

CITY OF MARSHALL, MINNESOTA

RESOLUTION NO. 22- 045

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF THE CITY'S GENERAL OBLIGATION BONDS, SERIES 2022A, IN THE PROPOSED AGGREGATE PRINCIPAL AMOUNT OF \$2,920,000 AND GENERAL OBLIGATION REFUNDING BONDS, SERIES 2022B, IN THE PROPOSED AGGREGATE PRINCIPAL AMOUNT OF \$1,370,000; AND ESTABLISHING A PRICING COMMITTEE UNDER CERTAIN CIRCUMSTANCES

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: (i) utility replacement and relocation and other activities incidental to the street reconstruction; (ii) the addition or reconstruction of turn lanes, bicycle lanes, sidewalks, paths, and other improvements having a substantial public safety function; (iii) realignments and other modifications to intersect with state and county roads; and (iv) the local share of state and county road projects, but does not include, except in the case of (i) turn lanes, bicycles lanes, sidewalks, paths, or other safety improvements; (ii) realignments; (iii) intersection modifications; and (iv) the local share of state or county road projects, the portion of project costs allocable to widening a street or adding curbs and gutters where none previously existed.

(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 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 8, 2022, the Council authorized a public hearing to be conducted on March 8, 2022, 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 project designated by the City as the West Lyon Street (from College to 1st Street) Reconstruction Project (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 22, 2022, in *The Independent*, the official newspaper of the City in accordance with the Street Reconstruction Act.

(e) On March 8, 2022, 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 a resolution approving the Street Reconstruction Plan and the issuance of the Street Reconstruction Bonds by a vote of at least two-thirds majority of the members of the Council.

(f) The City proposes to issue the Street Reconstruction Bonds in the proposed aggregate principal amount of \$335,000 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 from revenues derived from the imposition of ad valorem property taxes.

(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. Abatement Bonds.

(a) The City has determined to finance certain public improvements, including to the Rose and Addison city parking lots adjacent to West Lyon Street in the City (the "Infrastructure 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 Infrastructure Improvements.

(c) Pursuant to a resolution adopted by the Council on March 8, 2022 (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 ten (10) years, in an amount not to exceed \$575,000.

(d) In the Abatement Resolution, the City found and determined that the Infrastructure Improvements benefit the Abatement Parcels, and that the maximum principal amount of bonds to be secured by Abatements (the "Abatement Bonds") 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 \$575,000, pursuant to the Abatement Act, to provide financing for the Infrastructure Improvements.

3. Improvement Bonds.

(a) The City is authorized by Minnesota Statutes, Chapter 429, as amended, and Chapter 475 (collectively, the “Improvement Act”), to issue general obligation bonds in an amount deemed necessary to defray in whole or in part the expense incurred and estimated to be incurred in making improvements authorized by the Improvement Act, including the construction, reconstruction, improvement, and maintenance of streets, gutters, curb, and sidewalks and the construction, reconstruction, extension, and maintenance of storm and sanitary sewers and systems.

(b) Certain assessable public improvements within the City, including the projects designated by the City as the Halbur Road Reconstruction Project and the South 1st Street Reconstruction Project (the “Assessable Improvements”), have been made, duly ordered, or contracts let pursuant to the provisions of the Improvement Act.

(c) The Council finds it necessary and expedient to the sound financial management of the affairs of the City to issue general obligation improvement bonds in the proposed aggregate principal amount of \$1,940,000 (the “Improvement Bonds”), pursuant to the Improvement Act, to provide financing for the Assessable Improvements. The Improvement Bonds will be payable in part from special assessments imposed on properties in the City specially benefited by the improvements made with the proceeds of the Improvements Bonds.

4. Airport Bonds.

(a) The City is authorized by Chapter 475 and Minnesota Statutes, Section 360.036, as amended (collectively, the “Airport Act”), to issue general obligation bonds to finance the costs of investigating, surveying, planning, acquiring, establishing, constructing, enlarging, or improving or equipping airports and other navigation facilities, and the sites therefor, including structures and other property incidental to their operation.

(b) No election is required to authorize the issuance of the bonds under the Airport Act if:

I. the bonds are authorized by a resolution of the Council, adopted by a vote of not less than 60 percent (60%) of its members; or

II. the bonds are being issued for the purpose of financing the costs of constructing, enlarging, or improving airports and other air navigation facilities; and

1. the Council estimates that passenger facility charges and other revenues pledged to the payment thereof will be at least twenty percent (20%) of the debt service payable on the bonds in any year;

2. the project will be funded in part by a state grant or federal grant for airport development; and

3. the principal amount of the bonds proposed to be issued does not exceed 25 percent (25%) of the amount of the state and federal grants.

(c) Pursuant to a resolution adopted by the Council on March 8, 2022 by a vote of not less than 60 percent (60%) of its members, the Council found that it is necessary and expedient to the sound financial management of the affairs of the City to issue one or more series of general obligation bonds, a portion of which will be designated as airport bonds in the proposed aggregate principal amount of \$70,000 (the “Airport Bonds”), pursuant to the Airport Act, to provide financing for certain improvements to the Southwest Minnesota Regional Airport (the “Airport”), including apron reconstruction with respect to the WPA hangar area and apron and taxiway sealcoat/crack filling (the “Airport Improvements”). The principal of and interest on the Airport Bonds will be paid from revenues derived from the imposition of ad valorem property taxes. The Airport Bonds may also be payable in part from net revenues obtained from the ownership, control, and operation of the Airport, including passenger facility charges and other revenues.

5. Refunding Bonds.

(a) The City is authorized by Chapter 475 and Minnesota Statutes, Section 475.67, subdivision 3 (collectively, the “Refunding Act”) to issue and sell its general obligation bonds to refund obligations and the interest thereon before the due date of the obligations, if consistent with covenants made with the holders thereof, when determined by the Council to be necessary or desirable for the reduction of debt service cost to the City or for the extension or adjustment of maturities in relation to the resources available for their payment.

(b) It is necessary and desirable for the reduction of debt service costs to the City to issue its general obligation refunding bonds in the proposed aggregate principal amount of \$1,370,000 (the “Refunding Bonds”), to current refund certain outstanding general obligation bonds of the City, including the Prior Bonds (as defined below), and to pay the costs of issuing the Refunding Bonds.

(c) The outstanding general obligation bonds of the City currently anticipated to be refunded consist of the (i) February 1, 2023 through 2027 maturities of the City’s General Obligation Tax Increment Bonds, Series 2011A, dated September 15, 2011, and outstanding in the principal amount of \$900,000 (the “Series 2011A Bonds”); and (ii) the February 1, 2023 through 2027 maturities of the City’s General Obligation Bonds, Series 2011B, dated September 15, 2011, and outstanding in the principal amount of \$585,000 (the “Series 2011B Bonds,” and together with the Series 2011B Bonds, the “Prior Bonds”).

(d) The Series 2011A Bonds were issued pursuant to Minnesota Statutes, Chapter 469.174-469.179, as amended (the “Tax Increment Act”), and Minnesota Statutes, Chapter 444, as amended (the “Utilities Act”), to finance various infrastructure improvements in the City’s Industrial Park development (the “2011A Projects”). The Series 2011B Bonds were issued pursuant to the Improvement Act, the Utilities Act, and the Abatement Act to finance various street improvement projects and related utility improvements (the “2011B Projects”).

6. 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 2022A (the “Series 2022A Bonds”), in the proposed aggregate principal amount of \$2,920,000, pursuant to the Street Reconstruction Act,

the Abatement Act, the Improvement Act and the Airport Act to provide financing for the Street Reconstruction, the Infrastructure Improvements, the Assessable Improvements, and the Airport Improvements. The Series 2022A Bonds will be issued, sold, and delivered in accordance with the Terms of Proposal substantially in the form attached hereto as EXHIBIT A (the “Series A Terms of Proposal”).

(b) The Council hereby finds that it may be necessary and expedient to the sound financial management of the affairs of the City to issue its Refunding Bonds, to be designated General Obligation Refunding Bonds, Series 2022B (the “Series 2022B Bonds” and together with the Series 2022A Bonds, the “Bonds”), in the proposed aggregate principal amount of \$1,370,000, pursuant to the Refunding Act, the Tax Increment Act, the Improvement Act, the Utilities Act, and the Abatement Act to refund the Prior Bonds and thereby refinance the 2011A Project and 2011B Project. To the extent the City later determines to issue the Series 2022B Bonds, the Series 2022B Bonds will be issued, sold, and delivered in accordance with the Terms of Proposal substantially in the form attached hereto as EXHIBIT B (the “Series B Terms of Proposal”).

(c) 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.

7. Authority of Municipal Advisor. Baker Tilly Municipal Advisors, LLC (the “Municipal Advisor”) is authorized and directed to negotiate the Series 2022A Bonds in accordance with the Series A Terms of Proposal and the Series B Terms of Proposal. The Council will meet at 5:30 P.M. on Tuesday, April 26, 2022, or on such other date as the City Administrator determines, to consider proposals on the Series 2022A Bonds and, to the extent the City determines to proceed with the issuance of the Series 2022B Bonds, the Series 2022B Bonds, and take any other appropriate action with respect to such Bonds.

8. Pricing Committee.

(a) If, upon advice of the Municipal Advisor, the date for consideration of the proposals on the Bonds should occur on a date other than the date specified in Section 7 of this resolution due to market volatility, the Council hereby establishes a pricing committee with respect to the Bonds, comprised of the Mayor, the City Administrator, and the Director of Administrative Services (the “Pricing Committee”). The Pricing Committee is authorized and directed, with the advice of the Municipal Advisor, to review proposals for the sale of the Bonds and award the sale of the Bonds to one or more prospective purchasers (each, a “Purchaser”), with a proposal conforming to the Series A Terms of Proposal and the Series B Terms of Proposal, subject to the following parameters:

- i. With respect to the Series 2022A Bonds: (i) the principal amount, net of any reoffering premium and reoffering discount, shall not exceed \$3,000,000; and (ii) the true interest cost shall not exceed 4.00%; and
- ii. With respect to the Series 2022B Bonds: (i) the principal amount, net of any reoffering premium and reoffering discount, shall not exceed \$1,400,000; and (ii) the Series 2022B Bonds shall achieve debt service savings over the life of the Series 2022B Bonds in the amount of at least \$20,000.

(b) The City hereby approves the sale of the Series 2022A Bonds and the Series 2022B Bonds to the Purchaser(s) selected by the Pricing Committee at the prices, principal amounts, and rates to be determined by the Pricing Committee in accordance with this Section 8.

(c) The Council will meet at 5:30 P.M. on Tuesday, April 26, 2022, or on such other date as the City Administrator determines, after acceptance by the Pricing Committee of the proposal of each Purchaser, to ratify such acceptance and take any other appropriate action with respect to the Bonds; provided that ratification by the Council of the sale of the Series 2022A Bonds, and if applicable, the Series 2022B, shall occur not later than 90 days of the date of adoption of this resolution.

9. 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.

10. 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 Abatement Act, the Improvement Act and the Airport Act, the Refunding Act, the Tax Increment Act, and the Utilities Act, as applicable.

11. 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.

Passed and adopted this March 22, 2022.

CITY OF MARSHALL, MINNESOTA

Robert J. Byrnes
Mayor

Attest:

Kyle Box
City Clerk

EXHIBIT A

Series A 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

\$2,920,000*

**CITY OF MARSHALL, MINNESOTA
GENERAL OBLIGATION BONDS, SERIES 2022A**

(BOOK ENTRY ONLY)

Proposals for the above-referenced obligations (the “Series 2022A Bonds”) will be received by the City of Marshall, Minnesota (the “City”) on Tuesday, April 26, 2022 (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”), 225 South 6th Street, Suite 2300, Minneapolis, Minnesota, 55402, after which time proposals will be opened and tabulated. Consideration for award of the Series 2022A 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 2022A 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 2022A 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. © 2022 Baker Tilly Municipal Advisors, LLC.

DETAILS OF THE SERIES 2022A BONDS

The Series 2022A 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, 2023. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2022A Bonds will mature February 1 in the years and amounts* as follows:

2024	\$295,000	2026	\$295,000	2028	\$300,000	2030	\$285,000	2032	\$290,000
2025	\$295,000	2027	\$300,000	2029	\$280,000	2031	\$285,000	2033	\$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 2022A 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 2022A 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 2022A 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 2022A Bonds will be issued by means of a book entry system with no physical distribution of Series 2022A Bonds made to the public. The Series 2022A Bonds will be issued in fully registered form and one Series 2022A Bond, representing the aggregate principal amount of the Series 2022A 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 2022A Bonds. Individual purchases of the Series 2022A 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 2022A 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 2022A Bonds, will be required to deposit the Series 2022A 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 City may elect on February 1, 2030, and on any day thereafter, to redeem Series 2022A Bonds due on or after February 1, 2031. 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 2022A 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 2022A 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 (i) special assessments against benefited properties and (ii) available tax abatement revenue for repayment of a portion of the Series 2022A Bonds. The proceeds of the Series 2022A Bonds, along with available City funds, will be used to finance (i) various improvement projects within the City, (ii) various improvements to the Southwest Minnesota Regional Airport, (iii) various parking lot improvements, (iv) various street reconstruction projects, and (v) the costs of issuance of the Series 2022A Bonds.

BANK QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Series 2022A 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 \$2,896,640 plus accrued interest, if any, on the total principal amount of the Series 2022A 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 2022A Bonds is adjourned, recessed, or continued to another date without award of the Series 2022A 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 2022A Bonds of the same maturity shall bear a single rate from the date of the Series 2022A 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 2022A 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 2022A 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 2022A 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 2022A Bonds; and
- (iv) the City anticipates awarding the sale of the Series 2022A 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 2022A 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 2022A Bonds, to include provisions requiring compliance with the provisions of the Code and the Regulation regarding the initial sale of the Series 2022A Bonds.

not constitute cause for failure or refusal by the successful bidder to accept delivery of the Series 2022A Bonds.

CUSIP NUMBERS

If the Series 2022A Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Series 2022A Bonds; however, neither the failure to print such numbers on any Series 2022A Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Series 2022A 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 26, 2022, the Series 2022A 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 2022A 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 2022A 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 2022A 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 2022A Bonds will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Series 2022A Bonds.

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Series 2022A 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 2022A Bonds, together with any other information required by law. By awarding the Series 2022A 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 22, 2022

BY ORDER OF THE CITY COUNCIL

/s/ Sharon Hanson
City Administrator

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EXHIBIT B

Series B 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

\$1,370,000*

CITY OF MARSHALL, MINNESOTA

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2022B

(BOOK ENTRY ONLY)

Proposals for the above-referenced obligations (the "Series 2022B Bonds") will be received by the City of Marshall, Minnesota (the "City") on Tuesday, April 26, 2022 (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"), 225 South 6th Street, Suite 2300, Minneapolis, Minnesota, 55402, after which time proposals will be opened and tabulated. Consideration for award of the Series 2022B 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 2022B 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 2022B 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. © 2022 Baker Tilly Municipal Advisors, LLC.

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DETAILS OF THE SERIES 2022B BONDS

The Series 2022B 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, 2023. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2022B Bonds will mature February 1 in the years and amounts* as follows:

2023	\$425,000	2024	\$235,000	2025	\$230,000	2026	\$240,000	2027	\$240,000
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* *The City reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Series 2022B 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 2022B 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 2022B 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 2022B Bonds will be issued by means of a book entry system with no physical distribution of Series 2022B Bonds made to the public. The Series 2022B Bonds will be issued in fully registered form and one Series 2022B Bond, representing the aggregate principal amount of the Series 2022B 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 2022B Bonds. Individual purchases of the Series 2022B 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 2022B 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 2022B Bonds, will be required to deposit the Series 2022B 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 2022B Bonds will not be subject to optional redemption in advance of their respective stated maturity dates.

SECURITY AND PURPOSE

The Series 2022B 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 (i) net revenues of the City’s Wastewater Treatment and Surface Water Management Funds previously pledged to the Series 2011A Bonds (as defined herein) and Series 2011B Bonds (as defined herein); and (ii) tax abatement revenues from Country Club Drive Improvements previously pledged to the Series 2011B Bonds for repayment of the Series 2022B Bonds. The proceeds of the Series 2022B Bonds, along with available

City funds will be used to refund (i) the February 1, 2023 through February 1, 2027 maturities of the City's General Obligation Tax Increment Bonds, Series 2011A, dated September 15, 2011 (the "Series 2011A Bonds"); and (ii) the February 1, 2023 through February 1, 2027 of the City's General Obligation Bonds, Series 2011B, dated September 15, 2011 (the "Series 2011B Bonds").

BANK QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Series 2022B 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 \$1,359,040 plus accrued interest, if any, on the total principal amount of the Series 2022B 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 2022B Bonds is adjourned, recessed, or continued to another date without award of the Series 2022B 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 2022B Bonds of the same maturity shall bear a single rate from the date of the Series 2022B 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 2022B 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 2022B 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 2022B 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 2022B Bonds; and
- (iv) the City anticipates awarding the sale of the Series 2022B 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 2022B 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 2022B Bonds, to include provisions requiring compliance with the provisions of the Code and the Regulation regarding the initial sale of the Series 2022B 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 2022B 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 2022B Bonds, the Purchaser shall advise the City and Baker Tilly MA if 10% of any maturity of the Series 2022B 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 2022B Bonds or until all of the Series 2022B 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 \$13,700 (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 2022B 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 2022B 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 2022B Bonds. If the Series 2022B 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 2022B Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Series 2022B Bonds.

CUSIP NUMBERS

If the Series 2022B Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Series 2022B Bonds; however, neither the failure to print such numbers on any Series 2022B Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Series 2022B 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 26, 2022, the Series 2022B 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 2022B 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 2022B 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 2022B 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 2022B bonds will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Series 2022B Bonds.

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Series 2022B 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 2022B Bonds, together with any other information required by law. By awarding the Series 2022B 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 22, 2022

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 22, 2022, insofar as such minutes relate to the issuance and sale of the City’s General Obligation Bonds, Series 2022A, in the proposed aggregate principal amount of \$2,920,000 and General Obligation Refunding Bonds, Series 2022B, in the proposed aggregate principal amount of \$1,370,000.

WITNESS my hand this ____ day of _____, 2022.

CITY OF MARSHALL, MINNESOTA

Kyle Box
City Clerk