

Extract of Minutes of a Meeting
of the City Council of the City of
Grand Rapids, Itasca County, Minnesota

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Grand Rapids, Minnesota, was duly held in the City Hall in said City on Monday, December 5, 2022, commencing at 5:00 P.M.

The following members were present:

and the following were absent:

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The Mayor announced that the next order of business was consideration of the proposals which had been received for the purchase of the City's Taxable General Obligation Temporary Bonds, Series 2022A, to be issued in the original aggregate principal amount of \$10,000,000.

The City Administrator presented a tabulation of the proposals that had been received in the manner specified in the Terms of Proposal for the Bonds. The proposals are as set forth in EXHIBIT A attached.

After due consideration of the proposal, Member _____ then introduced the following resolution and moved its adoption:

RESOLUTION NO. 22-_____

**A RESOLUTION AWARDING THE SALE OF TAXABLE
GENERAL OBLIGATION TEMPORARY BONDS, SERIES 2022A,
IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF
\$10,000,000; FIXING THEIR FORM AND SPECIFICATIONS;
DIRECTING THEIR EXECUTION AND DELIVERY; AND
PROVIDING FOR THEIR PAYMENT**

BE IT RESOLVED By the City Council (the “City Council”) of the City of Grand Rapids, Itasca County, Minnesota (the “City”), as follows:

Section 1. Background; Findings.

1.01. Temporary Abatement Bonds.

(a) Under Minnesota Statutes, Chapter 475 and Sections 469.1812 through 469.1815, all as amended (collectively, the “Abatement Act”), the City is authorized to grant a property tax abatement on specified parcels in order to accomplish certain public purposes, including the provision of access to services for residents of the City, to provide or help acquire or construct public facilities, and to increase or preserve tax base in the City.

(b) Pursuant to a resolution adopted by the City Council on November 14, 2022 (the “Abatement Resolution”), following a duly noticed public hearing, the City Council approved a property tax abatement (the “Abatements”) in the maximum amount of \$2,000,000 for certain property in the City (the “Abatement Parcels”) over a period of twenty (20) years, in an amount sufficient to pay the principal amount of and all or a portion of the interest on bonds issued to finance the City’s costs of the construction, renovation, equipping and improvement of the IRA Civic Center located at 1401 NW 3rd Avenue in the City (the “Civic Center”), including but not limited to replacement of the roof, replacement of the ice plant, new capital equipment and improvements to the building, utilities and grounds (the “Civic Center Improvements”).

(c) In the Abatement Resolution, the City found and determined that the Civic Center Improvements benefit the Abatement Parcels and that the maximum principal amount of bonds to be secured by Abatements does not exceed the estimated sum of Abatements from the Abatement Parcels for the term authorized under the Abatement Resolution.

(d) The City is authorized by the provisions of Minnesota Statutes, Section 475.61, subdivision 6 (the “Temporary Bond Act”), to issue and sell temporary bonds to provide temporary financing for the costs of the Civic Center Improvements in anticipation of the issuance by the City of permanent bonds.

(e) It is necessary and expedient to the sound financial management of the affairs of the City to issue its temporary general obligation bonds in the principal amount of \$560,000 (the “Temporary Abatement Bonds”), pursuant to the Abatement Act and the Temporary Bond Act, to finance a portion of the costs of the Civic Center Improvements in anticipation of the issuance by the City of permanent bonds.

(f) As required by the Temporary Bond Act, the maturity date of the Temporary Abatement Bonds is no more than three years from the date the Temporary Abatement Bonds will be issued. The City intends to issue permanent general obligation tax abatement bonds (“Permanent Tax Abatement Bonds”) to refinance the Temporary Abatement Bonds and provide permanent financing for the Civic Center Improvements.

1.02. Temporary Sales Tax Bonds.

(a) Pursuant to Minnesota Statutes, Chapter 475 (the “Bond Act”), Minnesota Session Laws 2021, 1st Special Session, Chapter 14, Article 8, Section 7 (the “Special Legislation”), and pursuant to a referendum question duly approved by the electorate of the City on November 8, 2022 (the “Referendum”), the City has been authorized to impose certain sales and use taxes (collectively, the “Sales Taxes”) and to issue its general obligation bonds to finance the Civic Center Improvements, as specified in the Special Law.

(b) The City is authorized by the Temporary Bond Act to issue and sell its temporary bonds in anticipation of the issuance by the City of permanent bonds to provide temporary financing for the Civic Center Improvements and the costs of issuance of the Sales Tax Bonds.

(c) It is determined that it is necessary and desirable for the sound financial management of the City that the City issue and sell its temporary general obligation bonds in the aggregate principal amount of \$5,980,000 (the “Temporary Sales Tax Bonds”), pursuant to the Special Legislation, the Referendum, and the Temporary Bond Act to finance a portion of the costs of the Civic Center Improvements and the costs of issuance of the Sales Tax Bonds.

(d) As required by the Temporary Bond Act, the maturity date of the Temporary Sales Tax Bonds is no more than three years from the date the Temporary Sales Bonds will be issued. The City intends to issue permanent general obligation sales tax revenue bonds (“Permanent Sales Tax Bonds”) to refinance the Temporary Sales Tax Bonds and provide permanent financing for the Civic Center Improvements.

1.03. Temporary Equipment Certificates.

(a) The City is authorized by Minnesota Statutes, Chapter 475, as amended, and Minnesota Statutes, Section 412.301 (collectively, the “Equipment Act”), to issue its general obligation equipment certificates of indebtedness on such terms and in such manner as the City determines to finance the purchase of items of capital equipment (the “Equipment”), subject to certain limitations contained in the Equipment Act.

(b) As part of the Civic Center Improvements, the City has purchased and acquired or will purchase and acquire various items of Equipment including replacement of an R-22 refrigerant system in the Civic Center, which items of Equipment are set forth at EXHIBIT B attached hereto, to be purchased pursuant to the Equipment Act.

(c) As required by the Equipment Act: (i) the expected useful life of the Equipment is or will be at least as long as the term of the permanent general obligation equipment certificates to be issued to refund the Temporary Equipment Certificates (as hereinafter defined) and provide permanent financing for the Equipment; and the principal amount of Temporary Equipment Certificates to be issued in the year 2022 will not exceed 0.25 percent of the market value of taxable property in the City for the year 2022.

(d) The City is authorized by subdivision 6 of the Temporary Bond Act to issue and sell its temporary bonds in anticipation of the issuance by the City of permanent bonds to provide temporary financing for the costs of the Equipment.

(e) It is necessary and expedient to the sound financial management of the affairs of the City to issue its general obligation equipment certificates in the aggregate principal amount of \$3,460,000 (the “Temporary Equipment Certificates”), pursuant to the Equipment Act to provide financing for the acquisition of the Equipment.

(f) As required by the Temporary Bond Act, the maturity date of the Temporary Equipment Certificates is no more than three years from the date the Temporary Equipment Certificates will be issued. The City intends to issue permanent general obligation equipment certificates (the “Permanent Equipment Certificates”) to refinance the Temporary Equipment Certificates and provide permanent financing for the Equipment portion of the Civic Center Improvements.

1.04. Issuance of Taxable General Obligation Temporary Bonds.

(a) The City Council finds it necessary and expedient to the sound financial management of the affairs of the City to issue its Taxable General Obligation Temporary Bonds, Series 2022A (the “Bonds”), in the original aggregate principal amount of \$10,000,000, pursuant to the Abatement Act, the Temporary Bond Act, the Bond Act, the Special Legislation, the Referendum and the Equipment Act (together, the “Act”) to finance the Civic Center Improvements, the Equipment and the costs of issuance of the Bonds.

(b) The City is authorized by Minnesota Statutes, Section 475.60, subdivision 2(9) to negotiate the sale of the Bonds, it being determined that the City has retained Ehlers and Associates, Inc., as an independent municipal advisor (the “Municipal Advisor”) in connection with such sale. The actions of the City staff and the Municipal Advisor in negotiating the sale of the Bonds are ratified and confirmed in all aspects.

Section 2. Sale of the Bonds.

2.01. Award to the Purchaser and Interest Rates. The proposal of Colliers Securities LLC, Minneapolis, Minnesota (the “Purchaser”), to purchase the Bonds is hereby found and determined to be a reasonable offer and is hereby accepted, the proposal being to purchase the Bonds at a price of \$9,951,760 (the par amount of the Bonds of \$10,000,000.00, less an underwriter’s discount of \$48,240) for Bonds bearing interest as follows:

<u>Date of Maturity</u>	<u>Interest Rate</u>
December 1, 2025	4.750%

2.02. Purchase Contract. The amount proposed by the Purchaser in excess of the minimum bid shall be credited to the accounts of the Debt Service Fund hereinafter created or deposited in the accounts of the Construction Fund or the Equipment Fund hereinafter created, as determined by the Director of Finance of the City (the “Director of Finance”) in consultation with the Municipal Advisor. The Director of Finance is directed to deposit the good faith check or deposit of the Purchaser, pending completion of the sale of the Bonds. The Mayor and City Administrator are directed to execute a contract with the Purchaser on behalf of the City.

2.03. Terms and Principal Amounts of the Bonds. The City will forthwith issue and sell the Bonds to the Purchaser pursuant to the Act in the original aggregate principal amount of \$10,000,000, originally dated December 22, 2022, in the denominations of \$5,000 each or any integral multiple thereof, numbered No. R-1 and upward, bearing interest as above set forth, and maturing on December 1, 2025.

(a) \$590,000 of the principal amount of the Bonds constituting the Temporary Abatement Bonds, maturing on December 1 of the year and in the amount set forth below, is being used to finance a portion of the Civic Center Improvements pursuant to the Abatement Act and the Temporary Bond Act:

<u>Year</u>	<u>Amount</u>
2025	\$590,000

(b) \$5,980,000 of the principal amount of the Bonds, constituting the Temporary Sales Tax Bonds, maturing on December 1 of the year and in the amount set forth below, is being used to finance a portion of the Civic Center Improvements pursuant to the Special Legislation, the Referendum, the Bond Act and the Temporary Bond Act:

<u>Year</u>	<u>Amount</u>
2025	\$5,980,000

(c) \$3,430,000 of the principal amount of the Bonds, constituting the Temporary Equipment Certificates, maturing on December 1 of the year and in the amount set forth below, is being used to finance a portion of the Equipment pursuant to the Equipment Act and the Temporary Bond Act:

<u>Year</u>	<u>Amount</u>
2025	\$3,430,000

2.04. Optional Redemption. The City may elect on December 1, 2023 and on any day thereafter to redeem and prepay the Bonds maturing on December 1, 2025. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC (as defined in Section 7 hereof) of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Redemption will be at a price of par plus accrued interest.

Section 3. Registration and Payment.

3.01. Registered Form. The Bonds will be issued only in fully registered form. The interest thereon and, upon the surrender of each Bond, the principal amount thereof, is payable by check, draft or wire issued by the Registrar described herein.

3.02. Dates; Interest Payment Dates. The Bonds will be dated the date of delivery. The interest on the Bonds is payable on December 1 and June 1 of each year, commencing December 1, 2023, to the registered owner of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not that day is a business day.

3.03. Registration. The City will appoint and maintain a bond registrar, transfer agent, authenticating agent and paying agent (the “Registrar”). The effect of registration and the rights and duties of the City and the Registrar with respect thereto are as follows:

(a) Register. The Registrar must keep at its designated corporate trust office a bond register in which the Registrar provides for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of a Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until that interest payment date.

(c) Exchange of Bonds. When Bonds are surrendered by the registered owner for exchange the Registrar will authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner’s attorney in writing.

(d) Cancellation. Bonds surrendered upon transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When a Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Bond until the Registrar is satisfied that the endorsement on the Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name a Bond is registered in the bond register as the absolute owner of the Bond, whether the Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Bond and for all other purposes, and payments so made to a registered owner or upon the owner’s order will be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. The Registrar may impose a charge upon the owner thereof for a transfer or exchange of Bonds sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance and amount satisfactory to it and as provided by law, in which both the City and the Registrar must be named as obligees. Bonds so surrendered to the Registrar will be cancelled by the Registrar and evidence of such cancellation must be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it is not necessary to issue a new Bond prior to payment.

(i) Redemption. In the event any of the Bonds are called for redemption, written notice thereof identifying the Bonds to be redeemed will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) at least 30 days prior to the redemption date to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Registrar and by publishing the notice if required by law. Failure to give notice by publication or by mail to any registered owner, or any defect therein, will not affect the validity of the proceedings for the redemption of Bonds. Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

3.04. Appointment of Initial Registrar. The City appoints U.S. Bank Trust Company, National Association, Saint Paul, Minnesota, as the initial Registrar. The Mayor and the City Administrator are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, the resulting corporation is authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar upon thirty (30) days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar must deliver all cash and Bonds in its possession to the successor Registrar and must deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of the City Council, the Director of Finance must transmit to the Registrar moneys sufficient for the payment of all principal and interest then due.

3.05. Execution, Authentication and Delivery. The Bonds will be prepared under the direction of the City Administrator and executed on behalf of the City by the signatures of the Mayor and the City Administrator, provided that those signatures may be printed, engraved or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of a Bond, that signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Bond will not be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on a Bond is conclusive evidence that it has been authenticated and delivered under this resolution. When the Bonds have been so prepared, executed and authenticated, the City Administrator will deliver the same to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

Section 4. Form of Bonds.

4.01. Execution of the Bonds. The Bonds will be printed or typewritten in substantially the form set forth in EXHIBIT C attached hereto.

4.02. Approving Legal Opinion. The City Administrator is authorized and directed to obtain a copy of the proposed approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota, and cause the opinion to be printed on or accompany the Bonds.

Section 5. Payment; Security; Pledges and Covenants.

5.01. Debt Service Fund. The Bonds will be payable from the Taxable General Obligation Temporary Bonds, Series 2022A Debt Service Fund (the “Debt Service Fund”) hereby created. The Debt Service Fund shall be administered and maintained by the Director of Finance as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The City will maintain the following accounts in the Debt Service Fund: the “Temporary Abatement Bonds Account,” the “Temporary Sales Tax Bonds Account” and the “Temporary Equipment Certificates Account.” Amounts in the Temporary Abatement Bonds Account are irrevocably pledged to the Temporary Abatement Bonds, amounts in the Temporary Sales Tax Bonds Account are irrevocably pledged to the Temporary Sales Tax Bonds and amounts in the Temporary Equipment Certificates Account are irrevocably pledged to the Temporary Equipment Certificates.

(a) Temporary Abatement Bonds Account. There is hereby pledged to the Temporary Abatement Bonds Account, the (i) proceeds of the Permanent Tax Abatement Bonds; (ii) Abatements from the Abatement Parcels; (iii) proceeds of ad valorem taxes hereinafter levied for the payment of the Temporary Abatement Bonds; (iv) a pro rata portion of amounts over the minimum purchase price of the Temporary Abatement Bonds paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 2.02 hereof; (v) capitalized interest applicable to the Temporary Abatement Bonds Account, if any; (vi) all investment earnings on funds in the Temporary Abatement Bonds Account; and (vii) any and all other moneys which are properly available and are appropriated by the City Council to the Temporary Abatement Bonds Account.

(b) Temporary Sales Tax Bonds Account. There is hereby pledged to the Temporary Sales Tax Bonds Account, the (i) proceeds of the Permanent Sales Tax Bonds; (ii) the proceeds of the Sales Tax; (iii) proceeds of ad valorem taxes levied for the payment of the Temporary Sales Tax Bonds; (iv) a pro rata portion of amounts over the minimum purchase price of the Temporary Sales Tax Bonds paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 2.02 hereof; (v) capitalized interest applicable to the Temporary Sales Tax Bonds Account, if any; (vi) all investment earnings on funds in the Temporary Sales Tax Bonds Account; and (vii) any and all other moneys which are properly available and are appropriated by the City Council to the Temporary Sales Tax Bonds Account.

(c) Temporary Equipment Certificates Account. There is hereby pledged to the Temporary Equipment Certificates Account, the (i) proceeds of the Permanent Equipment Certificates; (ii) proceeds of ad valorem taxes hereinafter levied for the payment of the Temporary Equipment Certificates; (iv) a pro rata portion of amounts over the minimum purchase price of the Temporary Equipment Certificates paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 2.02 hereof; (v) capitalized interest applicable to the Temporary Equipment Certificates Account, if any; (vi) all investment earnings on funds in the Temporary Equipment Certificates Account; and (vii) any and all other moneys which are properly available and are appropriated by the City Council to the Temporary Equipment Certificates Account.

5.02. Construction Fund. The City hereby creates the Taxable General Obligation Temporary Bonds, Series 2022A Construction Fund (the “Construction Fund”). The City will maintain the following accounts in the Construction Fund: the “Temporary Abatement Bonds Account” and the “Temporary Sales Tax Bonds Account.” Amounts in the Temporary Abatement Bonds Account are irrevocably pledged to the portion of the Civic Center Improvements payable from the Temporary Abatement Bonds and amounts in the Temporary Sales Tax Bonds Account are irrevocably pledged to the portion of the Civic Center Improvements payable from the Temporary Sales Tax Bonds.

(a) Temporary Abatement Bonds Account. Proceeds of the Temporary Abatement Bonds, less the appropriations made in Section 5.01(a), together with any other funds appropriated on pro rata basis for the portion of the Civic Center Improvements payable from the Temporary Abatement Bonds, will be deposited in the Temporary Abatement Bonds Account of the Construction Fund to be used to defray expenses of the portion of the Civic Center Improvements funded with the proceeds of the Temporary Abatement Bonds and to pay costs of issuance. When the Civic Center Improvements are completed and the cost thereof paid, the Temporary Abatement Bonds Account of the Construction Fund is to be closed and any remaining funds are to be deposited in the Temporary Abatement Bonds Account of the Debt Service Fund.

(b) Temporary Sales Tax Bonds Account. Proceeds of the Temporary Sales Tax Bonds, less the appropriations made in Section 5.01(b), together with any other funds appropriated on a pro rata basis for the portion of the Civic Center Improvements payable from the Temporary Sales Tax Bonds, will be deposited in the Temporary Sales Tax Bonds Account of the Construction Fund to be used solely to defray expenses of the portion of the Civic Center Improvements funded with the proceeds of the Temporary Sales Tax Bonds. When the Civic Center Improvements are completed and the cost thereof paid, the Temporary Sales Tax Bonds Account of the Construction Fund is to be closed and any remaining funds are to be deposited in the Temporary Sales Tax Bonds Account of the Debt Service Fund.

5.03. Equipment Fund. The City hereby creates the Taxable General Obligation Temporary Bonds, Series 2022A Equipment Fund (the “Equipment Fund”). Amounts in the Equipment Fund are irrevocably pledged to the portion of the Equipment payable from the Temporary Equipment Certificates. Proceeds of the Temporary Equipment Certificates, less the appropriations made in Section 5.01(c), together with any other funds appropriated on a pro rata basis for the portion of the Equipment payable from the Temporary Equipment Certificates, will be deposited in the Equipment Fund to be used solely to defray expenses of the portion of the Equipment funded with the proceeds of the Temporary Equipment Certificates. When the Equipment is purchased and the cost thereof paid, the Equipment Fund is to be closed and any remaining funds are to be deposited in the Temporary Equipment Certificates Account of the Debt Service Fund.

5.04. City Covenants - Temporary Bonds. The City Council covenants and agrees in accordance with its statutory duties as provided under the Temporary Bond Act, that to the extent that the Bonds cannot be paid out of moneys available in the Debt Service Fund or out of other municipal funds which are available and appropriated by the City Council to such purpose when due, the City will pay and retire the Bonds and the interest thereon with of the proceeds of additional temporary bonds or permanent bonds which the City Council will issue and sell at or prior to the maturity of the Bonds. The City intends to issue the Permanent Tax Abatement Bonds, Permanent Sales Tax Bonds, and Permanent Equipment Certificates. The proceeds of such additional temporary bonds or permanent bonds, and any taxes hereafter levied for that purpose are pledged to the Debt Service Fund.

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

Furthermore, in accordance with its statutory duties under the Temporary Bond Act and Section 5.04 hereof, the City covenants and agrees with the holder of the Bonds that if the Bonds cannot be paid at maturity from the proceeds of the Permanent Tax Abatement Bonds, Permanent Sales Tax Bonds, Permanent Equipment Certificates, Abatements, the Sales Tax, the Taxes (as hereinafter defined) or from other funds appropriated by the City Council, the Bonds will be paid from the proceeds of additional temporary bonds or permanent bonds that will be issued and sold prior to the maturity date of the Bonds.

5.06. Pledge of Tax Levy. For the purpose of paying a portion of the interest on the Bonds, there is levied a direct annual irrevocable ad valorem tax (the "Taxes") upon all of the taxable property in the City, which will be spread upon the tax rolls and collected with and as part of other general taxes of the City. The Taxes will be credited to the Abatement Bonds Account, the Sales Tax Bonds Account and the Equipment Bonds Account of the Debt Service Fund above provided and will be in the years and amounts as attached hereto as EXHIBIT D.

5.07. Certification to County Auditor/Treasurer as to Debt Service Fund Amount. It is hereby determined that additional temporary bonds or permanent bonds and the estimated collection of the Abatements, the Sales Tax and the Taxes will produce at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levy herein provided is irrevocable until the Bonds are paid, provided that at the time the City makes its annual tax levies the Director of Finance may certify to the County Auditor/Treasurer of Itasca County, Minnesota (the "County Auditor/Treasurer") the amount available in the Debt Service Fund to pay principal and interest due during the ensuing year, and the County Auditor/Treasurer will thereupon reduce the levy collectible during such year by the amount so certified.

5.08. Registration of Resolution. City staff is authorized and directed to file a certified copy of this resolution with the County Auditor/Treasurer and to obtain the certificate required by Minnesota Statutes, Section 475.63.

Section 6. Authentication of Transcript.

6.01. City Proceedings and Records. The officers of the City are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bonds, certified copies of proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Bonds, and such instruments, including any heretofore furnished, will be deemed representations of the City as to the facts stated therein.

6.02. Certification as to Official Statement. The Mayor, the City Administrator, the City Clerk, or the Director of Finance are authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement.

6.03. Closing Certificates. The Mayor, the Director of Finance, the City Clerk, and/or the City Administrator are hereby authorized and directed to furnish to the Purchaser at the closing such certificates as are required as a condition of sale. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the City or incumbency of its officers, at the closing the Mayor, the Director of Finance, the City Clerk, and/or the City Administrator shall also execute and deliver to the Purchaser a suitable certificate as to absence of material litigation, and the Director of Finance shall also execute and deliver a certificate as to payment for and delivery of the Bonds.

6.04. Electronic Signatures. The electronic signature(s) of the Mayor, the Director of Finance, the City Administrator, and/or the City Clerk to this resolution and to any certificate authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the City thereto. For purposes hereof, (i) “electronic signature” means a manually signed original signature that is then transmitted by electronic means; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message.

6.05. Payment of Costs of Issuance. The City authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses in accordance with the closing memorandum to be prepared and distributed by Ehlers and Associates, Inc., the municipal advisor to the City, on the date of closing.

Section 7. Book-Entry System; Limited Obligation of City.

7.01. The Depository Trust Company. The Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Bond for each of the maturities set forth in Section 1.05 hereof. Upon initial issuance, the ownership of each Bond will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns (“DTC”). Except as provided in this section, all of the outstanding Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

7.02. Participants. With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the City, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository (the “Participants”) or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person (other than a registered owner of Bonds, as shown by the registration books kept by the Registrar) of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The City, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bonds, and for all other purposes. The Paying Agent will pay all principal of, premium, if any, and interest on the Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the City’s obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the registration books kept by the Registrar, will receive a certificated Bond evidencing the obligation of this resolution. Upon delivery by DTC to the City Administrator of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words “Cede & Co.” will refer to such new nominee of DTC; and upon receipt of such a notice, the City Administrator will promptly deliver a copy of the same to the Registrar and Paying Agent.

7.03. Representation Letter. The City has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the “Representation Letter”) which shall govern payment of principal of, premium, if any, and interest on the Bonds and notices with respect to the Bonds. Any Paying Agent or Registrar subsequently appointed by the City with respect to the Bonds will agree to take all action necessary for all representations of the City in the Representation Letter with respect to the Registrar and Paying Agent, respectively, to be complied with at all times.

7.04. Transfers Outside Book-Entry System. In the event the City, by resolution of the City Council, determines that it is in the best interests of the persons having beneficial interests in the Bonds that they be able to obtain Bond certificates, the City will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Bond certificates. In such event the City will issue, transfer and exchange Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this resolution. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the City will issue and the Registrar will authenticate Bond certificates in accordance with this resolution and the provisions hereof will apply to the transfer, exchange and method of payment thereof.

7.05. Payments to Cede & Co. Notwithstanding any other provision of this resolution to the contrary, so long as a Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on the Bond and notices with respect to the Bond will be made and given, respectively in the manner provided in DTC’s Operational Arrangements, as set forth in the Representation Letter.

Section 8. Continuing Disclosure.

8.01. Execution of Continuing Disclosure Certificate. “Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate executed by the Mayor and City Administrator and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

8.02. City Compliance with Provisions of Continuing Disclosure Certificate. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this resolution, failure of the City to comply with the Continuing Disclosure Certificate is not to be considered an event of default with respect to the Bonds; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this section.

Section 9. Defeasance. When all Bonds and all interest thereon have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of the Bonds will cease, except that the pledge of the full faith and credit of the City for the prompt and full payment of the principal of and interest on the Bonds will remain in full force and effect. The City may discharge the Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full. If any of the Bonds should not be paid when due, they 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.

Adopted by the City Council of the City of Grand Rapids, Minnesota this 5th day of December, 2022.

Mayor

ATTEST:

City Clerk

The motion for the adoption of the foregoing resolution was duly seconded by Member _____, 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.

EXHIBIT A
PROPOSALS



BID TABULATION

\$10,000,000 Taxable General Obligation Temporary Bonds, Series 2022A

City of Grand Rapids, Minnesota

SALE: December 5, 2022

AWARD: COLLIERS SECURITIES LLC

Rating: S&P Global Ratings "AA-"

Taxable - Non-Bank Qualified

NAME OF BIDDER	MATURITY (December 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
COLLIERS SECURITIES LLC Minneapolis, Minnesota	2025	4.750%	4.750%	\$9,951,760.00	\$1,445,531.67	4.9110%
NORTHLAND SECURITIES, INC. Minneapolis, Minnesota				\$9,969,100.00	\$1,501,733.33	5.0957%

EXHIBIT B

EQUIPMENT

Ice Plant Improvements to eliminate R-22
Security Cameras
TV Monitors
Dasher Boards/Glass
Table/Chairs/Miscellaneous Furniture
Elevator
Light Fixtures
Bleacher Heaters
Air conditioners
Heating units

EXHIBIT C
FORM OF BOND

No. R-1

\$10,000,000

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF ITASCA
CITY OF GRAND RAPIDS

TAXABLE GENERAL OBLIGATION TEMPORARY BONDS
SERIES 2022A

<u>Interest Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
4.750%	December 1, 2025	December 22, 2022	386335 FL2

Registered Owner: CEDE & CO.

The City of Grand Rapids, Minnesota, a duly organized and existing municipal corporation in Itasca County, Minnesota (the “City”), acknowledges itself to be indebted and for value received hereby promises to pay to the Registered Owner specified above or registered assigns, the principal sum of \$10,000,000 on the maturity date specified above to the person in whose name this Bonds is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. Interest on the Bonds shall be payable December 1 and June 1 of each year, commencing December 1, 2023 (calculated on the basis of a 360 day year of twelve (12) thirty (30) day months). The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check, draft, or wire by U.S. Bank Trust Company, National Association, Saint Paul, Minnesota, as Registrar, Paying Agent, Transfer Agent and Authenticating Agent, or its designated successor under the Resolution described herein (the “Registrar”). For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

The City may elect on December 1, 2023, and on any day thereafter to redeem and prepay the Bonds maturing on December 1, 2025. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify The Depository Trust Company (“DTC”) of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Redemption will be at a price of par plus accrued interest.

This Bond is one of an issue in the aggregate principal amount of \$10,000,000, all of like original issue date and tenor, except as to number, maturity date, redemption privilege and interest rate, all issued pursuant to a resolution adopted by the City Council of the City (the "City Council") on December 5, 2022 (the "Resolution"), for the purpose of providing money to defray the expenses incurred and to be incurred in financing the construction, renovation, equipping and improvement of the IRA Civic Center located at 1401 NW 3rd Avenue in the City, including but not limited to replacement of the roof, replacement of the ice plant, new capital equipment and improvements to the building, utilities and grounds (the "Project"), pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Chapter 475, Minnesota Statutes, Section 475.61, subdivision 6, Section 410.32 and Sections 469.1812 through 469.1815, all as amended, and Minnesota Session Laws 2021, 1st Special Session, Chapter 14, Article 8, Section 7. The principal hereof and the interest hereon is payable from permanent or additional temporary bonds to be issued to provide financing for the Project, sales tax revenues, abatements collected from certain property in the City and ad valorem taxes, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The full faith and credit of the City are irrevocably pledged for payment of this Bond and the City Council has obligated itself to issue and sell additional temporary bonds or permanent bonds to redeem the Bonds and to levy additional ad valorem taxes on all taxable property in the City in the event of any deficiency in abatement proceeds, sales tax revenues, permanent or additional temporary bonds issued for the Project, and taxes pledged, which additional taxes may be levied without limitation as to rate or amount. The Bonds of this series are issued only as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof of single maturities.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner's attorney; and may also be surrendered in exchange for bonds of other authorized denominations. Upon such transfer or exchange the City will cause a new bond or bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Registrar may deem and treat the person in whose name the Bonds is registered as the absolute owner hereof, whether the Bonds is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the City nor the Registrar will be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of the Bonds in order to make it a valid and binding general obligation of the City in accordance with its terms, have been done, do exist, have happened and have been performed as so required, and that the issuance of the Bonds does not cause the indebtedness of the City to exceed any constitutional or statutory limitation of indebtedness.

The Bonds is not valid or obligatory for any purpose or entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon has been executed by the Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City of Grand Rapids, Itasca County, Minnesota, by its City Council, has caused the Bonds to be executed on its behalf by the facsimile or manual signatures of the Mayor and City Administrator and has caused the Bonds to be dated as of the date set forth below.

Dated: December 22, 2022

CITY OF GRAND RAPIDS, MINNESOTA

Mayor

City Administrator

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

By _____
Authorized Representative

ABBREVIATIONS

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

TEN COM -- as tenants in common

UNIF GIFT MIN ACT

_____ Custodian _____

(Cust) (Minor)

TEN ENT -- as tenants by entireties

under Uniform Gifts or Transfers to Minors Act, State of _____

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

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 Bonds and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bonds on the books kept for registration of the within Bonds, 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 Bonds in every particular, without alteration or any change whatever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agent Medallion Program (“STAMP”), the Stock Exchange Medallion Program (“SEMP”), the New York Stock Exchange, Inc. Medallion Signatures Program (“MSP”) or other such “signature guarantee program” as may be determined by the Registrar in addition to, or in substitution for, STAMP, SEMP or MSP, all in accordance with the Securities Exchange Act of 1934, as amended.

The Registrar will not effect transfer of the Bonds unless the information concerning the assignee requested below is provided.

Name and Address: _____

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

Please insert social security or other identifying number of assignee

PROVISIONS AS TO REGISTRATION

The ownership of the principal of and interest on the within Bonds has been registered on the books of the Registrar in the name of the person last noted below.

<u>Date of Registration</u>	<u>Registered Owner</u>	<u>Signature of Officer of Registrar</u>
December 22, 2022 _____	Cede & Co. Federal ID #13-2555119	_____

EXHIBIT D
TAX LEVY SCHEDULES

PRINCIPAL AND INTEREST PAYMENT SCHEDULE

Issue ID# 341202

City of Grand Rapids, MN

Dated Date: 12/22/2022

\$10,000,000 Taxable General Obligation Temporary Bonds, Series 2022A

Call Date: 12/1/2023

Payment Date	Principal	Rate	Interest	Payment Notations	Total P & I	Fiscal Total	CUSIP
							No. Base: 386335
12/1/2023	-	-	447,291.67	*	447,291.67	447,291.67	
6/1/2024	-	-	237,500.00		237,500.00	-	
12/1/2024	-	-	237,500.00		237,500.00	475,000.00	
6/1/2025	-	-	237,500.00		237,500.00	-	
12/1/2025	10,000,000.00	4.750	237,500.00		10,237,500.00	10,475,000.00	FL2
Totals	10,000,000.00		1,397,291.67		11,397,291.67	11,397,291.67	

* The following funds are available to pay a portion of the interest payment due 12/01/2023.
Deposit to Debt Service Fund (Capitalized Interest): 179,811.25

PRINCIPAL AND INTEREST PAYMENT SCHEDULE BY PURPOSE

Issue ID# 341202

City of Grand Rapids, MN

Dated Date: 12/22/2022

\$10,000,000 Taxable General Obligation Temporary Bonds, Series 2022A

Call Date: 12/1/2023

Payment Date	ALLOCATION OF DEBT APPLICABLE TO:											
	Tax Abatement				Sales Tax				Equipment - Ice Arena Equipment - Miscellaneous			
	Less: Total Funds Available for				Less: Total Funds Available for				Less: Total Funds Available for			
	Principal	Interest	Debt Service	Net Fiscal Total	Principal	Interest	Debt Service	Net Fiscal Total	Principal	Interest	Debt Service	Net Fiscal Total
12/1/2023	-	26,390.21	(26,390.21)	0.00	-	267,480.42	-	267,480.42	-	153,421.04	(153,421.04)	0.00
6/1/2024	-	14,012.50	-	-	-	142,025.00	-	-	-	81,462.50	-	-
12/1/2024	-	14,012.50	-	28,025.00	-	142,025.00	-	284,050.00	-	81,462.50	-	162,925.00
6/1/2025	-	14,012.50	-	-	-	142,025.00	-	-	-	81,462.50	-	-
12/1/2025	590,000.00	14,012.50	-	618,025.00	5,980,000.00	142,025.00	-	6,264,050.00	3,430,000.00	81,462.50	-	3,592,925.00
Totals	590,000.00	82,440.21	(26,390.21)	646,050.00	5,980,000.00	835,580.42	0.00	6,815,580.42	3,430,000.00	479,271.04	(153,421.04)	3,755,850.00

The following funds are available to pay a portion of the interest payment due 12/01/2023.
Deposit to Debt Service Fund (Capitalized Interest): 179,811.25

STATE OF MINNESOTA)
)
COUNTY OF ITASCA) SS.
)
CITY OF GRAND RAPIDS)

I, being the duly qualified and acting City Clerk of the City of Grand Rapids, Itasca County, Minnesota (the “City”), do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the City Council of the City held on December 5, 2022, with the original minutes on file in my office and the extract is a full, true and correct copy of the minutes insofar as they relate to the issuance and sale of the City’s Taxable General Obligation Temporary Bonds, Series 2022A, in the original aggregate principal amount of \$10,000,000

WITNESS My hand officially as such City Clerk and the corporate seal of the City this _____ day of December, 2022.

(SEAL)

City Clerk
City of Grand Rapids, Minnesota