

AGENDA AND ADDITIONS TO THE AGENDA
REGULAR COUNCIL MEETING
CITY OF CROSSLAKE
MONDAY, APRIL 12, 2021
7:00 P.M. – CITY HALL

A. CALL TO ORDER

1. Pledge of Allegiance
2. Approval of Additions to the Agenda

B. PUBLIC FORUM – Action may or may not be taken on any issues raised. If Council requires more information or time for consideration, the issues will be placed on the agenda of the next regular council meeting. Speaker must state their name and address. At the discretion of the Mayor, each speaker is given a three-minute time limit.

C. CONSENT CALENDAR – NOTICE TO THE PUBLIC – All items here listed are considered to be routine by the City Council and will be acted on by one **motion**. There will be no separate discussion on these items unless a Citizen or Councilmember so requests:

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
23. Crosslakers Meeting Minutes of April 5, 2021
24. **Additional Bills for Approval**

D. CRITICAL ISSUES

1. *Postponed until May*

E. PUBLIC HEARING

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

1. Application from Joe Ruttger and Neal and Elaine Bailey to Relocate Right of Way on Whitefish Ave
2. Letter from Property Owners
3. Survey
4. Notice to Surrounding Property Owners
5. Notice of Public Hearing
6. Recommendation from Park & Recreation Commission
7. Recommendation from Public Works Commission
8. Resolution Vacating Property (Council Action-Motion)

F. MAYOR'S AND COUNCIL MEMBERS' REPORT

1. Petition Regarding Pinewood Cemetery Maintenance
2. Approval of Resolution Accepting Donations (Council Action-Motion)
3. Donation Request from Pine River Backus Seniors (Council Action-Motion)
4. Update on Fire Hall Project
 - a. Change Order No. 10 for Bay 5 Overhead Door Relocation (Council Action-Motion)
 - b. Change Order No. 11 for Hose Tower Balcony (Council Action-Motion)
 - c. Change Order No. 12 for Project Extension Costs (Council Action-Motion)
 - d. Memo dated April 12, 2021 from Chief Lohmiller Re: Crosslake Fire Station Office and Radio Room Chairs (Council Action-Motion)
 - e. Memo dated April 12, 2021 from Chief Lohmiller Re: Crosslake Fire Station Audio / Video System (Council Action-Motion)
 - f. Pay Request #8 from Hytec Construction for Fire Hall Project in the Amount of \$111,685.40 (Council Action-Motion)
 - g. Letter dated April 9, 2021 from Andy Pickar Re: Soffit Wood Re-Staining (Council Action-Motion)
 - h. Letter dated April 9, 2021 from Andy Pickar Re: Gutter and Fascia (Council Action-Motion)
5. Update on Punch List for City Hall
 - a. Memo dated April 5, 2021 from Ted Strand Re: Plumbing Issues at City Hall
 - b. Update on Generator Issues at City Hall

G. CITY ADMINISTRATOR'S REPORT

1. Letter dated March 22, 2021 from Initiative Foundation Re: Services Offered (Council Information)
2. Letter dated March 25, 2021 from Crow Wing County to MN Department of Transportation and Letter dated March 15, 2021 from City of Crosslake to Crow Wing County Re: Traffic Investigation (Council Information)
3. Schedule Special Meeting to Review 2020 Financial Statements on Monday, May 10, 2021 at 6:00 P.M. (Council Action-Motion)
4. Memo dated April 8, 2021 from City Administrator Re: Additional Microphones for Council Chambers (Council Action-Motion)

5. Draft Resolution for the Issuance and Sale of \$865,000 G.O. Equipment Certificates, Series 2021A Providing for Their Issuance and Levying a Tax for the Payment Thereof (Council Action-Motion)
 - a. Summary of Bond Sale Results
 - b. Final Resolution for the Issuance and Sale of \$865,000 G.O. Equipment Certificates, Series 2021A Providing for Their Issuance and Levying a Tax for the Payment Thereof
6. Email dated March 4, 2021 from MN Healthcare Consortium Re: Administrator Change Effective 2022 (Council Information)

H. COMMISSION REPORTS

1. PUBLIC SAFETY
 - a. Update on Sale of Surplus Squad (Council Information)
 - b. Approval of 3-Year Mission Township Contract (Council Action-Motion)
 - c. Memo dated April 12, 2021 from Erik Lee Re: Surplus Items (Council Action-Motion)
2. PARK AND RECREATION/LIBRARY
 - a. Memo dated April 7, 2021 from TJ Graumann Re: Community Center Usage Policies and Rules Amendment (Council Action-Motion)
 - b. Memo dated April 7, 2021 from TJ Graumann Re: Schnitker Subdivision – Park Dedication Recommendation (Council Action-Motion)
 - c. Memo dated April 7, 2021 from TJ Graumann Re: Gallaway Subdivision – Park Dedication Recommendation (Council Action-Motion)
 - d. Memo dated April 7, 2021 from TJ Graumann Re: Natural Gas Line (Council Action-Motion)
 - e. Memo dated April 7, 2021 from TJ Graumann Re: HVAC Replacements (Council Action-Motion)
3. PUBLIC WORKS/SEWER/CEMETERY
 - a. Memo dated April 5, 2021 from Ted Strand Re: Publish Notice of Cemetery Clean-Up (Council Action-Motion)
 - b. Memo dated April 7, 2021 from Public Works Commission Re: Recommendation to Approve Construction Cost Share Agreement (Council Action-Motion)
 - c. Memo dated April 8, 2021 from Public Works Commission Re: Recommendation to Accept Bolton & Menk Proposal for Clarifier Rehabilitation and Lift Station Controls (Council Action-Motion)
 - d. Update on Sale of Surplus Vehicles (Council Information)

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J. CITY ATTORNEY REPORT

1. Update on Non-Payment of Lodging Tax
2. Memo dated April 8, 21021 from Brad Person Re: Summary of Closed Sessions

K. NEW BUSINESS

L. OLD BUSINESS

M. ADJOURN

City of Crosslake - Draft
Fire Hall Remodel Costs for Discussion Purposes 03.31.2021
(Note: Project is funded entirely with cash.)

Category	Project Budget	Actual Project Costs	Variance With Budget Over (Under)	Percent of Original Budget
Life Expectancy - Years	25 Years	25 Years		
ORIGINAL PROJECT BUDGET				
Contract Cost	1,298,770	1,298,770	-	0.00%
Design Engineering	100,000	103,305	3,305	0.24%
TOTAL ORIGINAL PROJECT BUDGET	1,398,770	1,402,075	3,305	0.24%
Hose Tower Flat Roof				
WO # 01 Hose Tower Flat Roof	14,401	-	(14,401)	-1.03%
WO # 01 Hose Tower Flat Roof - Removed	(14,401)	-	14,401	1.03%
	-	-	-	-
Additional Project Budget - Supplied by Contractor				
WO # 02 South Wall, Framing & Siding	28,800	28,800	*	0.00%
WO # 03 Re-Frame Overhead Doors	25,600	25,974	374	0.03%
WO # 04 Mechanical Pump Room	12,200	13,991	1,791	0.13%
WO # 05 Exterior Wall Sheathing at Doors and Openings	10,000	9,996	(4)	0.00%
WO # 05 Pending Credit	-	(3,000)	(3,000)	-0.21%
WO # 06 Expose and Replace All Interior and Exterior Walls	113,000	135,000	22,000	1.57%
WO # 08 Attic Vapor Barrier & Insulation	98,000	115,000	17,000	1.22%
N/A Concrete Slab Moisture Mitigation	35,000	-	(35,000)	-2.50%
WO # 09 Mold Mitigation - If Needed Allowance	50,000	25,000	*(25,000)	-1.79%
	372,600	350,761	(21,839)	-1.56%
Additional Change Orders - Supplied By Contractor				
WO # 07 Attic Draft Stops	25,342	19,644	(5,698)	-0.41%
WO #10 Bay 5 Overhead Door Relocate	6,488	18,759	12,271	0.88%
WO # 11 Hose Tower Balcony	4,612	5,558	946	0.07%
WO ?? Add Water to Mechanical Room	1,275	1,275	*	0.00%
WO # 13 Hose Tower Paint	7,040	6,999	(41)	0.00%
WO ?? Garage 116 FRP	3,125	3,125	*	0.00%
WO ?? Kitchen Cabinets - Provide and Install	15,247	15,247	*	0.00%
WO # 14 Water Softener System	4,909	4,909	*	0.00%
WO # 15 Garage Dehumidification system	14,258	14,258	*	0.00%
WO # 12 Winter Conditions	25,000	21,676	(3,324)	-0.24%
WO # ?? Facia and Gutters	4,615	4,615	*	0.00%
WO # ?? Soffit Re-Staining	6,570	6,570	*	0.00%
	118,481	122,634	4,153	0.30%
Additional Project Budget - Supplied by Owner				
Casework, Furniture, Other Items	69,833	-	(69,833)	-4.99%
ACE HARDWARE-CROSSLAKE - Miscellaneous items.	-	97	97	0.01%
ADSPEC MARKETING, INC. - Gear tags, temporary storage bags	-	321	321	0.02%
ALEX AIR APPARATUS, INC.- Move and replace compressor	-	1,280	1,280	0.09%
BRAUN INTERTEC CORPORATION - Fungal Sampling	-	2,174	2,174	0.16%
CROSSLAKE FIREFIGHTERS RELIEF - Reimburse City's Share of Appliances	-	3,809	3,809	0.27%
FYLES SATELLITES INC - Portable Restrooms	-	589	589	0.04%
JEFFERSON FIRE & SAFETY, INC. - Anchors and Jumbo Gear Bags	-	2,318	2,318	0.17%
KRUEGER INT L INC - Desk Furniture	-	2,293	2,293	0.16%
MACQUEEN EMERGENCY - Gear Lockers	-	11,263	11,263	0.81%
MILLER CONSTRUCTION - Building Rent	-	20,000	20,000	1.43%
JEFFERSON FIRE & SAFETY, INC. - Gear Dryer - Funded with CARES	-	9,667	9,667	0.69%
	69,833	53,811	(16,022)	-1.15%
Pending Items Supplied by Owner:				
Personnel Lockers - Ordered with bill pending	13,947	13,947	-	0.00%
Other Equipment - Exercise - City's share, Relief Association Pays Remainder	10,000	10,000	-	0.00%
Training Room Table and Chairs - Ordered with bill pending	14,605	14,605	-	0.00%
Window Shades - TBD	800	800	-	0.00%
Training Room AV Equipment - Pending Approval	33,084	33,084	-	0.00%
Radio Room Furniture - Chairs Only - Ordered with bill pending	3,732	3,732	-	0.00%
Miscellaneous - Shelving, entry mats, etc. - TBD	3,500	3,500	-	0.00%
	79,667	79,667	-	0.00%
	149,500	133,478	(16,022)	(0.01)
* Pending Work Order Amount				
Total Estimated Budget/Actual	2,039,351	2,008,948	(30,403)	-2.75%
As Compared to Original Budget		610,177.90		43.62%

C. 24.

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
TOTAL			122,408.22

April 9, 2021

Mayor Nevin
City of Crosslake
37028 County Rd 66
Crosslake, MN 56442

RE: Fire Station Remodel – Soffit Wood Re-Staining

Dear Mayor:

As requested, we are providing a budget price for staining the overhang soffits. Below is the breakdown for this option:

Soffit Re-Staining

\$6,570.00

- Clean and re-stain the existing wood soffits at east and west sides of the building.
- Includes pressure washing clean.
- Stain wood to match new siding.

Please review the outlined scope above and let me know if you have any questions.

Thank you for the opportunity to work with you on this and have a great day!

Sincerely,

Andy Pickar

Andy Pickar
Project Manager
HY-TEC CONSTRUCTION
OF BRAINERD, INC.

April 9, 2021

Mayor Nevin
City of Crosslake
37028 County Rd 66
Crosslake, MN 56442

RE: Fire Station Remodel – Gutter & Fascia

Dear Mayor:

As requested, we are providing a budget price for replacing new fascia metal and install new gutters. Below is the breakdown for this option:

Fascia and Gutters

\$4,615.00

- Install new 6" commercial gutters at the following locations:
 - East entrance by Hose Tower
 - Northwest entrance by ambulance.
 - Over Garage 116 on West side.
- Includes removal of the existing fascia on the overhangs and install of new metal fascia.

Please review the outlined scope above and let me know if you have any questions.

Thank you for the opportunity to work with you on this and have a great day!

Sincerely,



Andy Pickar
Project Manager
HY-TEC CONSTRUCTION
OF BRAINERD, INC.

G. 5. a.

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
		Net Interest Rate	0.8743%

Northland Securities, Inc.

2023	0.20%	Purchase Price	\$ 865,603.85
2024	0.30%	Net Interest Cost	\$ 36,838.79
2025 - 2029	1.00%	Net Interest Rate	0.8886%

Colliers Securities LLC

2023 - 2029	3.00%	Purchase Price	\$ 950,328.35
		Net Interest Cost	\$ 39,044.57
		Net Interest Rate	0.9418%

United Bankers' Bank

2023 - 2029	2.00%	Purchase Price	\$ 907,496.65
		Net Interest Cost	\$ 40,418.63
		Net Interest Rate	0.9749%

Bernardi Securities, Inc.

2023 - 2029	3.00%	Purchase Price	\$ 943,039.10
		Net Interest Cost	\$ 46,333.82
		Net Interest Rate	1.1176%

** 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

\$865,000

Final

General Obligation Equipment Certificate, Series 2021A

Uses of Funds		
Fire Truck Purchase		879,000.00
		-
Total Project Costs		879,000.00
Underwriter's Discount Allowance	0.00%	
Unused Underwriter's Discount Allowance		8,650.00
Financial Advisor	Verified	10,500.00
Bond Counsel	Verified	7,000.00
Pay Agent/Registrar	Verified	750.00
Printing & Misc	Verified	1,500.00
Rating Agency	Verified	9,750.00
Capitalized Interest		2,358.89
Bid Premium		-
Additional City Cash to Debt Service Fund		2,206.39
		921,715.28
Sources of Funds		
Bond Issue		865,000.00
Bid Premium to Capital Project Fund		46,669.90
Sourcewell Contribution applied to issuance expenses		5,250.00
City Contribution to Debt Service Fund		2,206.39
City Contribution to Capital Project Fund		2,588.99
		921,715.28

Payment Schedule & Cashflow

12-Month Period ending	Payment Schedule				plus 5% Coverage
	Principal	Interest Rate	Interest	Payment Total	
4/26/2021					
2/1/2022	-	2.00%	13,215	13,215	13,215
2/1/2023	120,000	2.00%	17,300	137,300	144,165
2/1/2024	120,000	2.00%	14,900	134,900	141,645
2/1/2025	125,000	2.00%	12,500	137,500	144,375
2/1/2026	125,000	2.00%	10,000	135,000	141,750
2/1/2027	125,000	2.00%	7,500	132,500	139,125
2/1/2028	125,000	2.00%	5,000	130,000	136,500
2/1/2029	125,000	2.00%	2,500	127,500	133,875
	865,000		82,915	947,915	994,650

David Drown Associates, Inc.

Bond Details		
Set Sale Date		3/8/2021
Award Date		4/12/2021
Dated Date		4/26/2021
Closing Date		4/26/2021
1st Interest Payment		2/1/2022
Proceeds spent by:		12/31/2021
	to Dated Date	
Purchase Price		911,669.90
Net Interest Cost		36,245.38
Net Effective Rate		0.8743%
Average Coupon		2.0000%
Average Life		4.7928
Yield		0.7128%
Call Option		Not callable
Purchaser		UMB Bank, N.A.
Bond Counsel		Taft Stettinius & Hollister, LLP
Pay Agent		Northland Trust Services, Inc.
Tax Status		Tax Exempt, Bank Qualified
Continuing Disclosure		Full
Rebate		\$5 million Small Issuer Exemption
Statutory Authority		MS 412.301

Pledged Revenues			Account Balances	
Collection Year	Tax Levy		Surplus (deficit)	Account Balance
		Deposit to Debt Service at Closing >		13,215
2021	-		(13,215)	-
2022	144,165		-	-
2023	141,645		-	-
2024	144,375		-	-
2025	141,750		-	-
2026	139,125		-	-
2027	136,500		-	-
2028	133,875		-	-
	981,435		(13,215)	

Cash Flow ~ Final

G. 5. b.

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:

and the following were absent:

Member _____ 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 irrepealable 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 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 _____ and, after a full discussion thereof and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA
COUNTY OF 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 ____ 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
		Net Interest Rate	0.8743%

Northland Securities, Inc.

2023	0.20%	Purchase Price	\$ 865,603.85
2024	0.30%	Net Interest Cost	\$ 36,838.79
2025 - 2029	1.00%	Net Interest Rate	0.8886%

Colliers Securities LLC

2023 - 2029	3.00%	Purchase Price	\$ 950,328.35
		Net Interest Cost	\$ 39,044.57
		Net Interest Rate	0.9418%

United Bankers' Bank

2023 - 2029	2.00%	Purchase Price	\$ 907,496.65
		Net Interest Cost	\$ 40,418.63
		Net Interest Rate	0.9749%

Bernardi Securities, Inc.

2023 - 2029	3.00%	Purchase Price	\$ 943,039.10
		Net Interest Cost	\$ 46,333.82
		Net Interest Rate	1.1176%

** 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

From: Brittani Daniel <bdaniel@resourcecoop-mn.gov>
Sent: Thursday, March 4, 2021 12:16 PM
To: mlyonais@crosslake.net
Cc: 'Harlan Johnson'
Subject: Minnesota Healthcare Consortium Announcement

Importance: High

Hello Mike,

On behalf of Resource Training & Solutions Service Cooperative, I wanted to share with you some important news and updates from the Minnesota Healthcare Consortium. Please see the message below that is being distributed to our MHC insurance pool group leaders and brokers.

As a valued member of our insurance pool, we appreciate your feedback and look forward to connecting with you in the near future!



Dear Group Leader,

After completing a comprehensive request for proposal (RFP) process per Minnesota statute, the Minnesota Healthcare Consortium (MHC) Board of Directors has approved an administrator change beginning in 2022. Medica has been awarded the business contingent on the successful negotiation of a contract.

In late October, MHC released an RFP for medical and pharmacy benefits management administrative services. This process resulted in five proposals from interested administrators. Semi-finalist meetings, coupled with an in-depth financial analysis and technical evaluations of the RFP responses, narrowed the field to three finalists. Finalist meetings took place in January and as a follow-up to those meetings, a best-and-final offer process was facilitated. As part of the finalist process, in-depth provider network disruption and financial analysis was facilitated. The entire RFP process was supported by industry experts that know and understand MHC, the marketplace, and our key stakeholders.

There are significant multi-year savings and value-added benefits presented as part of the new relationship that will ultimately benefit your organization and staff, and better position MHC to offer more competitive rates and services in the future. There is very little disruption anticipated with this change as it relates to the benefits, doctors, facilities, pharmacies, and prescriptions available to you.

Ultimately it is MHC's mission to serve you, our members. With that goal in mind, the decision to make a change was clear.

Groups will begin transitioning to Medica upon renewal in 2022, contingent on the successful negotiation of a contract. This lead-time will allow us to thoughtfully prepare for a seamless transition. This change does not impact 2021 renewals. We will continue to communicate key messaging throughout the process leading up to your 2022 renewal.

I will follow-up soon to answer any questions you may have.

Yours in health,

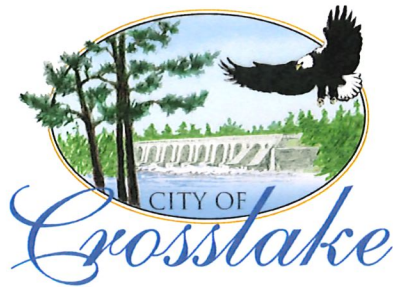
Brittani Daniel

Insurance and Wellness Manager

Resource Training & Solutions

(320) 255-3236 x353 | (320) 492-9111 (cell)

www.resourcecoop-mn.gov



City of Crosslake
POLICE DEPARTMENT
13888 Daggett Bay Rd
Crosslake, MN 56442
Police Chief Erik J. Lee
OFFICE: 218/692-2222 • FAX 218/692-3076

H.
I.
C.

Memorandum

Date: April 12, 2021
From: Erik Lee
Subject: Surplus Items

Mayor/City Council,

I request that the City Council declare two Ruger Mini 14 Rifles as surplus. The rifles will be sold on consignment at Bill's Gun Shop in Baxter. The rifles were used in squad cars many years ago and have not been used in recent years.

Respectfully,

Erik Lee
Police Chief