

CITY OF NORTHFIELD, MINNESOTA

RESOLUTION NO. 2017-060  
RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF  
\$945,000 GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2017A

A. WHEREAS, the Mayor announced that the next order of business was consideration of the proposals which had been received for the purchase of the City's \$945,000 General Obligation Improvement Bonds, Series 2017A.

B. WHEREAS, the City Finance Director presented a tabulation of the proposals that had been received. The proposals were as set forth in EXHIBIT A attached.

After due consideration of the proposals, Member \_\_\_\_\_ then introduced the following written resolution, the reading of which was dispensed with by unanimous consent, and moved its adoption:

BE IT RESOLVED By the City Council of the City of Northfield, Dakota and Rice Counties, Minnesota (the "City") in regular meeting assembled as follows:

Section 1. Sale of Bonds.

1.01 Authorization. It is hereby determined that it is necessary and expedient for the City to issue its \$945,000 General Obligation Improvement Bonds, Series 2017A (the "Bonds") pursuant to Minnesota Statutes, Chapters 429 (the "Act") to provide financing for various public street improvements in the City (the "Improvements"). The City is authorized by Minnesota Statutes, Section 475.60, subdivision 2(9) to negotiate the sale of the Bonds if the City has retained an independent municipal advisor in connection with such sale. The City has retained Ehlers and Associates, Inc. as an independent financial consultant in connection with the sale of the Bonds.

1.02. Award to the Purchaser and Interest Rates. The proposal of United Bankers' Bank, Bloomington, Minnesota (the "Purchaser") to purchase the Bonds of the City described in the Notice of Sale is hereby found and determined to be the most favorable offer received and is hereby accepted, the proposal being to purchase the Bonds at a price of \$955,353.45 plus interest, if any, to date of delivery. The Bonds bear interest as follows:

Year of Maturity	Interest Rate	Year of Maturity	Interest Rate
2019	2.00%	2023	2.00
2020	2.00	2024	2.00
2021	2.00	2026*	2.00
2022	2.00	2028*	2.25

\*Term Bond

1.03. Purchase Contract. Any original issue premium and any rounding amount shall be credited to the Debt Service Fund hereinafter created, or deposited in the Construction Fund under

Section 4.01 hereof, as determined by the City's Finance Director in consultation with the City's municipal advisor. The City Finance Director is directed to retain the good faith check of the Purchaser, pending completion of the sale of the Bonds, and to return the good faith checks of the unsuccessful proposers. The Mayor and City Clerk are authorized to execute a contract with the Purchaser on behalf of the City.

1.04. Terms and Principal Amounts of the Bonds. The City will forthwith issue and sell the Bonds pursuant to Minnesota Statutes, Chapters 429 and 475 (the "Act"), in the total principal amount of \$945,000, originally dated the date of issuance, in the denomination of \$5,000 each or any integral multiple thereof, numbered No. R-1, upward, bearing interest as above set forth, and maturing serially on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2019	\$ 90,000	2023	\$ 95,000
2020	95,000	2024	95,000
2021	95,000	2026*	190,000
2022	95,000	2028*	190,000

\*Term Bond

1.05. Optional Redemption. The City may elect on February 1, 2026, and on any day thereafter to prepay Bonds due on or after February 1, 2027. 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 will determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC (as defined in Section 7 hereof) of the particular amount of such maturity to be prepaid. 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. Prepayments will be at a price of par plus accrued interest.

1.06. Term Bond; Mandatory Redemption. The Bonds maturing on February 1, 2026 and February 1, 2028, shall hereinafter be referred to collectively as the "Term Bonds." The principal amounts of the Term Bonds subject to mandatory sinking fund redemption on any date may be reduced through earlier optional redemptions, with any partial redemption of the Term Bonds credited against future mandatory sinking fund redemptions of such Term Bond in such order as the City shall determine. The Term Bonds are subject to mandatory sinking fund redemption and shall be redeemed in part by lot at par plus accrued interest on the sinking fund installment dates and in the principal amounts as follows:

<u>Sinking Fund Installment Date</u>	<u>Principal Amount</u>
<u>February 1, 2026 Term Bonds</u>	
2025	\$95,000
2026 (maturity)	95,000

<u>Sinking Fund Installment Date</u>	<u>Principal Amount</u>
<u>February 1, 2028 Term Bonds</u>	
2027	\$95,000
2028 (maturity)	95,000

Section 2. Registration and Payment.

2.01. Registered Form. The Bonds will be issued only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof, will be payable by check or draft issued by the Registrar described herein.

2.02. Dates; Interest Payment Dates. Each Bond will be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond has been paid or made available for payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Bond will be dated as of the date of authentication, or (ii) the date of authentication is prior to the first interest payment date, in which case the Bond will be dated as of the date of original issue. The interest on the Bonds will be payable on February 1 and August 1 of each year, commencing August 1, 2018, to the registered owners of record as of the close of business on the fifteenth day of the immediately preceding month, whether or not that day is a business day.

2.03. Registration. The City will appoint, and will maintain, a bond registrar, transfer agent, authenticating agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of the City and the Registrar with respect thereto are as follows:

- (a) Register. The Registrar will keep at its principal corporate trust office a bond register in which the Registrar provides for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.
- (b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until that interest payment date.
- (c) Exchange of Bonds. When any Bonds are surrendered by the registered owner for exchange the Registrar will authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. All Bonds surrendered upon transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until the Registrar is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name any Bond is at any time registered in the bond register as the absolute owner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order will be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums to be paid.

(g) Taxes, Fees and Charges. The Registrar may impose a charge upon the owner thereof for every transfer or exchange of Bonds, sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance and amount satisfactory to it and as provided by law, in which both the City and the Registrar will be named as obligees. All Bonds so surrendered to the Registrar will be cancelled by it and evidence of such cancellation must be given to the City. If the mutilated, destroyed, stolen or lost bond has already matured or been called for redemption in accordance with its terms it will not be necessary to issue a new Bond prior to payment.

(i) Redemption. In the event any of the Bonds are called for redemption, notice thereof identifying the Bonds to be redeemed will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Registrar and by publishing the notice if required by law. Failure to give notice by publication or by mail to any registered owner, or any defect therein, will not affect the validity of the proceedings for the redemption of Bonds. Bonds so called for redemption

will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

2.04. Appointment of Initial Registrar. The City appoints Bond Trust Services Corporation, Roseville, Minnesota, as the initial Registrar. The Mayor and the City Clerk are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, the resulting corporation is authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar upon 30 days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar must deliver all cash and Bonds in its possession to the successor Registrar and must deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of this Council, the City Finance Director must transmit to the Registrar moneys sufficient for the payment of all principal and interest then due.

2.05. Execution, Authentication and Delivery. The Bonds will be prepared under the direction of the City Finance Director and executed on behalf of the City by the signatures of the Mayor and the City Clerk, provided that those signatures may be printed, engraved or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of any Bond, that signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Bond will not be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on a Bond is conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been so prepared, executed and authenticated, the City Finance Director will deliver the same to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

2.06. Temporary Bonds. The City may elect to deliver in lieu of printed definitive Bonds one or more typewritten temporary Bonds in substantially the form set forth in Section 3 with such changes as may be necessary to reflect more than one maturity in a single temporary bond. Upon the execution and delivery of definitive Bonds the temporary Bonds will be exchanged therefor and cancelled.

Section 3. Form of Bond.

3.01. Execution of the Bonds. The Bonds will be printed or typewritten in substantially the form attached hereto as EXHIBIT B.

3.02. Approving Legal Opinion. The City Finance Director is authorized and directed to obtain a copy of the proposed approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota, which is to be complete except as to dating thereof and cause the opinion to be printed on or accompany each Bond.

Section 4. Payment; Security; Pledges and Covenants.

4.01 Debt Service Fund. (a) The Bonds are payable from the General Obligation Improvement Bonds, Series 2017A Debt Service Fund (the "Debt Service Fund") hereby created, and the proceeds of ad valorem taxes herein or hereinafter levied (the "Taxes"), and special assessments (the "Assessments") levied or to be levied for the Improvements are hereby pledged to the Debt Service Fund. If a payment of principal or interest on the Bonds becomes due when there is not sufficient money in the Debt Service Fund to pay the same, the City Finance Director is directed to pay such principal or interest from other funds of the City, and such fund will be reimbursed for those advances out of the proceeds of Assessments and Taxes when collected. There is appropriated to the Debt Service Fund (i) any amount over the minimum purchase price paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 1.03, and (ii) capitalized interest, if any, funded from Bond proceeds.

(b) Construction Fund. The proceeds of the Bonds, less the appropriations made in paragraph (a), together with any other funds appropriated for the Improvements and Assessments collected during the construction of the Improvements will be deposited in a separate construction fund (the "Construction Fund") to be used solely to defray expenses of the Improvements and the payment of principal and interest on the Bonds prior to the completion and payment of all costs of the Improvement. Any balance remaining in the Construction Fund after completion of the Improvements may be used to pay the cost in whole or in part of any other improvement instituted under the Act. When the Improvements are completed and the cost thereof paid, the Construction Fund is to be closed and subsequent collections of Assessments for the Improvements are to be deposited in the Debt Service Fund.

4.02. City Covenants. The City hereby covenants with the holders from time to time of the Bonds as follows:

(a) It is hereby determined that the Improvements will directly and indirectly benefit abutting property, and that at least 20% of the costs of the Improvements to the City will be paid by Assessments. The City has caused or will cause the Assessments for the Improvements to be promptly levied so that the first installment will be collectible not later than 2018 and will take all steps necessary to assure prompt collection, and the levy of the Assessments is hereby authorized. The City Council will cause to be taken with due diligence all further actions that are required for the construction of each Improvement financed wholly or partly from the proceeds of the Bonds, and will take all further actions

necessary for the final and valid levy of the Assessments and the appropriation of any other funds needed to pay the Bonds and interest thereon when due.

(b) In the event of any current or anticipated deficiency in Assessments and Taxes, the City Council will levy ad valorem taxes in the amount of the current or anticipated deficiency.

(c) The City will keep complete and accurate books and records showing: receipts and disbursements in connection with the Improvements, Assessments and Taxes levied therefor and other funds appropriated for their payment, collections thereof and disbursements therefrom, monies on hand and, the balance of unpaid Assessments.

(d) The City will cause its books and records to be audited at least annually and will furnish copies of such audit reports to any interested person upon request.

4.03. Pledge of Tax Levy. For the purpose of paying the principal of and interest on the Bonds, there is levied a direct annual irrevocable ad valorem tax (the "Taxes") upon all of the taxable property in the City, which will be spread upon the tax rolls and collected with and as part of other general taxes of the City. The taxes will be credited to the Debt Service Fund above provided and will be in the years and amounts as follows (year stated being year of collection):

<u>Year</u>	<u>Levy</u>
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(See EXHIBIT C)

It is hereby determined that the estimated collections of Assessments and the foregoing Taxes will produce at least 5% in excess of the amount needed to meet when due the principal and interest payments on the Bonds.

4.04. Certification to County Auditors as to Debt Service Fund Amount. It is hereby determined that the estimated collections of Assessments and the foregoing Taxes will produce at least 5% in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levy herein provided is irrevocable until all of the Bonds are paid, provided that at the time the City makes its annual tax levies the City Clerk may certify to the County Auditors of Dakota and Rice Counties the amount available in the Debt Service Fund to pay principal and interest due during the ensuing year, and the County Auditors will thereupon reduce the levy collectible during such year by the amount so certified.

4.05. County Auditors' Certificates as to Registration and Tax Levy. The City Clerk is authorized and directed to file a certified copy of this resolution with the County Auditors of Dakota and Rice Counties and to obtain their certificates required by Minnesota Statutes, Section 475.63, that the Bonds have been entered in their register and the tax levy required by law has been made.

Section 5.     Authentication of Transcript.

5.01.   City Proceedings and Records. The officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bonds, certified copies of proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Bonds, and such instruments, including any heretofore furnished, will be deemed representations of the City as to the facts stated therein.

5.02    Certification as to Official Statement. The Mayor, City Clerk and Finance Director are hereby authorized and directed to certify that they have examined the Official Statement, prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the Official Statement is, as of the date thereof, a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement.

5.03.   Payment of Costs of Issuance. The City authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to KleinBank, Chaska, Minnesota on the closing date for further distribution as directed by the City's municipal advisor, Ehlers & Associates, Inc.

Section 6.     Tax Covenant.

6.01.   Tax-Exempt Bonds. The City covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bonds to become subject to taxation under the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become subject to taxation under the Code and applicable Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Bonds. To that end, the City will comply with all requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Bonds.

6.02.   No Rebate. For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements, the City hereby finds, determines, and declares that the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City (and all subordinate entities of the City) during the calendar year in which the Bonds are issued and outstanding at one time is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

6.03. Not Private Activity Bonds. The City further covenants not to use the proceeds of the Bonds or to cause or permit them or any of them to be used, in such a manner as to cause the Bonds to be “private activity bonds” within the meaning of Sections 103 and 141 through 150 of the Code.

6.04. Bank Qualified Tax-Exempt Obligations. In order to qualify the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, the City makes the following factual statements and representations:

(a) the Bonds are not “private activity bonds” as defined in Section 141 of the Code;

(b) the City hereby designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code;

(c) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, that are not qualified 501(c)(3) bonds) which will be issued by the City (and all subordinate entities of the City) during calendar year 2017 will not exceed \$10,000,000; and

(d) not more than \$10,000,000 of obligations issued by the City during calendar year 2017 have been designated for purposes of Section 265(b)(3) of the Code.

6.05. Procedural Requirements. The City will use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designations made by this section.

## Section 7. Book-Entry System; Limited Obligation of City.

7.01. DTC. The Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Bond for each of the maturities set forth in Section 1.04 hereof. Upon initial issuance, the ownership of each Bond will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns (“DTC”). Except as provided in this section, all of the outstanding Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

7.02. Participants. With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the City, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository (the “Participants”) or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person (other than a

registered owner of Bonds, as shown by the registration books kept by the Registrar,) of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The City, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bonds, and for all other purposes. The Paying Agent will pay all principal of, premium, if any, and interest on the Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the registration books kept by the Registrar, will receive a certificated Bond evidencing the obligation of this resolution. Upon delivery by DTC to the City Clerk of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co.," will refer to such new nominee of DTC; and upon receipt of such a notice, the City Clerk will promptly deliver a copy of the same to the Registrar and Paying Agent.

7.03. Representation Letter. The City has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the "Representation Letter") which shall govern payment of principal of, premium, if any, and interest on the Bonds and notices with respect to the Bonds. Any Paying Agent or Registrar subsequently appointed by the City with respect to the Bonds will agree to take all action necessary for all representations of the City in the Representation Letter with respect to the Registrar and Paying Agent, respectively, to be complied with at all times.

7.04. Transfers Outside Book-Entry System. In the event the City, by resolution of the City Council, determines that it is in the best interests of the persons having beneficial interests in the Bonds that they be able to obtain Bond certificates, the City will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Bond certificates. In such event the City will issue, transfer and exchange Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this Resolution. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the City will issue and the Registrar will authenticate Bond certificates in accordance with this resolution and the provisions hereof will apply to the transfer, exchange and method of payment thereof.

7.05. Payments to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, so long as a Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on the Bond and all notices with respect to the Bond will be made and given, respectively in the manner provided in DTC's Operational Arrangements, as set forth in the Representation Letter.

Section 8. Continuing Disclosure.

8.01. Execution of Continuing Disclosure Certificate. “Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate on file with the City Clerk, as it may be amended from time to time in accordance with the terms thereof. The Mayor and City Clerk are hereby directed to execute the Continuing Disclosure Certificate on behalf of the City.

8.02. City Compliance with Provisions of Continuing Disclosure Certificate. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the City to comply with the Continuing Disclosure Certificate is not to be considered an event of default with respect to the Bonds; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under the Continuing Disclosure Certificate.

Section 9. Defeasance. When all Bonds and all interest thereon, have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of the Bonds will cease, except that the pledge of the full faith and credit of the City for the prompt and full payment of the principal of and interest on the Bonds will remain in full force and effect. The City may discharge all Bonds which are due on any date by depositing with the Registrar or in escrow on or before that date a sum sufficient for the payment thereof in full. If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

Section 10. Effective Date. This resolution shall be in full force and effect from and after its passage.

PASSED by the City Council of the City of Northfield, Minnesota this 8th day of August, 2017.

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

VOTE:      \_\_\_ POWNELL    \_\_\_ DELONG    \_\_\_ COLBY    \_\_\_ NAKASIAN  
              \_\_\_ PETERSON WHITE    \_\_\_ NESS    \_\_\_ ZWEIFEL

## EXHIBIT A

### PROPOSALS



### BID TABULATION

**\$970,000\* General Obligation Improvement Bonds, Series 2017A**

**City of Northfield, Minnesota**

**SALE:** August 8, 2017

**AWARD:** UNITED BANKERS' BANK

**Rating:** S&P Global Ratings "AA"

**BBB:** 3.50%  
Bank Qualified

NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
UNITED BANKERS' BANK Bloomington, Minnesota	2019	2.000%	1.000%	\$980,828.25	\$107,534.25	1.8748%
	2020	2.000%	1.100%			
	2021	2.000%	1.200%			
	2022	2.000%	1.300%			
	2023	2.000%	1.450%			
	2024	2.000%	1.600%			
	2025 <sup>1</sup>	2.000%	2.000%			
	2026 <sup>1</sup>	2.000%	2.000%			
	2027 <sup>2</sup>	2.250%	2.150%			
	2028 <sup>2</sup>	2.250%	2.150%			
DOUGHERTY & COMPANY LLC Minneapolis, Minnesota	2019	3.000%		\$1,026,762.80	\$113,727.20	1.9235%
	2020	3.000%				
	2021	3.000%				
	2022	3.000%				
	2023	3.000%				
	2024	3.000%				
	2025	3.000%				
	2026	3.000%				
	2027	3.000%				
	2028	3.000%				

\* Subsequent to bid opening the issue size was decreased to \$945,000.

Adjusted Price - \$955,353.45 Adjusted Net Interest Cost - \$106,309.05

Adjusted TIC - 1.8820%

<sup>1</sup> \$190,000 Term Bond due 2026 with mandatory redemption in 2025.

<sup>2</sup> \$190,000 Term Bond due 2028 with mandatory redemption in 2027.



1-800-552-1171 | [www.ehlers-inc.com](http://www.ehlers-inc.com)

NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
NORTHLAND SECURITIES, INC. Minneapolis, Minnesota	2019	3.000%		\$987,282.85	\$116,660.65	2.0330%
	2020	3.000%				
	2021	3.000%				
	2022	3.000%				
	2023	3.000%				
	2024	1.750%				
	2025	1.750%				
	2026	2.100%				
	2027	2.100%				
	2028	2.500%				
BERNARDI SECURITIES, INC. Chicago, Illinois	2019	2.000%		\$970,000.00	\$126,561.00	2.2200%
	2020	2.000%				
	2021	2.000%				
	2022	2.000%				
	2023	2.000%				
	2024	2.000%				
	2025	2.150%				
	2026	2.300%				
	2027	2.450%				
	2028	2.550%				

## EXHIBIT B

### FORM OF BOND

No. R-\_\_\_\_\_

\$\_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTIES OF DAKOTA AND RICE  
CITY OF NORTHFIELD

#### GENERAL OBLIGATION IMPROVEMENT BOND, SERIES 2017A

<u>Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	February 1, 20__	September 7, 2017	666179

Registered Owner: Cede & Co.

The City of Northfield, Minnesota, a duly organized and existing municipal corporation in Dakota and Rice Counties, Minnesota (the "City"), acknowledges itself to be indebted and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, in the manner hereinafter set forth, unless called for earlier redemption, the principal amount specified above, on the maturity date specified above, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing February 1, 2018, at the rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months) until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the principal office of Bond Trust Services Corporation, Roseville, Minnesota, as Registrar, Paying Agent, Transfer Agent and Authenticating Agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given to Bondholders not less than ten days prior to the Special Record Date. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America. So long as this Bond is registered in the name of the Depository or its Nominee as provided in the Resolution hereinafter described, and as those terms are defined therein, payment of principal of, premium, if any, and interest on this Bond and notice with respect thereto shall be made as provided in the Letter of Representations, as defined in the Resolution, and surrender of

this Bond shall not be required for payment of the redemption price upon a partial redemption of this Bond. Until termination of the book-entry only system pursuant to the Resolution, Bonds may only be registered in the name of the Depository or its Nominee.

The City may elect on February 1, 2026, and on any day thereafter to prepay Bonds due on or after February 1, 2027. 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 will determine. If less than all Bonds of a maturity are called for redemption, the City will notify Depository Trust Company (“DTC”) of the particular amount of such maturity to be prepaid. 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. Prepayments will be at a price of par plus accrued interest.

The Bonds maturing on February 1, 2026 and February 1, 2028, shall hereinafter be referred to collectively as the “Term Bonds.” The principal amounts of the Term Bonds subject to mandatory sinking fund redemption on any date may be reduced through earlier optional redemptions, with any partial redemption of the Term Bonds credited against future mandatory sinking fund redemptions of such Term Bond in such order as the City shall determine. The Term Bonds are subject to mandatory sinking fund redemption and shall be redeemed in part by lot at par plus accrued interest on the sinking fund installment dates and in the principal amounts as follows:

<u>Sinking Fund Installment Date</u>	<u>Principal Amount</u>
<u>February 1, 2026 Term Bonds</u>	
2025	\$95,000
2026 (maturity)	95,000

<u>Sinking Fund Installment Date</u>	<u>Principal Amount</u>
<u>February 1, 2028 Term Bonds</u>	
2027	\$95,000
2028 (maturity)	95,000

This Bond is one of an issue in the aggregate principal amount of \$945,000 all of like original issue date and tenor, except as to number, denomination, maturity date, redemption privilege, and interest rate, all issued pursuant to a resolution adopted by the City Council on August 8, 2017 (the “Resolution”), for the purpose of providing money to finance the construction of various public improvements pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Chapters 429 and 475, and the principal hereof and interest hereon are payable from special assessments levied against property specially benefited by local improvements and from ad valorem taxes as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The full faith and credit of the City are irrevocably pledged for payment of this Bond and the City Council has obligated itself to levy ad valorem taxes on all taxable

property in the City, which taxes may be levied without limitation as to rate or amount. The Bonds of this series are issued only as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof of single maturities.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner's attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the City will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

This Bond has been designated by the Issuer as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The City and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the City nor the Registrar will be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution, laws of the State of Minnesota and charter of the City to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the City in accordance with its terms, have been done, do exist, have happened and have been performed as so required, and that the issuance of this Bond does not cause the indebtedness of the City to exceed any constitutional, statutory or charter limitation of indebtedness.

This Bond is not valid or obligatory for any purpose or entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon will have been executed by the Bond Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City of Northfield, Dakota and Rice Counties, Minnesota, by its City Council, has caused this Bond to be executed on its behalf by the facsimile signatures of the Mayor and City Clerk and has caused this Bond to be dated as of the date set forth below.

Dated: September 7, 2017

CITY OF NORTHFIELD, MINNESOTA

\_\_\_\_\_  
(Facsimile)  
City Clerk

\_\_\_\_\_  
(Facsimile)  
Mayor

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

BOND TRUST SERVICES CORP.

By \_\_\_\_\_  
Authorized Representative



The Bond Registrar will not effect transfer of this Bond unless the information concerning the assignee requested below is provided.

Name and Address:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
(Include information for all joint owners if this  
Bond is held by joint account.)

Please insert social security or other  
identifying number of assignee

\_\_\_\_\_

#### PROVISIONS AS TO REGISTRATION

The ownership of the principal of and interest on the within Bond has been registered on the books of the Registrar in the name of the person last noted below.

Date of Registration

Registered Owner

Signature  
of Registrar

\_\_\_\_\_

Cede & Co.  
Federal ID #13-2555119

\_\_\_\_\_

**EXHIBIT C**  
**TAX LEVY SCHEDULE**

<b><u>Collection Year</u></b>	<b><u>Levy Amount</u></b>
2018	\$ 54,499.56
2019	51,643.49
2020	51,569.93
2021	51,496.35
2022	51,422.77
2023	51,349.21
2024	51,275.63
2025	51,202.07
2026	51,128.49
2027	50,805.56

STATE OF MINNESOTA            )  
  )  
COUNTIES OF DAKOTA         )  
AND RICE                                ) SS.  
  )  
CITY OF NORTHFIELD            )

I, the undersigned, being the duly qualified and acting City Clerk of the City of Northfield, Dakota and Rice Counties, Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the City Council of the City held on August 8, 2017 with the original minutes on file in my office and the extract is a full, true and correct copy of the minutes insofar as they relate to the issuance and sale of \$945,000 General Obligation Improvement Bonds, Series 2017A of the City.

WITNESS my hand officially as such City Clerk this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
City Clerk

STATE OF MINNESOTA  
COUNTY OF DAKOTA

COUNTY AUDITOR- TREASURER'S  
CERTIFICATE AS TO  
TAX LEVY AND REGISTRATION

I, the undersigned County Auditor-Treasurer of Dakota County, Minnesota, hereby certify that a certified copy of a resolution adopted by the City Council of the City of Northfield, Minnesota, on August 8, 2017, levying taxes for the payment of \$9945,000 General Obligation Improvement Bonds, Series 2017A, of said City dated September 7, 2017, has been filed in my office and said bonds have been entered on the register of obligations in my office and that the taxes specified in the Resolution have been levied as required by law.

WITNESS my hand this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

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County Auditor-Treasurer  
Dakota County, Minnesota

STATE OF MINNESOTA  
COUNTY OF RICE

COUNTY AUDITOR- TREASURER'S  
CERTIFICATE AS TO  
TAX LEVY AND REGISTRATION

I, the undersigned County Auditor-Treasurer of Rice County, Minnesota, hereby certify that a certified copy of a resolution adopted by the City Council of the City of Northfield, Minnesota, on August 8, 2017, levying taxes for the payment of \$945,000 General Obligation Improvement Bonds, Series 2017A, of said City dated September 7, 2017, has been filed in my office and said bonds have been entered on the register of obligations in my office and that the taxes specified in the Resolution have been levied as required by law.

WITNESS my hand this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

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County Auditor-Treasurer  
Rice County, Minnesota