

CITY OF MARSHALL, MINNESOTA

RESOLUTION NO. 25-021

**RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF
THE CITY'S GENERAL OBLIGATION SALES TAX REVENUE
BONDS, SERIES 2025B, IN THE ESTIMATED AGGREGATE
PRINCIPAL AMOUNT OF \$20,100,000**

BE IT RESOLVED by the City Council (the "Council") of the City of Marshall, Minnesota (the "City"), in regular meeting assembled:

1. Sales Tax Revenue Bonds.

It is hereby determined that:

(a) pursuant to Minnesota Laws, 2023, Regular Session, Chapter 64, Article 10, Section 14 (the "Special Law") and Minnesota Statutes, Chapter 475, as amended ("Chapter 475," and together with the Special Law, the "Sales Tax Act"), and pursuant to a referendum question duly approved by the electorate of the City on November 7, 2023 (the "Voter Approval"), the City has been authorized to extend a local sales and use tax of one-half of one percent (the "Sales Taxes") on items that are taxable by the State of Minnesota in order to raise revenues to finance the construction of a new municipal aquatic center in the City (the "Project"), including securing and paying debt service on bonds issued to finance the Project and associated bond issuance costs.

(b) the City is authorized by the Sales Tax Act and Voter Approval to issue its general obligation bonds under Chapter 475 to finance all or a portion of the cost of the Project in the aggregate principal amount not to exceed \$18,370,000, plus an amount to be applied to the payment of debt service on such bonds and associated bond issuance costs, payable from the Sales Taxes.

(c) it is necessary and expedient to the sound financial management of the affairs of the City to issue its General Obligation Sales Tax Revenue Bonds, Series 2025A (the "Bonds"), in the approximate principal amount of \$20,100,000, which amount includes \$18,370,000 to finance the costs of the Project, plus an additional amount to be applied to the payment of the costs of issuing the Bonds and interest on the Bonds.

2. Sale of Bonds.

(a) It is necessary and expedient to the sound financial management of the affairs of the City to issue the Bonds, pursuant to the Sales Tax Act, the Voter Approval, and Chapter 475 to provide financing for the Project and payment of the costs of issuing the Bonds and interest on the Bonds. The Bonds will be issued, sold, and delivered in accordance with the Terms of Proposal substantially in the form attached hereto as EXHIBIT A (the "Terms of Proposal").

(b) The City is authorized by Minnesota Statutes, Section 475.60, subdivision 2(9) of to negotiate the sale of the Bonds, it being determined that the City has retained an independent municipal advisor in connection with such sale.

3. Authority of Municipal Advisor. Baker Tilly Municipal Advisors, LLC (the "Municipal Advisor") is authorized and directed to negotiate the Bonds in accordance with the Terms of Proposal, subject to adjustment as provided in Section 5(a) of this resolution. The Council will meet at 5:30 P.M. on Tuesday, April 8, 2025, to consider proposals on the Bonds and/or take any other appropriate action with respect to the Bonds.

4. Authority of Bond Counsel. The law firm of Kutak Rock LLP, as bond counsel for the City ("Bond Counsel"), is authorized to act as bond counsel and to assist in the preparation and review of necessary documents, certificates and instruments relating to the Bonds. The officers, employees and agents of the City are hereby authorized to assist Bond Counsel in the preparation of such documents, certificates, and instruments.

5. Covenants. In the resolution awarding the sale of the Bonds the Council will set forth the covenants and undertakings required by the Chapter 475.

6. Official Statement. In connection with the sale of the Bonds, the officers or employees of the City are authorized and directed to cooperate with the Municipal Advisor and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

7. Reimbursement. The City has or may have incurred certain expenditures with respect to the Project that were financed temporarily from other sources but are expected to be reimbursed with proceeds of the Bonds. The City hereby declares its intent to reimburse certain costs of the Project from proceeds of the Bonds (the "Declaration"). This Declaration is intended to constitute a declaration of official intent for purposes of Section 1.150-2 of the Treasury Regulations promulgated under the Internal Revenue Code of 1986, as amended.

Passed and adopted this March 11, 2025.

CITY OF MARSHALL, MINNESOTA

Robert J. Byrnes
Mayor

Attest:

Steven Anderson
City Clerk

EXHIBIT A

THE CITY HAS AUTHORIZED BAKER TILLY MUNICIPAL ADVISORS, LLC TO NEGOTIATE THIS ISSUE ON ITS BEHALF. PROPOSALS WILL BE RECEIVED ON THE FOLLOWING BASIS:

TERMS OF PROPOSAL

\$20,100,000*

CITY OF MARSHALL, MINNESOTA

GENERAL OBLIGATION SALES TAX REVENUE BONDS, SERIES 2025B

(BOOK ENTRY ONLY)

Proposals for the above-referenced obligations (the “Series 2025B Bonds”) will be received by the City of Marshall, Minnesota (the “City”) on Tuesday, April 8, 2025 (the “Sale Date”) until 10:00 A.M., Central Time (the “Sale Time”) at the offices of Baker Tilly Municipal Advisors, LLC (“Baker Tilly MA”), 30 East 7th Street, Suite 3025, Saint Paul, MN 55101, after which time proposals will be opened and tabulated. Consideration for award of the Series 2025B Bonds will be by the City Council at its meeting commencing at 5:30 P.M., Central Time, of the same day.

SUBMISSION OF PROPOSALS

Baker Tilly MA will assume no liability for the inability of a bidder or its proposal to reach Baker Tilly MA prior to the Sale Time, and neither the City nor Baker Tilly MA shall be responsible for any failure, misdirection or error in the means of transmission selected by any bidder. All bidders are advised that each proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Series 2025B Bonds regardless of the manner in which the proposal is submitted.

(a) **Sealed Bidding.** Completed, signed proposals may be submitted to Baker Tilly MA by email to bids@bakertilly.com, and must be received prior to the Sale Time.

OR

(b) **Electronic Bidding.** Proposals may also be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all proposals submitted to PARITY®. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic proposal in a timely manner and in compliance with the requirements of the Terms of Proposal.* Neither the City, its agents, nor PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the City, its agents, nor PARITY® shall be responsible for a bidder’s failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The City is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Series 2025B Bonds, and PARITY® is not an agent of the City.

If any provisions of this Terms of Proposal conflict with information provided by PARITY®, this Terms of Proposal shall control. Further information about PARITY®, including any fee charged, may be obtained from:

PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018
Customer Support: (212) 849-5000

*Preliminary; subject to change.

Baker Tilly Municipal Advisors, LLC is a registered municipal advisor and controlled subsidiary of Baker Tilly Advisory Group, LP. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, operate under an alternative practice structure and are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm and provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms. ©2025 Baker Tilly Municipal Advisors, LLC

DETAILS OF THE SERIES 2025B BONDS

The Series 2025B Bonds will be dated as of the date of delivery and will bear interest payable on February 1 and August 1 of each year, commencing February 1, 2026. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2025B Bonds will mature February 1 in the years and amounts* as follows:

2028	\$625,000	2032	\$775,000	2036	\$ 960,000	2040	\$1,190,000	2044	\$1,475,000
2029	\$660,000	2033	\$820,000	2037	\$1,015,000	2041	\$1,255,000	2045	\$1,555,000
2030	\$695,000	2034	\$865,000	2038	\$1,070,000	2042	\$1,325,000	2046	\$1,640,000
2031	\$735,000	2035	\$910,000	2039	\$1,130,000	2043	\$1,400,000		

*The City reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Series 2025B Bonds or the amount of any maturity or maturities in multiples of \$5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Series 2025B Bonds as that of the original proposal. Gross spread for this purpose is the differential between the price paid to the City for the new issue and the prices at which the proposal indicates the securities will be initially offered to the investing public.

BOOK ENTRY SYSTEM

The Series 2025B Bonds will be issued by means of a book entry system with no physical distribution of Series 2025B Bonds made to the public. The Series 2025B Bonds will be issued in fully registered form and one Series 2025B Bond, representing the aggregate principal amount of the Series 2025B Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Series 2025B Bonds. Individual purchases of the Series 2025B Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Series 2025B Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The lowest bidder (the "Purchaser"), as a condition of delivery of the Series 2025B Bonds, will be required to deposit the Series 2025B Bonds with DTC.

REGISTRAR/PAYING AGENT

U.S. Bank Trust Company, National Association, Saint Paul, Minnesota will serve as Registrar/Paying Agent (the "Registrar") for the Series 2025B Bonds, and shall be subject to applicable regulations of the Securities and Exchange Commission. The City will pay for the services of the Registrar.

OPTIONAL REDEMPTION

The City may elect on February 1, 2035, and on any day thereafter, to redeem Series 2025B Bonds due on or after February 1, 2036. 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 shall determine. If less than all Series 2025B Bonds of a maturity are called for redemption, the City will notify 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. All redemptions shall be at a price of par plus accrued interest.

SECURITY AND PURPOSE

The Series 2025B Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. In addition, the City will pledge a sales and use tax of one-half of one percent (0.50%) for repayment of the Series 2025B Bonds. The proceeds of the Series 2025B Bonds, along with available City funds, will be used to finance (i) construction of a new Aquatic Center within the City; (ii) capitalized interest; and (iii) the costs of issuance of the Series 2025B Bonds.

NOT BANK QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will not designate the Series 2025B Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

BIDDING PARAMETERS

Proposals shall be for not less than \$20,100,000 (Par) plus accrued interest, if any, on the total principal amount of the Series 2025B Bonds. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity as stated on the proposal must be 98.0% or greater.

Proposals for the Series 2025B Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth herein. In order to designate term bonds, the proposal must specify “Years of Term Maturities” in the spaces provided on the proposal form.

No proposal can be withdrawn or amended after the time set for receiving proposals on the Sale Date unless the meeting of the City scheduled for award of the Series 2025B Bonds is adjourned, recessed, or continued to another date without award of the Series 2025B Bonds having been made. Series 2025B Bonds of the same maturity shall bear a single rate from the date of the Series 2025B Bonds to the date of maturity. No conditional proposals will be accepted.

ESTABLISHMENT OF ISSUE PRICE

In order to provide the City with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the “Code”), the Purchaser will be required to assist the City in establishing the issue price of the Series 2025B Bonds and shall complete, execute, and deliver to the City prior to the closing date, a written certification in a form acceptable to the Purchaser, the City, and Bond Counsel (the “Issue Price Certificate”) containing the following for each maturity of the Series 2025B Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity): (i) the interest rate; (ii) the reasonably expected initial offering price to the “public” (as said term is defined in Treasury Regulation Section 1.148-1(f) (the “Regulation”)) or the sale price; and (iii) pricing wires or equivalent communications supporting such offering or sale price. Any action to be taken or documentation to be received by the City pursuant hereto may be taken or received on behalf of the City by Baker Tilly MA.

The City intends that the sale of the Series 2025B Bonds pursuant to this Terms of Proposal shall constitute a “competitive sale” as defined in the Regulation based on the following:

- (i) the City shall cause this Terms of Proposal to be disseminated to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (ii) all bidders shall have an equal opportunity to submit a bid;
- (iii) the City reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Series 2025B Bonds; and
- (iv) the City anticipates awarding the sale of the Series 2025B Bonds to the bidder who provides a proposal with the lowest true interest cost, as set forth in this Terms of Proposal (See “AWARD” herein).

Any bid submitted pursuant to this Terms of Proposal shall be considered a firm offer for the purchase of the Series 2025B Bonds, as specified in the proposal. The Purchaser shall constitute an “underwriter” as said term is defined in the Regulation. By submitting its proposal, the Purchaser confirms that it shall require any agreement among underwriters, a selling group agreement, or other agreement to which it is a party relating to the initial sale of the Series 2025B Bonds, to include provisions requiring compliance with the provisions of the Code and the Regulation regarding the initial sale of the Series 2025B Bonds.

If all of the requirements of a “competitive sale” are not satisfied, the City shall advise the Purchaser of such fact prior to the time of award of the sale of the Series 2025B Bonds to the Purchaser. **In such event, any proposal submitted will not be subject to cancellation or withdrawal.** Within twenty-four (24) hours of the notice of award of the sale of the Series 2025B Bonds, the Purchaser shall advise the City and Baker Tilly MA if 10% of any maturity of the Series 2025B Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) has been sold to the public and the price at which it was sold. The City will treat such sale price as the “issue price” for such maturity, applied on a maturity-by-maturity basis. The City will not require the Purchaser to comply with that portion of the Regulation commonly described as the “hold-the-offering-price” requirement for the remaining maturities, but the Purchaser may elect such option. If the Purchaser exercises such option, the City will apply the initial offering price to the public provided in the proposal as the issue price for such maturities. If the Purchaser does not exercise that option, it shall thereafter promptly provide the City and Baker Tilly MA the prices at which 10% of such maturities are sold to the public; provided such determination shall be made and the City and Baker Tilly MA notified of such prices whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Series 2025B Bonds or until all of the Series 2025B Bonds of a maturity have been sold.

GOOD FAITH DEPOSIT

To have its proposal considered for award, the Purchaser is required to submit a good faith deposit via wire transfer to the City in the amount of \$201,000 (the “Deposit”) no later than 1:00 P.M., Central Time on the Sale Date. The Purchaser shall be solely responsible for the timely delivery of its Deposit, and neither the City nor Baker Tilly MA have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the City may, at its sole discretion, reject the proposal of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

A Deposit will be considered timely delivered to the City upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from Baker Tilly MA following the receipt and tabulation of proposals. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and (iii) the issue to which it applies.

Once an award has been made, the Deposit received from the Purchaser will be retained by the City and no interest will accrue to the Purchaser. The amount of the Deposit will be deducted at settlement from the purchase price. In the event the Purchaser fails to comply with the accepted proposal, said amount will be retained by the City.

AWARD

The Series 2025B Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis calculated on the proposal prior to any adjustment made by the City. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The City will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Series 2025B Bonds, (ii) reject all proposals without cause, and (iii) reject any proposal that the City determines to have failed to comply with the terms herein.

BOND INSURANCE AT PURCHASER'S OPTION

The City has **not** applied for or pre-approved a commitment for any policy of municipal bond insurance with respect to the Series 2025B Bonds. If the Series 2025B Bonds qualify for municipal bond insurance and a bidder desires to purchase a policy, such indication, the maturities to be insured, and the name of the desired insurer must be set forth on the bidder's proposal. The City specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the City. All costs associated with the issuance and administration of such policy and associated ratings and expenses (other than any independent rating requested by the City) shall be paid by the successful bidder. Failure of the municipal bond insurer to issue the policy after the award of the Series 2025B Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Series 2025B Bonds.

CUSIP NUMBERS

If the Series 2025B Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Series 2025B Bonds; however, neither the failure to print such numbers on any Series 2025B Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Series 2025B Bonds. Baker Tilly MA will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

SETTLEMENT

On or about May 8, 2025, the Series 2025B Bonds will be delivered without cost to the Purchaser through DTC in New York, New York. Delivery will be subject to receipt by the Purchaser of an approving legal opinion of Kutak Rock, LLP of Minneapolis, Minnesota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Series 2025B Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the City or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Series 2025B Bonds has been made impossible by action of the City, or its agents, the Purchaser shall be liable to the City for any loss suffered by the City by reason of the Purchaser's non-compliance with said terms for payment.

CONTINUING DISCLOSURE

In accordance with SEC Rule 15c2-12(b)(5), the City will undertake, pursuant to the resolution awarding sale of the Series 2025B Bonds, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Official Statement. The Purchaser's obligation to purchase the Series 2025B Bonds will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Series 2025B Bonds.

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Series 2025B Bonds, and said Preliminary Official Statement has been deemed final by the City as of the date thereof within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For an electronic copy of the Preliminary Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Municipal Advisor to the City, Baker Tilly Municipal Advisors, LLC, by telephone (651) 223-3000, or by email bids@bakertilly.com.

A Final Official Statement (as that term is defined in Rule 15c2-12) will be prepared, specifying the maturity dates, principal amounts, and interest rates of the Series 2025B Bonds, together with any other information required by law. By awarding the Series 2025B Bonds to the Purchaser, the City agrees that, no more than seven business days after the date of such award, it shall provide to the Purchaser an electronic copy of the Final Official Statement. The City designates the Purchaser as its agent for purposes of distributing the Final Official Statement to each syndicate member, if applicable. The Purchaser agrees that if its proposal is accepted by the City, (i) it shall accept designation and (ii) it shall enter into a contractual relationship with its syndicate members for purposes of assuring the receipt of the Final Official Statement by each such syndicate member.

Dated March 11, 2025

BY ORDER OF THE CITY COUNCIL
/s/ Sharon Hanson
City Administrator

STATE OF MINNESOTA)
)
COUNTY OF LYON) SS
)
CITY OF MARSHALL)

I, the undersigned, being the duly qualified and acting City Clerk of the City of Marshall, Minnesota (the “City”), 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 the City, duly called and held on March 12, 2025, insofar as such minutes relate to the issuance and sale of the City’s General Obligation Sales Tax Revenue Bonds, Series 2025B, in the estimated aggregate principal amount of \$2,590,000.

WITNESS my hand this 11th day of March 2025.

CITY OF MARSHALL, MINNESOTA

Steven Anderson
City Clerk