

**EXTRACT OF MINUTES OF MEETING OF THE
COUNCIL OF THE CITY OF MARSHALL
LYON COUNTY, MINNESOTA**

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Marshall, Minnesota, was duly held remotely by telephone or other electronic means at the MERIT Center in said City on Tuesday, April 13, 2021, commencing at 5:30 p.m.

The following members were present:

and the following were absent:

Council Member _____ introduced the following written Resolution No. _____, Second Series attached hereto and moved its adoption. The motion for the adoption of the resolution was duly seconded by Council Member _____ and upon a vote being taken thereon, the following Council Members voted AYE:

and the following voted NAY:

Passed, adopted, approved and filed this 13th day of April, 2021.

CITY OF MARSHALL, MINNESOTA

RESOLUTION NUMBER 21-031

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF THE CITY'S GENERAL OBLIGATION BONDS, SERIES 2021A, IN THE PROPOSED AGGREGATE PRINCIPAL AMOUNT OF \$1,965,000 AND GENERAL OBLIGATION STATE AID STREET BONDS, SERIES 2021B, IN THE PROPOSED AGGREGATE PRINCIPAL AMOUNT OF \$2,310,000

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

1. Street Reconstruction Bonds.

(a) Pursuant to Minnesota Statutes, Chapter 475, as amended ("Chapter 475"), specifically Section 475.58, subdivision 3b (collectively, the "Street Reconstruction Act"), the City is authorized to issue general obligation bonds to finance street reconstruction and bituminous overlays, which may include utility replacement and relocation and other activities incidental to the street reconstruction, turn lanes and other improvements having a substantial public safety function, realignments, other modifications to intersect with state and county roads, and the local share of state and county road projects (but does not include the portion of project costs allocable to widening a street or adding curbs and gutters where none previously existed except in the case of turn lanes, safety improvements, realignments, intersection modifications, and the local share of state and county road projects).

(b) As a condition to the issuance of general obligation street reconstruction bonds, the City must adopt a street reconstruction or overlay plan that describes the street reconstruction or overlay to be financed, the estimated costs, and any planned reconstruction or overlay of other streets in the municipality over the next five years, and such plan and issuance of the street reconstruction bonds must be approved by a vote of a two-thirds majority of the members of the governing body present at the meeting following a public hearing for which notice has been published in the official newspaper at least ten (10) days but not more than twenty-eight (28) days prior to the hearing.

(c) By resolution of the Council of the City, adopted on February 23, 2021 (the "Resolution Calling Public Hearings"), the Council authorized a public hearing to be conducted on March 23, 2021, with respect to a five-year street reconstruction plan (the "Street Reconstruction Plan") prepared in compliance with the Street Reconstruction Act, and the proposed issuance of general obligation bonds (the "Street Reconstruction Bonds") to finance certain street reconstruction described in the Street Reconstruction Plan, including the N 1st Street/W Marshall/W Redwood Reconstruction, and James Ave Reconstruction & Storm Outfall Improvement (the "Street Reconstruction"). The City Clerk was authorized and directed to cause a notice of public hearing to be published in the official newspaper of the City once at least ten (10) days but not more than twenty-eight (28) days before the date of the public hearing.

(d) A notice of public hearing with respect to the Street Reconstruction Plan and the proposed issuance of the Street Reconstruction Bonds to finance the Street Reconstruction was published on February 27, 2020 in *The Marshall Independent*, the official newspaper of the City in accordance with the Street Reconstruction Act.

(e) On March 23, 2021, the Council of the City conducted a public hearing on the proposals that the City adopt the Street Reconstruction Plan and issue the Street Reconstruction Bonds to finance the Street Reconstruction, all under the Street Reconstruction Act. Following the public hearing, the Council adopted the Street Reconstruction Plan and the issuance of the Street Reconstruction Bonds in the maximum principal amount of \$2,000,000 by a vote of at least two-thirds majority of the members of the Council present at the meeting.

(f) The City proposes to issue the Street Reconstruction Bonds in the proposed aggregate principal amount of \$1,180,000 to finance the Street Reconstruction and the costs of issuing the Street Reconstruction Bonds, subject to the contingency described in subsection (g) below. The principal of and interest on the Street Reconstruction Bonds will be paid primarily from revenues derived from the imposition of ad valorem property taxes, in addition to other available revenues of the City.

(g) If a petition requesting a vote on the issuance of the Street Reconstruction Bonds, signed by voters equal to five percent (5%) of the votes cast in the last municipal general election, is filed with the City Clerk within thirty (30) days after the date of the public hearing, the City may issue the Street Reconstruction Bonds only after obtaining approval of a majority of voters voting on the question at an election. The authorization to issue the Street Reconstruction Bonds is subject to expiration of the 30-day period without the City's receipt of a qualified petition under the Street Reconstruction Act, or if a qualified petition is filed, upon the approving vote of a majority of the voters voting on the question of issuance of the Street Reconstruction Bonds.

2. CIP Bonds.

(a) The City is authorized by Chapter 475, including in particular Section 475.521 (the "CIP Act"), to finance certain Improvements under an approved capital improvement plan by the issuance of general obligation bonds of the City payable from ad valorem taxes. Capital improvements include the acquisition or betterment of public lands, buildings or other improvements for the purpose of a city hall, library, public safety facility and public works facilities (excluding light rail transit or any activity related to it, or a park, road, bridge, administrative building other than a city hall, or land for any of those facilities).

(b) As a condition to the issuance of general obligation capital improvement bonds, the City must adopt a capital improvement plan that covers a five-year period beginning with the date of its adoption and that is prepared in accordance with the requirements of the CIP Act. The capital improvement plan and annual amendments thereto must be approved by the Council following a public hearing.

(c) Before the issuance of general obligation capital improvement bonds under the CIP Act, the City must publish a notice of its intention to issue such bonds and the date and time of the public hearing to obtain public comment on the matter. The notice must be published in the official newspaper of the City or in a newspaper of general circulation in the City at least fourteen (14) days but not more than twenty-eight (28) days before the date of the hearing. The bonds must be approved by an affirmative vote of at least three-fifths of the members of a five-member governing body or two-thirds of the members of a governing body having more or less than five members.

(d) Pursuant to the Resolution Calling Public Hearings, the Council authorized a public hearing to be conducted on March 23, 2021, with respect to a five-year capital improvement plan (the “Capital Improvement Plan”) prepared in compliance with the CIP Act, and the proposed issuance of general obligation bonds (the “CIP Bonds”) to finance various capital improvement projects described in the Capital Improvement Plan, including the construction of a new roof on a fire station in the City (the “Capital Improvements”) (the “Capital Improvements”). The City Clerk was authorized and directed to cause a notice of public hearing to be published in the official newspaper of the City once at least fourteen (14) days but not more than twenty-eight (28) days before the date of the public hearing.

(e) A notice of public hearing with respect to the Capital Improvement Plan and the proposed issuance of the CIP Bonds to finance the Capital Improvements was published on February 27, 2020 in *The Marshall Independent*, the official newspaper of the City in accordance with the Street Reconstruction Act.

(f) On March 23, 2021, the Council conducted a public hearing on the proposal that the City adopt the Capital Improvement Plan and issue the CIP Bonds to finance the Capital Improvements, all under the CIP Act. Following the public hearing, the Council approved the Capital Improvement Plan and the issuance of the CIP Bonds in the maximum principal amount of \$250,000 by a vote of at least two-thirds majority of the members of the Council.

(g) As required by the CIP Act, the City has determined that: (i) the expected useful life of the Capital Improvements to be financed with the proceeds of the CIP Bonds will be at least five years; and (ii) the maximum amount of principal and interest to become due in any year on all outstanding bonds issued by the City under the CIP Act, including the CIP Bonds, will not equal or exceed 0.16 percent of the estimated market value of property in the City for taxes payable in 2021.

(h) The City proposes to issue the CIP Bonds in the proposed aggregate principal amount of \$120,000 to finance the Capital Improvements and the costs of issuing the CIP Bonds, subject to the contingency described in subsection (i) below. The principal of and interest on the CIP Bonds will be paid primarily from revenues derived from the imposition of ad valorem property taxes, in addition to other available revenues of the City.

(i) If a petition requesting a vote on the issuance of the CIP Bonds, signed by voters equal to five percent (5%) of the votes cast in the last municipal general election, is filed with the City Clerk within thirty (30) days after the date of the public hearing, the City may issue the CIP Bonds only after obtaining approval of a majority of voters voting on the question at an election. The authorization to issue the CIP Bonds is subject to expiration of the 30-day period without the City’s receipt of a qualified petition under the CIP Act, or if a qualified petition is filed, upon the approving vote of a majority of the voters voting on the question of issuance of the CIP Bonds.

3. Abatement Bonds.

(a) The City has determined to finance certain public improvements, including the construction of a restroom at Patriot Park in the City (the “Public Improvements”).

(b) Under Chapter 475 and Minnesota Statutes, Sections 469.1812 through 469.1815, 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 or construction of public infrastructure such as the Public Improvements.

(c) Pursuant to a resolution adopted by the Council on March 23, 2021 (the “Abatement Resolution”), following a duly noticed public hearing, the Council approved a property tax abatement (the

“Abatements”) for certain property in the City (the “Abatement Parcels”) over a period of eight (8) years, in an amount sufficient to pay the principal amount of and interest on bonds issued to finance the Public Improvements (the “Abatement Bonds”) in the maximum aggregate principal amount of \$275,000.

(d) In the Abatement Resolution, the City found and determined that the Public Improvements benefit the Abatement Parcels, and that the maximum principal amount of Abatement 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.

(e) The City has determined to issue the Abatement Bonds in the proposed aggregate principal amount of \$225,000, pursuant to the Abatement Act, to provide financing for the Public Improvements.

4. Equipment Certificates.

(a) The City is authorized by Chapter 475 and Minnesota Statutes, Sections 410.32 and 412.301, as amended (collectively, the “Capital 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, subject to certain limitations contained in the Capital Equipment Act.

(b) The City will purchase and acquire various items of capital equipment, including a front end loader snowblower and an articulating wheel loader (the “Capital Equipment”), pursuant to the Capital Equipment Act.

(c) As required by the Capital Equipment Act:

(i) the expected useful life of each item of Capital Equipment is or will be at least as long as the term of the equipment certificates issued to finance such Capital Equipment; and

(ii) the principal amount of equipment certificates to be issued in the year 2021 will not exceed 0.25 percent of the estimated market value of taxable property in the City for the year 2021.

(d) The City has determined to issue its obligations in the proposed principal amount of \$440,000 (the “Equipment Certificates”), pursuant to the Capital Equipment Act, to finance the acquisition of the Capital Equipment and the costs of issuing the Equipment Certificates.

4. State Aid Street Bonds.

(a) Pursuant to Chapter 475 and Minnesota Statutes, Section 162.18, as amended (collectively, the “State Aid Act”), the City is authorized to issue its general obligation bonds in anticipation of the allocation of municipal state aid funds. Such bonds may be issued in an amount and on terms such that the average annual amount of principal and interest due in all subsequent calendar years on the bonds and any other similarly authorized bonds does not exceed 90% of the amount of the last annual allotment to the City from the Construction Account in the Municipal State Aid Street Fund preceding the issuance of the bonds.

(b) The last annual allotment of funds to the City from the Construction Account in the Municipal State Aid Street Fund was \$759,352. The City currently has no other series of outstanding bonds issued pursuant to the State Aid Act.

(c) The City has proposed to finance the City’s 2021 Municipal State Aid road projects (the “State Aid Improvements”) in accordance with the State Aid Act.

5. Sale of Bonds.

(a) It is necessary and expedient to the sound financial management of the affairs of the City to issue its General Obligation Bonds, Series 2021A (the “Series 2021A Bonds”), in the proposed aggregate principal amount of \$1,965,000, pursuant to the Street Reconstruction Act, the CIP Act, the Abatement Act, and the Capital Equipment Act to provide financing for the Street Reconstruction, the Capital Improvements, the Public Improvements, and the Capital Equipment. The Series 2021A Bonds will be issued, sold, and delivered in accordance with the Terms of Proposal attached hereto as EXHIBIT A (the “Series 2021A Terms of Proposal”).

(b) It is necessary and expedient to the sound financial management of the affairs of the City to issue its General Obligation State Aid Street Bonds, Series 2021B (the “Series 2021B Bonds”), in the proposed aggregate principal amount of \$2,310,000, pursuant to the State Aid Act to provide financing for the State Aid Improvements. The Series 2021B Bonds will be issued, sold, and delivered in accordance with the Terms of Proposal attached hereto as EXHIBIT B (the “Series 2021B Terms of Proposal” and together with the Series 2021A Terms of Proposal, the “Terms of Proposals”).

(c) The City is authorized by Minnesota Statutes, Section 475.60, subdivision 2(9) to negotiate the sale of the Series 2021A Bonds and the Series 2021B Bonds (together, the “Bonds”), it being determined that the City has retained an independent municipal advisor in connection with such sale.

6. Authority of Municipal Advisor. Baker Tilly Municipal Advisors, LLC is authorized and directed to negotiate the Bonds in accordance with the Terms of Proposals. The Council will meet at 5:30 P.M. on Tuesday, May 11, 2021, to consider proposals on the Bonds and take any other appropriate action with respect to the Bonds.

7. Authority of Bond Counsel. The law firm of Kennedy & Graven, Chartered, as bond counsel for the City, 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 Kennedy & Graven, Chartered in the preparation of such documents, certificates, and instruments.

8. Covenants. In the resolution awarding the sale of the Bonds the Council will set forth the covenants and undertakings required by the Street Reconstruction Act, the CIP Act, the Abatement Act, the Capital Equipment Act, and the State Aid Act.

9. Official Statement. In connection with the sale of the Bonds, the officers or employees of the City are authorized and directed to cooperate with Baker Tilly Municipal Advisors, LLC 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.

Passed and adopted this April 13, 2021.

CITY OF MARSHALL, MINNESOTA

Robert J. Byrnes
Mayor

Attest:

Kyle Box
City Clerk

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember _____, and upon vote being taken thereon the following members voted in favor of the motion:

and the following voted against:

whereupon the resolution was declared duly passed and adopted.

EXHIBIT A
SERIES 2021A TERMS OF PROPOSAL

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

\$1,965,000*

CITY OF MARSHALL, MINNESOTA
GENERAL OBLIGATION BONDS, SERIES 2021A

(BOOK ENTRY ONLY)

Proposals for the above-referenced obligations (the "Series 2021A Bonds") will be received by the City of Marshall, Minnesota (the "City") on Tuesday, May 11, 2021 (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"), 380 Jackson Street, Suite 300, Saint Paul, Minnesota, 55101, after which time proposals will be opened and tabulated. Consideration for award of the Series 2021A 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 2021A 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 bondservice@bakertilly.com or by fax (651) 223-3046, 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 2021A 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 US, LLP, an accounting firm. Baker Tilly US, LLP trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. © 2021 Baker Tilly Municipal Advisors, LLC.

DETAILS OF THE SERIES 2021A BONDS

The Series 2021A 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, 2022. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2021A Bonds will mature February 1 in the years and amounts* follows:

2023	\$265,000	2025	\$270,000	2027	\$275,000	2029	\$205,000
2024	\$270,000	2026	\$270,000	2028	\$205,000	2030	\$205,000

* *The City reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Series 2021A 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 2021A 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.*

Proposals for the Series 2021A 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 above. In order to designate term bonds, the proposal must specify "Years of Term Maturities" in the spaces provided on the proposal form.

BOOK ENTRY SYSTEM

The Series 2021A Bonds will be issued by means of a book entry system with no physical distribution of Series 2021A Bonds made to the public. The Series 2021A Bonds will be issued in fully registered form and one Series 2021A Bond, representing the aggregate principal amount of the Series 2021A 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 2021A Bonds. Individual purchases of the Series 2021A 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 2021A 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 2021A Bonds, will be required to deposit the Series 2021A Bonds with DTC.

REGISTRAR

The City will name the registrar which 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 Series 2021A Bonds will not be subject to optional redemption in advance of their respective stated maturity dates.

SECURITY AND PURPOSE

The Series 2021A 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 available tax abatement revenue for repayment of a portion of the Series 2021A Bonds. The proceeds Series 2021A Bonds will be used to finance (i) improvements to a park located within the City; (ii) fire station

improvements; (iii) the acquisition of capital equipment; and (iv) various street reconstruction projects within the City.

BANK QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Series 2021A 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 \$1,951,245 plus accrued interest, if any, on the total principal amount of the Series 2021A Bonds. 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 2021A Bonds is adjourned, recessed, or continued to another date without award of the Series 2021A Bonds having been made. 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. Series 2021A Bonds of the same maturity shall bear a single rate from the date of the Series 2021A 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 2021A 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 2021A 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 2021A 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 2021A Bonds; and
- (iv) the City anticipates awarding the sale of the Series 2021A 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 2021A 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 2021A Bonds, to include provisions requiring compliance with the provisions of the Code and the Regulation regarding the initial sale of the Series 2021A 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 2021A Bonds to the Purchaser. **In such event, any proposal submitted will not be subject to cancellation or withdrawal.** Within twenty-four (24)

CUSIP NUMBERS

If the Series 2021A Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Series 2021A Bonds; however, neither the failure to print such numbers on any Series 2021A Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Series 2021A 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 June 10, 2021, the Series 2021A 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 Kennedy & Graven, Chartered of Minneapolis, Minnesota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Series 2021A 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 2021A 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 2021A 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 2021A Bonds will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Series 2021A Bonds.

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Series 2021A 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 bondservice@bakertilly.com. The Preliminary Official Statement will also be made available at <https://connect.bakertilly.com/bond-sales-calendar>.

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 2021A Bonds, together with any other information required by law. By awarding the Series 2021A 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 April 13, 2021

BY ORDER OF THE CITY COUNCIL

/s/ Sharon Hanson
City Administrator

EXHIBIT B
SERIES 2021B TERMS OF PROPOSAL

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

\$2,310,000*

CITY OF MARSHALL, MINNESOTA

GENERAL OBLIGATION STATE AID STREET BONDS, SERIES 2021B

(BOOK ENTRY ONLY)

Proposals for the above-referenced obligations (the "Series 2021B Bonds") will be received by the City of Marshall, Minnesota (the "City") on Tuesday, May 11, 2021 (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"), 380 Jackson Street, Suite 300, Saint Paul, Minnesota, 55101, after which time proposals will be opened and tabulated. Consideration for award of the Series 2021B 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 2021B 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 bondservice@bakertilly.com or by fax (651) 223-3046, 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 2021B 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.*

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- i -

DETAILS OF THE SERIES 2021B BONDS

The Series 2021B Bonds will be dated as of the date of delivery and will bear interest payable on April 1 and October 1 of each year, commencing April 1, 2022. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2021B Bonds will mature April 1 in the years and amounts*as follows:

2022	\$285,000	2024	\$285,000	2026	\$290,000	2028	\$295,000
2023	\$285,000	2025	\$285,000	2027	\$290,000	2029	\$295,000

* *The City reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Series 2021B 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 2021B 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.*

Proposals for the Series 2021B 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 above. In order to designate term bonds, the proposal must specify "Years of Term Maturities" in the spaces provided on the proposal form.

BOOK ENTRY SYSTEM

The Series 2021B Bonds will be issued by means of a book entry system with no physical distribution of Series 2021B Bonds made to the public. The Series 2021B Bonds will be issued in fully registered form and one Series 2021B Bond, representing the aggregate principal amount of the Series 2021B 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 2021B Bonds. Individual purchases of the Series 2021B 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 2021B 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 2021B Bonds, will be required to deposit the Series 2021B Bonds with DTC.

REGISTRAR

The City will name the registrar which 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 Series 2021B Bonds will not be subject to optional redemption in advance of their respective stated maturity dates.

SECURITY AND PURPOSE

The Series 2021B 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 annual state aid allotments from the Minnesota Department of Transportation for repayment of the Series 2021B Bonds. The proceeds of the Series 2021B will be used to finance various street overlay projects within the City.

BANK QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Series 2021B 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 \$2,293,830 plus accrued interest, if any, on the total principal amount of the Series 2021B Bonds. 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 2021B Bonds is adjourned, recessed, or continued to another date without award of the Series 2021B Bonds having been made. 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. Series 2021B Bonds of the same maturity shall bear a single rate from the date of the Series 2021B 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 2021B 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 2021B 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 2021B 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 2021B Bonds; and
- (iv) the City anticipates awarding the sale of the Series 2021B 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 2021B 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 2021B Bonds, to include provisions requiring compliance with the provisions of the Code and the Regulation regarding the initial sale of the Series 2021B 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 2021B 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 2021B Bonds, the Purchaser shall advise the City and Baker Tilly MA if 10% of any maturity of the Series 2021B 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 2021B Bonds or until all of the Series 2021B 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 \$23,100 (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 2021B 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 2021B 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 2021B Bonds. If the Series 2021B 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 2021B Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Series 2021B Bonds.

CUSIP NUMBERS

If the Series 2021B Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Series 2021B Bonds; however, neither the failure to print such numbers on any Series 2021B Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Series 2021B 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 June 10, 2021, the Series 2021B 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 Kennedy & Graven, Chartered of Minneapolis, Minnesota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Series 2021B 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 2021B 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 2021B 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 2021B Bonds will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Series 2021B Bonds.

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Series 2021B 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 bondservice@bakertilly.com. The Preliminary Official Statement will also be made available at <https://connect.bakertilly.com/bond-sales-calendar>.

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 2021B Bonds, together with any other information required by law. By awarding the Series 2021B 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 April 13, 2021

BY ORDER OF THE CITY COUNCIL

/s/ Sharon Hanson
City Administrator

SECOND SERIES

The attached resolution was adopted by the City Council of the City of Marshall on April 13, 2021.

The question was on the adoption of the resolution, and there were _____ AYE votes and _____ NAY votes as follows:

<u>CITY OF MARSHALL CITY COUNCIL MEMBERS</u>	<u>Yes</u>	<u>No</u>	<u>Other</u>
Robert J. Byrnes, Mayor	_____	_____	_____
Don Edblom (Ward I)	_____	_____	_____
John DeCramer (Ward I)	_____	_____	_____
Russ Labat (Ward II)	_____	_____	_____
Steven Meister (Ward II)	_____	_____	_____
James Lozinski (Ward III)	_____	_____	_____
Craig Schafer (Ward III)	_____	_____	_____

RESOLUTION ADOPTED.

ATTEST:

Secretary to the Council

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 April 13, 2021, insofar as such minutes relate to the issuance and sale of the City’s General Obligation Bonds, Series 2021A, in the proposed aggregate principal amount of \$1,965,000 and General Obligation State Aid Street Bonds, Series 2021B, in the proposed aggregate principal amount of \$2,310,000.

WITNESS my hand this ____ day of _____, 2021.

CITY OF MARSHALL, MINNESOTA

Kyle Box
City Clerk