. 18-65 council authorized the sale of Lot 1, Block 1 Industrial Park Second Addition to E & H Piping, LLC in the amount of \$13,280; and

WHEREAS, the EDA Board is recommending a reduction of \$8,000 (\$1,333.33 per expected full time employee to be working at this facility by June 30, 2020); and

WHEREAS, the buyer agrees to provide evidence by June 30, 2020 that the company has hired 6 full time employees. Any variation in employment will result in a default of the agreed discount of \$1,333.33 per employee not hired. This amount will then be due back to the EDA.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, amending Resolution No. 18-65 authorizing the sale of Parcel #40-040-0105 to E & H Piping LLC in the amount of \$5,000 contingent upon the employment of 6 full time employees by June 30, 2020 and the Development Agreement previously agreed to.

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

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Fagnano, the resolution was adopted unanimously.

PUBLIC HEARING/2018 STREET & UTILITY IMPROVEMENTS: Mayor Smiglewski opened a duly advertised public hearing at 7:19 p.m. to consider the proposed final assessments for the 2018 Street and Utility Improvements. City Engineer Mike Amborn was in attendance to discuss the projects to be completed in this year's program. After questions and comments were taken from numerous residents, Mayor Smiglewski closed the hearing at 7:37 p.m.

Following discussion Nordaune introduced a resolution and moved its adoption approving the final assessment roll as presented for the 2018 Street and Utility Improvements.

RESOLUTION NO. 18-80

RESOLUTION APPROVING FINAL ASSESSMENTS
ON 2018 STREET AND UTILITY IMPROVEMENTS

WHEREAS, pursuant to proper notice duly given as required by law, the Granite Falls City Council has met and heard and passed upon all objections to

the proposed assessment for the 2018 Street and Utility Improvements as follows:

Street/Utility Improvements:

- 11th Avenue from 15th Street to 17th Street – improvement to include complete reconstruction of the street to a 38' width to include new aggregate base, concrete curb and gutter and bituminous surfacing. Also to include the extension of an 8" sanitary sewer line east from the manhole by the apartment garages about 400' to serve the three residences along 17th Street. This project could also include reconnecting the water service to the 6" main in front of these three homes.
- 7th Street from Highway 212 to 12th Avenue – improvement to include complete reconstruction of the street to a 36' width to include new curb and gutter.
- 9th Street from 8th Avenue to 10th Avenue – improvement to include complete reconstruction of the street to a 36' width to include new curb and gutter.

➤ Additional Utility Projects (not assessed)

- Library Parking Lot – improvement to include reconstructing of the existing parking lot and making it handicap accessible at the southeast corner. Also to increase the size of the parking lot to the east to accommodate 90° parking.
- Jet & Televiser Sanitary Sewer

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

1. Such proposed assessments (copies of which are on file in the office of the city clerk) are hereby accepted and shall constitute the special assessments against the lands named herein, and each tract of land therein included is hereby found to be benefited by the proposed improvement in the amount of the assessment levied against it.

2. The assessment for utility improvements shall be payable in equal annual installments extending over a period of fifteen (15) years, the first installment to be payable on or before May 15, 2019, and shall bear interest per annum from the date of the adoption of this assessment resolution. To the first installment shall be added interest on the entire assessment from the date of this resolution until December 31, 2018. To each subsequent installment when due shall be added interest for one year on all unpaid installments.

3. The owner of any property so assessed may, at any time prior to certification of the assessment to the county auditor, pay the whole of the assessment on such property, with interest accrued to the date of payment, to the city finance director, except that no interest shall be charged if the entire assessment is paid within 30 days from the adoption of this resolution, and they may, at any time thereafter pay to the County Auditor the entire amount of the assessment remaining unpaid, with interest accrued to December 31st in the year in which such payment is made. Such payment must be made before November 15th or interest will be charged through December 31st of the next succeeding year.

4. The clerk shall forthwith transmit a certified duplication of this assessment to the county auditor to be extended on the property tax lists of the county, and such assessment shall be collected and paid over time in the same manner as other municipal taxes.

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

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Peterson, the resolution was adopted unanimously.

BONDS: Nordaune introduced the following resolution and moved its adoption authorizing the sale of G.O. IMPROVEMENT BONDS, SERIES 2018A.

EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE
CITY OF GRANITE FALLS, MINNESOTA

HELD: June 18, 2018

Pursuant to due call, a regular meeting of the City Council of the City of Granite Falls, Chippewa and Yellow Medicine Counties, Minnesota, was duly held at the City Hall on June 18, 2018, at 7:00 P.M., for the purpose, in part, of providing for the issuance and sale of General Obligation Improvement Bonds, Series 2018A.

The following members were present: Galow, Otaibi, Nordaune, Smiglewski, Fagnano and Peterson

and the following were absent: None

Member Nordaune introduced the following resolution and moved its adoption:

RESOLUTION NO. 18-81

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE
OF GENERAL OBLIGATION
IMPROVEMENT BONDS, SERIES 2018A, PLEDGING
FOR THE SECURITY THEREOF SPECIAL
ASSESSMENTS, AND LEVYING A TAX FOR THE
PAYMENT THEREOF

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 2018A (the "Bonds" or individually, a "Bond"), pursuant to Minnesota Statutes, Chapters 475 and 429 to finance the construction of various improvement projects within the City (the "Improvements"); and

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

WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent municipal adviser 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 will be solicited by Ehlers; and

WHEREAS, the City Council member designates the Mayor, the City Manager, the Finance Director 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 June 20, 2018; and

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:

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, the maturity schedule, and the amount of the Purchaser's discount is hereby delegated by the City Council to the

Bond Terms.

Original Issue Date; Denominations; Maturities; Term Bond Option. The Bonds shall be dated July 18, 2018, 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.

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:

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.

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").

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.

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.

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

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").

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.

In connection with any notice or other communication to be provided to the Holders pursuant to this Resolution by the City or Bond Registrar with respect to any consent or other action to be taken by Holders, the Depository shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action; provided, that the City or the Bond Registrar may establish a special record date for such consent or other action. The City or the Bond Registrar shall, to the extent possible, give the Depository notice of such special record date not less than 15 calendar days in advance of such special record date to the extent possible.

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.

In the case of a partial prepayment of a Bond, the Holder may, in lieu of surrendering the Bonds for a Bond of a lesser denomination as provided in paragraph 5 hereof, make a notation of the reduction in principal amount on the panel provided on the Bond stating the amount so redeemed.

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:

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.

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

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

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.

Purpose; Cost. 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. Work on the Improvements shall proceed with due diligence to completion. 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.

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, 2019, 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.

Redemption. All Bonds maturing on February 1, 2028, and thereafter, shall be subject to redemption and prepayment at the option of the City on February 1, 2027, 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; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected registered holder of the Bonds 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.

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 of this resolution.

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

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

R-_____ \$_____

GENERAL OBLIGATION IMPROVEMENT BOND, SERIES 2018A

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>CUSIP</u>
___%	FEBRUARY 1, ____	JULY 18, 2018	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

THE CITY OF GRANITE FALLS, CHIPPEWA AND YELLOW MEDICINE COUNTIES, MINNESOTA (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, unless called for earlier redemption, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2019, 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 Bond Trust Services Corporation, in Roseville, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given to Bondholders not less than ten days prior to the Special Record Date. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America. So long as this Bond is registered in the name of the Depository or its Nominee as provided in the Resolution hereinafter described, and as those terms are defined therein, payment of principal of, premium, if any, and interest on this Bond and notice with respect thereto shall be made as provided in the Letter of Representations, as defined in the Resolution, 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, 2028, and thereafter, are subject to redemption and prepayment at the option of the Issuer on February 1, 2027, 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; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected 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 such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the Issuer or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of the Bond, without service charge, a new Bond or Bonds having the same stated maturity and interest rate and of any Authorized Denomination or Denominations, as requested by the Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

Issuance; Purpose; General Obligation. This Bond is one of an issue in the total principal amount of \$_____, all of like date of original issue and tenor, except as to number, maturity, interest rate, denomination and redemption privilege, issued pursuant to and in full conformity with the City Charter, the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council of the Issuer on June 18, 2018 (the "Resolution"), for the purpose of providing money to finance various improvement projects within the jurisdiction of the Issuer. This Bond is payable out of the General Obligation Improvement Bonds, Series 2018A 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,

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

Transfer. This Bond is transferable by the Holder in person or the Holder's attorney duly authorized in writing at the principal office of the Bond Registrar upon presentation and surrender hereof to the Bond Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with the Bond Registrar. Thereupon the Issuer shall execute and the Bond Registrar shall authenticate and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee (but not registered in blank or to "bearer" or similar designation), of an Authorized Denomination or

Denominations, in aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate.

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

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

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

Qualified Tax-Exempt 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

Payable at: BOND TRUST SERVICES CORPORATION

BOND REGISTRAR'S
CERTIFICATE OF
AUTHENTICATION

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

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

/s/ Facsimile
Mayor

/s/ Facsimile

Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless a Certificate of Authentication on the Bond, substantially in the form hereinabove set forth, shall have been duly executed by an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate the signatures of officers of the City on each Bond by execution of the Certificate of Authentication on the Bond and by inserting as the date of registration in the space provided the date on which the Bond is authenticated, except that for purposes of delivering the original Bonds to the Purchaser, the Bond Registrar shall insert as a date of registration the date of original issue, which date is July 18, 2018. The Certificate of Authentication so executed on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.

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 his, her or its 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.

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.

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.

Treatment of Registered Owner. The City and Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in paragraph 12) on,

such Bond and for all other purposes whatsoever whether or not such Bond shall be overdue, and neither the City nor the Bond Registrar shall be affected by notice to the contrary.

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.

Fund and Accounts. There is hereby created a special fund to be designated the "General Obligation Improvement Bonds, Series 2018A Fund" (the "Fund") to be administered and maintained by the Finance Director as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The Fund shall be maintained in the manner herein specified until 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":

Construction Account. To the Construction Account there shall be credited the proceeds of the sale of the Bonds, less capitalized interest and 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. From the Construction Account there shall be paid all costs and expenses of making the Improvements listed in paragraph 16, 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 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.

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) capitalized interest in the amount of \$_____ (together with interest earnings thereon and subject to such other adjustments as are appropriate to provide sufficient funds to pay interest due on the Bonds on or before August 1, 2019); (iii) any amount paid for the Bonds in excess of the minimum bid; (iv) any collection of all taxes herein or hereafter levied for the payment of the Bonds and interest thereon; (v) all funds remaining in the Construction Account after completion of the Improvements and payment of the costs thereof; (vi) all investment earnings on funds held in the Debt Service Account; and (vii) 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 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 the 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").

Assessments. It is hereby determined that no less than twenty percent (20%) 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 benefitted 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 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, including both principal and interest, with interest at a rate per annum set forth below:

<u>Improvement Designation</u>	<u>Levy Years</u>	<u>Collection Years</u>	<u>Amount</u>	<u>Rate</u>
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.

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>
See Attached		

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 (5%) 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.

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

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:

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 five percent of the proceeds of the Bonds.

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.

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 Project to which the Reimbursement Expenditure relates is first placed in service.

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

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

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:

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.

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.

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 amendment.

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 the 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.

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.

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

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.

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.

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 (a) requirements relating to temporary periods for investments, (b) limitations on amounts invested at a yield greater than the yield on the Bonds, and (c) 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 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:

the Bonds are issued by a governmental unit with general taxing powers;

no Bond is a private activity bond;

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

the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City (and all subordinate entities thereof, and all entities 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.

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:

the Bonds are issued after August 7, 1986;

the Bonds are not "private activity bonds" as defined in Section 141 of the Code;

the City hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;

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 2018 will not exceed \$10,000,000; and

not more than \$10,000,000 of obligations issued by the City during this calendar year 2018 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.

Official Statement. The Official Statement relating to the Bonds prepared and distributed by Ehlers is hereby approved and the officers of the City are authorized in connection with the delivery of the Bonds to sign such certificates as may be necessary with respect to the completeness and accuracy of the Official Statement.

Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to Klein Bank in Chaska, Minnesota, on the closing date for further distribution as directed by Ehlers.

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.

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, Nordaune, 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 General Obligation Improvement Bonds, Series 2018A.

WITNESS my hand on June 18, 2018.

Clerk

SCHEDULE A
Bids
(Attached)

SCHEDULE B
Tax levy
(Attached)

With second by Galow, the resolution was adopted unanimously.

MEMORIAL PARK: Jean Garbarini with Damon Farber was in attendance to review the bid received for Phase 1 Improvements to Memorial Park. Following discussion

Fagnano introduced a resolution accepting the bid received from Edman Builders in the amount of \$634,103 with no alternates chosen.

RESOLUTION NO. 18-82

RESOLUTION ACCEPTING BID FOR PHASE 1 IMPROVEMENTS
MEMORIAL PARK

WHEREAS, pursuant to Resolution No. 18-47 council called for bids for Phase 1 Improvements for Memorial Park; and

WHEREAS, the following bid was received:

<u>Base Bid</u>		
	Shelter House Rehab	\$231,252.00
	Restroom Building	\$239,504.00
	Site Improvements & Utilities	<u>\$163,347.00</u>
	TOTAL	\$634,103.00
 <u>Alternates</u>		
#1	Portable Toiler Screen	\$ 3,959.00
#2	Shelter House Stone Repair/Cleaning	\$ 37,705.00
#3	Fireplace Stone/Brick Repair/Cleaning	\$ 14,622.00
#4	Not Used	
#5	Infill Existing Door	\$ 4,536.00
#6	Paint Shelter House Trusses	\$ 2,542.00
#7	Remove Parking Lot & Site Work	(\$71,383.00)
#8	Shelter House Concrete Walk Replacement	\$ 4,772.00

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, awarding the bid received from Edman Builders in the base amount of \$634,103 to complete Phase 1 Improvements at Memorial Park.

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

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Nordaune, the resolution was adopted unanimously.

Jean Garbarini and Kristi Fernholtz were also in attendance to update council regarding Phase II and III Improvements. Following discussion it was the consensus of council to move forward with the grant application for Phase III to include a 10% local share.

REPORTS: The following reports were acknowledged at this time: Finance, Hospital Board, Police Chief, Charter Commission and Granite Falls Historical Society.

LIBRARY: M/S NORDAUNE/GALOW TO APPROVE THE MURAL FOR THE LIBRARY AS PRESENTED. Motion carried unanimously.

TRANSIT: Nordaune introduced the following resolution and moved its adoption authorizing the submittal of the 2019 transit grant.

RESOLUTION NO. 18-83

RESOLUTION APPROVING THE 2019 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 ____ day of June, 2018, as shown by the minutes of said meeting in my possession.

Joan M. Taylor
City Clerk

Notary: _____

With second by Peterson, the resolution was adopted unanimously.

MMUA: Nordaune introduced the following resolution and moved its adoption amending the Drug and Alcohol Testing Policy bringing it up to date with the requirements of the Minnesota Department of Transportation.

RESOLUTION NO. 18-84

RESOLUTION AMENDING DRUG & ALCOHOL TESTING POLICY
FOR COMMERCIAL DRIVERS - MMUA

WHEREAS, the City of Granite Falls has a vital interest in maintaining safe, healthful and efficient working conditions for employees and recognizes that individuals who are impaired because of drugs and/or alcohol jeopardize the safety and health of other workers as well as themselves; and

WHEREAS, in response to regulations issued by the United States Department of Transportation, Minnesota Municipal Utilities Association has requested the city update its Drug & Alcohol Testing Policy.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, amending its Drug & Alcohol Testing Policy as required by the United States Department of Transportation.

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

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Peterson, the resolution was adopted unanimously.

HGAC/Watch Guard (camera & software)	\$20,365.00
Less: YMC Portion of software	(\$1,997.50)
City's Portion of Computer Server	<u>\$6,012.50</u>
Total	\$24,380.00

RESOLUTION NO. 18-85

RESOLUTION ACCEPTING STATE BID FOR PURCHASE
OF POLICE VEHICLE AND BODY CAMERA SYSTEM

WHEREAS, the Police Department is recommending that 2 in-car cameras and 5 body worn cameras be purchased; and

WHEREAS, Yellow Medicine County has agreed to share the expense of purchasing redaction software and a new computer server to store the video data as required; and

WHEREAS, it has been recommended to accept the state bid received from HGAC/Watch Guard as follows:

HGAC/Watch Guard (camera & software)	\$20,365.00
Less: YMC Portion of software	(\$1,997.50)
City's Portion of Computer Server	<u>\$6,012.50</u>
Total	\$24,380.00

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, accepting the state bid for the purchase of the 2 in-car cameras and 5 body-worn cameras with additional software and server for a total amount of \$24,380.

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

David Smiglewski
Mayor

ATTEST:
Joan M. Taylor
City Clerk

With second by Nordaune, the resolution was adopted unanimously.

WATER TOWER: Following review of Change Order No. 1 regarding the contract with Elevation Coating for painting of the two water towers, Galow introduced a resolution authorizing execution of Change Order No. 1 to the contract in the amount of \$19,000.

RESOLUTION NO. 18-86

RESOLUTION AUTHORIZING EXECUTION OF
CHANGE ORDER NO. 1 – WATER TOWER PAINTING

WHEREAS, pursuant to Resolution No. 18-29 council accepted the bid submitted by Elevation Coating in the total amount of \$106,125 for the of the city's two water towers; and

WHEREAS, Elevation Coating has submitted Change Order #1 to cover modifications in design and upgrade in paint used for a total change order in the amount of \$19,000.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, authorizing execution of Change Orders #1 to cover additional costs for painting of the two water towers in the amount of \$19,000.

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

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Nordaune, the resolution was adopted unanimously.

SURPLUS PROPERTY: Following discussion Nordaune introduced a resolution declaring the trench digger and trench box as surplus and authorizing the sale of this equipment.

RESOLUTION NO. 18-87

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

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

WHEREAS, the city has determined that the trench box and trench digger are no longer needed and should be declared surplus property and should be sold.

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

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

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Peterson, the resolution was adopted unanimously.

LIBRARY LANDSCAPING: Nordaune introduced the following resolution and moved its adoption amending Resolution No. 18-72 by accepting the quote from Balfany Construction in the amount of \$1,833 to complete the concrete work at the Library.

RESOLUTION 18-88

RESOLUTION AMENDING RESOLUTION 18-72
LIBRARY LANDSCAPING

WHEREAS, pursuant to Resolution 18-72 council accepted the quote from Soine Construction for the concrete work at the Library in the amount of \$1,870; and

WHEREAS, Soine Construction has now determined that he cannot do the work; and

WHEREAS, an additional bid has been received from Balfany Construction in the amount of \$1,833 to complete the concrete work.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, amending Resolution No. 18-72 accepting the quote from Balfany Construction to complete the concrete work at the Library in the amount of \$1,833.

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

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Fagnano, the resolution was adopted unanimously.

ORDINANCE: Following discussion M/S NORDAUNE/PETERSON TO HAVE THE SECOND READING AND SUBSEQUENT ADOPTION OF AN ORDINANCE OF THE CITY OF GRANITE FALLS, MINNESOTA, AMENDING CITY CODE CHAPTER 150.09 ENTITLED "COMPLETION OF WORK" BY ADDING SUBD. (C) "PROCEDURE FOR UNDERTAKING AN ACTION UNDER 150.09".

ORDINANCE NO. 188 2ND SERIES

AN ORDINANCE OF THE CITY OF GRANITE FALLS, MINNESOTA, AMENDING CITY CODE CHAPTER 150.09 ENTITLED "COMPLETION OF WORK" BY ADDING SUBD. (C) "PROCEDURE FOR UNDERTAKING AN ACTION UNDER 150.09,"

The City of Granite Falls does ordain as follows:

Section 1.

A. Section 150.09 COMPLETION OF WORK, is hereby amended to add the following:

(C) Procedure undertaking an action under 150.09 (A).

(a) In the event a written, verbal, or electronically communicated complaint is filed with the City of Granite Falls, the City of Granite Falls may;

(b) Issue a City Council Resolution authorizing the building inspector to complete an inspection of the property in question;

(c) The building inspector shall inspect the property, if an inspection request is denied by the owner three times, this shall constitute good cause to issue an Order to Declare a Nuisance Property;

(d) Following an inspection, the building inspector shall mail a letter via USPS with his findings within thirty (30) days of the inspection;

(e) If the building inspector finds that the property in question needs work to be completed, the letter shall indicate that the owner has (30) days to apply for a building permit and submit a timetable for completion of the property;

(f) Once the thirty (30) days has passed, the Building Inspector may declare the property a public nuisance and recommend its removal in a letter to the owner and the City Council;

(g) Upon receipt of the recommendation of the Building Inspector to declare the building a public nuisance, the City Council shall hold a public hearing and vote to either declare the property a public nuisance or allow more time for the owner to finish or complete the project;

(h) The property owner shall receive written notice of the hearing in (g) and shall be afforded the opportunity to be heard. If the City Council declares the property a public nuisance by passing a resolution, then in addition to any and all other remedies as may be provided by law, the structure may then be ordered removed or other actions taken;

(i) Once the City Council has passed a resolution to declare the property a public nuisance, the City Attorney's Office shall file an Order to Remove the Public Nuisance Building with the District Court, giving personal notice to the property owner of the Petition pursuant to Minnesota Rules of Civil Procedure;

This amendment is intended to have retroactive effect because it is only intended to give clarification to the city ordinances that are currently in effect.

Adopted by the City Council of the City of Granite Falls, Minnesota, this 18th day of June, 2018, by a unanimous vote of the Council of those present.

ATTEST:

Joan M. Taylor, City Clerk

David Smiglewski, Mayor

This Ordinance published in the Granite Falls-Clarkfield Advocate Tribune on the 27th day of June, 2018.

MN ASSOCIATION OF SMALL CITIES: Following discussion it was the consensus of council to not at this time join the Small Cities Association.

ADJOURN: M/S/P NORDAUNE/PETERSON TO ADJOURN at 8:11 p.m.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

BILLS PAID:

Total ADVOCATE-TRIBUNE:	3,325.73
Total ALMICH'S MARKET:	40.21
Total AMERICAN PUBLIC POWER ASS'N.:	2,000.96
Total AMERICAN TEST CENTER:	1,350.00
Total AMERICAN WELDING & GAS INC:	82.69
Total AMUNDSON, DIANE:	65.00
Total ARTIC GLACIER INC:	416.83
Total ARTISAN BEER COMPANY:	106.20
Total AUS FLOORS & MORE:	3,429.12
Total AUS, NANCY:	100.00
Total BATTERIES PLUS:	170.16
Total BEVERAGE WHOLESALERS:	427.50
Total BNSF RAILWAY COMPANY:	734.26
Total BOLTON & MENK INC:	2,125.00
Total BORDER STATES ELECTRIC SUPPLY:	388.57
Total BREAKTHRU BEVERAGE:	3,069.30
Total CENTRAL MN MUNICIPAL POWER:	140,905.08
Total CENTURYLINK:	1,836.23
Total CINTAS:	108.36
Total CITIZENS ALLIANCE BANK:	5,352.85
Total DAN'S SHOP INC:	15.21
Total DAVE'S ELECTRIC MOTOR CO:	17.70
Total DEPARTMENT OF ENERGY:	10,884.34
Total DEPARTMENT OF HUMAN SERVICES:	5,587.43
Total DTM FLEET SERVICE:	2,136.50

Total DUININCK BROS. INC.:	842.46
Total EMERGENCY AUTOMOTIVE TECH INC:	80.35
Total FARMERS UNION OIL CO.:	6,584.29
Total FARWEST LINE SPECIALTIES LLC:	259.83
Total FORUM COMMUNICATIONS COMPANY:	325.00
Total GRANITE FALLS BANK:	4,071.72
Total GRANITE FALLS LUTHERN CHURCH:	734.18
Total GRANITE TRUE VALUE:	357.22
Total GRAYMONT CAPITAL INC:	4,210.39
Total GRUND, ADAM:	40.00
Total HAWKINS INC:	2,123.88
Total HELPSYSTEMS LLC:	4,758.60
Total HILLYARD-HUTCHINSON:	137.52
Total HOERNEMANN, PAUL:	255.00
Total HOLMSTROM & KVAM PLLP:	1,480.50
Total IMS PLUMBING LLC:	150.35
Total JOHNSON BROS WHOLESALE LIQUOR:	4,426.92
Total KEELER-AUS, RAE ANN:	800.00
Total KISSINGER & FELLMAN P.C.:	493.00
Total LEAGUE OF MN CITIES INS TRUST:	124,596.00
Total LEE'S AUTO & DIESEL:	59.50
Total LIFE FITNESS:	4,222.92
Total LIGHT FUND:	264.12
Total LINCOLN PIPESTONE RURAL WATER:	53.49
Total LOCATORS & SUPPLIES:	390.00
Total LOCHER BROTHERS:	18,514.25
Total MADISON BOTTLING CO.:	6,101.20
Total MARCO TECHNOLOGIES LLC:	533.85
Total MARTIN TRUCKING:	703.20

Total MEDIACOM:	63.01
Total MN DEPT OF COMMERCE:	701.97
Total MN FALLS DEMOLITION LANDFILL:	250.00
Total MN VALLEY COOPERATIVE:	1,063.31
Total MN VALLEY TESTING LAB INC.:	165.00
Total MWOA:	250.00
Total NORTH CENTRAL BUS & EQUIPMENT:	86.92
Total O & S CONSTRUCTION:	1,320.00
Total OFFICE DEPOT:	96.53
Total OFFICE PEEPS:	24.00
Total PETE'S ELECTRIC MOTOR INC:	4,282.43
Total PHILLIPS WINE & SPIRITS CO.:	7,001.46
Total PITNEY BOWES INC.:	317.22
Total PREMIUM QUALITY LIGHTING:	375.52
Total PRENTICE PLACE COMMONS ASSN:	100.51
Total RECREATION SUPPLY COMPANY:	117.25
Total RENTAL RESEARCH SERVICES:	26.50
Total RYER, JERRAD:	75.00
Total SAWMILL, THE:	44.58
Total SEACHANGE PRINTING & MARKETING:	243.06
Total SHERWIN-WILLIAMS:	881.46
Total SHRED-IT USA:	47.60
Total SMIGLEWSKI, DAVID:	54.70
Total SOUTHERN WINE & SPIRITS OF MN:	3,112.99
Total SVOBODNY, JENNIFER:	1,657.00
Total SW-WC SERVICE COOPERATIVES:	35,362.50
Total TIMM, DEREK:	3,187.50
Total TOSTENSON SEPTIC LLC:	525.00
Total TV UNLIMITED:	7.12
Total UHL CO:	1,340.00
Total UNITED STATES TREASURY:	65.54
Total UPS:	12.26
Total VERIZON WIRELESS:	6,223.02
Total VIKING COCA-COLA BOTTLING CO.:	177.75
Total WEST CENTRAL SANITATION:	504.57
Total WINSON, KIRBY:	400.00
Total XCEL ENERGY:	1,373.12
Total XEROX CORPORATION:	62.14
Total YELLOW MEDICINE CO. AUDITOR:	3,150.00
Total YELLOW MEDICINE EAST:	841.10

Grand Totals:	<u>447,834.61</u>
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