

**REGULAR COUNCIL MEETING  
CITY OF CROSSLAKE  
MONDAY, APRIL 12, 2021  
7:00 P.M. – CITY HALL**

The Crosslake City Council held the Regular Council Meeting on Monday, April 12, 2021 in City Hall. The following Council Members were present: Mayor Dave Nevin, Aaron Herzog, Dave Schrupp, and Marcia Seibert-Volz. John Andrews was present via Zoom. Also in attendance were City Administrator Mike Lyonais, City Clerk Char Nelson, Park Director TJ Graumann, Zoning Administrator Jon Kolstad, Public Works Director Ted Strand, Police Chief Erik Lee, Fire Chief Chip Lohmiller, City Engineer Phil Martin, and City Attorney Brad Person. Northland Press Reporter Paul Boblett and Echo Journal Reporter Nancy Vogt attended via Zoom. There were approximately twenty-three audience members in City Hall and on Zoom.

**A. CALL TO ORDER** – Mayor Nevin called the Regular Council Meeting to order at 7:00 P.M. The Pledge of Allegiance was recited. Mayor Nevin read the list of additions to the agenda. MOTION 04R-01-21 WAS MADE BY AARON HERZOG AND SECONDED BY MARCIA SEIBERT-VOLZ TO APPROVE THE ADDITIONS TO THE AGENDA. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.

**B. PUBLIC FORUM** – Clay Porter of 36306 County Road 3 addressed the Council and expressed his concerns regarding the Land Use Ordinance that allows commercial storage buildings in residential neighborhoods. Mr. Porter asked that the Council consider removing this use from the RR5 District. Mr. Porter and Jon Kolstad gave a history of events regarding this issue. The City Council changed the ordinance in 2017 to remove the use of commercial storage units in residential areas. Property owners asked to have it be an allowed use again. In 2019 the City Council changed the ordinance to allow the use of commercial storage units in residential areas with the issuance of a Conditional Use Permit. Aaron Herzog noted that the City had no control of commercial storage units prior to that because people were building storage units and claiming they were for personal use but then were renting space inside.

Dave Schrupp stated that he is not in favor of allowing commercial storage buildings in residential areas and they should not be allowed. MOTION 04R-02-21 WAS MADE BY DAVE NEVIN AND SECONDED BY DAVE SCHRUPP TO DIRECT THE PLANNING AND ZONING COMMISSION TO REVIEW A CHANGE TO THE ORDINANCE RESTRICTING COMMERCIAL STORAGE BUILDINGS IN RESIDENTIAL AREAS AND TO PUT A MORATORIUM ON PERMITS FOR COMMERCIAL STORAGE BUILDINGS IN RESIDENTIAL AREAS. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.

Mike Stone of 35878 County Road 3 stated that he lives in the neighborhood too and thanked the Council for placing a moratorium on these permits.

Brenda Brittan of 38912 South Landing addressed the Council and explained her concern with the Planning and Zoning process of issuing land use permits. Ms. Brittan stated that she was frustrated that staff was not available when she came to City Hall and that it took over a

week to receive the permit. Ms. Brittan stated that she wanted to enclose her porch and felt like it should have been an over the counter permit, rather than staff needing to complete a site visit. Ms. Brittan stated that the taxpayers are the customers and that the Council should review the permitting process and accountability of staff.

**C. CONSENT CALENDAR** –Dave Nevin asked for copies of the detailed legal bills that were on the list of bills for approval. Dave Nevin questioned the bill to Crow Wing County for door repair. Ted Strand stated that it is for the same door that was repaired earlier and that it has taken this long for the invoicing to come through. MOTION 04R-03-21 WAS MADE BY DAVE SCHRUPP AND SECONDED BY JOHN ANDREWS TO APPROVE THE FOLLOWING ITEMS LISTED ON THE CONSENT CALENDAR:

1. Special Joint Council Meeting with Public Works Commission Minutes of March 1, 2021
2. Special Council Meeting Minutes of March 5, 2021
3. Regular Council Meeting Minutes of March 8, 2021
4. Special Council Meeting Minutes of March 31, 2021
5. Preliminary Draft Month End Revenue Report dated March 2021
6. Preliminary Draft Month End Expenditures Report dated March 2021
7. Preliminary Draft Balance Sheet dated March 2021
8. Fire Hall Remodel Costs dated 3/31/2021
9. Police Report for Crosslake – March 2021
10. Police Report for Mission Township – March 2021
11. Fire Department Report – March 2021
12. North Ambulance Run Report – March 2021
13. Planning and Zoning Monthly Statistics
14. Planning and Zoning Commission Meeting Minutes of February 26, 2021
15. Park and Recreation Monthly Report – March 2021
16. Park and Recreation/Library Commission Meeting Minutes of February 24, 2021
17. MPCA Sewer Permit Compliance Summary
18. Waste Partners Recycling Reports for February 2021
19. Letter dated March 8, 2021 from Crow Wing Power Re: Equipment
20. Thank You Letter dated March 15, 2021 from Initiative Foundation
21. Application for Group Transient Merchant Permit from Chamber of Commerce
22. Bills for Approval in the Amount of \$154,939.86
23. Crosslakers Meeting Minutes of April 5, 2021
24. Additional Bills for Approval in the Amount of \$122,408.22

ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.

**D. CRITICAL ISSUES**

1. The presentation by John Forney regarding Water Quality has been postponed until May 10, 2021.

**E. PUBLIC HEARING**

**7:15 P.M. – ROAD RIGHT OF WAY VACATION REQUEST ON WHITEFISH AVE**

Attorney Person gave a brief description of the request from Neal and Elaine Bailey and Joe Ruttger to move the existing 20-foot public access on Whitefish Ave approximately 10 feet to the west. Joe Ruttger is selling a portion of his land to the Bailey's, so this relocation of

the access will create a bigger lot for the Bailey's. The Park and Recreation/Library Commission and the Public Works Commission voted in favor of the access relocation. Tom Swenson of 36036 West Shore Drive asked who pays for the fees associated with the recording. Brad Person stated that the \$1,000 application fee covers all costs. MOTION 04R-04-21 WAS MADE BY DAVE SCHRUPP AND SECONDED BY JOHN ANDREWS TO APPROVE RESOLUTION NO. 21-10 VACATING PROPERTY AT GREENWOOD BEACH, AS DEDICATED ON THE PLAT OF MANHATTAN BEACH SECOND ADDITION. Marcia Seibert-Volz asked for the legal description of the newly created public access. Brad Person stated that he could include a copy of the legal description in the next Council packet and that the recording of the vacation will not take place until an easement to the City for lake access purposes is delivered to the City, as described in the resolution. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.

**CITY ADMINISTRATOR'S REPORT** – City Administrator Mike Lyonais asked that the Council allow item 5 under his report be acted on now because Bond Counsel Jason Murray was on the phone and was having difficulty staying connected on Zoom. Jason Murray reported that the City received an AA+ bond rating due to the work of the City's administrative staff and stated that the City's equipment certificate bond was sold today with an interest rate of 0.8723%. MOTION 04R-05-21 WAS MADE BY JOHN ANDREWS AND SECONDED BY AARON HERZOG TO APPROVE RESOLUTION NO. 21-12 FOR THE ISSUANCE AND SALE OF \$865,000 GENERAL OBLIGATION EQUIPMENT CERTIFICATES, SERIES 2021A PROVIDING FOR THEIR ISSUANCE AND LEVYING A TAX FOR THE PAYMENT THEREOF. Aaron Herzog stated that this was an excellent interest rate. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.

#### **F. MAYOR'S REPORT**

1. Mayor Nevin read a letter from Bruce Sahli with signatures of 21 family members who have someone buried at Pinewood Cemetery regarding the maintenance of the cemetery. The families would like to see proper upkeep around the headstones, weed control, trimming and blowing. Bruce Sahli showed the Council pictures of areas of the cemetery that were not maintained well. Dave Nevin agreed with Mr. Sahli and stated that it needs to be taken care of. Mr. Nevin added that many family members put things on the graves that are not allowed. Marcia Seibert-Volz stated that she was embarrassed of the pictures. Ted Strand stated that he has asked for more help and more funds to maintain the cemetery. Mr. Strand stated that last year the mower ran over a live bullet which had fallen from a headstone. Mr. Strand stated that staff mows the cemetery once a week in the summer. The water at the cemetery is hard and contains iron and would ruin headstones if it were used to water the grass. Mr. Strand stated that he has friends buried there and he is embarrassed too. TJ Graumann stated that he helped maintain the cemetery in Baxter when he worked there and suggested that a seasonal employee could help maintain the cemetery and the trails in the summer. Dave Nevin asked that TJ Graumann and Ted Strand work together to create a job description for this position and bring it the Council in May. MOTION 04R-06-21 WAS MADE BY DAVE NEVIN AND SECONDED BY AARON HERZOG TO ALLOCATE UP TO \$15,000 FOR A SEASONAL, PART-TIME EMPLOYEE TO HELP MAINTAIN THE CEMETERY

AND TRAILS IN THE SUMMER. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.

2. MOTION 04R-07-21 WAS MADE BY AARON HERZOG AND SECONDED BY MARCIA SEIBERT-VOLZ TO APPROVE RESOLUTION NO. 21-11 ACCEPTING DONATIONS FROM ANONYMOUS PERSON OF \$50 TO UPGRADE THE COMMUNITY CENTER SIGN AT INTERSECTION OF CSAH 66 AND DAGGETT PINE ROAD AND FROM BOB HEALES OF 6 FRAMED PICTURES FOR DECORATION AT POLICE DEPARTMENT AND CITY HALL. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.
3. MOTION 04R-08-21 WAS MADE BY DAVE SCHRUPP AND SECONDED BY AARON HERZOG TO CONTRIBUTE \$100 TO THE PINE RIVER-BACKUS GRAD BLAST. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.
4. Dave Nevin and Chip Lohmiller gave a brief update on the firehall construction. Hytec is cleaning the building this week and should be completely done by the end of April.
  - a. The Council reviewed Change Order No. 079439.10 to relocate bay door #5. The original estimate for this change was \$6,488. Once the Council gave permission to Hytec to proceed, the engineer found that the wall was sheer and it would require more steel columns, plywood and steel beams, which increased the cost to \$18,758.85. Dave Schrupp noted that the project is under cost in other areas, so this will not increase the overall cost. MOTION 04R-09-21 WAS MADE BY AARON HERZOG AND SECONDED BY DAVE SCHRUPP TO APPROVE CHANGE ORDER NO. 079439.10 IN THE AMOUNT OF \$18,758.85 FOR RELOCATION OF OVERHEAD DOOR #5. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.
  - b. MOTION 04R-10-21 WAS MADE BY MARCIA SEIBERT-VOLZ AND SECONDED BY JOHN ANDREWS TO APPROVE CHANGE ORDER NO. 079439.11 IN THE AMOUNT OF \$5,557.62 FOR HOSE TOWER BALCONY. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.
  - c. MOTION 04R-11-21 WAS MADE BY DAVE SCHRUPP AND SECONDED BY AARON HERZOG TO APPROVE CHANGE ORDER NO. 079439.12 IN THE AMOUNT OF \$21,675.67 FOR PROJECT EXTENSION COSTS. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.
  - d. MOTION 04R-12-21 WAS MADE BY AARON HERZOG AND SECONDED BY DAVE SCHRUPP TO APPROVE THE PURCHASE OF TEN OFFICE CHAIRS FOR THE FIRE STATION FROM KI IN THE AMOUNT OF \$3,731.80. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.
  - e. The Council reviewed a memo from Chief Lohmiller regarding the purchase of audio/visual system for the Fire Station. Hytec has given an estimate of \$20,000 for

equipment but it was not part of the contract. Chief Lohmiller provided a quote of \$33,083.60 which included TV's, video distribution system, speaker system, HDMI connection at podium for computer/laptop, RTI touch panel, wireless handheld microphone, Wifi access points, and all necessary AV and networking equipment installed in the mechanical room. Mr. Lohmiller stated that the equipment is necessary to conduct daily operations and mandatory training. Dave Nevin and Marcia Seibert-Volz stated that Mr. Lohmiller needs to stay within the \$20,000 budget and can add components next year. Dave Schrupp stated that the department cannot operate without the required equipment and John Andrews stated that the Council should provide what staff needs. MOTION 04R-13-21 WAS MADE BY MARCIA SEIBERT-VOLZ AND SECONDED BY DAVE NEVIN TO ALLOCATE \$20,000 FOR CROSSLAKE FIRE STATION AUDIO/VISUAL SYSTEM. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED 3-2 WITH SCHRUPP AND ANDREWS OPPOSED.

- f. MOTION 04R-14-21 WAS MADE BY AARON HERZOG AND SECONDED BY MARCIA SEIBERT-VOLZ TO APPROVE PAY APPLICATION #8 FROM HYTEC CONSTRUCTION FOR THE FIREHALL PROJECT IN THE AMOUNT OF \$111,685.40. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.
  - g. MOTION 04R-15-21 WAS MADE BY AARON HERZOG AND SECONDED BY DAVE SCHRUPP TO APPROVE THE ESTIMATE OF \$6,570 FROM HYTEC CONSTRUCTION FOR SOFFIT WOOD RE-STAINING. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.
  - h. MOTION 04R-16-21 WAS MADE BY MARCIA SEIBERT-VOLZ AND SECONDED BY JOHN ANDREWS TO APPROVE THE ESTIMATE OF \$4,615 FROM HYTEC CONSTRUCTION FOR GUTTER AND FASCIA. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.
5. The Council reviewed the punch list for City Hall/Police Department. Andy Pickar stated that Hytec is close to completing the list. They are waiting for locates so that the sign can be erected. Mr. Pickar stated that there is a 12-month walk-through/warranty and beyond one year, it is the City's responsibility for repairs unless there is a structural defect.

Ted Strand stated that there have been continuous problems with toilets not flushing. North Country Plumbing has suggested that a filter be installed and that the entire system be flushed to remove anything currently in the water lines, fixtures and appliances. Ted Strand stated that a 3" rock came through the pipe. Andy Pickar stated that he will check with the contractor that installed the well to make sure the screen is intact.

Ted Strand reported that power went out last week and the generator at City Hall/Police Department did not turn the power back on automatically. Jim's electric was called and staff was told that the switch gear was bad and needed to be replaced. This part was covered under warranty.

## **G. CITY ADMINISTRATOR'S REPORT**

1. Included in the packet for Council information was a letter dated March 22, 2021 from Initiative Foundation to update tenured city officials and educate new city officials about the services they offer.
2. Mike Lyonais reported that per the City's request, the Crow Wing County Highway Department has asked the MN Department of Transportation to conduct a traffic study in Crosslake at no cost to the City. The proposed study area is County Road 66 from CSAH 3 to CSAH 16, County Road 3 from CSAH 36/103 to CSAH 66, and County Road 16 from West Shore Drive to CSAH 66.
3. MOTION 04R-17-21 WAS MADE BY DAVE NEVIN AND SECONDED BY DAVE SCHRUPP TO HOLD A SPECIAL MEETING ON MONDAY, MAY 10, 2021 AT 6:00 P.M. FOR THE PURPOSE RECEIVING 2020 AUDIT PRESENTATION FROM CLIFTON LARSON ALLEN. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.
4. MOTION 04R-18-21 WAS MADE BY DAVE SCHRUPP AND SECONDED BY JOHN ANDREWS TO APPROVE THE PURCHASE OF SIX (6) SHURE DESKTOP GOOSENECK CONDENSER MICROPHONES WITH LED INDICATOR AT A COST OF \$2,541.74 AND TO USE FUNDS ASSIGNED IN ADMINISTRATION/P&Z EQUIPMENT FUND. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.
5. Moved to front of agenda.
6. Included in the packet for Council information was a letter dated March 4, 2021 from Resource Training & Solutions Service Cooperative with an update from the Minnesota Healthcare Consortium notifying co-op members that beginning in 2022, health care coverage will change from Blue Cross to Medica, pending successful negotiation of a contract. Marcia Seibert-Volz stated that the Council should look at the deductibles this year.

## **H. COMMISSION REPORTS**

### **1. PUBLIC SAFETY**

- a. Chief Erik Lee reported that the 2016 Ford Explorer that was declared surplus at the last meeting and put on Govdeals website to sell, did not receive the minimum amount of \$8,000. It was the consensus of the Council to sell the vehicle through sealed bids with a minimum bid of \$8,000.
- b. MOTION 04R-19-21 WAS MADE BY AARON HERZOG AND SECONDED BY MARCIA SEIBERT-VOLZ TO APPROVE A THREE-YEAR CONTRACT WITH MISSION TOWNSHIP FOR POLICE SERVICES AT A COST IN 2021 OF \$62,870

AND A 3% INCREASE EACH YEAR THEREAFTER. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.

- c. MOTION 04R-20-21 WAS MADE BY MARCIA SEIBERT-VOLZ AND SECONDED BY AARON HERZOG TO DECLARE TWO (2) RUGER MINI 14 RIFLES AS SURPLUS AND APPROVE THE CONSIGNMENT SALE OF THEM AT BILL'S GUN SHOP IN BAXTER. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.

## **2. PARK, RECREATION, AND LIBRARY**

- a. MOTION 04R-21-21 WAS MADE BY DAVE SCHRUPP AND SECONDED BY MARCIA SEIBERT-VOLZ TO APPROVE THE RECOMMENDED CHANGES TO THE COMMUNITY CENTER USAGE POLICIES AND RULES, REQUIRING THAT ONLY COMMUNITY CENTER AND PARK VISITORS USE THE PARKING LOT. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES. Council suggested that staff install "No Overnight Parking" signs.
- b. MOTION 04R-22-21 WAS MADE BY DAVE NEVIN AND SECONDED BY DAVE SCHRUPP TO ACCEPT CASH IN THE AMOUNT OF \$1,500 IN LIEU OF LAND FOR THE KIRK SCHNITKER METES AND BOUNDS SUBDIVISION AT WHITEFISH BUSINESS PARK. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.
- c. MOTION 04R-23-21 WAS MADE BY DAVE SCHRUPP AND SECONDED BY MARCIA SEIBERT-VOLZ TO ACCEPT CASH IN THE AMOUNT OF \$3,000 IN LIEU OF LAND FOR THE JIM GALLAWAY METES AND BOUNDS SUBDIVISION, CREATING TWO NEW LOTS AT BUILD-ALL LUMBER. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.
- d. MOTION 04R-24-21 WAS MADE BY JOHN ANDREWS AND SECONDED BY AARON HERZOG TO APPROVE THE INSTALLATION OF XCEL ENERGY NATURAL GAS LINE TO THE PARK MAINTENANCE SHOP AND GARDEN GARAGE IN THE AMOUNT OF \$10,000. TJ Graumann stated that the 2021 Budget includes \$10,000 for this project and \$580.02 will be used from the balance of the plow truck purchase. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.
- e. TJ Graumann presented quotes for the replacement of HVAC units at the Community Center. The quote from Crosslake Sheetmetal for two units was \$18,085. The quote from Thelen Heating and Roofing for two units was \$15,400. Mr. Graumann asked Thelen Heating and Roofing for a quote for a third unit and that came in at \$9,065. The 2021 Budget includes \$24,000 for the replacement of these units. Rather than replacing two this year, Mr. Graumann suggested replacing three at a cost of \$24,465 from Thelen Heating and Roofing. Dave Nevin stated that TJ Graumann should ask for a quote for three units from Crosslake Sheetmetal because he would like to use a

local business. Marcia Seibert-Volz noted that Thelen's quote was just made public so that would not be fair. MOTION 04R-25-21 WAS MADE BY DAVE SCHRUPP AND SECONDED BY JOHN ANDREWS TO REPLACE TWO (2) HVAC UNITS AT THE COMMUNITY CENTER AT A COST OF \$15,400 FROM THELEN HEATING AND ROOFING. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED 4-1 WITH NEVIN OPPOSED.

### **3. PUBLIC WORKS/SEWER/CEMETERY**

- a. MOTION 04R-26-21 WAS MADE BY AARON HERZOG AND SECONDED BY MARCIA SEIBERT-VOLZ TO PUBLISH A NOTICE IN THE OFFICIAL NEWSPAPERS ASKING PEOPLE TO REMOVE ITEMS FROM THE PINEWOOD CEMETERY BY MAY 7TH, AS STAFF WILL BE DISPOSING OF FADED AND DAMAGED ITEMS THE WEEK OF MAY 10TH. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.
- b. MOTION 04R-27-21 WAS MADE BY MARCIA SEIBERT-VOLZ AND SECONDED BY DAVE SCHRUPP TO APPROVE THE CONSTRUCTION COST SHARE AGREEMENT WITH CROW WING COUNTY FOR THE BITUMINOUS SEAL COAT OF DAGGETT BAY ROAD AND PERKINS ROAD AT AN ESTIMATED COST OF \$19,160.15. Dave Nevin asked if the seal coating could be postponed a year or two. Phil Martin stated that it is a good practice to seal coat new roads sooner rather than later. Aaron Herzog stated that there are no other construction projects this year and that the Council should get this done. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED 4-1 WITH NEVIN OPPOSED.
- c. MOTION 04R-28-21 WAS MADE BY MARCIA SEIBERT-VOLZ AND SECONDED BY AARON HERZOG TO APPROVE THE CLARIFIER REHABILITATION AND LIFT STATION CONTROLS PROPOSAL FROM BOLTON & MENK, TO BE BILLED AT AN HOURLY RATE, NOT TO EXCEED \$39,350. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.
- d. Ted Strand reported that the surplus dump truck sold for \$30,500 and the surplus pickup sold for \$10,301.

A brief discussion ensued regarding plans for lift station controls. Ted Strand stated that stainless steel is in short supply and that they could probably get by if something failed by having the electrician rig something up.

Marcia Seibert-Volz stated that the Council should designate the \$270,000 coming from the federal government, \$150,000 from the general fund, and \$40,801 from the sale of vehicles toward sewer improvements.

- I. **PUBLIC FORUM** – Jerry Volz of 37668 Moen Beach Trail stated that he just learned that an individual that attended the Planning and Zoning Commission Meeting tested positive for



Covid-19 and asked why meeting attendees were not notified. Mr. Volz noted that staff quarantined as a result of this information and stated that everyone should have been notified. Char Nelson stated that the individual that tested positive told staff that they did not need to notify anyone because the Department of Health would do that.

Tom Swenson of 36036 West Shore Drive stated that the Council should consider installing a public drinking fountain in City Hall.

**J. CITY ATTORNEY REPORT**

- a. Attorney Person reported that he mailed a letter to the business that had outstanding lodging tax and that he has not received a reply.
- b. Issue #1: Closed Session to Discuss the Respectful Workplace Complaint. MOTION 04R-29-21 WAS MADE BY DAVE SCHRUPP AND SECONDED BY AARON HERZOG THAT THE COUNCIL CONSIDERED A RESPECTFUL WORKPLACE COMPLAINT. NO DISCIPLINARY ACTION WILL BE TAKEN. THE RESPECTFUL WORKPLACE POLICY WILL BE DISTRIBUTED TO AND REVIEWED BY ALL EMPLOYEES, INCLUDING DEPARTMENT HEADS AND ADMINISTRATION, AS WELL AS ALL MEMBERS OF THE CITY COUNCIL, CITY BOARDS, AND CITY COMMISSIONS. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.

Issue #2: Closed Session to Discuss Citizen Complaint. MOTION 04R-30-21 WAS MADE BY DAVE SCHRUPP AND SECONDED BY AARON HERZOG THAT THE COUNCIL CONSIDERED A CITIZEN COMPLAINT AGAINST AN EMPLOYEE AND THAT DISCIPLINARY ACTION HAS BEEN TAKEN. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.

Issue #3: Closed Session to Discuss Union Representation Petitions. The Council discussed labor negotiation strategies and developments. No action was taken.

**K. NEW BUSINESS – None.**

- L. OLD BUSINESS** – Marcia Seibert-Volz asked the status of the parking grant. Mike Lyonais replied that a decision should be received after April 15th.

Marcia Seibert-Volz asked the status of putting City policies on the webpage. Char Nelson replied that she is compiling all the policies and will bring them to the Council so they can decide which policies should be on the website.

Dave Schrupp stated that the Council should meet to review capital expenses made to date and purchases left to make.

- M. ADJOURN** – MOTION 04R-31-21 WAS MADE BY AARON HERZOG AND SECONDED BY DAVE SCHRUPP TO ADJOURN THE MEETING AT 10:00 P.M. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.

Respectfully submitted by,



Charlene Nelson  
City Clerk

**BILLS FOR APPROVAL**  
**April 12, 2021**

VENDORS	DEPT		AMOUNT
AAA Equipment, rescue saw repair	Fire		161.33
Ace Hardware, nozzle	Fire		9.28
Ace Hardware, air filters	Park		24.95
Ace Hardware, cleaners	Sewer		88.07
Ace Hardware, cleaning supplies	Police		14.57
Ace Hardware, clamps	Park		14.82
Ace Hardware, door knob, spray paint, bolts	Park		43.68
Ace Hardware, flag set, brush, crevice tool, cable ties	Park		78.72
Ace Hardware, paint	Park		9.31
Ace Hardware, hedge trimmer	Park		199.99
Ace Hardware, plastic inserts	Park		6.90
Ace Hardware, cable	Ambulance		8.99
Ace Hardware, air filters	PW		51.98
Ace Hardware, garden sprayer	PW		15.99
Ace Hardware, hardware	Fire		9.30
Ace Hardware, gorilla glue	Sewer		10.58
Ace Hardware, air filters	Sewer		189.90
Ace Hardware, leather gloves	Sewer		17.99
Ace Hardware, concrete sealer	Park		19.77
Ace Hardware, hardware	Fire		7.40
Ace Hardware, hardware	Fire		2.00
Ace Hardware, hardware	Fire		5.40
Ace Hardware, paint brushes	Park		5.56
Ace Hardware, spray paint, trash can	Park		22.98
Ace Hardware, air filters, marking paint	PW		160.08
Ace Hardware, furnace filters	Gov't		23.94
Ace Hardware, paint	Fire		23.98
Ace Hardware, pickleball program	Park		60.95
Ace Hardware, miloganite	Park		23.98
Ace Hardware, tape, bulbs	Park		23.98
Ace Hardware, hardware	Park		1.98
Ace Hardware, batteries, blades, cleaners	PW		371.26
Ace Hardware, storage totes	PW		25.98
Ace Hardware, quick connect studs	Park		9.99
Ace Hardware, key lock storage	Fire		36.99
Ace Hardware, batteries	Park		32.97
Ace Hardware, peak wash	PW		3.98
Ace Hardware, oscillating tool	PW		139.00
Ace Hardware, keys	PW		3.98
Ace Hardware, bird food, thermometer	Park		8.98
Ace Hardware, leather gloves, adapter	Park		55.17
Alex Air Apparatus, compressor service	Fire		903.18
Alex Air Apparatus, repair air leak	Fire		232.00
American Door Works, hinges	Ambulance		127.87
American Steel, steel	PW		112.11

Aspen Mills, uniform	Fire		325.98
AW Research, water testing	Sewer		496.80
Baker and Taylor, books	Library		237.62
BCA, training	Police		75.00
Blue Cross Blue Shield, health insurance	ALL		32,703.50
Bolton & Menk, biosolids review	Sewer		3,937.00
Breen & Person, legal fees	ALL		3,307.50
Breen & Person, reimburse for investigation	Gov't		6,576.90
Brock White, landscape fabric	Park		856.14
City of Crosslake, sewer utilities	ALL		156.00
Clean Team, april cleaning	ALL		4,381.25
Clifton Larson Allen, audit fees	Gov't		11,655.00
Council #65, union dues	Gov't		329.96
Crosslake Communications, phone, fax, cable, internet	ALL		2,188.74
Crosslake Sheetmetal, furnace filters	PW		80.00
Crow Wing County, property tax	ALL		146.00
Crow Wing County Highway Dept, salt/sand	PW		4,066.92
Crow Wing County Highway Dept, fuel	ALL		2,244.99
Crow Wing County Highway Dept, reimburse for door repair	PW		2,936.56
Crow Wing County Highway Dept, reimburse for lights	PW		1,480.50
Crow Wing County Recorder, filing fees	PZ		158.00
Crow Wing Power, electric service	ALL	pd 3-17	10,261.80
CTC, web hosting	Gov't		10.00
CTC I.T., march 2021 i.t. labor	ALL		900.00
Culligan, water and cooler rental	ALL		76.10
Dacotah Paper, paper towels	Gov't		257.31
Dacotah Paper, janitorial supplies	Park		414.61
DeLage Landen Financial Services, copier lease	Park		117.00
Dell, monitor	Police		187.68
Delta Dental, dental insurance	ALL		1,695.60
Digital Ink, signs	PW		386.10
Elevate Learning, safety program	Gov't		450.00
Fire Instruction & Rescue, officer I class	Fire		1,500.00
Fire Instruction & Rescue, emr refresher	Fire		600.00
Fortis, disability insurance	ALL		843.11
Forum Communications, meeting notice of 3/26	PZ		51.25
Galls, uniform	Police		34.99
Guardian Pest Solutions, pest control	ALL		77.60
Hawkins, chemicals	Sewer		277.00
Holden Electric, replace lift station heaters	Sewer		904.45
Holden Electric, retro lights	PW		232.40
IP Netowrks, annual firewall maintenance	Gov't		385.00
J&J Medical, lithium batteries	Fire		200.00
Jefferson Fire, turnout gear	Fire		394.44
Johnson, Killen & Seiler, personnel matters	Gov't		4,926.50
Josh Runksmeier, uniform reimbursement	Park	pd 3-10	127.46
KI, furniture	Fire		14,604.60
Kirvida, install air compressor	Fire		1,497.41
Lakes Area Lock and Door, repair cylinder	Park		180.00
Mastercard, Amazon, auto door decals	Park	pd 3-23	18.90
Mastercard, Amazon, garden stakes	Park		38.99

Mastercard, Amazon, brackets	Gov't		58.80
Mastercard, Amazon, furnace filters	Park		37.96
Mastercard, Amazon, die grinder kit	Park		119.13
Mastercard, Amazon, switch	Police		370.04
Mastercard, Amazon, ethernet cables	Police		63.48
Mastercard, Amazon, fence fastener clip	Park		84.25
Mastercard, Any Promo, wrist bands	Park	pd 3-23	12.62
Mastercard, Any Promo, wrist bands	Park		184.93
Mastercard, AT&T, charger	PW		20.51
Mastercard, Axon, cartridges	Police	pd 3-23	375.00
Mastercard, BCA, training	Police		250.00
Mastercard, BCA, training	Police		150.00
Mastercard, Core Pickleball, pickleballs	Park	pd 3-23	63.75
Mastercard, Global Industrial, flammable cabinet	Park	pd 3-23	808.25
Mastercard, Linx, pvc emblems	Fire	pd 3-23	343.00
Mastercard, Maucieri's. chiefs meeting	Police		30.92
Mastercard, MN Dept Revenue, post license renewals	Police		270.00
Mastercard, Moonlite Square, water	PW	pd 3-23	6.99
Mastercard, Moonlite Square, premium fuel	Park	pd 3-23	9.96
Mastercard, Office Max, tissues	Gov't		20.75
Mastercard, Post Office, postage	Police		12.05
Mastercard, Reeds Market, pop	Gov't		67.20
Mastercard, Vistaprint, signs	Park		156.00
MCSI, copier maintenance	Park		50.99
Menards, gloves, furnace filters, exterior lights	Park		230.72
Metro Sales, copier lease	Police		45.82
Metro Sales, copier maintenance agreement	PZ/Admin		543.67
Midwest Machinery, brush kit	PW		1,125.12
Midwest Machinery, brushes	Park		425.00
MN Fire Service Certification Board, exams	Fire		360.00
MN Life, life insurance	ALL		303.40
MN NCPERS, life insurance	Gov't		112.00
Moonlite Square, fuel	Fire		42.05
MPCA, water permit annual fees	Sewer		1,450.00
MR Sign, address number signs	PW		262.73
MWOA, annual conference	Sewer		550.00
Napa, inspection penlight	PW		7.99
Napa, mini lamp	PW		3.70
Napa, digital brake control, adapter, trailer wire harness	Fire		111.34
Napa, wipes, protectant	Park		13.61
Napa, hazard light	Park		0.73
Napa, belts for blower	Sewer		25.98
Northland Press, meeting notice of 3/26	PZ		89.25
Northland Press, baseball sign up	Park		72.00
P&Z Commissioners, 1st quarter meetings	PZ		805.00
Paper Storm, document shredding	Gov't		88.40
Premier Auto, oil change, mount and balance tires	Police		145.36
Premier Auto, oil change	Police		62.15
Premier Auto, oil change, mount and balance tires	Police		164.38
Premier Auto, mount and balance tires	Police		80.00
Resource Training and Solutions, membership fees	Gov't	pd 3-10	114.00

Simonson, wood for sign	Park		48.64
Simonson, cedar	Park		42.08
Squad Pro, install equipment	Police		9,844.07
Team Lab, fine road patch	PW		1,381.00
Teamsters, union dues	Police		299.00
The Office Shop, soap, tape, fasteners	Gov't		76.20
The Office Shop, office supplies	PW		93.77
TJ Graumann, mileage reimbursement	Park		68.28
Twin City Seed Co, rye lawn seed mix	Park		627.12
United Laboratories, seasonal equipment wax	PW		478.80
US Auto Force, tires	Police		540.00
US Bank, copier lease	ALL		165.00
Waste Partners, trash removal	ALL		379.28
Watch Guard, software support	Police	pd 3-10	1,237.50
WW Goetsch, parts and service on pump	Sewer		2,163.43
Xcel Energy, gas utilities	ALL		1,582.24
Ziegler, brushes	PW		1,720.00
<b>TOTAL</b>			<b>154,939.86</b>

**ADDITIONAL BILLS FOR APPROVAL**  
**April 12, 2021**

VENDORS	DEPT		AMOUNT
AT&T, cell phone and ipad charges	ALL		2,098.61
AW Research, water testing	Sewer		124.20
Birchdale Fire & Security, monitoring services	PW		105.00
Crow Wing County, 47% roof repairs	PW		180.48
Crow Wing County Highway Dept, fuel	ALL		2,682.00
Crow Wing Power, electric service	Fire		1,169.00
Forum Communications, meeting notice of 4/23	PZ		32.80
Lakes Area Rental, spark plug	Park		6.15
League of MN Cities Insurance, property coverage	Gov't		108,780.00
Mastercard, Amazon, receipt books	Park		61.98
Mastercard, Amazon, herbicide	Park		100.84
Mastercard, Nat'l Sports Products, ez reel	Park		96.00
Menards, fencing, gloves	PW		24.97
MR Sign, address number sign	PW		37.57
Napa, beam blade	PW		31.96
Napa, halogen lamp	Park		6.19
North Memorial Ambulance, march 2021 subsidy	Gov't		1,100.00
Quality Equipment, power tamper	PW		3,000.00
Uline, 1st aid kits and janitorial cart	PW/Govt		305.63
WW Goetsch, parts and service on pump	Sewer		2,464.84
<b>TOTAL</b>			<b>122,408.22</b>

CITY OF CROSSLAKE  
RESOLUTION NO. 21-10

RESOLUTION VACATING PROPERTY

WHEREAS, due and proper published and posted and mailed notice of public hearing has been given by the City as required by law; and

WHEREAS, after a public hearing held on this date, the City Council finds that it is in the public interest to vacate the property as hereinafter described.

WHEREAS, THIS VACATION WILL NOT BE RECORDED OR EFFECTIVE UNTIL AN EASEMENT TO THE City for lake access purposes is delivered to the City as depicted on the survey attached with the vacation application.

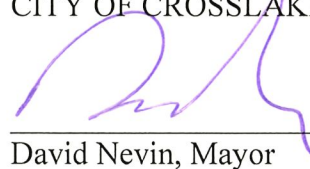
NOW, THEREFORE, BE IT HEREBY RESOLVED by the City of Crosslake, Minnesota, as follows:

That certain property described as follows is hereby vacated:

Greenwood Beach, as dedicated on the plat of Manhattan Beach Second Addition.

Adopted by the council this 12<sup>th</sup> day of April 2021.

CITY OF CROSSLAKE, MINNESOTA

  
\_\_\_\_\_  
David Nevin, Mayor

ATTEST:

  
\_\_\_\_\_  
Charlene Nelson, City Clerk



RESOLUTION NO. 21-12  
CITY OF CROSSLAKE

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

HELD: April 12, 2021

Pursuant to due call and notice thereof, a regular meeting or special meeting of the City Council of the City of Crosslake, Crow Wing County, Minnesota, was duly called and held at the City Hall in said City on April 12, 2021, at 7:00 P.M., for the purpose of awarding the sale of, \$865,000 General Obligation Equipment Certificates, Series 2021A.

The following members were present: Dave Nevin, Dave Schrupp, John Andrews, Aaron Herzog and Marcia Seibert-Volz

and the following were absent: None

Member John Andrews introduced the following resolution and moved its adoption.

RESOLUTION FOR THE ISSUANCE AND SALE OF  
\$865,000 GENERAL OBLIGATION EQUIPMENT  
CERTIFICATES, SERIES 2021A  
PROVIDING FOR THEIR ISSUANCE AND LEVYING  
A TAX FOR THE PAYMENT THEREOF

A. WHEREAS, the City of Crosslake, Minnesota (the "City") has heretofore determined and declared that it is necessary and expedient to issue \$865,000 General Obligation Equipment Certificates, Series 2021A (the "Certificates" or individually, a "Certificate"), pursuant to Minnesota Statutes, Chapter 475 and Minnesota Statutes, Section 412.301, to finance the acquisition of capital equipment for the City (the "Equipment"); and

B. WHEREAS, each item of equipment to be financed by the Certificates has an expected useful life at least as long as the term of the Certificates; and

C. WHEREAS, the principal amount of the Certificates to be issued does not exceed one-quarter of one percent (0.25%) of the market value of the City (\$1,304,747,278 times 0.25% is \$3,261,868.20); and

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

F. WHEREAS, the proposals set forth on Exhibit A attached hereto were received by the City Administrator-Treasurer, 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 Certificates; and

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

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

1. Acceptance of Proposal. The proposal of UMB Bank, N.A., Kansas City, Missouri (the "Purchaser"), to purchase the Certificates, in accordance with the Terms of Offering at the rates of interest hereinafter set forth, and to pay therefor the sum of \$911,669.90, plus interest accrued to settlement, is hereby found, determined and declared to be the most favorable proposal received and is hereby accepted, and the Certificates are hereby awarded to said purchaser. The City is directed to retain the deposit of said purchaser and to forthwith return to the others making proposals their good faith checks or drafts.

2. Terms of Certificates.

(a) Title; Original Issue Date; Denominations; Maturities. The Certificates shall be dated April 26, 2021, as the date of original issue and shall be issued forthwith on or after such date in fully registered form, shall 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, without option of prepayment, on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ 120,000
2024	120,000
2025	125,000
2026	125,000
2027	125,000
2028	125,000
2029	125,000

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 Certificate(s).

(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 Certificates, and to this end:

(i) The Certificates 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 Certificate for each maturity of the Certificates; and for purposes of complying with this requirement under paragraphs 5 and 10 Authorized Denominations for any Certificate shall be deemed to be limited during the Book Entry Only Period to the outstanding principal amount of that Certificate.

(ii) Upon initial issuance, ownership of the Certificates shall be registered in a bond register maintained by the 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 Certificates neither the City nor the Registrar shall have any responsibility or obligation to any broker, dealer, bank, or any other financial institution for which the Depository holds Certificates as securities depository (the "Participant") or the person for which a Participant holds an interest in the Certificates shown on the books and records of the Participant (the "Beneficial Owner"). Without limiting the immediately preceding sentence, neither the City, nor the 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 Certificates, or (B) the delivery to any Participant, any Owner or any other person, other than the Depository, of any notice with respect to the Certificates, 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 Certificates, or (D) the consent given or other action taken by the Depository as the Registered Holder of any Certificates (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 Certificates are credited on the record date identified in a listing attached to the omnibus proxy.

(iv) The City and the Registrar may treat as and deem the Depository to be the absolute owner of the Certificates for the purpose of payment of the principal of and premium, if any, and interest on the Certificates, for the purpose of giving notices of redemption and other matters with respect to the Certificates, 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 Certificates, and for all purpose whatsoever. The Registrar, as paying agent hereunder, shall pay all principal of and premium, if any, and interest on the Certificates only to or upon the Holder or the Holders of the Certificates 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 Certificates to the extent of the sum or sums so paid.

(v) Upon delivery by the Depository to the 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 Certificate is registered in the name of a Nominee, all payments with respect to the principal of and premium, if any, and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, by the 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 Certificates (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 Certificates, collectively hereinafter referred to as the "Letter of Representations").

(vii) All transfers of beneficial ownership interests in each Certificate 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 Certificates.

(viii) In connection with any notice or other communication to be provided to the Holders pursuant to this Resolution by the City or 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 Registrar may establish a special record date for such consent or other action. The City or the 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 Registrar in its written acceptance of its duties under this Resolution and any paying agency/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 Certificates 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 Certificate 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

Certificate that the Beneficial Owners be able to obtain certificates for the Certificates, the Certificates 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 Certificates 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 Certificates 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 Certificates shall provide funds to finance the Equipment. The total cost of the Equipment, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Certificates.

4. Interest. The Certificates shall bear interest payable semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing February 1, 2022, 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>
2023	2.000%
2024	2.000
2025	2.000
2026	2.000
2027	2.000
2028	2.000
2029	2.000

5. No Redemption. The Certificates shall not be subject to redemption and prepayment prior to their stated maturity dates.

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

7. Form of Certificate. The Certificates, together with the 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 EQUIPMENT CERTIFICATE, SERIES 2021A

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>CUSIP</u>
_____%	February 1, ____	April 26, 2021	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS THAT 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, without option of prepayment, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing February 1, 2022, 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 Certificate 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 Certificate are payable upon presentation and surrender hereof at the principal office of Northland Trust Services, Inc., in Minneapolis, Minnesota (the "Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Certificate will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Certificate is registered (the "Holder") on the registration books of the Issuer maintained by the 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 Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given to Holders not less than ten days prior to the Special Record Date. The principal of and premium, if any, and interest on this Certificate are payable in lawful money of the United States of America. So long as this Certificate 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 Certificate 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, Certificates may only be registered in the name of the Depository or its Nominee.

No Optional Redemption. The Certificates of this issue (the "Certificates") shall not be subject to redemption and prepayment prior to their stated maturity dates.

Issuance; Purpose; General Obligation. This Certificate is one of an issue in the total principal amount of \$865,000, 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 April 12, 2021 (the "Resolution"), for the purpose of providing money to finance the acquisition of capital equipment for the Issuer. This Certificate is payable out of the General Obligation Equipment Certificates, Series 2021A Fund of the Issuer. This Certificate 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 Certificates are issuable solely in fully registered form in Authorized Denominations (as defined in the Resolution) and are exchangeable for fully registered Certificates of other Authorized Denominations in equal aggregate principal amounts at the principal office of the 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 Registrar. Copies of the Resolution are on file in the principal office of the Registrar.

Transfer. This Certificate is transferable by the Holder in person or by the Holder's attorney duly authorized in writing at the principal office of the Registrar upon presentation and surrender hereof to the 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 Registrar. Thereupon the Issuer shall execute and the Registrar shall authenticate and deliver, in exchange for this Certificate, one or more new fully registered Certificates 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 Certificate, of the same maturity and bearing interest at the same rate.

Fees upon Transfer or Loss. The 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 Certificate and any legal or unusual costs regarding transfers and lost Certificates.

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

Authentication. This Certificate 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 Registrar.



Qualified Tax-Exempt Obligation. This Certificate 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 Certificate, have been done, have happened and have been performed, in regular and due form, time and manner as required by law, and that this Certificate, 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 Certificate to be executed on its behalf by the facsimile signatures of its Mayor and its City Administrator-Treasurer, 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.

REGISTRAR'S CERTIFICATE  
OF AUTHENTICATION

CITY OF CROSSLAKE  
CROW WING COUNTY, MINNESOTA

This Certificate is one of the  
Certificates described in the  
Resolution mentioned  
within.

/s/ Facsimile  
Mayor

NORTHLAND TRUST SERVICES  
INC.  
Minneapolis, Minnesota  
Registrar

/s/ Facsimile  
City Administrator-Treasurer

By: \_\_\_\_\_  
Authorized Signature

## ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Certificate, 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  
Certificate and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to  
transfer the Certificate 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 Certificate 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 Registrar will not effect transfer of this Certificate unless the information concerning  
the transferee requested below is provided.

Name and Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

8. Execution. The Certificates shall be in typewritten form, shall be executed on behalf of the City by the signatures of its Mayor and City Administrator-Treasurer 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 Certificates 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 Certificates shall cease to be such officer before the delivery of the Certificates, 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 Certificate 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 such Certificate, substantially in the form hereinabove set forth, shall have been duly executed by an authorized representative of the Registrar. Certificates of Authentication on different Certificates need not be signed by the same person. The Registrar shall authenticate the signatures of officers of the City on each Certificate by execution of the Certificate of Authentication on the Certificate and by inserting as the date of registration in the space provided the date on which the Certificate is authenticated, except that for purposes of delivering the original Certificates to the Purchaser, the Registrar shall insert as a date of registration the date of original issue of April 26, 2021. The Certificate of Authentication so executed on each Certificate 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 Registrar a certificate register in which, subject to such reasonable regulations as the Registrar may prescribe, the Registrar shall provide for the registration of Certificates and the registration of transfers of Certificates entitled to be registered or transferred as herein provided.

Upon surrender for transfer of any Certificate at the principal office of the Registrar, the City shall execute (if necessary), and the 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 Certificates 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 Certificate may be registered in blank or in the name of "bearer" or similar designation.

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

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

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

Every Certificate 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 Registrar, duly executed by the Holder thereof or his, her or its attorney duly authorized in writing.

The 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 Certificate and any legal or unusual costs regarding transfers and lost Certificates.

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

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

12. Interest Payment; Record Date. Interest on any Certificate shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Certificate is registered (the "Holder") on the registration books of the City maintained by the Registrar and at the address appearing thereon at the close of business on the fifteenth (15th) 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 Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given by the Registrar to the Holders not less than ten (10) days prior to the Special Record Date.

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

14. Delivery; Application of Proceeds. The Certificates when so prepared and executed shall be delivered by the City 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 Equipment Certificates, Series 2021A Fund" (the "Fund") to be administered and maintained by the City 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 Certificates and the interest thereon have been fully paid. There shall be maintained in the Fund the following separate accounts:

(i) Capital Account. To the Capital Account there shall be credited the proceeds of the sale of the Certificates, less capitalized interest. From the Capital Account there shall be paid all costs and expenses of the acquisition of the equipment, including all costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65; and the moneys in the Capital Account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Certificates may also be used to the extent necessary to pay interest on the Certificates due prior to the anticipated date of commencement of the collection of taxes herein levied.

(ii) Debt Service Account. There are hereby irrevocably appropriated and pledged to, and there shall be credited to, the Debt Service Account: (a) any collections of all taxes heretofore, herein or hereafter levied for the payment of the Certificates and interest thereon; (b) capitalized interest in the amount of \$2,358.89 (together with interest earnings thereon and subject to such other adjustments as are appropriate to provide sufficient funds to pay interest due on the Certificates on or before February 1, 2022); (c) all funds remaining in the Capital Account after the payment of all costs of acquisition of the Equipment; (d) all investment earnings on funds held in the Debt Service Account; and (e) 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 Certificates and any other general obligation certificates 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 Certificates 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 (i) for a reasonable temporary period until such proceeds are needed for the purpose for which the Certificates were issued and (ii) in addition to the above in an amount not greater than the lesser of five percent (5%) of the proceeds of the Certificates or \$100,000. To this effect, any proceeds of the Certificates and any sums from time to time held in the Capital Account or Debt Service Account (or any other City account which will be used to pay principal or interest to become due on the certificates 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 Certificates 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 Certificates there is hereby levied upon all of the taxable property in the City a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the City for the years and in the amounts as follows:

<u>Year of Tax Levy</u>	<u>Year of Tax Collection</u>	<u>Amount</u>
-------------------------	-------------------------------	---------------

(See attached Exhibit B)

The tax levies are such that if collected in full they, together with other revenues herein pledged for the payment of the Certificates, will produce at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Certificates. The tax levies shall be irrevocable so long as any of the Certificates 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 Certificates have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Certificates shall cease. The City may discharge its obligations with respect to any Certificates which are due on any date by irrevocably depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Certificate should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also at any time discharge its obligations with respect to any Certificates, 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, subject to sale and/or reinvestment, to pay all amounts to become due thereon to maturity.

18. General Obligation Pledge. For the prompt and full payment of the principal and interest on the Certificates, 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 Certificates and any other certificates 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.

19. Certificate of Registration and Tax Levy. 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 the County Auditor shall require and there shall be obtained from

the County Auditor a certificate that the Certificates have been entered in the County Auditor's bond register, and that the tax levy required by law has been made.

20. 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 Certificates, certified copies of all proceedings and records of the City relating to the Certificates 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 Certificates 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.

21. Compliance with Reimbursement 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 Certificates, 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 (60) days after the date of payment of a Reimbursement Expenditure, the City (or person designated to do so on behalf of the City) has made or will have made a written declaration of the City's official intent (a "Declaration") which effectively (i) states the City's reasonable expectation to reimburse itself for the payment of the Reimbursement Expenditure out of the proceeds of a subsequent borrowing; (ii) gives a general and functional description of the property, project or program to which the Declaration relates and for which the Reimbursement Expenditure is paid, or identifies a specific fund or account of the City and the general functional purpose thereof from which the Reimbursement Expenditure was to be paid (collectively the "Project"); and (iii) states the maximum principal amount of debt expected to be issued by the City for the purpose of financing the Project; provided, however, that no such Declaration shall necessarily have been made with respect to: (i) "preliminary expenditures" for the Project, defined in the Reimbursement Regulations to include engineering or architectural, surveying and soil testing expenses and similar prefatory costs, which in the aggregate do not exceed 20% of the "issue price" of the Certificates, and (ii) a *de minimis* amount of Reimbursement Expenditures not in excess of the lesser of \$100,000 or 5% of the proceeds of the Certificates.

(b) Each Reimbursement Expenditure is a capital expenditure or a cost of issuance of the Certificates 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 Certificates, and not later than three years after the later of (i) the date of the

payment of the Reimbursement Expenditure, or (ii) 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 Certificate proceeds to reimburse the Reimbursement Expenditure and, if made within 30 days after the Certificates are issued, shall be treated as made on the day the Certificates are issued.

Provided, however, that the City may take action contrary to any of the foregoing covenants in this paragraph 21 upon receipt of an opinion of its Bond Counsel for the Certificates stating in effect that such action will not impair the tax-exempt status of the Certificates.

22. Negative Covenant as to Use of Proceeds and Equipment. The City hereby covenants not to use the proceeds of the Certificates or the equipment financed thereby, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the equipment, in such a manner as to cause the Certificates to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

23. Tax-Exempt Status of the Certificates; 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 Certificates, 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 Certificates, and (iii) the rebate of excess investment earnings to the United States if the Certificates (together with other obligations reasonably expected to be issued and outstanding at one time in this calendar year) exceed the small-issuer exception amount of \$5,000,000.

For purposes of qualifying for the exception to the federal arbitrage rebate requirements for governmental units issuing \$5,000,000 or less of bonds, the City hereby finds, determines and declares that (i) the Certificates are issued by a governmental unit with general taxing powers, (ii) no Certificate is a private activity bond, (iii) ninety-five percent (95%) or more of the net proceeds of the Certificates 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 subordinate entities thereof, and all entities treated as one issuer with the City) during the calendar year in which the Certificates 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.

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

- (a) the Certificates are issued after August 7, 1986;
- (b) the Certificates are not "private activity bonds" as defined in Section 141 of the Code;



(c) the City hereby designates the Certificates 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 2021 will not exceed \$10,000,000; and

(e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2021 have been designated for purposes of Section 265(b)(3) of the Code.

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

25. Continuing Disclosure. The City is the sole obligated person with respect to the Certificates. 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](http://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 Certificates 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 Certificates 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 City Administrator-Treasurer 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 Certificates, and (iii) acceptable to the Officers.

26. 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.

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

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 Aaron Herzog and, after a full discussion thereof and upon vote being taken thereon, the following voted in favor thereof: Dave Nevin, Dave Schrupp, John Andrews, Aaron Herzog and Marcia Seibert-Volz

and the following voted against the same: None

Whereupon said resolution was declared duly passed and adopted this 12<sup>th</sup> day of April, 2021.



Michael R. Lyonais  
City Administrator




David Nevin  
Mayor

STATE OF MINNESOTA  
COUNTY OF CROW WING  
CITY OF CROSSLAKE

I, the undersigned, being the duly qualified City 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 of said City, duly called and held on the date therein indicated, insofar as such minutes relate to considering proposals for and authorizing the issuance of, \$865,000 General Obligation Equipment Certificates, Series 2021A of said City.

WITNESS my hand this 12 day of April, 2021.

  
\_\_\_\_\_  
City Clerk

# EXHIBIT A

## Proposals

City of Crosslake, Minnesota  
\$865,000  
General Obligation Equipment Certificate, Series 2021A

### SUMMARY OF BOND SALE RESULTS

Sale Date: April 12, 2021

S & P Global Ratings: AA+/Stable

UMB Bank, N.A.	2023 - 2029	2.00%	Purchase Price	\$ 911,669.90
			Net Interest Cost	\$ 36,245.38
			<b>Net Interest Rate</b>	<b>0.8743%</b>
Northland Securities, Inc.	2023	0.20%	Purchase Price	\$ 865,603.85
	2024	0.30%	Net Interest Cost	\$ 36,838.79
	2025 - 2029	1.00%	<b>Net Interest Rate</b>	<b>0.8886%</b>
Colliers Securities LLC	2023 - 2029	3.00%	Purchase Price	\$ 950,328.35
			Net Interest Cost	\$ 39,044.57
			<b>Net Interest Rate</b>	<b>0.9418%</b>
United Bankers' Bank	2023 - 2029	2.00%	Purchase Price	\$ 907,496.65
			Net Interest Cost	\$ 40,418.63
			<b>Net Interest Rate</b>	<b>0.9749%</b>
Bernardi Securities, Inc.	2023 - 2029	3.00%	Purchase Price	\$ 943,039.10
			Net Interest Cost	\$ 46,333.82
			<b>Net Interest Rate</b>	<b>1.1176%</b>

\* denotes Term Bonds

#### Reoffering Prices

<u>Year</u>	<u>Price</u>
2023	103.077
2024	104.675
2025	105.778
2026	106.564
2027	107.330
2028	107.202
2029	107.451

EXHIBIT B

Tax Levy Schedules

<u>Year of Tax Levy</u>	<u>Year of Tax Collection</u>	<u>Amount</u>
2021	2022	\$ 144,165
2022	2023	141,645
2023	2024	144,375
2024	2025	141,750
2025	2026	139,125
2026	2027	136,500
2027	2028	133,875

City of Crosslake

**RESOLUTION 21-11**

**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:

<b>FROM</b>	<b>DONATION</b>	<b>INTENDED PURPOSE</b>
Anonymous	\$50.00	To Upgrade the Community Center Sign at Intersection of CSAH 66 and Daggett Pine Road
Bob Heales	6 Framed Pictures	For Decoration on Police Department and City Hall

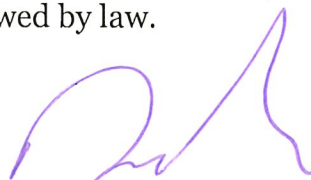
; and

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 April, 2021.



David Nevin  
Mayor

ATTEST:



Michael R. Lyonais  
City Administrator  
(SEAL)