

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 January 20, 2015. Council Member Norland called the meeting to order at 7:05 p.m. asking that everyone join in the Pledge of Allegiance. The following were present for roll call: Council Members Norland, Freyberg, and Spears, City Administrator Harrenstein, Finance Director Thorne, Attorney Kennedy, City Clerk Van Genderen, and City Planner Fischer. Absent from the meeting were Council Member Steiner and Public Works Director Swanson. Council Member Norland performed the duties of the Mayor until Mayor Dehen arrived during the first Public Comments.

Approval of Agenda

Council Member Freyberg moved, seconded by Council Member Spears, to approve the agenda as presented. Vote on the motion: Norland, Freyberg, and Spears, aye; no nays. Motion carried.

Approval of Minutes

Council Member Freyberg moved, seconded by Council Member Spears, to approve the minutes of the Council Workshop of January 5, 2015. Vote on the motion: Norland, Freyberg, and Spears aye; no nays. Motion carried.

Council Member Spears moved, seconded by Council Member Freyberg to approve the minutes of the Council meeting of January 5, 2015. Vote on the motion: Norland, Freyberg, and Spears aye; no nays. Motion carried.

Consent Agenda

Council Member Spears moved, seconded by Council Member Freyberg, to approve the Consent Agenda which includes:

- A. Bills and Appropriations.
- B. Res. No. 09-15 Approving Donations/Contributions/Grants.
- C. Approved Parade Permit for Anniversary of Taylor Corporation, Roe Crest Drive, Thursday, August 20, 2015 from 3:00 p.m. to 7:00 p.m.
- D. Accept all bids for 2015 Material and Equipment Rental Rates from bid opening of January 5, 2015.
- E. Res. No. 10-15 Approving the Proposed Transfer of the Cable Franchise currently held by CC VIII Operating, LLC d/b/a Charter Communications.
- F. Res. No. 11-15 Approving Plans and Specifications, and Ordering Advertisement for Bids for Project No. 14-01 Main Lift Station (Lift Station No. 1) Rehabilitation.
- G. Set Public Hearing for 7 p.m. on Tuesday, February 17, 2015 for Revision of City Code, Section 156, creating an R-3A Medium Density Residential District.

Vote on the motion: Norland, Freyberg, and Spears, aye; no nays. Motion carried. City Clerk Van Genderen reported the advertisement for bids for Project No. 14-01 included in the packet did not contain the correct dates. Council would pass a revised advertisement with corrected dates.

Public Comments

Tom Hagen, 927 Lake Street, appeared before the Council and congratulated the Council and Staff on nearing completion of the Comprehensive Plan. Hagen indicated before the Comprehensive Plan was completed more citizen input should be elicited.

Barb Church, 102 East Wheeler, appeared before the Council and stated citizens should have more opportunities to provide suggestions for the Comprehensive Plan. Church indicated the Central Business District should be renamed.

Business Items

Preliminary and Final Plat of Knight Development Subdivision

City Planner Fischer reported the request to replat Outlot A, Marigold Subdivision was from Adam Huiras who recently purchased Outlot A, Marigold Subdivision for the future construction of a 19-unit townhome project. Fischer reported that Outlot A is a 1.37-acre lot that was reserved for future development. Adam Huiras requested the property be replatted as Knight Development Subdivision consisting of Lot 1, Block 1, and utility easements for the protection of existing underground utilities and a future private access road. Planner Fischer reported the proposed development complies with all applicable Central Business District City Code requirements and the Planning Commission reviewed the request and approved the replatting of Outlot A. **Council Member Freyberg moved, seconded by Council Member Norland, to approve the Preliminary and Final Plat of Knight Development Subdivision. Vote on the motion: Norland, Freyberg, Spears and Dehen aye; no nays. Motion carried.**

Presentation of Draft Parks Plan

Administrator Harrenstein introduced City Intern Matt Lassonde who presented the draft Master Parks Plan. Lassonde presented a PowerPoint explaining that the Parks Plan serves to provide an organizing document and platform for future park development, identifies the costs of maintenance and improvements for the park and communicates to citizens the City's planned maintenance and infrastructure expenditures. He stated the costs for yearly replacement of existing items was \$124,563 annually and the cost to improve the parks system as laid out was \$142,650 annually for a total annual operating cost of \$267,213. Lassonde stated the annual operating cost presented did not include the Benson Park completion, a Caswell Park Complex Indoor Recreational Facility, Caswell Park Complex Fields 7 and 8 or the Spring Lake Park swim facility renovations. Mayor Dehen thanked Matt Lassonde for the plan. Council Member Norland stated it was a good plan but the question was raised concerning where the funds would come from to maintain and improve the parks system. Council Member Freyberg indicated that the Sales Tax Fund should not be the source for the park system upgrade and expansion especially because of increased street allocations. Council Member Spears stated it was a nice wish list but he believes the roads come first, then parks and last are the recreational parks such as Caswell. Spears noted he would like the recreational parks removed from the parks plan to be considered separately.

Presentation of Draft Comprehensive Plan

Administrator Harrenstein introduced Kelsey Johnson from WSB & Associates who presented a PowerPoint of the Draft Comprehensive Plan. Johnson reviewed the purpose of the plan, process/community engagement efforts, organization of the plan, highlights from each chapter and the city's next steps following completion of the plan. Johnson indicated that the purpose of the plan was to express the City's vision for the future, create a strategic map to reach that vision, lay out a vision for future land development and land use, dictate where growth should occur and dictate what type of growth should occur. Johnson reviewed the planning process and community engagement including four focus group meetings, four community open houses, student engagement at both Garfield and Dakota Meadows schools, a Commerce Drive Stakeholder meeting, one-on-one phone interviews with key stakeholders, City Council Workshops, monthly City Council and Planning Commission meetings and website and social media engagement. Johnson laid out the organization of the plan which includes

land use, housing, economic development, transportation, utilities, parks, trails and recreation, downtown redevelopment and community design. Johnson reviewed the final steps before City Council adoption which includes a review by the Planning Commission and a final review and adoption by the City Council. Council Member Freyberg indicated that the indoor recreation center should be considered separately from the rest of the parks and trails system. Freyberg noted that the Parks and Green Spaces Committee that Council Member Norland worked with in 2007 to 2010 did not envision an indoor recreation center rather their focus was green spaces. Council Member Norland agreed that their focus was the green spaces. Council Member Spears indicated the public should have an opportunity to review the Draft Comprehensive plan on the website, Facebook or e-mail. Mayor Dehen stated that once the Comprehensive Plan was adopted the plan could be sent back to the Planning Commission to update City Codes and Ordinances. Kelsey Johnson responded that the plan could be used to guide the Planning Commission and Council in updating City Code and guiding the overall vision of the City. Johnson also stated that the plan should be reviewed annually and have complete overhaul every 10-years.

City Administrator and Staff Comments

Administrator Harrenstein reported his visit to the Capitol for Greater Mankato Day at the Capitol was successful in making the Legislature aware of Greater Mankato's importance to the State.

Mayor and Council Comments

Council Member Freyberg reported the All-Seasons Arena board was working on providing ice for area ice skaters and hockey players.

Council Member Spears stated Greater Mankato Growth day at the Capitol was successful in bringing the Greater Mankato Area to the attention of the legislature.

Mayor Dehen reported the Department of Employment and Economic Development sent a letter noting the grant for Thin Film Technologies was no longer active.

Mayor Dehen indicated transportation was a big discussion at the Capitol because there needs to be a long term solution.

Council Member Freyberg reported Thursday, January 15th the Riverfront Noise Committee met to discuss how to eliminate/abate the noise from Riverside Park. He indicated nothing was resolved.

Public Comments

Matthias Leyrer, 632 Belgrade Avenue, appeared before the Council and stated accessory dwelling units should be explored as a way to get higher density in neighborhoods. Leyrer indicated the City should consider on-street parking on both sides of Belgrade or a designated bike lane to slow down traffic. Leyrer noted Commerce Drive should have design elements implemented to increase pedestrian traffic.

Tom Hagen, 927 Lake Street, stated citizens needed to be engaged face to face by the Council and staff, not just social media, to provide opportunity to discuss the Comprehensive Plan.

Barb Church, 102 East Wheeler, indicated the noise committee concluded that those booking the acts need more direction from the City of Mankato to help determine what acts are appropriate.

Church then read a portion of a letter from Bess Tsaouse, 136 Mary Circle, who stated the overall Comprehensive Plan was good but indicated three topics were not addressed in the Comprehensive Plan. Tsaouse specified the three trends not addressed was the demographics of aging, the demographics of ethnicity and the demographics of increasing poverty. Administrator Harrenstein suggested the information from Bess Tsaouse be submitted electronically so the information could be utilized.

Mayor Dehen indicated the City would have an open house for the Comprehensive Plan to allow public comment.

There being no further business, on a motion by Council Member Norland, seconded by Council Member Freyberg, the meeting adjourned at 8:50 p.m.

Mayor

City Clerk

CLAIM REPORT
FOR REGULAR COUNCIL MEETING OF FEBRUARY 2, 2015

A+ Systems Group	monitoring of alarm system-Police & Fire Dept.	\$149.70
Albright, James	snow removal-Public Access	\$120.00
Ameripride Services	mats-Library	\$67.96
American Library Association	supplies-Library	\$92.00
American Payment Centers	utility drop box rental-Sewer Dept.	\$93.00
Anderson, Bob	special program-Library	\$375.00
Apt Machining & Fabricating, Inc.	equipment parts-Street Dept.	\$376.48
Arnold's of North Mankato	equipment parts-Street Dept.	\$30.25
Audio Editions	audio books & supplies-Library	\$408.35
Baker & Taylor	books-Library & Bookmobile	\$70.36
Barco Municipal Products, Inc.	sign repair material-Street Dept.	\$487.10
Blue Earth County	2015 Appropriation Drug Task Force-Area Agencies	\$20,687.55
Cargill, Inc.	road salt-Street Dept.	\$4,539.77
CenterPoint Energy	gas bill 233 Wheeler-Area Agency	\$122.36
City of Mankato	wastewater fee for February-Sewer Dept.	\$50,000.00
City of Mankato	75% of sewer revenue for 2014-Sewer Dept.	\$895.96
Dalco	supplies-Gen Gov, Police, Fire & Library	\$306.84
DEMCO, Inc.	supplies-Library	\$376.77
Express Services	crossing guards-Police Dept.	\$603.04
Freyberg Petroleum Sales, Inc.	oil-Water Dept.	\$284.25
Full Circle Organics	compost yard debris-Solid Waste	\$2,500.00
Goodwin, Tony	professional service-Public Access	\$200.00
Gopher State One-Call	annual fee-Comm Dev	\$100.00
Ingram Library Services	books-Library & Bookmobile	\$1,163.45
International Institute of Municipal Cities	annual membership-Gen Gov	\$95.00
JM Promotions	book bags-Library	\$752.93
Kennedy & Graven	professional service-Gen Gov	\$295.50
Lakes Gas Company	LP gas-Recycling	\$209.00
Lawson Products, Inc.	supplies & plow bolts-Street & Shop	\$1,712.84
Mantronics Mailing Systems, Inc.	ink cartridge-Gen Gov	\$407.44
Menards-Mankato	supplies-All Depts.	\$208.40
Minnesota Department of Health	Class "B" water supply operator exam-Water Dept.	\$64.00
Minnesota Dept. of Labor & Industry	annual inspection of elevator-Fire Dept.	\$100.00
Minnesota Valley Testing Lab	water testing-Water Dept.	\$158.75
MRCI	wages for MRCI employees-Recycling	\$10,490.68
Minnesota State University	work study students-Library	\$158.00
Nicollet County Recorder/Abstracter	deferred assessments-Comm Dev	\$218.00
Northern States Supply	equipment parts-Park Dept.	\$186.25
Otto Environmental Systems N. America	garbage & recycling carts-2014 Construction	\$350,000.00
OverDrive, Inc.	content service plan fee & downloadable audio/ebooks	\$11,579.60
Overhead Door Co. of Mankato, Inc.	overhead door repair-Police Dept.	\$79.00
Partners for Affordable Housing	Pedal Past Poverty Donation-10% Gambling	\$1,000.00
Pohlman, Tim	fees for regional meeting-Fire Dept.	\$42.00
Quality Overhead Door of Mankato	overhead door repair-Street Dept.	\$87.50
Retrofit Companies, Inc.	recycle light bulbs-Recycling	\$131.42
River Bend Business Products	copier maintenance-Gen Gov	\$451.00

Sletten, Cory	advance for MSFCA Fire Officer School-Fire Dept.	\$50.00
South Central Glass	replace door glass-Police Dept.	\$192.19
Southwest Minnesota Chapter of ICC	membership dues-Comm Dev	\$160.00
SPS Companies, Inc.	equipment parts-Water Dept.	\$4.45
Staples Advantage	supplies-All Depts.	\$1,021.96
Toyota-Lift of Minnesota	equipment parts-Recycling	\$279.88
VanEps, Eric	advance for MSFCA Fire Officer School-Fire Dept.	\$50.00
Viking Electric Supply	electrical supplies-Shop, Park & Sales Tax	\$834.79
Wenzel Auto Electric Company	equipment parts-Police & Street Depts.	\$142.00
Werner Electric Supply	equipment parts-Water Dept.	\$112.85
Wilson Trailer Sales of MN, Inc.	equipment parts-Recycling	\$185.52
Winter Equipment Co. Inc.	plow blades-Street Dept.	\$11,473.67
Xcel Energy	electric bill-All Depts.	\$22,144.20
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Total		<u>\$499,129.01</u>

CLAIMS CONTINUED

General	\$75,596.24
Local Option Sales Tax	\$210.96
2014 Construction	\$350,000.00
Water	\$3,079.92
Sewer	\$53,133.38
Recycling	\$12,280.25
Storm Water	\$714.42
Solid Waste	\$2,500.00
Public Access	\$613.84
10% Gambling Contribution Fund	<u>\$1,000.00</u>
Total	<u><u>\$499,129.01</u></u>

PORT AUTHORITY INVOICES
FOR REGULAR COUNCIL MEETING OF FEBRUARY 2, 2015

None to report

CLAIM REPORT
 BILLS PAID AFTER THE COUNCIL MEETING OF JANUARY 20, 2015
 END OF MONTH

79713	Void	Void	(\$298.50)
79783	AT& T Mobility	cell phone bill-Bookmobile	\$25.48
79784	Cardmember Service	charge card items-All Depts.	\$6,299.58
79785	Sprint	PCS connection card data plan-Police & 2015 Const	\$74.55
79786	Telrite Corporation	long distance phone bill-All Depts.	\$240.77
79787	ICMA Retirement Trust - 457	employee payroll deductions	\$3,888.85
79788	ICMA Retirement Trust - Roth IRA	employee payroll deductions	\$700.00
79789	Law Enforcement Labor Service	employee payroll deductions	\$423.00
79790	NCPERS Minnesota-Unit 662400	employee payroll deductions	\$192.00
79791	United Way	employee payroll deductions	\$269.77
79792	John Deere Financial	equipment parts-Park Dept.	\$444.79
79793	National Insurance Services of WI, Inc.	life insurance February	\$569.06
79794	National Insurance Services of WI, Inc.	long term disability insurance February	\$1,098.66
79795	National Insurance Services of WI, Inc.	voluntary life insurance February	\$68.50
79796	Delta Dental	employee payroll deductions	\$853.20
79797	Enventis	telephone bill-All Depts.	\$473.30
79798	Blue Earth County	recording of Notary Commission-Gen Gov	\$20.00
79799	Nicollet County Recorder/Abstracter	recording of Notary Commissions-Gen Gov	\$40.00
	Total		<u>\$15,383.01</u>

CLAIMS CONTINUED

General	\$13,789.95
2015 Construction	\$168.83
Water	\$842.74
Sewer	\$291.37
Recycling	\$189.84
Storm Water	\$28.73
Public Access	<u>\$71.55</u>
Total	<u><u>\$15,383.01</u></u>

PORT AUTHORITY INVOICES
BILLS PAID AFTER THE COUNCIL MEETING OF JANUARY 20, 2015
END OF MONTH

None to report

RESOLUTION NO.

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
Jo Marie Robbins	General Fund – Library Audio Books	\$100.00
Mary Jacobsen	General Fund – Library Book Club Bag	\$20.00
Kathleen M. Reid	General Fund – Library Book Club Bag	\$20.00
Christine K. Volz	General Fund – Library Book Club Bag	\$20.00
Thelma Watkins	General Fund – Library Book Club Bag	\$20.00
Dianne C. Laird	General Fund – Library Book Club Bag	\$20.00
Norell K. Durfee	General Fund – Library Book Club Bag	\$20.00
Shelly L. Kain	General Fund – Library Book Club Bag	\$20.00
Anonymous	General Fund – Library Book Club Bag	\$40.00

Adopted by the City Council this 2nd day of February 2015.

Mayor

City Clerk



CITY OF NORTH MANKATO
APPLICATION FOR PARADE PERMIT

This application, accompanied by a map of the parade route and the required application fee, shall be submitted to our office at least thirty (30) days in advance of the parade date. This parade permit is pending until approval by the City Council and Chief of Police.

Applicant Information

Name: Lasting Imprint - Kristen Thomas
Address: 38904 State Hwy 99 (pers) PO Box 2161 (non profit)
City: St Peter (pers) Mankato (PO Box) State: MN Zip: 56082/56001
Telephone: 507-317-2180
Sponsoring Organization: Lasting Imprint "Our Community Has Heart"
Address: PO Box 2161
City: Mankato State: MN Zip: 56002
Telephone: 507-317-2180
Occasion for Parade: Community Awareness Event 5k/walk
Date of Parade: 9-26-15 Estimated Length of Parade: 3.1 mile
Estimated Starting Time: 9:00am Estimated Finish Time: 10:00am
Estimated Number of Participants: 200-300
General Composition of Parade: Start + Finish Spring Lake using portion of Hiniker Tyler Cross, Webster.

As a duly authorized representative or agent of the parade sponsoring organization, I hereby make application for a permit to parade in the City of North Mankato, Minnesota. I hereby certify that, to the best of my knowledge, the above is an accurate and true description of the parade. I agree to execute the parade according to this permit and subject to the provisions and conditions which may be necessary to provide for the safety of parade participants and the orderly and safe movement of public traffic.

Applicant: [Signature] Date: 1-16-15

Pursuant to Section 70.21 of the North Mankato City Code, I hereby authorize a parade permit for the applicant organization. This permit shall be valid only under the conditions recommended by the City of North Mankato and only for the date and time indicated.

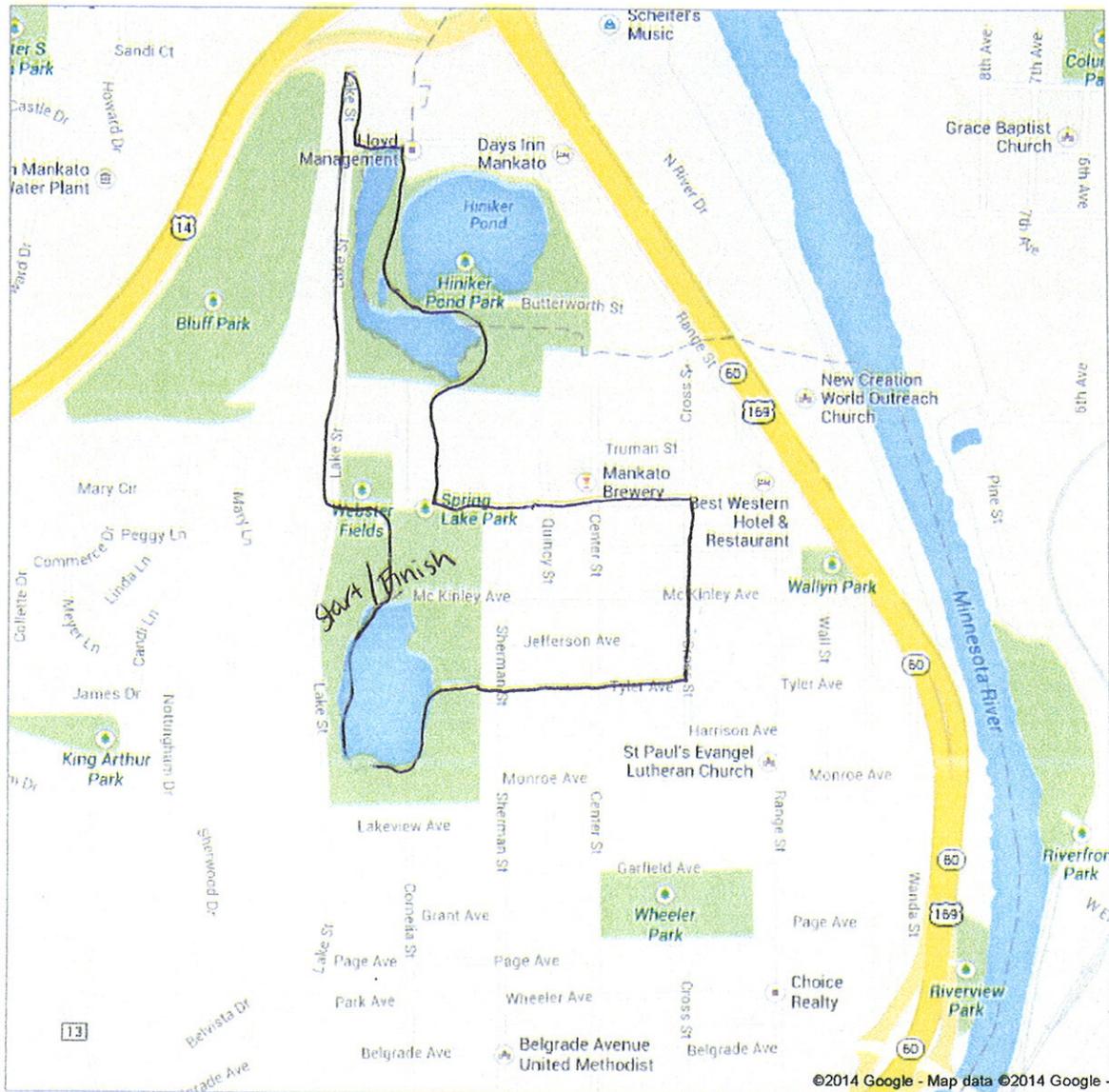
Chief of Police: [Signature] #701 Date: 01-20-15

COMMENTS/ADDITIONAL STIPULATIONS:

Police Reserve needed to help control traffic / closed streets?
Cones Available 8:30 am until 10:10 am on Sat. Sept 26 2015.



Address North Mankato, MN



CITY OF NORTH MANKATO PARK PERMIT

This permit does reserve space in a City Park.

PERMIT #: 24 -2015 SHELTER: SLP #2+3 Gazebo + Pier FEE: N/C

TYPE OF EVENT: Community Day 5K + Walk DATE VALID: 9-26-15 HOURS: 5:30a-3p

ORGANIZATION: Lasting Imprint SIZE: 500-800 5:30 Setup
APPLICANT NAME: Kristen Thomas 9am-5K
ADDRESS: PO Box 261 - Mankato CITY: Kristen: 38904 St. Hwy 99 10:30 - Walk
ZIP: _____ DAYTIME PHONE #: 317-2180 St. Peter

TENTS: yes ELECTRICITY: yes ALCOHOL: NO

AUDIO DEVICES: DJ - Radio Station 9a-1p
If keg beer, a \$250 deposit and \$25 fee are required.
Amplified music or band requires Council approval

OTHER: Fire Trucks / Petting Zoo / Therapy Dogs / Bounce House / Slides / Food Vendors / Am Red Cross Blood Mobile / 5K Walk around Lake / Kids fun Run

PERMIT APPROVED: _____ DATE: _____
PERMIT DENIED: _____
REFER TO COUNCIL: ✓

City Clerk

The following rules and regulations have been set by the City Code which apply to all parks and are enforced:

PROHIBITED

- * Vehicles are not allowed to be parked or driven on the grass for any reason unless permission is given from the Park Department.
- * Pets (Allowed in Benson Park and Bluff Park only. Must be on a 6' leash).
- * Glass containers.
- * Bonfires.
- * Snowmobiles, ATVs, golfing, swimming, boating and motorized flotation devices.
- * Audio equipment may not be played so loud as to interfere with the reasonable use of the park by others. All audio devices shall end at 8 p.m.

ALLOWED

- * Personal grills may be brought in.
- * Keg beer is allowed only with a permit.
- * Fishing/Ice fishing on Ladybug Lake and Spring Lake only.
- * Non-motorized canoes and kayaks on Ladybug Lake and Spring Lake. Children under 12 must be accompanied by an adult. Flotation device required.
- * Hog roasts are allowed in the parks on hard-surfaced lots only.

I, the undersigned, understand that the park shelter reservation fee is NOT a deposit and is NOT refundable for any reason other than inclement weather making it impossible to hold a picnic. Cancellation of this park shelter reservation will NOT result in a refund of the fee. **If prior approval is not obtained for the installation of additional tents or stakes and causes disruption of utility services, I agree to be held liable for any repairs to service lines.**

SIGNED: [Signature] 1-16-15
Applicant Date

For Office Use Only	Receipt # _____	<input checked="" type="checkbox"/> Book	<input type="checkbox"/> Park	<input type="checkbox"/> Police
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RESOLUTION NO.

RESOLUTION WAIVING WAITING PERIOD
FOR EXEMPTION FROM LAWFUL GAMBLING LICENSE FOR
CROSSROADS LUTHERAN CAMPUS MINISTRY

WHEREAS, Crossroads Lutheran Campus Ministry has made application for exemption from a charitable gambling license to conduct Bingo on March 1, 2015 at Messiah Lutheran Church located at 1706 Lee Boulevard, North Mankato, Minnesota, which application was received by the City on January 21, 2015;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA, that the City waives the mandatory waiting period concerning the issuance of an exemption from lawful gambling license concerning the above-identified organization.

Adopted by the City Council this 2nd day of February 2015.

Mayor

ATTEST:

City Clerk

LG220 Application for Exempt Permit

<p>An exempt permit may be issued to a nonprofit organization that:</p> <ul style="list-style-type: none"> - conducts lawful gambling on five or fewer days, and - awards less than \$50,000 in prizes during a calendar year. <p>If total prize value for the year will be \$1,500 or less, contact the licensing specialist assigned to your county.</p>	<p>Application fee (non refundable)</p> <p>If application is postmarked or received 30 days or more before the event \$50; otherwise \$100.</p>
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ORGANIZATION INFORMATION

<p>Organization name Crossroads Campus Ministry ELCA</p>	<p>Previous gambling permit number</p>
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<p>Minnesota tax ID number, if any 3587373</p>	<p>Federal employer ID number (FEIN), if any 41-1896237</p>
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Type of nonprofit organization. Check one.

<input type="checkbox"/> Fraternal	<input checked="" type="checkbox"/> Religious	<input type="checkbox"/> Veterans	<input type="checkbox"/> Other nonprofit organization
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<p>Mailing address 331 Dillon Ave.</p>	<p>City Mankato</p>	<p>State MN</p>	<p>Zip code 56001</p>	<p>County Blue Earth</p>
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<p>Name of chief executive officer [CEO] Pastor Tamara Dahlvang</p>	<p>Daytime phone number (507) 625-6779</p>	<p>E-mail address lcmcrossroads@gmail.com</p>
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NONPROFIT STATUS

Attach a copy of ONE of the following for proof of nonprofit status.

<input type="checkbox"/> Nonprofit Articles of Incorporation OR a current Certificate of Good Standing. Don't have a copy? This certificate must be obtained each year from: Secretary of State, Business Services Div., 60 Empire Drive, Suite 100, St. Paul, MN 55103 Phone: 651-296-2803
<input checked="" type="checkbox"/> IRS income tax exemption [501(c)] letter in your organization's name. Don't have a copy? To obtain a copy of your federal income tax exempt letter, have an organization officer contact the IRS at 877-829-5500.
<input type="checkbox"/> IRS - Affiliate of national, statewide, or international parent nonprofit organization [charter] If your organization falls under a parent organization, attach copies of both of the following: a. IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling, and b. the charter or letter from your parent organization recognizing your organization as a subordinate.

GAMBLING PREMISES INFORMATION

<p>Name of premises where the gambling event will be conducted. For raffles, list the site where the drawing will take place. Messiah Lutheran Church</p>

<p>Address [do not use PO box] 1706 Lee Blvd.</p>	<p>City or township North Mankato</p>	<p>Zip code 56003</p>	<p>County Nicollet</p>
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<p>Date[s] of activity. For raffles, indicate the date of the drawing. March 1, 2015</p>
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<p>Check each type of gambling activity that your organization will conduct.</p> <p> <input checked="" type="checkbox"/> Bingo* <input type="checkbox"/> Raffle <input type="checkbox"/> Paddlewheels* <input type="checkbox"/> Pull-tabs* <input type="checkbox"/> Tipboards* </p>

***Gambling equipment** for bingo paper, paddlewheels, pull-tabs, and tipboards must be obtained from a distributor licensed by the Minnesota Gambling Control Board. **EXCEPTION:** Bingo hard cards and bingo number selection devices may be borrowed from another organization authorized to conduct bingo.

To find a licensed distributor, go to www.gcb.state.mn.us and click on **Distributors** under the **WHO'S WHO? LIST OF LICENSEES**, or call 651-639-4000.

LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT

**CITY APPROVAL
for a gambling premises
located within city limits**

The application is acknowledged with no waiting period.
 ___ The application is acknowledged with a 30 day waiting period, and allows the Board to issue a permit after 30 days [60 days for a 1st class city].
 ___ The application is denied.

Print city name City of North Mankato

Signature of city personnel [Signature]

Title City Clerk Date 1-21-15

Local unit of government must sign

**COUNTY APPROVAL
for a gambling premises
located in a township**

___ The application is acknowledged with no waiting period.
 ___ The application is acknowledged with a 30 day waiting period, and allows the Board to issue a permit after 30 days.
 ___ The application is denied.

Print county name _____

Signature of county personnel _____

Title _____ Date _____

TOWNSHIP. If required by the county.

On behalf of the township, I acknowledge that the organization is applying for exempted gambling activity within the township limits.

[A township has no statutory authority to approve or deny an application, per Minnesota Statutes 349.166.]

Print township name _____

Signature of township officer _____

Title _____ Date _____

CHIEF EXECUTIVE OFFICER'S SIGNATURE

The information provided in this application is complete and accurate to the best of my knowledge. I acknowledge that the financial report will be completed and returned to the Board within 30 days of the event date.

Chief executive officer's signature Tamara R. Dahlvang Date 1/13/15

Print name Pastor Tamara Dahlvang

REQUIREMENTS

Complete a separate application for:

- all gambling conducted on two or more consecutive days, or
 - all gambling conducted on one day.
- Only one application is required if one or more raffle drawings are conducted on the same day

Send application with:

___ a copy of your proof of nonprofit status, and
 ___ application fee (non refundable). Make check payable to "State of Minnesota."

To: Gambling Control Board
 1711 West County Road B, Suite 300 South
 Roseville, MN 55113

Financial report and recordkeeping required

A financial report form and instructions will be sent with your permit, or use the online fill-in form available at www.gcb.state.mn.us.

Within 30 days of the event date, complete and return the financial report form to the Gambling Control Board.

Questions?

Call the Licensing Section of the Gambling Control Board at 651-639-4000.

This form will be made available in alternative format (i.e. large print, Braille) upon request.

Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process the application. Your organization's name and address will be public information when received by the Board.

All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to: Board members, Board staff whose work requires access to the information; Minnesota's Department of Public Safety; Attorney

General; Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.

CITY OF NORTH MANKATO

REQUEST FOR COUNCIL ACTION



Agenda Item #7F	Department: Administration	Council Meeting Date: 02/02/2015
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TITLE OF ISSUE: Resolution Accepting the Offer of the Minnesota Public Facilities Authority to Purchase a General Obligation Water Revenue Note, Series 2015, in the Original Aggregate Principal Amount of \$1,631,793; Providing for its Issuance; and Authorizing the Execution of a Project Loan Agreement.

BACKGROUND AND SUPPLEMENTAL INFORMATION: The PFA loan is actually a bond purchase agreement and the attached resolution allows the PFA to purchase a General Obligation Water Revenue Note, Series 2015.

If additional space is required, attach a separate sheet

REQUESTED COUNCIL ACTION: Approve resolution accepting the offer from the PFA to Purchase a General Obligation Water Revenue Note, Series 2015.

For Clerk's Use:

Motion By: _____
 Second By: _____

Vote Record:

Aye	Nay	
_____	_____	Freyberg
_____	_____	Spears
_____	_____	Steiner
_____	_____	Norland
_____	_____	Dehen

SUPPORTING DOCUMENTS ATTACHED

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

Other (specify) _____

Workshop

Regular Meeting

Special Meeting

Refer to: _____

Table until: _____

Other: _____

Extract of Minutes of Meeting
of the City Council of the City of
North Mankato, Nicollet County, Minnesota

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of North Mankato, Minnesota, was duly held in the City Hall in said City on Monday, February 2, 2015, commencing at 7:00 P.M.

The following members were present:

and the following were absent:

The following resolution was presented by Member _____, who moved its adoption:

RESOLUTION NO. _____

ACCEPTING THE OFFER OF THE MINNESOTA PUBLIC FACILITIES AUTHORITY TO PURCHASE A GENERAL OBLIGATION WATER REVENUE NOTE, SERIES 2015, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,631,793; PROVIDING FOR ITS ISSUANCE; AND AUTHORIZING THE EXECUTION OF A PROJECT LOAN AGREEMENT

BE IT RESOLVED By the City Council of the City of North Mankato, Minnesota (the "City"), as follows:

Section 1. Recitals.

(a) The Minnesota Public Facilities Authority (the "PFA") is authorized pursuant to Minnesota Statutes, Chapter 446A, as amended, and Minnesota Rules, Chapter 7380, as amended, to issue its bonds (the "PFA Bonds") and to use the proceeds thereof, together with certain other funds of the agency available for such purpose in the Drinking Water Revolving Fund, to provide loans to political subdivisions of the State of Minnesota (the "State") to fund eligible costs of construction of publicly owned drinking water treatment and distribution facilities in accordance with the Federal Safe Drinking Water Act Amendments of 1996, Public Law 104-182 (the "Program").

(b) The City is authorized to issue its obligations pursuant to Minnesota Statutes, Chapter 475, as amended, and Minnesota Statutes, Section 444.075 (collectively, the "Act"), for the purpose of financing the construction of city well #9, a well house, and a connection to the existing drinking water system (the "Project").

(c) The City has applied for a loan from the PFA pursuant to the Program, and the PFA has committed to make a loan to the City in the principal amount of \$1,631,793, to be disbursed and repaid in accordance with the terms of a Bond Purchase and Project Loan Agreement, dated December 23, 2014 (the "Project Loan Agreement"), to be executed by the City and the PFA, in substantially the form now on file with the City Administrator and attached hereto as EXHIBIT A. The Project Loan Agreement, as executed, is incorporated herein by reference. The execution of the Project Loan Agreement is in accordance with the terms hereof.

(d) In accordance with Section 475.60, subdivision 2(4) of the Act, the City is authorized to issue obligations to a board, department or agency of the State by negotiation and without advertisement for bids and the PFA is, and has represented that it is, a board, department or agency of the State.

(e) Contracts for the Project have been or will be made by the City with the approval of the PFA and all other State and federal agencies of whose approval is required.

Section 2. Acceptance of Offer; Payment.

(a) The City hereby accepts the offer of the PFA to purchase the General Obligation Water Revenue Note, Series 2015 (the "Note"), to be issued by the City in the original aggregate principal amount of \$1,631,793 at the rate of interest hereinafter set forth, and to pay therefor the par amount of the Note as provided below, and the sale of the Note is awarded to the PFA. Payment for the Note is to be disbursed in installments as eligible costs of the Project are reimbursed or paid, all

as provided in the Project Loan Agreement. The terms set forth in this resolution relating to the Note are intended to be consistent with the provisions of the Project Loan Agreement, and to the extent that any provision in the Project Loan Agreement is in conflict with this resolution, the Project Loan Agreement shall control.

(b) The Note is to be issued in the aggregate principal amount of \$1,631,793, originally and nominally dated as of the date of delivery as a fully registered Note without coupons. The Note will be in the denomination of the entire principal amount thereof, numbered R-1, and will bear interest and mature in installment amounts as specified in EXHIBIT B attached hereto.

(c) The Note is subject to redemption and prior payment as provided in the Project Loan Agreement.

(d) Interest and principal in the installment amounts set out in the Note are payable by wire transfer, or if by check or draft of the City or its designated Registrar, mailed no later than five (5) business days prior to the payment date to the registered holder thereof at the holder's address as it appears on the bond register at the close of business on the fifteenth (15th) day (whether or not a business day) immediately preceding the interest payment date.

Section 3. Date; Denomination; Interest Rate. The Note will be a fully registered negotiable obligation, dated as of date of delivery and issued forthwith. The Note shall be issued in substantially the form attached hereto as EXHIBIT B.

Section 4. Execution. The Note is to be executed on behalf of the City by the manual or facsimile signatures of its Mayor and City Administrator, and is to be authenticated by the manual signature of the City Administrator, acting as authenticating agent of the City. In the event of disability or resignation or other absence of any of such officers, the Note may be signed by any officer who is authorized to act on behalf of such absent or disabled officer. If an officer whose signature will appear on the Note ceases to be such officer before the delivery of the Note, such officer's signature will nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

Section 5. Delivery; Application of Proceeds. The Note when so prepared and executed will be delivered by the City Administrator to the PFA prior to disbursements pursuant to the Project Loan Agreement and the purchaser is not obliged to see to the proper application thereof.

Section 6. Water Fund and Accounts. There shall be maintained a separate fund in the City treasury designated as the Water Fund (the "Water Fund"). The Finance Director and all municipal officials and employees concerned therewith will establish and maintain financial records of the receipts and disbursements of the municipal water system (the "Water System") in accordance with this resolution. There will be maintained in the Water Fund, in addition to any accounts previously created, the following three (3) separate accounts:

(a) A Capital Account to which will be credited all proceeds from the sale of the Note. The Note is the only source of money to be credited to the Capital Account. It is recognized that the sale proceeds of the Note are received in reimbursement for costs expended on the Project or in direct payment of such costs, and that accordingly the money need not be placed in the Capital Account upon receipt but may be applied immediately to reimburse the source from which the expenditure was made. Money in the Capital Account is to be used solely for the purpose of paying for the cost of constructing the Project, including all costs enumerated in Section 475.65 of the Act, provided that such money may only be expended for costs and expenses which are permitted under the Project Loan Agreement. The PFA prohibits the use of proceeds of the Note to reimburse costs

initially paid from proceeds of other obligations of the City unless otherwise specifically approved by the PFA. Upon completion of the Project and the payment of the costs thereof, any surplus is to be transferred to the Debt Service Account.

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

(c) A Debt Service Account into which are irrevocably pledged or credited (i) net revenues of the Water System in an amount sufficient, with other money, to pay the principal of and interest on the Note when due; (ii) all collections of taxes which may hereafter be levied for the payment of the principal of and interest on the Note; (iii) all investment earnings on money held in the Debt Service Account; (iv) any amounts transferred from the Capital Account; and (v) any other money which is properly available and is appropriated by the City Council to the Debt Service Account. The money in this account may be used only to pay or prepay the principal of the Note and to pay interest on the Note and any other obligations hereafter issued and made payable from this account, and to pay any rebate due to the United States with respect to the PFA Bonds in connection with the Note.

(d) Excess net revenues not required for the purposes of the Water Fund may be used for any proper municipal purpose.

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

The City will observe the covenants of Sections 13, 14, 15, and 16 of this resolution and of Article III of the Project Loan Agreement with regard to the Water Fund.

Section 7. Coverage Test; Pledge of Net Revenues; Excess Revenues. It is found, determined and declared that the net revenues of the Water System are sufficient in amount to pay one hundred five percent (105%) of the principal of and interest on the Note when due, and the net revenues of the Water System are pledged to the payment of the Note, but solely to the extent required to meet, with other pledged sources, one hundred five percent (105%) of the principal and interest requirements of the Note as the same become due.

Section 8. Pledge to Produce Revenues. In accordance with the Act the City hereby covenants and agrees with the holder of the Note that it will impose and collect charges for the service, use and availability of any connection to the Water System at the times and in the amounts required to produce net revenues adequate to pay all principal and interest when due on the Note.

Section 9. General Obligation Pledge. The full faith and credit and taxing powers of the City will be and are irrevocably pledged for the prompt and full payment of the principal of and interest on the Note as the same respectively become due. If the net revenues of the Water System appropriated and pledged to the payment of principal of and interest on the Note, together with other funds irrevocably appropriated to the Debt Service Account referred to in Section 6, are at any time insufficient to pay such principal and interest when due, the City covenants and agrees to levy, without limitation as to rate or amount, an ad valorem tax upon all taxable property in the City sufficient to pay such principal and interest as the same become due. If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Note and any other obligations payable therefrom, the deficiency will be promptly paid out of any other funds of the City which are available for such purpose, and those other funds may be reimbursed, with or without interest, from the Debt Service Account when a sufficient balance is available in that account.

Section 10. Certificate of Registration. The City Administrator is authorized and directed to file a certified copy of this resolution with the County Auditor-Treasurer of Nicollet County, Minnesota (the "County Auditor-Treasurer"), together with such other information as the County Auditor-Treasurer may require, and to obtain the certificate of the County Auditor-Treasurer that the Note has been entered in the Bond Register of the County Auditor-Treasurer.

Section 11. Project Loan Agreement. The Project Loan Agreement is approved in substantially the form presented to the City Council of the City, and in the form executed is incorporated by reference and made a part of this resolution. The provisions of this resolution relating to the Note are intended to be consistent with the provisions of the Project Loan Agreement, and to the extent that any provision in the Project Loan Agreement is in conflict with this resolution as it relates to the Note, that provision controls. The execution and delivery of the Project Loan Agreement by the Mayor and City Administrator are hereby authorized and ratified. The execution of the Project Loan Agreement by the appropriate officers is conclusive evidence of the approval of the Project Loan Agreement in accordance with the terms hereof. The Project Loan Agreement may be attached to the Note, and must be attached to the Note if the holder of the Note is any person other than the PFA.

Section 12. Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to the PFA, and to the attorneys approving the legality of the issuance of the Note, certified copies of all proceedings and records of the City relating to the Note and to the financial condition and affairs of the City, and such other affidavits, certificates and information as are required to show the facts relating to the legality and marketability of the Note as the same appear from the books and records under their custody and control, or as otherwise known to them, and all such certified copies, certificates and affidavits including any heretofore furnished, are to be deemed representations of the City as to the facts recited therein.

Section 13. Negative Covenants as to Use of Proceeds and Project. The City covenants not to use the proceeds of the Note or to use the Project, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Project, in such a manner as to cause the Note to be a private activity bond within the meaning of Sections 103 and 141 through 150 of the Code. The City reasonably expects that no actions will be taken over the term of the Note that would cause it to be a private activity bond, and the average term of the Note is not longer than reasonably necessary for the governmental purpose of the issue. The City covenants not to use the proceeds of the Note in such a manner as to cause the Note to be a “hedge bond” within the meaning of Section 149(g) of the Code.

Section 14. Tax-Exempt Status of the Note; Rebate. The City will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Note, including without limitation (i) requirements relating to temporary periods for investments; (ii) limitations on amounts invested at a yield greater than the yield on the PFA Bonds; and (iii) the rebate of excess investment earnings to the United States.

Section 15. Tax-Exempt Status of the PFA Bonds; Rebate. The City, with respect to the Note, will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the PFA Bonds, including without limitation (i) requirements relating to temporary periods for investments; (ii) limitations on amounts invested at a yield in excess of the applicable yield restrictions imposed by the Code; and (iii) the rebate of excess investment earnings to the United States. The City covenants and agrees with the PFA and holders of the Note that the investments of proceeds of the Note, including the investment of any revenues pledged to the Note which are considered gross proceeds of the PFA Bonds under the applicable regulations, and accumulated sinking funds, if any, will be limited as to amount and yield in such manner that the PFA Bonds will not be arbitrage bonds within the meaning of Section 148 of the Code and any regulations thereunder. On the basis of the existing facts, estimates and circumstances, including the foregoing findings and covenants, the City certifies that it is not expected that the proceeds of the Note will be used in such manner as to cause the PFA Bonds to be arbitrage bonds under Section 148 of the Code and any regulations thereunder. The Mayor and the City Administrator will furnish a certificate to the PFA embracing or based on the foregoing certification at the time of delivery of the Note to the PFA.

Section 16. Qualified Tax-Exempt Obligations. In order to qualify the Note as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code, the City makes the following factual statements and representations:

- (a) the Note is not a “private activity bond” as defined in Section 141 of the Code;
- (b) the City designates the Note as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code;
- (c) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) which will be issued by the City (and all subordinate entities of the City) during calendar year 2015 will not exceed \$10,000,000; and
- (d) not more than \$10,000,000 of obligations issued by the City during calendar year 2015 have been designated for purposes of Section 265(b)(3) of the Code.

Section 17. Reimbursement Intent. The City may have incurred certain expenditures with respect to the Project that were financed temporarily from other sources but are expected to be reimbursed with proceeds of the Note. The City makes the following declaration of official intent to reimburse certain

costs from the proceeds of the Note (the "Declaration") pursuant to Section 1.150-2 of the Treasury Regulations promulgated under the Code (the "Reimbursement Regulations"):

(a) The City reasonably expects to reimburse the expenditures made for certain costs of the Project from the proceeds of the Note in an estimated maximum principal amount of \$1,631,793. All reimbursed expenditures will be capital expenditures, costs of issuance of the bonds, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Reimbursement Regulations.

(b) This Declaration has been made not later than sixty (60) days after payment of any original expenditure to be subject to a reimbursement allocation with respect to the proceeds of Note, except for the following expenditures: (a) costs of issuance of bonds; (b) costs in an amount not in excess of \$100,000 or five percent (5%) of the proceeds of an issue; or (c) "preliminary expenditures" up to an amount not in excess of twenty percent (20%) of the aggregate issue price of the issue or issues that finance or are reasonably expected by the City to finance the project for which the preliminary expenditures were incurred. The term "preliminary expenditures" includes architectural, engineering, surveying, bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction or rehabilitation of a project, other than land acquisition, site preparation, and similar costs incident to commencement of construction.

(c) This Declaration is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

Section 18. Severability. If any section, paragraph or provision of this resolution is held to be invalid or unenforceable for any reason, the validity or unenforceability of such section, paragraph or provision will not affect any of the remaining provisions of this resolution.

Section 19. Headings. Headings in this resolution are included for convenience of reference only and are not a part hereof, and do not limit or define the meaning of any provision hereof.

(The remainder of this page is intentionally left blank.)

The motion for the adoption of the foregoing resolution was duly seconded by Member _____, and upon vote being taken thereon the following members voted in favor of the motion:

and the following voted against:

whereupon the resolution was declared duly passed and adopted.

EXHIBIT A
PROJECT LOAN AGREEMENT

**MINNESOTA PUBLIC FACILITIES AUTHORITY
BOND PURCHASE AND PROJECT LOAN AGREEMENT**

**DRINKING WATER REVOLVING FUND LOAN
(TAX-EXEMPT Note from Borrower)**

MPFA-15-0001-R-FY15

THIS BOND PURCHASE AND PROJECT LOAN AGREEMENT (the "Agreement"), is made December 23, 2014 between the Minnesota Public Facilities Authority (the "Authority") and the City of North Mankato (the "Borrower").

ARTICLE I - TERMS AND CONDITIONS

Section 1.1. Terms. The Authority hereby commits, subject to the availability of funds and the conditions hereinafter set forth, and pursuant to Minnesota Statutes, Section 446A.081 as amended, and Minnesota Rules Chapter 7380, as amended to provide **ONE MILLION SIX HUNDRED THIRTY ONE THOUSAND SEVEN HUNDRED NINETY THREE DOLLARS (\$1,631,793)** to the Borrower for the purpose of financing eligible project costs of the Drinking Water Revolving Fund project described as follows: construction of city well #9, well house, and connection to existing drinking water system all as detailed in the project certification dated December 2, 2014 (the "Project"). The Project is further described in the Borrower's application which is incorporated herein.

The Project financing consists of a loan from the Drinking Water Revolving Fund in the amount of **ONE MILLION SIX HUNDRED THIRTY ONE THOUSAND SEVEN HUNDRED NINETY THREE DOLLARS (\$1,631,793)** (the "Loan") which shall be evidenced by the Note described in Section 1.3 of this Agreement (the "Note"). The final maturity date of the Loan will be August 20, 2034. The aggregate principal amount of the Loan disbursed and outstanding will bear interest and servicing fees collectively at the rate of 1.000% per annum accruing from and after the date of the Note described in Section 1.3 through the date on which no principal of the Loan remains unpaid and all accrued interest and servicing fees thereon have been paid.

Section 1.2. Authority Sources of Funds. The Borrower acknowledges that the Loan provided by the Authority may be funded with the proceeds of one or more series of the Authority's revenue bonds (the "Bonds"), federal capitalization grants, proceeds of state general obligation bonds or other funds of the Authority, or a combination thereof, and that the Authority may, at any time, pledge the Loan as security for its Bonds. The Authority in its sole discretion may allocate the Loan to one or more such sources of funds and may from time to time reallocate the Loan to one or more different sources of funds, including one or more different series of Bonds (whether or not such series of Bonds refunded the series of Bonds to which the Loan was originally allocated), or may sell the Loan if permitted by the documents relating to its Bonds.

At the written request of the Borrower, the Authority will provide information with respect to the funding of the Loan, from time to time, in such detail as may be reasonably required for the purpose of assisting the Borrower in complying with any provision of Article III of this Agreement.

Section 1.3. Security. (a) The Borrower shall issue to the Authority its General Obligation Revenue Note (the "Note"), evidencing its obligation to repay the Loan. It is a condition of any disbursements hereunder that the Borrower deliver to the Authority the executed Note, a certified copy of resolutions or other authority by the appropriate governing body or bodies as shall legally authorize the execution and performance of this Agreement and the Note, and such opinions, certificates and documents as requested by and in a form acceptable to the Authority.

(b) The Borrower hereby represents and specifically agrees that the Note constitutes a general obligation debt of the Borrower and will be shown as such on its financial statements and be treated in all respects as a general obligation debt of the Borrower. For purposes of permitting sale of the Note to the Authority, the Authority represents that it is a "board, department or agency" of the State of Minnesota within the meaning of Minnesota Statutes, Section 475.60, subdivision 2, clause (4), as amended.

(c) The obligations of the Borrower under the Note evidence amounts payable under the Loan. Each payment made pursuant to the Note will be deemed to be a credit against the corresponding obligation of the Borrower under the Loan and any such payment will fulfill the Borrower's obligation to pay such amount hereunder.

Section 1.4. Disbursements. (a) No funds will be disbursed by the Authority to the Borrower until the Borrower has delivered its Note to the Authority as set forth in Section 1.3.

(b) All Borrower disbursement requests will be subject to Authority approval and will be disbursed on a cost reimbursement basis, consistent with the budget presented in the Borrower's application. The Authority may withhold or disallow all or part of the amount requested if the Authority determines the request is not in compliance with this Agreement, applicable federal and state laws, regulations or rules as then in effect.

(c) The Authority will disburse funds pursuant to approved disbursement requests complying with the provisions of this Agreement. Each disbursement request must be for eligible costs for completed work on the Project and must be submitted at such deadlines established by the Authority and on a form prescribed by the Authority. Each disbursement request must include supporting invoices and billing statements and be signed by an employee or elected official of the Borrower.

(d) The Authority will reimburse the Borrower for eligible Project costs incurred prior to the execution of this Agreement only to the extent approved in connection with the Authority's approval of the Borrower's application. The Authority reserves the right to reimburse the Borrower for approved costs incurred prior to the execution of this Agreement by making disbursements therefor over a two-year period in eight equal quarterly payments.

(e) Disbursements will be made by the Authority to the Borrower within 30 days of receipt of the Borrower's request, unless the Authority determines to withhold disbursement in accordance with the provisions of this Agreement. The Authority will endeavor to pay disbursement requests submitted by the Borrower not later than the 15th day of the month by the 25th day of the same month.

(f) If the entire amount specified in Section 1.1 is not fully disbursed by June 30, 2018, no further disbursements will be made. In such event or if final eligible Project costs are less than the total financing amount specified in Section 1.1, the undisbursed balance of the Loan amount not disbursed will be applied to the outstanding principal installments of the Loan on a pro rata basis or as otherwise determined by the Authority. The Authority will revise Exhibit A to this Agreement to reflect the reduction in principal amount and promptly deliver a copy to the Borrower.

Section 1.5. Mandatory Payments. (a) The principal amount of the Loan, together with accrued interest and servicing fees collectively, will be repaid in the amounts and on the dates set forth in Exhibit A attached hereto (notwithstanding the rate of disbursement of the proceeds of the Loan), subject to adjustment as set forth in Section 1.4 or 1.6. The interest payment shown on Exhibit A is for informational purposes only; the actual interest payment will be the amount of interest which has accrued to the date of payment. The Authority will be entitled to retain for its own purposes any interest earnings on Loan proceeds that are not disbursed and will not be obligated to credit against any required repayment of principal or payment of interest and servicing fees any such interest earnings. Any payment of principal or interest received by the Authority in excess of the amounts set forth in Exhibit A, as then in effect, which is not a mandatory

payment as designated in paragraph (b), or not expressly designated by the Borrower to be treated as an optional prepayment may, in the sole discretion of the Authority, be (i) held without interest payable by the Authority and applied to a future payment due on the Loan in a manner determined by the Authority, (ii) treated as a prepayment of principal on the Loan, or (iii) returned to the Borrower as an overpayment. Other than prepayments, the Authority will apply any payments received under the Note as follows: first, to the payment of any costs or expenses incurred by the Authority in enforcing any provision of the Note or this Agreement; second, to the payment of accrued and unpaid interest and servicing fees on the Note; and third, to the payment of principal of the Note then due.

(b) If the Borrower has pledged to the repayment of the Loan revenues subject to prepayment or lump-sum payment by a third party, such as special assessments or connection charges from another municipality, the Borrower agrees, to notify the Authority immediately upon receipt of any such payment. The Authority, in its sole discretion, may direct the Borrower to use the funds for the payment of eligible construction costs of the Project, or to transmit the funds to the Authority for payment on the Loan, immediately or at a later date. Any such payment received by the Authority may be applied to reduce each unpaid annual principal installment of the Loan in the proportion that such installment bears to the total of all unpaid principal installments, or, in the sole discretion of the Authority, may be applied to one or more future principal payments on the Loan in a manner determined by the Authority.

Section 1.6. Optional Prepayments. (a) The Loan may not be prepaid except upon written consent of the Authority. If the Authority has consented, then upon 45 days' prior written notice to the Authority (or such lesser period as the Authority may accept), the Borrower may prepay the Loan and the Note, in whole or in part, on any February 20 or August 20 at a price equal to 100% of the principal amount to be prepaid, together with accrued interest and servicing fees thereon to the redemption date and a premium equal to all fees and expenses of the Authority, if any, in connection with the prepayment, including any fees, expenses or other costs relating to the payment and redemption of its Bonds as determined by the Authority.

(b) The Authority may require that the Borrower, at its sole cost and expense, deliver to the Authority an opinion from a law firm, selected by the Authority, having a national reputation in the field of municipal law whose legal opinions are generally accepted by purchasers of municipal bonds ("Bond Counsel") to the effect that such prepayment will not cause the interest on the Note to be included in the gross income of the recipient thereof for federal income tax purposes.

(c) Any prepayment of the Note shall be applied as follows: first, to the payment of fees, expenses and other costs of the Authority as provided in subsection (a); second, to the payment of interest and servicing fees on the principal amount of the Note to be prepaid; and, third, to the principal of the Note. The principal amount of a partial prepayment will, in the sole discretion of the Authority, (i) be applied to one or more future principal payments of the Loan in a manner determined by the Authority, or (ii) be applied to reduce each unpaid annual principal installment of the Loan in the proportion that such installment bears to the total of all unpaid principal installments (i.e., the remaining principal payment schedule shall be re-amortized to provide proportionately reduced principal payments in each year).

ARTICLE II – BORROWER RESPONSIBILITIES AND PROJECT COMPLIANCE

Section 2.1. Borrower Responsibilities with Respect to the Project. (a) The Borrower shall meet all requirements in the loan application submitted to the Authority as to compliance with federal and state laws, rules and regulations and shall include in any contract or subcontract related to the Project, provisions requiring contractor and subcontractor compliance with applicable state and federal laws. The requirements, including compliance with the reporting requirements of Minnesota Statutes, Section 16A.633 subdivision 4, "Report on Jobs Created or Retained", in such loan application are hereby incorporated by reference.

(b) The Borrower agrees to commence construction and complete the Project with reasonable diligence, regardless of the sufficiency of loans or grants therefor from the Authority to pay eligible project costs.

(c) The Borrower will not enter into a sale, lease, transfer or other use agreement of any part of the Project, or change the use of the Project, without the prior written approval of the Authority if such sale, lease, transfer, agreement or change in use would (i) violate the covenants set forth in Article III or Article IV, or (ii) violate the conditions under which any capitalization grants were furnished by the United States Environmental Protection Agency (the "EPA"), or (iii) otherwise violate any terms or conditions of this Agreement.

(d) The Borrower must maintain adequate property insurance coverage for the Project in such amounts with such limits as it determines in good faith to be reasonable or in such amounts and with such limits as may be required by the Authority from time to time. The Borrower may substitute adequate, actuarially sound self-insurance or risk retention program(s) for property insurance coverage, so long as such program(s) are consistent with applicable laws and state and federal regulations.

(e) The Borrower must complete the Project in accordance with all applicable federal, state and local statutes, rules, regulations, ordinances, reporting requirements, approvals, and state agency certifications governing the design and construction of the Project, and will operate its drinking water system in compliance with all applicable federal and state laws and regulations and permit requirements.

(f) The Borrower agrees to exert all reasonable efforts to investigate claims which the Borrower may have against third parties with respect to the construction of the Project and, in appropriate circumstances, take whatever action, including legal action, the Borrower reasonably determines to be appropriate.

Section 2.2. Construction Compliance. (a) The Borrower will comply with the provisions of prevailing wage requirements set forth in Minnesota Statutes, Sections 177.41 to 177.44, as then in effect.

(b) In addition to the prevailing wage requirements under subsection (a), the Borrower will comply and require that all laborers and mechanics employed by contractors and subcontractors on the Project be paid wages at rates not less than those prevailing on projects of a similar character in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C., sec. 276a through 276a-5), as amended.

(c) If requested, the Borrower will submit to the Authority, within 20 days of the end of the semi-annual reporting period, EPA Form 5700-52A to report on the award of prime contracts or subcontracts to any certified Minority and Women Business Enterprise (MBE/WBE) firms until the Project is complete.

(d) The Borrower will comply with Minnesota Statutes, Section 290.9705, as then in effect, by withholding to the extent so required eight percent (8%) of payments made to all out-of-state contractors once cumulative payments made to the contractor for work done in Minnesota exceed \$50,000 in a calendar year, unless an exemption is granted by the Department of Revenue. Withheld amounts are required to be deposited with the Minnesota Department of Revenue.

(e) The Borrower will comply with Section 436 of the Federal Consolidated Appropriations Act, 2014, Use of American Iron and Steel (P.L. 113-76), unless the Project is granted a waiver from the federal EPA or is eligible for the federal EPA Nationwide waiver issued April 15, 2014.

Section 2.3. Revenue Sufficiency Covenant. The Borrower shall impose and collect rates and charges in compliance with Minnesota Statutes and in accordance with the Borrower's approved service charge system, so that sufficient gross revenues are available for the payment of system costs, including operation and maintenance and, together with other sources as may be applicable, debt service. The Borrower shall annually review and assure the revenue stream is sufficient for the payment of system costs including debt service.

ARTICLE III - TAX EXEMPTION

Section 3.1. Covenants. The Borrower acknowledges that the Note is intended to bear interest which is excluded from gross income of the owner thereof for federal and State of Minnesota income tax purposes (a "Tax-exempt Note") and may be funded by the Authority from the proceeds of the Authority's Bonds which are intended to bear interest which is excluded from gross income of the owner thereof for federal and State of Minnesota income tax purposes ("Tax-exempt Bonds"). The Borrower also acknowledges that, regardless of the source of funding, the Authority may pledge the Loan and the related Note as security for, and as a source of, the payment of debt service on any or all of its Tax-exempt Bonds. In consideration of these facts, the Borrower covenants and agrees with the Authority, whether or not strict compliance with such agreements is required to maintain the Note as a Tax-exempt Note or the Authority's Bonds as Tax-exempt Bonds, as follows:

(a) The Borrower will not take, or to the extent under its control, permit, any action which would cause the Note not to be a Tax-exempt Note or any Authority Bonds not to be Tax-exempt Bonds and will not omit from taking, or cause to be taken, any action required to maintain the Note as a Tax-exempt Note or the Authority's Bonds as Tax-exempt Bonds.

(b) The Borrower will take all actions with respect to the Note necessary to comply with all instructions and requests of the Authority relating to maintaining the Authority's Bonds as Tax-exempt Bonds and the Note as a Tax-exempt Note or compliance with the agreements set forth in this section or in any Tax Compliance Certificate (hereinafter defined).

(c) The Borrower agrees to comply with all requirements of any certificate or agreement ("Tax Compliance Certificate") executed and delivered by it in connection with the issuance of the Note.

(d) The Borrower will promptly notify the Executive Director of the Authority in writing of any action or event which adversely affects the status of the Note as a Tax-exempt Note or any of the Authority's Bonds as Tax-exempt Bonds.

(e) None of the proceeds of the Loan may be used to pay the costs of any facility used or to be used during the term of the loan for any private business use or to make a private loan within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code").

(f) No Loan repayments may be made from, or secured by, property used or to be used for a private business use or payments in respect of such property within the meaning of Section 141 of the Code, except as specifically permitted in writing by the Authority.

(g) The Borrower will not establish any fund or account, other than a bona fide debt service fund, securing the payment of the Tax-exempt Note or Tax-exempt Bonds or from which the Borrower reasonably expects to pay debt service on the Loan, or in any other respect create "gross proceeds," within the meaning of the

Code, of the Tax-exempt Note or Tax-exempt Bonds, except as specifically permitted in writing by the Authority. In addition, any gross proceeds shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent such investment would cause the Tax-Exempt Note or Tax-exempt Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(h) The Borrower will not invest any moneys constituting "gross proceeds" of the Tax-exempt Note or Tax-exempt Bonds other than in a fair market, arms' length transaction and at a yield, within the meaning of the Code, in excess of the lesser of the yield on the Tax-exempt Note or the Tax-exempt Bonds applicable to the Loan and shall apply all Loan proceeds within five days of the receipt thereof by the Borrower consistent with the terms of the Borrower's disbursement request.

(i) Except as permitted under Treasury Regulations, Section 1.150-2, and Section 1.4(d) hereof, the Borrower will not use Loan proceeds to reimburse itself for any payments of project costs which the Borrower made from other funds, if the original payment was made prior to the earlier of the issuance of the Authority Bonds used to fund the Loan or the execution and delivery of this Agreement or if the original payment was made from the proceeds of other debt of the Borrower.

(j) Other than as provided in Section 4.1 hereof, the Borrower agrees that the allocation by the Authority of funds it uses to purchase the Loan, including different series of Tax-exempt Bonds, shall be at the sole discretion of the Authority and such allocation shall be binding on the Borrower.

(k) With respect to any gross proceeds of the Tax-exempt Bonds created by the Borrower, the Borrower shall be liable to the Authority for the amount required to be rebated as excess investment earnings to the United States.

(l) The Authority may, in its sole discretion and only upon receipt of an opinion of counsel to the Authority, waive any of the agreements set forth in this Article III.

ARTICLE IV – COMPLIANCE WITH STATE BOND REQUIREMENTS

Section 4.1. State Bond Financed Property. The Borrower and the Authority acknowledge and agree that the Borrower's ownership interest in the Project consisting of real property, and, if applicable, all facilities located, or that will be constructed and located on such real property and all equipment that is a part thereof that was purchased with the proceeds of general obligation bond proceeds constitute "State Bond Financed Property", as such term is used in Minnesota Statutes, Section 16A.695 and the "Fourth Order Amending Order of the Commissioner of Finance Relating to Use and Sale of State Bond Financed Property" dated July 30, 2012 (the "Order") as such may be amended, modified, supplemented, or replaced from time to time and therefore, the provisions contained in such statute and order apply to the Borrower's ownership interest in the Project and any Use contracts relating thereto. The Borrower agrees that the proceeds of the Loan must be used and the Project must be operated in a manner that complies with Minnesota Statutes, Section 16A.695 and the Order. The Borrower must file the required state bond financed property declaration as provided in the Order and provide a copy of the filed declaration to the Authority, unless the filing requirement is waived in writing by the Commissioner of Minnesota Management and Budget.

Section 4.2. Lease or Management Contract. The Borrower agrees that: any lease or management or similar contract (each a "Use Agreement") entered into by the Borrower with respect to property constituting all or a part of the State Bond Financed Property must comply with the following requirements:

- (a) It must be for the express purpose of carrying out of a governmental program established or authorized by law and established by official action of the Borrower.
- (b) It must be approved, in writing, by the Commissioner of Minnesota Management and Budget.
- (c) It must be for a term, including any renewals that are solely at the option of the lessee or manager, that is substantially less than the useful life of the property subject to such lease or management contract, but may allow renewal beyond that term upon determination by the Borrower that the use continues to carry out the governmental program.
- (d) It must be terminable by the Borrower if the other contracting party defaults under the contract, or if the governmental program is terminated or changed.
- (e) It must provide for oversight by the Borrower of the operation of the property that is the subject of the Use Agreement.
- (f) It must specifically identify the statute that provides the Borrower authority to enter into the Use Agreement.
- (g) It must contain a provision stating that the Use Agreement is being entered into in order to carry out a governmental program and must specifically identify the governmental program.

Section 4.3. Sale. The Borrower must not sell any property constituting all or a part of the State Bond Financed Property unless the sale complies with the following requirements:

- (a) The Borrower determines by official action that such property is no longer usable or needed by the Borrower to carry out the governmental program for which it was acquired or constructed.
- (b) The sale must be made as authorized by law.
- (c) The sale must be for fair market value as defined in Minnesota Statutes, Sections 16A.695 as then in effect.
- (d) The Borrower must obtain the prior written consent of the Commissioner of Minnesota Management and Budget.

Section 4.4. Changes to Minnesota Statute 16A.695 or the Order. In the event that Minnesota Statutes Section 16A.695 or the Order is amended in a manner that reduces any requirement imposed upon the Borrower, or if the Borrower's interest in the State Bond Financed Property is exempt from Minnesota Statutes, Section 16A.695 or the Order, then upon written request by the Borrower, the Authority will enter into and execute an amendment to this Agreement to implement herein such amendment to or exempt the interest in the Project from Minnesota Statutes, Section 16A.695 and the Order or both.

Section 4.5. Waiver. The Authority may waive the requirements of Article IV at any time upon determination by the Authority, and after receiving approval by the Commissioner of Minnesota Management and Budget that the Loan has not been and will not be funded from the proceeds of state general obligation bonds.

ARTICLE V - DISCLOSURE

Section 5.1. Information for Disclosure Documents. (a) The Borrower agrees to provide to the Authority such information with respect to the Borrower, its duties, operations and functions as may be reasonably requested by the Authority, and hereby consents to its inclusion in the Authority's official statement(s) used in connection with issuance and sale or the re-marketing of its Bonds or continuing disclosure with respect to its Bonds (collectively, the "Disclosure Documents"), whether or not all or a portion of the proceeds of Bonds were or will be loaned to the Borrower.

(b) At the request of the Authority, the Borrower will certify and represent that such information with respect to the Borrower in any Disclosure Document does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading; provided, however, that in no event shall the Borrower be required to make any representation about any other information in the Disclosure Documents or as to any Disclosure Document in its entirety. If for any reason the Borrower determines that it shall not be able to make such certification and representation, it will provide such information to the Authority as is necessary for inclusion in the Disclosure Documents so as to enable it to make such certification and representation.

(c) If at any time during the period ending 90 days after the date the Borrower provides information to Authority for inclusion in a Disclosure Document any event occurs which the Borrower believes would cause the information with respect to the Borrower in the Disclosure Document to omit a material fact or make the statements therein misleading, the Borrower shall promptly notify the Authority in writing of such event and provide information for inclusion in the Disclosure Document or an amendment thereof or a supplement thereto. At the request of the Authority, the Borrower will also provide the certification and representation required in (b) above with respect to such information.

(d) The Borrower will provide such information as may be reasonably requested by any rating agency in connection with rating the Bonds of the Authority.

Section 5.2. Continuing Disclosure. If the Authority, in its sole discretion, determines, at any time prior to payment of the Loan in full, (i) that the Borrower is a material "obligated person," as the term "obligated person" is defined in Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto ("Rule 15c2-12") or (ii) that an event has occurred with respect to the Borrower or the Loan that must be disclosed under Rule 15c2-12, or that any other action of the Borrower has occurred which the Authority determines in its sole discretion is material to an investor in Bonds of the Authority, with materiality under clause (i) being determined by the Authority pursuant to criteria established, from time to time, by the Authority in its sole discretion and set forth in a resolution or official statement of the Authority, the Borrower hereby covenants that it will authorize and provide to the Authority, for inclusion in a Disclosure Document, all statements and information relating to the Borrower deemed material by the Authority for the purpose of satisfying Rule 15c2-12 as well as Rule 10b-5 promulgated pursuant to the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto ("Rule 10b-5"), including certificates and written representations of the Borrower evidencing satisfaction of the requirements of Rule 15c2-12 and Rule 10b-5; and the Borrower hereby further covenants that the Borrower (if determined to be such a material obligated person) shall execute and deliver a continuing disclosure agreement, in such form as the Authority shall determine to be necessary, desirable or convenient, in its sole discretion, for the purpose of meeting the requirements of Rule 15c2-12, and pursuant to the terms and provisions of such continuing disclosure agreement, the Borrower shall thereafter provide ongoing disclosure with respect to all annual and event information and financial statements relating to the Borrower required by a continuing disclosure undertaking under Rule 15c-12 and pursuant to the terms and provisions of such continuing disclosure agreement, and the Borrower further agrees that the Authority shall have the right to

disclose any information about the Borrower or the Loan, whether or not received from the Borrower, determined by the Authority in its sole discretion, to be material with respect to any of its Bonds.

ARTICLE VI - DEFAULT AND REMEDIES

Section 6.1. Events of Default. Any of the following are events of default under this Agreement:

(a) Failure of the Borrower to make a payment when due;

(b) Failure of the Borrower to comply with any other provision of this Agreement or the Note after written notice from the Authority and the Borrower fails for a three-month period to cure such default or provide a written plan acceptable to the Authority providing for such cure or, if the Authority accepts a plan for cure, the Borrower fails to cure any defaults within the time period specified therein.

Section 6.2 Remedies. (a) For an event of default under Section 6.1(a) of this Agreement, the Authority shall impose an interest penalty as provided in Minn. Rules Part 7830.0296, Subpart 1. The Authority may also exercise one or more of the following remedies: (1) withhold approval of any disbursement request, (2) reject any pending application by the Borrower for financial assistance, (3) to the extent permitted by law, demand immediate payment of the Loan and the Note in full and, upon such demand, the outstanding principal amount of the Loan and Note will be immediately due and payable, with interest accrued thereon to the date of payment, or (4) exercise any other remedy available to the Authority at law or in equity, including under Minnesota Rules, Chapter 7380, as amended.

(b) For an event of default under Section 6.1(b) of this Agreement, the Authority shall impose an immediate increase in the interest rate on the Loan by eliminating all interest rate discounts that were applied in determining the interest rate under Minnesota Rules, Part 7380.0272. The Authority may also exercise one or more of the following remedies: (1) withhold approval of any disbursement request, (2) reject any pending application by the Borrower for financial assistance, (3) to the extent permitted by law, demand immediate payment of the Loan and the Note in full and, upon such demand, the outstanding principal amount of the Loan and Note will be immediately due and payable, with interest accrued thereon to the date of payment, or (4) exercise any other remedy available to the Authority at law or in equity, including under Minnesota Rules, Chapter 7380, as amended. If the Authority subsequently determines that the Borrower has cured all events of default, the interest rate on any unpaid Loan principal will revert back to the original interest rate.

ARTICLE VII - FINANCIAL RECORDS AND AUDITS

Section 7.1. Financial Recordkeeping. For all expenditures of funds made pursuant to this Agreement, the Borrower must keep financial accounts and records in accordance with generally accepted accounting principles including invoices, contracts, receipts, vouchers and other documents sufficient to evidence in proper detail the nature and propriety of the expenditures and any investments made with proceeds of the Loan or other "gross proceeds" of the Note or the Tax-exempt Bonds of the Authority. Such accounts and records shall be accessible and available for a minimum of six years from the date of initiation of operation of the Project and for so long as the Note is outstanding for examination by authorized representatives of: the Authority, the Legislative Auditor, Office of the State Auditor and the EPA Office of Inspector General.

Section 7.2. Annual Audit Requirements. (a) The Borrower must annually provide to the Authority for the term of the Loan a copy of its independent annual audit. All audit reports must be submitted within 30 days after the completion of the audit but no later than one year after the end of the fiscal year to be audited. The audits must be conducted in accordance with generally accepted government auditing standards and in compliance with the single audit act requirements of the federal Office of Management and Budget, circular A-133, or as superseded by 2 CFR 200 Subpart F, effective for fiscal years beginning on or after December 26, 2014.

(b) The Borrower must list the Note as general obligation debt of the Borrower in its annual audits for the term of the Loan.

ARTICLE VIII - THIS ARTICLE INTENTIONALLY LEFT BLANK

ARTICLE IX – GOVERNMENT DATA PRACTICES

Section 9.1. General. The Borrower agrees with respect to any data that it possesses regarding the Project, to comply with all of the provisions and restrictions contained in the Minnesota Government Data Practices Act contained in Chapter 13 of the Minnesota Statutes that exists as of the date of this Agreement and as such may subsequently be amended, modified or replaced from time to time.

ARTICLE X - ADMINISTRATION

Section 10.1. Amendments. Any amendments to this Agreement must be in writing and be executed by the Borrower by the same officials who signed the Agreement, or their successors.

Section 10.2. Fee. The Borrower acknowledges that the Authority may apply up to 2% of any loan repayment to payment of administrative costs and that such application shall not increase the amount of any repayments or extend the period of repayment.

Section 10.3. Notices. In addition to any notice required under applicable law to be given in another manner, any notices required hereunder must be in writing, and shall be sufficient if delivered by courier or overnight delivery service or sent by certified mail (return receipt requested), postage prepaid, to the address of the party to whom it is directed. Such address shall be that address specified below or such different address as may hereafter be specified, by either party by written notice to the other:

In the case of the Authority:

Minnesota Public Facilities Authority
Attention: Executive Director
332 Minnesota Street, Suite W820
St. Paul, MN 55101-1378

In the case of the Borrower:

City of North Mankato
Attention: Mayor
1001 Belgrade Avenue P.O. Box 2055
North Mankato, MN 56002-2055

Section 10.4. Termination of Loan. The obligations of the Borrower under this Agreement (except the obligations set forth in Section 2.1 (c), (d) and (e) and Article IV hereof) shall terminate when the Loan is fully paid and retired.

Project Number: MPFA-15-0001-R-FY15
Borrower Name: City of North Mankato

The Authority and the Borrower have caused this Agreement to be duly executed by their duly authorized undersigned representatives. Statutory Cities must execute this Agreement as provided in Minnesota Statutes, Section 412.201, as amended. Home Rule Charter Cities must execute this Agreement as provided in Minnesota Statutes, Chapter 410, as amended.

BORROWER: We have read and we agree to all of the above provisions of this Agreement.

By _____
Mark Dehen
Title Mayor
Date _____

By _____
John Harrenstein
Title Administrator
Date _____

MINNESOTA PUBLIC FACILITIES AUTHORITY:

By _____
Katie Clark Sieben, or delegate
Title Chair
Date _____

ENCUMBERED:
Minnesota Public Facilities Authority

By _____
Date Encumbered B2401 3-1252 12/29/14
(Individual signing certified that funds have been encumbered as required by Minnesota Statute 16A)

North Mankato - dw01

MPFA-15-0001-R-FY15

1,631,793.00

Rate: 1.000%

Date:

Maturity: 08/20/34

private activity:

final loan amount:

1,831,793.00

Date	Effective	Source	Disbursement	Repayment	Interest	Principal	Loan Balance	Annl Debt Srv
projected	12/24/14	Op Res	1,631,793.00				1,631,793.00	
	08/20/15			11,490.31	10,697.31	793.00	1,631,000.00	11,490.31
	02/20/16			8,155.00	8,155.00		1,631,000.00	
	08/20/16			86,155.00	8,155.00	78,000.00	1,553,000.00	94,310.00
	02/20/17			7,765.00	7,765.00		1,553,000.00	
	08/20/17			86,765.00	7,765.00	79,000.00	1,474,000.00	94,530.00
	02/20/18			7,370.00	7,370.00		1,474,000.00	
	08/20/18			87,370.00	7,370.00	80,000.00	1,394,000.00	94,740.00
	02/20/19			6,970.00	6,970.00		1,394,000.00	
	08/20/19			87,970.00	6,970.00	81,000.00	1,313,000.00	94,940.00
	02/20/20			6,565.00	6,565.00		1,313,000.00	
	08/20/20			88,565.00	6,565.00	82,000.00	1,231,000.00	95,130.00
	02/20/21			6,155.00	6,155.00		1,231,000.00	
	08/20/21			88,155.00	6,155.00	82,000.00	1,149,000.00	94,310.00
	02/20/22			5,745.00	5,745.00		1,149,000.00	
	08/20/22			88,745.00	5,745.00	83,000.00	1,066,000.00	94,490.00
	02/20/23			5,330.00	5,330.00		1,066,000.00	
	08/20/23			89,330.00	5,330.00	84,000.00	982,000.00	94,660.00
	02/20/24			4,910.00	4,910.00		982,000.00	
	08/20/24			89,910.00	4,910.00	85,000.00	897,000.00	94,820.00
	02/20/25			4,485.00	4,485.00		897,000.00	
	08/20/25			90,485.00	4,485.00	86,000.00	811,000.00	94,970.00
	02/20/26			4,055.00	4,055.00		811,000.00	
	08/20/26			91,055.00	4,055.00	87,000.00	724,000.00	95,110.00
	02/20/27			3,620.00	3,620.00		724,000.00	
	08/20/27			90,620.00	3,620.00	87,000.00	637,000.00	94,240.00
	02/20/28			3,185.00	3,185.00		637,000.00	
	08/20/28			91,185.00	3,185.00	88,000.00	549,000.00	94,370.00
	02/20/29			2,745.00	2,745.00		549,000.00	
	08/20/29			91,745.00	2,745.00	89,000.00	460,000.00	94,490.00
	02/20/30			2,300.00	2,300.00		460,000.00	
	08/20/30			92,300.00	2,300.00	90,000.00	370,000.00	94,600.00
	02/20/31			1,850.00	1,850.00		370,000.00	
	08/20/31			92,850.00	1,850.00	91,000.00	279,000.00	94,700.00
	02/20/32			1,395.00	1,395.00		279,000.00	
	08/20/32			93,395.00	1,395.00	92,000.00	187,000.00	94,790.00
	02/20/33			935.00	935.00		187,000.00	
	08/20/33			93,935.00	935.00	93,000.00	94,000.00	94,870.00
	02/20/34			470.00	470.00		94,000.00	
	08/20/34			94,470.00	470.00	94,000.00	-	94,940.00
totals			1,631,793.00	1,810,500.31	178,707.31	1,631,793.00		1,810,500.31

North Mankato - dw01
MPFA-15-0001-R-FY15

FINAL

Date	Principal	12/23/14 Rate Scales		Cash flow using principal schedule and these rate scales:		Present Value of Cash Flows and these rate scales *:	
		PFA Bonds	MMD AAA	PFA Bonds	MMD AAA	PFA Bonds	MMD AAA
12/24/14	(1,631,793.00)				(1,631,793.00)		(1,631,793.00)
02/20/15	-				5,060.88		5,043.16
08/20/15	793.00		0.18%		17,060.11		16,809.86
02/20/16	-				16,266.40		15,848.15
08/20/16	78,000.00		0.48%		94,266.40		90,813.21
02/20/17	-				16,079.20		15,316.57
08/20/17	79,000.00		0.78%		95,079.20		89,554.55
02/20/18	-				15,771.10		14,688.22
08/20/18	80,000.00		1.05%		95,771.10		88,195.54
02/20/19	-				15,351.10		13,978.37
08/20/19	81,000.00		1.31%		96,351.10		86,751.86
02/20/20	-				14,820.55		13,194.45
08/20/20	82,000.00		1.53%		96,820.55		85,231.41
02/20/21	-				14,193.25		12,354.32
08/20/21	82,000.00		1.73%		96,193.25		82,791.69
02/20/22	-				13,483.95		11,475.31
08/20/22	83,000.00		1.90%		96,483.95		81,190.87
02/20/23	-				12,695.45		10,563.44
08/20/23	84,000.00		2.00%		96,695.45		79,555.13
02/20/24	-				11,855.45		9,644.62
08/20/24	85,000.00		2.09%		96,855.45		77,910.54
02/20/25	-				10,967.20		8,723.14
08/20/25	86,000.00		2.19%		96,967.20		76,261.79
02/20/26	-				10,025.50		7,796.38
08/20/26	87,000.00		2.26%		97,025.50		74,606.74
02/20/27	-				9,042.40		6,875.13
08/20/27	87,000.00		2.32%		96,042.40		72,204.65
02/20/28	-				8,033.20		5,971.67
08/20/28	88,000.00		2.37%		96,033.20		70,588.44
02/20/29	-				6,990.40		5,080.65
08/20/29	89,000.00		2.42%		95,990.40		68,984.25
02/20/30	-				5,913.50		4,202.15
08/20/30	90,000.00		2.47%		95,913.50		67,392.55
02/20/31	-				4,802.00		3,336.26
08/20/31	91,000.00		2.52%		95,802.00		65,813.77
02/20/32	-				3,655.40		2,483.03
08/20/32	92,000.00		2.57%		95,655.40		64,248.30
02/20/33	-				2,473.20		1,642.54
08/20/33	93,000.00		2.62%		95,473.20		62,696.55
02/20/34	-				1,254.90		814.85
08/20/34	94,000.00		2.67%		95,254.90		61,158.88
totals	-				408,676.29		-
							2.267%
							1.500%
							1.000%

* yields that equates PV of cash flows to \$-0-

less discounts applied to the higher of the two yields: base discount: 1.500%

 MHI below average:

 Avg residential cost:

 resulting loan rate (min=1%): 1.000%

estimated savings: \$229,969

WAM:
11.0 years

funds, or by check or draft mailed at least five (5) business days prior to the payment date to the person in whose name this Note is registered in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

Redemption. This Note is subject to optional or mandatory redemption and prepayment in whole or in part as provided in the Project Loan Agreement. If redemption is in part, installments of principal payable last under this Note must be prepaid first, unless the City and the holder of this Note agree to a different manner of payment.

Purpose; General Obligation. This Note has been issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, for the purpose of providing money to finance eligible project costs of the City's municipal water system, and is payable out of the Debt Service Account of the Water Fund of the City, to which account have been pledged net revenues of the City's municipal water system. This Note constitutes a general obligation of the City, and to provide money for the prompt and full payment of said principal installments and interest when the same become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

Registration: Transfer. This Note must be registered in the name of the payee on the books of the City by presenting this Note for registration to the City Administrator, who will endorse the City Administrator's name and note the date of registration opposite the name of the payee in the certificate of registration attached hereto. Thereafter this Note may be transferred to a bona fide purchaser only by delivery with an assignment duly executed by the registered owner or owner's legal representative, and the City may treat the registered owner as the person exclusively entitled to exercise all the rights and powers of an owner until this Note is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted hereon by the City Administrator.

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

Project Loan Agreement. The terms and conditions of the Project Loan Agreement are incorporated herein by reference and made a part hereof. The Project Loan Agreement may be attached to this Note and must be attached to this Note if the holder of this Note is any person other than the PFA.

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

Qualified Tax-Exempt Obligation. The City Council has designated this Note as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), relating to disallowance of interest expense for financial institutions and within the \$10 million limit allowed by the Code for the calendar year of issue.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed precedent to and in the issuance of this Note, have been done, have happened and have been performed in regular and due form, time and manner required by law; that the City has covenanted and agreed with the holder of this Note that it will impose and collect charges for the service, use and availability of and connection to its municipal water system at the times and in amounts necessary to produce net revenues adequate to pay all principal and interest when due on this Note; that the City will levy a direct, annual, irrepealable ad valorem tax upon all of

the taxable property in the City, without limitation as to rate or amount, if the net revenues from the municipal water system and any other revenues irrevocably appropriated to the Debt Service Account are insufficient therefor; and that this Note, together with all other debts of the City outstanding on the date hereof, being the date of its actual issuance and delivery, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of North Mankato, Nicollet County, Minnesota, has caused this Note to be executed with the manual signatures of its Mayor and City Administrator, both as of the nominal date of original issue specified above.

**CITY OF NORTH MANKATO,
MINNESOTA**

By _____
Its Mayor

By _____
Its City Administrator

**CERTIFICATE OF AUTHENTICATION
AND REGISTRATION**

This is the Note described above and has been registered as to the principal and interest in the name of the Registered Owner identified below on the registration books of the City Administrator of the City. The transfer of ownership of the principal amount of this Note may be made only by the Registered Owner or by the Registered Owner's legal representative last noted below.

<u>Date of Registration</u>	<u>Registered Owner</u>	<u>Signature of City Administrator</u>
_____	Minnesota Public Facilities Authority Federal Employer I.D. No. 41-6007162	_____

STATE OF MINNESOTA)
)
COUNTY OF NICOLLET)
)
CITY OF NORTH MANKATO)

I, the undersigned, being the duly qualified City Clerk of the City of North Mankato, Minnesota (the "City"), do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the City Council of said City held on February 2, 2015, with the original thereof on file in my office and the same is a full, true and correct copy thereof, insofar as the same relates to the issuance and sale of the City's General Obligation Water Revenue Note, Series 2015, in the original aggregate principal amount of \$1,631,793.

WITNESS My hand as such City Clerk and the corporate seal of the City this ____ day of _____, 2015.

(SEAL)

City Clerk
City of North Mankato, Minnesota

STATE OF MINNESOTA
COUNTY OF NICOLLET

CERTIFICATE OF COUNTY
AUDITOR-TREASURER
AS TO REGISTRATION WHERE
NO AD VALOREM TAX LEVY

I, the undersigned County Auditor-Treasurer of Nicollet County, Minnesota, hereby certify that a resolution adopted by the City Council of the City of North Mankato, Minnesota (the "City"), on February 2, 2015, relating to the issuance of the City's General Obligation Water Revenue Note, Series 2015, in the aggregate principal amount of \$1,631,793, dated the date of delivery, has been filed in my office and said obligations have been registered on the register of obligations in my office.

WITNESS My hand and official seal this ____ day of _____, 2015.

**COUNTY AUDITOR-TREASURER,
NICOLLET COUNTY, MINNESOTA**

By _____

Its _____

(SEAL)

CORPORATE AUTHORIZATION RESOLUTION

FRANSDEN BANK & TRUST
 245 BELGRADE AVE
 NORTH MANKATO, MN 56003

By: CITY OF NORTH MANKATO

PO BOX 2055
 NORTH MANKATO, MN 56002-2055

Referred to in this document as "Financial Institution"

Referred to in this document as "Corporation"

I, April Van Genderen, certify that I am Secretary (clerk) of the above named corporation organized under the laws of MN _____, Federal Employer I.D. Number 41-6005423, engaged in business under the trade name of CITY OF NORTH MANKATO, and that the resolutions on this document are a correct copy of the resolutions adopted at a meeting of the Board of Directors of the Corporation duly and properly called and held on February 2, 2015 (date). These resolutions appear in the minutes of this meeting and have not been rescinded or modified.

AGENTS Any Agent listed below, subject to any written limitations, is authorized to exercise the powers granted as indicated below:

Name and Title or Position	Signature	Facsimile Signature (if used)
A. <u>MARK D DEHEN</u>	X	X
B. <u>CLARA D THORNE</u>	X	X
C. <u>WILLIAM C STEINER</u>	X	X
D. <u>APRIL VANGENDEREN</u>	X	X
E. _____	X	X
F. _____	X	X

POWERS GRANTED (Attach one or more Agents to each power by placing the letter corresponding to their name in the area before each power. Following each power indicate the number of Agent signatures required to exercise the power.)

Indicate A, B, C, D, E, and/or F	Description of Power	Indicate number of signatures required
<u>A,B</u>	(1) Exercise all of the powers listed in this resolution.	_____
_____	(2) Open any deposit or share account(s) in the name of the Corporation.	_____
<u>C,D</u>	(3) Endorse checks and orders for the payment of money or otherwise withdraw or transfer funds on deposit with this Financial Institution.	<u>SEE ACCOUNT</u>
_____	(4) Borrow money on behalf and in the name of the Corporation, sign, execute and deliver promissory notes or other evidences of indebtedness.	_____
_____	(5) Endorse, assign, transfer, mortgage or pledge bills receivable, warehouse receipts, bills of lading, stocks, bonds, real estate or other property now owned or hereafter owned or acquired by the Corporation as security for sums borrowed, and to discount the same, unconditionally guarantee payment of all bills received, negotiated or discounted and to waive demand, presentment, protest, notice of protest and notice of non-payment.	_____
_____	(6) Enter into a written lease for the purpose of renting, maintaining, accessing and terminating a Safe Deposit Box in this Financial Institution.	_____
_____	(7) Other _____	_____

LIMITATIONS ON POWERS The following are the Corporation's express limitations on the powers granted under this resolution.

EFFECT ON PREVIOUS RESOLUTIONS This resolution supersedes resolution dated 02/03/2014. If not completed, all resolutions remain in effect.

CERTIFICATION OF AUTHORITY

I further certify that the Board of Directors of the Corporation has, and at the time of adoption of this resolution had, full power and lawful authority to adopt the resolutions on page 2 and to confer the powers granted above to the persons named who have full power and lawful authority to exercise the same. (Apply seal below where appropriate.)

If checked, the Corporation is a non-profit corporation.

In Witness Whereof, I have subscribed my name to this document and affixed the seal of the Corporation on _____ (date).

Attest by One Other Officer _____

Secretary

RESOLUTIONS

The Corporation named on this resolution resolves that,

- (1) The Financial Institution is designated as a depository for the funds of the Corporation and to provide other financial accommodations indicated in this resolution.
(2) This resolution shall continue to have effect until express written notice of its rescission or modification has been received and recorded by the Financial Institution.
(3) The signature of an Agent on this resolution is conclusive evidence of their authority to act on behalf of the Corporation.
(4) All transactions, if any, with respect to any deposits, withdrawals, rediscounts and borrowings by or on behalf of the Corporation with the Financial Institution prior to the adoption of this resolution are hereby ratified, approved and confirmed.
(5) The Corporation agrees to the terms and conditions of any account agreement, properly opened by any Agent of the Corporation.
(6) The Corporation acknowledges and agrees that the Financial Institution may furnish at its discretion automated access devices to Agents of the Corporation to facilitate those powers authorized by this resolution or other resolutions in effect at the time of issuance.
(7) The Corporation acknowledges and agrees that the Financial Institution may rely on alternative signature and verification codes issued to or obtained from the Agent named on this resolution.

Pennsylvania. The designation of an Agent does not create a power of attorney; therefore, Agents are not subject to the provisions of 20 Pa.C.S.A. Section 5601 et seq. (Chapter 56; Decedents, Estates and Fiduciaries Code) unless the agency was created by a separate power of attorney. Any provision that assigns Financial Institution rights to act on behalf of any person or entity is not subject to the provisions of 20 Pa.C.S.A. Section 5601 et seq. (Chapter 56; Decedents, Estates and Fiduciaries Code).

FOR FINANCIAL INSTITUTION USE ONLY

Acknowledged and received on _____ (date) by _____ (initials) This resolution is superseded by resolution dated _____ .

Comments:

FRANSEN BANK & TRUST

245 BELGRADE AVE
NORTH MANKATO, MN 56003

OWNERSHIP OF ACCOUNT - CONSUMER (Select One and Initial):
 Single-Party Account Trust-Separate Agreement
 Multiple-Party Account
 Other

RIGHTS AT DEATH (Select One and Initial):
 Single-Party Account
 Multiple-Party Account With Right of Survivorship
 Multiple-Party Account Without Right of Survivorship
 Single-Party Account With Pay On Death
 Multiple-Party Account With Right of Survivorship and Pay On Death
PAY-ON-DEATH BENEFICIARIES: To Add Pay-On-Death Beneficiaries Name One or More:

OWNERSHIP OF ACCOUNT - BUSINESS PURPOSE
 SOLE PROPRIETORSHIP PARTNERSHIP
 CORPORATION: FOR PROFIT NOT FOR PROFIT
 Governmental Units
BUSINESS: _____
COUNTY & STATE OF ORGANIZATION: _____
AUTHORIZATION DATED: _____

DATE OPENED 11/01/1978 BY SUE BARTA
INITIAL DEPOSIT \$ _____
 CASH CHECK UPDATE SIGNERS 1-15-15
HOME TELEPHONE # (507) 345-8502
BUSINESS PHONE # (507) 245-7614
DRIVER'S LICENSE # MN T-430-258-227-207
E-MAIL _____
EMPLOYER _____
MOTHER'S MAIDEN NAME _____
Name and address of someone who will always know your location: _____

BACKUP WITHHOLDING CERTIFICATIONS
TIN: 41-6005423
 TAXPAYER I.D. NUMBER - The Taxpayer Identification Number shown above (TIN) is my correct taxpayer identification number.
 BACKUP WITHHOLDING - I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.
 EXEMPT RECIPIENTS - I am an exempt recipient under the Internal Revenue Service Regulations.
SIGNATURE: I certify under penalties of perjury the statements checked in this section and that I am a U.S. citizen or other U.S. person.

 _____ 01/15/2015
CLARA D THORNE (Date)

ACCOUNT NUMBER 7018 **PORTFOLIO NUMBER** 606869

ACCOUNT OWNER(S) NAME & ADDRESS
CITY OF NORTH MANKATO

PO BOX 2055
NORTH MANKATO, MN 56002-2055

TYPE OF ACCOUNT
 NEW EXISTING
 CHECKING SAVINGS
 MONEY MARKET CERTIFICATE OF DEPOSIT
 NOW _____
This is your (check one): BUSINESS INTEREST CHECKING
 Permanent Temporary account agreement.

Number of signatures required for withdrawal 2
FACSIMILE SIGNATURE(S) ALLOWED? YES NO
[X]

SIGNATURE(S) - The undersigned certifies the accuracy of the information he/she has provided and acknowledges receipt of a completed copy of this form. The undersigned authorizes the financial institution to verify credit and employment history and/or have a credit reporting agency prepare a credit report on the undersigned, as individuals. The undersigned also acknowledge the receipt of a copy and agree to the terms of the following agreement(s) and/or disclosure(s):
 Terms & Conditions Truth in Savings Funds Availability
 Electronic Fund Transfers Privacy Substitute Checks
 Common Features Banking Fees

(1): [X]
MARK D DEHEN
I.D. # _____ D.O.B. 04/20/1961

(2): [X]
CLARA D THORNE
I.D. # _____ D.O.B. 02/03/1957

(3): [X]
WILLIAM C STEINER
I.D. # _____ D.O.B. 12/27/1949

(4): [X]
APRIL VANGENDEREN
I.D. # _____ D.O.B. 1/29/1976

DESIGNATION OF AGENT FOR ACCOUNT (Optional): To Add Agency Designation To Account, Name One or More Agents:

(Select One and Initial):
 Agency Designation Survives Disability or Incapacity of Any or All of the Parties
 Agency Designation Terminates on Disability or Incapacity of the Sole Party or Last Surviving Party



Addendum to Certificate of Authority

Deposit Accounts Only

Use this document when new signers are being added or deleted to a Certificate of Authority currently on file and a new, signed Certificate of Authority has not been obtained. This addendum may not be used to add or delete those persons authorized to engage in credit transactions. A new Certificate of Authority, or other proper written notification, must be obtained for that purpose.

Bank name Wells Fargo Bank, N.A.	COID 300	Date
	Branch # 5099	Cost center 09201
Officer name Joyce McCargar	Officer number Z6000	Phone # (507) 387-9233

Addendum to Certificate of Authority

Dated	Customer name City of North Mankato
Account Number(s)	

Authorized Signers currently on the account (sample signature not required): Attach a separate sheet if necessary.

Signer name MARK D DEHEN	Signer name
Signer name NANCY GEHRKE	Signer name
Signer name WILLIAM C STEINER JR	Signer name
Signer name CLARA THORNE	Signer name

Description of the requested change to Authorized Signers

Action requested	Print name, title and customer number	Sample signature (Required only for persons being added as authorized signers)
Choose one <input checked="" type="radio"/> Add <input type="radio"/> Delete	APRIL VANGENDEREN	Customer 1 Authorized Signature <i>April Van Genderen</i>
<input type="radio"/> Add <input checked="" type="radio"/> Delete	NANCY GEHRKE	Customer 2 Authorized Signature
<input type="radio"/> Add <input type="radio"/> Delete		Customer 3 Authorized Signature
<input type="radio"/> Add <input type="radio"/> Delete		Customer 4 Authorized Signature
<input type="radio"/> Add <input type="radio"/> Delete		Customer 5 Authorized Signature
<input type="radio"/> Add <input type="radio"/> Delete		Customer 6 Authorized Signature
<input type="radio"/> Add <input type="radio"/> Delete		Customer 7 Authorized Signature

continued...



FO01-000000W18Q47-01



Addendum to Certificate of Authority

Deposit Accounts Only

Use this document when new signers are being added or deleted to a Certificate of Authority currently on file and a new, signed Certificate of Authority has not been obtained. This addendum may not be used to add or delete those persons authorized to engage in credit transactions. A new Certificate of Authority, or other proper written notification, must be obtained for that purpose.

...continued

The person(s) signing below:

- direct the Bank to recognize the signature(s) and/or written, telephone, electronic and oral instructions of any person who has been added as an authorized signer;
- direct the Bank to discontinue acting on the instructions of any person who has been deleted as an authorized signer;
- acknowledge that these modifications become effective only after this addendum has been received by the Bank and the Bank has had a reasonable opportunity to act on instructions it contains;
- certifies that the account owner has taken all action under its organizational documents, if any, including passage of resolutions by its board of directors, trustees, or other governing body, required to make these modifications and to authorize the undersigned to execute and deliver this addendum;
- direct the Bank that the additional authorized signers identified above shall have all of the authority granted to the persons identified as authorized signers on the Certificate of Authority.

Accurate as of

Certified / Agreed To By

Certification Signature 1	Certification Signature 2
<input type="text"/>	<input type="text"/>
Name	Name
CLARA THORNE	
Title	Title
Finance Director	

Manual Submission Instructions: Documentation supporting the addendum is attached, if applicable.



FO01-000000W18Q47-02

CITY OF NORTH MANKATO

REQUEST FOR COUNCIL ACTION



Agenda Item #9A	Department: Administration	Council Meeting Date: 02/02/2015
-----------------	----------------------------	----------------------------------

TITLE OF ISSUE: Update on the School Bond.

BACKGROUND AND SUPPLEMENTAL INFORMATION: Superintendent Sheri Allen will present a PowerPoint to update the Council on the School Bond.

If additional space is required, attach a separate sheet

REQUESTED COUNCIL ACTION:

For Clerk's Use:

Motion By: _____
 Second By: _____

Vote Record:

	Aye	Nay	
	_____	_____	Freyberg
	_____	_____	Spears
	_____	_____	Steiner
	_____	_____	Norland
	_____	_____	Dehen

SUPPORTING DOCUMENTS ATTACHED

Resolution	Ordinance	Contract	Minutes	Map
<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: _____

CITY OF NORTH MANKATO

REQUEST FOR COUNCIL ACTION



Agenda Item #9B	Department: City Engineer	Council Meeting Date: 02/02/2015
-----------------	---------------------------	----------------------------------

TITLE OF ISSUE: Mankato/North Mankato Wastewater Interconnection Agreement.

BACKGROUND AND SUPPLEMENTAL INFORMATION: See attached memorandum.

If additional space is required, attach a separate sheet

REQUESTED COUNCIL ACTION:

For Clerk's Use:

Motion By: _____
 Second By: _____

Vote Record:

	Aye	Nay	
	_____	_____	Freyberg
	_____	_____	Spears
	_____	_____	Steiner
	_____	_____	Norland
	_____	_____	Dehen

SUPPORTING DOCUMENTS ATTACHED

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

Other (specify Memorandum)

<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: _____



BOLTON & MENK, INC.[®]

Consulting Engineers & Surveyors

1960 Premier Drive • Mankato, MN 56001-5900

Phone (507) 625-4171 • Fax (507) 625-4177

www.bolton-menk.com

MEMORANDUM

Date: January 29, 2015
To: Honorable Mayor and City Council
From: Daniel R. Sarff, P.E., City Engineer
Bradley DeWolf, P.E., President/CEO, Bolton & Menk, Inc.
CC: John Harrenstein, City Administrator
Brad Swanson, Public Works Director
Duane Rader, Utilities Superintendent
Subject: Mankato/North Mankato Wastewater Interconnection Agreement

Background

As you are aware, treatment for the wastewater generated within North Mankato is provided by the City of Mankato's Wastewater Treatment Facility. The City of North Mankato is one of six customer communities for which the City of Mankato provides wastewater treatment. The other customer communities are: Skyline, Madison Lake, Eagle Lake, Washington Sanitary District, Eagle Lake and South Bend Township.

The City of North Mankato's current wastewater interconnection agreement expired in June of 2014. Bolton & Menk is providing technical assistance to North Mankato to negotiate a five year extension to the current agreement. The new agreement has several changes from the previous agreement and the purpose of this memorandum is to highlight the most significant changes in the terms of the proposed agreement and to discuss the proposed changes will affect the City of North Mankato.

Changes to the User Charge System

The User Charge System is the method of allocating costs associated with the Wastewater Treatment Plant to the partner communities. The costs of providing wastewater treatment can be separated into variable costs (chemicals, energy cost, treatment, etc.) that fluctuate based upon wastewater treatment plant flows and fixed costs that are generally independent of the volume of wastewater treated (general maintenance, overhead, employees, administration, debt service and *depreciation on capital assets*¹).

Under the proposed agreement, North Mankato would pay for a proportionate share of the variable costs based on the actual average daily wastewater flow generated by North Mankato as compared to the wastewater plant's actual total average daily flow. North Mankato would also pay for a proportionate share of the fixed costs based on the allocated average wet weather (AWW) flows as compared to the wastewater plant's design hydraulic (flow) capacity. North Mankato will also continue to pay a proportionate share of debt service to the wastewater treatment facility and as mentioned above a new charge associated with depreciation on capital assets is being imposed on North Mankato. While wastewater charges are not based on wastewater strength (BOD and TSS), the wastewater contributed by

¹ Capital maintenance was specifically excluded in the previous agreement

the City of North Mankato and other customer communities must be within parameters that are typical of domestic wastewater strength, which is necessary to maintain compliance with associated environmental regulations.

Under the old agreement, charges for wastewater treatment were based upon (1) actual wastewater flows pumped from the City of North Mankato to the wastewater treatment plant, and (2) the strength of the wastewater as measured by biochemical oxygen demand (BOD) and total suspended solids (TSS). The old agreement had provisions for allocating a proportionate share of capital improvements to the wastewater treatment facility to each customer community, including the North Mankato and specifically excluded depreciation on capital assets items at the plant because these costs were paid at the time of bonding.

In general, the proposed user charge system is considered a more equitable means allocating the costs associated with providing reserve capacity in the plant to allow for fluctuations in the average flows and to provide increases in wastewater flows due to future growth.

North Mankato Allocated Capacity

The proposed agreement includes changes to the wastewater flows allocated to the City of North Mankato, the City of Mankato and other customer communities. The following table provides a summary of the average flows, allocated capacity in the old agreement and the proposed allocated capacities in the new agreement:

Average Wastewater Flows (1/2006 - 8/2013)		Previous Allocated Capacity		Proposed Allocated Capacity		
Average Daily	AWW	Allocation	% of Capacity	Average Daily	AWW	% of Capacity
1.21 mgd	1.55 mgd	2.03 mgd	24.52%	1.51 mgd	1.81 mgd	16.10%

As can be seen by the table above, North Mankato’s allocated average capacity is reduced from 2.3 million gallons per day (mgd) in the old agreement to 1.51 mgd in the proposed new agreement. The proposed AWW allocated capacity is 1.81 mgd (the previous agreement did not include an AWW allocated capacity). The following are wastewater projections for the City of North Mankato for the next 20 years:

Year	Total Projected Average Daily Wastewater Flow (mgd)	Total Projected Average Wet Weather Wastewater Flow (mgd)
2015	1.21	1.55
2020	1.39 to 1.44	1.73 to 1.78
2025	1.49 to 1.61	1.83 to 1.95
2035	1.66 to 1.88	2.00 to 2.22

In our opinion, these projected wastewater flows are fairly conservative. While the proposed decrease in the allocated capacity is significant, it is our opinion that the allocated average capacity and the allocated AWW capacity should be adequate to provide for at least 7 to 10 years of continued residential, commercial and industrial growth within the City of North Mankato. This is beyond 5-year term of the new agreement, at which time the wastewater allocation can be revisited, if necessary.

Sewer Availability Charge (SAC)

The proposed agreement includes provisions that would require the City of North Mankato (as well as Mankato and other customer communities) to implement a Sewer Availability Charge (SAC). The SAC is a one-time fee for new connections or increased capacity demanded of the Mankato Wastewater Treatment Facility. Essentially, the SAC represents the “buy-in” for new users into the reserve capacity of the wastewater treatment plant.

One SAC unit equals 210 gallons of maximum potential daily wastewater flow capacity. One SAC would be charged for each single-family home, townhouses, condominiums, duplex units, or apartments units. For non-residential connections, one SAC unit is defined as 210 gallons of daily wastewater capacity. The SAC revenue collected by the City of Mankato will be used to lower the fixed costs of operating the wastewater treatment plant.

In our opinion, the implementation of a SAC is an equitable means of recovering the cost associated with providing reserve capacity in the plant by allocating those costs to new users of the system. This will reduce the impacts to existing users, although a specific SAC charge has not been determined as part of these negotiations.

Inflow and Infiltration (I & I)

The proposed agreement requires the development an inflow and infiltration (I & I) reduction plan by each customer community, including the City of North Mankato, during the ten year agreement term. I & I must be reduced and contained such that allocated capacity capacities. Though the agreement doesn't put in place surcharges for a customer community exceeding their allocation of wet weather flow it does assume they will put in place a plan to reduce and contain, as much as practical, their wet weather flows by reduction of I & I. Over the past 10 years, the City of North Mankato has taken measures to reduce I & I by:

- replacing deficient sanitary sewer lines with reconstruction projects, primarily in lower North Mankato
- providing convenient back yard outlets for sump pump connections
- identifying and correcting storm sewer cross connections and other sources of I & I
- performing sump pump inspections

As such, the impacts of I & I generated from North Mankato are significantly less than several of the other customer communities utilizing the Mankato wastewater treatment plant. It is our opinion that North Mankato will be able to meet the requirements related to I & I in the new permit. Since less I & I relates to lower wastewater charges, we recommend remain diligent in identifying and eliminating sources of I & I.

Other Terms and Conditions

Payment provisions, liability, defaults, and industrial discharges all are similar to the terms and conditions outlined in the previous agreement and appear to be based upon best practice provisions of the MPCA and Metropolitan Waste System. A general provision that has been added through our extensive meetings with the customer communities is that at least one annual budget meeting be held early summer in advance of final approval of the budget.

Remaining Issues

Reserve Capacity – In light of the significant decrease in reserve capacity North Mankato would have access to in the proposed agreement, new specific terms over the ability to approve/disapprove sewer connections must be drafted. In addition, specific language must be made assuring North Mankato that this concession will not impede the ability to grow the community.

SAC Charge – A final SAC charge must be determined prior to execution of the agreement by North Mankato.

Depreciation on Capital Equipment – Because this is a new charge onto the citizens of North Mankato, specifics in identifying how these charges will be assessed is important. Without parameters put forward in the agreement, this cost could increase dramatically.

Cost Projections

There are a number of variables that will impact the City of North Mankato's annual wastewater cost based on the new agreement going into the future. Without further information from the City of Mankato on the agreement, we cannot provide reliable estimates at this time. These estimates will be provided prior to executing the interconnection agreement

Summary

In our opinion, the known terms of the proposed agreement resulting based on our discussions and negotiations with the City of Mankato are reasonable. Some of the language in the proposed agreement document is still being modified based on our discussions with the City of Mankato. Once available, a copy of the "draft" final agreement will be presented to the Council.

We will be available at the February 2 meeting to review the information contained in this memorandum with the City Council and to answer any question you may have.

CITY OF NORTH MANKATO

REQUEST FOR COUNCIL ACTION



Agenda Item #9C	Department: Administration	Council Meeting Date: 02/02/2015
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TITLE OF ISSUE: Sales Tax Extension Legislative Information.

BACKGROUND AND SUPPLEMENTAL INFORMATION: See attached Bill. Administrator Harrenstein will provide an overview of the draft legislation and necessary revisions to the Bill at the meeting on Monday, February 2, 2015.

If additional space is required, attach a separate sheet

REQUESTED COUNCIL ACTION:

For Clerk's Use:

Motion By: _____
 Second By: _____

Vote Record:

	Aye	Nay	
	_____	_____	Freyberg
	_____	_____	Spears
	_____	_____	Steiner
	_____	_____	Norland
	_____	_____	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 <u>Bill</u>)				

<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: _____

1.1 A bill for an act
 1.2 relating to taxes; local sales and use tax; modifying the local sales tax authorities
 1.3 for the cities of Mankato and North Mankato; amending Laws 1991, chapter
 1.4 291, article 8, section 27, subdivisions 3, as amended, 4, as amended, 6; Laws
 1.5 2008, chapter 366, article 7, section 20.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Laws 1991, chapter 291, article 8, section 27, subdivision 3, as amended by
 1.8 Laws 1998, chapter 389, article 8, section 28, Laws 2008, chapter 366, article 7, section 9,
 1.9 and Laws 2009, chapter 88, article 4, section 14, is amended to read:

1.10 Subd. 3. **Use of revenues.** (a) Revenues received from taxes authorized by
 1.11 subdivisions 1 and 2 shall be used by the city to pay the cost of collecting the tax and to
 1.12 pay all or a portion of the expenses of constructing and improving facilities as part of an
 1.13 urban revitalization project in downtown Mankato known as Riverfront 2000. Authorized
 1.14 expenses include, but are not limited to, acquiring property and paying relocation expenses
 1.15 related to the development of Riverfront 2000 and related facilities, and securing or paying
 1.16 debt service on bonds or other obligations issued to finance the construction of Riverfront
 1.17 2000 and related facilities. For purposes of this section, "Riverfront 2000 and related
 1.18 facilities" means a civic-convention center, an arena, a riverfront park, a technology center
 1.19 and related educational facilities, and all publicly owned real or personal property that
 1.20 the governing body of the city determines will be necessary to facilitate the use of these
 1.21 facilities, including but not limited to parking, skyways, pedestrian bridges, lighting, and
 1.22 landscaping. It also includes the performing arts theatre and the Southern Minnesota
 1.23 Women's Hockey Exposition Center, for use by Minnesota State University, Mankato.

1.24 (b) Notwithstanding section 297A.99, subdivision 3, and subject to the reverse
 1.25 referendum under subdivision 6, paragraph (b), the city may by ordinance also use

2.1 revenues from taxes authorized under subdivisions 1 and 2, up to a maximum of
2.2 \$19,500,000, plus associated bond costs, to pay all or a portion of the expenses of the
2.3 following capital projects:

2.4 (1) improvements to regional recreational facilities including existing hockey and
2.5 curling rinks, a baseball park, youth athletic fields and facilities, and the municipal
2.6 swimming pool including improvements to make the pool compliant with the Americans
2.7 with Disabilities Act;

2.8 (2) improvements to flood control and the levee system;

2.9 (3) water quality improvements projects in Blue Earth and Nicollet counties; and

2.10 (4) expansion of the regional transit building and related multi-modal transit
2.11 improvements.

2.12 (c) Notwithstanding section 297A.99, subdivision 3, and subject to voter approval
2.13 under subdivision 6, paragraph (c), the city may by ordinance use revenues from the taxes
2.14 authorized under subdivisions 1 and 2, up to a maximum of \$22,000,000, plus associated
2.15 bond costs, to pay all or a portion of the costs of constructing the following new regional
2.16 athletic facilities: ice sheets, swimming and aquatic facility, multi-use sports bubble,
2.17 indoor field house, and indoor tennis courts. If the city of North Mankato also authorizes
2.18 the use of a portion of its sales tax revenue under section 5 to fund these facilities; the total
2.19 amount of sales tax revenues from both cities to fund these projects may not be more than
2.20 \$22,000,000, plus the amount needed to fund associated bond costs.

2.21 **EFFECTIVE DATE.** This section is effective the day after the governing body of
2.22 the city of Mankato and its chief clerical officer timely complete their compliance with
2.23 Minnesota Statutes, section 645.021, subdivisions 2 and 3.

2.24 Sec. 2. Laws 1991, chapter 291, article 8, section 27, subdivision 4, as amended by
2.25 Laws 2005, First Special Session chapter 3, article 5, section 25, and Laws 2008, chapter
2.26 366, article 7, section 10, is amended to read:

2.27 Subd. 4. **Expiration of taxing authority and expenditure limitation.** The
2.28 authority granted by subdivisions 1 and 2 to the city to impose a sales tax and an excise tax
2.29 shall expire on December 31, 2022, unless the additional uses under section 1, paragraph
2.30 (b) or (c), are authorized. If the Mankato city council authorizes use of the taxes imposed
2.31 under subdivisions 1 and 2 for the purposes listed in section 1, paragraph (b), the tax is
2.32 extended until revenues are sufficient to pay off the bonds, including interest and all other
2.33 associated bond costs of the bonds authorized under subdivision 5, paragraph (b). If
2.34 the Mankato city council instead, or in addition to, authorizes use of the taxes imposed

3.1 under subdivisions 1 and 2 for the purposes listed in section 1, paragraph (b), the taxes
3.2 shall expire on December 31, 2038.

3.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.4 Sec. 3. Laws 1991, chapter 291, article 8, section 27, subdivision 5, is amended to read:

3.5 Subd. 5. **Bonds.** (a) The city of Mankato may issue general obligation bonds of the
3.6 city in an amount not to exceed \$25,000,000 for Riverfront 2000 and related facilities,
3.7 without election under Minnesota Statutes, chapter 475, on the question of issuance of the
3.8 bonds or a tax to pay them. The debt represented by bonds issued for Riverfront 2000
3.9 and related facilities shall not be included in computing any debt limitations applicable
3.10 to the city of Mankato, and the levy of taxes required by section 475.61 to pay principal
3.11 of and interest on the bonds shall not be subject to any levy limitation or be included in
3.12 computing or applying any levy limitation applicable to the city.

3.13 (b) The city of Mankato, subject to the reverse referendum under subdivision 6,
3.14 paragraph (b), may issue general obligation bonds of the city in an amount not to exceed
3.15 \$19,500,000 for the projects listed under section 1, paragraph (b), without election under
3.16 Minnesota Statutes, chapter 475, on the question of issuance of the bonds or a tax to
3.17 pay them. The debt represented by bonds under this paragraph shall not be included
3.18 in computing any debt limitations applicable to the city of Mankato, and the levy of
3.19 taxes required by section 475.61, to pay principal of and interest on the bonds, shall
3.20 not be subject to any levy limitation or be included in computing or applying any levy
3.21 limitation applicable to the city.

3.22 (c) The city of Mankato, upon the voter approval required under subdivision 6,
3.23 paragraph (c), may issue general obligation bonds of the city in an amount not to exceed
3.24 \$22,000,000 for the projects listed under section 1, paragraph (c), without a separate
3.25 election under Minnesota Statutes, chapter 475, on the question of issuance of the bonds
3.26 or a tax to pay them. The debt represented by bonds under this paragraph shall not be
3.27 included in computing any debt limitations applicable to the city of Mankato, and the levy
3.28 of taxes required by section 475.61, to pay principal of and interest on the bonds, shall
3.29 not be subject to any levy limitation or be included in computing or applying any levy
3.30 limitation applicable to the city.

3.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.32 Sec. 4. Laws 1991, chapter 291, article 8, section 27, subdivision 6, is amended to read:

4.1 Subd. 6. **Reverse referendum; authorization of extensions.** (a) If the Mankato city
4.2 council intends to exercise the authority provided by this section, it shall pass a resolution
4.3 stating the fact before July 1, 1991. The resolution must be published for two successive
4.4 weeks in the official newspaper of the city or, if there is no official newspaper, in a
4.5 newspaper of general circulation in the city, together with a notice fixing a date for a public
4.6 hearing on the matter. The hearing must be held at least two weeks but not more than four
4.7 weeks after the first publication of the resolution. Following the public hearing, the city
4.8 may determine to take no further action or adopt a resolution confirming its intention to
4.9 exercise the authority. That resolution must also be published in the official newspaper of
4.10 the city or, if there is no official newspaper, in a newspaper of general circulation in the
4.11 city. If within 30 days after publication of the resolution a petition signed by voters equal
4.12 in number to ten percent of the votes cast in the city in the last general election requesting
4.13 a vote on the proposed resolution is filed with the county auditor, the resolution is not
4.14 effective until it has been submitted to the voters at a general or special election and a
4.15 majority of votes cast on the question of approving the resolution are in the affirmative. The
4.16 commissioner of revenue shall prepare a suggested form of question to be presented at the
4.17 election. The referendum must be held at a special or general election before December 1,
4.18 1991. This subdivision applies notwithstanding any city charter provision to the contrary.

4.19 (b) Notwithstanding section 297A.99, subdivision 3, if the Mankato city council
4.20 intends to extend the taxes authorized under subdivisions 1 and 2 to fund the projects
4.21 listed in subdivision 3, paragraph (b), it shall pass a resolution stating the fact before
4.22 July 1, 2015. The resolution must be published for two successive weeks in the official
4.23 newspaper of the city or, if there is no official newspaper, in a newspaper of general
4.24 circulation in the city, together with a notice fixing a date for a public hearing on the
4.25 matter. The hearing must be held at least two weeks but not more than four weeks after the
4.26 first publication of the resolution. Following the public hearing, the city may determine
4.27 to take no further action or adopt a resolution confirming its intention to exercise the
4.28 authority. That resolution must also be published in the official newspaper of the city or, if
4.29 there is no official newspaper, in a newspaper of general circulation in the city. If within
4.30 30 days after publication of the resolution a petition signed by voters equal in number to
4.31 ten percent of the votes cast in the city in the last general election requesting a vote on the
4.32 proposed resolution is filed with the county auditor, the resolution is not effective until it
4.33 has been submitted to the voters at a general or special election and a majority of votes
4.34 cast on the question of approving the resolution are in the affirmative. The commissioner
4.35 of revenue shall prepare a suggested form of question to be presented at the election. The

5.1 referendum must be held at a special or general election before December 1, 2015. This
5.2 subdivision applies notwithstanding any city charter provision to the contrary.

5.3 (c) If the Mankato city council wishes to extend the taxes authorized under
5.4 subdivisions 1 and 2 to fund the projects listed in subdivision 3, paragraph (c), it shall pass a
5.5 resolution stating the fact before July 1, 2015. The tax may not be imposed unless approved
5.6 by the voters under initiative and referendum procedures authorized by the city charter.

5.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

5.8 Sec. 5. Laws 2008, chapter 366, article 7, section 20, is amended to read:

5.9 Sec. 20. **CITY OF NORTH MANKATO; TAXES AUTHORIZED.**

5.10 Subdivision 1. **Sales and use tax authorized.** Notwithstanding Minnesota Statutes,
5.11 section 477A.016, or any other provision of law, ordinance, or city charter, pursuant to
5.12 the approval of the voters on November 7, 2006, the city of North Mankato may impose
5.13 by ordinance a sales and use tax of one-half of one percent for the purposes specified
5.14 in subdivision 2. The provisions of Minnesota Statutes, section 297A.99, govern the
5.15 imposition, administration, collection, and enforcement of the taxes authorized under
5.16 this subdivision.

5.17 Subd. 2. **Use of revenues.** (a) Revenues received from the tax authorized by
5.18 subdivision 1 must be used to pay all or part of the capital costs of the following projects:

5.19 (1) the local share of the Trunk Highway 14/County State-Aid Highway 41
5.20 interchange project;

5.21 (2) development of regional parks and hiking and biking trails;

5.22 (3) expansion of the North Mankato Taylor Library;

5.23 (4) riverfront redevelopment; and

5.24 (5) lake improvement projects.

5.25 The total amount of revenues from the tax in subdivision 1 that may be used to fund
5.26 these projects is \$6,000,000 plus any associated bond costs, unless the city extends the
5.27 tax as authorized under subdivision 2a, paragraph (a), in which case the total amount
5.28 that may be used to fund these projects is increased by an additional \$9,000,000 plus
5.29 associated bond costs.

5.30 (b) Revenues raised from the tax imposed under subdivision 1, may also be used
5.31 to jointly fund all or a portion of the costs of constructing the following new regional
5.32 athletic facilities: ice sheets, swimming and aquatic facility, multi-use sports bubble,
5.33 indoor field house, and indoor tennis courts. The tax may only be used for this purpose if
5.34 authorized by the voters as provided for in subdivision 2a, paragraph (a). If the city of
5.35 North Mankato authorizes the use its sales tax revenue for this purpose, the total amount

6.1 of tax revenues from both cities to fund these projects may not be more than \$22,000,000,
6.2 plus the amount needed to fund associated bond costs.

6.3 Subd. 2a. **Authorization to extend the tax.** (a) Notwithstanding section 297A.99,
6.4 subdivision 3, if the North Mankato city council intends to extend the tax authorized under
6.5 subdivision 1 to cover an additional \$9,000,000 in bonds plus associated bond costs to
6.6 fund the projects in subdivision 2, paragraph (a), it shall pass a resolution stating the fact
6.7 before July 1, 2015. The resolution must be published for two successive weeks in the
6.8 official newspaper of the city or, if there is no official newspaper, in a newspaper of general
6.9 circulation in the city, together with a notice fixing a date for a public hearing on the
6.10 matter. The hearing must be held at least two weeks but not more than four weeks after the
6.11 first publication of the resolution. Following the public hearing, the city may determine
6.12 to take no further action or adopt a resolution confirming its intention to exercise the
6.13 authority. That resolution must also be published in the official newspaper of the city or, if
6.14 there is no official newspaper, in a newspaper of general circulation in the city. If within
6.15 30 days after publication of the resolution a petition signed by voters equal in number to
6.16 ten percent of the votes cast in the city in the last general election requesting a vote on the
6.17 proposed resolution is filed with the county auditor, the resolution is not effective until it
6.18 has been submitted to the voters at a general or special election and a majority of votes
6.19 cast on the question of approving the resolution are in the affirmative. The commissioner
6.20 of revenue shall prepare a suggested form of question to be presented at the election. The
6.21 referendum must be held at a special or general election before December 1, 2015. This
6.22 subdivision applies notwithstanding any city charter provision to the contrary.

6.23 (b) Notwithstanding section 297A.99, subdivision 3, if the residents of North
6.24 Mankato want to extend the taxes authorized under subdivision 1 to jointly fund new
6.25 recreational facilities with the city of Mankato under subdivision 2, paragraph (b), a
6.26 petition signed by voters equal in number to ten percent of the votes cast in the city in
6.27 the last general election requesting a vote on the proposal must be filed with the county
6.28 auditor, by If the petition is timely filed, a referendum on the question of extending
6.29 the taxes under subdivision 1 to fund the uses listed in subdivision 2, paragraph (b),
6.30 shall be held at a general or special election by The commissioner of revenue shall
6.31 prepare a suggested form of question to be presented at the election. If the majority of
6.32 votes cast on the question of extending the taxes are in the affirmative, the North Mankato
6.33 city council must extend the tax and pay the city of Mankato an agreed upon sum from
6.34 the revenues of the tax extension to fund those projects.

6.35 Subd. 3. **Bonds.** (a) The city of North Mankato, pursuant to the approval of the
6.36 voters at the November 7, 2006 referendum authorizing the imposition of the taxes in

7.1 this section, may issue bonds under Minnesota Statutes, chapter 475, to pay capital and
7.2 administrative expenses for the projects described in subdivision 2, paragraph (a). in an
7.3 amount that does not exceed \$6,000,000. A separate election to approve the bonds under
7.4 Minnesota Statutes, section 475.58, is not required.

7.5 (b) The city of North Mankato, subject to the reverse referendum in subdivision 2a,
7.6 paragraph (a), allowing for additional revenue to be spent for the projects in subdivision
7.7 2, paragraph (a), may issue additional bonds under Minnesota Statutes, chapter 475, to
7.8 pay capital and administrative expenses for those projects in an amount that does not
7.9 exceed \$9,000,000. A separate election to approve the bonds under Minnesota Statutes,
7.10 section 475.58, is not required

7.11 ~~(b)~~ (c) The debt represented by the bonds is not included in computing any debt
7.12 limitation applicable to the city, and any levy of taxes under Minnesota Statutes, section
7.13 475.61, to pay principal and interest on the bonds is not subject to any levy limitation.

7.14 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires when
7.15 the city council determines that the amount of revenues received from the taxes to pay
7.16 for the projects under subdivision 2, paragraph(a), first equals or exceeds \$6,000,000
7.17 plus the additional amount needed to pay the costs related to issuance of bonds under
7.18 subdivision 3, including interest on the bonds, unless the tax is extended as allowed in this
7.19 section. If the tax is extended as allowed under the reverse referendum under subdivision
7.20 2a, paragraph (a), the tax will expire December 31, 2035. In addition or in place of, if
7.21 the tax is extended to cover the projects in subdivision 2, paragraph (b), the tax will
7.22 expire December 31, 2038. Any funds remaining after completion of the projects and
7.23 retirement or redemption of the bonds shall be placed in a capital facilities and equipment
7.24 replacement fund of the city. The tax imposed under subdivision 1 may expire at an earlier
7.25 time if the city so determines by ordinance.

7.26 **EFFECTIVE DATE.** This section is effective the day after the governing body of
7.27 the city of North Mankato and its chief clerical officer timely complete their compliance
7.28 with Minnesota Statutes section 645.021, subdivisions 2 and 3.



CITY OF NORTH MANKATO

OFFICE OF THE MAYOR

P R O C L A M A T I O N

WHEREAS, the health and well-being of our children is of paramount importance; and

WHEREAS, each year in the United States, more than 40,000 babies are born with a congenital heart defect; and

WHEREAS, the medical community has identified congenital heart defects as the leading cause of birth defect-related deaths; and

WHEREAS, it is crucial that parents, pediatricians, and all those in the health profession have greater awareness of the potential for congenital heart defects among newborns and children; and

WHEREAS, Congenital Heart Defect Awareness Week provides the opportunity for families and patients affected by these conditions to share their experiences and knowledge with the public, so that we all may be made more aware of how this defect affects all our lives.

NOW, THEREFORE, I, Mark Dehen, Mayor of the City of North Mankato, Minnesota, do hereby proclaim February 7-14, 2015, to be

Congenital Heart Defect Awareness Week

in the City of North Mankato, and encourage all North Mankato residents to join me in this special observance.

Dated this 2nd day of February 2015.

Mark Dehen, Mayor

