

**CITY OF NEW PRAGUE  
STATE OF MINNESOTA**

**RESOLUTION NO. 25-04-07-04**

**RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF  
GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN  
BONDS, SERIES 2025A IN THE MAXIMUM AGGREGATE  
PRINCIPAL AMOUNT OF \$10,430,000**

BE IT RESOLVED by the City Council (the “Council”) of the City of New Prague, Minnesota (the “City”) as follows:

1. Bonds Authorized.

(a) The City is authorized by Minnesota Statutes, Chapter 475, as amended (the “Act”), including Minnesota Statutes, Section 475.521, as amended (“Section 475.521”), to issue general obligation capital improvement plan bonds to provide funds for the acquisition or betterment of public lands, buildings or other improvements for the purpose of a city hall, town hall, library, public safety facility, and public works facility.

(b) The Council hereby finds and determines that it is necessary and expedient to the sound financial management of the affairs of the City to authorize the issuance of General Obligation Capital Improvement Plan Bonds, Series 2025A (the “Bonds”) in the aggregate principal amount not to exceed \$10,430,000, pursuant to the Act, including Section 475.521, to finance the construction and equipping of a new police station located within the City (the “Project”), and related financing costs, subject to further details regarding the sale of the Bonds to be set forth in a resolution to be considered by the Council at a subsequent meeting.

(c) City staff are authorized and directed to take all other actions necessary to carry out the intent of this resolution.

2. Sale of Bonds. The City has retained Ehlers and Associates, Inc. (the “Municipal Advisor”), to serve as the City’s independent municipal advisor with respect to the offer and sale of the Bonds and, therefore, is authorized by Section 475.60, subdivision 2(9), of the Act to sell the Bonds other than pursuant to a competitive sale.

3. Acceptance of Proposal. The Council shall meet at the time specified in the Preliminary Official Statement or at such other time designated by the Council to receive and consider proposals for the purchase of the Bonds and take any other appropriate action with respect to the Bonds.

4. Authority of Municipal Advisor. The Municipal Advisor is authorized and directed to assist the City in the preparation and dissemination of a Preliminary Official Statement to be distributed to potential purchasers of the Bonds and to open, read, and tabulate the proposals for the purchase of the Bonds for presentation to the Council. The Municipal Advisor is further authorized and directed to assist the City in the award and sale of the Bonds on behalf of the City after receipt of written proposals and to assist the City in the preparation and dissemination of a final Official Statement with respect to the Bonds.

5. Authority of Bond Counsel. The law firm of Kennedy & Graven, Chartered, is authorized to act as bond counsel for the City (“Bond Counsel”), and to assist in the preparation and review of necessary documents, certificates, and instruments related to the Bonds. The officers, employees, and agents of the City are hereby authorized to assist Bond Counsel in the preparation of such documents, certificates, and instruments.

6. Reimbursement from Bond Proceeds. The City may incur certain expenditures that may be financed temporarily from sources other than the Bonds and reimbursed from the proceeds of the Bonds. Treasury Regulation § 1.150-2 (the “Reimbursement Regulations”) provides that proceeds of tax-exempt bonds allocated to reimburse expenditures originally paid from a source other than the tax-exempt bonds will not be deemed expended unless certain requirements are met. In order to preserve its ability to reimburse certain costs from proceeds of the Bonds in accordance with the Reimbursement Regulations, the City hereby makes its declaration of official intent (the “Declaration”) described below to reimburse certain costs

(a) Declaration of Intent. The City proposes to issue the Bonds to finance the costs of the Project. The City may reimburse original expenditures made for certain costs of the Project from the proceeds of the Bonds in an estimated maximum principal amount of \$10,430,000. All reimbursed expenditures will be capital expenditures, costs of issuance of the Bonds, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Reimbursement Regulations.

(b) Declaration Made Not Later Than 60 Days. This Declaration has been made not later than sixty (60) days after payment of any original expenditure to be subject to a reimbursement allocation with respect to the proceeds of the Bonds, except for the following expenditures: (a) costs of issuance of the Bonds; (b) costs in an amount not in excess of \$100,000 or five percent (5%) of the proceeds of the Bonds; or (c) “preliminary expenditures” up to an amount not in excess of twenty (20) percent of the aggregate issue price of the Bonds that finance or are reasonably expected by the City to finance the Project for which the preliminary expenditures were incurred. The term “preliminary expenditures” includes architectural, engineering, surveying, bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction, or rehabilitation of the Project, other than land acquisition, site preparation, and similar costs incident to commencement of construction.

(c) Reasonable Expectations; Official Intent. This Declaration is an expression of the reasonable expectations of the City based on the facts and circumstances known to the City as of the date hereof. The anticipated original expenditures for the Project and the principal amount of the Bonds described in Section 6(a), above, are consistent with the City’s budgetary and financial circumstances. No sources other than proceeds of the Bonds to be issued by the City are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside pursuant to the City’s budget or financial policies to pay such original expenditures. This Resolution is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

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

and the following voted against:

PASSED by the City Council of the City of New Prague, Minnesota on this 7<sup>th</sup> day of April, 2025.

CITY OF NEW PRAGUE, MINNESOTA

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Administrator