

**ELYSIAN CITY COUNCIL
REGULAR MEETING
JULY 10, 2023**

The Elysian City Council met in regular session on Monday, July 10, 2023 at City Hall at 6:00 pm.

The meeting opened with the Pledge of Allegiance to the US Flag.

Roll Call: Mayor Tom McBroom, Sr.; Councilmembers Dennis Schnoor, Bryan Suemnick, and Derek Westby (left the meeting at 6:52 pm); City Administrator Lorri Kopischke; Public Works Director Ron Greenwald; City Attorney Jason Moran. Absent: Councilmember Bobby Houlihan.

On motion by Schnoor, seconded by Westby, all voting in favor, to approve the minutes of the June 12, 2023 Regular Meeting as presented.

On motion by Westby, seconded by Schnoor, all voting in favor, to approve the agenda of the July 10, 2023 Regular Meeting as presented.

Le Sueur County Commissioner Steve Rohlfing reported that the sidewalk on County State Aid Road #11 would be rehabbed if the County was doing work on the road. But at this point, rehab of the sidewalk would be the City's responsibility.

Rohlfing reported Le Sueur County had \$47 million in new construction in 2022. Administration is working on expanding broadband in the northwest portion of the County and also the new cannabis laws that go into effect August 1, 2022. Public Works will be striping the center lane on the county roads tomorrow. Work continues on the Government Center remodel with a reduced estimate of costs from the original \$6 million to \$4 million.

Le Sueur County Captain Bruce Collins discussed the new cannabis laws. He reported that there were no real issues with the recent 4th of July celebration.

Public Comment: None.

George Eilertson, Northland Securities, reported that the City had requested a bond rating from Standard & Poor's (S&P Global Rating). The City has maintained their very strong bond rating. S&P has assigned a rating of AA-. This will help with the bond sale and will provide for a lower interest rate. S&P attributes this rating to strong financial management and strong budget liquidity.

The 2023A GO Bonds are structured to maintain a level debt service levy. The bond amount is \$3,410,000. The average interest rate is 3.96%, with a 15-year term. Proceeds will be available August 10, 2023. This includes a \$120,000 equipment note for the Main Street lights.

**EXTRACT OF MINUTES OF A MEETING
OF THE CITY COUNCIL
CITY OF ELYSIAN, MINNESOTA
HELD: July 10, 2023**

Pursuant to due call, a regular or special meeting of the City Council of the City of Elysian, Le Sueur and Waseca Counties, Minnesota, was duly held at the City Hall on July 10, 2023, at 6:00 P.M., for the purpose, in part, of providing for the issuance and awarding the sale of \$3,410,000 General Obligation Bonds, Series 2023A.

The following members were present: McBroom, Schnoor, Suemnick, Westby

and the following were absent: Houlihan.

Member McBroom introduced the following resolution and moved its adoption:

RESOLUTION NO. 858/23

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$3,410,000 GENERAL OBLIGATION BONDS, SERIES 2023A, PLEDGING FOR THE SECURITY THEREOF SPECIAL ASSESSMENTS AND NET REVENUES AND LEVYING A TAX FOR THE PAYMENT THEREOF

A. WHEREAS, the City Council of the City of Elysian, Minnesota (the "City"), has heretofore determined and declared that it is necessary and expedient to issue \$3,410,000 General Obligation Bonds, Series 2023A (the "Bonds" or individually a "Bond"), pursuant to Minnesota Statutes, Chapter 475; and

1. Section 429 to finance street improvements (the "Improvements"); and
2. Section 444.075, to finance the improvements to the municipal water, sanitary sewer and environmental utility systems (the "Utility Improvements"); and
3. Section 412.301 to finance the acquisition of capital equipment for the City (the "Equipment"); and

B. WHEREAS, the Improvements and all their components have been ordered prior to the date hereof, after a hearing thereon for which notice was given describing the Improvements or all their components by general nature, estimated cost, and area to be assessed; and

C. WHEREAS, the City owns and operates a municipal water system (the "Water System"), a municipal sanitary sewer system (the "Sanitary Sewer System"), and a municipal environmental utility system (the "Environmental System", and together with the Water System and the Sanitary Sewer System, the "System"), as separate revenue producing public utilities; and

D. WHEREAS, the net revenues of the Water System are pledged to the City's outstanding General Obligation Water Revenue Note of 2003, in the original principal amount of \$478,520, dated October 3, 2003 (the "Outstanding Water Bonds"); and

E. WHEREAS, the net revenues of the Water System and the Sanitary Sewer System are pledged to the payment of the City's outstanding General Obligation Bonds, Series 2016A, in the original principal amount of \$2,645,000, dated June 15, 2016, of which a portion was designated the "Prior Revenue Refunding Portion" (the "Outstanding Water and Sanitary Sewer Bonds"); and

F. WHEREAS, each item of Equipment to be financed by the Equipment Portion of the Bonds, as hereinafter defined, has an expected useful life at least as long as the term of the Equipment Portion of the Bonds; and

G. WHEREAS, the principal amount of the Equipment Portion of the Bonds does not exceed one-quarter of one percent (0.25%) of the estimated market value of the taxable property in the City (\$121,493,300 times 0.25% is \$303,733); and

H. WHEREAS, the City has retained Blue Rose Capital Advisors, in Minneapolis, Minnesota, as its independent municipal advisor for the sale of the Bonds and was therefore authorized to sell the Bonds by private negotiation in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9); and

I. WHEREAS, it is in the best interests of the City that the Bonds be issued in book-entry form as hereinafter provided; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Elysian, Minnesota, as follows:

1. Acceptance of Proposal. The offer of Northland Securities, Inc. (the "Purchaser"), to purchase the Bonds of the City (or individually, a "Bond"), in accordance with the terms and at the rates of interest hereinafter set forth, and to pay therefor the sum of \$3,453,987.45, plus interest accrued to settlement, is hereby accepted.

2. Bond Terms.

(a) Original Issue Date; Denominations; Maturities; Term Bond Option. The Bonds shall be dated August 10, 2023, as the date of original issue, shall be issued forthwith on or after such date in fully registered form, shall be numbered from R-1 upward in the denomination of \$5,000 each or in any integral multiple thereof of a single maturity (the "Authorized Denominations") and shall mature on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2025	\$90,000	2033	250,000
2026	90,000	2034	250,000
2027	110,000	2035	370,000
2028	110,000	2036	380,000
2029	125,000	2037	400,000
2030	125,000	2038	415,000
2031	130,000	2039	425,000
2032	140,000		

As may be requested by the Purchaser, one or more term Bonds may be issued having mandatory sinking fund redemption and final maturity amounts conforming to the foregoing principal repayment schedule, and corresponding additions may be made to the provisions of the applicable Bond(s).

(b) Allocation. The aggregate principal amount of \$1,675,000 maturing in each of the years and amounts hereinafter set forth are issued to finance the Improvements (the "Improvement Portion"); the aggregate principal amount of \$1,620,000 maturing in each of the years and amounts hereinafter set forth are issued to finance the Utility Improvements (the "Utility Portion"); and the aggregate principal amount of \$115,000 maturing in each of the years and amounts hereinafter set forth are issued to finance the Equipment (the "Equipment Portion"):

<u>Year</u>	<u>Improvement Portion</u>	<u>Utility Portion</u>	<u>Equipment Portion</u>	<u>Total Amount</u>
2025	-	\$80,000	\$10,000	\$90,000
2026	-	80,000	10,000	90,000
2027	\$15,000	85,000	10,000	110,000
2028	15,000	85,000	10,000	110,000
2029	15,000	95,000	15,000	125,000
2030	10,000	100,000	15,000	125,000
2031	15,000	100,000	15,000	130,000
2032	20,000	105,000	15,000	140,000
2033	125,000	110,000	15,000	250,000
2034	135,000	115,000		250,000
2035	245,000	125,000		370,000
2036	255,000	125,000		380,000
2037	265,000	135,000		400,000
2038	275,000	140,000		415,000
2039	285,000	140,000		425,000

If Bonds are prepaid, the prepayments shall be allocated to the portions of debt service (and hence allocated to the payment of Bonds treated as relating to a particular portion of debt service) as provided in this paragraph. If the source of

prepayment moneys is the general fund of the City, or other generally available source, including the levy of taxes, the prepayment may be allocated to either or both of the portions of debt service in such amounts as the City shall determine. If the source of the prepayment is special assessments pledged to and taxes levied for the Improvements, the prepayment shall be allocated to the Improvement Portion of debt service. If the source of a prepayment is excess net revenues of the System pledged to the Utility Improvements, the prepayment shall be allocated to the Utility Portion of debt service.

(c) Book Entry Only System. The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York or any of its successors or its successors to its functions hereunder (the "Depository") will act as securities depository for the Bonds, and to this end:

- (i) The Bonds shall be initially issued and, so long as they remain in book entry form only (the "Book Entry Only Period"), shall at all times be in the form of a separate single fully registered Bond for each maturity of the Bonds; and for purposes of complying with this requirement under paragraphs 5 and 10 Authorized Denominations for any Bond shall be deemed to be limited during the Book Entry Only Period to the outstanding principal amount of that Bond.
- (ii) Upon initial issuance, ownership of the Bonds shall be registered in a bond register maintained by the Bond Registrar (as hereinafter defined) in the name of CEDE & CO., as the nominee (it or any nominee of the existing or a successor Depository, the "Nominee").
- (iii) With respect to the Bonds neither the City nor the Bond Registrar shall have any responsibility or obligation to any broker, dealer, bank, or any other financial institution for which the Depository holds Bonds as securities depository (the "Participant") or the person for which a Participant holds an interest in the Bonds shown on the books and records of the Participant (the "Beneficial Owner"). Without limiting the immediately preceding sentence, neither the City, nor the Bond Registrar, shall have any such responsibility or obligation with respect to (A) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in the Bonds, or (B) the delivery to any Participant, any Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any notice of redemption, or (C) the payment to any Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the principal of or premium, if any, or interest on the Bonds, or (D) the consent given or other action taken by the Depository as the Registered Holder of any Bonds (the "Holder"). For purposes of securing the vote or consent of any Holder under this Resolution, the City may, however, rely upon an omnibus proxy under which the Depository assigns its consenting or voting rights to certain Participants to whose accounts the Bonds are credited on the record date identified in a listing attached to the omnibus proxy.
- (iv) The City and the Bond Registrar may treat as and deem the Depository to be the absolute owner of the Bonds for the purpose of payment of the principal of and premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to the Bonds, for the purpose of obtaining any consent or other action to be taken by Holders for the purpose of registering transfers with respect to such Bonds, and for all purpose whatsoever. The Bond Registrar, as paying agent hereunder, shall pay all principal of and premium, if any, and interest on the Bonds only to the Holder or the Holders of the Bonds as shown on the bond register, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid.
- (v) Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new Nominee in place of the existing Nominee, and subject to the transfer provisions in paragraph 10 hereof, references to the Nominee hereunder shall refer to such new Nominee.
- (vi) So long as any Bond is registered in the name of a Nominee, all payments with respect to the principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, by the Bond Registrar or City, as the case may be, to the Depository as provided in the Letter of Representations to the Depository required by the Depository as a condition to its acting as book-entry Depository for the Bonds (said Letter of Representations, together with any replacement thereof or amendment or substitute thereto, including any standard procedures or policies referenced therein or

applicable thereto respecting the procedures and other matters relating to the Depository's role as book-entry Depository for the Bonds, collectively hereinafter referred to as the "Letter of Representations").

- (vii) All transfers of beneficial ownership interests in each Bond issued in book-entry form shall be limited in principal amount to Authorized Denominations and shall be effected by procedures by the Depository with the Participants for recording and transferring the ownership of beneficial interests in such Bonds.
- (viii) In connection with any notice or other communication to be provided to the Holders pursuant to this Resolution by the City or Bond Registrar with respect to any consent or other action to be taken by Holders, the Depository shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action; provided, that the City or the Bond Registrar may establish a special record date for such consent or other action. The City or the Bond Registrar shall, to the extent possible, give the Depository notice of such special record date not less than fifteen (15) calendar days in advance of such special record date to the extent possible.
- (ix) Any successor Bond Registrar in its written acceptance of its duties under this Resolution and any paying agency/bond registrar agreement, shall agree to take any actions necessary from time to time to comply with the requirements of the Letter of Representations.
- (d) Termination of Book-Entry Only System. Discontinuance of a particular Depository's services and termination of the book-entry only system may be effected as follows:
 - (i) The Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the City and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of the Depository with respect to the Bond if it determines that the Depository is no longer able to carry out its functions as securities depository or the continuation of the system of book-entry transfers through the Depository is not in the best interests of the City or the Beneficial Owners.
 - (ii) Upon termination of the services of the Depository as provided in the preceding paragraph, and if no substitute securities depository is willing to undertake the functions of the Depository hereunder can be found which, in the opinion of the City, is willing and able to assume such functions upon reasonable or customary terms, or if the City determines that it is in the best interests of the City or the Beneficial Owners of the Bond that the Beneficial Owners be able to obtain certificates for the Bonds, the Bonds shall no longer be registered as being registered in the bond register in the name of the Nominee, but may be registered in whatever name or names the Holder of the Bonds shall designate at that time, in accordance with paragraph 10. To the extent that the Beneficial Owners are designated as the transferee by the Holders, in accordance with paragraph 10, the Bonds will be delivered to the Beneficial Owners.
 - (iii) Nothing in this subparagraph (d) shall limit or restrict the provisions of paragraph 10.
- (e) Letter of Representations. The provisions in the Letter of Representations are incorporated herein by reference and made a part of the resolution, and if and to the extent any such provisions are inconsistent with the other provisions of this resolution, the provisions in the Letter of Representations shall control.

3. Purpose. The Improvement Portion of the Bonds shall provide funds to finance the Improvements. The Utility Portion of the Bonds shall provide funds to finance the Utility Improvements. The Equipment Portion of the Bonds shall provide funds to finance the acquisition of the Equipment. The Improvements, the Utility Improvements and the Equipment are herein referred to collectively as the Project. The total cost of the Project, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Bonds. The City covenants that it shall do all things and perform all acts required of it to assure that work on the Project proceeds with due diligence to completion and that any and all permits and studies required under law for the Project are obtained.

4. Interest. The Bonds shall bear interest payable semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing February 1, 2024, calculated on the basis of a 360-day year of twelve 30-day months, at the respective rates per annum set forth opposite the maturity years as follows:

<u>Maturity Year</u>	<u>Interest Rate</u>	<u>Maturity Year</u>	<u>Interest Rate</u>
2025	5.000%	2033	4.000%
2026	5.000	2034	4.000
2027	5.000	2035	4.000
2028	5.000	2036	4.000
2029	5.000	2037	4.000
2030	5.000	2038	4.000
2031	5.00	2039	4.000
2032	4.00		

5. Redemption. All Bonds maturing on February 1, 2032 and thereafter, shall be subject to redemption and prepayment at the option of the City on February 1, 2031, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the City; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected registered holder of the Bonds thirty (30) days prior to the date fixed for redemption.

To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar prior to giving notice of redemption shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers so assigned to such Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the City or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the City and Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the City shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of the Bond, without service charge, a new Bond or Bonds having the same stated maturity and interest rate and of any Authorized Denomination or Denominations, as requested by the Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

6. Bond Registrar. Northland Trust Services, Inc., in Minneapolis, Minnesota, is appointed to act as bond registrar and transfer agent with respect to the Bonds (the "Bond Registrar"), and shall do so unless and until a successor Bond Registrar is duly appointed, all pursuant to any contract the City and Bond Registrar shall execute which is consistent herewith. The Bond Registrar shall also serve as paying agent unless and until a successor-paying agent is duly appointed. Principal and interest on the Bonds shall be paid to the registered holders (or record holders) of the Bonds in the manner set forth in the form of Bond and paragraph 12.

7. Form of Bond. The Bonds, together with the Bond Registrar's Certificate of Authentication, the form of Assignment and the registration information thereon, shall be in substantially the following form:

**UNITED STATES OF AMERICA
STATE OF MINNESOTA**

**LE SUEUR AND WASECA COUNTIES
CITY OF ELYSIAN**

R- _____

\$ _____

GENERAL OBLIGATION BONDS, SERIES 2023A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
%	February 1,	August 10, 2023	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

THE CITY OF ELYSIAN, LE SUEUR AND WASECA COUNTIES, MINNESOTA (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, unless called for earlier redemption, in the manner hereinafter set forth, 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, 2024, 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 Northland Trust Services, Inc., in Minneapolis, Minnesota (the "Bond Registrar"), acting as paying 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 (15th) 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.

Optional Redemption. All Bonds of this issue (the "Bonds") maturing on February 1, 2032, and thereafter, are subject to redemption and prepayment at the option of the Issuer on February 1, 2031, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the Issuer; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected registered holder of the Bonds thirty (30) days prior to the date fixed for redemption.

Prior to the date on which any Bond or Bonds are directed by the Issuer to be redeemed in advance of maturity, the Issuer will cause notice of the call thereof for redemption identifying the Bonds to be redeemed to be mailed to the Bond Registrar and all Bondholders, at the addresses shown on the Bond Register. All Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption have been duly deposited.

Selection of Bonds for Redemption; Partial Redemption. To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot, using such method of selection as it

shall deem proper in its discretion, from the numbers assigned to the Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the Issuer or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of the Bond, without service charge, a new Bond or Bonds having the same stated maturity and interest rate and of any Authorized Denomination or Denominations, as requested by the Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

Issuance; Purpose; General Obligation. This Bond is one of an issue in the total principal amount of \$3,410,000, all of like date of original issue and tenor, except as to number, maturity, interest rate, denomination and redemption privilege, issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council on July 10, 2023 (the "Resolution"), for the purpose of providing money to finance street improvements and finance improvements to the municipal water, sanitary sewer and environmental utility systems within the jurisdiction of the Issuer and the acquisition of capital equipment. This Bond is payable out of the General Obligation Bonds, Series 2023A Fund of the Issuer. This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of its principal, premium, if any, and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

Denominations; Exchange; Resolution. The Bonds are issuable solely in fully registered form in Authorized Denominations (as defined in the Resolution) and are exchangeable for fully registered Bonds of other Authorized Denominations in equal aggregate principal amounts at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

Transfer. This Bond is transferable by the Holder in person or by the Holder's attorney duly authorized in writing at the principal office of the Bond Registrar upon presentation and surrender hereof to the Bond Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with the Bond Registrar. Thereupon the Issuer shall execute and the Bond Registrar shall authenticate and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee (but not registered in blank or to "bearer" or similar designation), of an Authorized Denomination or Denominations, in aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate.

Fees upon Transfer or Loss. The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds.

Treatment of Registered Owners. The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except as otherwise provided herein with respect to the Record Date) and for all other purposes, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security unless the Certificate of Authentication hereon shall have been executed by the Bond Registrar.

Qualified Tax-Exempt Obligation. 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.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond, have been done, have happened and have been performed, in regular and due form, time and manner as required by law; that the Issuer has covenanted and agreed with the Holders of the Bonds that it will impose and collect charges for the service, use and availability of its municipal water, sanitary sewer and environmental utility systems (the "System") at the times and in amounts necessary to produce net revenues, together with other sums pledged to the payment of the Utility Portion of the Bonds, as defined in the Resolution, adequate to pay all principal and interest when due on the Utility Portion of the Bonds; and that the Issuer will levy a direct, annual, irrevocable ad valorem tax upon all of the taxable property of the Issuer, without limitation as to rate or

amount, for the years and in amounts sufficient to pay the principal and interest on Utility Portion of the Bonds as they respectively become due, if the net revenues from the System, and any other sums irrevocably appropriated to the Debt Service Account are insufficient therefor; and that this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Elysian, Le Sueur and Waseca Counties, Minnesota, by its City Council has caused this Bond to be executed on its behalf by the facsimile signatures of its Mayor and its Administrator/Clerk/Treasurer, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

Date of Registration:

Registrable by: NORTHLAND TRUST
SERVICES, INC.

Payable at: NORTHLAND TRUST
SERVICES, INC.

BOND REGISTRAR'S

CERTIFICATE OF

AUTHENTICATION

CITY OF ELYSIAN,
LE SUEUR AND WASECA COUNTIES, MINNESOTA

This Bond is one of the

Bonds described in the

Resolution mentioned

within.

Northland Trust Services, Inc.,

Minneapolis, Minnesota

Bond Registrar

/s/ facsimile _____

Mayor

/s/ facsimile _____

Administrator/Clerk/Treasurer

By _____

Authorized Signature

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UTMA - _____ as custodian for _____ under the _____ Uniform

(Cust)

(Minor)

(State)

Transfers to Minors Act

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed: _____

Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm having a membership in one of the major stock exchanges or any other "Eligible Guarantor Institution" as defined in 17 CFR 240.17 Ad-15(a)(2).

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

Name and Address: _____

(Include information for all joint owners if the Bond is held by joint account.)

Execution. The Bonds shall be in typewritten form, shall be executed on behalf of the City by the signatures of its Mayor and Administrator/Clerk/Treasurer and be sealed with the seal of the City; provided, as permitted by law, both signatures may be photocopied facsimiles and the corporate seal has been omitted. In the event of disability or resignation or other absence of either officer, the Bonds may be signed by the manual or facsimile signature of the officer who may act on behalf of the absent or disabled officer. In case either officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, the signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

8. **Authentication.** No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless a Certificate of Authentication on the Bond, substantially in the form hereinabove set forth, shall have been duly executed by an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate the signatures of officers of the City on each Bond by execution of the Certificate of Authentication on the Bond and by inserting as the date of registration in the space provided the date on which the Bond is authenticated, except that for purposes of delivering the original Bonds to the Purchaser, the Bond Registrar shall insert as a date of registration the date of original issue of August 10, 2023. The Certificate of Authentication so executed on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.

9. **Registration; Transfer; Exchange.** The City will cause to be kept at the principal office of the Bond Registrar a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Bond Registrar shall provide for the registration of Bonds and the registration of transfers of Bonds entitled to be registered or transferred as herein provided.

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration (as provided in paragraph 9) of, and deliver, in the name of the designated transferee or transferees, one or more new Bonds of any Authorized Denomination or

Denominations of a like aggregate principal amount, having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation.

At the option of the Holder, Bonds may be exchanged for Bonds of any Authorized Denomination or Denominations of a like aggregate principal amount and stated maturity, upon surrender of the Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration of, and deliver the Bonds which the Holder making the exchange is entitled to receive.

All Bonds surrendered upon any exchange or transfer provided for in this resolution shall be promptly canceled by the Bond Registrar and thereafter disposed of as directed by the City.

All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the City evidencing the same debt, and entitled to the same benefits under this resolution, as the Bonds surrendered for such exchange or transfer.

Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the Holder thereof or the Holder's attorney duly authorized in writing.

The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of any Bond and any legal or unusual costs regarding transfers and lost Bonds.

Transfers shall also be subject to reasonable regulations of the City contained in any agreement with the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates. The Administrator/Clerk/Treasurer is hereby authorized to negotiate and execute the terms of said agreement.

10. Rights Upon Transfer or Exchange. Each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

11. Interest Payment; Record Date. Interest on any Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond is registered (the "Holder") on the registration books of the City maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof 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 by the Bond Registrar to the Holders not less than ten days prior to the Special Record Date.

12. Treatment of Registered Owner. The City and Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in paragraph 12) on, such Bond and for all other purposes whatsoever whether or not such Bond shall be overdue, and neither the City nor the Bond Registrar shall be affected by notice to the contrary.

13. Delivery; Application of Proceeds. The Bonds when so prepared and executed shall be delivered by the Administrator/Clerk/Treasurer to the Purchaser upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.

14. Fund and Accounts. There is hereby created a special fund to be designated "General Obligation Bonds, Series 2023A Fund" (the "Fund") to be administered and maintained by the Administrator/Clerk/Treasurer as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The Fund shall be maintained in the manner herein specified until all of the Bonds and the interest thereon have been fully paid. The Operation and Maintenance Account for the Water System, the Operation and Maintenance Account for the Sanitary Sewer System and the Operation and Maintenance for the Environmental System (collectively, the "Operation and Maintenance Accounts") heretofore established by the City shall continue to be maintained in the manner heretofore and herein provided by the City. All moneys remaining after paying or providing for the items set forth in the resolution(s) establishing the Operation and

Maintenance Accounts shall constitute or are referred to as "net revenues" until the Utility Portion of the Bonds have been paid. In such records there shall be established accounts of the Fund for the purposes and in the amounts as follows:

(a) Capital Account. To the Capital Account there shall be credited the proceeds of the sale of the Bonds, less capitalized interest, plus any special assessments levied with respect to the Improvements and collected prior to completion of the Improvements and payment of the costs thereof. From the Capital Account there shall be paid all costs and expenses of making the Project, including the cost of any construction contracts heretofore let and all other costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65; and the moneys in the Capital Account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Bonds may also be used to the extent necessary to pay interest on the Bonds due prior to the anticipated date of commencement of the receipt of the collection of taxes or special assessments herein levied or covenanted to be levied; and provided further that if upon completion of the Project, there shall remain any unexpended balance in the Capital Account, the balance (other than any special assessments) may be transferred to the Debt Service Account provided that any funds attributable to the Improvement Portion of the Bonds may be transferred to the fund of any other improvement instituted pursuant to Minnesota Statutes, Chapter 429, and provided further that any special assessments credited to the Capital Account shall only be applied towards payment of the costs of the Improvements upon adoption of a resolution by the City Council determining that the application of the special assessments for such purpose will not cause the City to no longer be in compliance with Minnesota Statutes, Section 475.61, Subdivision 1.

(b) Debt Service Account. There shall be maintained three separate subaccounts in the Debt Service Account to be designated the "Improvements Debt Service Subaccount," the "Utility Improvements Debt Service Subaccount" and the "Equipment Debt Service Subaccount." There are hereby irrevocably appropriated and pledged to, and there shall be credited to the separate subaccounts of the Debt Service Account:

(i) Improvements Debt Service Subaccount. To the Improvements Debt Service Subaccount there shall be credited: (1) capitalized interest in the amount of \$32,157.50 (together with interest earnings thereon and subject to such other adjustments as are appropriate to provide sufficient funds to pay interest on the Improvement Portion of the Bonds on or before February 1, 2024); (2) all collections of special assessments herein covenanted to be levied with respect to the Improvements and either initially credited to the Capital Account and not already spent as permitted above and required to pay any principal and interest due on the Improvement Portion of the Bonds or collected subsequent to the completion of the Improvements and payment of the costs thereof; (3) all collections of taxes herein or hereinafter levied for the payment of the Improvement Portion of the Bonds and interest thereon; (4) a pro rata share of all funds remaining in the Capital Account after completion of the Project and payment of the costs thereof; (5) all investment earnings on funds held in the Improvements Debt Service Subaccount; and (6) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Improvements Debt Service Subaccount. The Improvements Debt Service Subaccount shall be used solely to pay the principal and interest on the Improvement Portion of the Bonds and any other general obligation bonds of the City hereafter issued by the City and made payable from said subaccount as provided by law.

(ii) Utility Improvements Debt Service Subaccount. To the Utility Improvements Debt Service Subaccount there shall be credited: (1) capitalized interest in the amount of \$21,660.00 (together with interest earnings thereon and subject to such other adjustments as are appropriate to provide sufficient funds to pay interest on the Utility Portion of the Bonds on or before February 1, 2024); (2) the net revenues of the System not otherwise pledged and applied to the payment of other obligations of the City, in an amount, together with other funds which may herein or hereafter from time to time be irrevocably appropriated to the Utility Improvements Debt Service Subaccount, sufficient to meet the requirements of Minnesota Statutes, Section 475.61 for the payment of the principal and interest of the Utility Portion of the Bonds; (3) all collections of taxes which may hereafter be levied in the event that the net revenues of the System and other funds herein pledged to the payment of the principal and interest on the Utility Portion of the Bonds are insufficient therefore; (4) a pro rata share of all funds remaining in the Capital Account after completion of the Project and payment of the costs thereof; (5) all investment earnings on funds held in the Utility Improvements Debt Service Subaccount; and (6) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Utility Improvements Debt Service Subaccount. The Utility Improvements Debt Service Subaccount shall be used solely to pay the principal and interest on the Utility Portion of the Bonds and any other general obligation bonds of the City hereafter issued by the City and made payable from said subaccount as provided by law.

- (iii) Equipment Debt Service Subaccount. To the Equipment Debt Service Subaccount there shall be credited: (1) capitalized interest in the amount of \$2,588.75 (together with interest earnings thereon and subject to such other adjustments as are appropriate to provide sufficient funds to pay interest due on the Equipment Portion of the Bonds on or before February 1, 2024); (2) all collections of taxes herein or hereinafter levied for the payment of the Equipment Portion of the Bonds and interest thereon; (3) a pro rata share of all funds remaining in the Capital Account after completion of the Project and payment of the costs thereof; (4) all investment earnings on funds held in the Equipment Debt Service Subaccount; and (5) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Equipment Debt Service Subaccount. The Equipment Debt Service Subaccount shall be used solely to pay the principal and interest on the Equipment Portion of the Bonds and any other general obligation bonds of the City hereafter issued by the City and made payable from said subaccount as provided by law.

No portion of the proceeds of the Bonds 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 (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued and (2) in addition to the above in an amount not greater than the lesser of five percent of the proceeds of the Bonds or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Capital Account, Operation and Maintenance Accounts or Debt Service Account (or any other City account which will be used to pay principal or interest to become due on the bonds payable therefrom) in excess of amounts which under then applicable federal arbitrage regulations may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. Money in the Fund shall not be invested in obligations or deposits issued by, guaranteed by 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 Internal Revenue Code of 1986, as amended (the "Code").

15. Covenants Relating to the Improvement Portion of the Bonds.

(a) Special Assessments. It is hereby determined that no less than twenty percent (20%) of the cost to the City of each Improvement financed hereunder within the meaning of Minnesota Statutes, Section 475.58, Subdivision 1(3), shall be paid by special assessments to be levied against every assessable lot, piece and parcel of land benefited by any of the Improvements. The City hereby covenants and agrees that it will let all construction contracts not heretofore let within one year after ordering each Improvement financed hereunder unless the resolution ordering the Improvement specifies a different time limit for the letting of construction contracts. The City hereby further covenants and agrees that it will do and perform, as soon as they may be done, all acts and things necessary for the final and valid levy of such special assessments, and in the event that any such assessment be at any time held invalid with respect to any lot, piece or parcel of land due to any error, defect, or irregularity in any action or proceedings taken or to be taken by the City or the City Council or any of the City officers or employees, either in the making of the assessments or in the performance of any condition precedent thereto, the City and the City Council will forthwith do all further acts and take all further proceedings as may be required by law to make the assessments a valid and binding lien upon such property.

The special assessments have heretofore been authorized. Subject to such adjustments as are required by conditions in existence at the time the assessments are levied, it is hereby determined that the assessments shall be payable in equal, consecutive, annual installments, including both principal and interest, with interest at a rate per annum set forth below:

<u>Improvement Designations</u>	<u>Levy Years</u>	<u>Collection Years</u>	<u>Rate</u>	<u>Amount</u>
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See Attached Schedule in Exhibit A

At the time the assessments are in fact levied the City Council shall, based on the then-current estimated collections of the assessments, make any adjustments in any ad valorem taxes required to be levied in order to assure that the City continues to be in compliance with Minnesota Statutes, Section 475.61, Subdivision 1.

(b) Tax Levy. To provide moneys for payment of the principal and interest on the Improvement Portion of the Bonds there is hereby levied upon all of the taxable property in the City a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the City for the years and in the amounts as follows:

<u>Year of Tax Levy</u>	<u>Year of Tax Collection</u>	<u>Amount</u>
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See Attached Schedule in Exhibit A

(c) Coverage Test. The tax levies are such that if collected in full they, together with estimated collections of special assessments and other revenues herein pledged for the payment of the Improvement Portion of the Bonds, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Improvement Portion of the Bonds. The tax levies shall be irrevocable so long as any of the Improvement Portion of the Bonds are outstanding and unpaid, provided that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61, Subdivision 3.

16. Covenants Relating to the Utility Portion of the Bonds.

(a) Sufficiency of Net Revenues. It is hereby found, determined and declared that the net revenues of the System are sufficient in amount to pay when due the principal and interest on the Utility Portion of the Bonds and a sum at least five percent in excess thereof. The net revenues of the Water System is sufficient in amount to pay when due the principal of and interest on the Outstanding Water Bonds and a sum at least five percent in excess thereof. The net revenues of the Water System and the Sanitary Sewer System are sufficient in amount to pay when due the principal of and interest on the Outstanding Water and Sanitary Sewer Bonds and a sum at least five percent in excess thereof. The net revenues of the System are hereby pledged on a parity lien with the Outstanding Water Bonds and the Outstanding Water and Sanitary Sewer Bonds and shall be applied for that purpose, but solely to the extent required to meet, together with other pledged sums, the principal and interest requirements of the Utility Portion of the Bonds as the same become due.

Nothing contained herein shall be deemed to preclude the City from making further pledges and appropriations of the net revenues of the System for the payment of other or additional obligations of the City, provided that it has first been determined by the City Council that the estimated net revenues of the System will be sufficient in addition to all other sources, for the payment of the Utility Portion of the Bonds and such additional obligations and any such pledge and appropriation of the net revenues of the System may be made superior or subordinate to, or on a parity with the pledge and appropriation herein.

(b) Excess Net Revenues. Net revenues in excess of those required for the foregoing may be used for any proper purpose.

(c) Covenant to Maintain Rates and Charges. In accordance with Minnesota Statutes, Section 444.075, the City hereby covenants and agrees with the Holders of the Bonds that it will impose and collect charges for the service, use, availability and connection to the System at the times and in the amounts required to produce net revenues adequate to pay all principal and interest when due on the Utility Portion of the Bonds. Minnesota Statutes, Section 444.075, Subdivision 2, provides as follows: "Real estate tax revenues should be used only, and then on a temporary basis, to pay general or special obligations when the other revenues are insufficient to meet the obligations."

17. Covenants Relating to the Equipment Portion of the Bonds; Tax Levy; Coverage Test. To provide moneys for payment of the principal and interest on the Equipment Portion of the Bonds there is hereby levied upon all of the taxable property in the City a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the City for the years and in the amounts as follows:

<u>Levy Years</u>	<u>Collection Years</u>	<u>Amount</u>
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See attached schedule in Exhibit A

The tax levies are such that if collected in full they, together with other revenues herein pledged for the payment of the Equipment Portion of the Bonds, will produce at least five percent in excess of the amount needed to meet when due the

principal and interest payments on the Equipment Portion of the Bonds. The tax levies shall be irrevocable so long as any of the Equipment Portion of the Bonds are outstanding and unpaid, provided that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61, Subdivision 3.

18. Defeasance. When all Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Bonds shall, to the extent permitted by law, cease. The City may discharge its obligations with respect to any Bonds which are due on any date by irrevocably depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full, provided that notice of redemption thereof has been duly given. The City may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

19. Compliance With Reimbursement Bond Regulations. The provisions of this paragraph are intended to establish and provide for the City's compliance with United States Treasury Regulations Section 1.150-2 (the "Reimbursement Regulations") applicable to the "reimbursement proceeds" of the Bonds, being those portions thereof which will be used by the City to reimburse itself for any expenditure which the City paid or will have paid prior to the Closing Date (a "Reimbursement Expenditure").

The City hereby certifies and/or covenants as follows:

(a) Not later than sixty days after the date of payment of a Reimbursement Expenditure, the City (or person designated to do so on behalf of the City) has made or will have made a written declaration of the City's official intent (a "Declaration") which effectively (i) states the City's reasonable expectation to reimburse itself for the payment of the Reimbursement Expenditure out of the proceeds of a subsequent borrowing; (ii) gives a general and functional description of the property, project or program to which the Declaration relates and for which the Reimbursement Expenditure is paid, or identifies a specific fund or account of the City and the general functional purpose thereof from which the Reimbursement Expenditure was to be paid (collectively the "Project"); and (iii) states the maximum principal amount of debt expected to be issued by the City for the purpose of financing the Project; provided, however, that no such Declaration shall necessarily have been made with respect to: (i) "preliminary expenditures" for the Project, defined in the Reimbursement Regulations to include engineering or architectural, surveying and soil testing expenses and similar prefatory costs, which in the aggregate do not exceed twenty percent of the "issue price" of the Bonds, and (ii) a *de minimis* amount of Reimbursement Expenditures not in excess of the lesser of \$100,000 or five percent of the proceeds of the Bonds.

(b) Each Reimbursement Expenditure is a capital expenditure or a cost of issuance of the Bonds or any of the other types of expenditures described in Section 1.150-2(d)(3) of the Reimbursement Regulations.

(c) The "reimbursement allocation" described in the Reimbursement Regulations for each Reimbursement Expenditure shall and will be made forthwith following (but not prior to) the issuance of the Bonds, and not later than three years after the later of (i) the date of the payment of the Reimbursement Expenditure, or (ii) the date on which the Project to which the Reimbursement Expenditure relates is first placed in service.

(d) Each such reimbursement allocation will be made in a writing that evidences the City's use of Bond proceeds to reimburse the Reimbursement Expenditure and, if made within 30 days after the Bonds are issued, shall be treated as made on the day the Bonds are issued.

Provided, however, that the City may take action contrary to any of the foregoing covenants in this paragraph upon receipt of an opinion of its Bond Counsel for the Bonds stating in effect that such action will not impair the tax-exempt status of the Bonds.

20. General Obligation Pledge. For the prompt and full payment of the principal and interest on the Bonds, as the same respectively become due, the full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the net revenues of the System appropriated and pledged to the payment of principal and interest on the Utility Portion of the Bonds, together with other funds irrevocably appropriated to the Utility Improvements Debt Service Subaccount herein established, shall at any time be insufficient to pay such principal and interest when due, the City covenants and agrees to levy, without limitation as to rate or amount an ad valorem tax upon all taxable property in the City sufficient to pay such principal and interest as it becomes due. If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Bonds and any other bonds payable therefrom, the deficiency shall be promptly paid out of any other funds of the City which are available for such purpose, and such other funds may be reimbursed with or without interest from the Debt Service Account when a sufficient balance is available therein.

21. Continuing Disclosure. The City is the sole obligated person with respect to the Bonds. The City hereby agrees, in accordance with the provisions of Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, as amended, and a Continuing Disclosure Undertaking (the "Undertaking") hereinafter described:

(a) to provide or cause to be provided to the Municipal Securities Rulemaking Board, by filing at www.emma.msrb.org, (i) at least annually, its audited financial statements for the most recent fiscal year, and (ii) notice of the occurrence of certain events with respect to the Bonds in not more than ten (10) business days after the occurrence of such event, in accordance with the Undertaking; and

(b) its covenants pursuant to the Rule set forth in this paragraph and in the Undertaking is intended to be for the benefit of the Holders of the Bonds and shall be enforceable on behalf of such Holders; provided that the right to enforce the provisions of these covenants shall be limited to a right to obtain specific enforcement of the City's obligations under the covenants.

The Mayor and Administrator/Clerk/Treasurer or any other officer of the City authorized to act in their place (the "Officers") are hereby authorized and directed to execute on behalf of the City the Undertaking in substantially the form presented to the City Council subject to such modifications thereof or additions thereto as are (i) consistent with the requirements under the Rule, (ii) required by the Purchaser of the Bonds, and (iii) acceptable to the Officers.

22. Certificate of Registration and Tax Levy. A certified copy of this resolution is hereby directed to be filed with the County Auditors of Le Sueur and Waseca Counties, together with such other information as each respective County Auditor shall require and there shall be obtained from each County Auditor a certificate that the Bonds have been entered in their respective Bond Register, and that the tax levy required by law has been made.

23. Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser, and to the attorneys approving the legality of the issuance of the Bonds, certified copies of all proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other affidavits, certificates and information as are required to show the facts relating to the legality and marketability of the Bonds as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

24. Negative Covenant as to Use of Bond Proceeds and Project. The City hereby covenants not to use the proceeds of the Bonds or to use the Project, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Project, 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.

25. Tax-Exempt Status of the Bonds; Rebate. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Bonds, including without limitation (i) requirements relating to temporary periods for investments, (ii) limitations on amounts invested at a yield greater than the yield on the Bonds, and (iii) the rebate of excess investment earnings to the United States if the Bonds (together with other obligations reasonably expected to be issued and outstanding at one time in this calendar year) exceed the small-issuer exception amount of \$5,000,000.

For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements for governmental units issuing \$5,000,000 or less of bonds, the City hereby finds, determines and declares that (i) the Bonds are issued by a governmental unit with general taxing powers; (ii) no Bonds are a private activity bond; (iii) 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City); and (iv) the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City (and all entities subordinate to, or treated as one issuer with 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.

26. Designation of 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 hereby makes the following factual statements and representations:

- (a) the Bonds are issued after August 7, 1986;
- (b) the Bonds are not "private activity bonds" as defined in Section 141 of the Code;
- (c) the City hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;
- (d) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the City (and all entities treated as one issuer with the City, and all subordinate entities whose obligations are treated as issued by the City) during this calendar year 2023 will not exceed \$10,000,000;
- (e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2023 have been designated for purposes of Section 265(b)(3) of the Code; and
- (f) the aggregate face amount of the Bonds does not exceed \$10,000,000.

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

27. Official Statement. The Official Statement relating to the Bonds prepared and distributed by the Purchaser is hereby approved and the officers of the City are authorized in connection with the delivery of the Bonds to sign such certificates as may be necessary with respect to the completeness and accuracy of the Official Statement.

28. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

29. Headings. Headings in this resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.

The motion for the adoption of the foregoing resolution was duly seconded by member Westby and, after a full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof: McBroom, Schnoor, Suemnick, Westby

and the following voted against the same: None.

Whereupon the resolution was declared duly passed and adopted.

STATE OF MINNESOTA

COUNTIES OF LE SUEUR AND WASECA

I, the undersigned, being the duly qualified and acting Administrator/Clerk/Treasurer of the City of Elysian, Minnesota, do hereby certify that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council, duly called and held on the date therein indicated, insofar as the minutes relate to authorizing the issuance and awarding the sale of \$3,410,000 General Obligation Bonds, Series 2023A.

WITNESS my hand on July 10, 2023.

Administrator/Clerk/Treasurer

**EXHIBIT A
SCHEDULES**

Improvement Portion

Less: Special Assessment Revenues*	Equals: New City Net Levy	Levy Year	Collection Year
-	-	-	-
51,473.96	19,611.04	2023	2024
51,473.97	19,611.03	2024	2025
51,473.96	35,361.04	2025	2026
51,473.97	34,573.53	2026	2027
51,473.96	33,786.04	2027	2028
51,473.97	27,748.53	2028	2029
51,473.95	32,473.55	2029	2030
51,473.96	36,936.04	2030	2031
51,473.96	146,346.04	2031	2032
51,473.96	151,596.04	2032	2033
51,473.96	261,426.04	2033	2034
51,473.96	261,636.04	2034	2035
51,473.96	261,426.04	2035	2036
51,473.96	260,796.04	2036	2037
51,473.96	259,746.04	2037	2038
\$772,109.42	\$1,843,073.08		

Equipment Portion

105% Levy	Levy Year	Collection Year
-	-	-
16,222.50	2023	2024
15,697.50	2024	2025
15,172.50	2025	2026
14,647.50	2026	2027
19,372.50	2027	2028
18,585.00	2028	2029
17,797.50	2029	2030
17,010.00	2030	2031
16,380.00	2031	2032
\$150,885.00		

Kavitz presented W W Blacktopping, Inc. Pay Application No. 2 in the amount of \$782,378.49. The majority of work includes paving of Phase 1 and half of Phase 3 and storm sewer.

On motion by Schnoor, seconded by Suemnick, all voting in favor, to approve and accept W W Blacktopping, Inc. Pay Application No. 2 in the amount of \$782,378.49.

Public Works Director Greenwald presented a quote for the purchase and installation of a generator at Well #2 at the water tower. The total cost is \$55,923.94. Funds from the Minnesota Department of Health Source Water Protection Grants have been received in the amount of \$20,000. Another \$10,000 grant will be pursued this fall. If the generator is ordered now, it will be delivered late October/early November 2023.

On motion by Suemnick, seconded by Schnoor, all voting in favor, to approve the quote for purchase and installation of the generator at Well #2 at the water tower.

Greenwald presented a request from Brian Nutter, owner, Nu Chek Prep, for reimbursement of the cost to repair a water service line and sidewalk located at 109 Main Street West. Based on City Ordinance, the cost to repair service line is the responsibility of the property owner. Mr. Nutter believes this to be a special circumstance. There are (2) two service lines at this location that are connected to the City main water line. The service line that was leaking is not attached to the Nu Chek curb stop. This line was not providing water to the Nu Chek building. There are no records to explain why this service line was charged.

Mr. Nutter is requesting reimbursement of the water line repair in the amount of \$1,952.89 and the sidewalk replacement in the amount of \$1,200 for a total reimbursement of \$3,152.89.

On motion by Schnoor, seconded by Suemnick, all voting in favor, to reimburse Brian Nutter for water service line repair and sidewalk repair in the amount of \$3,152.89 as the service line that was leaking was not providing water to his building, it was not hooked up to his building, and it is not known why this second service line is in the street at this location.

The Council considered the Greenview, Inc. Maintenance Agreement for the period of July 11, 2023 – June 30, 2024 in the amount of \$915.00 per month. This service provides payment to the maintenance worker at the Wayside Rest and includes all other costs such as insurance and taxes.

On motion by Schnoor, seconded by Westby, all voting in favor, to approve the Maintenance Agreement with Green View, Inc. for the period of July 11, 2023 – June 30, 2024 in the amount of \$915.00 per month for payment of the maintenance worker at the Wayside Rest.

Brent Kavitz, SEH Engineering, reported that the grading at 204 Fifth Street SW has not been completed as required on the approved grading and drainage plan. The goal of the plan is to move the site water to the pond and filter it to slowly move it to the pond.

1. The site was not graded as per the approved grading plan. The proposed swale on the south side of the property will need to be constructed as per the approved grading plan (no swale currently exists).
2. Storm sewer was not installed as per the approved grading plan. The owner has expressed that he does not plan to install storm sewer due to the cost and uncertainty of building other phases. Council will need to determine whether to allow minor grading and minor storm work or to require it to be constructed as per the approved grading plan.

3. The proposed pond outlet pipe to the City storm located near the SE corner of the property has not been installed. This is a requirement of the grading plan that can now be installed when the pond is properly built.
4. The pond was not constructed in the correct location, nor was it built to the correct dimensions. The proposed pond holding capacity = 8,891 cubic feet. As-constructed pond holding capacity = approximately 1,000 to 1,150 cubic feet. The contractor shall construct the pond to the correct dimensions and location as per the grading plan.
5. The buildings appear to be built to the correct elevations.

Kavitz noted the contractor has proposed to use what he has with modifications to the storm sewer. The modifications would work if the three items: install pond outlet, correct pond sizing, and swale on south side of property, are completed. Council needs to determine if that is acceptable or if they want to stick to the original plans as presented with the CUP.

It was noted that this site was developed under a conditional use permit that was reviewed by the Planning and Zoning Commission and approved by the City Council. The permit was approved with certain conditions.

Westby suggested that Budde be required to reimburse the City for extra engineering associated with this violation.

On motion by McBroom, seconded by Westby, all voting in favor, to require Chuck Budde to follow the original requirements of the grading and drainage plan for 204 Fifth Street SW that was approved as part of the Conditional Use Permit for this project.

Councilmember Westby left the meeting at 6:52 pm.

In 2021 Le Sueur County initiated the Upper Cannon River Watershed Flood Risk Reduction Study. The first phase is complete, and a grant request is being made to the Minnesota Department of Public Safety for funding to begin the second phase of the project. The study is focused on the characteristics that are unique to the local portion of the river as compared to the larger watershed. It focuses on a regional approach to understanding and communicating current flood risk, improving watershed flood resiliency, and reducing future flood risk for communities and residents within the watershed.

Le Sueur County has asked all involved communities for a letter of support of in-kind or monetary funding. The grant requires a 25% match.

On motion by McBroom, seconded by Schnoor, all voting in favor, to sign a letter of support for the application to the Hazard Mitigation Grant Program for funding to continue work on the Upper Cannon River Watershed Flood Risk Reduction Study Project.

Councilmember Schnoor introduced the resolution and was seconded by Councilmember Suemnick.

CITY OF ELYSIAN
LE SUEUR COUNTY, MINNESOTA
RESOLUTION NO. 859/23
RESOLUTION ACKNOWLEDGING A DONATION FROM
CLINT AND WENDY STOEN FAMILY

WHEREAS, the City of Elysian has received a donation in the amount of \$100.00 from Clint and Wendy Stoen Family for the Sunset Park Sports Courts renovation;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF ELYSIAN, MINNESOTA THAT: the City Council of the City of Elysian acknowledges and accepts a donation from Clint and Wendy Stoen Family in the amount of \$100.00 for the Sunset Park Sports Courts renovation.

Upon vote being taken:

Council Members voting in the affirmative: McBroom, Schnoor, Suemnick

Council Members voting in the negative: None

Adopted by the City Council of the City of Elysian this 10th day of July, 2023.

Approved:

Tom McBroom Sr., Mayor

Attested:

Lorri Kopischke, City Administrator

Councilmember Schnoor introduced the resolution and was seconded by Mayor McBroom.

CITY OF ELYSIAN
LE SUEUR COUNTY, MINNESOTA
RESOLUTION NO. 860/23
RESOLUTION ACKNOWLEDGING A DONATION FROM
ELYSIAN AMERICAN LEGION POST #311

WHEREAS, the City of Elysian has received a donation in the amount of \$2,000.00 from the Elysian American Legion Post #311, for tax relief to the Elysian Area Chamber of Commerce for the purpose of funding toward the Fireworks and Parade during the July 4th Celebration.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF ELYSIAN, MINNESOTA THAT: the City Council of the City of Elysian acknowledges and accepts the donation from the Elysian American Legion Post #311 in the amount of \$2,000.00 for the purpose of funding toward the Fireworks and Parade during the July 4th Celebration.

Upon vote being taken:

Council Members voting in the affirmative: McBroom, Schnoor, Suemnick

Council Members voting in the negative: None

Adopted by the City Council of the City of Elysian this 10th day of July, 2023.

Approved:

Tom McBroom, Sr., Mayor

Attested:

Lorri Kopischke, City Administrator

Councilmember Schnoor introduced the resolution and was seconded by Councilmember Suemnick.

CITY OF ELYSIAN
LE SUEUR COUNTY, MINNESOTA
RESOLUTION NO. 861/23
RESOLUTION APPROVING MUNICIPAL MAINTENANCE
AGREEMENT BETWEEN LE SUEUR COUNTY
AND THE CITY OF ELYSIAN FOR CALENDAR YEAR 2023

WHEREAS, Le Sueur County has presented an agreement relating to the maintenance of County State Aid Highways within the corporate limits of the City of Elysian for the calendar year of 2023 for total mileage of 1.35 miles at a rate of \$9,512.36 per mile per year for a total payment of \$12,841.69 per year, and;

WHEREAS, the City of Elysian will perform maintenance and snow removal on the County State Aid Highways. The maintenance and snow removal will be according to Minnesota State Statutes.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF ELYSIAN, MINNESOTA THAT: the Municipal Maintenance Agreement between Le Sueur County and the City of Elysian for calendar year of 2023 is approved.

Upon vote being taken:

Council Members voting in the affirmative: McBroom, Schnoor, Suemnick

Councilmembers voting in the negative: None

Adopted by the City Council of the City of Elysian this 10th day of July, 2023.

Approved:

Attested:

Thomas McBroom Sr.
Mayor

Lorri Kopischke
City Administrator

Upcoming State Aid for the City of Elysian includes: \$31,944 one-time public safety aid for cities, distributed on a per capita basis; \$22,503 Local Government Aid (an increase of \$2,892); and \$24,758 Small Cities Assistance.

On motion by Schnoor, seconded by Suemnick, all voting in favor, to schedule a budget workshop meeting for Monday, July 31, 2023 at 6:00 pm.

Le Sueur County will be crack sealing Main Street (CSAH #50) the week of July 10, 2023.

Thank you to Elysian Area Chamber of Commerce, Elysian Fire Department, all the volunteers and City Staff for a safe and successful Fourth of July Celebration.

Reminder that National Night Out will be held Tuesday, August 1, 2023 at Lake Francis Park from 5:30 to 7:30 pm.

City Attorney Moran explained that the Minnesota Legislature recently passed Chapter 342 commonly known as the Minnesota Recreational Marijuana Law. And it was signed into law by Governor Walz. Some of the bill takes effect on July 1, 2023. The State will begin to set up the Department of Cannabis and will eventually license retail THC establishments. The recreational use, individuals 18 and older can legally possess and use THC, takes effect August 1, 2023.

Cities can pass an interim ordinance after July 1 delaying the issuance of retail THC licenses until January 1, 2025. This will allow cities to pass zoning ordinances on the issues concerning hours of operation, places of operation, and the manner of operation.

On motion by Schnoor, seconded by McBroom, all voting in favor, to set a public hearing for Consideration of Ordinance No. 106/23, An Interim Ordinance Prohibiting the sale, testing, manufacturing, cultivating, growing, transporting, delivery, and distribution of cannabis products in the City of Elysian, for Monday, August 14, 2023 at 6:00 pm.

On motion by McBroom, seconded by Suemnick, all voting in favor, bills, payroll, and transfers were approved in the amount of \$1,303,219.15.

Public Comment:

Tina King, 5 Cedar Point Drive, noted the level of Lake Francis impacts the residents of Elysian greatly. A lot of people have been forced to bring in a lot of rock to protect the shoreline. And as the City grows these concerns can impact where storm sewer is needed. The Flood Risk Reduction Study touched on earlier is specific to the Upper Cannon River Watershed which does impact Elysian. It would be great if the City not only provide the in-kind support of meeting attendance but also some kind of financial contribution. It is a great investment as it is a 75% match.

Pat Nusbaum, 104 Park Avenue NE, stated it was a huge and successful 4th of July celebration. She thanked the Council for allowing the closure of the streets and the City Public Works employees for all their efforts. There are a lot of volunteers in the community that helped as well. She noted National Night Out is August 1st. Nusbaum noted that next year will be Elysian's 140th year since being incorporated and she would like to see a committee formed to organize some community activities to commemorate that throughout the year.

Nusbaum asked why there was no Council Meeting in January. She questioned if the elected officials had been administered the oath of office.

On motion by McBroom, seconded by Suemnick, all voting in favor, to adjourn the meeting at 7:17 pm.

Approved:

Tom McBroom, Sr., Mayor

Attested:

Lorri Kopischke, City Administrator