

### REGULAR CITY COUNCIL MEETING RICHFIELD MUNICIPAL CENTER, COUNCIL CHAMBERS JUNE 14, 2022 7:00 PM

### INTRODUCTORY PROCEEDINGS

Call to order

Pledge of Allegiance

Open forum

Each speaker is to keep their comment period to three minutes to allow sufficient time for others. Comments are to be an opportunity to address the Council. Please refer to the City Council web page for additional ways to submit comments. You may also call 612-861-9711 or email kwynn@richfieldmn.gov with questions. Call into the open forum by dialing 1-415-655-0001 Use webinar access code: 2462 532 8236 and password: 1234.

Approve the Minutes of the: (1) City Council Work Session of May 24, 2022; and (2) Regular City Council Meeting of May 24, 2022.

#### PRESENTATIONS

- 1. Proclamation Supporting the LGBTQIA+ Community by Declaring June to be Pride Month in Richfield
- 2. Proclamation acknowledging and celebrating the Juneteenth Freedom Day in the City of Richfield

#### AGENDA APPROVAL

- 3. Approval of the Agenda
- 4. Consent Calendar contains several separate items, which are acted upon by the City Council in one motion. Once the Consent Calendar has been approved, the individual items and recommended actions have also been approved. No further Council action on these items is necessary. However, any Council Member may request that an item be removed from the Consent Calendar and placed on the regular agenda for Council discussion and action. All items listed on the Consent Calendar are recommended for approval.
  - A. Consider approval of a contract with Kimley-Horn and Associates, Inc., to provide construction engineering services for the 65th Street Reconstruction Project for a fee not to exceed \$851,153.00.

#### Staff Report No. 89

B. Consider the approval of setting a public hearing to be held on June 28, 2022, to consider the issuance of new On-Sale Intoxicating Liquor and Sunday Sale Liquor licenses for MC Richfield, LLC dba Millions Crab, located at 9 66th Street East.

#### Staff Report No. 90

C. Consider approval for a Temporary On Sale Intoxicating Liquor license for the Academy of Holy Angels, located at 6600 Nicollet Avenue S., for their annual Rock The Lawn event scheduled to take place June 25, 2022.

#### Staff Report No. 91

D. Consider approval of a Temporary On Sale Intoxicating Liquor license for the 4th of July event scheduled to take place July 4, 2022, at Fred Babcock VFW #5555, located at 6715 Lakeshore Dr.

#### Staff Report No. 92

E. Consider adoption of a resolution authorizing the City to affirm the monetary limits on statutory municipality tort liability.

#### Staff Report No. 93

F. Consider adoption of a resolution authorizing the purchase of a permanent lighting easement at 900 Rae Dr for the 65th Street Reconstruction Project.

#### Staff Report No. 94

5. Consideration of items, if any, removed from Consent Calendar

#### **OTHER BUSINESS**

 Consider adoption of a resolution awarding the sale of \$10,000,000 General Obligation Bonds, Series 2022A. Staff Report No. 95

#### CITY MANAGER'S REPORT

7. City Manager's Report

#### **CLAIMS AND PAYROLLS**

8. Claims and Payroll

#### COUNCIL DISCUSSION

- 9. Hats Off to Hometown Hits
- 10. Adjournment

Auxiliary aids for individuals with disabilities are available upon request. Requests must be made at least 96 hours in advance to the City Clerk at 612-861-9739.



# CITY COUNCIL MEETING MINUTES

**Richfield, Minnesota** 

# **City Council Work Session**

# May 24, 2022

# CALL TO ORDER

The work session was called to order by Mayor Regan Gonzalez at 6:15 p.m. in the Bartholomew Room.

Council Members Present:	Maria Regan Gonzalez, Mayor; Mary Supple; Simon Trautmann; Sean Hayford Oleary; and Ben Whalen
Council Members Absent:	None
Staff Present:	Katie Rodriguez, City Manager; Chris Link, Deputy Public Works Director; Scott Kulzer, Administrative Aide/Analyst; Chris Swanson, Management Analyst; and Kari Sinning, City Clerk
Others Present:	None

### DEPUTY PUBLIC WORKS DIRECTOR CHRIS LINK AND ADMINISTRATIVE AIDE/ANALYST SCOTT KULZER WILL PROVIDE AN UPDATE ON THE STATE OF THE CITY'S FORESTRY INITIATIVES AND THE MINNESOTA DEPARTMENT OF NATURAL RESOURCES (MNDNR) PREPARING FOR EMERALD ASH BORER (EAB) GRANT PROJECT THAT IS UNDERWAY

Mayor Regan Gonzalez turned the work session over to City Manager Rodriguez who introduced Deputy Public Works Director Link and Administrative Aide/Analyst Kulzer. A presentation was given that highlighted what Emerald Ash Borer (EAB) is, the impact and photos of EAB, and the treatment of EAB via an insecticide and removal/replacement. They described the EAB Grant that was received from MNDNR, how that was used to help remove and replace trees in the city, and the communication between residents regarding EAB.

Council Member Supple asked if it's cheaper to remove the tree before it gets too infested. Deputy Director Link shared that contractors have stated that if the tree is completely dead the costs could be higher for removal because it is tougher on equipment and unpredictable.

Council Member Trautmann asked for clarification about the decision to remove and replace the trees on the east side of the city. Deputy Director Link explained that the trees were already chosen to be either injected with the insecticide or removed and they chose to remove them due to safety concerns.

Council Member Hayford Oleary asked about the preservation of trees and how they decide to remove/replace. Deputy Director Link described the balancing act of having younger trees intermingled with older trees to preserve the canopy.

City Manager Rodriguez asked if there is a chance of saving trees that are treated. Deputy Director Link stated that once treated, the tree must be treated for the lifetime of the tree which gives it a chance of survival but you are required to keep up on treatments that can become costly over time. Dutch Elm Disease is very similar to this and we have learned that we need to diversify the type of trees we have.

Council Member Trautmann asked if there have been recommendations of trees from ecologists that would be heartier and stand the tests of time. Deputy Director Link stated that MNDNR has given a list of different tree recommendations that would be suitable for the city.

Deputy Director Link and Administrative Aide/Analyst Kulzer gave an overview of the forestry services and encouraged residents to contact at least three contractors for free estimates that could be assessed as a part of the property taxes. He explained that the shade of the trees helps roads last longer. The City has partnered with Tree Trust to ensure tree planting and at the direction of the Sustainability Commission more native trees would be considered to be planted.

Mayor Regan Gonzalez asked about the effect of global warming on deciding the types of trees that could be planted. Deputy Director Link stated that they work with some of the tree nurseries that have stated that we might be able to plant trees that are normally grown more south.

Council Member Hayford Oleary asked if a boulevard tree gets removed and the property owner does not decide on the type of replacement tree how a tree is chosen. Deputy Director Link stated that they try to pick a tree to add diversity to the block. Council Member Hayford Oleary commented on the inconsistent distance from the curb that new trees are being planted especially on streets where there is an anticipated sidewalk as it could affect funding for the projects. Deputy Director Link understood Council Member Hayford Oleary's comments that there is not a lot of consistency because depending upon the tree that is planted it could affect the curb and mentioned that it is a process that could be changed.

Council Member Whalen shared his positive experience with the replacement process and asked why we don't plant pine trees. Deputy Director Link stated that if they remove a pine tree that they would probably replace it with one but there are sightline issues and don't offer a lot of shade.

Mayor Regan Gonzalez thanked them and Public Works staff for their work on the trees throughout the winter and preserving our canopy. She shared that this is a really good example of getting funding to help the community and thankful that Administrative Aide/Analyst Kulzer took the time to apply for the grant as Richfield could be a top contender for a lot of grant opportunities.

# ADJOURNMENT

The work session was adjourned by unanimous consent at 6:56 p.m.

Date Approved: June 14, 2022

Maria Regan Gonzalez Mayor

Katie Rodriguez City Manager



# **CITY COUNCIL MEETING MINUTES**

**Richfield, Minnesota** 

# **Regular Council Meeting**

# May 24, 2022

CALL TO ORDER

The meeting was called to order by Mayor Regan Gonzalez at 7:00 p.m. in the Council Chambers.

Council Members Present:	Maria Regan Gonzalez, Mayor; Mary Supple; Simon Trautmann; Sean Hayford Oleary; and Ben Whalen
Council Members Absent:	None
Staff Present:	Katie Rodriguez, City Manager; Mary Tietjen, City Attorney; Julie Urban, Assistant Community Development Director; Jay Henthorne, Public Safety Director; Chris Swanson, Management Analyst; and Kari Sinning, City Clerk
Others Present:	Gary Parker, Ruth Evaneglista, Katrina Joseph and Greg Holly, Attorneys from H/J Law

## PLEDGE OF ALLEGIANCE

Mayor Regan Gonzalez led the Pledge of Allegiance.

## **OPEN FORUM**

Mayor Regan Gonzalez reviewed the options to participate:

- Participate live by calling 1-415-655-0001 during the open forum portion
- Call prior to meeting 612-861-9711
- Email prior to meeting kwynn@richfieldmn.gov

There were no participants.

## **APPROVAL OF MINUTES**

M/Supple, S/Trautmann to approve the minutes of the: (1) Joint City Council, Planning Commission and HRA Work Session of May 10, 2022; and (2) Regular City Council Meeting of May 10, 2022.

Motion carried 5-0.

# ITEM #1 PROCLAMATION OF THE CITY OF RICHFIELD FOR KELLI JO ETTEN-BEYER

Mayor Regan Gonzalez invited Gary Parker CEO of Life Rebuilders to the podium who shared a brief history of Kelli Jo Etten-Beyer and the impact she had on the group home. Mayor Regan Gonzalez read aloud the proclamation and presented it to Gary Parker.

ITEM #2	PROCLAMATION OF THE CITY OF RICHFIELD FOR RUTH EVANGELISTA

Mayor Regan Gonzalez invited Ruth Evangelista and supporting community members to come to the podium and shared that Ruth Evangelista was one of four recipients of the Minnesota Council of Nonprofits Virginia McKnight Binger Unsung Hero Award in 2021. Ruth Evangelista thanked the City of Richfield, Partnership Academy, and friends and family that have rejoiced in her achievement. Lisa Hendricks from Partnership Academy felt honored to be able to partner with Ruth Evangelista and La RED Latina and thanked them for their work in the community and with Partnership Academy. Mayor Regan Gonzalez mentioned that it was because of La RED Latina that she got involved in running for public office and how La RED Latina has supported Richfield and the surrounding communities. Mayor Regan Gonzalez expressed respectfulness and admiration for the leadership of Ruth Evangelista and La RED Latina. The proclamation was read aloud by Mayor Regan Gonzalez and given to Ruth Evangelista.

# ITEM #3 APPROVAL OF THE AGENDA

M/Whalen, S/Hayford Oleary to approve the agenda.

Motion carried 5-0.

# ITEM #4 CONSENT CALENDAR

City Manager Rodriguez presented the consent calendar.

A. Consider the approval of an agreement allowing Richfield Department of Public Safety to accept grant monies from the U.S. Department of Justice, Office of Justice Programs, the Edward Byrne Memorial Justice Assistance Grant (JAG) Program. (Staff Report No. 80)

#### **RESOLUTION NO. 11976**

RESOLUTION AUTHORIZING THE DEPARTMENT OF PUBLIC SAFETY/POLICE TO ACCEPT THE EDWARDS BYRNE MEMORIAL GRANT (JAG) FOR \$9,899.95 FROM THE OFFICE OF JUSTICE PROGRAMS TO BE USED FOR A DISPARITY STUDY

B. Consider approval of a Temporary On Sale Intoxicating Liquor license for the Steel Domain Wrestling event scheduled to take place June 25, 2022, at Fred Babcock VFW #5555, located at 6715 Lakeshore Dr. (Staff Report No. 81) C. Consider the adoption of a resolution authorizing Master Partnership Contract No. 1050202 between the City of Richfield and Minnesota Department of Transportation (MnDOT). (Staff Report No. 82)

#### **RESOLUTION NO. 11977**

#### RESOLUTION AUTHORIZING THE CITY OF RICHFIELD TO ENTER INTO MASTER PARTNERSHIP CONTRACT NO. 1050202 WITH THE MINNESOTA DEPARTMENT OF TRANSPORTATION

- D. Consider the acceptance of the quotation from Northland Recreation for \$180,000 for the replacement of play equipment at Monroe and Sheridan Parks and authorize the Recreation Services Director to proceed with the project. (Staff Report No. 83)
- E. Consider approval of a Construction Cooperative Agreement with Hennepin County for the County State Aid Highway No. 52/Nicollet Ave Safety Improvement Project. (Staff Report No. 84)

M/Supple, S/Whalen to approve the consent calendar.

Council Member Supple expressed happiness for the Department of Justice Grant (item A) and how the study will help us to collect quantitative analysis of demographic disparities.

Council Member Hayford Oleary asked why the VFW needed a temporary liquor license. Public Safety Director Henthorne stated that the event will be held outside which requires a license approval when it is not contained inside the establishment.

Council Member Whalen echoed the comment of Council Member Supple on collecting better data in the advancement of equity and also expressed excitement for the playgrounds at Monroe and Sheridan.

Council Member Trautmann recognized and thanked staff effort and leadership to apply for grants that are in line with our values and vision.

Motion carried 5-0.

ITEM #5	#5 CONSIDERATION OF ITEMS, IF ANY, REMOVED FROM CONSENT CALENDAR
ITEM #5	<b>π</b> 5

None.

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ITEM #6	CONSIDER THE SECOND READING OF AN ORDINANCE AMENDING CITY CODE SECTION 721 TO ADD NEW SUBSECTION 721.24 RELATED TO FACILITY REQUIREMENTS FOR BULK DEICER STORAGE AND APPROVAL OF A RESOLUTION AUTHORIZING SUMMARY PUBLICATION. (STAFF REPORT NO. 85)
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Council Member Whalen presented Staff Report 85.

#### BILL NO. 2022-9

#### AN ORDINANCE AMENDING CHAPTER VII OF THE RICHFIELD CODE OF ORDINANCES REGARDING BULK DEICER STORAGE FACILITIES

#### **RESOLUTION NO. 11978**

#### RESOLUTION APPROVING SUMMARY PUBLICATION OF AN ORDINANCE IMPOSING CERTAIN REQUIREMENTS FOR FACILITIES WITH BULK DEICER STORAGE

Council Member Hayford Oleary thanked Public Works for this requirement as it should reduce the wash off into our storm sewers.

Motion carried 5-0.

Council Member Hayford Oleary presented Staff Report 86.

M/Hayford Oleary, S/Whalen to adopt resolutions approving a modification to the Tax Increment Redevelopment Plans for the Lyndale Gateway/Interchange West, Urban Village and City Bella Tax Increment Financing districts to allow pooling of 10 percent for affordable housing.

**RESOLUTION NO. 11979** 

RESOLUTION APPROVING A MODIFICATION TO THE TAX INCREMENT FINANCING PLAN FOR THE INTERCHANGE WEST AND LYNDALE GATEWAY TAX INCREMENT FINANCING DISTRICT

**RESOLUTION NO. 11980** 

RESOLUTION APPROVING A MODIFICATION TO THE TAX INCREMENT FINANCING PLAN FOR THE URBAN VILLAGE TAX INCREMENT FINANCING DISTRICT

**RESOLUTION NO. 11981** 

RESOLUTION APPROVING A MODIFICATION TO THE TAX INCREMENT FINANCING PLAN FOR THE CITY BELLA TAX INCREMENT FINANCING DISTRICT Council Member Supple thanked staff for lobbying to change the law so that this funding could be used for affordable housing. City Manager Rodriguez stated that a lot of it was led by Assistant Community Development Director Julie Urban.

Council Member Whalen clarified that this is opening up the possibilities of how TIF can be used and reinvested into the community. Assistant Director Urban confirmed his statement. Council Member Whalen thanked Assistant Director Urban for noticing this possibility and lobbying to help make it happen and expressed excitement for the future conversations regarding these funds.

Council Member Supple asked about the timeline of the districts. Assistant Director Urban stated that two of the three will be removed from the TIF districts in 2025 and one of them in 2030 but this will allow the pooling of money until 2026 to be used for affordable housing.

Mayor Regan Gonzalez thanked staff and mentioned that this change is huge for the City of Richfield and hopefully this will set a precedent to make the change throughout the state and how cities respond to the needs of our community.

Motion carried 5-0.

ITEM #8	CONSIDER THE APPROVAL OF AN AGREEMENT FOR PROSECUTION SERVICES WITH THE CITY OF RICHFIELD AND H/J LAW. (STAFF REPORT NO. 87)
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Council Member Trautmann presented Staff Report 87.

City Manager Rodriguez introduced Attorneys Katrina Joseph and Greg Holly who gave a brief overview of their experience, their firm's prosecution philosophies, how they will represent the values of the City, and focus on training officers on law changes.

Council Member Trautmann thanked them for their explanation of their values and how they will help better the community. He mentioned and thanked Martin Costello for the work he has done. Katrina Joseph stated the firm's commitment to listen and respond to the concerns from Council.

Council Member Whalen echoed the comment of Council Member Trautmann and stated that equity is one of the biggest concerns of Council and how racial disparities affect the lives of our community members. He asked them about their initial thoughts on how they weave criminal justice disparities against poor people and people of color and how collateral consequences could affect futures. Katrina Joseph mentioned alternative programs to the limited Hennepin County run diversion program and explained that expungement cases are not taken lightly of which only 10% of expungement cases in the last year were denied.

Council Member Supple asked about the firm's work with victims' advocates especially with victims of domestic abuse. Katrina stated that Richfield's advocates would from Cornerstone Advocacy Group which provides excellent support for victims. The firm works with Cornerstone and the victim to explain how the system works, to provide better support and access to resources such as shelters, and to make sure that the victim is going to be heard and taken seriously.

Council Member Trautmann thanked the firm for their statements recognizing that victims of crimes are disproportionately people of color and that the firm acts as our victims' advocates when the cases are not involving domestic abuse with Cornerstone. He also mentioned the structural injustice of "more money equals less consequences" which needs to change as current City Prosecutor Martin Costello said at a work session "Our system is not fair to people of color. It's a huge problem and we

have to fight it." Council Member Trautmann also mentioned that we have yet to have a wage theft crime in Hennepin County and that it would be delightful to have some accountability for those that do not pay their workers their wages. Katrina Joseph stated that if there is sufficient evidence and that if people come forward; they will do their job.

Mayor Regan Gonzalez added that the council has been focused on advancing equity and embedding it into our work as a City and stated the importance of communicating information to policy makers that would help advance equity and building trust between community members. She shared that Richfield prides itself on being nimble and creative when coming up with ideas that better our community and the advancement of equity. Katrina Joseph stated that they will be accessible to Council, city staff, and whoever may need their services and that the elected officials represent the community so if the Council voices concerns; they will listen.

M/Trautmann, S/Supple to approve the contract agreement for Prosecution Services with H/J Law for the City of Richfield Department of Public Safety.

Motion carried 5-0.

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City Manager Rodriguez gave a short covid report.

Council Member Hayford Oleary asked if there was a follow up to the open forum comment from last council meeting regarding noise ordinance enforcement. City Manager Rodriguez stated that staff followed up directly.

# ITEM #10 CLAIMS AND PAYROLL

M/Trautmann, S/Whalen that the following claims and payrolls be approved:

U.S. Bank	5/24/2022
A/P Checks: 306189 – 306571	\$1,829,027.17
Payroll: 170181 – 170486, 43467 – 43468	\$ <u>709,354.07</u>
TOTAL	\$2,538,381.24

Motion carried 5-0

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Council Member Whalen encouraged residents to attend the outside Farmer's Market and to check out their ash trees that are on their property that might be sick from infestation of the Emerald Ash Borer.

Council Member Supple mentioned the planting of fifty new trees at Taft Park in conjunction with Tree Trust and thanked HRA Commissioner Gordon Hanson for his leadership with Tree Trust. She also thanked the Public Works Department as they are the unsung heroes that keep everything running. She also mentioned the Flags for Fort Snelling event on May 28 and the Honoring All Veterans Memorial Day ceremony on May 30.

Council Member Hayford Oleary complimented the participants and city staff that helped organize the city wide garage sale.

Council Member Trautmann gave a shout out to the Richfield Foundation and bringing back the annual wine tasting fundraiser event. He wished Liquor Store Director Bill Fillmore the best who will be retiring after forty-one years of service.

Mayor Regan Gonzalez thanked the volunteers, staff, and community members that supported the Richfield Foundation event. She attended a birding event at Wood Lake Nature Center and thanked Paul Smithson and community members who partnered to do the event. She shared an article in the American Association of Architects magazine that showcases how Richfield has been advancing equity through our built environment.

TEM #12
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The meeting was adjourned by unanimous consent at 8:14 p.m.

Date Approved: June 14, 2022

Maria Regan Gonzalez Mayor

Kari Sinning City Clerk Katie Rodriguez City Manager



# **Proclamation of the City of Richfield**

**WHEREAS,** Pride month is a positive stance against discrimination and violence toward individuals who identify as lesbian, gay, bisexual, transgender, queer, intersex and asexual (LGBTQIA) and celebrates sexual and gender identities; and

WHEREAS, the Richfield City Council and staff identified celebrating diversity and being equitable as core values, recognizing that our diverse culture is one of our greatest strengths and assets; and

WHEREAS, the month of June was chosen for Pride Month to commemorate the Stonewall riots, which occurred in June 1969 and became a catalyst for the LGBTQIA movement; and

**WHEREAS,** LGBTQIA people have made, and continue to make, great and lasting contributions to the City of Richfield and to the greater community; and

WHEREAS, while the LGBTQIA civil rights movement has achieved great progress, there remains a great deal more progress to be had; and

**WHEREAS**, the Richfield Human Rights Commission supported this proclamation at its May 3rd, 2022 meeting and recommended The Richfield City Council do the same; and

Now, THEREFORE, I Maria Regan Gonzalez, mayor of Richfield, on behalf of the Richfield City Council, do hereby proclaim the month of June 2022 as Pride Month in the City of Richfield and call on the people of Richfield to observe this month with appropriate programs, activities, and ceremonies, and continue to honor the contributions of LGBTQIA residents throughout the year.

**PROCLAIMED** on this 14th day of June 2022

Maria Regan Gonzalez, Mayor



# **Proclamation of the City of Richfield**

**WHEREAS**, The United States of America is a nation founded on the principles of liberty and justice for all, but not all were offered that opportunity from the start; and

WHEREAS, the institution of slavery in the United States, beginning in 1619 and continuing through 1865, transformed the newly established United States into an economic power through the oppressive and torturous system of millions of enslaved Black peoples; and

**WHEREAS**, On January 1, 1863, during the Civil War, Abraham Lincoln signed the Emancipation Proclamation, giving freedom to enslaved people in the rebelling states; and

**WHEREAS**, freedom became a reality much later for enslaved Black people in Texas on June 19, 1865, over two years after the Emancipation Proclamation was signed; and

**WHEREAS,** in the aftermath of slavery, African Americans continued to face horrific discrimination through Jim Crow, forced segregation, mass atrocities in Tulsa and Rosewood, lynching and to this day, mass incarceration; and

**WHEREAS**, the persistence of structural racism in America has led to vast inequities between black-white peoples in every area of life, from housing to education and employment, economic prosperity, health and wellness, life expectancy and infant mortality; and

WHEREAS, in Richfield, systemic discrimination was perpetrated through redlining and racial covenants; and

WHEREAS, Juneteenth marks our country's second Independence Day, celebrating freedom and justice, and emphasizing the education and achievements of African Americans; and

WHEREAS, we must do everything in our power to come together to deconstruct generations of systemic racism in our community, state and country; and

**WHEREAS**, African Americans have made significant contributions to Richfield, to local communities and our country as a whole; and

**WHEREAS**, our communities must unite on this day to honor freedom and the commitment for everyone to work together to guarantee equal opportunity for all individuals.

NOW, THEREFORE, I, MARIA REGAN GONZALEZ, Mayor of the City of Richfield, do acknowledge the relevance of June 19, 1865 and celebrate every June 19 as Juneteenth Freedom Day in the City of Richfield and call on the people of Richfield to observe this day with appropriate programs, activities, and ceremonies, and continue to honor the contributions of African Americans throughout the year.

**PROCLAIMED** this 14<sup>th</sup> day of June, 2022.

Maria Regan Gonzalez, Mayor

AGENDA SECTION: AGENDA ITEM # CONSENT CALENDAR

4.A.



# STAFF REPORT NO. 89 CITY COUNCIL MEETING 6/14/2022

REPORT PREPARED BY:Joe Powers, City EngineerDEPARTMENT DIRECTOR REVIEW:Kristin Asher, Public Works Director<br/>6/6/2022OTHER DEPARTMENT REVIEW:N/ACITY MANAGER REVIEW:Katie Rodriguez, City Manager<br/>6/7/2022

# ITEM FOR COUNCIL CONSIDERATION:

Consider approval of a contract with Kimley-Horn and Associates, Inc., to provide construction engineering services for the 65th Street Reconstruction Project for a fee not to exceed \$851,153.00.

# **EXECUTIVE SUMMARY:**

At the May 10, 2022 meeting, City Council awarded the construction contract for the 65th Street Reconstruction Project. The design engineer, Kimley-Horn, has submitted a proposal to provide the construction engineering services for the project in an amount not to exceed \$851,153.00. Kimley Horn is in the City's Engineering Consultant Pool and is an experienced engineering firm and the project's design engineer. Staff has negotiated a proposed scope of services that is typical and adequate for a project of this scale.

## **RECOMMENDED ACTION:**

By motion: Approve the contract with Kimley-Horn and Associates, Inc., to provide construction engineering services for the 65th Street Reconstruction Project for a fee not to exceed \$851,153.00.

# **BASIS OF RECOMMENDATION:**

#### A. HISTORICAL CONTEXT

- The pavement and underground infrastructure condition along 65th Street continues to deteriorate.
- City staff have identified a need for complete reconstruction of the roadway and utilities in the 65th Street corridor between 66th Street/Rae Drive and Nicollet Avenue.
- Roadway improvements along Lyndale Avenue between 64th Street and 66th Street are recommended due to recent and future redevelopment.
- A long-term stormwater solution is needed in advance of the HUB redevelopment and is included in the 65th Street Reconstruction Project.
- Relocation of the 18-inch watermain through the HUB property is required prior to redevelopment of the HUB site.

## B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

- The project is identified in the City's Capital Improvement Program and Five-Year Street Reconstruction Plan.
- Council approval is required for purchases or contracts over \$175,000.

#### C. CRITICAL TIMING ISSUES:

Eureka Construction, the project's general contractor, has been given official Notice to Proceed. Kimley Horn's proposal must be approved prior to substantial work beginning on the project.

#### D. FINANCIAL IMPACT:

- The construction engineering services has a not to exceed amount of \$851,153.00.
- The 65th Street Reconstruction Project is funded through Street Reconstruction Bonds, Utility Bonds, ARPA Funds, and Municipal State Aid Funds.
- The cost for this proposal was included in the project sources and uses attached to the Award of Contract item on the May 10, 2022 Council Meeting.

#### E. LEGAL CONSIDERATION:

N/A

#### **ALTERNATIVE RECOMMENDATION(S):**

None

# PRINCIPAL PARTIES EXPECTED AT MEETING:

None

#### ATTACHMENTS:

Description

- Scope of Services
- D Fee Schedule
- Sources and Uses Summary
- D Project Layout

Type Contract/Agreement Exhibit Backup Material Exhibit

# Kimley *Whorn*

May 18, 2022



Mr. Joe Powers, P.E. City Engineer City of Richfield 1901 E 66th Street Richfield, MN 55423

#### **Re:** W 65th Street Improvements - 66th Street to Nicollet Avenue **Proposal for Construction Phase Services**

Dear Joe.

Thank you for the opportunity to submit this proposal for construction phase services for the W 65th Street Improvements project. We understand that the primary objective of this scope is to provide assistance to the City of Richfield in providing construction observation, administration, staking, and materials testing services for the reconstruction of W 65th Street Improvements between 66th Street to Nicollet Avenue.

#### **Project Understanding**

The City of Richfield has requested that Kimley-Horn provide a Scope of Services for construction observation, administration, staking, and materials testing services for the W 65<sup>th</sup> Street Improvements project. The project will adhere to Minnesota Department of Transportation (MnDOT) State Aid standards.

#### **Scope of Services**

The following is a summary of our proposed Scope of Services for the project.

#### **Construction Phase Services**

Kimley-Horn will provide construction phase services for the project as detailed below. For the purposes of this contract, we have assumed the following construction schedule:

2022 Construction	May 2, 2022 – November 18, 2022
2023 Construction	April 3, 2023 – November 17, 2023

We have assumed that this will include the following number of construction weeks:



# Kimley »Horn

2022 Construction Year	29 weeks
2023 Construction Year	33 weeks
Total	62 weeks

#### A. Construction Observation

We will provide full-time construction observation for the duration of the 62 week construction schedule. We have assumed one (1) full-time observer at 50 hours/week for 62 weeks and one (1) part-time observer for 15 hours/week for 23 weeks. The need for a second part-time observer will be dependent on the contractor's schedule and operations. The construction observation tasks will include the following:

- Provide construction observation for roadway, drainage, utility, signal revisions, and landscape improvements.
- Act as the first point of contact for City staff to provide construction updates and address property owner issues.
- Act as the City's liaison to other agencies during the project construction.
- Act as the City's liaison to property owners during the project construction.
- Complete daily reports of construction activities.
- Complete IRA logs for quantities on a daily basis.
- Maintain construction paperwork documentation consistent with MnDOT State Aid standards.
- Review certified payroll reports and conduct contractor staff interviews.
- Assist in coordinating private utility relocations with the contractor.
- Attend weekly construction meetings on the project site.

#### B. Construction Administration

Construction administration tasks will include the following:

- We will coordinate with MnDOT on the review and approval of the low bid. We will review the contract and insurance documents prepared by the contractor prior to the City award of the contract.
- We will provide overall project management for the duration of the 62 week construction schedule.
- We will provide a part-time construction project engineer for the duration of the project construction. The construction project engineer duties will include the following:
  - Facilitate the pre-construction meeting
  - Facilitate weekly construction meetings
  - o Review extra work requests and prepare change order documentation
  - Prepare partial payment applications for submittal to City staff for processing
  - Coordinate with agencies during construction

# Kimley »Horn

- Provide revised staging plans during bidding process due to supply chain issues including:
  - o Updated plans and specs
  - o Coordination with Agency stakeholders
- We will provide design team support during construction. We have assumed the following efforts for the design team:
  - $\circ$  Roadway Engineer 40 hours
  - $\circ$  Utility Engineer 20 hours
  - $\circ$  Drainage Engineer 20 hours
  - $\circ$  Traffic Engineer 16 hours
  - $\circ$  Structural Engineer 20 hours
  - $\circ$  Lighting Engineer 20 hours
- We will coordinate the review of contractor submittals during the project construction. We have assumed the following shop drawings/submittals will need to be reviewed.
  - Storm Sewer Structures
  - o Box Culverts
  - o Landscape Materials
  - o Water Main
  - o Sanitary Sewer
  - o Bituminous
  - Concrete Mix Designs
  - o Traffic Control
  - o Traffic Signal
  - o Lighting
- Upon completion of the project, we will prepare as-built drawings.
- We will assist City staff with the final project closeout. This task will include submittals to MnDOT for final acceptance of the project.
- C. Construction Staking

We will provide construction staking services for the project. All construction staking will be provided by a Kimley-Horn subconsultant, Pioneer Engineering.

#### D. Construction Materials Testing

We will provide construction materials testing for the project, including vibration monitoring. All construction materials testing services and vibration monitoring will be performed by a Kimley-Horn subconsultant, Braun Intertec.

# **Kimley»Horn**

#### **Estimated Costs**

KHA will provide the Scope of Services identified above on an hourly labor fee plus expense basis. The following is a summary of our estimated fees and expenses.

Work Task	Estimated Cost
A. Construction Observation	\$ 527,085
B. Construction Administration	\$ 82,830
C. Construction Staking	\$ 96,200
D. Construction Materials Testing	<u>\$ 108,438</u>
Total Estimated Fees	\$ 814,553
Reimbursable Expenses	\$ 36,600
Total Estimated Fees and Expenses	\$ 851,153

A more detailed summary of our estimated hours and costs for the construction phase services is provided on the attached spreadsheet. Labor fee will be billed according to our current standard hourly rate schedule. Reimbursable expenses (copy/printing charges, plotting, mileage, delivery charges, etc.) will be charged as an office expense at 6.0% of the labor fee.

Our total estimated cost for the Scope of Services included as a part of this proposal is, therefore, \$851,153 including all labor and reimbursable expenses.

We appreciate the opportunity to submit this proposal and look forward to work with you on this project. Please feel free to contact us if you have any questions.

Sincerely,

KIMLEY-HORN AND ASSOCIATES, INC.

With C. Kfl

William C. Klingbeil, P.E. Project Manager

Copy: Project File

# **CONSTRUCTION PHASE SERVICES ESTIMATED FEE SUMMARY**

#### W 65th St Reconstruction

#### **Richfield**, MN

PREPARED BY: KIMLEY-HORN AND ASSOCIATES, INC.

May 18, 2022

KIMLEY-HORN & ASSOCIATES, INC.

TITLE	PROJECT MANAGER	PROJECT ENGINEER	DESIGN ENGINEER	SENIOR FIELD ENGINEER	SUBCONSULTANT FEE	KIMLEY-HORN ESTIMATED FEE	TOTAL HOURS
CONSTRUCTION OBSERVATION		1					
Full time field engineer (assume 50 hrs per week for 62 weeks)		1		3100		\$474,300.00	3100
Part time field engineer (assume 15 hours/week for 23 weeks) (If needed)				345		\$52,785.00	345
SUBTOTAL				3445	\$0.00	\$527,085.00	3445
SOBIOTAL		I		3443	φ0.00	4JZ1,005.00	5443
Construction Administration							
Part time construction engineer (assume 4 hours per week)	50	1	200		1	\$37,250.00	250
Staging Revisions during Bidding	12	20	20			\$8,360.00	52
Design team support during construction	16	40	80			\$20,480.00	136
As-built drawings	4	32	80			\$16,740.00	116
SUBTOTAL	82	92	380		\$0.00	\$82,830.00	554
						, , , , , , , , , , , , , , , , , , , ,	
CONSTRUCTION MATERIALS TESTING (BRAUN INTERTECH)							
Materials Testing					\$68,764.00		
Vibration Monitoring					\$39,674.00		
SUBTOTAL	1	Í		Î	\$108,438.00		
CONSTRUCTION STAKING (PIONEER ENGINEERING)							
Construction Staking Services					\$96,200.00		
SUBTOTAL					\$96,200.00		
PROJECT HOURS SUBTOTAL	82	92	380	3445			3999
PROJECT HOURLY - NOT TO EXCEED FEE SUB-TOTAL	\$16,810	\$14,720	\$51,300	\$527,085	\$204,638.00	\$609,915.00	
REIMBURSABLE EXPENSES		1				\$36,600.00	
						•	
TOTAL PROPOSED FEES AND EXPENSES					\$204,638.00	\$646,515.00	
					7=0.,000i00	+•,•	
TOTAL PROJECT FEES AND EXPENSES		1				\$851,153.00	
						#001,100.00	

65th St Reconstruction/Lyndale Avenue Pedestrian Improvements Richfield Project No.

SAP Nos.

41017
157-104-004
157-105-005
157-363-033

			Council Action	_					Council Action
					4/23/21 CIP				
			30% Engineer's		Estimate			Final Engineer's	
			Estimate and		(updated soures	60% Engineer's	90% Engineer's	Estimate and	
			Project Approval		for Council	Estimate	Estimate	Project Bid	
			(Updated	4/23/21 CIP	Worksession	(Updated	(Updated	(Updated	
	2019 CIP	2020 CIP	7/20/2020)	Estimate	7/23/21)	10/5/2021)	12/6/2021)	4/14/2022)	Contract Award
Planned Construction Year:	2020	2020&2021	2022	2022	2022	2022-2023	2022-2023	2022-2023	2022-2023
Estimated Uses:			-		-				
Design	\$600,000	\$704,000	\$842,000	\$950,000	\$950,000	\$950,000.00	\$970,000.00	\$970,000	\$970,000
65th St Reconstruction	\$5,500,000	\$6,100,000	\$3,362,700	\$3,750,000		\$3,930,000.00	\$4,240,000.00		\$5,685,000
Lyndale Ave Improvments			\$52,000	\$670,000	\$670,000	\$280,000.00	\$360,000.00	\$350,000.00	\$450,000
Stormwater Improvements	Included above	Included above	\$2,500,000	\$2,100,000	\$2,100,000	\$3,100,000.00	\$3,200,000.00	\$3,900,000.00	\$4,200,000
Change Orders									
Right of Way	\$50,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$30,000	\$30,000
Legal	\$90,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000.00	\$100,000.00	\$100,000	\$100,000
Constrcution Admin/Engineering	\$550,000	\$610,000	\$591,470	\$600,000	\$600,000	\$600,000.00	\$600,000.00	\$850,000	\$850,000
Staff	\$90,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000.00	\$100,000.00	\$100,000	\$100,000
Contingency	\$1,100,000	\$1,220,000	\$1,182,940	\$1,304,000	\$1,304,000	\$1,462,000.00	\$1,170,000.00		\$206,700
Bond Issuance Costs						\$200,000.00	\$200,000.00	\$200,000	\$300,000
	20% Contingency	20% Contingency	20% Contingency	20% Contigency	20% Contigency	20% Contigency	15% Contingency	10% Contingency	2% Contingency
Total Uses	\$7,980,000	\$8,894,000	\$8,791,110	\$9,634,000	\$9,634,000	\$10,782,000	\$11,000,000	\$12,073,000	\$12,891,700
Sources:									
Street Reconstruction Bonds	\$8,000,000	\$7,800,000	\$7,800,000	\$8,600,000		\$6,500,000	\$6,500,000		\$5,400,000
Utility Bonds	\$8,000,000	\$1,200,000	\$1,200,000	\$1,200,000	\$3,700,000	\$4,500,000	\$4,500,000		\$4,600,000
Municipal State Aid								\$1,075,000	\$1,800,000
ARPA									\$1,100,000
Total Sources	\$8,000,000	\$9,000,000	\$9,000,000	\$9,800,000	\$9,800,000	\$11,000,000	\$11,000,000	\$12,075,000	\$12,900,000
Difference	\$20,000	\$106,000	\$208,890	\$166,000	\$166,000	\$218,000	\$0	\$2,000	\$8,300

#### Notes

Sources and Uses Tracking - updated 5/5/2022

Anticipated Debt Issuance (updated 05/2022):		Low Risk
Street Reconstruction Bonds	2022	Medium Ris
Utility Bonds	2022	High Risk



AGENDA SECTION: AGENDA ITEM # CONSENT CALENDAR



4.B.



# STAFF REPORT NO. 90 CITY COUNCIL MEETING 6/14/2022

REPORT PREPARED BY:	Jennifer Anderson, Support Services Manager
DEPARTMENT DIRECTOR REVIEW:	Jay Henthorne, Director of Public Safety/Chief of Police 6/7/2022
OTHER DEPARTMENT REVIEW:	N/A
CITY MANAGER REVIEW:	Katie Rodriguez, City Manager 6/7/2022

# ITEM FOR COUNCIL CONSIDERATION:

Consider the approval of setting a public hearing to be held on June 28, 2022, to consider the issuance of new On-Sale Intoxicating Liquor and Sunday Sale Liquor licenses for MC Richfield, LLC dba Millions Crab, located at 9 66th Street East.

### **EXECUTIVE SUMMARY:**

On February 24, 2022, the City received the application materials for new On-Sale Intoxicating Liquor and Sunday Sale Liquor licenses for MC Richfield, LLC dba Millions Crab, located at 9 66th Street East.

All required information and documents have been received. All licensing fees have been paid.

## **RECOMMENDED ACTION:**

By motion: Approve the setting of a public hearing to be held on June 28, 2022, for the consideration of the issuance of new On-Sale Intoxicating Liquor and Sunday Sale Liquor licenses for MC Richfield, LLC., dba Millions Crab, located at 9 66th Street East.

## **BASIS OF RECOMMENDATION:**

#### A. HISTORICAL CONTEXT

This is a notice to set the public hearing. Staff will provide a more detailed historical context in the report submitted for the public hearing on June 28, 2022.

#### B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

- City ordinance requires the City Council to conduct a public hearing to consider all On-Sale Intoxicating Liquor and Sunday Sale Liquor license applications and set a date for the public hearing.
- The hearing must be scheduled and held before a new license may be considered.
- The new process has been initiated.

#### C. CRITICAL TIMING ISSUES:

Holding the public hearing on June 28, 2022 will provide ample time to complete the licensing process.

#### D. FINANCIAL IMPACT:

All licensing fees have been received.

#### E. LEGAL CONSIDERATION:

There are no legal considerations.

#### ALTERNATIVE RECOMMENDATION(S):

- Reject the applications for new On-Sale Intoxicating Liquor and Sunday Sale Liquor licenses for MC Richfield, LLC., dba Millions Crab.
- Schedule the public hearing for another date; however, this will delay the licensing process.

#### PRINCIPAL PARTIES EXPECTED AT MEETING:

There are no parties expected at this meeting.

AGENDA SECTION: AGENDA ITEM # CONSENT CALENDAR

4.C.



# STAFF REPORT NO. 91 CITY COUNCIL MEETING 6/14/2022

REPORT PREPARED BY:Jennifer Anderson, Support Services ManagerDEPARTMENT DIRECTOR REVIEW:Jay Henthorne, Director of Public Safety/Chief of Police<br/>6/8/2022OTHER DEPARTMENT REVIEW:N/ACITY MANAGER REVIEW:Katie Rodriguez, City Manager

6/9/2022

# ITEM FOR COUNCIL CONSIDERATION:

Consider approval for a Temporary On Sale Intoxicating Liquor license for the Academy of Holy Angels, located at 6600 Nicollet Avenue S., for their annual Rock The Lawn event scheduled to take place June 25, 2022.

## **EXECUTIVE SUMMARY:**

On May 19, 2022, the City received application materials for a Temporary On Sale Intoxicating Liquor license for Academy of Holy Angels, located at 6600 Nicollet Avenue South, for their annual Rock the Lawn event taking place on June 25, 2022.

They will be having food trucks providing food for the event. The Academy of Holy Angels has contacted food sanitarians from the City of Bloomington to ensure proper food handling practices are allowed.

The Director of Public Safety has reviewed all required information and documents and has found no basis for denial.

#### **RECOMMENDED ACTION:**

By motion: Approve the issuance of a Temporary On Sale Intoxicating Liquor license for Academy of Holy Angels, located at 6600 Nicollet Ave S., for their annual Rock The Lawn event scheduled to take place June 25, 2022.

## **BASIS OF RECOMMENDATION:**

#### A. HISTORICAL CONTEXT

- The applicant has satisfied the following requirements for the issuance of this license:
  - The required licensing fee has been paid.
  - Proof of liquor liability insurance has been submitted showing Integrity Mutual Insurance Company affording coverage (parking lot included).
  - Along with the application they included a diagram of where the alcohol will be served and consumed as well as how ID's will be checked and how they will be monitoring sales and consumption.
  - Employees of the Academy of Holy Angels and off-duty Richfield Police Officers will be providing security and will patrol the area for this event.

#### B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

Richfield City Code Section 1202.05 requires all applicants to comply with all of the provisions of this code, as well as the provisions of Minnesota Statue Chapter 340A.

#### C. CRITICAL TIMING ISSUES:

There are no critical timing issues.

#### D. FINANCIAL IMPACT:

The required licensing fees have been received.

# E. LEGAL CONSIDERATION:

There are no legal considerations.

#### ALTERNATIVE RECOMMENDATION(S):

The Council could deny the approval of the Temporary On Sale Intoxicating Liquor license for the Academy of Holy Angels. This would mean the applicant would not be able to serve wine or strong beer; however, Public Safety has not found any basis for denial.

#### PRINCIPAL PARTIES EXPECTED AT MEETING:

Representive of Academy of Holy Angels.

AGENDA SECTION: AGENDA ITEM # CONSENT CALENDAR

4.D.



# STAFF REPORT NO. 92 CITY COUNCIL MEETING 6/14/2022

REPORT PREPARED BY:	Jennifer Anderson, Support Services Manager
DEPARTMENT DIRECTOR REVIEW:	Jay Henthorne, Director of Public Safety/Chief of Police 6/7/2022
OTHER DEPARTMENT REVIEW:	N/A
CITY MANAGER REVIEW:	Katie Rodriguez, City Manager 6/7/2022

# ITEM FOR COUNCIL CONSIDERATION:

Consider approval of a Temporary On Sale Intoxicating Liquor license for the 4th of July event scheduled to take place July 4, 2022, at Fred Babcock VFW #5555, located at 6715 Lakeshore Dr.

#### **EXECUTIVE SUMMARY:**

On May 13, 2022, the City received application materials for a Temporary On Sale Intoxicating Liquor license for Fred Babcock VFW #5555.

This is for their 4th of July event. The VFW plans to set up in the south parking lot. Food and refreshments, including alcohol, will be sold at the event. Their request is to serve alcohol from noon to 8:00 p.m.

The Director of Public Safety has reviewed and approved the license application and sees no reason it should be denied.

All required information has been provided and all licensing fees have been received.

## **RECOMMENDED ACTION:**

By motion: Approve the issuance of a Temporary On Sale Intoxicating Liquor license for Fred Babcock VFW #5555 located at 6715 Lakeshore Dr., for their 4th of July event scheduled to take place July 4, 2022.

## **BASIS OF RECOMMENDATION:**

#### A. HISTORICAL CONTEXT

The applicant has satisfied the following requirements for the issuance of this license:

- The required licensing fee has been paid.
- Proof of liquor liability insurance has been submitted showing Integrity Mutual Insurance Company affording coverage (parking lot included).
- The applicant has contacted sanitarians from the City of Bloomington to ensure proper food handling practices are followed.
- Employees of the VFW will be providing security and will patrol the area for this event.

#### B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

Richfield City Code Section 1202.05 requires all applicants to comply with all of the provisions of this code, as well as the provisions of Minnesota Statue Chapter 340A.

#### C. CRITICAL TIMING ISSUES:

The sale of intoxicating liquor in the parking lot must cease no later than 8:00 p.m. on July 4, 2022.

#### D. FINANCIAL IMPACT:

The required licensing fees have been received.

#### E. LEGAL CONSIDERATION:

There are no legal considerations.

#### ALTERNATIVE RECOMMENDATION(S):

The Council could deny the requested license; however, that would mean the applicant would not be able to serve alcohol outside to the public during the 4th of July event.

#### PRINCIPAL PARTIES EXPECTED AT MEETING:

Representive of VFW.

AGENDA SECTION: AGENDA ITEM # CONSENT CALENDAR

4.E.



# STAFF REPORT NO. 93 CITY COUNCIL MEETING 6/14/2022

REPORT PREPARED BY:	Chris Swanson, Management Analyst
DEPARTMENT DIRECTOR REVIEW:	Sack Thongvanh, Administrative Services Manager 6/1/2022
OTHER DEPARTMENT REVIEW:	Lourdes Landi, HR Specialist
CITYMANAGER REVIEW:	Katie Rodriguez, City Manager 6/7/2022

# **ITEM FOR COUNCIL CONSIDERATION:**

Consider adoption of a resolution authorizing the City to affirm the monetary limits on statutory municipality tort liability.

# **EXECUTIVE SUMMARY:**

The City purchases its liability insurance coverage from the League of Minnesota Cities Insurance Trust (LMCIT). Each year, the City must decide to either affirm or waive its statutory limits of liability by July 1 each year. After reviewing cost considerations measured against potential risk, the City has, historically, affirmed the liability limits which are \$500,000 for an individual claimant and \$1,500,000 per occurrence. Staff is recommending the same course of action for the upcoming insurance renewal as waiving the liability limits would increase costs due the need to purchase excess liability insurance.

## **RECOMMENDED ACTION:**

By motion: Adopt a resolution authorizing the City Council to affirm the monetary limits on municipal tort liability established by Minnesota Statutes 466.04.

# **BASIS OF RECOMMENDATION:**

#### A. HISTORICAL CONTEXT

- A requirement of insurance coverage through the LMCIT is an annual affirmation or waiver of statutory limits of liability.
- The current statutory limits of liability for Minnesota cities are \$500,000 for an individual claimant and \$1,500,000 per occurrence. Cities can waive these limits to allow an individual claimant to recover more than \$500,000, up to the \$1,500,000 per occurrence limit, if excess liability insurance is purchased. Because waiving the statutory limits increases the exposure, the premium is higher for coverage under the waiver option. The cost of the excess liability insurance continues to be very expensive.
- Slightly more than half of the cities in Minnesota do not waive its limits of liability.

#### B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

• State Statute establishes liability limits for cities and the current level is \$1,500,000, which appears to be a reasonable limit. Historically, the majority of municipalities in Minnesota

do not waive the monetary limits on municipality tort liability as established by Statutes 466.04.

- The Council could waive its statutory limits in future years if a decision was made to do so.
- The Council may also wish to consider purchasing excess liability in the future. If this is the case it may be purchased at any point in the future.

#### C. CRITICAL TIMING ISSUES:

The City's insurance policy with the League of Minnesota Cities Insurance Trust will renew on July 1, 2022. This action must be completed on, or before that time.

#### D. FINANCIAL IMPACT:

The City has historically not purchased excess liability coverage because of the cost of such coverage.

#### E. LEGAL CONSIDERATION:

- The tort liability limits established by Minnesota Statutes have historically protected cities and no Minnesota court has ever established a monetary award in excess of the statutory limits against a municipality.
- Each city must annually decide whether the city would voluntarily waive the statute for both the single claims and each occurrence limit.

#### ALTERNATIVE RECOMMENDATION(S):

- If the Council determines that any single claimant should receive more than the \$500,000 limit, the Council could elect to waive the statutory monetary limits.
- If the Council determines that the \$1,500,000 per occurrence limit is not adequate, the City could purchase excess liability coverage at a significant additional cost.

#### PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A

D

#### ATTACHMENTS:

DescriptionTypeRESOLUTION AFFIRMING MUNICIPAL TORTLIABILITY LIMITS ESTABLISHED BY MINNESOTASTATUTES 466.04

# RESOLUTION NO.

# RESOLUTION AFFIRMING MUNICIPAL TORT LIABILITY LIMITS ESTABLISHED BY MINNESOTA STATUTES 466.04

**WHEREAS**, Minnesota Statute 466.04 provides for Municipal tort liability limits for Minnesota cities; and

**WHEREAS**, the League of Minnesota Cities Insurance Trust has asked that each city review the tort liability limits and determine if the respective city would choose to waive its limits; and

**WHEREAS**, such decision to affirm or waive the tort liability limits must be filed with the League of Minnesota Cities Insurance Trust at the insurance renewal date.

**NOW, THEREFORE, BE IT RESOLVED** that the City Manager is directed to report to the League of Minnesota Cities Insurance Trust that the Richfield City Council does not waive the monetary limits on the municipal tort liability established by Minnesota statutes 466.04.

Adopted by the City Council of the City of Richfield, Minnesota this 14<sup>th</sup> day of June, 2022.

Maria Regan Gonzalez, Mayor

ATTEST:

Kari Sinning, City Clerk

AGENDA SECTION: AGENDA ITEM # CONSENT CALENDAR

4.F.



# STAFF REPORT NO. 94 CITY COUNCIL MEETING 6/14/2022

 REPORT PREPARED BY:
 Olivia Wycklendt, Civil Engineer

 DEPARTMENT DIRECTOR REVIEW:
 Kristin Asher, Public Works Director

 6/7/2022
 OTHER DEPARTMENT REVIEW:
 N/A

 CITY MANAGER REVIEW:
 Katie Rodriguez, City Manager

 6/9/2022

# ITEM FOR COUNCIL CONSIDERATION:

Consider adoption of a resolution authorizing the purchase of a permanent lighting easement at 900 Rae Dr for the 65th Street Reconstruction Project.

# **EXECUTIVE SUMMARY:**

As part of the 65th Street Reconstruction Project, certain temporary construction and permanent right-of-way easements must be acquired for construction. Temporary construction and permanent right-of-way easements are sometimes needed in order to implement major infrastructure projects and facilitate the construction thereof. Property owners receive compensation for both types of easements but for temporary construction easements the area remains under ownership of the property owner and it is restored and turned-back after construction is complete.

The property owner at 900 Rae Dr has accepted an offer to purchase a permanent right of way easement and has completed the necessary paperwork to finalize the transaction.

In order for the easement to become effective, City Council must approve the resolution authorizing payment to the property owner in the agreed upon amounts.

## **RECOMMENDED ACTION:**

By motion: Approve the resolution authorizing the purchase of a permanent lighting easement at 900 Rae Dr for the 65th Street Reconstruction Project.

## **BASIS OF RECOMMENDATION:**

#### A. HISTORICAL CONTEXT

- The 65th Street Reconstruction Project will improve pavement conditions, replace deteriorating sidewalks, and upgrade aging underground utilities while improving operational safety for pedestrians, bicyclists, and vehicles. The project also provides an opportunity to address a longstanding flooding issue in the area of 65th St and the HUB shopping center.
- The City Council approved the preliminary design layout for the 65th Street Reconstruction Project on July 28, 2020.
- The 100% design plan was completed for the 65th St Reconstruction project and went out to bid on March 3rd, 2022, with anticipated construction in 2022 and 2023.

- The permanent easement is needed for the installation of new light poles along 65th St where there are none with the existing roadway design.
- Purchase of the easement will allow for the installation of light poles outside of the proposed trail, allowing for a safer pedestrian environment.
- The value of the easement is determined via negotiation and using neighboring property values in the area as a guideline for the offer.

#### B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

The city has authority to acquire easements through an "offer to purchase" and if no agreement can be reached the city can acquire property though eminent domain for public purposes.

#### C. CRITICAL TIMING ISSUES:

Timely payment for and acquisition of the easement will ensure construction can begin as planned in 2022.

#### D. FINANCIAL IMPACT:

- 900 Rae Dr (PID: 28-028-24-14-0012) requires a permanent lighting easement payment of \$750.00.
- Funding for the purchase of the easement required for the construction of the 65th St Reconstruction Project will be paid by City funds dedicated to project costs.

#### E. LEGAL CONSIDERATION:

The City Attorney has reviewed the agreement and will be available at the meeting to answer questions.

#### **ALTERNATIVE RECOMMENDATION(S):**

None

#### PRINCIPAL PARTIES EXPECTED AT MEETING: None

#### ATTACHMENTS:

Description

- Resolution
- 900 Rae Dr Lighting Easement

Type Resolution Letter Contract/Agreement

## **RESOLUTION NO.**

### RESOLUTION AUTHORIZING THE CITY OF RICHFIELD TO MAKE PAYMENT FOR THE PURCHASE OF A PERMANENT LIGHTING EASEMENT AT 900 RAE DRIVE (PID# 28-028-24-14-0012) AS A PART OF THE 65<sup>TH</sup> ST RECONSTRUCTION PROJECT

**WHEREAS**, the City Council of the City of Richfield is the official governing body of the City of Richfield; and

**WHEREAS**, the City, a Minnesota municipal corporation acting by and through its City Council, is authorized by law to acquire land and other interests in real estate which are needed for public use or purpose; and

**WHEREAS**, the City Council finds that public safety and convenience require that the City undertake and complete improvements known as the 65th Street Reconstruction Project to improve the pavement conditions, replace deteriorating sidewalks and upgrade aging underground utilities while improving operational safety for pedestrians, bicyclists and vehicles; and

**WHEREAS,** it is necessary to acquire a permanent right of-way easement encumbering the property at 900 Rae Dr (PID# 28-028-24-14-0012); and

**WHEREAS,** the good faith efforts of employees and agents of the City, in addition to the property owners, has resulted in the acceptance of an offer to purchase the aforementioned easement without need for further negotiations.

**NOW, THEREFORE, BE IT RESOLVED,** that the City Council of the City of Richfield, Minnesota hereby authorizes the Mayor and the City Manager to make payment to the property owner and make effective the agreed upon easement to ensure timely construction of the project in 2022.

Adopted by the City Council of the City of Richfield, Minnesota this 14<sup>th</sup> day of June, 2022.

Maria Regan Gonzalez, Mayor

ATTEST:

Kari Sinning, City Clerk

# MEMORANDUM OF UNDERSTANDING

City of Richfield – 900 Rae Drive

PID:2802824140012Fee Owners:Reza Vojoodi and Azam Vojoodi

On this  $\mathcal{A}$  day of  $\mathcal{M}a \mathcal{A}$ , 2022, Reza Vojoodi and Azam Vojoodi, Owners of the above-described parcel of property located in the City of Richfield, County of Hennepin, and State of Minnesota, did execute and deliver a conveyance of real estate rights to the City of Richfield.

This agreement is now made and entered as a memorandum of all the terms, and the only terms, agreed upon in connection with the above transaction. It is hereby acknowledged and agreed upon between the parties that:

- 1. The Owners have been furnished with an offer of compensation for the property rights acquired. The Owners understand that the acquired property rights are for use in connection with the right-of-way easement for light pole construction and maintenance, public improvements, and the construction of the City of Richfield 65th Street Reconstruction Project.
- 2. That in full compensation for the conveyance of said property, the City of Richfield shall pay the Owners the sum of <u>seven-hundred fifty (\$750</u>) for easement(s) and damages. Owners understand that payment by the City of Richfield must await recording, City Council approval, verification of marketable title, and lender consents, if needed.
- 3. In the event of a clerical error, Grantor, whether one or more, agrees to cooperate in correcting the error including but not limited to resigning all documents.
- 4. Additionally: N/A

It is understood and agreed that the entire agreement of the parties is contained in this Memorandum of Understanding and Easement Document(s) dated  $M_{AY}$ , 5, 2022 and that these documents and agreements include all oral agreements, representations, and negotiations between the parties.

[signatures on following page.]

Date: 3/3/2022

By: Joseph W Powers, City Engineer

l

Date:  $\frac{5/2}{2}$ , 20, 22

By∺\_ -.2 20 Reza Vojoodi By Azam Vojoodi-

#### **RIGHT-OF-WAY EASEMENT**

THIS INSTRUMENT is made this 2 day of 4, 2022, by Reza Vojoodi and Azam Vojoodi, individuals married to each other, ("Grantors") in favor of the City of Richfield, Minnesota, a municipal corporation under the laws of the State of Minnesota (the "City").

#### <u>Recitals</u>

A. Grantors are the fee owner of property in Hennepin County, Minnesota, legally described on the attached Exhibit A (the "Property").

B. Grantors desire to grant to the City an easement for right-of-way purposes as hereinafter described in, over, across, beneath, and above the portion of the Property legally described on <u>Exhibit B</u> and depicted on <u>Exhibit C</u> attached hereto (the "Easement Area") according to the terms and conditions contained herein.

#### Terms of Easement

1. <u>Recitals</u>. The recitals above are hereby incorporated herein and made part of the Easement.

2. <u>Grant of Easement</u>. For good and valuable consideration, receipt of which is hereby acknowledged by Grantors, Grantors grant and convey to the City a permanent, easement for right-of-way purposes in, over, across, beneath, above, and through the Easement Area.

2. <u>Scope of Easement</u>. The above-described permanent right-of-way easement includes the rights of the City, its contractors, agents and employees, to enter the Easement Area at all reasonable times for the purpose of locating, constructing, reconstructing, operating, maintaining, inspecting, altering and repairing within the described easement area public lighting, electrical, storm sewer, sanitary sewer and water facilities, and sidewalk, or all other public facilities or improvements of any type that are not inconsistent with a public right-of-way use.

The easement created herein also includes the right to cut, trim, or remove from the Easement Area trees, shrubs, or other vegetation as in the City's judgment unreasonably interfere

with the easement or facilities of the City, its successors or assigns, and to prohibit obstructions and grading alterations now or in the future as in City's judgment unreasonably interfere with the use or maintenance of the Easement Area.

3. <u>Warranty of Title</u>. Grantors warrant that Grantors are the fee owner of the Property and has the right, title, and capacity to convey to the City the easement herein.

4. <u>Environmental Matters</u>. The City shall not be responsible for any costs, expenses, damages, demands, obligations, including penalties and reasonable attorneys' fees, or losses resulting from any claims, actions, suits, or proceedings based upon a release or threat of release of any hazardous substances, pollutants, or contaminants which may have existed on, or which relate to, the Easement or the Property prior to the date of this instrument.

5. <u>Binding Effect</u>. The terms and conditions of this instrument shall run with the land and be binding on Grantors, Grantors' successors, and assigns.

STATE DEED TAX DUE HEREON: NONE

Dated this <u>2</u> day of <u>MG</u>, 2022.

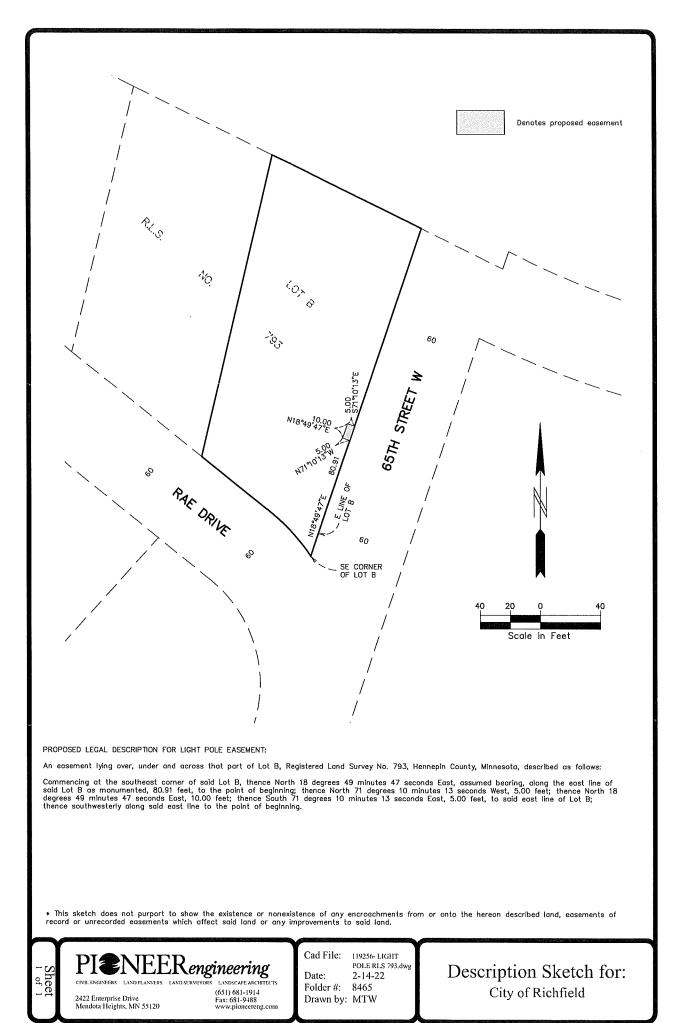
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## **EXHIBIT B** Legal Description of the Easement Area

An easement lying over, under and across that part of Lot B, Registered Land Survey No. 793, Hennepin County, Minnesota, described as follows:

Commencing at the southeast corner of said Lot B, thence North 18 degrees 49 minutes 47 seconds East, assumed bearing, along the east line of said Lot B as monumented, 80.91 feet, to the point of beginning; thence North 71 degrees 10 minutes 13 seconds West, 5.00 feet; thence North 18 degrees 49 minutes 47 seconds East, 10.00 feet; thence South 71 degrees 10 minutes 13 seconds East, 5.00 feet, to said east line of Lot B; thence southwesterly along said east line to the point of beginning.

# **EXHIBIT C** Map of the Easement Area



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AGENDA SECTION: AGENDA ITEM # OTHER BUSINESS

6.





# STAFF REPORT NO. 95 CITY COUNCIL MEETING 6/14/2022

REPORT PREPARED BY: Katie Rodriguez, City Manager

DEPARTMENT DIRECTOR REVIEW: Kumud Verma, Finance Manager

OTHER DEPARTMENT REVIEW:

CITYMANAGER REVIEW:

Katie Rodriguez, City Manager 6/7/2022

# **ITEM FOR COUNCIL CONSIDERATION:**

Consider adoption of a resolution awarding the sale of \$10,000,000 General Obligation Bonds, Series 2022A.

# **EXECUTIVE SUMMARY:**

At the May 10, 2022 City Council meeting, the City Council approved a resolution providing for the sale of the \$10,000,000 General Obligation Bonds, Series 2022A.

The Series 2022A bonds will accomplish the following:

Provide funding for the 65th Street reconstruction project with a \$5,410,000 par bond. Debt service for this portion of the bond issue will be provided by an estimated annual debt service tax levy of \$398,000. The estimated increase in taxes for a residential property valued at \$300,000 is \$29.38.

Provide funding for the 65<sup>th</sup> Street utility improvements with a \$4,590,000 par bond. Debt service for this portion of the bond issue, \$312,000, will be provided by water revenues.

Bids on the 2022A General Obligation Bonds are due in the offices of Ehlers and Associates, Inc. on Tuesday June 14, 2022. A representative from Ehlers and Associates, Inc. will be at the City Council meeting to recommend the successful bidder, review documents, and provide information that is absent from the resolution and available only after the bidding on the bonds is closed. Following Ehlers & Associates, Inc. recommendation, it would be appropriate for the City Council to award the bond sale to the qualified buyer and undertake other related actions as delineated in the approving resolution. The anticipated closing on the 2022A Bonds is scheduled for July 7, 2022.

# **RECOMMENDED ACTION:**

By motion: Adopt a resolution awarding the sale of General Obligation Bonds, Series 2022A, in the original aggregate principal amount of \$10,000,000; Fixing their form and specifications; Directing their execution and delivery; and providing for their payment.

# **BASIS OF RECOMMENDATION:**

A. HISTORICAL CONTEXT

Consistent with City Council direction, the Capital Improvement Plan (CIP), and the City's Comprehensive Plan, staff has been working towards the construction of the 65th Street Reconstruction Project over the past few years.

The 65th Street Reconstruction Project consists of a full road reconstruction to replace deteriorating infrastructure along the 65th Street corridor between 66th Street/Rae Drive and Nicollet Avenue. In addition to this road reconstruct, other improvements along this corridor include pedestrian improvements on Lyndale Avenue and the implementation of new trail along Richfield Lake on the North side of 65th Street. New stormwater infrastructure will be installed to address historical flooding issues in the area, and to accommodate any additional runoff that may occur from the redevelopment of the HUB property. The existing 18-inch watermain that runs through the HUB property will be relocated to 65th Street to allow for redevelopment of the HUB property.

## B. **POLICIES (resolutions, ordinances, regulations, statutes, etc):**

The 65th Street Reconstruction Project is consistent with the following approved plans:

- 5 Year Street Reconstruction
- Comprehensive Plan (Chapter 7 Transportation)
- Pedestrian Master Plan
- Bicycle Master Plan
- Street Reconstruction Guiding Principles
- Complete Streets Policy
- · Arterial Roads Study

#### C. CRITICAL TIMING ISSUES:

The sale of the bonds at this time will allow the City to remain on schedule to begin construction.

#### D. FINANCIAL IMPACT:

The estimated total cost of the 65th St Reconstruction project is \$12.9M.

- The engineer's estimate for the cost of construction at the time of bidding was \$9 million.
  - The roughly \$1.2 million difference between the lowest base bid and the engineer's estimate is likely due to significant and rapid inflation, increased material costs, and reduced material availability. It is anticipated that costs will not decrease in the near future, and would likely increase if the project were to be delayed.
- \$11 million in bonding was previously approved for the project. Staff recommended and council approved using \$1.1M in ARPA funds to reduce the bond to a bank-gualified \$10M.
- \$1.8 million in Municipal State Aid (MSA) has been identified to cover the additional costs.
- Total project funding:
  - Street Reconstruction Bonds: \$5.4 million
  - Utility Bonds: \$4.6 million
  - Municipal State Aid: \$1.8 million
  - ARPA: \$1.1 million

The debt service on the bonds will be provided from an average annual debt service tax levy which is estimated to be \$398,000. Debt service for the utilities portion of the bond issue, estimated at \$312,000, will be provided by water revenues.

The estimated annual increase in taxes due to the issuance of these bonds for a residential property valued at \$300,000 will be approximately \$29.38.

#### E. LEGAL CONSIDERATION:

Legal counsel has been involved in the bond sale transactions as bond counsel to the City.

#### ALTERNATIVE RECOMMENDATION(S):

None.

## PRINCIPAL PARTIES EXPECTED AT MEETING:

• Rebecca Kurtz, Ehlers & Associates, Inc.

# ATTACHMENTS:

Description

Resolution Awarding Sale of 2022A Bonds

**Type** Cover Memo

## Extract of Minutes of Meeting of the City Council of the City of Richfield, Hennepin County, Minnesota

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Richfield, Minnesota, was duly held in the Municipal Center in said City on Tuesday, June 14, 2022, commencing at 7:00 P.M.

The following members were present:

and the following were absent:

\* \* \* \* \* \* \* \* \* \* \* \*

The Mayor announced that the next order of business was consideration of the proposals which had been received for the purchase of the City's General Obligation Bonds, Series 2022A, to be issued in the aggregate principal amount of \$10,000,000.

The City Manager presented a tabulation of the proposals that had been received in the manner specified in the Terms of Proposal for the Bonds. The proposals were as set forth in EXHIBIT A attached.

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

#### **RESOLUTION NO.**

## A RESOLUTION AWARDING THE SALE OF GENERAL OBLIGATION BONDS, SERIES 2022A, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$10,000,000; FIXING THEIR FORM AND SPECIFICATIONS; DIRECTING THEIR EXECUTION AND DELIVERY; AND PROVIDING FOR THEIR PAYMENT

BE IT RESOLVED By the City Council of the City of Richfield, Hennepin County, Minnesota (the "City") as follows:

Section 1. <u>Sale of Bonds</u>.

#### 1.01. Street Reconstruction Bonds.

(a) Pursuant to Minnesota Statutes, Chapter 475, as amended, specifically Section 475.58, subdivision 3b (the "Street Reconstruction Act"), the City is authorized to finance all or a portion of the cost of street reconstruction projects by the issuance of general bonds of the City payable from ad valorem taxes.

(b) On October 12, 2021, following a duly noticed public hearing, the City Council adopted a five-year street reconstruction plan (the "Street Reconstruction Plan") describing the streets to be reconstructed, estimated costs, and any planned reconstruction of other streets in the City and approved the issuance of obligations by vote of two-thirds of the members thereof, all pursuant to the Street Reconstruction Act.

(c) Expenditures described in the Street Reconstruction Plan for 2022 include the 65<sup>th</sup> Street Reconstruction Project (the "Overall Project"), including street reconstruction and striping improvements (the "Street Reconstruction").

(d) The City Council has determined that, within thirty (30) days after the hearing, no petition for a referendum on the issuance of bonds to pay costs of the Street Reconstruction was received by the City in accordance with the Street Reconstruction Act.

(e) It is necessary and expedient to the sound financial management of the affairs of the City to issue general obligations in the aggregate principal amount of \$5,565,000 (the "Street Reconstruction Bonds"), pursuant to the Street Reconstruction Act, to provide financing for the Street Reconstruction.

#### 1.02. <u>Utility Revenue Bonds</u>.

(a) The City engineer has recommended the construction of various improvements to the City's water and sewer systems as part of the Overall Project (the "Utility Improvements").

(b) It is necessary and expedient to the sound financial management of the affairs of the City to issue general obligations in the aggregate principal amount of \$4,435,000 (the "Utility Revenue Bonds"), pursuant to Minnesota Statutes, Chapters 444 and 475, as amended (the "Utility Revenue Act"), to provide financing for the Utility Improvements.

#### 1.03. Issuance of General Obligation Bonds.

(a) The City Council finds it necessary and expedient to the sound financial management of the affairs of the City to issue its General Obligation Bonds, Series 2022A (the "Bonds"), in the original aggregate principal amount of \$10,000,000, pursuant to the Street Reconstruction Act and the Utility Revenue Act (together, the "Act"), to provide financing for the Street Reconstruction and the Utility Improvements.

(b) The City is authorized by Section 475.60, subdivision 2(9) of the Act to negotiate the sale of the Bonds, it being determined that the City has retained an independent municipal advisor in connection with such sale. The actions of the City staff and municipal advisor in negotiating the sale of the Bonds are ratified and confirmed in all aspects.

1.04. <u>Award to the Purchaser and Interest Rates</u>. The proposal of Piper Sandler & Co., Minneapolis, Minnesota, as syndicate manager (the "Purchaser"), to purchase the Bonds is hereby found and determined to be a reasonable offer and is hereby accepted, the proposal being to purchase the Bonds at a price of \$10,240,613.35 (par amount of \$10,000,000.00, plus original issue premium of \$351,688.35, less underwriter's discount of \$111,075.00), plus accrued interest to date of delivery, if any, for Bonds bearing interest as follows:

Year	Year Interest Rate		Interest Rate
2024	4.000%	2032	4.000%
2025	4.000	2033	4.000
2026	4.000	2035*	4.000
2027	4.000	2038*	4.000
2028	4.000	2039	4.000
2029	4.000	2041*	4.000
2030	4.000	2043*	4.000
2031	4.000		

\* Term Bonds

True interest cost: 3.7448370%

1.05. <u>Purchase Contract</u>. The sum of \$340,613.35, being the amount proposed by the Purchaser in excess of \$9,900,000.00, shall be credited to the accounts of the Debt Service Fund hereinafter created or deposited in the accounts of the Construction Fund hereinafter created, as determined by the Finance Director of the City in consultation with the City's municipal advisor. The good faith deposit of the Purchaser shall be retained and deposited until the Bonds have been delivered and shall be deducted from the purchase price paid at settlement. The Mayor and City Manager are directed to execute a contract with the Purchaser on behalf of the City.

1.06. <u>Terms and Principal Amounts of the Bonds</u>. The City will forthwith issue and sell the Bonds pursuant to the Act, in the total principal amount of \$10,000,000, originally dated July 7, 2022, in the denomination of \$5,000 each or any integral multiple thereof, numbered No. R-1, upward, bearing interest as above set forth, and maturing serially on February 1 in the years and amounts as follows:

Year	Amount	Year	Amount		
2024	\$ 335,000	2032	\$ 460,000		
2024	350,000	2032	475,000		
2026	360,000	2035*	1,015,000		
2027	375,000	2038*	1,680,000		
2028	395,000	2039	605,000		
2029	410,000	2041*	1,285,000		
2030	425,000	2043*	1,390,000		
2031	440,000				

\* Term Bonds

(a) \$5,565,000 of the Bonds, constituting the Street Reconstruction Bonds, maturing on February 1 of the years and in the amounts set forth below, will be used to finance the Street Reconstruction:

Year	Amount	Year	Amount		
2024	\$185,000	2032	\$255,000		
2025	195,000	2032	265,000		
2026	200,000	2035*	565,000		
2027	210,000	2038*	935,000		
2028	220,000	2039	335,000		
2029	230,000	2041*	715,000		
2030	235,000	2043*	775,000		
2031	245,000				

\* Term Bonds

(b) The remainder of the Bonds in the principal amount of \$4,435,000, constituting the Utility Revenue Bonds, maturing on February 1 of the years and in the amounts set forth below, will be used to finance the construction of the Utility Improvements:

Year	Year Amount		Amount	
2024	\$150,000	2032	\$205,000	
2025	155,000	2033	210,000	
2026	160,000	2035*	450,000	
2027	165,000	2038*	745,000	
2028	175,000	2039	270,000	
2029	180,000	2041*	570,000	
2030	190,000	2043*	615,000	
2031	195,000			

\* Term Bonds

1.07. <u>Optional Redemption</u>. The City may elect on February 1, 2032, and on any day thereafter to prepay Bonds due on or after February 1, 2033. Redemption may be in whole or in part and if in part, at

the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC (as defined in Section 7 hereof) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

1.08. <u>Mandatory Redemption; Term Bonds</u>. The Bonds maturing on February 1, 2035, February 1, 2038, February 1, 2041, and February 1, 2043 shall hereinafter be referred to collectively as the "Term Bonds." The principal amount of the Term Bonds subject to mandatory sinking fund redemption on any date may be reduced through earlier optional redemptions, with any partial redemptions of the Term Bonds credited against future mandatory sinking fund redemptions of such Term Bonds in such order as the City shall determine. The Term Bonds are subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on February 1 of the following years and in the principal amounts as follows:

Sinking Fund Installment Date	
<u>February 1, 2035 Term Bond</u> 2034 2035*	Principal Amount \$495,000 520,000
* Maturity	
<u>February 1, 2038 Term Bond</u> 2036 2037 2038*	<u>Principal Amount</u> \$540,000 560,000 580,000
* Maturity	
<u>February 1, 2041 Term Bond</u> 2040 2041*	<u>Principal Amount</u> \$630,000 655,000
* Maturity	
<u>February 1, 2043 Term Bond</u> 2042 2043*	<u>Principal Amount</u> \$680,000 710,000
* Maturity	

Section 2. <u>Registration and Payment</u>.

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

2.02. <u>Dates; Interest Payment Dates</u>. Each Bond will be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond has been paid or made available for

payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Bond will be dated as of the date of authentication, or (ii) the date of authentication is prior to the first interest payment date, in which case the Bond will be dated as of the date of original issue. The interest on the Bonds is payable on February 1 and August 1 of each year, commencing February 1, 2023, to the registered owners of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day.

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

(a) <u>Register</u>. The Registrar must keep at its principal corporate trust office a bond register in which the Registrar provides for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) <u>Transfer of Bonds</u>. Upon surrender for transfer of a Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until that interest payment date.

(c) <u>Exchange of Bonds</u>. When Bonds are surrendered by the registered owner for exchange the Registrar will authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing.

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

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

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

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

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

(i) <u>Redemption</u>. In the event any of the Bonds are called for redemption, notice thereof identifying the Bonds to be redeemed will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Registrar and by publishing the notice if required by law. Failure to give notice by publication or by mail to any registered owner, or any defect therein, will not affect the validity of the proceedings for the redemption of Bonds. Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

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

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

Section 3. Form of Bond.

3.01. <u>Execution of the Bonds</u>. The Bonds will be printed or typewritten in substantially the form set forth in EXHIBIT B.

3.02. <u>Approving Legal Opinion</u>. The City Manager is authorized and directed to obtain a copy of the proposed approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota, and cause the opinion to be printed on or accompany each Bond.

#### Section 4. <u>Payment; Security; Pledges and Covenants</u>.

4.01. <u>Debt Service Fund</u>. The Bonds will be payable from the General Obligation Bonds, Series 2022A Debt Service Fund (the "Debt Service Fund") hereby created. The Debt Service Fund shall be administered and maintained by the Finance Director as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The City will maintain the following accounts in the Debt Service Fund: the "Street Reconstruction Account" and the "Utility Improvements Account." Amounts in the Street Reconstruction Account are irrevocably pledged to the Street Reconstruction Bonds, and amounts in the Utility Improvements Account are irrevocably pledged to the Utility Revenue Bonds.

(a) <u>Street Reconstruction Account</u>. The Finance Director shall timely deposit in the Street Reconstruction Account of the Debt Service Fund the ad valorem taxes levied herein for the Street Reconstruction (the "Taxes"), which Taxes are pledged to the Street Reconstruction Account. There is also appropriated to the Street Reconstruction Account (i) capitalized interest financed from the proceeds of the Bonds, if any; and (ii) a pro rata portion of amounts over the minimum purchase price paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 1.05 hereof.

(b) <u>Utility Improvements Account</u>. The City will continue to maintain and operate its Water Fund and Sewer Fund, to which will be credited all gross revenues of the water system and the sewer system, respectively, and out of which will be paid all normal and reasonable expenses of current operations of such systems. Any balances therein are deemed net revenues (the "Net Revenues") and will be transferred, from time to time, to the Utility Improvements Account of the Debt Service Fund, which Utility Improvements Account will be used only to pay principal of and interest on the Utility Revenue Bonds and any other bonds similarly authorized. There will always be retained in the Utility Improvements Account a sufficient amount to pay principal of and interest on all the Utility Revenue Bonds, and the Finance Director must report any current or anticipated deficiency in the Utility Improvements Account to the City Council. There is also appropriated to the Utility Improvements Account a pro rata portion of amounts over the minimum purchase price of the Bonds paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 1.05 hereof.

4.02. <u>Construction Fund</u>. The City hereby creates the General Obligation Bonds, Series 2022A Construction Fund (the "Construction Fund"). The City will maintain the following accounts in the Construction Fund: the "Street Reconstruction Account" and the "Utility Improvements Account." Amounts in the Street Reconstruction Account are irrevocably pledged to the Street Reconstruction Bonds, and amounts in the Utility Improvements Account are irrevocably pledged to the Utility Revenue Bonds.

(a) <u>Street Reconstruction Account</u>. Proceeds of the Street Reconstruction Bonds, less the appropriations made in Section 4.01(a) hereof, together with the Taxes and any other funds

appropriated for the Street Reconstruction collected during the Street Reconstruction, will be deposited in the Street Reconstruction Account of the Construction Fund to be used solely to defray expenses of the Street Reconstruction and the payment of principal and interest on the Street Reconstruction Bonds prior to the completion and payment of all costs of the Street Reconstruction. When the Street Reconstruction is completed and the cost thereof paid, the Street Reconstruction Account of the Construction Fund is to be closed and any funds remaining may be deposited in the Street Reconstruction Account of the Debt Service Fund.

(b) <u>Utility Improvements Account</u>. Proceeds of the Utility Revenue Bonds, less the appropriations made in Section 4.01(b) hereof, will be deposited in the Utility Improvements Account of the Construction Fund to be used solely to defray expenses of the Utility Improvements. When the Utility Improvements are completed and the cost thereof paid, the Utility Improvements Account of the Construction Fund is to be closed and any funds remaining may be deposited in the Utility Improvements Account of the Debt Service Fund.

4.03. <u>City Covenants with Respect to the Utility Revenue Bonds</u>. The City Council covenants and agrees with the holders of the Bonds that so long as any of the Bonds remain outstanding and unpaid, it will keep and enforce the following covenants and agreements:

(a) The City will continue to maintain and efficiently operate the water system and the sewer system as public utilities and conveniences free from competition of other like municipal utilities and will cause all revenues therefrom to be deposited in bank accounts and credited to the Water Fund and the Sewer Fund, respectively, as hereinabove provided, and will make no expenditures from those accounts except for a duly authorized purpose and in accordance with this resolution.

(b) The City will also maintain the Utility Improvements Account of the Debt Service Fund as a separate account and will cause money to be credited thereto from time to time, out of Net Revenues from the water system and the sewer system in sums sufficient to pay principal of and interest on the Utility Revenue Bonds when due.

(c) The City will keep and maintain proper and adequate books of records and accounts separate from all other records of the City in which will be complete and correct entries as to all transactions relating to the water system and the sewer system and which will be open to inspection and copying by any Bondholder, or the Bondholder'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 will be audited at least annually by a qualified public accountant and statements of such audit and report will be furnished to all Bondholders upon request.

(d) The City Council will cause persons handling revenues of the water system and the sewer system to be bonded in reasonable amounts for the protection of the City and the Bondholders and will cause the funds collected on account of the operations of such system to be deposited in a bank whose deposits are guaranteed under the Federal Deposit Insurance Law.

(e) The City Council will keep the water system and the sewer system 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 plants, to protect the holders, from time to time, of the Bonds and the City from any loss due to any such casualty and will apply the proceeds of such insurance to make good any such loss.

(f) The City and each and all of its officers will punctually perform all duties with reference to the water system and the sewer system as required by law.

(g) The City will impose and collect charges of the nature authorized by Section 444.075 of the Utility Revenue Act, at the times and in the amounts required to produce Net Revenues adequate to pay all principal and interest when due on the Utility Revenue Bonds and to create and maintain such reserves securing said payments as may be provided herein.

(h) The City Council will levy general ad valorem taxes on all taxable property in the City when required to meet any deficiency in Net Revenues.

4.04. <u>General Obligation Pledge</u>. For the prompt and full payment of the principal of and interest on the Bonds, as the same respectively become due, the full faith, credit and taxing powers of the City will be and are hereby irrevocably pledged. If the balance in the Debt Service Fund is ever insufficient to pay all principal and interest then due on the Bonds and any other bonds payable therefrom, the deficiency will be promptly paid out of monies in the general fund of the City which are available for such purpose, and such general fund may be reimbursed with or without interest from the Debt Service Fund when a sufficient balance is available therein.

4.05. <u>Pledge of Tax Levy</u>. For the purpose of paying the principal of and interest on the Street Reconstruction Bonds, there is levied a direct annual irrepealable ad valorem tax upon all of the taxable property in the City, which will be spread upon the tax rolls and collected with and as part of other general taxes of the City. The Taxes will be credited to the Street Reconstruction Account of the Debt Service Fund above provided and will be in the years and amounts as attached hereto as EXHIBIT C.

4.06. <u>Certification to Taxpayer Services Division Manager as to Debt Service Fund Amount</u>. It is hereby determined that the estimated collections of Taxes and Net Revenues will produce at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levy herein provided is irrepealable until all of the Bonds are paid, provided that at the time the City makes its annual tax levies the Finance Director may certify to the Taxpayer Services Division Manager of Hennepin County, Minnesota (the "Taxpayer Services Division Manager") the amount available in the Debt Service Fund to pay principal and interest due during the ensuing year, and the Taxpayer Services Division Manager will thereupon reduce the levy collectible during such year by the amount so certified.

4.07. <u>Registration of Resolution</u>. The City Manager is authorized and directed to file a certified copy of this resolution with the Taxpayer Services Division Manager and to obtain the certificate required by Section 475.63 of the Act.

#### Section 5. <u>Authentication of Transcript</u>.

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

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

5.03. <u>Other Certificates</u>. The Mayor, the City Manager, and the Finance Director are hereby authorized and directed to furnish to the Purchaser at the closing such certificates as are required as a condition of sale. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the City or incumbency of its officers, at the closing the Mayor, the City Manager, and the Finance Director shall also execute and deliver to the Purchaser a suitable certificate as to absence of material litigation, and the Finance Director shall also execute and deliver a certificate as to payment for and delivery of the Bonds.

5.04. <u>Electronic Signatures</u>. The electronic signature of the Mayor, the City Manager, the Finance Director, and/or the City Clerk to this resolution and to any certificate authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the City thereto. For purposes hereof, (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message.

5.05. <u>Payment of Costs of Issuance</u>. The City authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses in accordance with the closing memorandum to be prepared and distributed by Ehlers and Associates, Inc., the municipal advisor to the City, on the date of closing.

## Section 6. <u>Tax Covenant</u>.

6.01. <u>Tax-Exempt Bonds</u>. The City covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bonds to become subject to taxation under the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become subject to taxation under the Code and applicable Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Bonds.

6.02. <u>Rebate</u>. The City will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Bonds, and the rebate of excess investment earnings to the United States.

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

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

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

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

(c) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) which will be issued by the City (and all subordinate entities of the City) during calendar year 2022 will not exceed \$10,000,000; and

(d) not more than \$10,000,000 of obligations issued by the City during calendar year 2022 have been designated for purposes of Section 265(b)(3) of the Code.

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

6.06. <u>Reimbursement</u>. The City has or may have incurred certain expenditures with respect to the Street Reconstruction and the Utility Improvements that were financed temporarily from other sources but are expected to be reimbursed with proceeds of the Bonds. The City hereby declares its intent to reimburse certain costs of the Street Reconstruction and the Utility Improvements from proceeds of the Bonds (the "Declaration"). This Declaration is intended to constitute a declaration of official intent for purposes of the Section 1.150-2 of the Treasury Regulations promulgated under the Code.

Section 7. <u>Book-Entry System; Limited Obligation of City.</u>

7.01. <u>DTC</u>. The Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Bond for each of the maturities set forth in Section 1.06 hereof. Upon initial issuance, the ownership of each Bond will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns ("DTC"). Except as provided in this section, all of the outstanding Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns ("DTC"). Except as provided in this section, all of the outstanding Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

7.02. Participants. With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the City, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository (the "Participants") or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person (other than a registered owner of Bonds, as shown by the registration books kept by the Registrar), of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The City, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bonds, and for all other purposes. The Paying Agent will pay all principal of, premium, if any, and interest on the Bonds only to or on the

order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the registration books kept by the Registrar, will receive a certificated Bond evidencing the obligation of this resolution. Upon delivery by DTC to the City Manager of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co." will refer to such new nominee of DTC; and upon receipt of such a notice, the City Manager will promptly deliver a copy of the same to the Registrar and Paying Agent.

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

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

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

#### Section 8. <u>Continuing Disclosure</u>.

8.01. <u>Execution of Continuing Disclosure Certificate</u>. "Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate executed by the Mayor and City Manager and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

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

Section 9. <u>Defeasance</u>. When all Bonds and all interest thereon have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of

the Bonds will cease, except that the pledge of the full faith and credit of the City for the prompt and full payment of the principal of and interest on the Bonds will remain in full force and effect. The City may discharge all Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full. If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full.

(The remainder of this page is intentionally left blank.)

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

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Passed and adopted this 14<sup>th</sup> day of June, 2022.

Mayor

Attest:

City Clerk

EXHIBIT A

# PROPOSALS



## **BID TABULATION**

#### \$10,000,000 General Obligation Bonds, Series 2022A

#### City of Richfield, Minnesota

#### SALE: June 14, 2022

#### AWARD: PIPER SANDLER & CO.

Rating: S&P Global Ratings "AA+"

Tax Exempt - Bank Qualified

NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTERES RATE
				¢10.047.000.05	¢4 (02 575 02	2 722 40/
PIPER SANDLER & CO.	2024	4.0000/	0.0000/	\$10,247,290.85	\$4,602,575.82	3.7334%
Minneapolis, Minnesota	2024	4.000%	2.300%			
Cantor Fitzgerald	2025	4.000%	2.450%			
Truist Securities	2026	4.000%	2.550%			
	2027	4.000%	2.650%			
	2028	4.000%	2.750%			
	2029	4.000%	2.900%			
	2030	4.000%	3.000%			
	2031	4.000%	3.100%			
	2032	4.000%	3.150%			
	2033	4.000%	3.200%			
	20341	4.000%	3.450%			
	2035 <sup>1</sup>	4.000%	3.450%			
	$2036^{2}$	4.000%	3.650%			
	$2037^{2}$	4.000%	3.650%			
	2038 <sup>2</sup>	4.000%	3.650%			
	2039	4.000%	3.700%			
	2040 <sup>3</sup>	4.000%	3.900%			
	2041 <sup>3</sup>	4.000%	3.900%			
	2042 <sup>4</sup>	4.000%	4.000%			
	2043 <sup>4</sup>	4.000%	4.000%			

Subsequent to bid opening the individual maturity amounts were adjusted.

Adjusted Price - \$10,240,613.35 Adjusted Net Interest Cost - \$4,705,253.32 Adjusted TIC - 3.7448%

- <sup>1</sup>\$1,015,000 Term Bond due 2035 with mandatory redemption in 2034.
  <sup>2</sup>\$1,680,000 Term Bond due 2038 with mandatory redemption in 2036-2037.
- <sup>3</sup> \$1,285,000 Term Bond due 2041 with mandatory redemption in 2040.
- <sup>4</sup>\$1,390,000 Term Bond due 2043 with mandatory redemption in 2042.

BUILDING COMMUNITIES. IT'S WHAT WE DO.

🖂 info@ehlers-inc.com

🜭 1 (800) 552-1171

NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
BAIRD Milwaukee, Wisconsin				\$10,447,855.25	\$4,667,418.08	3.7637%
NORTHLAND SECURITIES, INC. Minneapolis, Minnesota				\$10,158,960.85	\$4,630,082.48	3.7709%
STIFEL, NICOLAUS Birmingham, Alabama				\$10,197,718.40	\$4,652,148.27	3.7860%
FHN FINANCIAL CAPITAL MARKETS Memphis, Tennessee				\$10,112,508.20	\$4,737,358.47	3.8773%
HILLTOPSECURITIES Dallas, Texas				\$10,300,009.95	\$4,939,265.05	4.0193%

Bid Tabulation City of Richfield, Minnesota \$10,000,000 General Obligation Bonds, Series 2022A

June 14, 2022

Page 2

#### **EXHIBIT B**

#### FORM OF BOND

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

## UNITED STATES OF AMERICA STATE OF MINNESOTA COUNTY OF HENNEPIN CITY OF RICHFIELD

## GENERAL OBLIGATION BOND SERIES 2022A

Rate

Maturity

Date of Original Issue

CUSIP

\$

February 1, 20\_\_\_\_\_ July 7, 2022

Registered Owner: Cede & Co.

The City of Richfield, Minnesota, a duly organized and existing municipal corporation in Hennepin County, Minnesota (the "City"), acknowledges itself to be indebted and for value received hereby promises to pay to the Registered Owner specified above or registered assigns, the principal sum of \$\_\_\_\_\_\_ on the maturity date specified above, with interest thereon from the date hereof at the annual rate specified above (calculated on the basis of a 360-day year of twelve 30 day months), payable February 1 and August 1 in each year, commencing February 1, 2023, to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft by Bond Trust Services Corporation, Roseville, Minnesota, as Bond Registrar, Paying Agent, Transfer Agent and Authenticating Agent, or its designated successor under the Resolution described herein. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

The City may elect on February 1, 2032, and on any day thereafter to prepay Bonds due on or after February 1, 2033. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify The Depository Trust Company ("DTC") of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

The Bonds maturing on February 1, 2035, February 1, 2038, February 1, 2041, and February 1, 2043 shall hereinafter be referred to collectively as the "Term Bonds." The principal amount of the Term Bonds subject to mandatory sinking fund redemption on any date may be reduced through earlier optional redemptions, with any partial redemptions of the Term Bonds credited against future mandatory sinking fund redemptions of such Term Bonds in such order as the City shall determine. The Term Bonds are subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on February 1 of the following years and in the principal amounts as follows:

Sinking Fund Installment Date	
<u>February 1, 2035 Term Bond</u> 2034 2035*	Principal Amount \$495,000 520,000
* Maturity	
<u>February 1, 2038 Term Bond</u> 2036 2037 2038*	Principal Amount \$540,000 560,000 580,000
* Maturity	
<u>February 1, 2041 Term Bond</u> 2040 2041*	<u>Principal Amount</u> \$630,000 655,000
* Maturity	
<u>February 1, 2043 Term Bond</u> 2042 2043*	<u>Principal Amount</u> \$680,000 710,000
* Maturity	

This Bond is one of an issue in the aggregate principal amount of \$10,000,000 all of like original issue date and tenor, except as to number, maturity date, redemption privilege, and interest rate, all issued pursuant to a resolution adopted by the City Council on June 14, 2022 (the "Resolution"), for the purpose of providing money to defray the expenses incurred and to be incurred in making certain street reconstruction improvements and utility system improvements, pursuant to and in full conformity with the home rule charter of the City and the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Chapters 444 and 475, as amended, including Section 475.58, subdivision 3b. The principal hereof and interest hereon are payable in part from ad valorem taxes and in part from net revenues of the water and sewer systems of the City, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The full faith and credit of the City are irrevocably pledged for payment of this Bond and the City Council has obligated itself to levy additional ad valorem taxes on all taxable property in the City in the event of any deficiency in taxes and net revenues pledged, which additional taxes may be levied without limitation as to rate or amount. The Bonds of this series are issued only as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof of single maturities.

The City Council has designated the issue of Bonds of which this Bond forms a part as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that in and by the Resolution, the City has covenanted and agreed that it will continue to own and operate the water system and sewer system free

from competition by other like municipal utilities; that adequate insurance on said systems and suitable fidelity bonds on employees will be carried; that proper and adequate books of account will be kept showing all receipts and disbursements relating to the Water Fund and the Sewer Fund, into which it will pay all of the gross revenues from the water system and sewer system, respectively; that it will also create and maintain a Utility Improvements Account within the General Obligation Bonds, Series 2022A Debt Service Fund, into which it will pay, out of the net revenues from the water system and sewer system, a sum sufficient to pay principal of the Utility Revenue Bonds (as defined in the Resolution) and interest on the Utility Revenue Bonds when due; and that it will provide, by ad valorem tax levies, for any deficiency in required net revenues of the water system and sewer system.

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

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

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

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

IN WITNESS WHEREOF, the City of Richfield, Hennepin County, Minnesota, by its City Council, has caused this Bond to be executed on its behalf by the facsimile or manual signatures of the Mayor and City Manager and has caused this Bond to be dated as of the date set forth below.

Dated: July 7, 2022

## CITY OF RICHFIELD, MINNESOTA

(Facsimile)

(Facsimile)

Mayor

City Manager

## **CERTIFICATE OF AUTHENTICATION**

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

## BOND TRUST SERVICES CORPORATION

Ву\_\_\_\_\_

Authorized Representative

UNIF GIFT MIN ACT

(Cust)

Custodian (Minor)

Act, State of \_\_\_\_\_

under Uniform Gifts or Transfers to Minors

## ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, will 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 entireties

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

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 all rights thereunder, and does hereby irrevocably constitute and appoint \_\_\_\_\_\_\_\_\_\_ attorney to transfer the said Bond on the books kept for registration of the within Bond, 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:

NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agent Medallion Program ("STAMP"), the Stock Exchange Medallion Program ("SEMP"), the New York Stock Exchange, Inc. Medallion Signatures Program ("MSP") or other such "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STEMP, SEMP or MSP, all in accordance with the Securities Exchange Act of 1934, as amended.

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

Name and Address:

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

Please insert social security or other identifying number of assignee

## **PROVISIONS AS TO REGISTRATION**

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

Date of Registration

Registered Owner

Cede & Co.

Signature of Officer of Registrar

Federal ID #13-2555119

## EXHIBIT C

# TAX LEVY SCHEDULE

Tax Levy Year		Tax Collect Year		Bond Pay Year	Total P & I	Funds Available (1)	P & I @ 105%	Net Levy
2021	/	2022	/	2023	126,140.00	(126,140.00)	0.00	0.00
2022	/	2023	1	2024	407,600.00		427,980.00	427,980.00
2023	1	2024	1	2025	410,200.00		430,710.00	430,710.00
2024	1	2025	1	2026	407,400.00		427,770.00	427,770.00
2025	/	2026	/	2027	409,400.00		429,870.00	429,870.00
2026	1	2027	1	2028	411,000.00		431,550.00	431,550.00
2027	/	2028	/	2029	412,200.00		432,810.00	432,810.00
2028	/	2029	1	2030	408,000.00		428,400.00	428,400.00
2029	/	2030	/	2031	408,600.00		429,030.00	429,030.00
2030	/	2031	1	2032	408,800.00		429,240.00	429,240.00
2031	/	2032	/	2033	408,600.00		429,030.00	429,030.00
2032	/	2033	/	2034	408,000.00		428,400.00	428,400.00
2033	/	2034	/	2035	412,000.00		432,600.00	432,600.00
2034	1	2035	1	2036	410,400.00		430,920.00	430,920.00
2035	/	2036	/	2037	408,400.00		428,820.00	428,820.00
2036	/	2037	/	2038	411,000.00		431,550.00	431,550.00
2037	/	2038	/	2039	408,000.00		428,400.00	428,400.00
2038	/	2039	1	2040	409,600.00		430,080.00	430,080.00
2039	1	2040	1	2041	410,600.00		431,130.00	431,130.00
2040	/	2041	1	2042	411,000.00		431,550.00	431,550.00
2041	1	2042	/	2043	410,800.00		431,340.00	431,340.00
Totals					8,317,740.00	(126,140.00)	8,601,180.00	8,601,180.00

\$5,565,000 Street Reconstruction Portion

(1) The following funds are available to pay the interest payment due 02/01/2023 Deposit to Debt Service Fund (Capitalized Interest): 126,140.00 STATE OF MINNESOTA ) ) COUNTY OF HENNEPIN ) SS. ) CITY OF RICHFIELD )

I, being the duly qualified and acting City Clerk of the City of Richfield, Hennepin County, Minnesota (the "City"), do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the City Council of the City held on June 14, 2022 with the original minutes on file in my office and the extract is a full, true and correct copy of the minutes insofar as they relate to the issuance and sale of the City's General Obligation Bonds, Series 2022A, in the original aggregate principal amount of \$10,000,000.

WITNESS My hand officially as such City Clerk and the corporate seal of the City this \_\_\_\_\_\_ day of June, 2022.

(SEAL)

City Clerk City of Richfield, Minnesota

RC145-742 (JAE) 802455v2