A regular meeting of the City Council for the City of Canby, Minnesota was held on November 20, 2019 at 6:00 P.M. in the City Council Chambers.

Members: Nancy Bormann, Eugene Bies, and Frank Maas

Absent: Denise Hanson, Casey Namken

Visitors: Rebecca Schrupp, City Administrator  
 Gerald Boulton, City Attorney  
 Philip DeSchepper, Bolton & Menk  
 Isaiah Keating, Police Chief  
 Logan Noonan, Police Officer   
 Joshua Theis, Canby News  
 John Meyer, Financial Advisor   
 Al Benz  
 John Alley   
 Sue Alley   
 Jack Nemitz   
 Marta Morales Lopez  
 Lilith Roestermundt   
 Zach Waldram   
 Maxwell Villella-Smith  
 Jody Olson

The Pledge of Allegiance was recited, and the meeting was called to order.

The minutes of November 6, 2019 were reviewed. A motion was made by Maas and seconded by Bies to approve the minutes. All voted in favor. None voted against. The motion was carried.

Logan Noonan recited the peace officer’s oath and was sworn into the Canby Police Department.

John Meyer presented the Council with information related to the Bond Sale for City TIF Districts 1-26, 1-27, and 1-28 and HRA TIF Districts 1-8 and 1-9. A motion was made by Bies to approve Resolution 2019-11-20-1. The motion was seconded by Maas. All voted in favor. None voted against. The motion was carried.

**RESOLUTION NO. 2019-11-20-1**

**RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF $985,000 GENERAL OBLIGATION TAXABLE TAX INCREMENT BONDS, SERIES 2019A**

BE IT RESOLVED, by the City Council of the City of Canby, Yellow Medicine County, Minnesota (the “Issuer”), as follows:

Section 1. Bond Purpose, Authorization, and Award.

1.01 TIF Districts.

A. Pursuant to authority contained in Minnesota Statutes, Sections 469.124 through 469.133 and Sections 469.174 through 469.1794 (the “TIF Act”), the Issuer has approved the creation of its (i) Tax Increment Financing District 1-26; (ii) Tax Increment Financing District 1-27; and (iii) Tax Increment Financing District 1-28 (collectively, the “City TIF Districts”) in the Issuer in accordance with the Tax Increment Financing Plan (the “City Plan”) for the City TIF Districts.

B. Pursuant to authority contained in the TIF Act, the Issuer has approved the creation by the Housing and Redevelopment Authority in and for the City of Canby (the “HRA”) of (i) Tax Increment Financing District 1-8; and (ii) Tax Increment Financing District 1-9 (collectively, the “HRA TIF Districts,” and together with the City TIF Districts, the “TIF Districts”) in the Issuer in accordance with the Tax Increment Financing Plans (the “HRA Plans,” and together with the City Plans, the “Plans”) for the HRA TIF Districts.

1.02 Authority. Pursuant to the authority contained in the TIF Act and Minnesota Statutes, Chapter 475 (the “Public Finance Act,” and together with the TIF Act, the “Act”), the Issuer authorizes the issuance and sale of $985,000 General Obligation Taxable Tax Increment Bonds, Series 2019A of the Issuer (the “Bonds”), to provide funds to finance public development costs in the TIF Districts, in accordance with the Plans (the “Project”).

1.03 Tax Increment Pledge Agreement. Pursuant to the terms of a Tax Increment Pledge Agreement by and between the HRA and the Issuer (the “Agreement”), the HRA has pledged to the payment of the Bonds tax increment available from the HRA TIF Districts, resulting from the increase in value of real property within the HRA TIF Districts (the “HRA Tax Increment”). The Agreement has been submitted to the Issuer and is made a part of this Resolution as though fully set forth herein, and is hereby approved in substantially the form presented to the Issuer. The Mayor and the Administrator are authorized and directed to execute, acknowledge and deliver the Agreement with such changes, insertions, and omissions therein as bond counsel may hereafter deem appropriate, such execution to be conclusive evidence of approval of such document in accordance with the terms hereof.

1.04 Tax Increment. Principal of and interest on the Bonds are payable from the HRA Tax Increment and from the increase in value of real property within the City TIF Districts (the “City Tax Increment,” and together with the HRA Tax Increment, the “Tax Increment”).

1.05 Municipal Advisor. The Issuer has retained the services of John W. Meyer as its municipal advisor.

1.06 Award of Sale. The Issuer has received an offer from Dougherty & Company LLC of Minneapolis, Minnesota (the “Purchaser”), to purchase the Bonds at a cash price of $966,552.10, plus accrued interest on the total principal amount from December 1 2019, to the date of delivery of the Bonds (the “Accrued Interest”), upon the terms and conditions hereafter specified in this Resolution. The Council, after due consideration, finds such offer reasonable and proper and the offer of the Purchaser is accepted. The Mayor and the Administrator are authorized and directed to execute on the part of the Issuer a contract for the sale of the Bonds in accordance with the Purchaser’s proposal, and to acknowledge receipt of the check or bond given for the security of the proposal, if any.

Section 2. Terms of the Bonds.

2.01 Date and Maturities. A. The Bonds to be issued hereunder shall be issued as fully-registered bonds designated $985,000 General Obligation Taxable Tax Increment Bonds, Series 2019A, dated December 1, 2019, as of the date of original issue, issued in the denomination of $5,000, or any integral multiple thereof, in fully registered form and lettered and numbered R-1 and upward.

B. The Bonds shall mature on December 1 in the years and amounts stated below and shall bear interest from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue until paid at the rates per annum set forth below opposite such years and amounts:

| **Year** | **Amount** | **Interest Rate** |
| --- | --- | --- |
| 2020 | $45,000 | 3.00% |
| 2021 | $45,000 | 3.00% |
| 2022 | $45,000 | 3.00% |
| 2023 | $50,000 | 3.00% |
| 2024 | $50,000 | 3.00% |
| 2025 | $50,000 | 3.00% |
| 2026 | $50,000 | 3.00% |
| 2027 | $50,000 | 3.00% |
| 2028 | $50,000 | 3.00% |
| 2029 | $50,000 | 3.00% |
| 2030 | $50,000 | 3.00% |
| 2033 | $150,000 | 3.20% |
| 2036 | $150,000 | 3.25% |
| 2039 | $150,000 | 3.25% |

C. The maturities of the Bonds, together with the maturities of all other outstanding general obligation bonds of the Issuer, meet the requirements of Section 475.54 of the Act.

2.02 Interest Payment Dates; Record Date.

A. The Bonds shall bear interest at the annual rates stated therefor in Section 2.01. The interest shall be payable semiannually on June 1 and December 1 in each year (each referred to herein as an “Interest Payment Date”) commencing on June 1, 2020. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

B. The Bond Registrar designated below shall make all interest payments with respect to the Bonds by check or draft mailed to the person in whose name each Bond is registered (the “Holder”) and in each case at the address shown on the bond registration records maintained by the Bond Registrar at the close of business on the 15th day (whether or not on a business day) of the calendar month next preceding the Interest Payment Date (the “Regular Record Date”). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date fixed for the payment of such defaulted interest (the “Special Record Date”). The Special Record Date shall be fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest and notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten (10) days prior thereto. The term “Holder” shall also include those lawfully entitled to take actions on behalf of the beneficial owners of the Bonds for purposes of any consent or approvals given by Holders.

C. If the date for payment of the principal of, premium, if any, or interest on the Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York, New York, or the city where the principal office of the Bond Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

2.03 Redemption. A. The Bonds are not subject to optional redemption.

B. The Bonds maturing on December 1 in the years 2033, 2036 and 2039 shall be subject to mandatory redemption prior to maturity pursuant to the requirements of this Section 2.03B at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium. The Bond Registrar, as designated below, shall select for redemption, by lot or other manner deemed fair, on December 1 in each of the following years the following stated principal amounts:

For Bonds maturing on December 1, 2033:

|  |  |
| --- | --- |
| **Year** | **Amount** |
| 2031 | $50,000 |
| 2032 | $50,000 |
| 2033 | $50,000 |

For Bonds maturing on December 1, 2036:

|  |  |
| --- | --- |
| **Year** | **Amount** |
| 2034 | $50,000 |
| 2035 | $50,000 |
| 2036 | $50,000 |

For Bonds maturing on December 1, 2039:

|  |  |
| --- | --- |
| **Year** | **Amount** |
| 2037 | $50,000 |
| 2038 | $50,000 |
| 2039 | $50,000 |

C. In the event of mandatory redemption described above, notice thereof identifying the portion of the Bonds to be redeemed will be given by the Bond Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) not more than 60 and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond or portion thereof to be redeemed at the address shown on the registration books kept by the Bond Registrar; provided however, that so long as the Bonds are registered in the name of Cede & Co., notice of redemption shall be given in accordance with the terms of the Representation Letter. Failure to give notice by mail to any registered owner, or any defect therein, will not affect the validity of any proceeding for the redemption of Bonds not affected by such defect or failure. Bonds or portion thereof 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.

D. If less than all the Bonds of a maturity are called for redemption while the Bonds are registered in the name of Cede & Co., the Issuer or the Bond Registrar designated below will notify 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 interest in such maturity to be redeemed. If less than all the Bonds of a maturity are called for redemption and the Bonds are not registered in the name of Cede & Co., the Bond Registrar will determine by lot or other manner deemed fair, the amount of each maturity to be redeemed. All prepayments shall be at a price equal to the principal amount thereof plus accrued interest.

Section 3. Registration; Global Book Entry System.

3.01 Designation of Bond Registrar. The City Council appoints U.S. Bank National Association, as registrar, authenticating agent and transfer agent for the Bonds (such bank or its successors is herein referred to as the “Bond Registrar”), and shall do so until a successor Bond Registrar is duly appointed, all pursuant to a contract which the Issuer and the Bond Registrar shall execute which is consistent herewith and which the Mayor and Administrator are authorized to execute and deliver. A successor Bond Registrar shall be a bank or trust company eligible for designation as bond registrar pursuant to the Act. The terms of the appointment of the successor Bond Registrar and its duties shall be specified in a contract between the Issuer and such successor Bond Registrar that is consistent herewith and that the Mayor and Administrator are authorized to execute and deliver. The Bond Registrar, which may act through an agent, shall also serve as paying agent until and unless a successor paying agent is duly appointed. The Bond Registrar shall pay principal and interest on the Bonds to the registered Holders (or record Holders) of the Bonds in the manner set forth herein. The Issuer agrees to pay the reasonable and customary charges for the services of such Bond Registrar.

3.02 Designation of Depository. DTC, a Securities and Exchange Commission designated depository, a limited purpose New York trust company, a member of the Federal Reserve System, and a “clearing corporation” within the meaning of the New York Uniform Commercial Code, is designated as the depository (the “Depository”) with respect to the Bonds.

3.03 Authentication of Bonds. No Bond shall be valid or obligatory for any purpose unless or until either (i) the Bond Registrar’s authentication certificate on such Bond, substantially set forth in Section 4.01 hereof, shall have been duly executed by an authorized representative of the Bond Registrar or (ii) the Bonds have been manually executed by at least one officer of the City Council. Authentication certificates on different Bonds need not be signed by the same representative. The Bond Registrar shall authenticate each Bond by execution of the Certificate of Authentication on the Bond and shall date each Bond in the space provided as of the date on which the Bond is registered. For purposes of delivering the original Bonds, the Bond Registrar shall insert as the date of registration the date of original issue. The executed Authentication Certificate or the manual signature of at least one officer of the City Council on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution.

3.04 Bond Register; Transfer; Exchange.

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

B. Upon surrender for transfer of any Bond at the principal corporate office of the Bond Registrar, the Issuer shall execute, if required by law or this Resolution, and the Bond Registrar shall authenticate, if required by law or this Resolution, date (in the space designated Date of Registration) and deliver, in the name(s) of the designated transferee or transferees, one or more new Bonds of the like aggregate principal amount having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of “bearer” or similar designation. Transfer of a Bond may be made on the Issuer’s books by the registered owner in person or by the registered owner’s attorney duly authorized in writing. Transfers shall be subject to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates. The Issuer and the Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption or to make any such exchange or transfer of the Bonds during the 15 days next preceding the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of the Bonds.

C. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the registered owner thereof, with signature guaranteed, or by the registered Holder’s attorney duly authorized in writing, and shall include written instructions as to the details of the transfer of the Bond. When any Bond is presented to the Bond Registrar for transfer, the Bond Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Bond Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

D. At the option of the Holder, replacement Bonds may be exchanged for Bonds of any authorized denomination or denominations of a like aggregate principal amount and stated maturity, upon surrender of the Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute (if required by law or this Resolution), and the Bond Registrar shall authenticate (if required by law or this Resolution), date (in the space designated Date of Registration) and deliver the replacement Bonds which the Holder making the exchange is entitled to receive. Bonds registered in the name of Cede & Co. may not be exchanged for Bonds of smaller denominations.

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

F. Each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry all of the rights to interest, accrued and unpaid and to accrue, which are carried by such other Bond. All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the Issuer evidencing the same debt, shall be entitled to the same benefits under this Resolution as the Bonds surrendered for such exchange or transfer, and shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bonds.

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

H. Bonds registered in the name of Cede & Co. may not after their original delivery, be transferred or exchanged except in accordance with the terms and conditions of the Representation Letter and:

(i) upon exchange of a Bond after a partial redemption, if provided in Section 2.03 of this Resolution;

(ii) to any successor of the Depository (or its nominee) or any substitute depository (a “Substitute Depository”) designated pursuant to clause (iii) below; provided that any successor of the Depository or any Substitute Depository must be both a “clearing corporation” as defined in the Minnesota Uniform Commercial Code, Minnesota Statutes, Section 336.8-102, and a qualified and registered “clearing agency” as provided in Section 17A of the Securities Exchange Act of 1934, as amended;

(iii) to a Substitute Depository designated by and acceptable to the Issuer upon (a) the determination by the Depository that the Bonds shall no longer be eligible for its depository services or (b) a determination by the Issuer that the Depository is no longer able to carry out its functions; provided that any Substitute Depository must be qualified to act as such, as provided in subclause (ii) above; or

(iv) in the event that (a) the Depository shall resign or discontinue its services for the Bonds or be declared no longer able to carry out its functions and the Issuer is unable to locate a Substitute Depository within two months following the resignation or discontinuance or determination of noneligibility, or (b) the Issuer determines in its sole discretion that (1) the continuation of the book-entry system described herein might adversely affect the interests of the beneficial owners of the Bonds, or (2) it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, then the Issuer shall notify the Holders of its determination and of the availability of replacement Bonds to Holders. The Issuer, the Bond Registrar and the Depository shall cooperate in providing Replacement Bonds to Holders requesting the same and the registration, transfer and exchange of such Bonds shall thereafter be conducted as provided in Section 3 of this Resolution.

I. In the event of the designation of a Substitute Depository as authorized by clause H., the Bond Registrar, upon presentation of a Bond, shall register their transfer to the Substitute Depository, and the Substitute Depository shall be treated as the Depository for all purposes and functions under this Resolution. The Representation Letter shall not apply to the Substitute Depository unless the Issuer and the Substitute Depository so agree, and the execution of a similar agreement is authorized.

3.05 Persons Deemed Owners; Payment.

A. The Issuer and the Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in Section 2.02 above), on such Bond and for all other purposes whatsoever, whether or not such Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

B. For the purposes of all actions, consents and other matters affecting Holders of Bonds issued under this Resolution as from time to time supplemented, other than payments, redemptions, and purchases, the Issuer may (but shall not be obligated to) treat as the Holder of a Bond the beneficial owner of the Bond instead of the person in whose name the Bond is registered. For that purpose, the Issuer may ascertain the identity of the beneficial owner of the Bond by such means as the Bond Registrar in its sole discretion deems appropriate, including but not limited to a certificate from the Depository or other person in whose name the Bond is registered identifying such beneficial owner.

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

3.06 Use of Global Book-Entry System.

A. There has been previously submitted to this City Council a form of Blanket Issuer Letter of Representations (the “Letter of Representations”) between the Issuer and the Depository setting forth various matters relating to the Depository and its role with respect to the Bonds. Pursuant to applicable DTC rules that require issuers to file an updated Representation Letter with DTC every 10 years, the City Council authorizes the Administrator to execute and file an updated Representation Letter with DTC. The terms and conditions of the Letter of Representations are ratified.

B. All of the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest on and principal of any Bond registered in the name of Cede & Co. shall be made by wire transfer or New York Clearing House or equivalent same day funds by 10:00 a.m. CT or as soon as possible thereafter following the Bond Registrar’s receipt of funds from the Issuer on each Interest Payment Date to the account of Cede & Co. on each Interest Payment Date at the address indicated in or pursuant to the Representation Letter.

C. So long as DTC is the Depository or it or its nominee is the Holder of any Bonds, the Issuer shall comply with the provisions of the Representation Letter, as it may be amended or supplemented from time to time.

D. Additional matters with respect to, among other things, notices, consents and approvals by Holders and payments on the Bonds are set forth in the Representation Letter.

E. The provisions in the Representation Letter are incorporated herein by reference and made a part of this resolution, and if and to the extent any such provisions are inconsistent with the other provisions of this resolution, the provisions in the Representation Letter shall control.

3.07 Mutilated, Stolen or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen, or lost, the Bond 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 Bond Registrar and the Issuer in connection therewith, including the cost of printing new Bonds; and, in the case of a Bond destroyed, stolen, or lost, upon filing with the Bond Registrar and the Issuer of evidence satisfactory to it and the Issuer that the Bond was destroyed, stolen, or lost, and of the ownership thereof, and upon furnishing to the Bond Registrar of an appropriate bond or indemnity in form, substance, and amount satisfactory to it and the Issuer and as provided by law, in which both the Issuer and the Bond Registrar must be named as obligees. Bonds so surrendered to the Bond Registrar will be canceled by the Bond Registrar and evidence of such cancellation must be given to the Issuer. 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.

Section 4. Form of the Bonds.

4.01 The Bonds shall be printed or typewritten in substantially the following form:

UNITED STATES OF AMERICA

STATE OF MINNESOTA

COUNTY OF YELLOW MEDICINE

R-\_\_\_ $\_\_\_\_\_\_\_\_\_\_\_\_

CITY OF CANBY

GENERAL OBLIGATION TAXABLE TAX INCREMENT BOND, SERIES 2019A

|  |  |  |
| --- | --- | --- |
| Rate | Maturity Date | Date of Original Issue |
| \_\_\_% | December 1, 20\_\_\_ | December 1, 2019 |

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The City of Canby, Yellow Medicine County, Minnesota (the “Issuer”), certifies that it is indebted and for value received, promises to pay to the registered owner specified above or on the Registration Certificate attached hereto, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, and to pay interest thereon from the date of original issue set forth above, or from the most recent Interest Payment Date (defined below) to which interest has been paid or duly provided for, until the principal amount is paid, said interest being at the rate per annum specified above. Interest is payable semiannually on June 1 and December 1 of each year (each referred to herein as an “Interest Payment Date”) commencing on December 1, 2019, at the rate per annum specified above, calculated on the basis of a 360-day year of twelve 30-day months, until the principal amount is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue hereof set forth above.

**Payment.** The principal of and premium, if any, on this Bond are payable by wire transfer (or other agreed means of payment) on each payment date no later than 12:00 noon (New York, New York time) upon presentation and surrender hereof at the office of U.S. Bank National Association, St. Paul, Minnesota, as registrar, paying agent, authenticating agent and transfer agent (the “Bond Registrar”), or at the office of such successor bond registrar as may be designated by the Issuer. Interest on this Bond will be paid on each Interest Payment Date (by 12:00 noon, New York, New York time) by wire transfer (or other agreed means of payment) to the person in whose name this Bond is registered (the “Holder” or “Bondholder”) on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the “Regular Record Date”). Any interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date fixed for the payment of the defaulted interest, and notice of the special record date shall be given by the Bond Registrar to the Holders not less than ten (10) days prior thereto. The Bond Registrar shall make all payments with respect to this Bond without, except for payment of principal on the Bond, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the Issuer to the extent of the payments so made. The principal of, premium, if any, and interest on this Bond are payable in lawful money of the United States of America. For the prompt and full payment of such principal and interest as they become due, the full faith and credit of the Issuer are irrevocably pledged.

**Date of Payment Not Business Day**. If the date for payment of the principal of, premium, if any, or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York, New York, or the city where the principal office of the Bond Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

**Optional Redemption**. The Bonds are not subject to optional redemption.

**Mandatory Redemption**. The Bonds maturing in the years 2033, 2036 and 2039 shall be subject to mandatory redemption prior to maturity pursuant to the requirements of the Resolution at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium.

**Notice of and Selection of Bonds for Redemption**. Not less than 30 nor more than 60 days prior to the date fixed for redemption and prepayment of any Bonds, notice of redemption shall be mailed to each registered owner of a Bond to be redeemed; provided, however, that so long as the Bonds are registered in the name of Cede & Co., as nominee for The Depository Trust Company, Jersey City, New Jersey (“DTC”), notice of redemption shall be given in accordance with the terms of the Blanket Issuer Letter of Representations which has been executed by the Issuer and DTC (the “Representation Letter”).

If less than all the Bonds of a maturity are called for redemption while the Bonds are registered in the name of Cede & Co., the Issuer or the Bond Registrar designated below will notify 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 interest in such maturity to be redeemed. If less than all the Bonds of a maturity are called for redemption and the Bonds are not registered in the name of Cede & Co., the Bond Registrar will determine by lot or other manner deemed fair, the amount of each maturity to be redeemed. All prepayments shall be at a price equal to the principal amount thereof plus accrued interest. If any Bond is redeemed in part, upon surrender of the Bond being redeemed, the Issuer shall deliver or cause to be delivered to the registered owner of such Bond, a Bond in like form in the principal amount equal to that portion of the Bond so surrendered not being redeemed.

**Issuance; Purpose.** This Bond is one of a series issued by the Issuer in the aggregate amount of $985,000, all of like date and tenor, except as to number, amount, maturity date, redemption privilege and interest rate, pursuant to the authority contained in Minnesota Statutes, Sections 469.174 through 469.179 (the “TIF Act”), the Issuer’s Charter and Chapter 475, and all other laws thereunto enabling, and pursuant to an authorizing resolution adopted by the governing body of the Issuer on November 20, 2019 (the “Resolution”), for the purpose of providing money to finance public development costs in (i) Tax Increment Financing District 1-8; and (ii) Tax Increment Financing District 1-9 (collectively, the “HRA TIF Districts”) created by the Housing and Redevelopment Authority in and for the City of Canby, Minnesota (the “HRA”) and (i) Tax Increment Financing District 1-26; (ii) Tax Increment Financing District 1-27; and (iii) Tax Increment Financing District 1-28 (collectively, the “City TIF Districts” and together with the HRA TIF Districts, the “TIF Districts”), in accordance with the approved Tax Increment Financing Plans (the “Plans”) for the TIF Districts. This Bond is payable from tax increment resulting from increases in the taxable value of real property in the City TIF Districts and the HRA TIF Districts pledged to payment of this Bond and with respect to the HRA TIF Districts, pursuant to a Tax Increment Pledge Agreement dated as of December 16, 2019, between the Issuer and the HRA, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred.

**General Obligation.** This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of the principal and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are irrevocably pledged.

**Denominations; Exchange**. The Bonds of this series are issued as fully registered bonds without coupons, in the denomination of $5,000 or any integral multiple thereof. The Issuer will, at the request of the registered owner, issue one or more new fully registered Bonds in the name of the registered owner in the aggregate principal amount equal to the unpaid principal balance of this Bond, and of like tenor except as to number and principal amount at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution and the Representation Letter. Reference is made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

**Registration; Transfer.** This Bond shall be registered in the name of the payee on the books of the Issuer by presenting this Bond for registration to the Bond Registrar, whose representative will endorse his or her name and note the date of registration opposite the name of the payee in the Registration Certificate attached hereto. Thereafter this Bond may be transferred by delivery with an assignment duly executed by the Holder or the Holder’s legal representative, and the Issuer and Bond Registrar may treat the Holder as the person exclusively entitled to exercise all the rights and powers of an owner until this Bond is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted hereon by the Bond Registrar, all subject to the terms and conditions provided in the Resolution and the Representation Letter and to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar. Thereupon the Issuer shall execute (if required by law or the Resolution) and the Bond Registrar shall authenticate (if required by law or the Resolution) and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee, of an authorized denomination, in an aggregate principal amount equal to the principal amount of this Bond, of the same maturity, and bearing interest at the same rate.

**Fees Upon Transfer or Loss.** The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds. No service charge shall be made by the Issuer for any transfer or exchange hereinbefore referred to but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

**Treatment of Registered Owner.** The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes whatsoever, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

**Authentication.** This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until either (i) the Bond Registrar’s Authentication Certificate hereon shall have been executed by the Bond Registrar by one of its authorized representatives or (ii) the Bond has been manually executed by at least one officer of the governing body of the Issuer.

IT IS CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the Issuer enforceable in accordance with its terms, have been done, have happened and have been performed in regular and due form, time and manner as so required; that, if necessary for payment of principal of and interest on the Bonds of this issue, ad valorem taxes may be levied upon all taxable property in the Issuer without limitation as to rate or amount; and that the issuance of this Bond on the date of original issue hereof and the date of its actual original issuance and delivery, does not exceed any constitutional, charter or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Canby, Yellow Medicine County, Minnesota, by its governing body, has caused this Bond to be executed in its name by the facsimile signature of the Mayor and attested by the facsimile signature of the Administrator, the Issuer having no seal or said seal having been intentionally omitted as permitted by law.

ATTEST:

*(form – no signature required) (form – no signature required)*

Administrator Mayor

Date of Authentication: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

BOND REGISTRAR’S AUTHENTICATION CERTIFICATE

The Bond Registrar confirms that the books reflect the ownership of the Bond registered in the name of the owner named above in the principal amount and maturing on the date stated above and this Bond is one of the Bonds of the series issued pursuant to the Resolution hereinabove described.

U.S. BANK NATIONAL ASSOCIATION

ST. PAUL, MINNESOTA

Bond Registrar

By

Authorized Representative

REGISTRATION CERTIFICATE

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

|  |  |  |
| --- | --- | --- |
| Date | Registered Owner | Signature of Bond Registrar |
| 12/16/19 | Cede & Co.  c/o The Depository Trust Company  570 Washington Blvd.  Jersey City, NJ 07310  Federal Taxpayer I.D. No.: 13-2555119 | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

ASSIGNMENT

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

(Name and Address of Assignee)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Social Security or Other

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Identifying Number of Assignee

the within Bond and all rights thereunder and irrevocably constitutes and appoints \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

Signature Guaranteed:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Bank, Trust Company, member of

National Securities Exchange)

*Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Issuer or its agent for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as the registered owner hereof, Cede & Co., has an interest herein.*

4.02 Preparation and Execution. The Bonds shall be prepared for execution in accordance with the approved form and shall be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the Administrator. The legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A. shall be appended to each Bond. The corporate seal of the Issuer may be omitted from the Bonds as permitted by law. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be an officer before delivery of the Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

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

Section 5. Covenants, Accounts and Tax Levies.

5.01 The Fund. There is created a special fund to be designated the “2019 General Obligation TIF Bonds Fund” (the “Fund”) to be administered and maintained by the Administrator as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the Issuer. The Fund shall be maintained in the manner herein specified until the Bonds and the interest thereon have been fully paid. There shall be maintained in the Fund two (2) separate accounts, to be designated the “Construction Account” and “Debt Service Account,” respectively:

A. *Construction Account*. The Bonds, less: (a) amounts used to pay a part of the interest cost of the issue as allowed by Section 475.56 of the Act (the “Additional Interest”); (b) amounts necessary to pay capitalized interest (the “Capitalized Interest”); and (c) accrued interest paid by the Purchaser upon closing and delivery of the Bonds (the “Accrued Interest”) are hereby appropriated to the Construction Account. The monies in the Construction Account shall be used solely to pay public development costs of the Project, including the cost of any cooperative construction contracts and all other costs incurred and to be incurred of the kind authorized in the Plan, Section 475.65 of the Public Finance Act and the TIF Act, and the money in said fund shall be used for no other purpose except as otherwise provided by law.

B. *Debt Service Account*. All HRA Tax Increment received by the Issuer from the HRA pursuant to the Agreement and the City Tax Increment are pledged to the Debt Service Account to pay the principal and interest on the Bonds as the same become due and payable (the “Debt Service”). There is appropriated to the Debt Service Account the Additional Interest, Capitalized Interest, and Accrued Interest. The money in the Debt Service Account shall be used for no purpose other than the payment of Debt Service; provided, however, that if any payment of principal or interest shall become due when there is not sufficient money in the Debt Service Account, the Administrator shall pay the same from any other fund of the Issuer, which fund shall be reimbursed from the Debt Service Account when the balance therein is sufficient.

5.02 Warranty of Issuer. Notwithstanding anything in this Resolution to the contrary, the Issuer hereby warrants, represents and covenants that the Tax Increments will be spent only in accordance with the Plans. The Issuer further warrants, represents and covenants that unless otherwise provided in the Plans, the Tax Increments will only be spent on improvements within the TIF Districts or for payment of Debt Service.

5.03 General Obligation Pledge. It is recognized that the Issuer’s liability on the Bonds are not limited to the Tax Increments so pledged, and the Council covenants and agrees that in the event of any current or anticipated deficiency in Tax Increments, it will levy upon all taxable property within the Issuer and cause to be extended, assessed, and collected, any additional taxes found necessary for full payment of the principal of and interest on the Bonds, without limitation as to rate or amount.

5.04 No Tax Levy. It is estimated that the Tax Increment herein pledged are in an amount not less than 5% in excess of the amounts needed to meet when due the principal and interest payments on the Bonds and, as allowed by Minnesota Statutes, Section 475.61, Subdivision 6, no tax is presently levied for this purpose.

5.05 Investments. Monies on deposit in the Fund may, at the discretion of the Administrator, be invested in securities permitted by Minnesota Statutes, Chapter 118A; provided, that any such investments shall mature at such times and in such amounts as will permit payment of the principal and interest on the Bonds when due.

5.06 Segregation of Monies. Notwithstanding any provision of this Resolution to the contrary, the tax increment received with respect to the TIF Districts must be segregated by the Issuer in a special account or accounts on its official books and records.

Section 6. Certificates of Proceedings; Miscellaneous.

6.01 Filing of Resolution; County Auditor Certificate. The Administrator is directed to file a certified copy of this Resolution in the office of the County Auditor of Yellow Medicine County, along with such other information as the County Auditor may require, and to obtain from the County Auditor a certificate stating that the Bonds herein authorized have been duly entered on the Auditor’s register and that the tax required by law for the payment of said Bonds has been levied.

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

6.03 Offering Materials. The Official Statement relating to the Bonds, on file with the Administrator and presented to this meeting, is approved and deemed final, and the furnishing thereof to prospective purchasers of the Bonds is ratified and confirmed, insofar as the same relates to the Bonds and the sale thereof. The Mayor and the Administrator 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 date of the Official Statement.

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

Section 7. Defeasance. When all Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Bonds shall, to the extent permitted by law, cease. The Issuer may discharge its obligations with respect to any Bonds which are due on any date by irrevocably depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The Issuer may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full, provided that notice of redemption thereof has been duly given. The Issuer may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Section 475.67, Subdivision 8 of the Act, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

Section 8. Continuing Disclosure. The City Council acknowledges that the Bonds are subject to the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (the “Rule”). The Rule governs the obligations of certain underwriters to require that issuers of municipal bonds enter into agreements for the benefit of the Holders to provide continuing disclosure with respect to the Bonds. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit underwriters of the Bonds to comply with the Rule, which will enhance the marketability of the Bonds, the Mayor and the Administrator are authorized and directed to execute a Continuing Disclosure Certificate substantially in the form of the Certificate currently on file in the office of the Issuer.

Section 9. Post-Issuance Tax Compliance.  The Issuer has previously approved a Pre- and Post-Issuance Compliance Policy and Procedures which applies to qualifying obligations to provide for compliance with all applicable federal regulations for tax-exempt obligations or tax-advantaged obligations (collectively, the “Policy and Procedures”).  The Issuer hereby ratifies the Policy and Procedures for the Bonds.  The Administrator continues to be designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

*(remainder of page intentionally left blank)*

Adopted: November 20, 2019.

Mayor

ATTEST:

Administrator

M:\DOCS\09894\000031\ROL\1857563.DOC

STATE OF MINNESOTA )

) ss.

COUNTY OF YELLOW MEDICINE )

I, the undersigned, the duly qualified and acting Administrator of the City of Canby, Minnesota (the “Issuer”), do certify that I am the official custodian of the records of the Issuer, and that I have compared the attached copy with the original records of the Issuer, and that it is a true and correct transcript taken from the records of a meeting of the City Council, held at the City of Canby in said State, on November 20, 2019.

IN WITNESS WHEREOF, I have hereunto set my hand as Administrator of the Issuer on November 20, 2019.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Administrator

M:\DOCS\09894\000031\ROL\1857563.DOC

EXTRACT OF MINUTES OF A MEETING OF THE

CITY COUNCIL OF THE

CITY OF CANBY, MINNESOTA

HELD: November 20, 2019

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Canby, Yellow Medicine County, Minnesota, was duly held at the City Hall on November 20, 2019, at 6:00 p.m.

The following members were present: Bormann, Maas, Bies

and the following were absent: Namken, Hanson

Member Bies introduced the following resolution and moved its adoption:

“Resolution Providing for the Issuance, Sale and Delivery of $985,000 General Obligation Taxable Tax Increment Bonds, Series 2019A”

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

Bormann, Bies, Maas

and the following voted against the same:

None

Whereupon the resolution was declared duly passed and adopted.

M:\DOCS\09894\000031\ROL\1857563.DOC

A Tax Increment Pledge Agreement between the City of Canby and the Housing & Redevelopment Authority in and for the City of Canby was reviewed. A motion was made by Bies and seconded by Maas to approve the Tax Increment Pledge Agreement between the City of Canby and the Housing & Redevelopment Authority in and for the City of Canby. All voted in favor. None voted against. The motion was carried.

**TAX INCREMENT PLEDGE AGREEMENT**

**by and between**

**CITY OF CANBY, MINNESOTA**

**and the**

**HOUSING AND REDEVELOPMENT AUTHORITY IN AND**

**FOR THE CITY OF CANBY, MINNESOTA**

This TAX INCREMENT PLEDGE AGREEMENT is made and entered into as of the 16th day of December, 2019, by and between the CITY OF CANBY, a municipal corporation and political subdivision of the State of Minnesota (the “City”), and the HOUSING AND REDEVLEOPMENT AUTHORITY IN AND FOR THE CITY OF CANBY, MINNESOTA, a public body, corporate and politic of the State of Minnesota (the “Authority”).

WHEREAS, the Authority established (i) Tax Increment Financing District 1-8; and (ii) Tax Increment Financing District 1-9 (collectively, the “HRA TIF Districts”); and

WHEREAS, pursuant to authority conferred by Minnesota Statutes, Section 469.178, Subdivision 2, and Minnesota Statutes, Chapter 475, the City, has agreed to finance the Project through the issuance of general obligation bonds of the City, designated the $985,000 General Obligation Taxable Tax Increment Bonds, Series 2019A (such bonds and any bonds issued to refund such bonds are referred herein as the “Bonds”); and

WHEREAS, the Authority has agreed to pledge tax increment revenues from the TIF Districts (the “Tax Increment”) to the City for the payment in part of the principal of and interest on the Bonds; and

WHEREAS, pursuant to Minnesota Statutes, Section 469.178, Subdivision 2, any agreement to pledge tax increment revenues must be made by written agreement by and between the Authority and the City and must be filed with the County Auditor of Yellow Medicine County.

NOW, THEREFORE, the City and the Authority mutually agree to the following:

1. The City will issue and sell the Bonds.

2. The Authority hereby pledges to the payment of the principal of and interest on the Bonds with tax increment available from the TIF Districts which is generated by improvements within the TIF Districts in amounts shown on Attachment A and Attachment A-1.

3. Not later than five business days prior to each February 1 there shall be transferred from the Tax Increment District 1-8 Fund maintained by the Authority, to the debt service account maintained by the City for the payment of the Bonds, an amount equal to the amounts pledged in paragraph 2 and set forth on Attachment A. Not later than five business days prior to each February 1 there shall be transferred from the Tax Increment District 1-9 Fund maintained by the Authority, to the debt service account maintained by the City for the payment of the Bonds, an amount equal to the amounts pledged in paragraph 2 and set forth on Attachment A-1.

4. Without regard to any provision of this Agreement to the contrary, tax increment generated by the TIF Districts shall be available to pay principal of and interest on the Bonds, and any other obligations issued by the City, the Authority or any other public body to finance public development costs in the TIF Districts or bonds issued to refund such obligations issued by the City, the Authority or any other public body to finance public development costs in the TIF Districts.

5. When all public development costs of the TIF Districts have been paid and all principal and interest on the Bonds, and other obligations issued to finance the public development costs of the TIF Districts have been paid, then the Authority shall report such fact to the City Council of the City and submit a final statement of such payments to the City Council. Upon audit of this statement and approval thereof by the City Council, the payment in full, or defeasance, of the expenditures of the Authority in the TIF Districts and the Bonds shall be reported to the County Auditor of Yellow Medicine County and the Agreement shall be terminated.

6. An executed copy of this Agreement shall be filed with the County Auditor of Yellow Medicine County.

*(remainder of page intentionally blank)*

IN WITNESS WHEREOF, the City and the Authority have caused this Agreement to be duly executed on their behalf and such signatures to be attested, as of the day and year first above written.

|  |  |
| --- | --- |
| ATTEST: | CITY OF CANBY |
| By  Its Administrator | By  Its Mayor | |
|  |  |

|  |  |
| --- | --- |
|  |  |
|  |  |
| ATTEST: | HOUSING AND REDEVELOPMENT  AUTHORITY IN AND FOR THE CITY  OF CANBY |
|  |  |
|  |  |
| By | By |
| Its Secretary | Its President |

**Attachment A**

**Attachment A-1**

M:\DOCS\09894\000031\AGM\1859213.DOC

The bond bid sale results were reviewed. A motion was made by Maas to accept the bid from Doughery & Company LLC. The motion was seconded by Bies. All voted in favor. None voted against. The motion was carried.

Extending Lexington was discussed. A motion was made by Maas to approve preliminary design and start looking into permitting for the Lexington Extension. The motion was seconded by Bies. All voted in favor. None voted against. The motion was carried.

Phillip DeSchepper discussed where the project was. There was discussion on debris in catch basins. A pay request 11 for Kuechle Underground Inc was reviewed. A motion was made by Mass to approve the pay request in the amount of $1,171,942.07. The motion was seconded by Bies. All voted in favor. None voted against. The motion was carried.

A 2020 audit agreement with Kinner and Company was reviewed. A motion was made by Bies to approve the agreement with the final submission date of June 17, 2020. The motion was seconded by Maas. All voted in favor. None voted against. The motion was carried.

A tobacco compliance agreement with Countyside Public Health was reviewed. A motion was made by Maas to approve the agreement. The motion was seconded by Bies. All voted in favor. None voted against. The motion was carried.

Ordinance 231.3 was reviewed. A motion was by Maas to adopt Ordinance 231.3. The motion was seconded by Bies. All voted in favor. None voted against. The motion was carried.

**ORDINANCE 231.3**

**AN ORDINANCE AMENDING ORDINANCE 231.2**

**REGULATING MOTORIZED GOLF CARTS AND ALL TERRAIN VEHICLES**

**THE CITY COUNCIL OF THE CITY OF CANBY ORDAINS**

**That Section 3 c. of Ordinance 231.2 is amended as follows:**

**c. If an applicant satisfies the above-described conditions, the city shall issue a permit. Permits will be valid for the calendar year in which they were issued. granted for up to three years. Permits will be issued throughout the year, however, permits will not be prorated for being purchased for less than twelve months**

Passed and adopted by the City of Canby on November 20, 2019.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Nancy Bormann, Mayor

Attest

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

City Administrator

A fire works permit for December 8th was reviewed. A motion was made by Maas to approve the fire works permit. The motion was seconded by Bies. All voted in favor. None voted against. The motion was carried.

A resolution for special assessments was reviewed. A motion was made by Bies and seconded by Maas to approve Resolution 2019-11-20-2. All voted in favor. None voted against. The motion was carried.

**RESOLUTION 2019-11-20-2**

**A RESOLUTION CERTIFYING PAST DUE BILLINGS TO THE YELLOW MEDICINE COUNTY AUDITOR FOR COLLECTION WITH PROPERTY TAXES**

**WHEREAS,** pursuant to proper notice duly given as required by law, the City Council has met, heard, and passed upon all objections to the proposed certification for unpaid charges for various services from the City of Canby; and

**WHEREAS,** such proposed list of customers who have delinquent charges, a copy of which is hereby attached as Exhibit 1 and made

a part hereof, is hereby accepted and shall constitute the certification against the parcels named herein.

**NOW THEREFORE, BE IT RESOLVED** that the City Council of the City of Canby Minnesota, does certify for collection by the Yellow Medicine County Auditor the delinquent accounts as listed on Exhibit 1.

**ADOPTED** this 20th day of November.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Nancy Bormann, Mayor

ATTEST:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Rebecca Schrupp, City Administrator

Resolution 2019-11-20-3 was reviewed. A motion was made by Maas to approve Resolution 2019-11-20-3. The motion was seconded by Bies. All voted in favor. None voted against. The motion was carried.

CITY OF CANBY

RESOLUTION NO. 2019-11-20-3

A Resolution Authorizing Lawful Gambling

WHEREAS Canby Fire Department Relief Association has applied to Minnesota Gambling Control Board for a premises permit to conduct one-day off-site gambling at the hereinafter named location in the City of Canby; and

WHEREAS Local approval of the location is required before such permit shall be issued:

NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CANBY That the premises permit of Canby Fire Department Relief Association to conduct one-day off-site gambling at the following date and location is hereby approved:

January 6, 2020

Canby Fire Hall

312 1st Street East

Canby MN 56220

Adopted by the City Council of the City of Canby this 20th day of November, 2019.

Mayor

Attest:

City Administrator

Resolution 2019-11-20-4 was reviewed. A motion was made by Maas to approve Resolution 2019-11-20-4. The motion was seconded by Bies. All voted in favor. None voted against. The motion was carried.

RESOLUTION NO. 2019-11-20-4

RESOLUTION DESIGNATING POLLING PLACES

WHEREAS, Minnesota Statutes 204B.16 Subd. 1 was amended by the Minnesota Legislature during the 2017 session; and

WHEREAS, Minnesota Statutes 2046.16, Subd. 1, provides that each year all municipalities must designate the polling place to be used during that year.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF CANBY, MINNESOTA, that they do hereby designate the following polling place to be used in the 2020 election year:

Canby City Hall

110 Oscar Ave N

Canby, MN 56220

Adopted by the City Council this 20 day of November, 2019

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Mayor

Attest:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

City Administrator

Schrupp stated that First Security has allocated a $20,000.00 grant for the tennis/basketball courts.

The following for the Small Cities Development Program were reviewed; Section 2 Plan Canby Small Cities Development Program, Canby Program Income Plan, Prohibition of Excessive Force Policy, Certification Regarding Drug Free Workplace Requirements, and Residential Anti-Displacement & Relocation Assistance Plan.

A motion was made by Maas to approve the Section 3 Plan Canby Small Cities Development Program. The motion was seconded by Bies. All voted in favor. None voted against. The motion was carried.

A motion was made by Bies to approve the Canby Program Income Plan. The motion was seconded by Maas. All voted in favor. None voted against. The motion was carried.

A motion was made by Maas to approve the Prohibition of Excessive Force Policy. The motion was seconded by Bies. All voted in favor. None voted against. The motion was carried.

A motion was made by Bies to approve the Certification Regarding Drug Free Workplace Requirements. The motion was seconded by Maas. All voted in favor. None voted against. The motion was carried.

A motion was made by Bies to approve the Residential Anti-Displacement & Relocation Assistance Plan. The motion was seconded by Maas. All voted in favor. None voted against. The motion was carried.

Weeds at a business on St. Olaf was discussed. Schrupp will send out a letter to the owner.

John Alley addressed the council on the curb on 7th St. No action was taken.

A motion was made by Maas to adjourn the meeting. The motion was seconded by Bies. All voted in favor. None voted against. The motion was carried.

Attest: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
 Mayor

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
City Administrator