



PELICAN RAPIDS

CITY COUNCIL AGENDA

July 23, 2020

Tuesday July 28, 2020

4:30 p.m.

Council Chambers, 315 N. Broadway

1. Call to Order
 - a) Roll Call of Members
 - b) Welcoming Remarks
 - c) Announcements
 - d) Pledge of Allegiance
2. Citizen's Comments. *Please limit comments to 3 minutes per person. Items brought before the Council will be referred for consideration. Council may ask questions for clarification or explanation, but no council action or discussion will be held on these items.*
3. Additions / Deletions to Agenda (*City Council or City Staff Only*)
4. Approval of Consent Agenda. *The following are non-controversial items intended to be approved with one motion, without discussion. If a council member, staff, or member of the public would like to discuss an item(s), please ask that it be removed and it will be placed elsewhere on the agenda.*
 - a) Approval of Council Minutes – 7/14/2020
 - b) Approval of Accounts Payable Listing
 - c) Staff Reports
 1. Liquor Store Report (In Packet)
 2. Utilities Report (In Packet)
5. Approve 2021 Fire Department Budget (In Packet)
6. Trail Head Location Approval – Kate Martinez, Park Board (In Packet)
7. Police Personnel
8. Resolution No. 2020-17 – Resolution Accepting the Offer of The MN Public Facilities Authority to Purchase \$688,147 General Obligation Water Revenue Note of 2020, Providing For its Issuance, and Approving Execution of a Project Loan Agreement (In Packet)
9. Resolution No. 2020-18 – Resolution Accepting the Offer of the MN Public Facilities Authority to Purchase a \$531,676 General Obligation Sewer Revenue Note of 2020, Providing for its Issuance, and Approving Execution of a Project Loan Agreement (In Packet)
10. Pool Committee Minutes FYI (In Packet)
11. City Administrator Report
12. Mayor Report
13. Adjourn

**City Bill Listing
July 28, 2020**

Vendor Name	Comments	Amount
AMERICAN WATER WORKS ASSOC	WTR; 2020-2021 MEMBERSHIP	\$334.00
APEX ENGINEERING GROUP	IMPROVEMENT PROJECTS	\$20,472.45
ARNTSON CONSTRUCTION LLC	STR; CRACK/SEAL FD LOT	\$550.00
ARVIG	ALL; COMMUNICATIONS	\$1,262.95
FLAHERTY & HOOD PA	PD LEGAL	\$1,365.00
GPNG	ALL; UTILITIES	\$596.05
HAWKINS, INC	WTR/SWR/PL; CHEMICALS	\$13,403.76
LAKE REGION ELECTRICAL CO-OP	SIGN/AIR; UTILITIES	\$90.07
LAKES COUNTRY SERVICE CO-OP	ALL; COMPUTER SUPPORT	\$479.15
LARRYS SUPER MARKET	FD; WATER	\$29.70
LEAGUE OF MN CITIES BERKLEY	ALL; 2019 WC AUDIT	\$2,786.00
LOCATORS AND SUPPLIES, INC	SWR/STR; SUPPLIES	\$279.86
MARTINSON, WINNIE	CH; CLEANING	\$219.00
MR PLUMBER, LLC	PL; REPLACE VALVE	\$621.14
NAPA	FD; CHOKE KIT	\$18.27
NORTHLAND SECURITIES INC	TIF REPORTING	\$1,980.00
PEOPLESERVICE, INC	WWTF; MONTHLY SERVICE	\$20,171.00
RMB ENVIRONMENTAL LABORATORIES	WCT LAB TESTING	\$321.00
SOUTHTOWN	ALL; FUEL	\$525.79
STREICHERS	PD; UNIFORMS	\$289.99
TEAM LABORATORY CHEMICAL, LLC	PK; DISINFECTANT FOR BATHHOUSE	\$244.50
VERIZON WIRELESS	PD; COMMUNICATIONS	\$70.04
WELLS FARGO REMITTANCE CENTER	FD; BATHROOM FIXTURES	<u>\$972.34</u>
		\$67,082.06

**Liquor Store Bill Listing
July 28, 2020**

Vendor Name	Comments	Amount
ALEXANDRIA FREIGHT SERVICE	LS; FREIGHT	\$148.30
ARCTIC GLACIER	LS; ICE	\$1,107.99
ARTISAN BEER COMPANY	LS; BEER	\$517.30
ARVIG	LS; COMMUNICATIONS	\$142.79
BELLBOY CORPORATION	LS; MIX	\$4,228.64
BERGSETH BROS. CO. INC	LS; BEER	\$17,576.40
BEVERAGE WHOLESALERS, INC	LS; BEER	\$7,794.15
BREAKTHRU BEVERAGE	LS; BEER	\$139.20
DACOTAH PAPER CO	LS; BAGS	\$31.84
DS BEVERAGES, INC	LS; NA	\$7,072.10
GPNG	LS; UTILITIES	\$33.16
JOHNSON BROTHERS LIQUOR CO	LS; LIQ	\$13,215.96
MN MUNICIPAL BEVERAGE ASSOC	LS; ANNUAL DUES	\$1,200.00
PEPSI	LS; POP	\$283.40
PHILLIPS WINE & SPIRITS	LS; LIQ/WINE	\$359.62
POSTMASTER	LS; STAMPS	\$55.00
SOUTHERN GLAZERS OF MN	LS; LIQ	\$4,981.76
WINE MERCHANT	LS; WINE	<u>\$137.59</u>
		\$59,025.20

CITY OF PELICAN RAPIDS COUNCIL MEETING MINUTES – 07/14/2020

The City Council of Pelican Rapids met in regular session at 4:30 pm, on Tuesday, July 14, 2020 in Council Chambers, City Hall.

Mayor Frazier called the meeting to order at 4:30 pm.

Clerk-Treasurer Danielle Harthun took roll call.

Mayor Brent E. Frazier and four members of the Council were present at roll call:

Council Member Steve Strand Council Member Curt Markgraf

Council Member Kevin Ballard Council Member Steve Foster

Other city staff present: Administrator Don Solga, Clerk-Treasurer Danielle Harthun, Street and Park Superintendent Brian Olson and Police Chief Jeff Stadum.

General Attendance: Lou Hogle from the Pelican Press was also present.

The Mayor welcomed everyone to the Council Meeting and announced upcoming events in the community.

All present stood and said the Pledge of Allegiance.

The mayor encouraged everyone to fill out the census form they received in the mail.

Motion by Ballard, seconded by Markgraf to approve No. 16 City Hall Air Quality, No. 17 City Hall Personnel and No.18 Establish 2021 Budget Committee. Motion passed unanimously.

Motion by Strand, seconded by Ballard to approve the consent agenda.

- a) Approval of Minutes – Council Meeting 6/30/2020
- b) Approval of Accounts Payable Listing
- c) Staff Reports
 1. Financial Report

Motion passed unanimously.

Council reviewed the Comprehensive Plan Proposal from Sourcewell. The Planning Commission has reviewed the proposal and is recommending Council approve it. The contract would not exceed \$15,750. Motion by Strand, seconded by Foster to accept the Planning Commission recommendation to approve the Comprehensive Plan Proposal for \$15,750 from Sourcewell. Motion passed unanimously.

Superintendent Brian Olson provided Council with a Street and Park Report. The street department has been cleaning up branches after the last few storms. The ultra-light fly-in was a success. Someone is interested in purchasing the used City Hall mini-split. Olson will find out how much it is worth. Parks and pool have been busy. Motion by Strand, seconded by Foster to approve the street and parks report. Motion passed unanimously.

CITY OF PELICAN RAPIDS COUNCIL MEETING MINUTES – 07/14/2020

Superintendent Olson asked Council to hire Jay Gorton at \$11.24 an hour as an experienced lifeguard. Motion by Foster, seconded by Strand to hire Jay Gorton as a lifeguard. Motion passed unanimously.

Council Member Strand had concerns about stagnate air in City Hall. Superintendent Olson assured Strand that the HVAC system is working correctly.

The library report was provided by Council Members Markgraf and Ballard. The library will continue to do curbside because the patrons really like it. Roof work still continues on the library. The furnaces were ordered. Motion by Strand, seconded by Markgraf to approve the library report. Motion passed unanimously.

Chief Stadum provided Council with a Police Report. The Mayor, Administrator and Police Chief held job interviews. The position was offered to someone but they withdrew their name. The applications will be reviewed again. Motion by Foster, seconded by Markgraf to accept the police report. Motion passed unanimously.

Council considered Project No.89 – Colony Apartment Utilities Pay Request No. 2 for \$332,588.26. Motion by Ballard, seconded by Strand to approve Pay Request No. 2 for Hough, Inc. of DL. Motion passed unanimously.

Motion by Strand to rescind Resolution 2020-11 Confirming Proclamation and Declaration of Emergency. The declaration allows the Council and all advisory committees to hold meetings via telephone or other electronic means. Council agreed that some committee members do not feel comfortable meeting in person. Strand withdrew his motion.

Clerk-Treasurer Danielle Harthun asked Council to appoint Andrew Bradrick and James Hoffe as election judges for the state primary and the general election. Motion by Strand, seconded by Foster to approve the election judges. Motion passed unanimously.

Council discussed rescheduling the 8/11/2020 meeting due to the State Primary Election. Council discussed just canceling the meeting and only holding one meeting in August. Motion by Strand, seconded by Foster to cancel the 8/11/2020 City Council Meeting. Motion passed unanimously.

Filing for City Offices opens 7/28/2020 and closes 8/11/2020.

Clerk Treasurer Harthun reported the Utility Billing Clerk has resigned from her position. The job will be posted in all the normal spots including website and the local paper. Motion by Foster, seconded by Ballard to approve advertising for the Utility Billing Clerk position. Motion passed unanimously.

CITY OF PELICAN RAPIDS COUNCIL MEETING MINUTES – 07/14/2020

Administrator Solga asked two members to sit on the Budget Committee. Mayor Frazier and Council Member Foster agreed to be on the Budget Committee. Motion by Markgraf, seconded by Strand to accept Frazier and Foster as the Budget Committee

Administrator Solga reported that since the last city council meeting he has; held a department head meeting; worked with Clerk to set City Council (CC) agenda and prep for regular CC meeting; met with resident regarding potential lot split; attended remote meeting with LMC regarding CARES Act funding; attended Project 90 (Colony Apartment) construction meeting; worked on potential economic development projects; spent time with Arvig at HCH troubleshooting wifi; prepped for and conducted police interviews; sent draft letter to MMB regarding the library jurisdictional determination; started configuring the Pelican Rapids Rave Alert/Smart911 system; and started 2021 budgeting process.

Mayor Frazier reported that since the last city council meeting he has; continued to have communication with Jenny-O regarding their current operations during the COVID-19 pandemic, continue to submit weekly mayor's columns to the Pelican Press, attended a CSAH 96 & 100 construction meeting, made several visits to the CSAH 100 street project, visited the Pelican Rapids Swimming Pool, attended a 2024 Complete Streets Project Bridge Inspection Meeting, met with Administrator Solga to review the agenda for this City Council Meeting, met with Vicki Clayton who is the West-Central MN Partnership Specialist for the Chicago Regional Census Center, visited by phone with Rep. Bud Nornes regarding the 2020 MN Legislative Bonding Bill and left voicemail with OTC Emergency Management regarding the tornado sirens in Pelican Rapids.

Ringdahl Ambulance update was removed from the agenda, as Tollef Ringdahl did not attend the meeting

Motion by Strand, seconded by Markgraf to adjourn the City Council meeting at 5:44 pm. Motion passed unanimously.



Danielle Harthun, MCMC
Clerk-Treasurer

CITY OF PELICAN RAPIDS

Balance Sheet Liquor Store

June 2020

Bal Sht	Bal Sht Descr	Current Balance
10100	Wells Fargo (1957)	\$11,339.39
10101	Wells Fargo (1123 LS)	\$95,047.96
10105	Wells Fargo Save (2470LS)	\$378,122.92
10114	MN 9650	\$356,086.53
10140	Credit Cards	\$1.05
10143	MN National Bank (0524 LS)	\$109,257.50
10200	Petty Cash	\$1,000.00
13910	Deferred Outflows-Pension	\$30,291.00
14211	Inv - Liquor & Wine	\$140,901.93
14212	Inv - Beer	\$73,077.34
14213	Inv - Ice	\$342.32
14214	Inv - Pop/Mix/Bar Supplies	\$3,014.82
14215	Inv - NA Beer & Wine	\$889.31
15500	Prepaid Insurance	\$1,543.70
16100	Fixed Asset-Land	\$96,588.00
16130	Accum. Depr. Land	(\$8,371.13)
16160	Land Improvements	\$13,333.63
16200	Fixed Asset-Buildings	\$562,782.00
16230	Accum Depr. Building	(\$142,749.44)
16400	Fixed Asset-Equip/Machinery	\$11,255.42
16430	Accum Deprec-Equipment	(\$12,233.70)
Bal Order 1 A		\$1,721,520.55
20400	Compensated Absences Payable	(\$333.90)
20850	Sales & Use Tax - LS	(\$19,007.49)
21600	Accrued Wages & Salaries Payab	(\$3,681.47)
22600	Capital Lease Agree-Current	(\$261,159.89)
23600	Compensated Absences Pay NC	(\$3,766.24)
23900	Other Long-term Liabilities	(\$94,667.00)
23910	Deferred Inflows-Pension	(\$35,111.00)
Bal Order 2 L		(\$417,726.99)
25300	Fund Balance	(\$1,303,744.75)
27200	Unreserved Retained Earn-Other	(\$48.81)
Bal Order 3 E		(\$1,303,793.56)

Liquor Store Profit Loss

June 2020

Account Descr	June 2020 Amt	June 2019 Amt	Difference to LY	2020 YTD Amt	2019 YTD Amt	YTD Difference
Act Type R Revenue						
R 609-34766 Refunds & Reimburs	\$0.00	\$0.00	\$0.00	\$12.95	\$0.00	\$12.95
R 609-34950 Other Revenues	\$27.00	\$13.00	\$14.00	\$93.00	\$64.00	\$29.00
R 609-36210 Interest Earnings	\$45.36	\$440.92	(\$395.56)	\$402.33	\$1,105.56	(\$703.23)
R 609-37811 Liquor & Wine Sales	\$63,547.84	\$55,758.25	\$7,789.59	\$278,771.78	\$228,745.17	\$50,026.61
R 609-37812 Beer Sales	\$120,934.63	\$103,020.82	\$17,913.81	\$441,656.10	\$366,504.92	\$75,151.18
R 609-37813 Ice Sales	\$2,683.95	\$2,445.00	\$238.95	\$5,194.15	\$4,517.81	\$676.34
R 609-37814 Pop/Mix/Misc	\$2,963.28	\$2,813.68	\$149.60	\$10,213.54	\$9,604.10	\$609.44
R 609-37815 NA Beer/Wine	\$649.02	\$374.09	\$274.93	\$2,446.32	\$1,982.88	\$463.44
R 609-37817 Gift Cards Sold	\$255.00	\$35.00	\$220.00	\$800.00	\$255.00	\$545.00
R 609-37940 Cash Over/Long	\$0.00	\$0.00	\$0.00	(\$10.64)	\$0.09	(\$10.73)
Act Type R Revenue	\$191,106.08	\$164,900.76	\$26,205.32	\$739,579.53	\$612,779.53	\$126,800.00
Act Type E Expenditure						
E 609-49750-100 Wages and Salar	\$10,503.40	\$9,727.59	\$775.81	\$64,093.39	\$55,012.78	\$9,080.61
E 609-49750-105 Overtime	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
E 609-49750-120 Employer Contrib	\$702.46	\$682.65	\$19.81	\$4,409.29	\$4,840.23	(\$430.94)
E 609-49750-122 FICA	\$703.21	\$648.15	\$55.06	\$4,191.13	\$2,876.86	\$1,314.27
E 609-49750-130 Employer Paid In	\$2,202.51	\$837.37	\$1,365.14	\$11,969.58	\$5,133.76	\$6,835.82
E 609-49750-140 Unemployment	\$0.00	\$0.00	\$0.00	\$125.85	\$0.00	\$125.85
E 609-49750-200 Office Supplies	\$103.83	\$265.72	(\$161.89)	\$201.19	\$334.00	(\$132.81)
E 609-49750-208 Education	\$0.00	\$0.00	\$0.00	\$653.21	\$559.34	\$93.87
E 609-49750-210 Operating Suppli	\$94.89	\$34.31	\$60.58	\$1,236.91	\$735.97	\$500.94
E 609-49750-220 Repair/Maint Su	\$0.00	\$59.85	(\$59.85)	\$148.80	\$155.01	(\$6.21)
E 609-49750-230 Banking Charges	\$13.70	\$22.17	(\$8.47)	\$182.08	\$165.93	\$16.15
E 609-49750-231 Credit Card Fees	\$3,044.00	\$1,914.52	\$1,129.48	\$10,901.48	\$8,199.14	\$2,702.34
E 609-49750-251 Liquor & Wine C	\$40,259.23	\$33,331.71	\$6,927.52	\$203,852.05	\$140,956.55	\$62,895.50
E 609-49750-252 Beer Costs	\$70,732.26	\$65,651.70	\$5,080.56	\$296,670.72	\$225,848.25	\$70,822.47
E 609-49750-253 NA Beer/Wine C	\$365.84	\$291.58	\$74.26	\$2,788.25	\$1,210.43	\$1,577.82
E 609-49750-254 Pop/Mix/Bar Sup	\$2,228.91	\$1,285.87	\$943.04	\$6,166.40	\$5,207.05	\$959.35
E 609-49750-257 Ice Costs	\$748.99	\$1,516.07	(\$767.08)	\$2,315.19	\$2,314.93	\$0.26
E 609-49750-260 Gift Cards Used	\$278.53	\$52.70	\$225.83	\$808.97	\$432.69	\$376.28
E 609-49750-300 Professional Svcs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
E 609-49750-301 Auditing Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
E 609-49750-320 Communications	\$171.45	\$179.17	(\$7.72)	\$1,213.66	\$901.36	\$312.30
E 609-49750-330 Freight Expense	\$142.40	\$199.40	(\$57.00)	\$794.00	\$737.60	\$56.40
E 609-49750-331 Travel Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
E 609-49750-340 Advertising	\$0.00	\$47.50	(\$47.50)	\$250.00	\$994.00	(\$744.00)
E 609-49750-360 Insurance & Bon	\$2,585.13	\$2,075.10	\$510.03	\$6,109.13	\$5,300.88	\$808.25
E 609-49750-380 Utility Services	\$617.12	\$589.95	\$27.17	\$4,413.95	\$4,227.70	\$186.25
E 609-49750-400 Repairs & Maint	\$600.41	(\$1,613.58)	\$2,213.99	\$2,764.90	(\$794.71)	\$3,559.61
E 609-49750-405 Depreciation	\$0.00	\$1,564.58	(\$1,564.58)	\$7,822.90	\$9,387.48	(\$1,564.58)
E 609-49750-432 Uncollectable Ch	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
E 609-49750-433 Dues, Fees, Subs	\$0.00	\$0.00	\$0.00	\$200.00	\$200.00	\$0.00
E 609-49750-500 Capital Outlay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
E 609-49750-609 Principle	\$0.00	\$0.00	\$0.00	\$18,451.78	\$17,622.79	\$828.99
E 609-49750-610 Interest	\$0.00	\$0.00	\$0.00	\$5,307.73	\$6,136.72	(\$828.99)
E 609-49750-700 Transfers	\$0.00	\$0.00	\$0.00	\$2,316.88	\$0.00	\$2,316.88
Act Type E Expenditure	\$136,098.27	\$119,364.08	\$16,734.19	\$660,359.42	\$498,696.74	\$161,662.68

Date: July 20, 2020

To: City of Pelican Rapids

From: Dennis Dalager/Terry Gamble, Operators

O & M Report: June 2020

Water Operation & Maintenance

- Submitted Fluoride Report.
- Collected all required bacteria sampling.
- Checked wells daily.
- Rotated well sequence.
- Well measurements.
- Change chlorine tanks as needed.
- Completed all Work Orders.
- Hawkins Chemical delivery.
- Called out on numerous occasions due to weather patterns.
- Replaced all air filters on dehumidifiers.

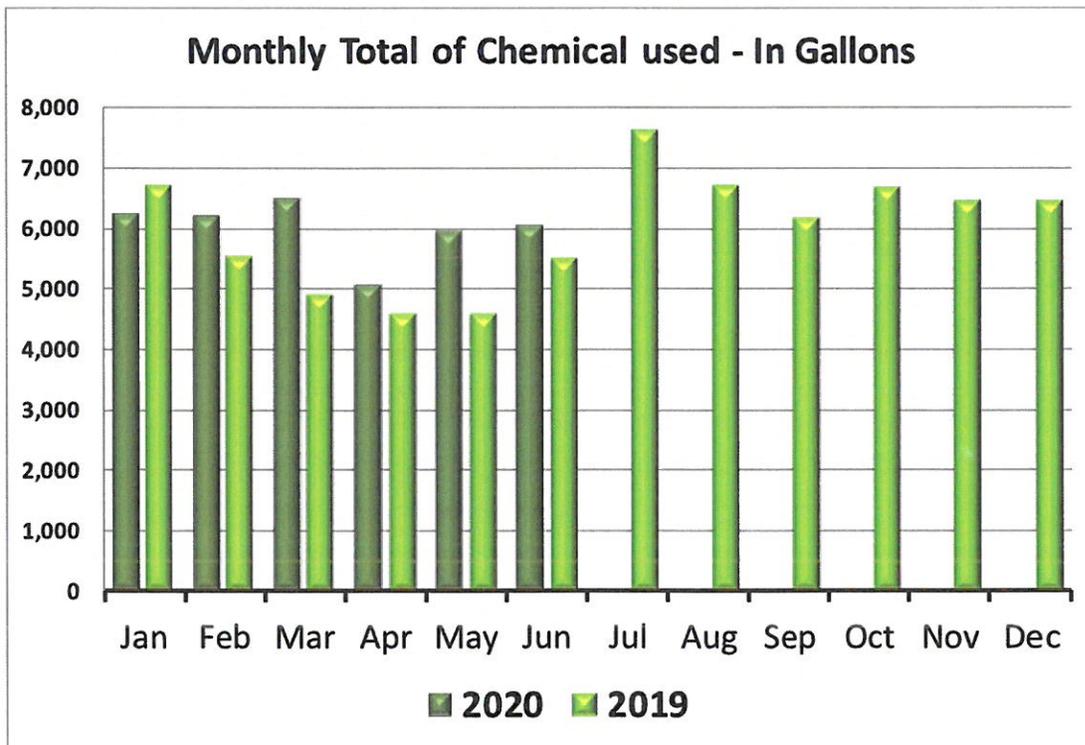
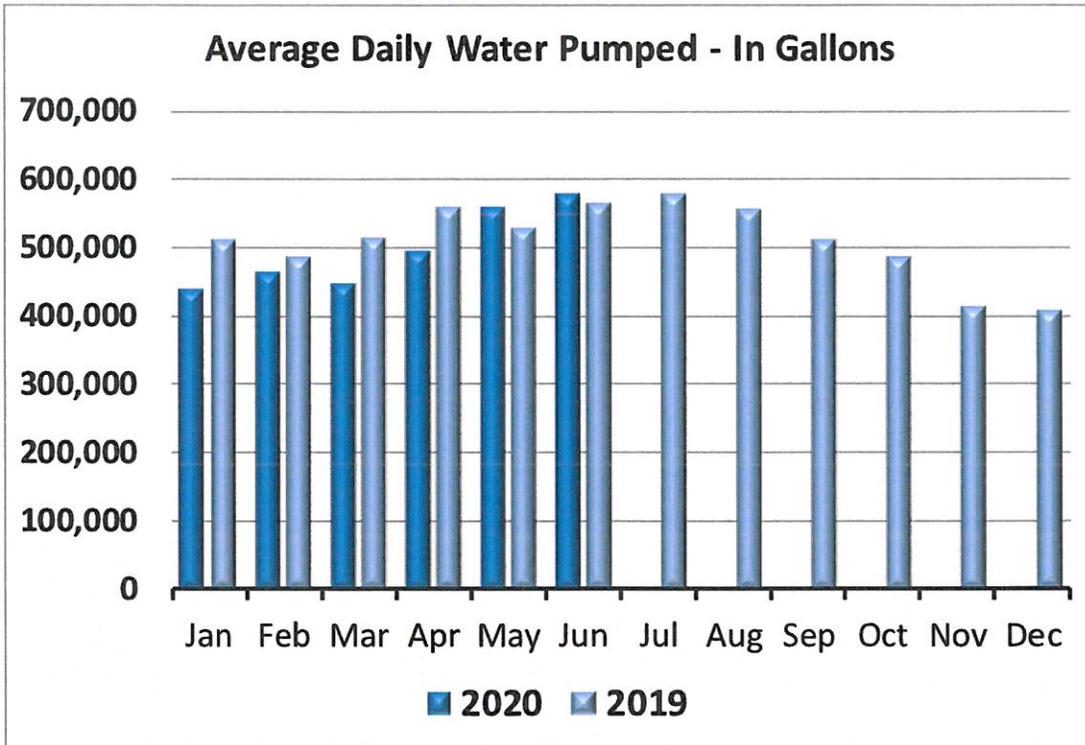
Wastewater Operation & Maintenance

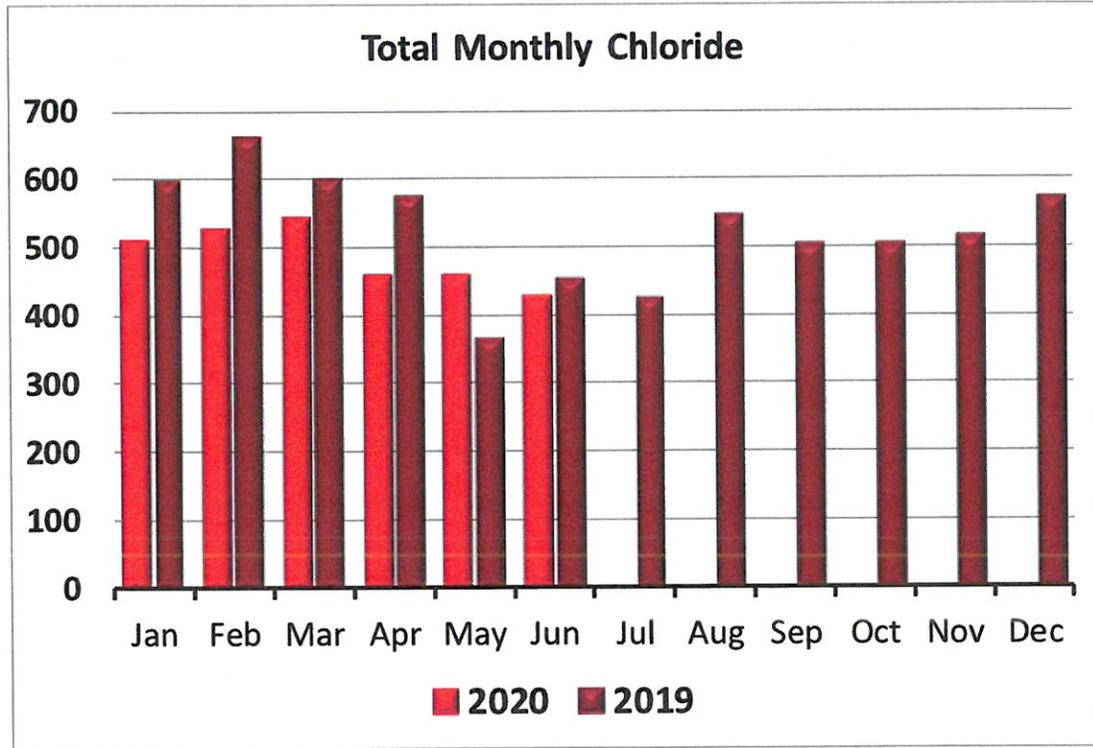
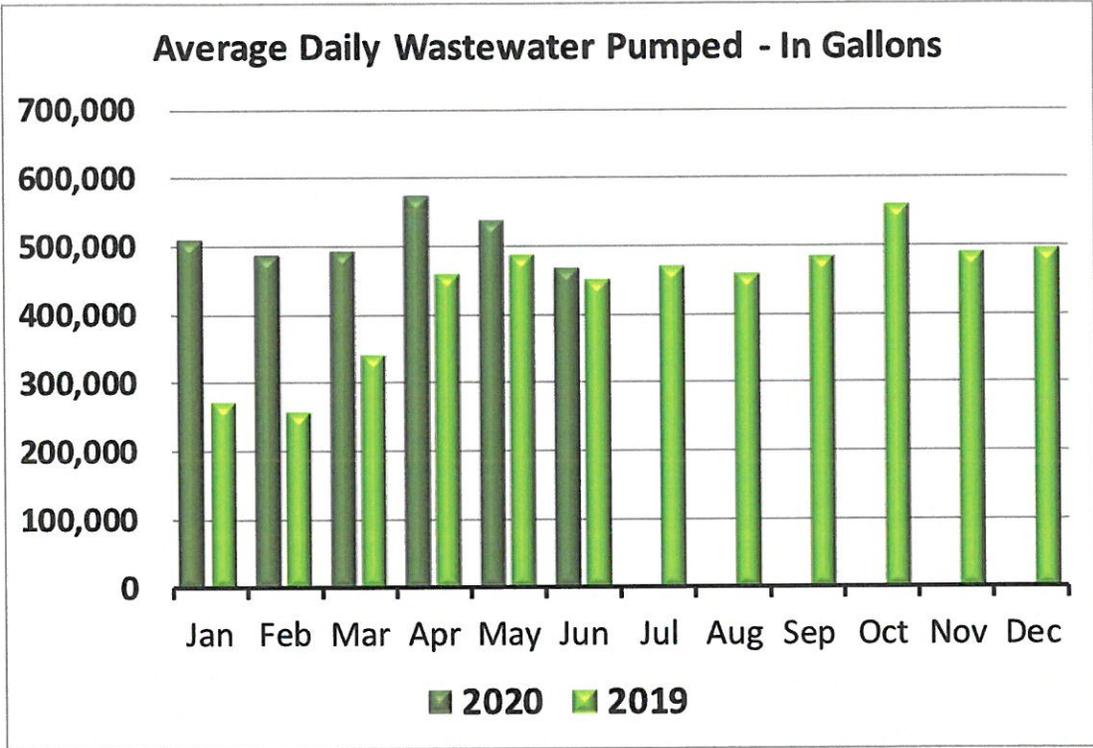
- Performed all required sampling and reporting.
- Test ran the generator.
- Checked Lift stations daily.
- Transferred from anaerobic pond to aerated pond as needed.
- Received a Ferric delivery from Hawkins.
- Cleaned DO sensors as needed.
- Greased each clarifier.
- Inspected blower gauges and filters daily.



- Pump Primary sludge as needed.
- Installed new brushes on final clarifiers.
- Cleaned air exchange filters on all buildings.
- Worked on aeration blowers at pond. Got three working and need to send three in for rebuild.
- Cleared scum line for primary clarifiers.
- New metal filters for fresh air in primary building.
- Changed oil and fuel filters in generator.
- Wayne down to pump out scum trove and try and figure out how to clear line.

		June-20	May-20	June-19
Water	Units			
Average Daily Pumped	gallons	579,000	560,000	567,000
Maximum Daily Pumped	gallons	768,000	658,000	867,000
Total Monthly Pumped	gallons	17,378,000	17,376,000	17,004,000
Average Daily Fluoride Conc.	mg/L	0.75	0.77	0.80
Fluoride used	gallons	211.00	177.00	211.00
Total Chlorine Residual	mg/L	0.60	0.53	0.49
Chlorine used	lbs	389.00	235.00	685.00
Phosphorus				
Phos Influent	mg/L	10	8	11
Phos Effluent	mg/L	0.60	1.70	3.90
Phos Effluent Permit Limit	mg/L	1	1	1
Phos Effluent Loading	kg/YTD	246.30	214.50	386.80
Phos Effluent Loading Permit Limit	kg/YTD	1,257.60	1,257.60	1,257.60
Chemical Used	gallons	6,026.00	5,936.00	5,492.00
Total Chloride	mg/L	427.00	458.00	451.00
Effluent Flow				
Average Daily	gallons	468,000	537,000	450,000
Maximum Daily	gallons	525,000	601,000	526,000
Total Monthly	gallons	14,048,000	16,652,000	13,511,000
Precipitation Monthly Total	Inches	6.70	1.70	2.50
Contract True-Ups - Current Contract Year				
Item	Budgeted Amount	Amount Spent	% of Budget	% of Time
Maintenance Budget	\$16,093.00	\$17,647.00	110%	50%
Total	\$16,093.00	\$17,647.00	110%	50%





**CITY OF PELICAN RAPIDS
FIRE DEPARTMENT 2021 BUDGET**

5

2021 BUDGET 2020 BUDGET 2019 ACTUAL 2018 ACTUAL

**42280
RECEIPTS**

STATE GRANTS	0.00	0.00	0.00	0.00
FIRE CALL RECEIPTS	13,000.00	13,000.00	16,112.00	21,450.00
CITY/TOWNSHIP RECEIPTS	241,500.00	236,877.00	227,541.37	227,150.67
TRAINING BURNS			1,000.00	600.00
INTEREST	0.00	0.00	0.00	0.00
SALE OF PROPERTY	0.00	0.00	13,000.00	0.00
CONTRIBUTIONS	0.00	0.00	0.00	0.00
PROCEEDS FROM LEASE			306,263.10	
FIRE RELIEF ASSN				
TOTAL RECEIPTS	254,500.00	249,877.00	563,916.47	249,200.67

Firefighter Training (\$6,300)
Fire Prevention (\$450)
In house Training
Other, in house training (\$1,000)
Grants reimburse for some

**42280
EXPENSES**

42280-100 SALARY	35,000.00	35,000.00	34,135.35	36,252.37
42280-122 FICA	2,600.00	2,600.00	2,611.33	2,773.25
42280-200 OFFICE SUPPLIES	800.00	800.00	315.53	1,231.31
42280-208 EDUCATION	7,750.00	7,750.00	2,212.53	3,029.33
42280-210 OPERATING SUPPLIES	14,500.00	14,500.00	26,141.78	17,124.83
42280-220 R&M SUPPLIES	4,500.00	4,500.00	3,635.87	2,457.02
42280-300 PROF. SERVICE	6,900.00	5,720.00	5,343.45	6,305.55
42280- ADMIN EXPENSES	0.00	0.00	0.00	0.00
42280-320 COMMUNICATIONS	2,000.00	2,000.00	1,941.60	1,928.09
42280-331 TRAVEL	400.00	400.00	0.00	0.00
42280-360 INSURANCE PREMIUM	22,000.00	20,000.00	21,056.00	16,564.00
42280-380 PUBLIC UTILITIES	9,000.00	9,000.00	8,094.74	11,615.27
42280-400 R&M SERVICE	11,760.00	10,860.00	16,309.71	21,549.54
42280-433 DUES, FEES, SUBSCRIPTION	1,165.00	622.00	983.25	852.00
42280-605 FIRE HALL LEASE EXP (last2027)	68,483.00	68,483.00	68,483.00	68,484.00
42280-500 CAPITAL OUTLAY	11,300.00	11,300.00	317,583.29	8,852.26
42280-606 TRUCK LEASE EXPENSE	44,177.00	44,177.00	43,539.56	32,975.00
42280-608 SCBA LEASE EXPENSE	12,165.00	12,165.00	12,162.21	12,162.21
42280-699 FIRE RELIEF ASSN EXP				
TOTAL EXPENDITURES	254,500.00	249,877.00	564,549.20	244,156.03

Turn out gear-coat, pant, boots, helmet, gloves- (\$7,500 for 3 sets)
uniforms \$150 each (\$600)
Wildland gear (\$600)
Fuel (\$4,000)
Hose (\$600) see note2 below
Rescue Equip (600)
Safety Equip-vest, glasses, hearing-(\$400)
Fire fighting hand tools (\$800)

Hepatitis B \$100 each (\$500)
Annual Physicals \$120 each (\$3,300),
Backflow Inspections (\$800)
Audit & Bond \$4,000 To Be Paid by Relief Assoc
Hose/Ladder test (2,300)

Pager repair \$1,000
SCBA Air test \$140

SWANSONS ANNUAL
Annual pump test (\$250x3) \$750
Annual Trk Serv (300x5) \$1,500
Annual Pump Serv (150x3, 130x4) \$970
Annual Serv Parts, Misc \$2,000

Rescue tool service \$300
SCBA flow test \$50 each (\$1,400)
Fire Extinguisher Serv (\$500)
4 way Gas meter serv (\$200)
Air Compressor Serv (\$1000)
FH Cleaning-Fac/Window (\$1,500+500)

Annual \$44,177.00 (pymt 3 of 8) last 2/2026

Annual \$12,165.00 (pymt 4 of 7) last 1/2024

Pagers Repl (\$1,800)
Capital Eq Replacement (\$5,000)
Additional Set-aside for mobile replacement (\$4,500)

Mn Chiefs Assn. \$150
MN Fire Dept Assn \$300
Northwest Regional \$100
Fire House mag \$60
Fire Engineering \$25
OTC Chief Assn (\$50)
Vol FF Assn (\$180)
Annual 911 (\$300)

NOTE1: Set aside unspent portion of "Capital Eq Replacement \$5,000" for mobile replacements

NOTE2: Trevor feels that the addition of the Hose/Ladder test would eliminate the need to budget \$2,000 hose every yr.

NOTE3: 2021, (\$254,500) 2020 (\$249,877) = +1.85%

July 14, 2020

Pelican Rapids City Council
315 North Broadway, PO Box 350
Pelican Rapids, MN 56572



Re: Pelican Rapids Trailhead

Dear Pelican Rapids City Council,

On behalf of the Pelican Rapids City Park Board, I would like to express our full support in locating our city's trailhead at 108 Midway in Pelican Rapids, MN (Parcel 76000990499000, Lots 7 and 8; Parcel 76000990500000 lots 9, 10, 11, 12). As a park board, we feel this is the most appropriate location for our community. The site provides the space needed to develop areas for public recreation, access to our river resources, and safe parking, while still being close to our downtown amenities to bolster economic growth.

The park board envisions this piece of land will be the starting point for exercise enthusiasts of all abilities to access our community and park system. It will allow for continued development beyond our downtown business district while simultaneously providing desired river access. As a board, we hope to eventually develop bathrooms, a picnic area, and signage to encourage and inform tourists of ways to fully enjoy all that Pelican Rapids has to offer.

We share a common goal of enhancing our community and meeting the needs of our citizens and tourists and feel this location for our community's trailhead will further enhance and beautify our city.

We appreciate your consideration in creating our community trailhead to be located at 108 Midway, Pelican Rapids.

Sincerely,

Pelican Rapids City Park Board

Kate Martinez, Chair
Amy King, Vice Chair
Judy Engebretson, Secretary
Van Holmgren
Amber Lindberg
Miriam Perez
Rudy Butenas

EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE CITY OF
PELICAN RAPIDS, MINNESOTA

8

HELD: July 28, 2020

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Pelican Rapids, Otter Tail County, Minnesota, was duly called and held at the City Hall in said City on Tuesday, the 28th day of July 2020, at 5:00 o'clock p.m., for the purpose in part of approving a \$688,147 General Obligation Water Revenue Note of 2020 of the City.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 2020-17

RESOLUTION ACCEPTING THE OFFER OF
THE MINNESOTA PUBLIC FACILITIES AUTHORITY TO PURCHASE
A \$688,147 GENERAL OBLIGATION WATER REVENUE NOTE OF 2020,
PROVIDING FOR ITS ISSUANCE, AND APPROVING
EXECUTION OF A PROJECT LOAN AGREEMENT

A. WHEREAS, the City Council of the City of Pelican Rapids, Minnesota (the "City"), has heretofore applied for a loan (the "Loan") from the Minnesota Public Facilities Authority (the "PFA") to provide financing pursuant to Minnesota Statutes, Chapter 475 and Section 444.075, for the purpose of funding eligible project costs of the Drinking Water State Revolving Fund Loan project described as the watermain replacement along county highways 100 and 96, all as detailed in the Minnesota Department of Health project certification dated March 21, 2020 and the PFA's certification dated June 19, 2020 (the "Project"); and

B. WHEREAS, the PFA is authorized pursuant to Minnesota Statutes, Chapter 446A, as amended, to issue its bonds (the "PFA Bonds") and to use the proceeds thereof, together with certain other funds, to provide loans to municipalities to fund eligible costs of construction of publicly owned drinking water facilities in accordance with the federal Safe Drinking Water Act Amendments of 1996 (the "Program"); and

C. WHEREAS, the City has applied for a loan from the PFA pursuant to such Program, and the PFA has committed to make a loan to the City in the principal amount of \$688,147, to be disbursed and repaid in accordance with the terms of a Bond Purchase and Project Loan Agreement, MPFA-DWRF-L-006-FY21 (the "Project Loan Agreement") to be executed by the PFA and City in substantially the form on file with the City Clerk and attached hereto as Exhibit A; and the Project Loan Agreement, as executed, is incorporated herein by reference; and

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

E. WHEREAS, a contract or contracts for the project have been made by the City or other governmental entities with the approval of the PFA and all other state and federal agencies of which approval is required:

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pelican Rapids, Otter Tail County, Minnesota, as follows:

1. Acceptance of Offer; Payment. The offer of the PFA to purchase a \$688,147 General Obligation Water Revenue Note of 2020 of the City (the "Note"), at the rate of interest hereinafter set forth, and to pay therefor the sum of \$688,147 as provided below, is hereby accepted, and the issuance of the Note to PFA, together with the execution and delivery of the Project Loan Agreement, are hereby approved. Payment for the Note shall be disbursed in installments as eligible costs of the Project are paid or reimbursed, 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.

2. Title; Date; Denomination; Interest Rates; Maturities. The Note shall be a fully registered negotiable obligation, shall be titled the "General Obligation Water Revenue Note of 2020," shall be dated as of the date of delivery and shall be issued forthwith. The Note shall be in the principal amount of \$688,147, or so much thereof as shall be disbursed pursuant to the Project Loan Agreement, shall bear interest on so much of the principal amount of the Notes as (i) may be disbursed from time to time as provided in the Project Loan Agreement and (ii) remains unpaid, from the date of each disbursement until the principal amount of the Note has been paid or has been provided for, at the rate of one percent (1.00%) per annum (calculated on the basis of a 360-day year of twelve 30-day months), payable semiannually on each February 20 and August 20, commencing August 20, 2021, and shall mature on August 20 in each of the years and in the installments as follows:

Year	Amount	Year	Amount
2021	\$ 8,147	2031	\$ 36,000
2022	33,000	2032	36,000
2023	33,000	2033	36,000
2024	33,000	2034	37,000
2025	34,000	2035	37,000
2026	34,000	2036	38,000
2027	34,000	2037	38,000
2028	35,000	2038	38,000
2029	35,000	2039	39,000
2030	35,000	2040	39,000

Interest shall accrue only on the aggregate amount of the Note which has been disbursed and is unpaid under the Project Loan Agreement. The principal installments shall be paid in the amounts scheduled above even if at the time of payment the full principal amount of the Note has not been disbursed; provided that if the full principal amount of the Note is not to be disbursed under the Project Loan Agreement, the undisbursed balance of the Loan shall be applied to reduce the unpaid principal installments and the remaining principal payment schedule shall be reamortized as provided in Section 1.3(f) of the Project Loan Agreement. Principal, interest and any premium due under the Note will be paid on each payment date by wire payment, or by check or draft mailed the last business day prior to the payment date to the person in whose name the Note is registered, in any coin or currency of the United States which at the time of payment is legal tender for public and private debts.

Interest on the Note includes amounts treated by the PFA as service fees.

3. Purpose; Cost. The proceeds of the Note shall provide funds to finance construction of the Project. The Note is issued pursuant to Minnesota Statutes, Section 444.075. The total cost of the construction of the Project, including legal and other professional charges, publication and printing costs, interest accruing on money borrowed for the Project before the collection of net revenues pledged and appropriated therefor, and all other costs necessarily incurred and to be incurred from the inception to the completion of the Project, is estimated to be at least equal to the amount of the Note. The City covenants that it shall do all things and perform all acts required of it to assure that work on the Project proceeds with due diligence to completion and that any and all permits and studies required under law for the Project are obtained.

4. Prepayment. With the consent of the PFA the Note shall be subject to redemption and prepayment in whole or in part by the City on any February 20 or August 20 to the extent and in the manner provided in the Project Loan Agreement. If prepayment is in part, the amount paid by the City shall be applied as follows: first, to the payment of fees, expenses and other costs of the PFA; second, to the payment of interest and servicing fees on the principal amount prepaid; and third, to the principal of the Note. The principal amount of a partial prepayment will be applied as provided in the Project Loan Agreement.

5. Registration of Note. At the time of issuance and delivery of the Note, the officer of the City performing the functions of the treasurer (the “Treasurer”) shall register the Note in the name of the payee in a note register which he and his successors in office shall maintain for the purpose of registering the ownership of the Note. The Note shall be prepared for execution with an appropriate text and spaces for notation of registration. The force and effect of such registration shall be as stated in the form of Note hereinafter set forth. Payment of principal installments and interest, whether upon prepayment or otherwise, made with respect to the Note, may be made to the registered holder thereof or to his, her or its legal representative, without presentation or surrender of the Note except upon its final payment.

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

UNITED STATES OF AMERICA
STATE OF MINNESOTA
OTTER TAIL COUNTY
CITY OF PELICAN RAPIDS

GENERAL OBLIGATION WATER REVENUE NOTE OF 2020

KNOW ALL PERSONS BY THESE PRESENTS that the City of Pelican Rapids, Otter Tail County, Minnesota (the “City”), certifies that it is indebted and for value received promises to pay to the Minnesota Public Facilities Authority or the registered assign, the principal sum of SIX HUNDRED EIGHTY-EIGHT THOUSAND ONE HUNDRED FORTY-SEVEN DOLLARS (\$688,147) or so much thereof as may have been disbursed, on August 20 of each of the years and in the installments as follows:

Year	Amount	Year	Amount
2021	\$ 8,147	2031	\$36,000
2022	33,000	2032	36,000
2023	33,000	2033	36,000
2024	33,000	2034	37,000
2025	34,000	2035	37,000
2026	34,000	2036	38,000
2027	34,000	2037	38,000
2028	35,000	2038	38,000
2029	35,000	2039	39,000
2030	35,000	2040	39,000

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

Principal and Interest Payments. Interest shall accrue only on the aggregate amount of this Note which has been disbursed under the Bond Purchase and Project Loan Agreement, dated as of July 13, 2020, by and between the City and the Minnesota Public Facilities Authority (the “Project Loan Agreement”). The principal installments shall be paid in the amounts scheduled above even if at the time of payment the full principal amount of the Note has not been disbursed; provided that if the full principal amount of the Note is not to be disbursed under the Project Loan Agreement the amount of the principal not disbursed shall be applied to reduce the unpaid principal installments and the remaining principal payment schedule shall be reamortized as provided in Section 1.3(f) of the Project Loan Agreement. Interest on this Note includes amounts treated by the Minnesota Public Facilities Authority as service fees. Principal, interest and any premium due under this Note will be paid on each payment date by wire payment, or by check or draft mailed the last business day 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.

Prepayment. This Note is subject to redemption and prepayment in whole or in part on any February 20 or August 20 with the written consent of the PFA and to the extent and in the manner provided in the Project Loan Agreement. If prepayment is in part, the amount paid by the City shall be applied as provided in the Project Loan Agreement.

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 the construction of improvements to the water system of the City, and is payable out of the PFA Debt Service Account of the Water Fund of the City, to which account have been pledged certain net revenues of the City’s municipal water system. This Note has been issued pursuant to Minnesota Statutes, Section 444.075. This Note constitutes a general obligation of the City, and to provide moneys for the prompt and full payment of said principal installments and interest when the same become due, the full faith, credit and taxing powers of the City have been and are hereby irrevocably pledged.

Registration; Transfer. This Note shall be registered in the name of the payee on the books of the City by presenting this Note for registration to the officer of the City performing the functions of the Treasurer, who will endorse his or her 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 his, her or its 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 Treasurer.

Fees Upon Transfer or Loss. The Treasurer 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 shall be attached to this Note if the holder of this Note is any person other than the Minnesota Public Facilities Authority.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Note, have been done, have happened and have been performed, in regular and due form, time and manner as required by law; that the City will levy a direct, annual, irrevocable ad valorem tax upon all of the taxable property in the City, without limitation as to rate or amount, for the years and in amounts sufficient to pay the installments of principal and interest on this Note as they respectively become due, to the extent the net revenues from said municipal water system and any other revenues and special assessments irrevocably appropriated to said PFA 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 or charter limitation of indebtedness.

IN WITNESS WHEREOF, the City of Pelican Rapids, Otter Tail County, Minnesota, by its City Council has caused this Note to be executed on its behalf by the signature of its Mayor and by the signature and attestation of its City Clerk, and the corporate seal of the City to be affixed hereto, all as of _____, 2020.

Signed and Attested:

City Clerk

Mayor

(SEAL)

CERTIFICATE OF REGISTRATION

The transfer of ownership of the principal amount of the attached Note may be made only by the registered owner or his, her or its legal representative last noted below.

<u>DATE OF REGISTRATION</u>	<u>REGISTERED OWNER</u>	<u>SIGNATURE OF CITY TREASURER</u>
_____ _____, 2020	Minnesota Public Facilities Authority St. Paul, Minnesota Federal Employer Identification No. 41-6007162	_____
_____	_____	_____
_____	_____	_____

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

8. Delivery; Application of Proceeds. The Note when so prepared and executed shall be delivered by the City Clerk to the purchaser thereof prior to disbursements pursuant to the Project Loan Agreement, and the purchaser shall not be obliged to see to the proper application thereof.

9. Fund and Accounts. The City shall maintain a separate fund in the City treasury designated as the Water Fund (the "Fund") to be administered and maintained by the Treasurer as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The Fund shall be maintained in the manner specified herein until the Note, and interest thereon, have been fully paid. There shall be established and maintained in the Fund, in addition to other accounts heretofore or hereafter established, the following three (3) separate accounts, to which shall be credited and debited all income and disbursements of the Fund relating to the Note as hereinafter set forth. The Treasurer and all municipal officials and employees concerned therewith shall establish and maintain financial records of the receipts and disbursements of the municipal water system (the "Water System") in accordance with this resolution. In such records there shall be established and maintained accounts of the Fund for the purposes and in the amounts as follows:

a. A "PFA Construction Account," to which shall be credited all proceeds received from the sale of the Note. The Note proceeds shall be the only source of moneys credited to the PFA Construction Account. It is recognized that the sale proceeds of the Note are received in reimbursement for costs expended on the Project, and that accordingly the moneys need not be placed in the PFA Construction Account upon receipt but may be applied immediately to reimburse the source from which the expenditure was made. The moneys in the PFA Construction Account shall be used solely for the purpose of paying for the cost of constructing the Project, including all costs enumerated in Minnesota Statutes, Section 475.65, provided that such moneys shall only be expended for costs and expenses which are permitted under the 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. Upon completion of the Project and the payment of the costs thereof, any surplus shall be transferred to the PFA Debt Service Account.

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

c. A "PFA Debt Service Account," to which shall be irrevocably appropriated, pledged and credited: (1) any net revenues available to pay the principal of, and interest on, the Note; (2) all collections of taxes which may hereafter be levied for the payment of the principal of, and interest on, the Note; (3) all investment earnings on moneys held in the PFA Debt Service Account; (4) any amounts transferred from the PFA Construction Account; and (5) any other moneys which are properly available and are appropriated by the City Council to the PFA Debt Service Account. The moneys in said account shall be used only to pay or prepay the principal of, and interest on, the Note and any other obligations heretofore or hereafter issued and made payable from the net revenues, and to pay any rebate due to the United States with respect to the PFA Bonds issued in connection with the Note.

d. Excess net revenues may be used for any proper purpose.

The City shall observe the covenants of paragraphs 16 and 17 of this resolution and of Article 3 of the Project Loan Agreement with regard to the Water Fund. No portion of the proceeds of the Note may be used directly or indirectly to acquire or replace higher yielding investments, except for any applicable temporary periods or minor portion available under the federal arbitrage regulations. In addition, the City shall not cause or permit the Note to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

10. Deposit of Net Revenues; Excess Net Revenues. The City shall deposit net revenues of the Water System which are available and not pledged or appropriated to other purposes, to the extent of principal and interest requirements of the Note, in the PFA Debt Service Account. Such net revenues shall be used to pay the principal of and interest on the Note when due and any excess may be used for any other lawful purpose. Nothing contained herein shall be deemed to preclude the City from making further pledges and appropriations of the net revenues of the Water System for the payment of other or additional obligations of

the City, and any such pledge and appropriation of said net revenues may be made superior or subordinate to, or on a parity with, the pledge and appropriation herein. The Note is issued pursuant to Minnesota Statutes, Section 444.075.

11. Pledge to Produce Revenues. 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 and connection to the Water System at the times and in the amounts required to produce gross revenues adequate to pay all operating and maintenance costs of the Project and net revenues sufficient to pay the principal of and interest on the Note when due and all other obligations payable therefrom.

12. General Obligation Pledge; Tax Levy. The City Council will levy general ad valorem taxes on all taxable property of the City in an amount sufficient to pay the principal of and premium, if any, of the Note. It is hereby determined that the net revenues of the Water System pledged to the payment of the Note and estimated to be deposited in the PFA Debt Service Account will be sufficient to pay the principal of and interest on the Note when due and to produce at least five percent in excess thereof.

The full faith, credit and taxing powers of the City shall be, and are hereby, irrevocably pledged for the prompt and full payment of the principal and interest on the Note as the same respectively become due. If the net revenues of the Water System appropriated and pledged to the payment of principal and interest on the Note, together with other funds irrevocably appropriated to the PFA Debt Service Account referred to in paragraph 9 of this resolution shall at any time be insufficient to pay such principal and interest when due, the 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 they become due. If the balance in the PFA Debt Service Account is ever insufficient to pay all principal and interest then due on the Note, the deficiency shall be promptly paid out of any other funds of the City which are available for such purpose, and such other funds may be reimbursed, with or without interest, from the PFA Debt Service Account when a sufficient balance is available therein.

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

14. Project Loan Agreement. The Project Loan Agreement is hereby approved in substantially the form heretofore presented to the City Council, and in the form executed is hereby incorporated by reference and made a part of this resolution. Each and all of the provisions of this resolution relating to the Note are intended to be consistent with the provisions of the 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 shall control and this resolution shall be deemed accordingly modified. The execution of the Project Loan Agreement by the Mayor, attested by the City Administrator or City Clerk, are hereby authorized, and such execution shall be 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 shall be attached to the Note if the holder of the Note is any person other than the PFA.

15. 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, shall be deemed representations of the City as to the facts recited therein.

16. Negative Covenants as to Use of Proceeds and Project. The City hereby covenants not to use the proceeds of the Note or to use the Project, or to cause or permit them to be used, or to enter into any deferred payment arrangement for the cost of the Project, in such a manner as to cause the 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 it will take no actions over the term of the Note that would cause the Note to be a private activity bond, and the average term of the Note is not longer than reasonably necessary for its governmental purpose. 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.

17. Tax-Exempt Status of the PFA Bonds; Rebate. The City with respect to the Note shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the PFA Bonds, including without limitation (1) requirements relating to temporary periods for investments, (2) limitations on amounts invested at a yield greater than the yield on the PFA Bonds, and (3) 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, shall be limited as to amount and yield in such manner that the PFA Bonds shall not be arbitrage bonds within the meaning of Section 148 of the Code and any regulations thereunder. On the basis of the existing facts, estimates and circumstances, including the foregoing findings and covenants, the City hereby 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 Clerk/Treasurer shall furnish a certificate to the PFA embracing or based on the foregoing certification at the time of delivery of the Note to the PFA.

18. Supplemental Resolution. Prior resolutions relating to the Water System are hereby supplemented to the extent necessary to give effect to the provisions of paragraph 9 of this resolution.

19. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such

section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

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

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

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA
COUNTY OF OTTER TAIL
CITY OF PELICAN RAPIDS

I, the undersigned, being the duly qualified and acting City Clerk of the City of Pelican Rapids, Minnesota, by reason of my office as City Clerk, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council of said City, duly called and held on the date therein indicated, insofar as such minutes relate to said City's \$688,147 General Obligation Water Revenue Note of 2020.

WITNESS my hand and the seal of said City this 28th day of July 2020.

City Clerk

(SEAL)

EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE CITY OF
PELICAN RAPIDS, MINNESOTA

9

HELD: July 28, 2020

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Pelican Rapids, Otter Tail County, Minnesota, was duly called and held at the City Hall in said City on Tuesday, the 28th day of July 2020, at 5:00 o'clock p.m., for the purpose in part of approving a \$531,676 General Obligation Sewer Revenue Note of 2020 of the City.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 2020-18

RESOLUTION ACCEPTING THE OFFER OF
THE MINNESOTA PUBLIC FACILITIES AUTHORITY TO PURCHASE
A \$531,676 GENERAL OBLIGATION SEWER REVENUE NOTE OF 2020,
PROVIDING FOR ITS ISSUANCE, AND APPROVING
EXECUTION OF A PROJECT LOAN AGREEMENT

A. WHEREAS, the City Council of the City of Pelican Rapids, Minnesota (the "City"), has heretofore applied for a loan (the "Loan") from the Minnesota Public Facilities Authority (the "PFA") to provide financing pursuant to Minnesota Statutes, Chapter 475 and Section 444.075, for the purpose of funding eligible project costs of the Clean Water State Revolving Fund Loan project described as the rehabilitation of the sewer collection system along county highways 100 and 96, all as detailed in the PFA's certification dated June 19, 2020 (the "Project"); and

B. WHEREAS, the PFA is authorized pursuant to Minnesota Statutes, Chapter 446A, as amended, to issue its bonds (the "PFA Bonds") and to use the proceeds thereof, together with certain other funds, to provide loans to municipalities to fund eligible costs of construction of publicly owned drinking Sewer facilities in accordance with the federal Safe Drinking Water Act Amendments of 1996 (the "Program"); and

C. WHEREAS, the City has applied for a loan from the PFA pursuant to such Program, and the PFA has committed to make a loan to the City in the principal amount of \$531,676, to be disbursed and repaid in accordance with the terms of a Bond Purchase and Project Loan Agreement, MPFA-CWRF-L-007-FY21 (the "Project Loan Agreement") to be executed by the PFA and City in substantially the form on file with the City Clerk and attached hereto as Exhibit A; and the Project Loan Agreement, as executed, is incorporated herein by reference; and

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

E. WHEREAS, a contract or contracts for the project have been made by the City or other governmental entities with the approval of the PFA and all other state and federal agencies of which approval is required:

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pelican Rapids, Otter Tail County, Minnesota, as follows:

1. Acceptance of Offer; Payment. The offer of the PFA to purchase a \$531,676 General Obligation Sewer Revenue Note of 2020 of the City (the "Note"), at the rate of interest hereinafter set forth, and to pay therefor the sum of \$531,676 as provided below, is hereby accepted, and the issuance of the Note to PFA, together with the execution and delivery of the Project Loan Agreement, are hereby approved. Payment for the Note shall be disbursed in installments as eligible costs of the Project are paid or reimbursed, 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.

2. Title; Date; Denomination; Interest Rates; Maturities. The Note shall be a fully registered negotiable obligation, shall be titled the "General Obligation Sewer Revenue Note of 2020," shall be dated as of the date of delivery and shall be issued forthwith. The Note shall be in the principal amount of \$531,676, or so much thereof as shall be disbursed pursuant to the Project Loan Agreement, shall bear interest on so much of the principal amount of the Notes as (i) may be disbursed from time to time as provided in the Project Loan Agreement and (ii) remains unpaid, from the date of each disbursement until the principal amount of the Note has been paid or has been provided for, at the rate of one percent (1.00%) per annum (calculated on the basis of a 360-day year of twelve 30-day months), payable semiannually on each February 20 and August 20, commencing August 20, 2021, and shall mature on August 20 in each of the years and in the installments as follows:

Year	Amount	Year	Amount
2021	\$ 5,676	2031	\$ 28,000
2022	25,000	2032	28,000
2023	26,000	2033	28,000
2024	26,000	2034	28,000
2025	26,000	2035	29,000
2026	26,000	2036	29,000
2027	27,000	2037	29,000
2028	27,000	2038	30,000
2029	27,000	2039	30,000
2030	27,000	2040	30,000

Interest shall accrue only on the aggregate amount of the Note which has been disbursed and is unpaid under the Project Loan Agreement. The principal installments shall be paid in the amounts scheduled above even if at the time of payment the full principal amount of the Note has not been disbursed; provided that if the full principal amount of the Note is not to be disbursed under the Project Loan Agreement, the undisbursed balance of the Loan shall be applied to reduce the unpaid principal installments and the remaining principal payment schedule shall be reamortized as provided in Section 1.3(f) of the Project Loan Agreement. Principal, interest and any premium due under the Note will be paid on each payment date by wire payment, or by check or draft mailed the last business day prior to the payment date to the person in whose name the Note is registered, in any coin or currency of the United States which at the time of payment is legal tender for public and private debts.

Interest on the Note includes amounts treated by the PFA as service fees.

3. Purpose; Cost. The proceeds of the Note shall provide funds to finance construction of the Project. The Note is issued pursuant to Minnesota Statutes, Section 444.075. The total cost of the construction of the Project, including legal and other professional charges, publication and printing costs, interest accruing on money borrowed for the Project before the collection of net revenues pledged and appropriated therefor, and all other costs necessarily incurred and to be incurred from the inception to the completion of the Project, is estimated to be at least equal to the amount of the Note. The City covenants that it shall do all things and perform all acts required of it to assure that work on the Project proceeds with due diligence to completion and that any and all permits and studies required under law for the Project are obtained.

4. Prepayment. With the consent of the PFA the Note shall be subject to redemption and prepayment in whole or in part by the City on any February 20 or August 20 to the extent and in the manner provided in the Project Loan Agreement. If prepayment is in part, the amount paid by the City shall be applied as follows: first, to the payment of fees, expenses and other costs of the PFA; second, to the payment of interest and servicing fees on the principal amount prepaid; and third, to the principal of the Note. The principal amount of a partial prepayment will be applied as provided in the Project Loan Agreement.

5. Registration of Note. At the time of issuance and delivery of the Note, the officer of the City performing the functions of the treasurer (the “Treasurer”) shall register the Note in the name of the payee in a note register which he and his successors in office shall maintain for the purpose of registering the ownership of the Note. The Note shall be prepared for execution with an appropriate text and spaces for notation of registration. The force and effect of such registration shall be as stated in the form of Note hereinafter set forth. Payment of principal installments and interest, whether upon prepayment or otherwise, made with respect to the Note, may be made to the registered holder thereof or to his, her or its legal representative, without presentation or surrender of the Note except upon its final payment.

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

UNITED STATES OF AMERICA
STATE OF MINNESOTA
OTTER TAIL COUNTY
CITY OF PELICAN RAPIDS

GENERAL OBLIGATION SEWER REVENUE NOTE OF 2020

KNOW ALL PERSONS BY THESE PRESENTS that the City of Pelican Rapids, Otter Tail County, Minnesota (the “City”), certifies that it is indebted and for value received promises to pay to the Minnesota Public Facilities Authority or the registered assign, the principal sum of FIVE HUNDRED THIRTY-ONE THOUSAND SIX HUNDRED SEVENTY-SIX DOLLARS (\$531,676) or so much thereof as may have been disbursed, on August 20 of each of the years and in the installments as follows:

Year	Amount	Year	Amount
2021	\$ 5,676	2031	\$28,000
2022	25,000	2032	28,000
2023	26,000	2033	28,000
2024	26,000	2034	28,000
2025	26,000	2035	29,000
2026	26,000	2036	29,000
2027	27,000	2037	29,000
2028	27,000	2038	30,000
2029	27,000	2039	30,000
2030	27,000	2040	30,000

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

Principal and Interest Payments. Interest shall accrue only on the aggregate amount of this Note which has been disbursed under the Bond Purchase and Project Loan Agreement, dated as of July 13, 2020, by and between the City and the Minnesota Public Facilities Authority (the “Project Loan Agreement”). The principal installments shall be paid in the amounts scheduled above even if at the time of payment the full principal amount of the Note has not been disbursed; provided that if the full principal amount of the Note is not to be disbursed under the Project Loan Agreement the amount of the principal not disbursed shall be applied to reduce the unpaid principal installments and the remaining principal payment schedule shall be reamortized as provided in Section 1.3(f) of the Project Loan Agreement. Interest on this Note includes amounts treated by the Minnesota Public Facilities Authority as service fees. Principal, interest and any premium due under this Note will be paid on each payment date by wire payment, or by check or draft mailed the last business day 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.

Prepayment. This Note is subject to redemption and prepayment in whole or in part on any February 20 or August 20 with the written consent of the PFA and to the extent and in the manner provided in the Project Loan Agreement. If prepayment is in part, the amount paid by the City shall be applied as provided in the Project Loan Agreement.

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 the construction of improvements to the Sewer system of the City, and is payable out of the PFA Debt Service Account of the Sewer Fund of the City, to which account have been pledged certain net revenues of the City’s municipal sewer system. This Note has been issued pursuant to Minnesota Statutes, Section 444.075. This Note constitutes a general obligation of the City, and to provide moneys for the prompt and full payment of said principal installments and interest when the same become due, the full faith, credit and taxing powers of the City have been and are hereby irrevocably pledged.

Registration; Transfer. This Note shall be registered in the name of the payee on the books of the City by presenting this Note for registration to the officer of the City performing the functions of the Treasurer, who will endorse his or her 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 his, her or its 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 Treasurer.

Fees Upon Transfer or Loss. The Treasurer 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 shall be attached to this Note if the holder of this Note is any person other than the Minnesota Public Facilities Authority.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Note, have been done, have happened and have been performed, in regular and due form, time and manner as required by law; that the City will levy a direct, annual, irrevocable ad valorem tax upon all of the taxable property in the City, without limitation as to rate or amount, for the years and in amounts sufficient to pay the installments of principal and interest on this Note as they respectively become due, to the extent the net revenues from said municipal sewer system and any other revenues and special assessments irrevocably appropriated to said PFA 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 or charter limitation of indebtedness.

IN WITNESS WHEREOF, the City of Pelican Rapids, Otter Tail County, Minnesota, by its City Council has caused this Note to be executed on its behalf by the signature of its Mayor and by the signature and attestation of its City Clerk, and the corporate seal of the City to be affixed hereto, all as of _____, 2020.

Signed and Attested:

City Clerk

Mayor

(SEAL)

CERTIFICATE OF REGISTRATION

The transfer of ownership of the principal amount of the attached Note may be made only by the registered owner or his, her or its legal representative last noted below.

<u>DATE OF REGISTRATION</u>	<u>REGISTERED OWNER</u>	<u>SIGNATURE OF CITY TREASURER</u>
_____ _____, 2020	Minnesota Public Facilities Authority St. Paul, Minnesota Federal Employer Identification No. 41-6007162	_____
_____	_____	_____
_____	_____	_____

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

8. Delivery; Application of Proceeds. The Note when so prepared and executed shall be delivered by the City Clerk to the purchaser thereof prior to disbursements pursuant to the Project Loan Agreement, and the purchaser shall not be obliged to see to the proper application thereof.

9. Fund and Accounts. The City shall maintain a separate fund in the City treasury designated as the Sewer Fund (the "Fund") to be administered and maintained by the Treasurer as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The Fund shall be maintained in the manner specified herein until the Note, and interest thereon, have been fully paid. There shall be established and maintained in the Fund, in addition to other accounts heretofore or hereafter established, the following three (3) separate accounts, to which shall be credited and debited all income and disbursements of the Fund relating to the Note as hereinafter set forth. The Treasurer and all municipal officials and employees concerned therewith shall establish and maintain financial records of the receipts and disbursements of the municipal sewer system (the "Sewer System") in accordance with this resolution. In such records there shall be established and maintained accounts of the Fund for the purposes and in the amounts as follows:

a. A "PFA Construction Account," to which shall be credited all proceeds received from the sale of the Note. The Note proceeds shall be the only source of moneys credited to the PFA Construction Account. It is recognized that the sale proceeds of the Note are received in reimbursement for costs expended on the Project, and that accordingly the moneys need not be placed in the PFA Construction Account upon receipt but may be applied immediately to reimburse the source from which the expenditure was made. The moneys in the PFA Construction Account shall be used solely for the purpose of paying for the cost of constructing the Project, including all costs enumerated in Minnesota Statutes, Section 475.65, provided that such moneys shall only be expended for costs and expenses which are permitted under the 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. Upon completion of the Project and the payment of the costs thereof, any surplus shall be transferred to the PFA Debt Service Account.

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

c. A “PFA Debt Service Account,” to which shall be irrevocably appropriated, pledged and credited: (1) any net revenues available to pay the principal of, and interest on, the Note; (2) all collections of taxes which may hereafter be levied for the payment of the principal of, and interest on, the Note; (3) all investment earnings on moneys held in the PFA Debt Service Account; (4) any amounts transferred from the PFA Construction Account; and (5) any other moneys which are properly available and are appropriated by the City Council to the PFA Debt Service Account. The moneys in said account shall be used only to pay or prepay the principal of, and interest on, the Note and any other obligations heretofore or hereafter issued and made payable from the net revenues, and to pay any rebate due to the United States with respect to the PFA Bonds issued in connection with the Note.

d. Excess net revenues may be used for any proper purpose.

The City shall observe the covenants of paragraphs 16 and 17 of this resolution and of Article 3 of the Project Loan Agreement with regard to the Sewer Fund. No portion of the proceeds of the Note may be used directly or indirectly to acquire or replace higher yielding investments, except for any applicable temporary periods or minor portion available under the federal arbitrage regulations. In addition, the City shall not cause or permit the Note to be “federally guaranteed” within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the “Code”).

10. Deposit of Net Revenues; Excess Net Revenues. The City shall deposit net revenues of the Sewer System which are available and not pledged or appropriated to other purposes, to the extent of principal and interest requirements of the Note, in the PFA Debt Service Account. Such net revenues shall be used to pay the principal of and interest on the Note when due and any excess may be used for any other lawful purpose. Nothing contained herein shall be deemed to preclude the City from making further pledges and appropriations of the net revenues of the Sewer System for the payment of other or additional obligations of

the City, and any such pledge and appropriation of said net revenues may be made superior or subordinate to, or on a parity with, the pledge and appropriation herein. The Note is issued pursuant to Minnesota Statutes, Section 444.075.

11. Pledge to Produce Revenues. 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 and connection to the Sewer System at the times and in the amounts required to produce gross revenues adequate to pay all operating and maintenance costs of the Project and net revenues sufficient to pay the principal of and interest on the Note when due and all other obligations payable therefrom.

12. General Obligation Pledge; Tax Levy. The City Council will levy general ad valorem taxes on all taxable property of the City in an amount sufficient to pay the principal of and premium, if any, of the Note. It is hereby determined that the net revenues of the Sewer System pledged to the payment of the Note and estimated to be deposited in the PFA Debt Service Account will be sufficient to pay the principal of and interest on the Note when due and to produce at least five percent in excess thereof.

The full faith, credit and taxing powers of the City shall be, and are hereby, irrevocably pledged for the prompt and full payment of the principal and interest on the Note as the same respectively become due. If the net revenues of the Sewer System appropriated and pledged to the payment of principal and interest on the Note, together with other funds irrevocably appropriated to the PFA Debt Service Account referred to in paragraph 9 of this resolution shall at any time be insufficient to pay such principal and interest when due, the 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 they become due. If the balance in the PFA Debt Service Account is ever insufficient to pay all principal and interest then due on the Note, the deficiency shall be promptly paid out of any other funds of the City which are available for such purpose, and such other funds may be reimbursed, with or without interest, from the PFA Debt Service Account when a sufficient balance is available therein.

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

14. Project Loan Agreement. The Project Loan Agreement is hereby approved in substantially the form heretofore presented to the City Council, and in the form executed is hereby incorporated by reference and made a part of this resolution. Each and all of the provisions of this resolution relating to the Note are intended to be consistent with the provisions of the 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 shall control and this resolution shall be deemed accordingly modified. The execution of the Project Loan Agreement by the Mayor, attested by the City Administrator or City Clerk, are hereby authorized, and such execution shall be 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 shall be attached to the Note if the holder of the Note is any person other than the PFA.

15. 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, shall be deemed representations of the City as to the facts recited therein.

16. Negative Covenants as to Use of Proceeds and Project. The City hereby covenants not to use the proceeds of the Note or to use the Project, or to cause or permit them to be used, or to enter into any deferred payment arrangement for the cost of the Project, in such a manner as to cause the 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 it will take no actions over the term of the Note that would cause the Note to be a private activity bond, and the average term of the Note is not longer than reasonably necessary for its governmental purpose. 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.

17. Tax-Exempt Status of the PFA Bonds; Rebate. The City with respect to the Note shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the PFA Bonds, including without limitation (1) requirements relating to temporary periods for investments, (2) limitations on amounts invested at a yield greater than the yield on the PFA Bonds, and (3) 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, shall be limited as to amount and yield in such manner that the PFA Bonds shall not be arbitrage bonds within the meaning of Section 148 of the Code and any regulations thereunder. On the basis of the existing facts, estimates and circumstances, including the foregoing findings and covenants, the City hereby 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 Clerk/Treasurer shall furnish a certificate to the PFA embracing or based on the foregoing certification at the time of delivery of the Note to the PFA.

18. Supplemental Resolution. Prior resolutions relating to the Sewer System are hereby supplemented to the extent necessary to give effect to the provisions of paragraph 9 of this resolution.

19. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such

section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

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

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

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA
COUNTY OF OTTER TAIL
CITY OF PELICAN RAPIDS

I, the undersigned, being the duly qualified and acting City Clerk of the City of Pelican Rapids, Minnesota, by reason of my office as City Clerk, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council of said City, duly called and held on the date therein indicated, insofar as such minutes relate to said City's \$531,676 General Obligation Sewer Revenue Note of 2020.

WITNESS my hand and the seal of said City this 28th day of July 2020.

City Clerk

(SEAL)

Pelican Rapids Pool Committee
Zoom Meeting, May 27, 2020

10

The meeting was called to order at 5:03 pm.

Committee members in attendance were Kate Martinez, Rudy Martinez, Amy King, Jackie Larson, Mark Dokken, Brady Ballard, Deysi Barragan, and Trevor Steeves.

There were no additions or deletions to the agenda.

Brady moved and Kate seconded to approve previous minutes from 3/9/20.

Kate spoke on an update working with West Central Initiative. Rudy gave a current balance and update on all donations received to date. Kate will follow up with thank you notes being sent to individuals.

Two business owners said they are waiting to find out what happens with funds that were committed to the Auditorium fund before moving forward with a pool donation. WCI said they are working with the auditorium committee to wrap up their campaign. More information to come.

West Central Initiative designed a tri-fold brochure which we will get printed. Committee members will let Amy know of any changes by the middle of next week. It was proposed to get 500 brochures printed to give to individuals and have in the sign by the pool. Amy will work with WCI to get those printed.

Donation seeking was discussed, and the committee felt that because personal meetings are tough at this time we will focus efforts on any personal connections and also a mass mailing through Ballard Sanitation. Amy will follow up with Maxine about putting a mailing in their summer billing cycles.

The fund received an anonymous donation of \$3000 through WCI.

Kate will reach out to Lou about being included in the mass mailing of the paper or the Lakes and Lifestyles publication.

Next meeting date will be determined at a later time and sent out via email.

Meeting concluded at 5:41 pm.



Minutes submitted by Committee Secretary, Amy King