

**REGULAR COUNCIL MEETING
CITY OF CROSSLAKE
MONDAY, AUGUST 12, 2019
7:00 P.M. – CITY HALL**

The Crosslake City Council met in the Council Chambers of City Hall on Monday, August 12, 2019. The following Council Members were present: Mayor David Nevin, Gary Heacox, Dave Schrupp, John Andrews and Aaron Herzog. Also present were City Administrator Mike Lyonais, City Clerk Char Nelson, Park Director TJ Graumann, Public Works Director Ted Strand, Police Chief Erik Lee, Fire Chief Chip Lohmiller, Land Service Specialist Jon Kolstad, City Attorney Brad Person, City Engineer Dave Reese, Echo Journal Reporter Jodie Tweed, and Jason Murray of David Drown Associates. There were approximately twenty-five people in the audience.

A. CALL TO ORDER – Mayor Nevin called the meeting to order at 7:05 P.M. The Pledge of Allegiance was recited. MOTION 08R-01-19 WAS MADE BY JOHN ANDREWS AND SECONDED BY GARY HEACOX TO APPROVE THE ADDITIONS TO THE AGENDA. MOTION CARRIED WITH ALL AYES.

B. CONSENT CALENDAR – MOTION 08R-02-19 WAS MADE BY DAVE SCHRUPP AND SECONDED BY JOHN ANDREWS TO APPROVE THE FOLLOWING ITEMS ON THE CONSENT CALENDAR:

1. Regular Council Meeting Minutes of July 8, 2019
2. City – Month End Revenue Report dated July 2019
3. City – Month End Expenditures Report dated July 2019
4. July 2019 Budget to Actual Analysis
5. Police Report for Crosslake – July 2019
6. Police Report for Mission Township – July 2019
7. Fire Department Report – July 2019
8. North Ambulance Run Report – June and July 2019
9. Planning and Zoning Monthly Statistics
10. Public Works Meeting Minutes of July 1, 2019
11. Crosslake Roll-Off Recycling Report for July 2019
12. Waste Partners Recycling Report for June 2019
13. Bills for Approval in the Amount of \$119,072.29
14. Additional Bills for Approval in the Amount of \$21,687.23
15. Accept Evaluation Results: The Council met in closed session to complete its performance evaluation of City Administrator Michael Lyonais. By consensus the Council agreed as follows: The Council should complete this evaluation on an annual basis. The Council reviewed the position's job duties and role and concluded that Mr. Lyonais met or exceeded expectations in every category.

MOTION CARRIED WITH ALL AYES.

C. PUBLIC FORUM – None.

D. MAYOR'S AND COUNCIL MEMBERS' REPORT

1. MOTION 08R-03-19 WAS MADE BY GARY HEACOX AND SECONDED BY JOHN ANDREWS TO ACCEPT THE RESIGNATION OF GARY VILLELLA FROM THE PUBLIC WORKS AND PARK & RECREATION/LIBRARY COMMISSIONS. MOTION CARRIED WITH ALL AYES.
2. Andy Waletzko from Hytec Construction gave the Council an update on the City Hall/Police Department project and showed sketches of the building layout. Hytec hopes to break ground by the end of September. Hytec is working with Gordion to finalize pricing and hopes to have that to the Council in a few weeks. MOTION 08R-04-19 WAS MADE BY AARON HERZOG AND SECONDED BY DAVE SCHRUPP TO HOLD A SPECIAL COUNCIL MEETING ON AUGUST 26, 2019 AT 4:00 P.M. FOR THE PURPOSE OF RECEIVING FINAL COSTS FOR THE CITY HALL/POLICE DEPARTMENT BUILDING. MOTION CARRIED WITH ALL AYES.
3. MOTION 08R-05-19 WAS MADE BY GARY HEACOX AND SECONDED BY JOHN ANDREWS TO APPROVE RESOLUTION NO. 19-12 ACCEPTING DONATION FROM PAL FOUNDATION IN THE AMOUNT OF \$11,512.27 FOR DOG PARK, SUMMER READING CLUB, LIBRARY BROCHURE AND COMMUNITY GARDEN. MOTION CARRIED WITH ALL AYES.

E. CITY ADMINISTRATOR'S REPORT

1. Jason Murray of David Drown Associates provided information to the Council regarding the City's AA+ bond rating. This rating is a two-point increase from 2012. The excellent rating is based on the City's management, financial status, and budgetary performance. The AA+ rating is comparable to a AAA metro rating. Mr. Murray congratulated Mike Lyonais for obtaining this rating which will save the City over \$300,000 in interest over the life of the bond. MOTION 08R-06-19 WAS MADE BY DAVE SCHRUPP AND SECONDED BY JOHN ANDREWS TO APPROVE RESOLUTION NO. 19-13 PROVIDING FOR THE ISSUANCE AND SALE OF \$3,815,000 GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BONDS, SERIES 2019A AND LEVYING A TAX FOR THE PAYMENT THEREOF. MOTION CARRIED WITH ALL AYES.
2. MOTION 08R-07-19 WAS MADE BY JOHN ANDREWS AND SECONDED BY GARY HEACOX TO APPROVE RESOLUTION NO. 19-14 ESTABLISHING ONE VOTING PRECINCT WITHIN THE CITY. MOTION CARRIED WITH ALL AYES.
3. MOTION 08R-08-19 WAS MADE BY AARON HERZOG AND SECONDED BY DAVE SCHRUPP TO HIRE MUNICODE TO REDESIGN THE CITY'S WEBSITE AT A COST OF \$8,100 WHICH IS INCLUDED IN THE 2019 BUDGET. MOTION CARRIED WITH ALL AYES.

F. COMMISSION REPORTS

1. PARK, RECREATION AND LIBRARY

- a. TJ Graumann reported that the Park/Library Commission recommended that the multi-purpose recreational courts project, which would include pickleball courts, be postponed until Spring 2020 due to higher than expected project estimates. Many companies are busy trying to finish their summer projects and construction estimates would most likely be lower in the spring. There is \$62,000 in the 2019 Budget for courts and the PAL Foundation said they would donate \$30,000. The remaining balance would come from park dedication fees. MOTION 08R-09-19 WAS MADE BY DAVE SCHRUPP AND SECONDED BY AARON HERZOG TO MOVE THE MULTI-PURPOSE COURT CONSTRUCTION PROJECT TO 2020. Pam Graves of 14131 Sugarloaf Road stated that she was disappointed that the \$30,000 that PAL was to donate has not been raised yet and urged the Council to proceed with the base layer of the courts this fall in order to be able to use the courts next summer. Ms. Graves stated that people come from all over to play pickleball in Crosslake. A tournament is scheduled for July 2020. Dave Reese stated that it is a bad time of year for asphalt bids and that courts are a specialty project. MOTION FAILED 0-5.

MOTION 08R-10-19 WAS MADE BY DAVE SCHRUPP AND SECONDED BY AARON HERZOG TO PUT CLASS 5 DOWN THIS YEAR FOR THE COURTS USING THIS YEAR'S BUDGET AND PARK DEDICATION FEES AND TO HIRE WSN TO HELP WITH THE CONSTRUCTION PROJECT. MOTION CARRIED WITH ALL AYES.

MOTION 08R-11-19 WAS MADE BY DAVE SCHRUPP AND SECONDED BY GARY HEACOX TO APPROVE THE OFFICIAL LOGO, DESIGNED AND DONATED BY DYLAN RAPH, FOR THE PARKS AND RECREATION DEPARTMENT. MOTION CARRIED WITH ALL AYES.

2. PUBLIC WORKS/CEMETERY/SEWER

- a. Dave Reese gave a brief update on Perkins Road, noting that an informational meeting will be held Friday, August 23rd at 1:00 P.M. Staff is working with the Corps on a lease for part of the road.
- b. A copy of the letter that will be sent from Bolton & Menk regarding the sewer extension project to residents along County Road 66 from City Hall to Moonlite Square was included in the packet for information.
- c. MOTION 08R-12-19 WAS MADE BY JOHN ANDREWS AND SECONDED BY GARY HEACOX TO APPROVE THE PROPOSAL FOR A GEOTECHNICAL EVALUATION FOR THE SEWER EXTENSION TO MOONLITE BAY FROM BRAUN INTERTEC IN THE AMOUNT OF \$7,550. MOTION CARRIED WITH ALL AYES.

Ted Strand reported that the County Highway Department will be sealing the bridge over Cross and Daggett Lakes this week and traffic will be reduced to one lane. The bridge on County Road 36 will be closed on Thursday due to sealing.

G. PUBLIC FORUM – Pat Netko invited the community to the Annual Crosslakers Meeting/Update on August 15 at 5:30 P.M. at Zorbaz.

H. CITY ATTORNEY REPORT – MOTION 08R-13-19 WAS MADE BY DAVE SCHRUPP AND SECONDED BY AARON HERZOG TO HOLD ASSESSMENT HEARING FOR DAGGETT BAY ROAD PROJECT ON TUESDAY, OCTOBER 1, 2019 AT 6:00 P.M. IN CITY HALL. MOTION CARRIED WITH ALL AYES.

I. OLD BUSINESS – None.

J. NEW BUSINESS – None.

K. ADJOURN – MOTION 08R-14-19 WAS MADE BY DAVE NEVIN AND SECONDED BY JOHN ANDREWS TO ADJOURN THE MEETING AT 7:45 P.M. MOTION CARRIED WITH ALL AYES.

Respectfully Submitted,



Charlene Nelson

Administrative Assistant/City Clerk

BILLS FOR APPROVAL
August 12, 2019

VENDORS	DEPT		AMOUNT
AAA Equipment Center, tire	PW		139.95
AAA Equipment Center, parts	Park		52.85
Ace Hardware, hardware	PW		13.93
Ace Hardware, lock	Park		29.99
Ace Hardware, deadbolt	Park		7.00
Ace Hardware, control pump	PW		38.96
Ace Hardware, keys	PW		13.54
Ace Hardware, blade balancer	Park		3.99
Ace Hardware, thermometer, punch down tool	PW		98.97
Ace Hardware, batteries, cleaners	PW		53.73
Ace Hardware, duct tape	PW		13.98
Ace Hardware, trimmer	PW		391.16
Ace Hardware, gloves	Park		13.99
Ace Hardware, pump, pick	Park		48.98
Ace Hardware, cord, clamp	Sewer		61.75
Ace Hardware, hearing protection	Sewer		79.99
Ace Hardware, key storage, keys, valve	PW		48.97
Ace Hardware, striping paint	PW		20.57
Ace Hardware, grub control	Park		22.99
Action Graphics, signs	PW		150.00
American Steel, supplies	PW		167.74
AT&T, cell phone usage	ALL		775.85
AW Research, water testing	Sewer		735.30
Baker & Taylor, books	Library		62.04
BLAEDC, government funding	EDA		3,825.00
Blue Cross, health insurance	ALL		23,304.00
Brainerd Hydraulics, hose	Park		57.93
Brainerd Truck and Trailer, replace fuel tank	PW		2,774.22
Brock White, stakes, gator fabric, wood chips	PW		260.49
Bryan Rock Products, red ball diamond	Park		1,132.33
City of Crosslake, sewer utilities	PW/Gov't		100.00
Clean Team, august cleaning	PW/Gov't		1,207.50
Council #65, union dues	Gov't		228.00
Crosslake Communications, phone, fax, cable, internet	ALL		1,484.71
Crosslake Rolloff, recycling	Gov't		2,695.00
Crow Wing County Recorder, filing fees	PZ		138.00
Crow Wing Power, electric service	ALL	pd 7-18	6,995.40
Culligan, water and cooler rental	PW/Gov't		80.80
Dacotah Paper, janitorial supplies	Park		338.74
Dacotah Paper, janitorial supplies	PW		226.70
Delta Dental, dental insurance	ALL		1,390.25
Diamond Industrial, replace hose, clean pilot	PW		426.80
Digital Horizons, microphone adjustments	Gov't		162.50
ESS Brothers, stool grate, ring	Sewer		1,916.54
Fastenal, gloves, tape, batteries, markers	PW		80.07

Ferguson, meter	Sewer		2,950.10
Fortis, disability insurance	ALL		660.46
Fyles, portable restroom rental	Park		240.00
Granite Electronics, radio programming	Fire		167.40
Guardian Pest Services, pest control	ALL		155.20
Hawkins, chemicals	Sewer		2,302.98
Honey Wagon, septic pumping	Park		715.00
Kerif Night Vision, thermal imager	Police		2,700.00
Lakes Area Rental, chains	Park		35.68
Lakes Area Rental, lift rental	Park		330.00
Lakes Area Rental, grease	Park		27.90
Linescape Linestriping, parking lot	Park		675.00
Marco, copier lease	Park		246.68
Mastercard, AICPA, membership dues	Admin		425.00
Mastercard, Amazon, pickleballs	Park		89.97
Mastercard, Amazon, mirrors	Park		13.99
Mastercard, Amazon, decals	Park		3.50
Mastercard, Amazon, decals	Park		1.77
Mastercard, Amazon, work gloves	Park		11.86
Mastercard, Amazon, gas cans	Park		135.70
Mastercard, Amazon, seat cover	Park		140.00
Mastercard, Amazon, weeder	Park		64.72
Mastercard, Amazon, baseball supplies	Park		172.69
Mastercard, Amazon, slackline kit	Park		29.97
Mastercard, Amazon, blade grinder	PW		623.48
Mastercard, Amazon, gutter guard	Park		379.98
Mastercard, Amazon, tie downs	Park		65.74
Mastercard, Amazon, adapter	Park		39.00
Mastercard, Amazon, tennis balls	Park		34.99
Mastercard, California State University, training	Sewer		124.00
Mastercard, CDW, barracuda backup	ALL		2,785.00
Mastercard, Cradle Point, software renewal	Police		180.00
Mastercard, Crosslake Drug, epinephrine	Fire		433.42
Mastercard, Fleet Farm, rainsuit	PW		71.98
Mastercard, Office Max, tape, pens, paper, markers	Park		17.67
Mastercard, Pickleball Central, nets	Park		107.35
Mastercard, pop	Gov't		50.41
Mastercard, Raffertys, meeting	Police		81.03
Mastercard, Uline, janitorial supplies	Park		116.82
Mastercard, Valvoline, oil change	PW		93.97
Mastercard, Walmart, water	Park		11.94
Menards, gloves, batteries	Park		104.00
Menards, washer, dryer	Sewer		1,374.21
Midwest Machinery, blade, lights	Park		248.17
Midwest Machinery, hammers, nut, bolt	PW		1,019.52
MN Department of Labor, unemployment wages	Park		60.27
MN Fire Service Certification Board, exam	Fire		125.00
MN Fire Service Certification Board, recertifications	Fire		275.00
MN Life, life insurance	ALL		258.60
MN NCPERS, life insurance	ALL		96.00
MN State Fire Chiefs Assn, conference	Fire		715.00
Moonlite Square, fuel	Fire		27.56
MR Sign, address signs	PW		159.69
MR Sign, traffic signs and posts	PW		1,662.25

Nagell Appraisal, daggett bay road	PW		900.00
Napa, battery	Police		168.56
Napa, wiper blades	Police		29.46
NIHCA, membership dues	Park		399.00
Nixon Medical, oximeters	Fire		720.00
North American Banking, bond payment	Gov't	pd 7-25	8,297.50
North Memorial Ambulance july subsidy	Gov't		1,100.00
Northland Press, book sale ad	Library		71.28
Peoples Security, alarm monitoring	Park		347.88
Pequot Sand & Gravel, hydroseeding	Park		750.00
Pinnacle Property Mgmt, stump grinding	PW		305.00
Premier Auto, mount tire	PW		18.00
Reeds Market, pop	Gov't		5.99
RF Backflow, backflow testing	ALL		1,060.00
Seachange, receipt books	Admin		155.99
Sound Connection, install blue tooth	PW		886.66
Tactical Solutions, radar certification	Police		209.00
Teamsters, union dues	Police	pd 8-5	205.00
The Office Shop, label tape	Admin		20.58
The Office Shop, post it flags	Admin		23.06
TJ Graumann, mileage reimbursement	Park		64.38
Ultimate Safety Concepts, calibration	Fire		130.00
US Bank, copier lease	ALL		156.00
WW Goetsch, replaced pump	Sewer		403.00
Wannebo Excavating, 32 yards soil	PW		652.84
Waste Partners, trash removal	ALL		288.90
WSN, city engineering	PW		24,363.40
Xcel Energy, gas utilities	ALL		131.99
Ziegler, brushes	PW		1,700.00
TOTAL			119,072.29

ADDITIONAL BILLS FOR APPROVAL
August 12, 2019

VENDORS	DEPT		AMOUNT
American Steel, anchor plates	Park		15.31
BCA, background checks	Park		30.00
Crow Wing Power, electric service	ALL		9,522.73
CTCIT, july it labor	ALL		950.00
Forum Communications, meeting notice	PZ		29.75
Holiday Station, fuel	Fire		25.99
Johnson Killen & Seiler, labor attorney fees	Gov't		129.00
Kirvida Fire, oil changes, testing of pumps	Fire		4,497.78
Mastercard, Amazon, phone mount, bluetooth receiver	Park		26.98
Mastercard, Amazon, mulch color concentrate	Park		24.62
Mastercard, Amazon, impact driver	Park		127.71
Menards, turf, spray paint	Cemetery		77.76
Motorola, 2 portable radios	PW		5,679.40
Northland Press, meeting notice	PZ		59.50
Premier Auto, install computer tower	Police		198.09
Premier Auto, install battery	Police		18.00
Premier Auto, oil change	Police		33.34
Riteway, utility bills	Sewer		241.27
TOTAL			21,687.23

City of Crosslake

RESOLUTION 19-12

RESOLUTION ACCEPTING DONATION(S)

WHEREAS, the City of Crosslake encourages public donations to help defray costs to the general public of providing services and improving the quality of life in Crosslake; and

WHEREAS, the City of Crosslake is generally authorized to accept donations of real and personal property pursuant to Minnesota Statutes Section 465.03 for the benefit of citizens; and

WHEREAS, said Statute 465.03 requires that all gifts and donations of real or personal property be accepted only with the adoption of a resolution approved by two-thirds of the members of the City Council; and

WHEREAS, the following person/persons and/or entity/entities has/have donated real and/or personal property as follows:

FROM	DONATION	INTENDED PURPOSE
PAL Foundation	\$8,392.00	Dog Park
	\$2,480.68	Summer Reading Club
	\$575.75	Library Brochure
	\$63.84	Community Garden

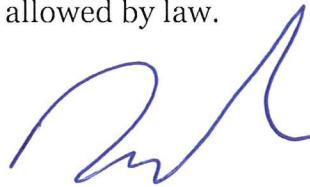
; and

WHEREAS, the City of Crosslake will strive to use the donation as intended by the donor; and

WHEREAS, the City Council finds that it is appropriate to accept said donation(s) as offered.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Crosslake that the donation(s) as described above are accepted as allowed by law.

Passed this 12th day of August, 2019.



David Nevin
Mayor

ATTEST:



Michael R. Lyonais
City Administrator
(SEAL)

EXTRACT OF MINUTES OF A MEETING
CITY COUNCIL OF THE
CITY OF CROSSLAKE, MINNESOTA

HELD: AUGUST 12, 2019

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Crosslake, Crow Wing County, Minnesota, was duly held at the City Hall on August 12, 2019, at 6:30 P.M., for the purpose, in part, of authorizing the issuance and awarding the sale of \$3,815,000 General Obligation Capital Improvement Plan Bonds, Series 2019A.

The following members were present: Dave Nevin, Dave Schrupp, John Andrews, Gary Heacox and Aaron Herzog

and the following were absent: None

Member Dave Schrupp introduced the following resolution and moved its adoption:

RESOLUTION NO. 19-13

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$3,815,000 GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BONDS, SERIES 2019A AND LEVYING A TAX FOR THE PAYMENT THEREOF

A. WHEREAS, on July 8, 2019, the City Council of the City of Crosslake, Minnesota (the "City"), held a public hearing on the proposed issuance of general obligation capital improvement plan bonds and, pursuant to resolution approved and adopted the 2019 through 2023 Five-Year Capital Improvement Plan (the "Plan"), and approved the issuance of general obligation capital improvement plan bonds to finance the acquisition, construction, and betterment of a new City Hall and Public Safety Facility and betterment and renovation to the existing municipal building for use as a Fire Hall (the "Project"), all pursuant to the Plan and in accordance with the provisions of Minnesota Statutes, Section 475.521; and

B. WHEREAS, no petition signed by voters equal to five percent of the votes cast in the City in the last general election requesting a vote on the issuance of the general obligation capital improvement plan bonds has been filed with the City Clerk within thirty days after the public hearing on the Plan and on the issuance of the general obligation capital improvement plan bonds; and

C. WHEREAS, the City Council hereby determines and declares that it is necessary and expedient to issue \$3,815,000 General Obligation Capital Improvement Plan Bonds, Series 2019A (the "Bonds" or, individually, a "Bond"), pursuant to Minnesota Statutes, Section 475.521 and Chapter 475, to provide funds to finance the Project; and

D. WHEREAS, other than the Bonds, the City no there are no other bonds issued by the City under Minnesota Statutes, Section 475.521; and

E. WHEREAS, the City has heretofore determined, in accordance with Minnesota Statutes, Section 475.521, Subd. 4, that the maximum principal and interest to become due in any year on the Bonds issued by the City under Minnesota Statutes, Section 475.521, will be less than 0.16 percent of the estimated market value of property in the City; and

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

G. WHEREAS, the proposals set forth on Exhibit A attached hereto were received by the Clerk, or designee, at the offices of David Drown at 11:00 A.M. this same day pursuant to the Terms of Offering established for the Bonds; and

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

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

1. Acceptance of Proposal. The proposal of Robert W. Baird & Co., Inc. (the "Purchaser"), to purchase the Bonds in accordance with the Terms of Offering, at the rates of interest hereinafter set forth, and to pay therefor the sum of \$3844,570.10, plus interest accrued to settlement, is hereby found, determined and declared to be the most favorable proposal received and is hereby accepted and the Bonds are hereby awarded to the Purchaser. The City Administrator is directed to retain the deposit of the Purchaser and to return to the unsuccessful bidders any good faith checks.

2. Bond Terms.

(a) Original Issue Date; Denominations; Maturities; Term Bond Option; Debt Limitations. The Bonds shall be dated September 3, 2019, as the date of original issue, be issued forthwith on or after such date in fully registered form, be numbered from R-1 upward in the denomination of \$5,000 each or in any integral multiple thereof of a single maturity (the "Authorized Denominations"), and shall mature on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2021	\$ 180,000	2029	\$ 260,000
2022	225,000	2030	265,000
2023	230,000	2031	275,000
2024	230,000	2032	280,000
2025	235,000	2033	290,000
2026	240,000	2034	295,000
2027	250,000	2035	305,000
2028	255,000		

As may be requested by the Purchaser, one or more term Bonds may be issued having mandatory sinking fund redemption and final maturity amounts conforming to the foregoing principal repayment schedule, and corresponding additions may be made to the provisions of the applicable Bond(s).

The Bonds, together with any outstanding bonds of the City that are subject to the City's net debt limit, do not exceed the City's net debt limit.

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

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

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

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

(iv) The City and the Bond Registrar may treat as and deem the Depository to be the absolute owner of the Bonds for the purpose of payment of the principal of and premium, if any, and interest on the Bonds, for the purpose of giving notices of

redemption and other matters with respect to the Bonds, for the purpose of obtaining any consent or other action to be taken by Holders for the purpose of registering transfers with respect to such Bonds, and for all purpose whatsoever. The Bond Registrar, as paying agent hereunder, shall pay all principal of and premium, if any, and interest on the Bonds only to the Holder or the Holders of the Bonds as shown on the bond register, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid.

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

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

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

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

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

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

(i) The Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the City and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of the Depository with respect to the Bond if it determines that the Depository is no longer able to carry out its functions as securities depository or the continuation of the system of book-entry transfers through the Depository is not in the best interests of the City or the Beneficial Owners.

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

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

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

3. Purpose. The Bonds shall provide funds to finance the Project. The total cost of the Project, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Bonds. Work on the Project shall proceed with due diligence to completion. The City covenants that it shall do all things and perform all acts required of it to assure that work on the Project proceeds with due diligence to completion and that any and all permits and studies required under law for the Project are obtained.

4. Interest. The Bonds shall bear interest payable semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2020, calculated on the basis of a 360-day year of twelve 30-day months, at the respective rates per annum set forth opposite the maturity years as follows:

<u>Maturity Year</u>	<u>Interest Rate</u>	<u>Maturity Year</u>	<u>Interest Rate</u>
2021	2.000%	2029	2.000%
2022	2.000	2030	2.000
2023	2.000	2031	2.000
2024	2.000	2032	2.000
2025	2.000	2033	2.000
2026	2.000	2034	2.000

<u>Maturity Year</u>	<u>Interest Rate</u>	<u>Maturity Year</u>	<u>Interest Rate</u>
2027	2.000	2035	2.125
2028	2.000		

5. Redemption. All Bonds maturing on February 1, 2027, and thereafter shall be subject to redemption and prepayment at the option of the City on February 1, 2026, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the City and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected registered holder of the Bonds not more than sixty (60) days and not fewer than thirty (30) days prior to the date fixed for redemption.

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

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

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

UNITED STATES OF AMERICA
STATE OF MINNESOTA
CROW WING COUNTY
CITY OF CROSSLAKE

R-_____ \$_____

GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BOND, SERIES 2019A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	February 1, 20____	September 3, 2019	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Crosslake, Crow Wing County, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, unless called for prepayment, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2020, at the rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months) until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the principal office of Northland Trust Services, Inc., in Minneapolis, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given to Bondholders not less than ten days prior to the Special Record Date. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America. So long as this Bond is registered in the name of the Depository or its Nominee as provided in the Resolution hereinafter described, and as those terms are defined therein, payment of principal of, premium, if any, and interest on this Bond and notice with respect thereto shall be made as provided in the Letter of Representations, as defined in the Resolution. Until termination of the

book-entry only system pursuant to the Resolution, Bonds may only be registered in the name of the Depository or its Nominee.

Optional Redemption. The Bonds of this issue (the "Bonds") maturing on February 1, 2028, and thereafter, are subject to redemption and prepayment at the option of the Issuer on February 1, 2027, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the Issuer; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected Holder of the Bonds at least thirty days prior to the date fixed for redemption.

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

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

Issuance; Purpose; General Obligation. This Bond is one of an issue in the total principal amount of \$3,815,000, all of like date of original issue and tenor, except as to number, maturity, interest rate and denomination, issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council on August 12, 2019 (the "Resolution"), to finance the acquisition, construction, and betterment of a new City Hall and Public Safety Facility and betterment and renovation to the existing municipal building for use as a Fire Hall, as provided in the City's Capital Improvement Plan. This Bond is

payable out of the General Obligation Capital Improvement Plan Bonds, Series 2019A Fund of the Issuer. This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of its principal, premium, if any, and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

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

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

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

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

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

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

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond, have been done, have happened and have been performed, in regular and due form, time and manner as required by law, and that this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof

and the date of its issuance and delivery to the original purchaser, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Crosslake, Crow Wing County, Minnesota, by its City Council has caused this Bond to be executed on its behalf by the facsimile signatures of its Mayor and its Clerk, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

Date of Registration:

Registrable by: NORTHLAND TRUST
SERVICES, INC.

Payable at: NORTHLAND TRUST
SERVICES, INC.

CITY OF CROSSLAKE,
CROW WING COUNTY, MINNESOTA

BOND REGISTRAR'S
CERTIFICATE OF
AUTHENTICATION

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

/s/ Facsimile
Mayor

NORTHLAND TRUST SERVICES,
INC.
Minneapolis, Minnesota,
Bond Registrar

/s/ Facsimile
Clerk

By _____
Authorized Signature

ABBREVIATIONS

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

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

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

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

under the _____ Uniform Transfers to Minors Act
(State)

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

ASSIGNMENT

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

Dated: _____

Notice: _____
The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed: _____

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

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

Name and Address: _____

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

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

9. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless a Certificate of Authentication on the Bond, substantially in the form hereinabove set forth, shall have been duly executed by an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate the signatures of officers of the City on each Bond by execution of the Certificate of Authentication on the Bond and, by inserting as the date of registration in the space provided, the date on which the Bond is authenticated, except that for purposes of delivering the original Bonds to the Purchaser, the Bond Registrar shall insert as a date of registration the date of original issue of September 3, 2019. The Certificate of Authentication so executed on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.

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

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

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

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

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

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

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

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

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

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

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

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

15. Fund and Accounts. There is hereby created a special fund to be designated the "General Obligation Capital Improvement Plan Bonds, Series 2019A Fund" (the "Fund") to be administered and maintained by the Administrator-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 herein specified until all of the Bonds and the interest thereon have been fully paid. There shall be maintained in the Fund the following separate accounts:

(a) Construction Account. To the Construction Account there shall be credited the proceeds of the sale of the Bonds. From the Construction Account there shall be paid all costs of issuance of the Bonds and all costs and expenses of financing the Project, including the cost of any construction contracts heretofore let and all other costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65. Moneys in the Construction Account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Bonds may also be used to the extent necessary to pay interest on the Bonds due prior to the anticipated date of commencement of the collection of taxes herein levied or covenanted to be levied; and provided further that if upon completion of the Project there shall remain any unexpended balance in the Construction Account, the balance shall be transferred by the City Council to the Debt Service Account.

(b) Debt Service Account. There are hereby irrevocably appropriated and pledged to, and there shall be credited to, the Debt Service Account: (i) all collections of taxes herein and hereafter levied for the payment of the Bonds; (ii) all funds remaining in the Construction Account after completion of the Project and payment of the costs thereof; (iii) all investment earnings on funds held in the Debt Service Account; and (iv) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Debt Service Account. The Debt Service Account shall be used solely to pay the principal and interest of the Bonds and any other general obligation bonds of the City hereafter issued by the City and made payable from said account as provided by law.

No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued and (2) in addition to the above in an amount not greater than the lesser of five percent of the proceeds of the Bonds or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Construction Account or Debt Service Account (or any other City account which will be used to pay principal or interest to become due on the bonds payable therefrom) in excess of amounts which under then applicable federal arbitrage regulations may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. Money in the Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

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

<u>Years of Tax Levy</u>	<u>Years of Tax Collection</u>	<u>Amount</u>
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See Attached Schedule in Exhibit B

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

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

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

The City hereby certifies and/or covenants as follows:

(a) Not later than sixty days after the date of payment of a Reimbursement Expenditure, the City (or person designated to do so on behalf of the City) has made or will have made a written declaration of the City's official intent (a "Declaration") which effectively (i)

states the City's reasonable expectation to reimburse itself for the payment of the Reimbursement Expenditure out of the proceeds of a subsequent borrowing; (ii) gives a general and functional description of the property, project or program to which the Declaration relates and for which the Reimbursement Expenditure is paid, or identifies a specific fund or account of the City and the general functional purpose thereof from which the Reimbursement Expenditure was to be paid (collectively the "Project"); and (iii) states the maximum principal amount of debt expected to be issued by the City for the purpose of financing the Project; provided, however, that no such Declaration shall necessarily have been made with respect to: (i) "preliminary expenditures" for the Project, defined in the Reimbursement Regulations to include engineering or architectural, surveying and soil testing expenses and similar prefatory costs, which in the aggregate do not exceed twenty percent of the "issue price" of the Bonds, and (ii) a *de minimis* amount of Reimbursement Expenditures not in excess of the lesser of \$100,000 or five percent of the proceeds of the Bonds.

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

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

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

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

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

20. Certificate of Registration. A certified copy of this resolution is hereby directed to be filed with the County Auditor of Crow Wing County, Minnesota, together with such other information as the County Auditor shall require, and to obtain the County Auditor's Certificate that the Bonds have been entered in the County Auditor's Bond Register and that the tax levy required by law has been made.

21. Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser, and to the attorneys approving the legality of the

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

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

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

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

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

(d) The City agrees that its covenants pursuant to the Rule set forth in this paragraph and in the Undertaking is intended to be for the benefit of the Holders of the Bonds and shall be enforceable on behalf of such Holders; provided that the right to enforce the provisions of these covenants shall be limited to a right to obtain specific enforcement of the City's obligations under the covenants.

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

23. Negative Covenant as to Use of Bond Proceeds and Project. The City hereby covenants not to use the proceeds of the Bonds 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 Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

24. Tax-Exempt Status of the Bonds; Rebate. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Bonds, including without limitation (i) requirements relating to temporary periods for investments, (ii) limitations on amounts

invested at a yield greater than the yield on the Bonds, and (iii) the rebate of excess investment earnings to the United States if the Bonds (together with other obligations reasonably expected to be issued and outstanding at one time in this calendar year) exceed the small-issuer exception amount of \$5,000,000.

For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements for governmental units issuing \$5,000,000 or less of bonds, the City hereby finds, determines and declares that (i) the Bonds are issued by a governmental unit with general taxing powers; (ii) no Bonds are a private activity bond; (iii) 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City); and (iv) the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City (and all entities subordinate to, or treated as one issuer with the City) during the calendar year in which the Bonds are issued and outstanding at one time is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

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

- (a) the Bonds are issued after August 7, 1986;
- (b) the Bonds are not "private activity bonds" as defined in Section 141 of the Code;
- (c) the City hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;
- (d) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the City (and all entities treated as one issuer with the City, and all subordinate entities whose obligations are treated as issued by the City) during this calendar year 2019 will not exceed \$10,000,000;
- (e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2019 have been designated for purposes of Section 265(b)(3) of the Code; and
- (f) the aggregate face amount of the Bonds does not exceed \$10,000,000.

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

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

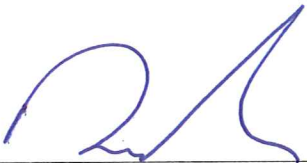
27. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.


28. 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 John Andrews and, after a full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof: Dave Nevin, Dave Schrupp, John Andrews, Gary Heacox and Aaron Herzog

and the following voted against the same: None

Whereupon the resolution was declared duly passed and adopted on August 12, 2019.



David Nevin
Mayor

Michael R. Lyonais
City Administrator

STATE OF MINNESOTA
COUNTY OF CROW WING
CITY OF CROSSLAKE

I, the undersigned, the Clerk of the City of Crosslake, Minnesota, do hereby certify that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council, duly called and held on the date therein indicated, insofar as such minutes relate to authorizing the issuance and awarding the sale of \$3,815,000 General Obligation Capital Improvement Plan Bonds, Series 2019A.

WITNESS my hand on August 12, 2019.


Clerk

EXHIBIT A

PROPOSALS

City of Crosslake, Minnesota
\$3,815,000
General Obligation Capital Improvement Plan Bonds, 2019A

SUMMARY OF BOND SALE RESULTS

Sale Date: August 12, 2019 S & P Global Ratings: AA+/Stable

Robert W. Baird & Co., Inc.					
	2021 - 2034	2.00%	Purchase Price	\$ 3,844,570.10	
	2035	2.125%	Net Interest Cost	\$ 657,573.16	
			Net Interest Rate	1.9304%	
Northland Securities, Inc.					
	2021 - 2033	2.00%	Purchase Price	\$ 3,836,483.40	
	2034 - 2035	2.125%	Net Interest Cost	\$ 670,973.96	
			Net Interest Rate	1.9698%	
Piper Jaffray					
	2021 - 2032	2.00%	Purchase Price	\$ 3,856,442.40	
	2033 - 2035	2.50%	Net Interest Cost	\$ 704,029.82	
			Net Interest Rate	2.0668%	
FTN Financial Capital Markets					
	2021 - 2035	2.50%	Purchase Price	\$ 3,960,161.05	
			Net Interest Cost	\$ 706,423.87	
			Net Interest Rate	2.0739%	
Stifel, Nicolaus & Co., Inc.					
	2021 - 2035	2.50%	Purchase Price	\$ 3,940,284.55	
			Net Interest Cost	\$ 726,300.17	
			Net Interest Rate	2.1322%	
BNYMellon Capital Markets					
	2021 - 2031	4.00%	Purchase Price	\$ 4,333,937.45	
	2032 - 2035	4.00% *	Net Interest Cost	\$ 843,598.11	
			Net Interest Rate	2.4766%	

* denotes Term Bonds

Reoffering Prices

Year	Amount	Year	Amount
2021	101.355	2029	102.784
2022	102.279	2030	101.381
2023	103.174	2031	100.687
2024	103.996	2032	100.000
2025	104.553	2033	99.415
2026	104.806	2034	98.761
2027	104.568	2035	99.672
2028	103.851		

David Drown Associates, Inc.

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EXHIBIT B

TAX LEVY SCHEDULE

<u>Years of Tax Levy</u>	<u>Years of Tax Collection</u>	<u>Amount</u>
2019	2020	\$ 270,483.39
2020	2021	312,985.31
2021	2022	313,510.31
2022	2023	308,680.31
2023	2024	309,100.31
2024	2025	309,415.31
2025	2026	314,875.31
2026	2027	314,875.31
2027	2028	314,770.31
2028	2029	314,560.31
2029	2030	319,495.31
2030	2031	318,970.31
2031	2032	323,590.31
2032	2033	322,750.31
2033	2034	327,055.31

CITY OF CROSSLAKE
COUNTY OF CROW WING
STATE OF MINNESOTA

RESOLUTION NO. 19-14
RESOLUTION ESTABLISHING ONE VOTING PRECINCT WITHIN THE CITY

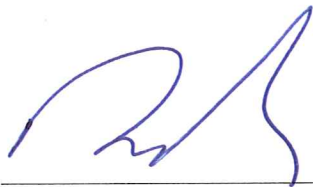
WHEREAS, currently, the City of Crosslake has two voting precincts with one polling location for all residents of the City of Crosslake, and;

WHEREAS, early voting allowed by the State of Minnesota has decreased the amount of in person voters at the precincts, and;

WHEREAS, in order to conduct efficient elections that meet the state and federal requirements and also offer the voter a streamlined voting experience, it is necessary to combine the precincts of the City of Crosslake into one precinct.

NOW, THEREFORE, BE IT RESOLVED, in accordance with Minnesota Statutes 204B.14, the City of Crosslake in Crow wing County, Minnesota hereby establishes one voting precinct in the City of Crosslake for the purpose of conducting federal, state, county and municipals elections.

Adopted by 5/5ths vote of the Crosslake City Council, August 12, 2019.



David Nevin, Mayor



Michael R. Lyonais, City Administrator