

City of Ada
City Council Special Session
June 15, 2020 at 6:00 p.m.
City Hall

- I. Call to Order
- II. Pledge of Allegiance
- III. Roll Call
- IV. Resolution 2020-06-02 **RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF A \$1,162,054 GENERAL OBLIGATION REVENUE NOTE, SERIES 2020A, AND PROVIDING FOR ITS PAYMENT**
- V. Resolution 2020-06-03 **RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF A \$813,680 GENERAL OBLIGATION TAXABLE REVENUE NOTE, SERIES 2020B, AND PROVIDING FOR ITS PAYMENT**
- VI. Adjourn

RESOLUTION NO. 2020-06-02

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF A \$1,162,054
GENERAL OBLIGATION REVENUE NOTE, SERIES 2020A, AND
PROVIDING FOR ITS PAYMENT**

BE IT RESOLVED by the City Council (the "Council") of the City of Ada, Norman County, Minnesota (the "Issuer"), as follows:

Section 1. Authorization and Sale of Note.

1.01. Findings. It is found and determined to be necessary and in the best interest of the Issuer, the residents of the Issuer and the environment to finance the sanitary sewer and lift station improvements (the "Project") as further described in the Issuer's application to the Minnesota Public Facilities Authority (the "Lender") for project funding.

1.02. Note for Capital Improvements to Utility. It is further found and determined to be necessary and in the best interest of the Issuer and the residents of the Issuer to sell and issue a general obligation revenue note of the Issuer to the Lender in the amount of \$1,162,054 to finance a portion of the Project, all pursuant to Minnesota Statutes, Sections 115.46 and 444.075 and Chapter 475 and subject to execution by the Issuer and Lender of the Minnesota Public Facilities Authority Bond Purchase and Project Loan Agreement (the "Loan Agreement").

1.03. Issuance and Sale of Note. The Issuer authorizes the issuance and sale to the Lender of the Issuer's \$1,162,054 General Obligation Revenue Note, Series 2020A (the "Note"), in substantially the form attached hereto as Attachment A to finance the Project and authorizes and approves the Loan Agreement between the Lender and the Issuer, in substantially the form presented to the Council and on file in the office of the Administrator, which is incorporated by reference.

Section 2. Execution and Delivery of Note and Loan Agreement.

2.01. Terms.

A. The Note to be issued hereunder shall be dated as of the date of issuance, shall be issued in fully registered form and lettered and numbered R-1.

B. The Note shall be in the principal amount of \$1,162,054, or such lesser amount that shall be disbursed pursuant to the Loan Agreement, shall bear interest on so much of the principal amount of the Note as may be disbursed and remains unpaid until the principal amount of the Note has been paid or has been provided for, at the rate of 1.00% per annum (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Note is payable semiannually on February 20 and August 20 as provided in Exhibit A to the Note.

C. Principal payments shall be made in the respective years and amounts set forth on Exhibit A to the Note. Principal, interest and any premium due under the Note will be paid on each payment date by wire payment, or by check or draft mailed at least five business days prior to the payment date to the person in whose name the Note is registered.

2.02. Execution. The Note shall be prepared for execution in accordance with the approved forms and shall be signed by the manual signature of the Mayor and attested by the

manual signature of the Administrator. The Loan Agreement shall be prepared for execution in accordance with the approved forms and shall be signed via DocuSign by the Mayor and attested by the Administrator. The execution of the Loan Agreement by the Mayor and the Administrator is ratified and confirmed. In case any officer whose signature shall appear on the Note shall cease to be an officer before delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

2.03. Note Register. The Issuer will cause to be kept at its offices a register in which, subject to such reasonable regulations as the Issuer may prescribe, the Administrator shall provide for the registration of transfers of ownership of the Note. The Note shall be initially registered in the name of the Lender and shall be transferable upon the register by the Lender in person or by its agent duly authorized in writing, upon surrender of the Note, together with a written instrument of transfer satisfactory to the Administrator, duly executed by the Lender or its duly authorized agent.

2.04. Delivery. Delivery of the Note shall be made at a place mutually satisfactory to the Issuer and the Lender. The Note shall be furnished by the Issuer without cost to the Lender. The Note, when prepared in accordance with this Resolution and executed, shall be delivered to the Lender by and under the direction of the Administrator. Disbursement of the proceeds of the Note shall be made pursuant to the Loan Agreement.

2.05. Loan Agreement to Govern. In the event of an inconsistency between a provision of this Resolution and a provision of the Loan Agreement, the provision of the Loan Agreement shall govern.

Section 3. Accounts and Tax Levies.

3.01. Sewer Fund. The Issuer will continue to operate its Sewer Fund (the "Fund") in accordance with Minnesota Statutes, Section 444.075, to which shall be credited all gross revenues of the Issuer's wastewater utility (the "Utility"), and out of which will be paid all normal and reasonable expenses of current operations of the Utility. There are created in the Fund the following accounts: the 2020A Minnesota Public Facilities Authority Note Construction Account (the "Construction Account") and the 2020A Minnesota Public Facilities Authority Note Debt Service Account (the "Debt Service Account") which shall be separate restricted accounts in the Fund.

3.02. Construction Account. Each disbursement of proceeds of the Note which is received pursuant to the terms of the Loan Agreement shall be credited to the Construction Account. Monies on deposit in the Construction Account shall be used from time to time to pay the capital costs of the Project, including but not limited to costs of planning, engineering, legal, financial advisory, and other professional services, printing and publication costs, and costs of issuance of the Note, as such payments become due. Upon completion of the Project, any amounts left in the Construction Account shall be transferred to the Debt Service Account.

3.03. Debt Service Account. The money in the Debt Service Account shall be used for no purpose other than the payment of principal and interest on the Note and other notes similarly authorized; 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 funds of the Issuer and said funds shall be reimbursed for such advance from the

Debt Service Account when a sufficient balance is available therein. The Issuer further irrevocably appropriates to the Debt Service Account for payment of the principal of and interest on the Note:

- (a) any revenues of the Utility available in the Fund after payment in full of normal and reasonable expenses of current operations of the Utility which balances are deemed net revenues solely to the extent allocated to pay the principal of and interest on the Note when due; the portion of such payments allocated to the Note shall be transferred to the Debt Service Account no later than the last business day of the month in which such payments are received;
- (b) all sums collected from the taxes, if any, extended and assessed under the provisions of Section 3.05;
- (c) all income and gain from investment of the Debt Service Account;
- (d) any special assessments levied or to be levied against property specially benefited by the Project, and interest thereon (the "Special Assessments"); and
- (e) any funds remaining in the Construction Account after completion of the Project and payment of the costs thereof.

3.04. No Tax Levy. The full faith and credit and taxing powers of the Issuer are irrevocably pledged for the prompt and full payment of the principal of and interest on the Note, as such principal and interest respectively become due. However, the monies and payments appropriated to the Debt Service Account in Section 3.03 hereof are estimated to be not less than five percent in excess of the principal of and interest on the Note when due and, accordingly, no tax is levied at this time.

3.05. General Obligation Pledge. In the event the monies and payments appropriated to the Debt Service Account in Section 3.03 hereof are insufficient to pay principal of and interest on the Note as the same become due, the Issuer is required by law and by contract with the holder of the Note and obligates itself to levy and cause to be extended, assessed and collected any additional taxes found necessary for full payment of the principal of and interest on the Note.

3.06. Investments. Subject to the requirements of Section 7 of this Resolution, monies on deposit in the Construction Account and the Debt Service Account may, at the discretion of the Administrator, be invested in any securities permitted by Minnesota Statutes, Chapter 118A and in accordance with resolutions of the Issuer; provided, however, such investments shall mature at such times and in such amounts as will permit payments by the Issuer for authorized purposes, when due.

Section 4. Registration of Note with County Auditor. The Administrator or designee is directed to file with the County Auditor of Norman County, Minnesota, a certified copy of this Resolution, together with such other information as the County Auditor may desire concerning the Note and obtain from the County Auditor a certificate that the Note has been entered on the County Auditor's register. If any taxes are required to be levied under Section 3.04 hereof, the County Auditor will assess and extend each year the amount, or the reduced amount certified by the Administrator. The County Auditor will certify to the Administrator the assessed valuation of taxable property within the Issuer each year, and may each extend and assess the full amount of the taxes to be levied that the Administrator computes and certifies to the County Auditor.

Section 5. Authentication of Note Transcript.

5.01. Official Proceedings. The officers of the Issuer and the County Auditor of Norman County, Minnesota, are authorized and directed to furnish to the Lender certified copies of proceedings and information in their official records relevant to the authorization and issuance of the Note and the execution and delivery of the Loan Agreement, and such certificates and affidavits as to other matters appearing in their official records or otherwise known to them as may be reasonably required to evidence the validity and security of the Note, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations and recitals of the Issuer as to the correctness of all facts stated therein and the completion of all proceedings stated therein to have been taken.

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

Section 6. Covenants. The Council covenants and agrees with the holders of the Note that so long as any payments under the Note remain outstanding and unpaid, they will keep and enforce the following covenants and agreements:

(a) The Issuer will continue to maintain and efficiently operate the Utility or continue to cause the Utility to be maintained and efficiently operated as a public utility and convenience free from competition of other like utilities, and will cause all revenue therefrom to be deposited in bank accounts and credited to the Fund and accounts therein as herein above provided, and will make or authorize no expenditures from those funds and accounts except for a duly authorized purpose and in accordance with this Resolution.

(b) The Issuer will also maintain or cause to be maintained the Debt Service Account as a separate account in the Fund and will cause monies to be credited thereto from time to time out of net revenues from the Utility, in sums sufficient to pay principal and interest on the Note and obligations similarly authorized when due.

(c) The Issuer will keep and maintain or cause to be kept and maintained proper and adequate books and records of accounts separate from all the records of the Issuer in which will be complete and correct entries as to all transactions relating to the Utility and which shall be open to inspection and copying in accordance with the Loan Agreement by the Lender or the Lender's agent or attorney at any reasonable time, and it will furnish certified transcripts therefrom upon request and upon payment of a reasonable fee therefor and said account shall be audited at least annually by a qualified public accountant and statements of such audit and report will be furnished to the Lender in accordance with the requirements of the Loan Agreement.

(d) The Issuer will cause the funds collected on account of the operations of the Utility to be deposited in a bank whose deposits are guaranteed under the Federal Deposit Insurance Law.

(e) The Issuer will keep the Utility insured or cause the Utility to be insured at all times against loss by fire, tornado and other risks customarily insured against with an insurer or insurers in good standing in such amounts as are customary for like utilities to protect the Lender and the Issuer from any loss due to such casualty and will apply the proceeds of such insurance to make good any such loss.

(f) The Issuer and each and all of its officers will punctually perform all duties of reference to the Utility as required by law.

(g) The Issuer will impose and collect charges or cause the imposition and collection of charges of the nature authorized by Minnesota Statutes, Section 444.075 at the times and in the amounts required, along with the monies and payments appropriated to the Debt Service Account in Section 3.03 hereof, to produce net revenues of the Utility adequate to pay all principal and interest when due on the Note, and to create and maintain such reserves securing said payments as may be provided in this Resolution.

Section 7. Tax Covenants.

7.01. Covenants with Respect to the Lender's Bonds. The Issuer agrees to cooperate with the Lender as necessary to maintain the tax-exempt status of any bonds issued by the Lender either to fund the Note or which are secured by the Note (the "Bonds"). The Issuer specifically agrees:

(a) Any sums from time to time held by or under the control of the Issuer which would constitute "gross proceeds" of the Bonds ("Gross Proceeds"), as defined in the Internal Revenue Code of 1986, as amended, and the regulations in effect with respect thereto (the "Code") shall not be invested at a yield in excess of the applicable yield on the Bonds. Disbursements of proceeds of the Note shall not be reinvested by the Issuer. In addition, said Gross Proceeds shall not be invested in obligations or deposits issued, guaranteed or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(b) The Issuer covenants not to use the Project or to cause or permit it or any of it to be used, or to enter into any deferred payment arrangements for the cost of such Project, in such a manner as to cause any Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

(c) With respect to any Gross Proceeds, the Issuer shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code and the interest on any Bonds, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Bonds, and the rebate of excess investment earnings to the United States.

(d) The Issuer shall comply with such instructions as may be provided from time to time by the Lender with respect to gross proceeds of Bonds.

7.02. Covenant Regarding Tax-Exempt Status of the Note. The Issuer covenants and agrees with the Lender that the Issuer will (i) take all action on its part necessary to cause the

interest on the Note 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 Note 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 Note to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the Note and investment earnings thereon on certain specified purposes.

7.03. Covenant as to Yield Restriction. No portion of the proceeds of the Note shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (i) for a reasonable temporary period until such proceeds are needed for the purpose for which the Note was issued, and (ii) in addition to the above, in an amount not greater than the lesser of five percent of the proceeds of the Note or \$100,000. To this effect, any proceeds of the Note and any sums from time to time held in the Debt Service Account (or any other Issuer account which will be used to pay principal and interest to become due on the Note) in excess of amounts which under the applicable federal arbitrage regulations may be invested without regard as to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by the arbitrage regulations on such investments after taking into account any applicable temporary periods or minor portion made available under the federal arbitrage regulations.

7.04. Arbitrage Rebate Exemption. For purposes of qualifying for the small-issuer exception to the federal arbitrage rebate requirements, the Issuer finds, determines and declares:

- (a) the Issuer is a governmental unit with general taxing powers;
- (b) the Note is not a "private activity bond" as defined in Section 141 of the Code;
- (c) 95% or more of the net proceeds of the Note is to be used for local governmental activities of the Issuer; and
- (d) the aggregate face amount of the tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Note is issued is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

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

- (a) the Note is not a "private activity bond" as defined in Section 141 of the Code;
- (b) the Issuer designates the Note 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 obligations described in clause (ii) of Section 265(b)(3)(C) 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 Note is issued will not exceed \$10,000,000; and

(d) not more than \$10,000,000 of obligations (other than certain qualified refunding obligations, which are not taken into account) will be issued by the Issuer during the calendar year in which the Note is issued have been designated for the purposes of Section 265(b)(3) of the Code.

Section 8. Post-Issuance Compliance Policy and Procedures. The Issuer 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 Issuer hereby ratifies the Policy and Procedures for the Bonds. The Administrator, through her role as the City Clerk/Treasurer, continues to be designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

Approved by the Council on _____, 2020.

Mayor

Attest:

Administrator

ATTACHMENT A
FORM OF GENERAL OBLIGATION REVENUE NOTE

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF NORMAN

CITY OF ADA

GENERAL OBLIGATION REVENUE NOTE, SERIES 2020A

R-1

Rate: 1.00%

\$1,162,054

Date of Note: _____, 2020
Final Maturity Date: August 20, 2040

FOR VALUE RECEIVED, the City of Ada, Norman County, Minnesota, a duly organized and existing municipal corporation and political subdivision of the State of Minnesota (the "Issuer"), and whose office address is 15 Fourth Avenue East, Ada, MN 56510, for value received, promises to pay to the MINNESOTA PUBLIC FACILITIES AUTHORITY, its successors or registered assigns (the "Lender") at its offices in St. Paul, Minnesota, or such other place as the Lender may designate in writing, the principal sum of ONE MILLION ONE HUNDRED SIXTY-TWO THOUSAND FIFTY-FOUR DOLLARS (\$1,162,054), or such portion thereof as is disbursed to the Issuer (the "Loan"), pursuant to the Minnesota Public Facilities Authority Bond Purchase and Project Loan Agreement between the Issuer and the Lender dated June 3, 2020 (the "Loan Agreement"), the provisions of which are incorporated as though fully set forth herein.

The principal of this Note must be repaid in the amounts and on the dates set forth in the schedule attached hereto as Exhibit A (notwithstanding the rate of disbursement of the principal hereof), subject to adjustment as provided in the Loan Agreement, together with interest and services fees collectively at the annual rate set forth above, for the period starting on the date set forth above through the date on which no principal remains unpaid, provided, however, that interest and service fees shall accrue only on the aggregate amount of the principal disbursed and outstanding hereunder. Interest shall be calculated on the basis of a 360-day year of twelve, 30-day months. The entire outstanding principal balance and interest and service fees thereon, if not sooner paid, must be paid in full on the final maturity date set forth above. As provided in Article 1 of the Loan Agreement, Exhibit A hereto may be revised and replaced in its entirety, which replacement shall govern the dates and amounts of payments due hereunder.

Both principal hereof and interest hereon are payable in lawful money of the United States of America by wire payment, check or draft mailed at least five business days prior to the due date directly to the registered owner hereof shown on the Note registration records maintained by the Issuer, without, except for the final payment of principal on this Note, the presentation or surrender of this Note, and all such payments shall discharge the obligations of the Issuer to the extent of the payments so made. The final principal payment shall be made upon presentation and surrender of this Note 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.

This Note is issued by the Issuer pursuant to the authority contained in Minnesota Statutes, Sections 115.046 and 444.075 and Chapter 475, and all other laws thereunto enabling, and pursuant to an authorizing resolution adopted by the Issuer on _____, 2020 (the "Resolution"), for the purpose of financing the sanitary sewer and lift station improvements.

This Note is subject to redemption with the consent of the Lender, in whole or in part on such dates and at such prices and upon such other terms as are specified in the Loan Agreement, including, but not limited to, acceleration or payment of increased interest as provided in Section 9.2 of the Loan Agreement.

This Note is transferable by the registered owner hereof upon surrender of this Note for transfer at the office of the Issuer duly endorsed and accompanied by a written instrument of transfer in form satisfactory to the Issuer and executed by the registered owner hereof or the owner's attorney duly authorized in writing. The Issuer may deem and treat the person in whose name this Note is last registered upon the books of the Issuer, with such registration noted on this Note, as the absolute owner hereof for the purpose of receiving payment of or on account of the principal balance, redemption price or interest and for all other purposes; all such payments so made to the registered holder or upon the order thereof shall be valid and effectual to satisfy and discharge the liability upon this Note to the extent of the sum or sums so paid, and the Issuer shall not be affected by any notice to the contrary.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the Constitution and the laws of the State of Minnesota to be done and to exist precedent to and in the issuance of this Note 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 matter as so required; that all revenues received in payment of debt service cost allocations for this Note are irrevocably pledged and appropriated to the 2020A Minnesota Public Facilities Authority Note Debt Service Account established in the Resolution to pay when due the principal of and interest on this Note and obligations similarly authorized as provided in the Resolution; that, if needed to pay such principal and interest, the Issuer is required to levy ad valorem taxes on all taxable property in the Issuer, and such taxes may be levied without limitation of rate or amount; and that the issuance of this Note does not cause the indebtedness of the Issuer to exceed any constitutional or statutory limitation.

Additional provisions of this Note are contained in the Loan Agreement and such provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, the Issuer has caused this Note to be executed in its name by the manual signatures of its Mayor and Administrator.

(Form – No Signature Required)
Mayor

Attest:

(Form – No Signature Required)
Administrator

PROVISIONS AS TO REGISTRATION

The ownership of the unpaid principal balance of this Note and the interest accruing thereon is registered on the books of the City of Ada, Minnesota, in the name of the holder last noted below.

Date of Registration	Name and Address of Registered Owner	Signature of Administrator
___/___/2020	State of Minnesota Public Facilities Authority 1st National Bank Bldg., Suite W820 332 Minnesota Street St. Paul, MN 55101-1378 Federal Tax I.D. No.: 41-6007162	<i>(Form-No Signature Required)</i>

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto _____ the within Note and all rights thereunder, and irrevocably constitutes and appoints _____ attorney to transfer the said Note on the books kept for registration of the within Note, with full power of substitution in the premises.

Dated: _____

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

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

Name and Address: _____

Taxpayer Identification No.: _____

Exhibit A

Loan Amortization Schedule
MPFA-CWRF-L-050-FY20

1,162,054.00

Ada - cw01

Rate: 1.000%

Rehabilitation Sanitary Sewer Collection

Date:

Maturity: 08/20/40

Type of Note: Tax Exempt

final loan amount: 1,162,054.00

Date	Effective	Source	Disbursement	Repayment	Interest	Principal	Loan Balance	Annl Debt Srv
projected	06/24/20	Op Res	1,162,054.00				1,162,054.00	
	02/20/21			7,617.90	7,617.90		1,162,054.00	
	08/20/21			15,864.27	5,810.27	10,054.00	1,152,000.00	23,482.17
	02/20/22			5,760.00	5,760.00		1,152,000.00	
	08/20/22			60,760.00	5,760.00	55,000.00	1,097,000.00	66,520.00
	02/20/23			5,485.00	5,485.00		1,097,000.00	
	08/20/23			61,485.00	5,485.00	56,000.00	1,041,000.00	66,970.00
	02/20/24			5,205.00	5,205.00		1,041,000.00	
	08/20/24			61,205.00	5,205.00	56,000.00	985,000.00	66,410.00
	02/20/25			4,925.00	4,925.00		985,000.00	
	08/20/25			61,925.00	4,925.00	57,000.00	928,000.00	66,850.00
	02/20/26			4,640.00	4,640.00		928,000.00	
	08/20/26			62,640.00	4,640.00	58,000.00	870,000.00	67,280.00
	02/20/27			4,350.00	4,350.00		870,000.00	
	08/20/27			62,350.00	4,350.00	58,000.00	812,000.00	66,700.00
	02/20/28			4,060.00	4,060.00		812,000.00	
	08/20/28			63,060.00	4,060.00	59,000.00	753,000.00	67,120.00
	02/20/29			3,765.00	3,765.00		753,000.00	
	08/20/29			62,765.00	3,765.00	59,000.00	694,000.00	66,530.00
	02/20/30			3,470.00	3,470.00		694,000.00	
	08/20/30			63,470.00	3,470.00	60,000.00	634,000.00	66,940.00
	02/20/31			3,170.00	3,170.00		634,000.00	
	08/20/31			64,170.00	3,170.00	61,000.00	573,000.00	67,340.00
	02/20/32			2,865.00	2,865.00		573,000.00	
	08/20/32			63,865.00	2,865.00	61,000.00	512,000.00	66,730.00
	02/20/33			2,560.00	2,560.00		512,000.00	
	08/20/33			64,560.00	2,560.00	62,000.00	450,000.00	67,120.00
	02/20/34			2,250.00	2,250.00		450,000.00	
	08/20/34			64,250.00	2,250.00	62,000.00	388,000.00	66,500.00
	02/20/35			1,940.00	1,940.00		388,000.00	
	08/20/35			64,940.00	1,940.00	63,000.00	325,000.00	66,880.00
	02/20/36			1,625.00	1,625.00		325,000.00	
	08/20/36			65,625.00	1,625.00	64,000.00	261,000.00	67,250.00
	02/20/37			1,305.00	1,305.00		261,000.00	
	08/20/37			65,305.00	1,305.00	64,000.00	197,000.00	66,610.00
	02/20/38			985.00	985.00		197,000.00	
	08/20/38			65,985.00	985.00	65,000.00	132,000.00	66,970.00
	02/20/39			660.00	660.00		132,000.00	
	08/20/39			66,660.00	660.00	66,000.00	66,000.00	67,320.00
	02/20/40			330.00	330.00		66,000.00	
	08/20/40			66,330.00	330.00	66,000.00	-	66,660.00
totals			1,162,054.00	1,294,182.17	132,128.17	1,162,054.00		1,294,182.17

STATE OF MINNESOTA)
) ss.
COUNTY OF NORMAN)

I, Ashley Larson, the duly qualified and acting Administrator of the City of Ada, Minnesota, certify that I am the official custodian of the records of the Issuer, and that I have compared the attached copy with the original records of the Issuer, and that it is a true and correct transcript taken from the records of the proceedings of the meeting of the Council, held at the City of Ada, Minnesota, on _____, 2020.

IN WITNESS WHEREOF, I have hereunto set my hand on _____, 2020.

Administrator

RESOLUTION NO. 2020-06-03
RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF A \$813,680
GENERAL OBLIGATION TAXABLE REVENUE NOTE, SERIES 2020B, AND
PROVIDING FOR ITS PAYMENT

BE IT RESOLVED by the City Council (the "Council") of the City of Ada, Norman County, Minnesota (the "Issuer"), as follows:

Section 1. Authorization and Sale of Note.

1.01. Findings. It is found and determined to be necessary and in the best interest of the Issuer, the residents of the Issuer and the environment to finance improvements to the Issuer's rehabilitation of the Issuer's water tower (the "Project") as further described in the Issuer's application to the Minnesota Public Facilities Authority (the "Lender") for project funding.

1.02. Note for Capital Improvements to Utility. It is further found and determined to be necessary and in the best interest of the Issuer and the residents of the Issuer to sell and issue a general obligation taxable revenue note of the Issuer to the Lender in the amount of \$813,680 to finance a portion of the Project, all pursuant to Minnesota Statutes, Chapter 475 and Section 444.075, and subject to execution by the Issuer and Lender of the Minnesota Public Facilities Authority Bond Purchase and Project Loan Agreement (the "Loan Agreement").

1.03. Issuance and Sale of Note. The Issuer authorizes the issuance and sale to the Lender of the Issuer's \$813,680 General Obligation Taxable Revenue Note, Series 2020B (the "Note"), in substantially the form attached hereto as Attachment A to finance the Project and authorizes and approves the Loan Agreement between the Lender and the Issuer, in substantially the form presented to the Council and on file in the office of the Administrator, which is incorporated by reference.

Section 2. Execution and Delivery of Note and Loan Agreement.

2.01. Terms.

A. The Note to be issued hereunder shall be dated as of the date of issuance, shall be issued in fully registered form and lettered and numbered R-1.

B. The Note shall be in the principal amount of \$813,680, or such lesser amount that shall be disbursed pursuant to the Loan Agreement, shall bear interest on so much of the principal amount of the Note as may be disbursed and remains unpaid until the principal amount of the Note has been paid or has been provided for, at the rate of 1.00% per annum (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Note is payable semiannually on February 20 and August 20 as provided in Exhibit A to the Note.

C. Principal payments shall be made in the respective years and amounts set forth on Exhibit A to the Note. Principal, interest and any premium due under the Note will be paid on each payment date by wire payment, or by check or draft mailed at least five business days prior to the payment date to the person in whose name the Note is registered.

2.02. Execution. The Note shall be prepared for execution in accordance with the approved forms and shall be signed by the manual signature of the Mayor and attested by the manual signature of the Administrator. The Loan Agreement shall be prepared for execution in accordance with the approved forms and shall be signed via DocuSign by the Mayor and attested by the Administrator. The execution of the Loan Agreement by the Mayor and the Administrator is ratified and confirmed. In case any officer whose signature shall appear on the Note shall cease to be an officer before delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

2.03. Note Register. The Issuer will cause to be kept at its offices a register in which, subject to such reasonable regulations as the Issuer may prescribe, the Administrator shall provide for the registration of transfers of ownership of the Note. The Note shall be initially registered in the name of the Lender and shall be transferable upon the register by the Lender in person or by its agent duly authorized in writing, upon surrender of the Note, together with a written instrument of transfer satisfactory to the Administrator, duly executed by the Lender or its duly authorized agent.

2.04. Delivery. Delivery of the Note shall be made at a place mutually satisfactory to the Issuer and the Lender. The Note shall be furnished by the Issuer without cost to the Lender. The Note, when prepared in accordance with this Resolution and executed, shall be delivered to the Lender by and under the direction of the Administrator. Disbursement of the proceeds of the Note shall be made pursuant to the Loan Agreement.

2.05. Loan Agreement to Govern. In the event of an inconsistency between a provision of this Resolution and a provision of the Loan Agreement, the provision of the Loan Agreement shall govern.

Section 3. Accounts and Tax Levies.

3.01. Water Fund. The Issuer will continue to operate its Water Fund (the "Fund") in accordance with Minnesota Statutes, Section 444.075, to which shall be credited all gross revenues of the Issuer's drinking water utility (the "Utility"), and out of which will be paid all normal and reasonable expenses of current operations of the Utility. There are created in the Fund the following accounts: the 2020B Minnesota Public Facilities Authority Note Construction Account (the "Construction Account") and the 2020B Minnesota Public Facilities Authority Note Debt Service Account (the "Debt Service Account") which shall be separate restricted accounts in the Fund.

3.02. Construction Account. Each disbursement of proceeds of the Note which is received pursuant to the terms of the Loan Agreement shall be credited to the Construction Account. Monies on deposit in the Construction Account shall be used from time to time to pay the capital costs of the Project, including but not limited to costs of planning, engineering, legal, financial advisory, and other professional services, printing and publication costs, and costs of issuance of the Note, as such payments become due. Upon completion of the Project, any amounts left in the Construction Account shall be transferred to the Debt Service Account.

3.03. Debt Service Account. The money in the Debt Service Account shall be used for no purpose other than the payment of principal and interest on the Note and other notes similarly authorized; 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 funds of the Issuer and said funds shall be reimbursed for such advance from the Debt Service Account when a sufficient balance is available therein. The Issuer further irrevocably appropriates to the Debt Service Account for payment of the principal of and interest on the Note:

(a) any revenues of the Utility available in the Fund after payment in full of normal and reasonable expenses of current operations of the Utility which balances are deemed net revenues solely to the extent allocated to pay the principal of and interest on the Note when due; the portion of such payments allocated to the Note shall be transferred to the Debt Service Account no later than the last business day of the month in which such payments are received;

(b) all sums collected from the taxes, if any, extended and assessed under the provisions of Section 3.05;

(c) all income and gain from investment of the Debt Service Account;

(d) any special assessments levied or to be levied against property specially benefited by the Project, and interest thereon (the "Special Assessments"); and

(e) any funds remaining in the Construction Account after completion of the Project and payment of the costs thereof.

3.04. No Tax Levy. The full faith and credit and taxing powers of the Issuer are irrevocably pledged for the prompt and full payment of the principal of and interest on the Note, as such principal and interest respectively become due. However, the monies and payments appropriated to the Debt Service Account in Section 3.03 hereof are estimated to be not less than five percent in excess of the principal of and interest on the Note when due and, accordingly, no tax is levied at this time.

3.05. General Obligation Pledge. In the event the monies and payments appropriated to the Debt Service Account in Section 3.03 hereof are insufficient to pay principal of and interest on the Note as the same become due, the Issuer is required by law and by contract with the holder of the Note and obligates itself to levy and cause to be extended, assessed and collected any additional taxes found necessary for full payment of the principal of and interest on the Note.

3.06. Investments. Monies on deposit in the Construction Account and the Debt Service Account may, at the discretion of the Administrator, be invested in any securities permitted by Minnesota Statutes, Chapter 118A and in accordance with resolutions of the Issuer; provided, however, such investments shall mature at such times and in such amounts as will permit payments by the Issuer for authorized purposes, when due.

Section 4. Registration of Note with County Auditor. The Administrator or designee is directed to file with the County Auditor of Norman County, Minnesota, a certified copy of this Resolution, together with such other information as the County Auditor may desire concerning the Note and obtain from the County Auditor a certificate that the Note has been entered on the County Auditor's register. If any taxes are required to be levied under Section 3.04 hereof, the County Auditor will assess and extend each year the amount, or the reduced amount certified by the Administrator. The County Auditor will certify to the Administrator the assessed valuation of

taxable property within the Issuer each year, and may each extend and assess the full amount of the taxes to be levied that the Administrator computes and certifies to the County Auditor.

Section 5. Authentication of Note Transcript.

5.01. Official Proceedings. The officers of the Issuer and the County Auditor of Norman County, Minnesota, are authorized and directed to furnish to the Lender certified copies of proceedings and information in their official records relevant to the authorization and issuance of the Note and the execution and delivery of the Loan Agreement, and such certificates and affidavits as to other matters appearing in their official records or otherwise known to them as may be reasonably required to evidence the validity and security of the Note, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations and recitals of the Issuer as to the correctness of all facts stated therein and the completion of all proceedings stated therein to have been taken.

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

Section 6. Covenants. The Council covenants and agrees with the holders of the Note that so long as any payments under the Note remain outstanding and unpaid, they will keep and enforce the following covenants and agreements:

(a) The Issuer will continue to maintain and efficiently operate the Utility or continue to cause the Utility to be maintained and efficiently operated as a public utility and convenience free from competition of other like utilities, and will cause all revenue therefrom to be deposited in bank accounts and credited to the Fund and accounts therein as herein above provided, and will make or authorize no expenditures from those funds and accounts except for a duly authorized purpose and in accordance with this Resolution.

(b) The Issuer will also maintain or cause to be maintained the Debt Service Account as a separate account in the Fund and will cause monies to be credited thereto from time to time out of net revenues from the Utility, in sums sufficient to pay principal and interest on the Note and obligations similarly authorized when due.

(c) The Issuer will keep and maintain or cause to be kept and maintained proper and adequate books and records of accounts separate from all the records of the Issuer in which will be complete and correct entries as to all transactions relating to the Utility and which shall be open to inspection and copying in accordance with the Loan Agreement by the Lender or the Lender's agent or attorney at any reasonable time, and it will furnish certified transcripts therefrom upon request and upon payment of a reasonable fee therefor and said account shall be audited at least annually by a qualified public accountant and statements of such audit and report will be furnished to the Lender in accordance with the requirements of the Loan Agreement.

(d) The Issuer will cause the funds collected on account of the operations of the Utility to be deposited in a bank whose deposits are guaranteed under the Federal Deposit Insurance Law.

(e) The Issuer will keep the Utility insured or cause the Utility to be insured at all times against loss by fire, tornado and other risks customarily insured against with an insurer or insurers in good standing in such amounts as are customary for like utilities to protect the Lender and the Issuer from any loss due to such casualty and will apply the proceeds of such insurance to make good any such loss.

(f) The Issuer and each and all of its officers will punctually perform all duties of reference to the Utility as required by law.

(g) The Issuer will impose and collect charges or cause the imposition and collection of charges of the nature authorized by Minnesota Statutes, Section 444.075 at the times and in the amounts required, along with the monies and payments appropriated to the Debt Service Account in Section 3.03 hereof, to produce net revenues of the Utility adequate to pay all principal and interest when due on the Note, and to create and maintain such reserves securing said payments as may be provided in this Resolution.

Section 7. Post-Issuance Compliance Policy and Procedures. The Issuer 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 Issuer hereby ratifies the Policy and Procedures for the Bonds. The Administrator, through her role as the City Clerk/Treasurer, continues to be designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

Approved by the Council on _____, 2020.

Mayor

Attest:

Administrator

ATTACHMENT A
FORM OF GENERAL OBLIGATION TAXABLE REVENUE NOTE

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF NORMAN

CITY OF ADA

GENERAL OBLIGATION TAXABLE REVENUE NOTE, SERIES 2020B

R-1	Rate: 1.00%	\$813,680
-----	-------------	-----------

Date of Note: _____, 2020
Final Maturity Date: August 20, 2040

FOR VALUE RECEIVED, the City of Ada, Norman County, Minnesota, a duly organized and existing municipal corporation and political subdivision of the State of Minnesota (the "Issuer"), and whose office address is 15 Fourth Avenue East, Ada, MN 56510, for value received, promises to pay to the MINNESOTA PUBLIC FACILITIES AUTHORITY, its successors or registered assigns (the "Lender") at its offices in St. Paul, Minnesota, or such other place as the Lender may designate in writing, the principal sum of EIGHT HUNDRED THIRTEEN THOUSAND SIX HUNDRED EIGHTY DOLLARS (\$813,680), or such portion thereof as is disbursed to the Issuer (the "Loan"), pursuant to the Minnesota Public Facilities Authority Bond Purchase and Project Loan Agreement between the Issuer and the Lender dated June 3, 2020 (the "Loan Agreement"), the provisions of which are incorporated as though fully set forth herein.

The principal of this Note must be repaid in the amounts and on the dates set forth in the schedule attached hereto as Exhibit A (notwithstanding the rate of disbursement of the principal hereof), subject to adjustment as provided in the Loan Agreement, together with interest and services fees collectively at the annual rate set forth above, for the period starting on the date set forth above through the date on which no principal remains unpaid, provided, however, that interest and service fees shall accrue only on the aggregate amount of the principal disbursed and outstanding hereunder. Interest shall be calculated on the basis of a 360-day year of twelve, 30-day months. The entire outstanding principal balance and interest and service fees thereon, if not sooner paid, must be paid in full on the final maturity date set forth above. As provided in Article 1 of the Loan Agreement, Exhibit A hereto may be revised and replaced in its entirety, which replacement shall govern the dates and amounts of payments due hereunder.

Both principal hereof and interest hereon are payable in lawful money of the United States of America by wire payment, check or draft mailed at least five business days prior to the due date directly to the registered owner hereof shown on the Note registration records maintained by the Issuer, without, except for the final payment of principal on this Note, the presentation or surrender of this Note, and all such payments shall discharge the obligations of the Issuer to the extent of the payments so made. The final principal payment shall be made upon presentation and surrender of this Note 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.

This Note is issued by the Issuer pursuant to the authority contained in Minnesota Statutes, Chapter 475 and Section 444.075, and all other laws thereunto enabling, and pursuant to an authorizing resolution adopted by the Issuer on _____, 2020 (the "Resolution"), for the purpose of financing improvements to the Issuer's rehabilitation of the Issuer's water tower.

This Note is subject to redemption with the consent of the Lender, in whole or in part on such dates and at such prices and upon such other terms as are specified in the Loan Agreement, including, but not limited to, acceleration or payment of increased interest as provided in Section 9.2 of the Loan Agreement.

This Note is transferable by the registered owner hereof upon surrender of this Note for transfer at the office of the Issuer duly endorsed and accompanied by a written instrument of transfer in form satisfactory to the Issuer and executed by the registered owner hereof or the owner's attorney duly authorized in writing. The Issuer may deem and treat the person in whose name this Note is last registered upon the books of the Issuer, with such registration noted on this Note, as the absolute owner hereof for the purpose of receiving payment of or on account of the principal balance, redemption price or interest and for all other purposes; all such payments so made to the registered holder or upon the order thereof shall be valid and effectual to satisfy and discharge the liability upon this Note to the extent of the sum or sums so paid, and the Issuer shall not be affected by any notice to the contrary.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the Constitution and the laws of the State of Minnesota to be done and to exist precedent to and in the issuance of this Note 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 matter as so required; that all revenues received in payment of debt service cost allocations for this Note are irrevocably pledged and appropriated to the 2020B Minnesota Public Facilities Authority Note Debt Service Account established in the Resolution to pay when due the principal of and interest on this Note and obligations similarly authorized as provided in the Resolution; that, if needed to pay such principal and interest, the Issuer is required to levy ad valorem taxes on all taxable property in the Issuer, and such taxes may be levied without limitation of rate or amount; and that the issuance of this Note does not cause the indebtedness of the Issuer to exceed any constitutional or statutory limitation.

Additional provisions of this Note are contained in the Loan Agreement and such provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, the Issuer has caused this Note to be executed in its name by the manual signatures of its Mayor and Administrator.

(Form – No Signature Required)
Mayor

Attest:

(Form – No Signature Required)
Administrator

PROVISIONS AS TO REGISTRATION

The ownership of the unpaid principal balance of this Note and the interest accruing thereon is registered on the books of the City of Ada, Minnesota, in the name of the holder last noted below.

Date of Registration	Name and Address of Registered Owner	Signature of Administrator
___/___/2020	State of Minnesota Public Facilities Authority 1st National Bank Bldg., Suite W820 332 Minnesota Street St. Paul, MN 55101-1378 Federal Tax I.D. No.: 41-6007162	<i>(Form-No Signature Required)</i>

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto _____ the within Note and all rights thereunder, and irrevocably constitutes and appoints _____ attorney to transfer the said Note on the books kept for registration of the within Note, with full power of substitution in the premises.

Dated: _____

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

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

Name and Address: _____

Taxpayer Identification No.: _____

Exhibit A
 Loan Amortization Schedule
 MPFA-DWRF-L-051-FY20
Water Tower Rehabilitation

Ada - dw03

813,680.00

Rate: 1.000%

Date:

Maturity: 08/20/40

Type of Note: Taxable WITH Private Activity Concerns

final loan amount: 813,680.00

Date	Effective	Source	Disbursement	Repayment	Interest	Principal	Loan Balance	Annl Debt Srv
projected	06/24/20	Op Res	813,680.00				813,680.00	
	02/20/21			5,334.13	5,334.13		813,680.00	
	08/20/21			14,748.40	4,068.40	10,680.00	803,000.00	20,082.53
	02/20/22			4,015.00	4,015.00		803,000.00	
	08/20/22			43,015.00	4,015.00	39,000.00	764,000.00	47,030.00
	02/20/23			3,820.00	3,820.00		764,000.00	
	08/20/23			42,820.00	3,820.00	39,000.00	725,000.00	46,640.00
	02/20/24			3,625.00	3,625.00		725,000.00	
	08/20/24			42,625.00	3,625.00	39,000.00	686,000.00	46,250.00
	02/20/25			3,430.00	3,430.00		686,000.00	
	08/20/25			43,430.00	3,430.00	40,000.00	646,000.00	46,860.00
	02/20/26			3,230.00	3,230.00		646,000.00	
	08/20/26			43,230.00	3,230.00	40,000.00	606,000.00	46,460.00
	02/20/27			3,030.00	3,030.00		606,000.00	
	08/20/27			44,030.00	3,030.00	41,000.00	565,000.00	47,060.00
	02/20/28			2,825.00	2,825.00		565,000.00	
	08/20/28			43,825.00	2,825.00	41,000.00	524,000.00	46,650.00
	02/20/29			2,620.00	2,620.00		524,000.00	
	08/20/29			43,620.00	2,620.00	41,000.00	483,000.00	46,240.00
	02/20/30			2,415.00	2,415.00		483,000.00	
	08/20/30			44,415.00	2,415.00	42,000.00	441,000.00	46,830.00
	02/20/31			2,205.00	2,205.00		441,000.00	
	08/20/31			44,205.00	2,205.00	42,000.00	399,000.00	46,410.00
	02/20/32			1,995.00	1,995.00		399,000.00	
	08/20/32			44,995.00	1,995.00	43,000.00	356,000.00	46,990.00
	02/20/33			1,780.00	1,780.00		356,000.00	
	08/20/33			44,780.00	1,780.00	43,000.00	313,000.00	46,560.00
	02/20/34			1,565.00	1,565.00		313,000.00	
	08/20/34			44,565.00	1,565.00	43,000.00	270,000.00	46,130.00
	02/20/35			1,350.00	1,350.00		270,000.00	
	08/20/35			45,350.00	1,350.00	44,000.00	226,000.00	46,700.00
	02/20/36			1,130.00	1,130.00		226,000.00	
	08/20/36			45,130.00	1,130.00	44,000.00	182,000.00	46,260.00
	02/20/37			910.00	910.00		182,000.00	
	08/20/37			45,910.00	910.00	45,000.00	137,000.00	46,820.00
	02/20/38			685.00	685.00		137,000.00	
	08/20/38			45,685.00	685.00	45,000.00	92,000.00	46,370.00
	02/20/39			460.00	460.00		92,000.00	
	08/20/39			46,460.00	460.00	46,000.00	46,000.00	46,920.00
	02/20/40			230.00	230.00		46,000.00	
	08/20/40			46,230.00	230.00	46,000.00	-	46,460.00
totals			813,680.00	905,722.53	92,042.53	813,680.00		905,722.53

STATE OF MINNESOTA)
) ss.
COUNTY OF NORMAN)

I, Ashley Larson, the duly qualified and acting Administrator of the City of Ada, Minnesota, certify that I am the official custodian of the records of the Issuer, and that I have compared the attached copy with the original records of the Issuer, and that it is a true and correct transcript taken from the records of the proceedings of the meeting of the Council, held at the City of Ada, Minnesota, on _____, 2020.

IN WITNESS WHEREOF, I have hereunto set my hand on _____, 2020.

Administrator