

Pursuant to due call and notice thereof, a regular meeting of the North Mankato City Council was held in the Municipal Building Council Chambers on September 7, 2021. Mayor Dehen called the meeting to order at 7:00 pm, asking that everyone join in the Pledge of Allegiance. The following were present for roll call: Council Members Steiner, Norland, Oachs, Whitlock, City Administrator Harrenstein, City Attorney Kennedy, Finance Director McCann, Community Development Director Fischer, Public Works Director Host, and City Clerk Van Genderen.

Approval of Agenda

Council Member Steiner to approve the agenda as presented. Vote on the motion Steiner, Norland, Oachs, Whitlock, and Dehen aye; no nays. Motion carried.

Approval of Council Minutes from August 16, 2021, Council Meeting.

Council Member Steiner moved, seconded by Council Member Whitlock, to approve the Council meeting minutes of August 16, 2021. Vote on the motion Steiner, Norland, Oachs, Whitlock, and Dehen aye; no nays. Motion carried.

Mayor Dehen read the proclamation into the record.

WHEREAS, September 17, 2021, marks the two-hundred-thirty-fourth anniversary of the framing of the Constitution of the United States of America by the Constitutional Convention; and

WHEREAS, it is fitting and proper to accord official recognition to this magnificent document and its memorable anniversary, and to the patriotic celebrations which will commemorate it; and

WHEREAS, Public Law 915 guarantees the issuing of a proclamation each year by the President of the United States of America designating September 17 through 23 as Constitution Week.

NOW THEREFORE I, Mark Dehen, Mayor of North Mankato, by virtue of the power vested in me as Mayor of the City of North Mankato do hereby proclaim September 17 through 23 as:

CONSTITUTION WEEK

And ask our citizens to reaffirm the ideals the Framers of the Constitution had in 1787 by vigilantly protecting the freedoms guaranteed to us through this guardian of our liberties.

Public Hearing, 7 pm Consider Ordinance Authorizing the Issuance of Bonds by the Port Authority of North Mankato in the Maximum Amount of \$4,500,000.

Bond Counsel from Northland Securities Tammy Omdal appeared before Council and stated the Ordinance would allow the North Mankato Port Authority to issue General Obligation bonds with the full faith and credit of the City. The bonds would finance the purchase of property within the just established Industrial Development District. The Ordinance would allow the Port Authority to go through the process of issuing the bonds.

Barb Church, 102 Wheeler Avenue, appeared before Council stated the Council should consider not issuing the bonds as the project seems speculative. Ms. Church said a hotel, golf course, and grocery store were also speculative actions by the City that were not successful and suggested the City leave speculation to private developers. Ms. Church commented the City could have made Ordinance changes to accommodate the situation rather than using taxpayer dollars to purchase the property.

With no one else appearing before Council Mayor Dehen closed the Public Hearing.

Consent Agenda

Council Member Norland moved, seconded by Council Member Steiner, to approve the Consent Agenda.

- A. Bills and Appropriations.
- B. Res. No. 57-21 Accepting Donations/Contributions/Grants.
- C. Authorized the City Administrator to Execute the Developer Agreement for Privately Financed Improvements Waters North Development Phase 1, Part 2 (Waters North No. 2), Upon Receipt of a Cash Deposit or Irrevocable Letter of Credit Equal to the Cities Liability Exposure.
- D. Approved Audio Permit for Arlington Lane on September 25, 2021, from 6:00 p.m. to 10:00 p.m.
- E. Approved Parade Permit for Mount Olive on September 24, 2021, from 8:00 a.m. to 1:00 p.m.

Council Member Oachs requested clarification on Consent Agenda Item C. City Administrator Harrenstein reported the Developer Agreement is for Waters North Phase 1 Part 2 and is a private subdivision. Some of those improvements are public items such as sewers, water mains, and other general improvements. The agreement requires an irrevocable letter of credit or cash deposit equal to the cost of the public improvements. If the private developer does not complete the general improvements, the City will complete the improvements using the funds or credit of the developer. The motion allows the City Administrator to authorize the agreement after the City has received the funds. The City has not received the funds, so we will wait to authorize until after the funds are received.

Vote on the motion Steiner, Norland, Oachs, Whitlock, and Dehen aye; no nays. Motion carried.

Public Comments Concerning Business Items on the Agenda

None.

Business Items

Ordinance No. 144 Authorizing the Issuance of Bonds by the Port Authority of North Mankato in the Maximum Principal Amount of \$4,500,000 for the Purpose of Securing Funds as Needed by the City of North Mankato to Finance the Acquisition of Property within the Webster Avenue Industrial Development District.

City Administrator Harrenstein reported the City was approached with a unique situation early in 2021. The City's settlement agreement with HyLife Foods provided an opportunity to accommodate the need for worker housing. It allowed the Port to enter into a purchase agreement with the lessee. He commented that compared to other assets, there is reason to be hopeful concerning the agreement and the purchase of the property. The hotel is in a prime location, and the City has procured a favorable lease which secures the debt for several years. City Administrator Harrenstein commented that adopting ordinance changes to accommodate the situation would have created permanent changes to the lodging and residential code. He commented that the area is called out for commercial use in long-range planning and the property is still available for private development. City Administrator Harrenstein commented that the property appears to be under better management, and the company has invested in the property. Council Member Steiner requested clarification on if the room that was

pictured in the IDD plan was repaired. City Administrator Harrenstein reported the room had not been repaired as it is not in use, but the exterior of the building has been repaired.

Ms. Omdal reported the process for issuance of the bonds would include a Port Authority meeting on September 20, 2021, setting the sale, and on November 15, 2021, the bonds would be sold, and both the Port and the Council would meet to award the bonds.

Council Member Steiner moved, seconded by Council Member Norland, to Adopt Ordinance No. 144 Authorizing the Issuance of Bonds by the Port Authority of North Mankato in the Maximum Principal Amount of \$4,500,000 for the Purpose of Securing Funds as Needed by the City of North Mankato to Finance the Acquisition of Property within the Webster Avenue Industrial Development District. Vote on the motion Steiner, Norland, Oachs, Whitlock, and Dehen aye; no nays. Motion carried.

Res. No. 58-21 Ordering the Preparation of Report on Improvement for Project No. 21-05 ABCDEF Lor Ray Drive Street and Utility Improvement Project and Project No. 21-06 ABCDEF McKinley Avenue Street and Utility Improvement Project.

City Engineer Sarff reported the resolution would initiate the process for 2022 improvement projects. The projects would include Lor Ray Drive from White Oak to the Reserve and three blocks of McKinley Avenue. Although the preparation of the 2022 budget and 2022-2026 capital improvement program is in progress and has not been adopted, both projects are included in the preliminary budget. They are accounted for in the debt service projections. The Local Road Improvement Program Funds of \$575,000 are available for Lor Ray Drive in 2022 and Municipal State Aid Advancement of \$325,000 and \$1,000,000 in Coronavirus Relief Funds are also available. The project's total estimated cost is \$3,700,000, and with the anticipated funding, bonding would be approximately \$1.8 million. McKinley Avenue is eligible for \$200,000 in Coronavirus Relief Funds. The total estimated cost of McKinley Avenue reconstruction is \$1.5 million, and with anticipated funding, the City would need to bond for \$1.3 million. Since both projects utilize special assessments, it is recommended that the Council adopt the resolution ordering the preparation of the reports to begin the required processes. Mayor Dehen commented that the McKinley Avenue project would continue the City's commitment to improving Presidents' row. The Lor Ray Drive would respond to residents requesting the improvement and move the street from a County road to a City Street. **Council Member Norland moved, seconded by Council Member Steiner, to Adopt Res. No. 58-21 Ordering the Preparation of Report on Improvement for Project No. 21-05 ABCDEF Lor Ray Drive Street and Utility Improvement Project and Project No. 21-06 ABCDEF McKinley Avenue Street and Utility Improvement Project. Vote on the motion Steiner, Norland, Oachs, Whitlock, and Dehen aye; no nays. Motion carried.**

Open Forum

Susan Akland, Representative District 19A, appeared before Council and stated she was glad to speak to the Council and residents. Ms. Akland highlighted actions taken during the legislative session, including an increase of 5% in budget for education and a relatively low tax increase. The City of North Mankato received \$700,000 in Local Road Improvement Funds and funding for LorRay and Somerset. She encouraged the Council and residents to contact her.

Barb Church, 102 Wheeler Avenue, appeared before Council and commented she had concerns about an interaction between staff and a Council member that occurred in January of 2021.

Tom Hagen, 927 Lake Street, appeared before Council and expressed concerns about the Wingert Development Agreement signed on May 7, 2018.

City Administrator and Staff Comments

City Administrator Harrenstein invited residents to Symphony on the Prairie on September 11, 2021, and Bier on Belgrade on September 18, 2021.

City Administrator Harrenstein reminded residents the City is currently under water conservation measures.

City Administrator Harrenstein reported the Water Department was second-runner up for the Dave Neiman Source Water Protection Award for the Wellhead Protection Plan

City Administrator Harrenstein invited residents to a MAPO open house for a proposed pedestrian bridge over Highway 14.

Public Works Director Host reported junk drop-off would be held in October, and a shredding event would be held on October 9, 2021.

Finance Director McCann reminded Council about the Council Budget Work Session on Monday, September 13, 2021, at noon.

Mayor and Council Comments

Council Member Oachs expressed her good wishes to everyone returning to school. She invited businesses to a weekly Business Zoom meeting and mentioned Representative Akland attends when she is available.

Council Member Whitlock invited everyone to Symphony on the Prairie at Benson Park on September 11, 2021. It will be a patriotic celebration.

Mayor Dehen invited residents to attend the Music in the Park series held on Thursdays in September, hosted by the Library.

At 7:43 pm, on a motion by Council Member Norland, seconded by Council Member Oachs, the Council Meeting was adjourned.

Mayor

City Clerk

COUNCIL WORK SESSION SEPTEMBER 13, 2021

Pursuant to due call and notice thereof, a Council Work Session of the North Mankato City Council was held in the Council Chambers on September 13, 2021. Mayor Dehen called the meeting to order at 12:00 pm. The following were present for roll call: Council Members Steiner, Norland, Oachs, Mayor Dehen, City Administrator Harrenstein, Finance Director McCann, and City Clerk Van Genderen. Absent: Council Member Whitlock.

Receive and Discuss 2022 Tax History & Distribution Background and Relevant Strategic Plans.

City Administrator Harrenstein reported a lot was going on in the growing community of North Mankato. The Council would need to make some decisions concerning Federal Funding. He noted the maximum Levy would be adopted at the September 20, 2021, Council Meeting. Council Member Steiner confirmed that the Levy could be reduced before final passage, but Council could not raise the tax levy.

Finance Director McCann reported the taxable market value (TMV) of the community is estimated at nearly \$1.3 billion for 2022, which is a \$50 million increase between 2021 and 2022 in new growth. The total city tax capacity increased by an estimated \$594,045 between 2021 and 2022.

The 2022 tax levy is estimated at \$7.12 million, a 2.0% increase and amounts to approximately \$140,000 in new operating revenue for the City. \$82,000 in income is allocated to the General fund for 2022, and \$57,000 is dedicated to the debt service fund. The value of the community increased by 4.02%, and new construction makes up 1.3% of that increase. The estimated tax rate is 47.897%, a 0.93 percentage point reduction from 2021. Finance Director McCann reviewed the tax classifications and noted that residential parcels makeup 75% of total City parcels and pay 59% of all city tax amounts. Commercial and industrial properties make up 5% of total City parcels and contribute 27% of the City tax levy. The average North Mankato homeowner pays roughly \$1,000 in city taxes. North Mankato ranks in the upper third for TMV, the middle third for Levy, and the bottom third for city tax rates compared to similarly-sized cities.

Finance Director McCann reported the City of North Mankato contains 5,256 parcels with a population of 14,275. The TMV for 2022 is \$1,294,389,316 which is a 4% increase from 2021 with 1.3% of the increase is new growth. The total Net Tax Capacity (NTC) is \$15,354,807. NTC is determined by multiplying the taxable market value of the property by the statutory percentage rates. In 2021 the North Mankato tax levy was \$7.0 million, just 48% of the NTC. The city tax rate in 2021 was 48.83% which was down from 54.56% in 2013. The staff proposed 2022 city tax rate is estimated at 47.897%.

Finance Director McCann reviewed the five tax classifications. Residential and homestead, which averages \$1,033 in City tax payment, makes up 59% of city taxes. Agricultural parcels are averaging \$907.00 in City tax payments or 1% of city taxes. Commercial and industrial parcels are averaging \$7,074 per parcel, making up 27% of total city taxes. Rental and non-homestead parcels average \$1,386 per parcel and make up 15% of city taxes.

Finance Director McCann reviewed the 2022 proposed Levy of \$7,122,995, a 2% increase from 2021. Comparing 2021 tax levies with comparable cities has North Mankato in the middle. The City Tax Rate for 2022 is recommended at 47.897%. In 2014 the tax levy was 54.01% and had steadily decreased over the years.

COUNCIL WORK SESSION SEPTEMBER 13, 2021

Finance Director McCann reviewed the historical property and tax values looking at several homes, commercial and residential buildings and how the proposed tax rate would impact the taxes of the individual parcels dependent upon the increase or decrease of valuation from the County.

City Administrator Harrenstein reported that all of the strategic plans and development plans, and policies that the Council has passed are considered during the budgeting process. He noted that the City's 2015 Strategic Plan and 2017 Strategic Plan had guided the City's budgeting process. In 2021, the City and Council began preparations for the 2022-2026 Strategic Plan. He reported several changes to the plan's format, including the establishment of a mission statement and some changes to five values. The Mission statement states: "Deliver citizens a clean and safe community through responsive, financially sound municipal services that balance resources and responsibilities to maintain public infrastructure, pursue economic development, communicate with the public, manage future growth, and fulfill public trust." Changes to the five values include adding the underlined words:

Adaptability: The ability to innovate and adjust means and methods to resolve to change situations.

Excellence: Going above and beyond expectations.

Responsibility: Taking initiative, ownership, and being accountable for performance.

Integrity: Being honest, impartial, and aligning actions with principles.

Leadership: Achieving a common goal through empathy and by motivating others.

City Administrator Harrenstein commented that an additional change was bridging the specific goals and bringing those goals to the next level. Mayor Dehen requested the Council has the opportunity to review the plan during a Council Work Session.

Receive and Discuss Proposed 2022 Tax Levy Funds; General Fund, Port Authority, and Debt Service Funds.

Finance Director McCann reviewed the Budget Process, including Citywide strategic planning through a five-year financial projection, citizen and stakeholder engagement and analysis, budget reserve and debt policies, economic indicators, property tax collection, and state funding and advisory groups, aligning the strategic planning with department business planning, including city goals and expectations and financial policy direction. The annual budget and five-year CIP include the departments' missions and goals, financial policy direction, service activities, performance measures, finance plans, workforce technology, and facilities. Everything is brought back to ensure that department budgets align with city Goals, financial policy direction, and department missions and goals.

Finance Director McCann reviewed the organizational structure. Mayor Dehen commented that it might be essential to consider reorganizing the organizational chart to reflect the developing cultural and recreation actions the City has become involved in. He suggested moving the Library Director to a quality of life department encompassing the pool, hockey rinks, softball, soccer, and football. He suggested working with Minnesota State University, Mankato, to find sports management interns to assist with the growing department. City Administrator Harrenstein stated staff would work on creating and reorganizing the organizational chart to recognize the developing Culture and Recreation Department.

COUNCIL WORK SESSION SEPTEMBER 13, 2021

Finance Director McCann reviewed the City's staffing history, which had gone from 63.50 Full-Time Equivalents in 2012 to 57.75 in 2016 and is currently proposed at 61 for 2022. The increase includes changing the Aquatics Programming Director to a full-time position to assist the culture and recreation department. The City also hired a full-time Youth Sports Coordinator for the football program. City Administrator Harrenstein commented that sponsorships and registrations completely fund the Youth Sports Coordinator position. The current employee is aware that the salary depends on those elements, which makes the youth football program self-sustaining. City Administrator Harrenstein reported the aquatics position would be moving to a full-time job to assist with tennis, golf, baseball, pool, and soccer program management. The Police Department currently has a vacancy that is in the process of being filled.

Finance Director McCann reported a 10% decrease in Health Insurance costs. City Administrator Harrenstein said South Central Cooperative bid out the health insurance, and Medica won the bid and guaranteed a stabilized rate for the next three years.

Council Member Norland commented that she was amazed that with the growth of the City and the additional work, the City has not increased its staff and recommended that staffing increases be considered. City Administrator Harrenstein commented that the recommendation would be taken under consideration and was considered in conjunction with capital.

Finance Director McCann reviewed the General Fund Revenues proposed in 2022 are \$9,421,580, a decrease of \$136,717. The reduction is a result of moving the swim operations to a swimming facility special revenue fund. Other significant reductions are due to reductions in permits, interest-earning, fines, and other miscellaneous items. The Port Authority General Fund revenues totaled \$94,788 with \$75,000 in property tax support. The remainder relates to TIF administrative fees and loan repayments. The Debt Service Fund Revenues are \$2,973,314 with a tax levy of \$1,747,420, and the remainder is comprised of sales tax, special assessments, state aid, and TIF payments.

The total outstanding projected debt for 2022 is \$35,866,200. The 2022 budget includes a proposed debt issuance of \$3.5 million.

Finance Director McCann reviewed the General Fund Revenues, which included a reduction in Sales Tax due to moving the Swim Facility to a new fund, and an increase of \$12,000 in Franchise Tax due to new connections.

City Administrator Harrenstein commented that the increase reflected an increase in water and sewer connections.

Finance Director McCann reported a projected decrease in license and permit fees and an increase in building permit fees. The main decline is due to moving the pool and concession fees to a new fund upon the recommendation of the auditors and Council direction. The adopted 2021 Budget had total revenue of \$9,558,297, while the proposed 2022 revenue is \$9,421,580.

Finance Director McCann reviewed the General Fund Expenditures. The 2021 adopted expenditures was \$9,459,520 and the 2022 proposed budget is \$9,413,912 or a decrease of \$45,608. Decreases included moving the Mankato Flood station payments from the General Fund to the Storm Fund. Increases include an additional \$100,580 to the Parks Fund, bringing funding back to pre-COVID-19 levels.

City Administrator Harrenstein reported that the budget includes transfers out to Caswell Park to cover operation costs for the proposed Caswell Indoor Recreation Center when looking at the outlying year expenditures. So when the structure is built, the City is already planning for the potential outlay to maintain the facility.

COUNCIL WORK SESSION SEPTEMBER 13, 2021

City Administrator Harrenstein directed Council to page 44 of the document to review Miscellaneous Funds and Transfers Out. He noted a decrease in firework expenses due to not anticipating fireworks for Fun Days in 2022 and an increase of \$50,000 in Transfers to the Capital Facilities Fund to restore it to pre-Covid levels in the Transfers out. He also noted the stable amount being transferred to the Caswell Sports Fund of \$77,000. A discussion was held on ways to make Caswell Park cash flow.

City Administrator Harrenstein reviewed the Area Agency Disbursements, including regular contributions made to groups or organizations in the community or that the City is a member of. It includes payments for contracts, services, and transit. It was noted that the Mankato Flood Station Control was moved to the General Fund from the Storm Water Fund and decreased by \$55,000. The City Center Partnership-Art Sculpture Walk was transferred to the Port Authority Fund. Mayor Dehen commented that he would be interested in working with the Twin Rivers Center for the Arts to pursue an RFP to paint the flood wall.

A review of the Port Authority Fund General Fund included \$94,788 in revenues, an increase of approximately \$2,700, primarily from TIF Administrative Fees. Port expenditures are anticipated at \$93,989. Mayor Dehen requested clarification on when the 429 Belgrade Avenue TIF district would be completed. Council Member Oachs asked for clarification on what will happen with the 264 TIF District as the bank has been built, but the restaurant has not been completed. City administrator Harrenstein reported the TIF District was created so the developer will not receive any benefits unless the entire project is completed. Mayor Dehen commented the developer is still working to see if he can complete the project.

Finance Director McCann reviewed the Debt Service Fund. Which included the new debt accrued in 2021 of \$11,335,000, increasing the total debt to \$35,120,300. In 2022 the City is anticipating bonding for an additional \$3.5 million. Mayor Dehen requested the addition to the chart of the \$4.5 million for the hotel. City Administrator Harrenstein suggested decreased bonding to \$1 million in 2023 and 2024 due to a projected decrease in the cash reserves below where staff would be comfortable. The reserve would still be within policy guidelines but lower than staff would necessarily be comfortable with. Mayor Dehen commented that the City had done an excellent job of managing spending, allowing the Tax Levy's decrease.

Finance Director McCann presented four preliminary tax levy options, which included capturing only the new growth for an increase of 1.27% or \$88,688, the recommended 2% or \$139,667 increase, a 2.5% increase or \$174,583, and a flat tax rate which would be a 3.98% increase of \$277,957. A discussion was held that the Council would set the preliminary tax rate at the next Council Meeting, and the Council could decrease the Levy but not increase. Mayor Dehen suggested the preliminary rate be set at the flat rate to allow continued budget discussion and when the final levy is set it could be decreased.

Council Member Norland moved, seconded by Council Member Oachs, to adjourn the Council Work Session at 1:54 pm.

Mayor

City Clerk



City of North Mankato, MN

Claims List - Regular

By Vendor Name

Date Range: 9-20-21

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-APBNK						
00416	1st LINE/LEEWEES VENTURES LLC	09/20/2021	Regular	0	868.00	94773
00008	A+ SYSTEMS GROUP	09/20/2021	Regular	0	697.40	94774
00009	A-1 KEY CITY LOCKSMITHS, INC	09/20/2021	Regular	0	129.00	94775
03358	AAA STRIPING SERVICE CO.	09/20/2021	Regular	0	7,522.33	94776
00093	ARNOLD'S OF MANKATO, INC.	09/20/2021	Regular	0	32.32	94777
02959	ARTIFACT	09/08/2021	Regular	0	475.00	94747
02673	B&B TREE MOVING AND LANDSCAPING, LLC.	09/20/2021	Regular	0	41,000.00	94778
02655	BENFIELD, MARK	09/15/2021	Regular	0	300.00	94753
00232	CEMSTONE CONCRETE MATERIALS, LLC	09/20/2021	Regular	0	480.00	94779
02757	CINTAS	09/20/2021	Regular	0	181.99	94780
00255	CITY OF MANKATO	09/20/2021	Regular	0	144,154.22	94781
03609	CONLEY, MARK	09/15/2021	Regular	0	390.00	94754
03619	DESTINATIONS INTERNATIONAL	09/20/2021	Regular	0	2,370.00	94782
00344	DIAMOND VOGEL PAINT CENTER	09/20/2021	Regular	0	142.79	94783
00364	DRUMMER'S GARDEN CENTER & FLORAL	09/20/2021	Regular	0	244.93	94784
03404	EICHHORN, RON	09/15/2021	Regular	0	330.00	94755
03394	ELLENZ, MIKE	09/15/2021	Regular	0	330.00	94756
00409	FERGUSON ENTERPRISES, INC	09/20/2021	Regular	0	88.81	94785
00499	GRAINGER	09/20/2021	Regular	0	25.16	94786
00525	HANCOCK CONCRETE PRODUCTS LLC	09/20/2021	Regular	0	168.84	94787
00595	HY-VEE, INC.	09/20/2021	Regular	0	1,119.01	94788
03033	JANESVILLE TILE SUPPLY	09/20/2021	Regular	0	1,225.20	94789
03614	JOHNSON, GREGG	09/15/2021	Regular	0	330.00	94757
00681	KELLER, TOM	09/15/2021	Regular	0	375.00	94758
03608	KELLERMAN, JEFFREY	09/15/2021	Regular	0	330.00	94759
03610	KEMMER, BLAIR	09/15/2021	Regular	0	360.00	94760
00639	KIBBLE EQUIPMENT LLC	09/20/2021	Regular	0	51.40	94790
00718	KUNKEL ELECTRIC, INC.	09/20/2021	Regular	0	4,238.15	94791
03416	KUNKEL, JOE	09/20/2021	Regular	0	350.00	94792
00754	LEAGUE OF MINNESOTA CITIES	09/20/2021	Regular	0	30.00	94793
00754	LEAGUE OF MINNESOTA CITIES	09/20/2021	Regular	0	13,523.00	94794
00800	MADDEN, GALANTER, HANSEN, LLP	09/20/2021	Regular	0	378.00	94795
00805	MAGFA	09/15/2021	Regular	0	645.13	94771
02059	MANKATO REFRIGERATION, LLC	09/20/2021	Regular	0	329.30	94796
00847	MATHESON TRI-GAS, INC.	09/20/2021	Regular	0	188.80	94797
00920	MINNESOTA DEPARTMENT OF HEALTH	09/20/2021	Regular	0	23.00	94798
02055	MINNESOTA/WISCONSIN PLAYGROUND	09/20/2021	Regular	0	3,290.00	94799
02802	MINUTEMAN PRESS	09/20/2021	Regular	0	22.44	94800
03611	MORRISSEY, LORI	09/15/2021	Regular	0	360.00	94761
02895	MOTEL 6	09/20/2021	Regular	0	2,462.57	94801
00988	MOTOROLA SOLUTIONS, INC.	09/20/2021	Regular	0	4,377.25	94802
01037	NICOLLET COUNTY	09/15/2021	Regular	0	80.00	94772
02060	NORTHERN COMFORT	09/20/2021	Regular	0	225.00	94803
01076	OLD DOMINION BRUSH	09/20/2021	Regular	0	4,384.68	94804
03613	OLIVAREZ, JOE	09/15/2021	Regular	0	300.00	94762
03616	PETTIT, BRAD	09/15/2021	Regular	0	330.00	94763
01106	PETTY CASH	09/20/2021	Regular	0	123.45	94805
02512	PLAY IT AGAIN SPORTS	09/20/2021	Regular	0	500.00	94806
02769	PRESENCE MAKER INC.	09/20/2021	Regular	0	8,690.24	94807
03149	RADEMAKER, CHAD	09/15/2021	Regular	0	360.00	94764
01170	RAMY TURF PRODUCTS	09/20/2021	Regular	0	126.50	94808
03618	RENEE MARIE'S CUISINE LLC	09/20/2021	Regular	0	625.68	94809
03069	RINK SYSTEMS	09/20/2021	Regular	0	444.00	94810
03612	RUX, KELLY	09/15/2021	Regular	0	330.00	94765
03563	SAFE-FAST, INC	09/20/2021	Regular	0	997.50	94811
01263	SCHWICKERT'S TECTA AMERICA LLC	09/20/2021	Regular	0	511.44	94812
01278	SHERWIN-WILLIAMS CO.	09/20/2021	Regular	0	151.14	94813

01349	STONE & STEEL DESIGN, LLC	09/20/2021	Regular	0	466.56	94814
01352	STREICHER'S, INC	09/20/2021	Regular	0	454.97	94815
01354	SUBURBAN TIRE WHOLESale, INC.	09/20/2021	Regular	0	1,474.20	94816
03305	THORNTON, MEREDITH	09/20/2021	Regular	0	120.00	94817
03617	TIEDEKEN, BRAD	09/15/2021	Regular	0	300.00	94766
01409	TOPPERS & TRAILERS PLUS	09/20/2021	Regular	0	100.62	94818
03283	TOTAL LAWN CARE & LANDSCAPE	09/20/2021	Regular	0	114.00	94819
03427	TRUCK CENTER COMPANIES	09/20/2021	Regular	0	792.82	94820
03615	TUNSETH, TWYLA	09/15/2021	Regular	0	330.00	94767
02150	U.S. BANK	09/20/2021	Regular	0	450.00	94821
01525	WEST CENTRAL SANITATION, INC.	09/20/2021	Regular	0	29,324.56	94822
03474	WHY NOT EVENTS	09/20/2021	Regular	0	2,400.00	94823
01544	WINTER EQUIPMENT CO., INC.	09/20/2021	Regular	0	9,901.55	94824
02058	CONSOLIDATED COMMUNICATIONS	09/07/2021	Bank Draft	0	70.75	DFT0005888
02058	CONSOLIDATED COMMUNICATIONS	09/07/2021	Bank Draft	0	50.21	DFT0005889
02058	CONSOLIDATED COMMUNICATIONS	09/07/2021	Bank Draft	0	1,542.28	DFT0005890
02058	CONSOLIDATED COMMUNICATIONS	09/07/2021	Bank Draft	0	42.94	DFT0005891
02058	CONSOLIDATED COMMUNICATIONS	09/07/2021	Bank Draft	0	44.21	DFT0005892
02058	CONSOLIDATED COMMUNICATIONS	09/07/2021	Bank Draft	0	202.73	DFT0005893
02058	CONSOLIDATED COMMUNICATIONS	09/07/2021	Bank Draft	0	209.70	DFT0005894
00311	CULLIGAN WATER CONDITIONING	09/03/2021	Bank Draft	0	31.00	DFT0005881
00311	CULLIGAN WATER CONDITIONING	09/03/2021	Bank Draft	0	31.00	DFT0005882
02750	DPS MEDIA	09/15/2021	Bank Draft	0	191.26	DFT0005887
00511	GREENCARE	09/03/2021	Bank Draft	0	315.51	DFT0005880
03539	METRONET	09/15/2021	Bank Draft	0	5,534.12	DFT0005907
00923	MINNESOTA DEPARTMENT OF LABOR & INDU:	09/07/2021	Bank Draft	0	10.00	DFT0005885
01130	POSTMASTER	09/03/2021	Bank Draft	0	210.00	DFT0005883
03279	STERICYCLE INC	09/07/2021	Bank Draft	0	26.25	DFT0005884
01470	VERIZON WIRELESS	09/07/2021	Bank Draft	0	824.87	DFT0005886
00551	A.H. HERMEL COMPANY	09/22/2021	EFT	0	3,478.67	4370
00016	ADAMS, NICOLE	09/22/2021	EFT	0	59.39	4371
00028	AFFORDABLE TOWING OF MANKATO, INC.	09/22/2021	EFT	0	45.00	4372
02254	ALBRIGHT LAWNS	09/22/2021	EFT	0	220.00	4373
00063	AMERICAN PEST CONTROL	09/22/2021	EFT	0	200.00	4374
01090	AMERICAN SOLUTIONS FOR BUSINESS	09/22/2021	EFT	0	301.56	4375
00105	AUTO VALUE MANKATO	09/22/2021	EFT	0	175.08	4376
00174	BOLTON & MENK, INC.	09/22/2021	EFT	0	17,987.00	4377
00216	C & S SUPPLY CO, INC.	09/22/2021	EFT	0	182.43	4378
02706	CORE & MAIN LP	09/22/2021	EFT	0	310.70	4379
00322	DALCO	09/22/2021	EFT	0	500.13	4380
00343	DH ATHLETICS LLC	09/22/2021	EFT	0	11,123.75	4381
00369	EBSco INFORMATION SERVICES	09/22/2021	EFT	0	36.88	4382
00373	ECKERT, LELAND	09/16/2021	EFT	0	360.00	4369
03199	EVERBRIDGE, INC	09/22/2021	EFT	0	6,000.00	4383
03076	FREYBERG MANAGEMENT	09/22/2021	EFT	0	297.16	4384
01098	GILLETTE GROUP/PEPSI-COLA	09/22/2021	EFT	0	3,110.85	4385
00482	GMS INDUSTRIAL SUPPLIES, INC.	09/22/2021	EFT	0	261.44	4386
00494	GOPHER STATE ONE-CALL	09/22/2021	EFT	0	287.55	4387
00538	HAWKINS, INC.	09/22/2021	EFT	0	32.50	4388
00646	HEINTZ, KATIE	09/22/2021	EFT	0	127.53	4389
00596	I & S GROUP, INC.	09/22/2021	EFT	0	26,600.00	4390
00680	J.J. KELLER & ASSOCIATES, INC.	09/22/2021	EFT	0	1,017.60	4391
00657	JT SERVICES	09/22/2021	EFT	0	2,340.00	4392
00691	KENNEDY & KENNEDY LAW OFFICE	09/22/2021	EFT	0	8,654.40	4393
00776	LLOYD LUMBER CO.	09/22/2021	EFT	0	898.80	4394
02644	MACQUEEN EMERGENCY GROUP	09/22/2021	EFT	0	524.89	4395
00825	MANKATO MOTOR COMPANY	09/22/2021	EFT	0	55.86	4396
00874	MENARDS-MANKATO	09/22/2021	EFT	0	98.16	4397
00902	MINNESOTA IRON & METAL CO	09/22/2021	EFT	0	750.00	4398
03022	MINNESOTA PAVING & MATERIALS	09/22/2021	EFT	0	997.15	4399
00956	MINNESOTA WASTE PROCESSING CO.	09/22/2021	EFT	0	27,913.44	4400
02323	MOBOTREX	09/22/2021	EFT	0	1,550.00	4401
01005	MUSCO SPORTS LIGHTING, LLC	09/22/2021	EFT	0	60,126.95	4402
01052	NORTH CENTRAL INTERNATIONAL	09/22/2021	EFT	0	1,258.82	4403
01062	NORTHERN SAFETY TECHNOLOGY, INC.	09/22/2021	EFT	0	1,244.85	4404
03160	NOVEL SOLAR THREE LLC (DBA GREEN STREET	09/22/2021	EFT	0	5,426.18	4405
02245	ONSITE	09/22/2021	EFT	0	3,343.94	4406

01402	POMPS TIRE	09/22/2021	EFT	0	476.52	4407
01179	RED FEATHER PAPER CO.	09/22/2021	EFT	0	1,643.74	4408
01211	RIVER BEND BUSINESS PRODUCTS	09/22/2021	EFT	0	908.08	4409
01281	SIGN PRO	09/22/2021	EFT	0	118.00	4410
01429	TURFWERKS	09/22/2021	EFT	0	601.10	4411
01478	VIKING FIRE & SAFETY LLC	09/22/2021	EFT	0	35.00	4412
01479	VINE FAITH IN ACTION	09/22/2021	EFT	0	12,000.00	4413
01552	WW BLACKTOPPING, INC	09/22/2021	EFT	0	34,307.42	4414
03482	CARDCONNECT	09/03/2021	Bank Draft	0	1,923.41	DFT0005897
02181	ETS CORPORATION	09/03/2021	Bank Draft	0	2,645.95	DFT0005896
02003	MINNESOTA DEPT OF REVENUE	09/02/2021	Bank Draft	0	441.18	DFT0005878
02003	MINNESOTA DEPT OF REVENUE	09/09/2021	Bank Draft	0	6,300.30	DFT0005904
02003	MINNESOTA DEPT OF REVENUE	09/09/2021	Bank Draft	0	17,319.00	DFT0005909
03029	OPEN EDGE	09/03/2021	Bank Draft	0	179.86	DFT0005898
02766	SPROUT SOCIAL	09/07/2021	Bank Draft	0	99.00	DFT0005895
					<u>\$ 574,582.00</u>	<u>139</u>

Authorization Signatures

All Council

The above manual and regular claims lists for 9-20-21 are approved by:

MARK DEHEN- MAYOR

DIANE NORLAND- COUNCIL MEMBER

WILLIAM STEINER- COUNCIL MEMBER

SANDRA OACHS- COUNCIL MEMBER

JAMES WHITLOCK- COUNCIL MEMBER

RESOLUTION APPROVING DONATIONS/CONTRIBUTIONS/GRANTS

WHEREAS, the Minnesota Statute 465.03 and 465.04 allows the governing body of any city, county, school district or town to accept gifts for the benefit of its citizens in accordance with terms prescribed by the donor;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA, that the following donations/contributions/grants are approved as follows:

Donor	Restriction	Amount
Julie O'Neil	Swim Scholarship	\$10.00
Anonymous	Book Donation	\$30.00
Total		\$40.00

Adopted by the City Council this 13th day of September 2021.

Mayor

City Clerk



1001 Belgrade Avenue
North Mankato, MN 56003
507-625-4141 Fax: 507-625-4151
www.northmankato.com

Audio Permit _____ 2019
Park Permit _____ 2019

Audio Permit

About:

An audio permit is required for anyone operating outdoor amplified sound (i.e., a loudspeaker, public address system, or sound amplifying equipment). All Audio Permits must be approved by the Council. The sound system cannot be operated before 7:00 am or after 10:00 pm. There is a \$25 fee.

Audio Permit Responsibilities:

- An onsite event coordinator must be available by mobile during the event.
- An applicant will provide a schedule of any music or entertainment proposed to occur during the event.
- A beginning and end time must be supplied on the application, and the event coordinator must ensure compliance.
- Applicants must comply with City Code Ordinance 90.045 and Minnesota Rules Chapter 7030, which limits noise.
- Noise levels cannot exceed 60 dBA more than 50 percent of the time.

What happens if there is a noise complaint?

- A North Mankato Patrol Officer will meet with the complainant and evaluate and measure the noise using a decibel reader at the location of the complainant.
- If the noise is found out of compliance, the Patrol Officer will contact the onsite event coordinator, and the amplified sound must be turned down.
- If the onsite event coordinator does not comply, the event will be immediately terminated, and the group will be disbursed.
- Failure to comply will affect future ability to obtain an audio permit.

AMPLIFIED SOUND: ☒ LIVE MUSIC/BAND
☒ DJ/KARAOKE MACHINE
☐ OTHER: _____

DATE OF EVENT: September 24, 25, 26
BEGIN TIME: 8 am
END TIME: 10 pm

LOCATION / SHELTER: Hockey Rinks

EVENT NAME: Kato fall Classic - Bike Polo Tournament

ONSITE COORDINATOR: PRINT NAME: Brian Gusewisch

MOBILE NUMBER: 507 340 0603

☒ I, THE UNDERSIGNED, HAVE RECEIVED THE AUDIO PERMIT AND UNDERSTAND THAT FAILURE TO COMPLY WITH THE AUDIO POLICY MAY TERMINATE THE EVENT AND PREVENT FUTURE ABILITY TO OBTAIN AN AUDIO PERMIT.

SIGNATURE: [Signature] DATE: 9-9-21

CITY CLERK: _____

☐ DENIED ☐ APPROVED

☐ BOOK ☒ POLICE ☐ ONLINE ☒ \$25.00 FEE

STAFF INITIALS _____



1001 Belgrade Avenue
North Mankato, MN 56003
507-625-4141 Fax: 507-625-4151
www.northmankato.com

Audio Permit _____ 2021
Park Permit _____ 2021

Audio Permit

About:

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- If the onsite event coordinator does not comply, the event will be immediately terminated, and the group will be disbursed.
- Failure to comply will affect future ability to obtain an audio permit.

AMPLIFIED SOUND:

- ☐ LIVE MUSIC/BAND
☐ DJ/KARAOKE MACHINE
☒ OTHER: Outdoor Movie

DATE OF EVENT: 10/15/21

BEGIN TIME: 7:00

END TIME: 9:30 - most likely earlier

LOCATION / SHELTER: Bridges Community School

EVENT NAME: Bridges Family Movie Night

ONSITE COORDINATOR: PRINT NAME: Bekah Sands

MOBILE NUMBER: 858-761-2080

☒ I, THE UNDERSIGNED, HAVE RECEIVED THE AUDIO PERMIT AND UNDERSTAND THAT FAILURE TO COMPLY WITH THE AUDIO POLICY MAY TERMINATE THE EVENT AND PREVENT FUTURE ABILITY TO OBTAIN AN AUDIO PERMIT.

SIGNATURE: Bekah Sands

DATE: 9/13/21

CITY CLERK: _____

☐ DENIED ☐ APPROVED

☐ BOOK ☒ POLICE ☐ ONLINE ☐ \$25.00 FEE

STAFF INITIALS _____

CITY OF NORTH MANKATO

REQUEST FOR COUNCIL ACTION



Agenda Item # 10A	Dept: Finance	Council Meeting Date: 9/20/21
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TITLE OF ISSUE: Consider Resolution Approving a Proposed Maximum Tax Levy.

BACKGROUND AND SUPPLEMENTAL INFORMATION: Finance Director McCann will review the proposed maximum tax levy options.

If additional space is required, attach a separate sheet

REQUESTED COUNCIL ACTION: Resolution Approving a Proposed Maximum Tax Levy.

For Clerk's Use:

 Motion By: _____
 Second By: _____

Vote Record:	Aye	Nay	
	_____	_____	Norland
	_____	_____	Oachs
	_____	_____	Whitlock
	_____	_____	Steiner
	_____	_____	Dehen

SUPPORTING DOCUMENTS ATTACHED

Resolution	Ordinance	Contract	Minutes	Map
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other (specify) _____

<input type="checkbox"/>	Workshop
<input checked="" type="checkbox"/>	Regular Meeting
<input type="checkbox"/>	Special Meeting

<input type="checkbox"/>	Refer to: _____
<input type="checkbox"/>	Table until: _____
<input type="checkbox"/>	Other: _____

RESOLUTION APPROVING A PROPOSED TAX LEVY

WHEREAS, Minnesota Statute 275.065 requires that on or before September 30, each taxing authority shall certify to the County Auditor, that proposed property tax levy for taxes payable in the following year; and

WHEREAS, an estimate of the required property taxes for collection in the City of North Mankato for the tax year payable 2022 has been made;

WHEREAS, the City Council will hold subsequent meetings at which the budget and levy will be discussed and at which public comment will be permitted. The meetings will be held in the Council Chambers of the Municipal Building, 1001 Belgrade Avenue, North Mankato, Minnesota as follows:

December 6, 2021	7 p.m.	Public Hearing
December 20, 2021	7 p.m.	Public Hearing (if necessary)
December 20, 2021	7 p.m.	Adopt 2022 Budget and Tax Levy

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA, that the following sums of money be levied for the current year, collectible in 2022, upon taxable property in the City of North Mankato, for the following purposes:

- General Fund ---- \$ 5,300,575
- Port Authority --- \$ 75,000
- Debt Service ----- \$ 1,346,736
- Abatement ----- \$ 400,684
- Additional Levy - \$ TBD
- ---

TOTAL LEVY ----- \$ TBD

The City Clerk is hereby instructed to transmit a certified copy of this resolution to the Nicollet County Auditor on or before September 30, 2021. This levy shall be subject to modification by the City Council.

Adopted by the City Council this 20th day of September, 2021.

Mayor

ATTEST:

City Clerk

2022 Levy Options

		1	2	3	4	5
	<u>2021 Levy</u>	<u>New Growth</u>	<u>2% Levy Increase</u>	<u>2.5% Levy Increase</u>	<u>3.0% Levy Increase</u>	<u>Flat Tax Rate</u>
General Fund Levy Port Authority	5,218,162	5,264,596	\$5,300,575	\$5,300,575	\$5,300,575	\$5,300,575
	75,000	75,000	75,000	75,000	75,000	75,000
Debt Service Tax Abatement Additional Levy	1,213,070	1,331,736	1,346,736	1,346,736	1,346,736	1,346,736
	477,096	400,684	400,684	400,684	400,685	400,684
				\$34,917	\$69,832	\$138,290
Total Tax Levy	\$6,983,328	7,072,016	\$7,122,995	\$7,157,911	\$7,192,828	\$7,261,285
Levy Increase		\$88,688	\$139,667	\$174,583	\$209,500	\$277,957
% Increase		1.27%	2.00%	2.50%	3.00%	3.98%
+/- New Growth			\$50,979	\$85,895	\$120,812	\$189,269
Tax Rate & Est. Tax Rate	48.827%	47.554%	47.897%	48.132%	48.367%	48.827%
Tax Rate Change		-1.273%	-0.930%	-0.695%	-0.460%	0.000%

**Staff Recommendation*

CITY OF NORTH MANKATO

REQUEST FOR COUNCIL ACTION



Agenda Item # 10B	Dept: Finance	Council Meeting Date: 9/20/21
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TITLE OF ISSUE: Consider Resolution Providing for the Competitive Negotiated Sale of General Obligation Refunding Bonds, Series 2021C.

BACKGROUND AND SUPPLEMENTAL INFORMATION: Finance Director McCann will provide information on the proposed General Obligation Refunding Bonds, Series 2021C.

If additional space is required, attach a separate sheet

REQUESTED COUNCIL ACTION: Resolution Resolution Providing for the Competitive Negotiated Sale of General Obligation Refunding Bonds, Series 2021C.

For Clerk's Use:

Motion By: _____
 Second By: _____

Vote Record:

	Aye	Nay	
_____	_____	_____	Norland
_____	_____	_____	Oachs
_____	_____	_____	Whitlock
_____	_____	_____	Steiner
_____	_____	_____	Dehen

SUPPORTING DOCUMENTS ATTACHED

Resolution	Ordinance	Contract	Minutes	Map
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (specify) _____				

<input type="checkbox"/> Workshop <input checked="" type="checkbox"/> Regular Meeting <input type="checkbox"/> Special Meeting	
--	--

<input type="checkbox"/> Refer to: _____ <input type="checkbox"/> Table until: _____ <input type="checkbox"/> Other: _____	
--	--

EXTRACT OF MINUTES OF A MEETING
OF THE CITY COUNCIL
CITY OF NORTH MANKATO, MINNESOTA

HELD: SEPTEMBER 20, 2021

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of North Mankato, Nicollet and Blue Earth Counties, Minnesota, was duly held at the City Hall on September 20, 2021, at 7:00 P.M. for the purpose in part of authorizing the competitive negotiated sale of the \$2,675,000 General Obligation Refunding Bonds, Series 2021C.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 61-21

RESOLUTION PROVIDING FOR THE COMPETITIVE NEGOTIATED SALE OF
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021C

A. WHEREAS, the City Council of the City of North Mankato, Minnesota (the "City"), has heretofore determined that it is necessary and expedient to issue General Obligation Refunding Bonds, Series 2021C (the "Bonds") to current refund (i) the City's General Obligation Improvement Bonds, Series 2010A, dated December 1, 2010 and (ii) the City's General Obligation Bonds, Series 2014A, dated July 1, 2014; and

B. WHEREAS, the City has retained Northland Securities, Inc., in Minneapolis, Minnesota ("Northland"), as its independent municipal advisor and is therefore authorized to sell the Bonds by competitive negotiated sale in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9); and

C. WHEREAS, the City has retained Taft Stettinius & Hollister LLP, in Minneapolis, Minnesota as its bond counsel for purposes of this financing.

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

1. Authorization. The City Council hereby authorizes Northland to solicit proposals for the competitive negotiated sale of the Bonds.

2. Meeting; Proposal Opening. The City Council shall meet at the time and place specified in the Notice of Sale, in substantially the form attached hereto as Attachment A, for the purpose of considering sealed proposals for and awarding the sale of the Bonds. The City

Administrator, or designee, shall open proposals at the time and place specified in the Notice of Sale.

3. Notice of Sale. The terms and conditions of the Bonds and the negotiation thereof are in substantially in the form set forth in the Notice of Sale attached hereto as Attachment A and hereby approved and made a part hereof.

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

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

and the following voted against the same:

Whereupon the resolution was declared duly passed and adopted.

STATE OF MINNESOTA
COUNTIES OF NICOLLET AND BLUE EARTH
CITY OF NORTH MANKATO

I, the undersigned, being the duly qualified and acting Clerk of the City of North Mankato, 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 the City's \$2,675,000 General Obligation Refunding Bonds, Series 2021C.

WITNESS my hand on September 20, 2021.

City Clerk

ATTACHMENT A

NOTICE OF SALE

\$2,675,000*

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021C

CITY OF NORTH MANKATO, MINNESOTA

(Book-Entry Only)

NOTICE IS HEREBY GIVEN that these Bonds will be offered for sale according to the following terms:

TIME AND PLACE:

Proposals (also referred to herein as “bids”) will be opened by the City’s Administrator, or designee, on Monday, November 1, 2021, at 10:00 A.M., CT, at the offices of Northland Securities, Inc. (the City’s “Municipal Advisor”), 150 South 5th Street, Suite 3300, Minneapolis, Minnesota 55402. Consideration of the Proposals for award of the sale will be by the City Council at its meeting at the City Offices beginning Monday, November 1, 2021 at 7:00 P.M., CT.

SUBMISSION OF PROPOSALS

Proposals may be:

- a) submitted to the office of Northland Securities, Inc.,
- b) faxed to Northland Securities, Inc. at 612-851-5918,
- c) emailed to PublicSale@northlandsecurities.com
- d) for proposals submitted prior to the sale, the final price and coupon rates may be submitted to Northland Securities, Inc. by telephone at 612-851-5900 or 612-851-5915, or
- e) submitted electronically.

Notice is hereby given that electronic proposals will be received via PARITY™, or its successor, in the manner described below, until 10:00 A.M., CT, on Monday, November 1, 2021. Proposals may be submitted electronically via PARITY™ or its successor, pursuant to this Notice until 10:00 A.M., CT, but no Proposal will be received after the time for receiving Proposals specified above. To the extent any instructions or directions set forth in PARITY™, or its successor, conflict with this Notice, the terms of this Notice shall control. For further information about PARITY™, or its successor, potential bidders may contact Northland Securities, Inc. or i-Deal® at 1359 Broadway, 2nd floor, New York, NY 10018, telephone 212-849-5021.

Neither the City nor Northland Securities, Inc. assumes any liability if there is a malfunction of PARITY™ or its successor. All bidders are advised that each Proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Bonds regardless of the manner in which the Proposal is submitted.

BOOK-ENTRY SYSTEM

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in fully registered form and one bond certificate,

* The City reserves the right to increase or decrease the principal amount of the Bonds. Any such increase or decrease will be made in multiples of \$5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread.

representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of Depository Trust Company (“DTC”), New York, New York, which will act as securities depository of the Bonds.

Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the City through U.S. Bank National Association, St. Paul, Minnesota (the “Paying Agent/Registrar”), to DTC, or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The successful bidder, as a condition of delivery of the Bonds, will be required to deposit the bond certificates with DTC. The City will pay reasonable and customary charges for the services of the Paying Agent/Registrar.

DATE OF ORIGINAL ISSUE OF BONDS

Date of Delivery (Estimated to be December 9, 2021)

AUTHORITY/PURPOSE/SECURITY

The Bonds are being issued pursuant to Minnesota Statutes, Chapters 429, 444, 475 and Sections 469.1812 through 469.1815. Proceeds will be used to current refund the City’s General Obligation Improvement Bonds, Series 2010A and General Obligation Bonds, Series 2014A on December 9, 2021. The Bonds are payable from special assessments against benefitted properties, net revenues of the City’s water and sewer utilities, tax abatement levies, and additionally secured by ad valorem taxes on all taxable property within the City. The full faith and credit of the City is pledged to their payment and the City has validly obligated itself to levy ad valorem taxes in the event of any deficiency in the debt service account established for this issue.

INTEREST PAYMENTS

Interest is due semiannually on each June 1 and December 1, commencing June 1, 2022, to registered owners of the Bonds appearing of record in the Bond Register as of the close of business on the fifteenth day (whether or not a business day) of the calendar month preceding such interest payment date.

MATURITIES

Principal is due annually on December 1, inclusive, in each of the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2022	\$415,000	2025	\$360,000	2028	\$180,000
2023	400,000	2026	370,000	2029	185,000
2024	400,000	2027	365,000		

Proposals for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above.

INTEREST RATES

All rates must be in integral multiples of 1/20th or 1/8th of 1%. *Rates must be in level or ascending order.* All Bonds of the same maturity must bear a single uniform rate from date of issue to maturity.

**ESTABLISHMENT OF ISSUE PRICE
(HOLD-THE-OFFERING-PRICE RULE MAY APPLY – BIDS NOT CANCELLABLE)**

The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Bond Counsel. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City’s Municipal Advisor and any notice or report to be provided to the City may be provided to the City’s Municipal Advisor.

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:

- (1) the City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event that the competitive sale requirements are not satisfied, the City shall promptly so advise the winning bidder. The City may then determine to treat the initial offering price to the public as of the award date of the Bonds as the issue price of each maturity by imposing on the winning bidder the Hold-the-Offering-Price Rule as described in the following paragraph (the “Hold-the-Offering-Price Rule”). Bids will **not** be subject to cancellation in the event that the City determines to apply the Hold-the-Offering-Price Rule to the Bonds. **Bidders should prepare their bids on the assumption that the Bonds will be subject to the Hold-the-Offering-Price Rule in order to establish the issue price of the Bonds.**

By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the “Initial Offering Price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the Hold-the-Offering Price Rule shall apply to any person at a price that is higher than the Initial Offering Price to the public during the period starting on the award date for the Bonds and ending on the **earlier** of the following:

- (1) the close of the fifth (5th) business day after the award date; or
- (2) the date on which the underwriters have sold at least 10% of a maturity of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public (the “10% Test”), at which time only that particular maturity will no longer be subject to the Hold-the-Offering-Price Rule.

The City acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the Hold-the-Offering-Price Rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Offering-Price Rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the

agreement of each broker-dealer that is a party to such agreement to comply with the Hold-the-Offering-Price Rule, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the Hold-the-Offering-Price Rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the Hold-the-Offering-Price Rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Notes: Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (1) "public" means any person other than an underwriter or a related party,*
- (2) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public).*
- (3) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation or another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership or another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and*
- (4) "sale date" means the date that the Bonds are awarded by the City to the winning bidder.*

ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER PROPOSALS

The City reserves the right to increase or decrease the principal amount of the Bonds. Any such increase or decrease will be made in multiples of \$5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread. Such adjustments shall be made promptly after the sale and prior to the award of Proposals by the City and shall be at the sole discretion of the City. The successful bidder may not withdraw or modify its Proposal once submitted to the City for any reason, including post-sale adjustment. Any adjustment shall be conclusive and shall be binding upon the successful bidder.

OPTIONAL REDEMPTION

The Bonds are not subject to prepayment or optional redemption prior to maturity.

CUSIP NUMBERS

If the Bonds qualify for assignment of CUSIP numbers such numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder thereof to accept delivery of and pay for the Bonds in accordance with terms of the purchase contract. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the successful bidder.

DELIVERY

Delivery of the Bonds will be within forty days after award, subject to an approving legal opinion by Taft Stettinius & Hollister, Bond Counsel. The legal opinion will be paid by the City and delivery will be anywhere in the continental United States without cost to the successful bidder at DTC.

TYPE OF PROPOSAL

Proposals of not less than \$2,642,900 (98.80%) and accrued interest on the principal sum of \$2,675,000 must be filed with the undersigned prior to the time of sale. Proposals must be unconditional except as to legality. Proposals for the Bonds should be delivered to Northland Securities, Inc. and addressed to:

John Harrenstein, City Administrator
1001 Belgrade Avenue
North Mankato, Minnesota 56002

A good faith deposit (the "Deposit") in the amount of \$53,500 in the form of a federal wire transfer (payable to the order of the City) is only required from the apparent winning bidder, and must be received within two hours after the time stated for the receipt of Proposals. The apparent winning bidder will receive notification of the wire instructions from the Municipal Advisor promptly after the sale. If the Deposit is not received from the apparent winning bidder in the time allotted, the City may choose to reject their Proposal and then proceed to offer the Bonds to the next lowest bidder based on the terms of their original proposal, so long as said bidder wires funds for the Deposit amount within two hours of said offer.

The City will retain the Deposit of the successful bidder, the amount of which will be deducted at settlement and no interest will accrue to the successful bidder. In the event the successful bidder fails to comply with the accepted Proposal, said amount will be retained by the City. No Proposal can be withdrawn after the time set for receiving Proposals unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis. The City's computation of the interest rate of each Proposal, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City will reserve the right to: (i) waive non-substantive informalities of any Proposal or of matters relating to the receipt of Proposals and award of the Bonds, (ii) reject all Proposals without cause, and (iii) reject any Proposal which the City determines to have failed to comply with the terms herein.

INFORMATION FROM SUCCESSFUL BIDDER

The successful bidder will be required to provide, in a timely manner, certain information relating to the initial offering price of the Bonds necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended.

OFFICIAL STATEMENT

By awarding the Bonds to any underwriter or underwriting syndicate submitting a Proposal therefor, the City agrees that, no more than seven business days after the date of such award, it shall provide to the senior managing underwriter of the syndicate to which the Bonds are awarded, the Final Official Statement in an electronic format as prescribed by the Municipal Securities Rulemaking Board (MSRB).

FULL CONTINUING DISCLOSURE UNDERTAKING

The City will covenant in the resolution awarding the sale of the Bonds and in a Continuing Disclosure Undertaking to provide, or cause to be provided, annual financial information, including audited financial statements of the City, and notices of certain material events, as required by SEC Rule 15c2-12.

NO BANK QUALIFICATION

The City will not designate the Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

BOND INSURANCE AT UNDERWRITER'S OPTION

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

The City reserves the right to reject any and all Proposals, to waive informalities and to adjourn the sale.

Dated: September 20, 2021

BY ORDER OF THE NORTH MANKATO CITY
COUNCIL

/s/ John Harrenstein
City Administrator

Additional information may be obtained from:

Northland Securities, Inc.

150 South 5th Street, Suite 3300

Minneapolis, Minnesota 55402

Telephone No.: 612-851-5900

EXHIBIT A

[FORM OF ISSUE PRICE CERTIFICATE – COMPETITIVE SALE SATISFIED]

The undersigned, on behalf of _____ (the "Underwriter"), hereby certifies as set forth below with respect to the sale of the General Obligation Refunding Bonds, Series 2021C (the "Bonds") of the City of North Mankato, Minnesota (the "Issuer").

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Underwriter are the prices listed in **Schedule A** (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Underwriter in formulating its bid to purchase the Bonds. Attached as **Schedule B** is a true and correct copy of the bid provided by the Underwriter to purchase the Bonds.

(b) The Underwriter was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Underwriter constituted a firm offer to purchase the Bonds.

2. Defined Terms.

(a) "Maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) "Sale Date" means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____.

(d) "Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Nonarbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Taft Stettinius & Hollister LLP, Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: December 9, 2021.

[FORM OF ISSUE PRICE CERTIFICATE – HOLD-THE-OFFERING-PRICE RULE APPLIES]

The undersigned, on behalf of _____ (the "Underwriter"), on behalf of itself, hereby certifies as set forth below with respect to the sale and issuance of General Obligation Refunding Bonds, Series 2021C (the "Bonds") of the City of North Mankato, Minnesota (the "Issuer").

1. Initial Offering Price of the Bonds.

(a) The Underwriter offered each Maturity of the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Notice of Sale and bid award, the Underwriter has agreed in writing that, (i) for each Maturity of the Bonds, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

2. Defined Terms.

(a) "Holding Period" means, for each Maturity of the Bonds, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____), or (ii) the date on which the Underwriter has sold at least 10% of such Maturity of the Bonds to the Public at prices that are no higher than the Initial Offering Price for such Maturity.

(b) "Maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) "Sale Date" means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____.

(e) "Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103

and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Nonarbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Taft Stettinius & Hollister LLP, Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: December 9, 2021.

Finance Plan

City of North Mankato, Minnesota

\$2,675,000

**General Obligation Refunding Bonds,
Series 2021C**

September 20, 2021



150 South 5th Street, Suite 3300

Minneapolis, MN 55402

612-851-5900 800-851-2920

www.northlandsecurities.com

Member FINRA and SIPC | Registered with SEC and MSRB

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Executive Summary

The following is a summary of the recommended terms for the issuance of \$2,675,000 General Obligation Refunding Bonds, Series 2021C (the "Bonds" or "2021C Bonds"). Additional information on the proposed finance plan and issuing process can be found after the Executive Summary, in the Issue Overview and Attachment 3 – Related Considerations.

Purpose	Proceeds from the Bonds will be used to current refund the City’s General Obligation Improvement Bonds, Series 2010A, and General Obligation Bonds, Series 2014A on December 9, 2021.		
Security	The Bonds will be a general obligation of the City. The City will pledge for payment of the Bonds: <ul style="list-style-type: none">• Special assessments collected from benefitted properties.• Property tax levies.• Net revenues of the City’s Water and Sewer utilities.• Tax abatement revenues.		
Repayment Term	The Bonds will mature annually each December 1 in the years 2022 - 2029. Interest on the Bonds will be payable on June 1, 2022 and semiannually thereafter on each December 1 and June 1		
Refunding Summary	2010A Est. Savings: Gross savings \$94,254 Net Present Value \$92,107 Net PV Percent 7.71% Other Factors: No change in the debt structure is proposed. 2014A Est. Savings: Gross savings \$122,664 Net Present Value \$119,017 Net PV Percent 7.05% Other Factors: No change in the debt structure is proposed.		
Estimated Interest Rate	Average coupon:	0.75%	
	True interest cost (TIC):	1.06%	
Prepayment Option	The Bonds will not be subject to prepayment or optional redemption prior to maturity.		
Rating	A rating will be requested from Standard and Poor’s (S&P). The City’s general obligation debt is currently rated "AA" by S&P.		
Tax Status	The Bonds will be tax-exempt, not bank qualified obligations.		
Risk Factors	There are certain risks associated with all debt. Risk factors related to the Bonds are discussed in Attachment 5.		
Type of Bond Sale	Public Sale – Competitive Bids		
Proposals Received	Monday, November 1, 2021 @ 10:00 A.M.		
Council Consideration	Monday, November 1, 2021 @ 7:00 P.M.		

Issue Overview

Purpose

Proceeds from the Bonds will be used to current refund the City's General Obligation Improvement Bonds, Series 2010A (the "2010A Bonds"), and General Obligation Bonds, Series 2014A (the "2014A Bonds") on December 9, 2021.

The 2010A Bonds were issued to provide funds for the local portion of the City's Carlson Drive/CSAH 41/Howard Drive improvement projects.

The 2014A Bonds were issued to provide funds for sanitary sewer, storm water and water system improvements and street improvements in connection with the Rose Crest-Noretta-Belgrade Ravine Project, to provide funds for the rehabilitation of the Main Lift Station, and to purchase equipment for operation of the sanitary collection service.

The Bonds have been sized based on the outstanding principal and interest on the 2010A and 2014A Bonds. The table below contains the sources and uses of funds and preliminary interest rates for the bond issue.

	Ref of 2010A	Ref of 2014A	Issue Summary
Sources Of Funds			
Par Amount of Bonds	\$1,110,000.00	\$1,565,000.00	\$2,675,000.00
Total Sources	\$1,110,000.00	\$1,565,000.00	\$2,675,000.00
Uses Of Funds			
Total Underwriter's Discount (1.200%)	13,320.00	18,780.00	32,100.00
Costs of Issuance	17,697.76	24,952.24	42,650.00
Deposit to Current Refunding Fund	1,075,917.78	1,521,075.83	2,596,993.61
Rounding Amount	3,064.46	191.93	3,256.39
Total Uses	\$1,110,000.00	\$1,565,000.00	\$2,675,000.00

Authority

The Bonds will be issued pursuant to the authority of Minnesota Statutes, Chapters 475, 444 and 429 and Sections 469.1812-469.1815.

Structure

The Bonds have been structured to result in relatively level annual debt service savings over the life of each refunding portion of the Bonds. This preserves the original structure of the 2010A and 2014A Bonds.

The proposed structure for the bond issue and preliminary debt service projections and debt service savings are illustrated in Attachments 1 and 2.

Security and Source of Repayment

The Bonds will be general obligations of the City. The finance plan relies on the following assumptions for the revenues used to pay debt service, as provided by City staff:

- Special Assessments. The City levied special assessments against benefited properties when issuing the 2010A Bonds. Those special assessments will continue paying a portion of the principal and interest on the Bonds.
- Utility Revenues. Net revenues of the City's water and sewer utilities will be pledged for a portion of the payment of the Bonds. The City will covenant to institute water and sewer rates and charges that are sufficient to produce net revenues equal to at least 105% of the

debt service requirements. In the event there is a deficiency in the amount of net revenues available for payment of debt service, the City may levy taxes to cover the insufficiency, but only on a temporary basis until rates are adjusted.

- Abatement Levies. The City will pledge abatement levies for a portion of the Bonds related to the 2014A Bonds. The City completed the abatement proceedings when issuing the 2014A Bonds.
- Property Taxes. The remaining revenues needed to pay debt service on the Bonds are expected to come from property tax levies. The levy will be adjusted annually based on actual special assessment collections, and additional monies in the debt service fund.

Plan Rationale

The Finance Plan recommended in this report is based on a variety of factors and information provided by the City related to the financed projects and City objectives, Northland's knowledge of the City and our experience in working with similar cities and projects. The issuance of General Obligation Refunding Bonds provides the best means of achieving the City's objectives and cost effective financing. The City has successfully issued and managed this type of debt for previous projects.

Issuing Process

Northland will receive bids to purchase the Bonds on Monday, November 1, 2021 at 10:00 AM. Market conditions and the marketability of the Bonds support issuance through a competitive sale. This process has been chosen as it is intended to produce the lowest combination of interest expense and underwriting expense on the date and time set to receive bids. The calendar of events for the issuing process can be found in Attachment 4.

Municipal Advisor: Northland Securities, Inc., Minneapolis, Minnesota

Bond Counsel: Taft Stettinius & Hollister LLP, Minneapolis, Minnesota

Paying Agent: U.S. Bank, National Association, St. Paul, Minnesota

Attachment 1 - Preliminary Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/09/2021	-	-	-	-	-
06/01/2022	-	-	7,891.70	7,891.70	-
12/01/2022	415,000.00	0.300%	8,258.75	423,258.75	431,150.45
06/01/2023	-	-	7,636.25	7,636.25	-
12/01/2023	400,000.00	0.350%	7,636.25	407,636.25	415,272.50
06/01/2024	-	-	6,936.25	6,936.25	-
12/01/2024	400,000.00	0.500%	6,936.25	406,936.25	413,872.50
06/01/2025	-	-	5,936.25	5,936.25	-
12/01/2025	360,000.00	0.600%	5,936.25	365,936.25	371,872.50
06/01/2026	-	-	4,856.25	4,856.25	-
12/01/2026	370,000.00	0.750%	4,856.25	374,856.25	379,712.50
06/01/2027	-	-	3,468.75	3,468.75	-
12/01/2027	365,000.00	0.850%	3,468.75	368,468.75	371,937.50
06/01/2028	-	-	1,917.50	1,917.50	-
12/01/2028	180,000.00	1.000%	1,917.50	181,917.50	183,835.00
06/01/2029	-	-	1,017.50	1,017.50	-
12/01/2029	185,000.00	1.100%	1,017.50	186,017.50	187,035.00
Total	\$2,675,000.00	-	\$79,687.95	\$2,754,687.95	-

Yield Statistics

Bond Year Dollars	\$10,575.56
Average Life	3.953 Years
Average Coupon	0.7535108%
Net Interest Cost (NIC)	1.0570409%
True Interest Cost (TIC)	1.0637141%
Bond Yield for Arbitrage Purposes	0.7517943%
All Inclusive Cost (AIC)	1.4866233%

Attachment 2 – Preliminary Debt Service Savings Schedules

2010A

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/01/2022	196,032.89	192,968.43	211,300.00	18,331.57
12/01/2023	190,600.00	190,600.00	205,350.00	14,750.00
12/01/2024	189,952.50	189,952.50	204,400.00	14,447.50
12/01/2025	189,027.50	189,027.50	202,400.00	13,372.50
12/01/2026	187,917.50	187,917.50	205,200.00	17,282.50
12/01/2027	181,530.00	181,530.00	197,600.00	16,070.00
Total	\$1,135,060.39	\$1,131,995.93	\$1,226,250.00	\$94,254.07

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....	89,042.41
Net PV Cashflow Savings @ 0.752%(Bond Yield)....	89,042.41
Contingency or Rounding Amount.....	3,064.46
Net Present Value Benefit	\$92,106.87
Net PV Benefit / \$1,195,299.03 PV Refunded Debt Service	7.706%
Net PV Benefit / \$1,075,000 Refunded Principal...	8.568%
Net PV Benefit / \$1,110,000 Refunding Principal...	8.298%

2014A

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/01/2022	235,117.56	234,925.63	248,412.50	13,486.87
12/01/2023	224,672.50	224,672.50	242,412.50	17,740.00
12/01/2024	223,920.00	223,920.00	241,412.50	17,492.50
12/01/2025	182,845.00	182,845.00	200,262.50	17,417.50
12/01/2026	191,795.00	191,795.00	205,162.50	13,367.50
12/01/2027	190,407.50	190,407.50	204,312.50	13,905.00
12/01/2028	183,835.00	183,835.00	198,300.00	14,465.00
12/01/2029	187,035.00	187,035.00	201,825.00	14,790.00
Total	\$1,619,627.56	\$1,619,435.63	\$1,742,100.00	\$122,664.37

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....	118,825.36
Net PV Cashflow Savings @ 0.752%(Bond Yield)....	118,825.36
Contingency or Rounding Amount.....	191.93
Net Present Value Benefit	\$119,017.29
Net PV Benefit / \$1,687,568.74 PV Refunded Debt Service	7.053%
Net PV Benefit / \$1,520,000 Refunded Principal...	7.830%
Net PV Benefit / \$1,565,000 Refunding Principal...	7.605%

Attachment 3 - Related Considerations

Bank Qualification

The City has issued more than \$10,000,000 in tax-exempt debt during this calendar year. Therefore the Bonds will be designated as “not bank qualified” obligations pursuant to Federal Tax Law.

Arbitrage Compliance

The Bonds are expected to qualify for the “six-month spending” exemption related to arbitrage rebate.

The City should become familiar with the various Arbitrage Compliance requirements for this bond issue. The Resolution for the Bonds prepared by Bond Counsel explains the requirements in greater detail.

Continuing Disclosure

Type: Full

Dissemination Agent: Northland Securities

The requirements for continuing disclosure are governed by SEC Rule 15c2-12. The primary requirements of Rule 15c2-12 actually fall on underwriters. The Rule sets forth due diligence needed prior to the underwriter’s purchase of municipal securities. Part of this requirement is obtaining commitment from the issuer to provide continuing disclosure. The document describing the continuing disclosure commitments (the “Undertaking”) is contained in the Official Statement that will be prepared to offer the Bonds to investors.

The City has more than \$10,000,000 of outstanding debt and is required to undertake “full” continuing disclosure. Full disclosure requires annual posting of the audit and a separate continuing disclosure report, as well as the reporting of certain “material events.” Material events set forth in the Rule, including, but not limited to, bond rating changes, call notices, and issuance of “financial obligations” (such as PFA loans, leases, or bank placements) must be reported within ten business days of occurrence. The report contains annual financial information and operating data that “mirrors” material information presented in the Official Statement. The specific contents of the annual report will be described in the Undertaking that appears in the appendix of the Official Statement. Northland currently serves as dissemination agent for the City, assisting with the annual reporting. The information for the Bonds will be incorporated into our reporting.

Premiums

In the current market environment, it is likely that bids received from underwriters will include premiums. A premium bid occurs when the purchaser pays the City an amount in excess of the par amount of a maturity in exchange for a higher coupon (interest rate). The use of premiums reflects the bidder’s view on future market conditions, tax considerations for investors and other factors. Ultimately, the true interest cost (“TIC”) calculation will determine the lowest bid, regardless of premium.

A premium bid produces additional funds that can be used in several ways:

- The premium means that the City needs less bond proceeds and can reduce the size of the issue by the amount of the premium.
- The premium can be deposited in the Debt Service Fund and used to pay principal and interest.

Northland will work with City staff on the sale day to determine use of premium (if any).

Rating

A rating will be requested from Standard and Poor's (S&P). The City's general obligation debt is currently rated "AA" by S&P. The rating process will include a conference call with the rating analyst. Northland will assist City staff in preparing for and conducting the rating call.

Attachment 4 – Calendar of Events

September 2021						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

October 2021						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

November 2021						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

December 2021						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

	Holiday
	Important Date

Item	Date	Action	Responsible Party
1	September 13 th	Finance Plan and Set Sale Resolution for 2021C Bonds sent to the City	Northland, Bond Counsel
2	September 20 th	City Council adopts Set Sale Resolution for the 2021C Bonds	City Council Action , Northland, Bond Counsel
3	September 22 nd	Preliminary Official Statement Sent to City for Sign Off (and to Rating Agency)	Northland, City Staff
4	Between October 4 th and October 15 th	Rating Conference Call with S&P Global	Northland, City Staff, Rating Agency
5	October 20 th	Rating received by this date from S&P Global	Northland, City, Rating Agency
6	October 25 th	Awarding Resolution sent to City	Northland, Bond Counsel
7	November 1 st	Bond Sale – 10:00 a.m. Awarding Resolution Adopted by City Council at 7:00 p.m.	City Council Action , Northland
8	December 9 th	Closing on the Bonds (Proceeds Available) Refunded Bonds Redemption Date	Northland, City Staff, Bond Counsel

Attachment 5 - Risk Factors

Property Taxes: Property tax levies shown in this Finance Plan are based on projected debt service and other revenues. Final levies will be set based on the results of sale. Levies should be reviewed annually and adjusted as needed. The debt service levy must be included in the preliminary levy for annual Truth in Taxation hearings. Future Legislative changes in the property tax system, including the imposition of levy limits and changes in calculation of property values, would affect plans for payment of debt service. Delinquent payment of property taxes would reduce revenues available to pay debt service.

Special Assessments: Special assessments have already been levied for the financed project. This Finance Plan is based on the assumptions listed earlier in this report. Changes in the terms and timing for the actual assessments will alter the projected flow of funds for payment of debt service on the Bonds. Also, special assessments may be prepaid. It is likely that the income earned on the investment of prepaid assessments will be less than the interest paid if the assessments remained outstanding. Delinquencies in assessment collections would reduce revenues needed to pay debt service. The collection of deferred assessments (if any) have not been included in the revenue projections. Projected assessment income should be reviewed annually and adjusted as needed.

Tax Abatement: The tax abatement levy needs to be calculated annually in accordance with the abatement resolution. The abatement levy must be included in the preliminary levy used for annual Truth in Taxation hearings. A tax abatement levy was authorized as a special levy (not subject to levy limits) under the most recent legislation. Levy limits are not currently enacted. The status of a tax abatement levy under future levy limitations (if any) cannot be predicted.

Utility Revenues: The City pledges the net revenues of the Water and Sewer utilities to the payment of a portion of the principal and interest on the Bonds. The failure to adjust rates and charges as needed and the loss of significant customers will affect available net revenues. If the net revenues are insufficient, the City is required to levy property taxes or use other revenues to cover the deficiency. Property taxes can only be used on a temporary basis and may not be an ongoing source of revenue to pay debt service.

General: In addition to the risks described above, there are certain general risks associated with the issuance of bonds. These risks include, but are not limited to:

- Failure to comply with covenants in bond resolution.
- Failure to comply with Undertaking for continuing disclosure.
- Failure to comply with IRS regulations, including regulations related to use of the proceeds and arbitrage/rebate. The IRS regulations govern the ability of the City to issue its bonds as tax-exempt securities and failure to comply with the IRS regulations may lead to loss of tax-exemption.