

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF FOSSTON, POLK COUNTY MINNESOTA
April 13, 2020

The regular meeting of the Council of the City of Fosston, Polk County Minnesota was held in council chambers on Monday, April 13, 2020 at 7:00 p.m.

The meeting was called to order by Mayor Offerdahl with the following members present: Anderson, Dufault, Bosselman and Hoialmen via zoom. Members absent: none. Also present was: Cassie Heide, David Larson, Mike Mulry via zoom and Ethan Nagel.

Motion was made by Anderson, seconded by Bosselman to approve the agenda with the following modifications:

- Consider adoption of Resolution Authorizing Business and Community Development Application to The Minnesota Department of Employment and Economic Development and Authorizing Execution of Agreements

Motion was made by Anderson seconded by Hoialmen to approve Consent Agenda items A., B., C. Motion carried by unanimous vote.

- A) To approve the minutes of the regular meeting held March 9, 2020.
- B) To approve Accounts Payable Bill Listing #20-04 in the amount of \$96,672.36 and AP Bill Listing #20-04A in the amount of \$54,729.38
- C) To approve Accounts Payable Bill Listing – Omland Court, \$5,662.35.

COMMITTEES/BOARDS/COMMISSION:

Law Enforcement: Deputy Ethan Nagel was present to report on matters pertaining to Fosston Law Enforcement

- No increase in crimes, but mental health issues are a concern for the department. Deputies are practicing social distancing and limiting their contact with the public while still providing service.

City Administration: Cassie Heide report on matters pertaining to City Administration

- The governors stay at home orders have staff talking one week off and working one week to limit exposure.
- The Public Facilities Authority (PFA) application for the wastewater expansion was submitted at the end of March.
- Renovations of the front offices and entries continues. Quam has done a good job with the project.

Street/Utilities/Sanitation: Dave Larson reported on matters pertaining to his departments.

- MDV hopes to get more product to begin production again on Monday, April 20th.
- Mowers are being serviced to get ready for the summer.
- Street sweeping is being done
- The substation feeder project will take place this summer

Civic Center: Karen Graham reported on matters pertaining to her department.

- Summer Rec and swimming programs continue to be planned to begin in June. Possible restructuring of the programs due to the COVID 19 pandemic are being considered.

Community Development

- Heide and Dufault informed the council of the emergency loan program that the EDA wishes to begin pending council approval of authority to disburse funds. The purpose of the loan is to get money into the hands of Fosston businesses who have been adversely affected by COVID 19. The terms of the loan are 4% interest rate with a six month payment deferral and 54 month amortization on a maximum of \$10,000 per loan. There is not an opportunity for loan forgiveness for this loan.
- Heide is submitting an application to the Minnesota Department of Employment and Economics for 80% loan guarantee for use of funds for COVID 19 emergency loans to small businesses. This limits the risk to the city to a maximum of 20% should the city be approved for the guarantee program.

Hospital Board:

- Dufault reported that the hospital has changed many procedures during the COVID 19 pandemic but is doing a tremendous job and continues to work to keep the community safe and its facilities operating.

Arts & Culture Commission: No report

Member Anderson introduced the following resolution and council member Bosselman moved its adoption:

RESOLUTION NO. 20-11

**RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY
OF A \$853,000 GENERAL OBLIGATION IMPROVEMENT BOND,
SERIES 2020A**

BE IT RESOLVED, by the City Council of the City of Fosston, Polk County, Minnesota (the “Issuer”), as follows:

Section 1. Bond Purpose, Authorization, and Award.

1.01 Authority; Purpose. Pursuant to authority contained in Minnesota Statutes, Chapters 429 and 475, the Issuer does hereby authorize the issuance and sale of its General Obligation Improvement Bond, Series 2020A, in the aggregate principal amount of \$853,000 (the “Bond”), for the purpose of financing water utility, storm sewer utility and street improvement projects (the “Project”), for payment of part of the interest costs of the Bond and for payment of part of the issuance costs of the Bond. The principal of and interest on the Bond shall be paid primarily from special assessments levied or to be levied upon benefited property (the “Special Assessments”). The Project is hereby ordered as required by Minnesota Statutes, Section 429.091, Subdivision 1.

1.02 Municipal Advisor. The Issuer has retained the services of David Drown Associates, Inc. as its municipal advisor.

1.03 Award of Sale. The Issuer has received a proposal for a loan to be evidenced by the Bond from Bremer Bank, National Association, Crookston, Minnesota (the “Lender”), to purchase the Bond at a cash price equal to the par value thereof, upon condition that the Bond matures and bears interest at the times and annual rates set forth in Section 2. The Issuer, after due consideration, finds such offer reasonable and proper and the offer of the Lender is accepted. All actions of the Mayor and the Administrator taken with regard to the sale of the Bond are ratified and approved.

Section 2. Terms of the Bond.

2.01. Interest Rate and Principal Maturities.

A. The Bond shall be dated the date of its closing and delivery as the date of original issue, shall be issued in the denomination equal to the principal amount thereof, shall be issued in fully registered form and lettered and numbered R-1. The Bond shall bear interest at the annual rate of 2.50% and shall on the dates and in the installment amounts shown below:

Date	Principal Amount
2/1/2022	\$47,000
2/1/2023	\$48,000

Date	Principal Amount
2/1/2024	\$50,000
2/1/2025	\$51,000
2/1/2026	\$52,000
2/1/2027	\$53,000
2/1/2028	\$55,000
2/1/2029	\$57,000
2/1/2030	\$58,000
2/1/2031	\$60,000
2/1/2032	\$61,000
2/1/2033	\$63,000
2/1/2034	\$64,000
2/1/2035	\$66,000
2/1/2036	\$68,000

B. The maturities of the Bond, together with the maturities of all other outstanding general obligation bonds of the Issuer, meet the requirements of Minnesota Statutes, Section 475.54.

2.02 Prepayment. The Bond is prepayable on any payment date on or after February 1, 2028, without notice at a price of par plus accrued interest to the prepayment date.

2.03 Interest Payment Dates.

A. The interest on the Bond shall be payable semiannually on February 1 and August 1 of each year (each referred to herein as an “Interest Payment Date”), commencing on February 1, 2021. Interest will be computed upon the basis of a 360-day year of twelve 30-day months.

B. The Registrar designated below shall make all interest payments with respect to the Bond by check or draft mailed to the registered owner of the Bond shown on the bond registration records maintained by the Registrar at the close of business on the 15th day (whether or not on a business day) of the month next preceding the Interest Payment Date at such owners' addresses shown on such bond registration records.

2.04 Preparation and Execution.

A. The Bond shall be prepared for execution in accordance with the approved form and shall be signed by the manual signature of the Mayor and attested by the manual signature of the Administrator. The corporate seal of the Issuer may be omitted from the Bond as permitted by law. In case any officer whose signature shall appear on the Bond shall cease to be an officer before delivery of the Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

B. The Administrator is authorized and directed to obtain a copy of the proposed approving legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A., Duluth, Minnesota, which is to be complete and cause the opinion to be attached to the Bond.

2.05 Registrar. The Issuer hereby appoints the Administrator, as registrar, authenticating agent, paying agent and transfer agent for the Bond (the "Registrar"). The Issuer reserves the right to name a substitute, successor Registrar upon giving prompt written notice to each registered Bond holder.

2.06 Registered Owner. The Bond shall be registered in the name of the Lender.

2.07 Bond Register. The Issuer shall cause to be kept by the Registrar a bond register in which, subject to such reasonable regulations as the Registrar may prescribe, the Issuer shall provide for the registration of the Bond and the registration of transfers of the Bond entitled to be registered or transferred as herein provided. In the event of the resignation or removal of the Registrar or its incapability of acting as such, the bond registration records shall be maintained at the office of the successor Registrar as may be appointed by the Issuer.

2.08 Payment.

A. The Issuer and the Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and interest on such Bond and for all other purposes whatsoever, whether or not such Bond be overdue, and neither the Issuer nor the Registrar shall be affected by notice to the contrary.

B. The principal of and interest on the Bond shall be payable by the Registrar in such funds as are legal tender for the payment of debts due the United States of America. The Issuer shall pay the reasonable and customary charges of the Registrar for the disbursement of principal and interest.

2.09 Delivery. Delivery of the Bond and payment of the purchase price shall be made at a place mutually satisfactory to the Issuer and the Lender. A typewritten and executed Bond shall be furnished by the Issuer without cost to the Lender. The Bond, when prepared in accordance with this Resolution and executed, shall be delivered by or under the direction of the Administrator to the Lender upon receipt of the purchase price plus accrued interest.

Section 3. Form of the Bond.

3.01 The Bond shall be typewritten in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF POLK

R-1 \$853,000

CITY OF FOSSTON
GENERAL OBLIGATION IMPROVEMENT BOND, SERIES 2020A

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
2.50%	February 1, 2036	April 27, 2020

REGISTERED OWNER: BREMER BANK, NATIONAL ASSOCIATION

PRINCIPAL AMOUNT: EIGHT HUNDRED FIFTY-THREE THOUSAND DOLLARS

The City of Fosston, Polk County, Minnesota (the “Issuer”), for value received, promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above, and to pay interest on said principal amount to the registered owner hereof from the date of original issue set forth above, or from the most recent Interest Payment Date (defined below) to which interest has been paid or duly provided for, until the principal amount is paid, said interest being at the rate per annum specified above.

Interest is payable semiannually on February 1 and August 1 of each year (each referred to herein as an “Interest Payment Date”) commencing on February 1, 2021. This Bond is payable in the principal installment amounts and at the times described below. Payments shall be applied first to interest due on the outstanding principal balance and thereafter to reduction of the principal balance.

Date	Principal Amount
2/1/2022	\$47,000
2/1/2023	\$48,000
2/1/2024	\$50,000
2/1/2025	\$51,000
2/1/2026	\$52,000
2/1/2027	\$53,000
2/1/2028	\$55,000
2/1/2029	\$57,000
2/1/2030	\$58,000
2/1/2031	\$60,000
2/1/2032	\$61,000

Date	Principal Amount
2/1/2033	\$63,000
2/1/2034	\$64,000
2/1/2035	\$66,000
2/1/2036	\$68,000

Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the main office of the Administrator, as Registrar, authenticating agent, paying agent and transfer agent (the “Registrar”), or at the office of such successor Registrar as may be designated by the governing body of the Issuer. The Registrar shall make all payments with respect to this bond directly to the registered owner hereof shown on the bond registration records maintained on behalf of the Issuer by the Registrar at the close of business on the 15th day of the month next preceding the Interest Payment Date (whether or not a business day) at such owner’s address shown on said bond registration records, without, except for final payment of principal of this Bond, the presentation or surrender of this Bond, and all such payments shall discharge the obligation of the Issuer to the extent of the payments so made. The final payment of principal of this Bond shall be made upon presentation and surrender of this Bond to the Registrar when due.

For the prompt and full payment of such principal and interest as they become due, the full faith and credit and taxing power of the Issuer are irrevocably pledged. The Issuer has designated this Bond as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Bond comprises the entire amount of this series issued by the Issuer as one fully registered Bond without coupons, in the aggregate amount of \$853,000, pursuant to the authority contained in Minnesota Statutes, Chapters 429 and 475 and all other laws thereunto enabling, and pursuant to an authorizing resolution adopted by the governing body of the Issuer on April 13, 2020 (the “Resolution”), for the purpose of financing water utility, storm sewer utility and street improvement projects of the Issuer. Principal of and interest on this Bond are payable primarily from special assessments levied upon all taxable property in the

Issuer as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred.

The Bond is prepayable on any payment date on or after February 1, 2028, without notice at a price of par plus accrued interest to the prepayment date.

The principal amount evidenced by this Bond was drawn upon by Issuer in accordance with the Loan Agreement between Issuer and Lender dated as of the date of the date hereof.

The Issuer will, at the request of the registered owner, issue one new fully registered note in the name of the registered owner in the aggregate principal amount equal to the unpaid principal balance of this Bond, of like tenor except as to number and principal amount. This Bond is transferable by the registered owner hereof upon surrender of this Bond for transfer at the principal corporate office of the Registrar, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Registrar and executed by the registered owner hereof or the owner's attorney duly authorized in writing. Thereupon the Issuer shall execute and the Registrar shall authenticate, if required by law or the Resolution, and deliver, in exchange for this Bond, one new fully registered note in the name of the transferee, in an aggregate principal amount equal to the unpaid principal amount of this Bond, of the same maturity, and bearing interest at the same rate. No service charge shall be made for any transfer or exchange hereinbefore referred to, but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the laws and the Constitution of the State of Minnesota to be done and to exist precedent to and in the issuance of this Bond, in order to make it a valid and binding general obligation of the Issuer in accordance with its terms, have been done and do exist in form, time and manner as so required; that all taxable property within the limits of the Issuer is subject to the levy of ad valorem taxes to the extent needed to pay the principal hereof and the interest hereon when due, without limitation as to rate or amount and that the issuance of this Bond does not cause the indebtedness of the Issuer to exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Fosston, Polk County, Minnesota, by its governing body, has caused this Bond to be executed in its name by the manual signature of the Mayor and attested by the manual signature of the Administrator as of the date of original issue set forth above.

ATTEST:

(form – no signature required)

Administrator

(form – no signature required)

Mayor

REGISTRATION CERTIFICATE

This Bond must be registered as to both principal and interest in the name of the owner on the books to be kept by Administrator of the Issuer, as Registrar. No transfer of this Bond shall be valid unless made on said books by the registered owner or the owner's attorney thereunto duly authorized and similarly noted on the registration books. The ownership of the unpaid principal balance of this Bond and the interest accruing thereon is registered on the books of the Issuer in the name of the registered owner last noted below.

<u>Date</u>	<u>Registered Owner</u>	<u>Signature of Administrator</u>
4/27/2020	Bremer Bank, N.A. 201 North Broadway Crookston, MN 56716 Federal Tax I.D. No.: 45-0134840	<u>(form no signature required)</u>

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

_____ Social Security or Other
_____ Identifying Number of Assignee

the within Bond and all rights thereunder and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

(Bank, Trust Company, member of
National Securities Exchange)

THIS INSTRUMENT HAS NOT BEEN REGISTERED UNDER THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF FOR VALUE, OR TRANSFERRED, WITHOUT (i) AN OPINION OF COUNSEL THAT SUCH SALE, DISPOSITION OR TRANSFER MAY LAWFULLY BE MADE WITHOUT REGISTRATION UNDER THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED AND UNDER APPLICABLE STATE SECURITIES LAWS, OR (ii) SUCH REGISTRATION. THE TRANSFERABILITY OF THIS INSTRUMENT IS SUBJECT TO RESTRICTIONS REQUIRED BY (1) FEDERAL AND STATE SECURITIES LAWS GOVERNING UNREGISTERED SECURITIES; AND (2) THE RULES, REGULATIONS, AND INTERPRETATIONS OF THE GOVERNMENTAL AGENCIES ADMINISTERING SUCH LAWS. THIS INSTRUMENT HAS NOT BEEN REGISTERED UNDER CHAPTER 80A OF MINNESOTA STATUTES OR OTHER APPLICABLE STATE BLUE SKY LAWS AND MAY NOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF FOR VALUE EXCEPT PURSUANT TO REGISTRATION OR OPERATION OF LAW.

Section 4. Covenants, Accounts and Tax Levies.

4.01 Covenants. It is hereby determined that the Project will directly and indirectly benefit abutting property, and the Issuer hereby covenants with the holders from time to time of the Bond as follows:

A. The Issuer has caused or will cause the Special Assessments to be promptly levied so that the first installment will be collectible no later than 2021 and will take all steps necessary to assure prompt collection, and the levy of the Special Assessments is hereby authorized. The Issuer will cause all further actions and proceedings to be taken with due diligence that are required for the construction of each Project financed wholly or partly from the proceeds of the Bond, and for the final and valid levy of the Special Assessments and the appropriation of any other funds needed to pay the Bond and interest thereon when due.

B. It is recognized that the Issuer's liability on the Bond is not limited to the Special Assessments and ad valorem taxes pledged herein (together, the "Pledged Revenues"), and the Issuer covenants and agrees that in the event of any current or anticipated deficiency in Pledged Revenues, it will levy upon all taxable property within the Issuer and cause to be extended, assessed, and collected, any additional taxes found

necessary for full payment of the principal of and interest on the Bond, without limitation as to rate or amount.

C. The Issuer will keep complete and accurate books and records showing receipts and disbursements in connection with the improvements and Special Assessments levied therefor and other funds appropriated for their payment, collections and disbursements thereof, monies on hand and the balance of unpaid Special Assessments.

D. The Issuer will cause its books and records to be audited and will furnish copies of such audit reports to any interested person upon request.

E. The Issuer covenants and agrees with the holders of the Bond and with its taxpayers that it will assess against benefited property not less than 20% of the cost to the Issuer of the Project financed wholly or partly from the proceeds of the Bond.

4.02 The Fund. There is created a special fund to be designated the “2020A Improvement Program Fund” (the “Fund”) to be administered and maintained by the Administrator as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the Issuer. The Fund shall be maintained in the manner herein specified until the Bond and interest thereon have been fully paid. There shall be maintained in the Fund two separate accounts, to be designated the “Construction Account” and “Debt Service Account,” respectively:

A. *Construction Account*. On receipt of the purchase price of the Bond, the Issuer shall credit proceeds from the sale of the Bond less the excess proceeds and amounts allocated as capitalized interest funded from Bond proceeds (the “Capitalized Interest”), to the Construction Account. The monies in such account, along with other monies of the Issuer available therefor, shall be used to pay construction costs of the Project. Other costs for which payment from such fund is authorized shall include costs of legal, municipal advisory and other professional services, printing and publication costs, interest coming due on the Bond during construction of the Project and costs of issuance of the Bond.

B. *Debt Service Account*. There are pledged and appropriated to the Debt Service Account the Capitalized Interest, the Pledged Revenues, the excess proceeds, if any, and the Issuer’s funds in an amount necessary to provide the coverage specified in Minnesota Statutes, Section 475.61 and any and all other monies which are properly available and are appropriated by the governing body of the Issuer to the Debt Service Account, and interest earnings on the foregoing. The money in such fund shall be used for no purpose other than the payment of principal and interest on the Bond; provided, however, that if any payment of principal or interest shall become due when there is not

sufficient money in the Debt Service Account, the Administrator shall pay the same from any other fund of the Issuer, which fund shall be reimbursed from the Debt Service Account when the balance therein is sufficient.

4.03 Tax Levy.

A. For the prompt and full payment of the principal and interest on the Bond when due, the full faith and credit and taxing power of the Issuer are irrevocably pledged. There is levied a direct annual ad valorem tax upon all taxable property in the Issuer which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the Issuer. Said levies are for the years and in the amounts set forth below:

Levy Year	Collection Year	Amount
2020	2021	\$56,195
2021	2022	\$56,481
2022	2023	\$57,321
2023	2024	\$57,058
2024	2025	\$56,769
2025	2026	\$56,454
2026	2027	\$57,163
2027	2028	\$57,819
2028	2029	\$57,373
2029	2030	\$57,951
2030	2031	\$57,426
2031	2032	\$57,924
2032	2033	\$57,321
2033	2034	\$57,741
2034	2035	\$58,108

B. The Pledged Revenues are such that if collected in full they, together with estimated collections of investment earnings and other funds herein pledged and appropriated for payment of the Bond, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Bond.

C. The tax levies shall be irrevocable so long as the Bond is outstanding and unpaid; provided, however, that on November 30 of each year, while any Bond issued hereunder remains outstanding, the Issuer shall reduce or cancel the above levies to the extent of funds available in the Debt Service Account to pay principal and interest due during the ensuing year, and shall direct the Polk County Finance Director to reduce the levy for such calendar year by that amount.

4.04 Investments. Monies on deposit in the Project Account and in the Debt Service Account may, at the discretion of the Administrator, be invested in securities permitted by Minnesota Statutes, Chapter 118A, provided that any such investments shall mature at such times and in such amounts as will permit for payment of Project costs and/or payment of the principal and interest on the Bond when due.

Section 5. Tax Covenants.

5.01 General. The Issuer covenants and agrees with the holder of the Bond that the Issuer will (i) take all action on its part necessary to cause the interest on the Bond to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Bond and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Bond to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the Bond and investment earnings thereon on certain specified purposes.

5.02 Rebate Exemption. For purposes of qualifying for the small-issuer exception to the federal arbitrage rebate requirements, the Issuer hereby finds, determines and declares that the aggregate face amount of the tax-exempt obligations (other than private activity bonds) issued by the Issuer (and all subordinate entities of the Issuer) during the calendar year in which the Bond is issued is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Internal Revenue Code of 1986, as amended (the "Code").

5.03 Bank Qualification. In order to qualify the Bond as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code, the Issuer hereby makes the following factual statements and representations:

A. the Bond is not a “private activity bond” as defined in Section 141 of the Code;

B. the Issuer hereby designates the Bond as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code;

C. the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the Issuer (and all entities whose obligations will be aggregated with those of the Issuer) during the calendar year in which the Bond is being issued will not exceed \$10,000,000; and

D. not more than \$10,000,000 of obligations issued by the Issuer during the calendar year in which the Bond is being issued have been designated for purposes of Section 265(b)(3) of the Code.

The Issuer shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this Section.

Section 6. Certificate of Proceedings; Miscellaneous.

6.01 The Administrator is directed to file with the Polk County Finance Director an original or certified copy of this resolution and such other information as the Finance Director may require, and to obtain from the Finance Director a certificate stating that the Bond herein authorized has been duly entered on the Finance Director’s register.

6.02 The officers of the Issuer are authorized and directed to prepare and furnish to the Lender of the Bond and to bond counsel certified copies of all proceedings and records of the Issuer relating to the authorization and issuance of the Bond and other affidavits and certificates as may reasonably be requested to show the facts relating to the legality and marketability of the Bond as such facts appear from the official books and records of the officers’ custody or otherwise known to them. All of such certified copies, certificates and affidavits, including any heretofore furnished, constitute representations of the Issuer as to the correctness of facts recited therein and the actions stated therein to have been taken.

6.03 The Mayor and Administrator are hereby authorized and directed to certify that they have examined the Offering Circular prepared and circulated in connection with the issuance and sale of the Bond and that to the best of their knowledge and belief the Offering Circular is a complete and accurate representation of the facts and representations made therein as of the date of the Offering Circular.

6.04 In the event of the absence or disability of the Mayor or Administrator, such officers or members of the Issuer as in the opinion of the Issuer’s attorney may act in their behalf shall, without further act or authorization, execute and deliver the Bond, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

Section 7. Loan Agreement. The proceeds of the Bond will be advanced to the Issuer in accordance with the terms of this Resolution and with a Loan Agreement between the Issuer and the Lender (the “Loan Agreement”). The Mayor and Administrator of the Issuer are hereby authorized and directed to execute the Loan Agreement substantially in the form currently on file in the office of the Issuer.

Section 8. Post-Issuance Tax Compliance. The City Council has previously approved a Pre- and Post-Issuance Compliance Policy and Procedures which applies to qualifying obligations to provide for compliance with all applicable federal regulations for tax-exempt obligations or tax-advantaged obligations (collectively, the “Policy and Procedures”). The City Council hereby approves the Policy and Procedures for the Bond. The Administrator continues to be designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

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Adopted: April 13, 2020

Mayor

ATTEST:

Administrator

Council considered approval of an application for a Build Fosston Rebate in the amount of \$5,000 to Neal Schmidt. Schmidts built their new home in the Aspen addition and have moved in and qualify for the rebate.

Motion was made by Bosselman, seconded by Dufault to approve the application for a Build Fosston Rebate in the amount of \$5,000 to Neal Schmidt. Motion carried by unanimous vote.

Council considered approval of task order number 16 from Karvakko, P.A. for wetland mitigation and removal and the Fosston Airport. Heide informed the council that due to the CARES act the city is eligible for 100% funding for this project.

Motion was made by Hoialmen, seconded by Anderson to approve task order number 16 from Karvakko, P.A. for wetland mitigation and removal and the Fosston Airport. Motion carried by unanimous vote.

Council considered approval of transfer of funds to the Fosston Economic Development Authority for authorization of approval and disbursement of COVID 19 emergency loans aforementioned in the community development report.

Motion was made by Bosselman, seconded by Anderson to approve transfer of funds to the Fosston Economic Development Authority for authorization of approval and disbursement of COVID 19 emergency loans aforementioned in the community development report. Motion carried by unanimous vote.

Member Anderson introduced the following resolution and moved its adoption:

**RESOLUTION AUTHORIZING BUSINESS AND COMMUNITY DEVELOPMENT
APPLICATION TO THE MINNESOTA DEPARTMENT OF EMPLOYMENT AND
ECONOMIC
DEVELOPMENT AND AUTHORIZING EXECUTION OF AGREEMENTS**

RESOLUTION #20-12

BE IT RESOLVED that the City of Fosston, Minnesota act as the legal sponsor for project(s) contained in the Business and Community Development Application to be submitted on April 14, 2020 and that the City Administrator of the City of Fosston are hereby authorized to apply to the Department of Employment and Economic Development for small business loan guarantee on behalf of the City of Fosston, Minnesota.

BE IT FURTHER RESOLVED, that the City of Fosston has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate construction, operation, maintenance and replacement of the proposed project for its design life.

BE IT FURTHER RESOLVED that the City of Fosston, Minnesota has not violated any Federal, State, or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its application by the state, the City of Fosston, Minnesota may enter into an agreement with the State of Minnesota for the above-referenced project(s), and that the City of Fosston, Minnesota certifies that it will comply with all applicable laws and regulations as stated in all contract agreements.

NOW, THEREFORE BE IT RESOLVED that the City Administrator of the City of Fosston, Minnesota, or their successors in office, are hereby authorized to execute such agreements, and amendments thereto, as are necessary to implement the project(s) on behalf of the applicant.

The motion for the adoption of the foregoing resolution was duly seconded by member Dufault and upon vote being taken thereon the following members voted in favor thereof: Anderson, Dufault, Bosselman, Hoialmen and Offerdal.

And the following voted against same: none.

Whereupon said resolution was declared passed and adopted this 13th day of April, 2020

James Offerdahl, Mayor

ATTEST:

Charles Lucken, City Administrator

Lee Cariveau, Widseth submitted his report in writing as follows:

2020 Street Project – Waiting for signed contract documents, bonds, etc. to come back from Hagen.

- Construction tentatively scheduled for Early summer start
- Contractor and Engineer have had preliminary discussions on what effect “Stay at Home” order and workers health would have on schedule.
- Currently – Engineer is advising “No Change” in normal schedule/proceedings

Wastewater Project – Facility Plan has been submitted. Waiting for MPCA comments

- EAW – Environmental Assessment Worksheet – MPCA has commented and Engineer has addressed comments and returned them to the MPCA
- USDA Application – WSN and City Staff have been working on application. Application is 85% complete. Technical information yet to be addressed. Once Application is at 90%+, application will be turned over to staff for internal review.
- PPL – Project Priority List – Request was submitted – waiting for acknowledgement of being on list
- PFA Loan / Grant Application – Was submitted – PFA contacted staff, had a few questions and is processing Loan/Grant Application
- Northern Technologies was hired to complete soil borings and install monitoring wells. Borings and wells are expected to be completed by mid-May.
- Once natural ground water level is determined, full scale detailed design can start/continue.
- Miscellaneous project items being addressed as they occur.
- Project currently at about 30% complete
- WSN recommends City staff and WSN consider starting a series of meetings to determine more detailed funding items. I.E. Sources, schedule, Utility Rates, Grant/Loan, Etc. WSN recommends Fosston staff meet first to complete an internal review of items then meet with WSN to expand the conversation.
- WSN is actively looking for additional funding.

Electrical Project - Received executed BNSF Permit for Substation Feeder project. Video preconstruction conference is targeted for late April.

- Electrical Mapping is being updated

Keith Kinnen, Karvakko, P.A. submitted his report in writing as follows:

1. Airport Updates

- a. **GOOD NEWS:** We have been watching closely for stimulus dollars that could help Fosston and believe the recently passed CARES Act will allow all the projects this year occurring at the airport to be 100% funded with Federal dollars. There are many details to sort out yet, but we will keep Fosston posted as we find out more. This will include both the SRE acquisition and the wetland removal projects.
 - b. Environmental Assessment
 - i. The comment period for the Environmental Assessment is closed.
 - ii. There were comments from MPCA, EPA, and DNR.
 - iii. The EA has been updated and resubmitted to FAA based on comments received.
 - iv. FAA has routed the EA for final signatures.
 - c. Wetland Removal
 - i. With the completion of the EA, we now have authorization to develop plans and do the construction. Task Order 016 is for the required work.
 - ii. **Question:** Is the field around the wetlands rented out this summer? Or will it be farmed? Ideally, the area would not be rented/farmed this summer. However, if we need, we can coordinate construction to occur in the fall after harvest. Attached is a concept showing the anticipated area of disturbance.
 - d. Snow Removal Equipment
 - i. I drafted up a set of specifications, based on FAA requirements and submitted to FAA and MnDOT Aeronautics for review April 3rd. I expect to have comments by April 13th and will then reach out to suppliers for quotes.
 - ii. Assuming I get feedback from FAA and MnDOT, I expect to begin reaching out to suppliers for quotes this week.
 - iii. I intend to get quotes from from:
 1. Evergreen Implement- Mahnomon, MN
 2. Zieglar CAT – Crookston, MN
 3. Trueman Welters Inc – Buffalo, MN
 4. Titan Machinery – Grand Forks, ND
2. Corridor Study
 - a. On hold until we can host another public meeting
 - b. MnDOT has granted a timeline extension
 3. East Bike Trail

- a. I reached out to Gordon this week to begin coordinating the punchlist items. I have not heard back but will continue to reach out. I anticipate getting the project wrapped up first thing this spring.

There being no further business to come before the council, motion was made by Dufault, seconded by Hoialmen to adjourn. Motion carried by unanimous vote.

Charles Lucken, City Administrator