

**ARLINGTON CITY COUNCIL
MEETING AGENDA
MAY 18, 2015 AT 6:30 PM
COUNCIL CHAMBERS**

The City Council is provided background information for agenda items in advance by city staff, committees and boards. Many decisions regarding agenda items are based upon this information, as well as: City policy and practices, input from constituents, questions or information that has not yet been presented or discussed regarding an agenda item. If you have a concern or question, please ask to be recognized by the Mayor during the "Citizens addressing the Council" portion of the agenda— state your name and address for the record. Please keep comments under 5 minutes. Individuals wishing to speak for more than five minutes should ask to be included on the agenda in advance. All comments are appreciated, but please refrain from personal or derogatory attacks on individuals.

1. Call meeting to order and Pledge of Allegiance
2. Roll Call
3. Approve the agenda and any agenda additions
4. Swearing In Ceremony – Officer Jordan Voigt

CONSENT AGENDA

The items listed for consideration will be enacted by one motion unless the Mayor, a member of the City Council, City Staff or a person in attendance requests an item to be removed from the Agenda.

5. Approval of Consent Agenda
 - A) Approval of the May 4th Regular Meeting Minutes.
 - B) Approval of the May 4th Closed Council Meeting Minutes.
 - C) Approval of Bills.
 - D) Authorize Execution of Memorandum of Understanding between Hutch Co-Op and City of Arlington RE: Construction of a Fertilizer Storage Facility.
 - E) Approval of Hiring Mariah Schupp and Nathan Thomes as Part-Time Lawn Mowers.

PUBLIC HEARINGS

PETITIONS, REQUESTS, & COMMUNICATIONS

6. Addressing the Council
 - A) Citizens Addressing the Council.
 1. John Paulmann, Resident.
7. Announcements
 - A) Adopt-A-Park/Trail in Arlington.
 - B) Arbor Day Celebration, May 22, 2015.
 - C) Sibley Serve, May 22, 2015.
 - D) Keeping Minnesota Ready Training for Elected Officials and Senior Leaders, May 27, 2015; 10: A.M. at Sibley County Courthouse (basement).
 - E) LMC's Annual Conference in Duluth, June 24-26, 2015.
8. Communications
 - A) April Financial Reports.
 - B) April Water/Wastewater Report.

REPORTS OF OFFICERS, BOARDS & COMMITTEES

9. Tom Olinger (Abdo, Eick & Meyers)
 - A) Approve/Deny 2014 Audit Report.
 - B) Financial Process Evaluation.
10. Annual Report – EDA. (Cynthia Smith-Strack and Dr. Dean Bergersen)
11. Annual Report - Planning & Zoning. (Cynthia Smith-Strack and Jim Carlson)

ORDINANCES & RESOLUTIONS

12. Ordinances
 - A) Second Reading: Ordinance 299 – Regulating a Utility Billing and Collection Policy within the City of Arlington, Minnesota.
 - B) First Reading: Ordinance 300 – An Ordinance Amending Ordinance 169, The Arlington Zoning Ordinance, by Adding Subdivision 10 to Section 13 Relating to Outdoor Storage.
13. Resolutions
 - A) 38-2015 – Providing for Summary Publication of Ordinance 299 Entitled “An Ordinance to Regulate the Utility Billing and Collection Policy within the City of Arlington, Minnesota.”
 - B) 39-2015 – Authorizing Issuance, Awarding Sale, Prescribing the Form and Details and Providing for the Payment of \$2,005,000 General Obligation Improvement and Utility Revenue Bonds, Series 2015A.
 - C) 40-2015 – Approve/Deny a Conditional Use Permit to Allow a Detached Accessory Structure Exceeding Ten Percent of the Lot Size for 241/247 West Main Street.
 - D) 41-2015 – Authorizing the City of Arlington to Enter into an Agreement with Sibley County to Institute the Usage of Active 911.

UNFINISHED BUSINESS

NEW BUSINESS

14. Approve/Deny Request from Arlington Dugout to Use Main Street for a Roll-In on Third Thursdays (June-September, 2015) and Allow Alcohol to be Consumed within those Boundaries.
- 14.5 Authorize/Deny Pay Request #3 for work performed by Ti-Zack Concrete on the Safe Routes to School Project (\$13,272.64).

MISCELLANEOUS BUSINESS

15. Council Committee Updates.
16. Open Discussion.
 - A) Arli-Dazzle – Use of City Staff and Resources.

ADJOURNMENT

Reminders:

Parks – May 19th @ 7 pm
Library – May 20th @ 5:30 p.m.
Cemetery – May 21st @ 5:15 p.m.
EDA – May 26th @ 6 pm (CANCELLED)

**ARLINGTON CITY COUNCIL
MEETING MINUTES
MAY 18, 2015**

The regular meeting was called to order at 6:30 p.m., Mayor Nagel presiding.

Members present: Battcher, Jaszewski, Heiland, Mayor Nagel, Nuesse, Wills

Members absent: None

Also present: City Administrator Donabauer, City Attorney Arneson, Police Chief Danner, Officer Jordan Voigt, Cara Voigt, Consultant Smith-Strack, John Paulmann, City Auditor Tom Olinger, EDA Member Dean Bergersen, PZ Member Jim Carlson, Corine Carney, Financial Advisor Sweeney, Kurt Menk

Motion by Heiland, seconded by Battcher, and passed by unanimous vote to approve the agenda with the following changes:

Add item 14.5) Authorize/Deny Pay Request #3 for work performed by Ti-Zack Concrete on the Safe Routes to School Project (\$13,272.64).

Mayor Nagel administered the Official Oath to newly hired Officer Jordan Voigt.

Motion by Wills, seconded by Heiland, and passed by unanimous vote to approve the consent agenda as follows:

- A) Approval of the May 4th Regular Meeting Minutes
- B) Approval of the May 4th Special Meeting Minutes
- C) Approval of Bills
- D) Authorize Execution of Memorandum of Understanding between Hutch Co-Op and City of Arlington RE: Construction of a Fertilizer Storage Facility
- E) Approval of Hiring Mariah Schrupp and Nathan Thomes as Part-Time Lawn Mowers.

It was noted that there were no public hearings scheduled.

John Paulmann was present to address his concerns regarding the 2015 Improvement Project. He presented a petition signed by 84% of the affected residents who were against the narrowing of streets and installation of sidewalks where sidewalks didn't exist prior to the project. Councilmember Nuesse explained that several public (informational) meetings were held where the residents were informed of the pending changes and were allowed to comment/express concerns at that time. Heiland commented that he was confident in the City Engineer's ability to build streets to the proper widths based on the studies that have been done. Mayor Nagel commented (with the support of the Council) that no changes would be made; the project would be going forward as it was approved.

It was noted that there were no other citizens present to address the Council on non-agenda items.

The following announcements were reviewed:

- A) Adopt-A-Park/Trail in Arlington
- B) Arbor Day Celebration, May 22, 2015
- C) Sibley Serve, May 22, 2015
- D) Keeping Minnesota Ready Training for Elected Officials and Senior Leaders, May 27, 2015; 10 AM at Sibley County Courthouse (basement)
- E) LMC's Annual Conference in Duluth, June 24-26, 2015.

The Council reviewed the following communications:

- A) April Financial Reports
- B) April Water/Wastewater Report.

City Auditor Tom Olinger, Abdo, Eick & Meyers presented the 2014 Audit Report and Management Letter. He noted the changes/improvements made from the previous year for each fund. He commented that there currently is not a segregation of duties with regards to accounts payables/receivables and payroll, which is not uncommon in smaller cities. It was noted that the fund balance at the end of the year was over \$917,000, which was approximately 64% of the budgeted amount for the next year. Olinger commented this was a good place to be financially. He commented on how the standards for GASB 68 are going to affect the City next year (liabilities, actuarial for fire relief, etc.).

Olinger commented that the auditing firm would be willing to do an overall analysis of the City's financial department in order to find inefficiencies (and/or duplication) that may be occurring. This would make the process more streamlined, efficient and also address some of the segregation of duty issues currently occurring. The Council will review the proposal from Olinger and make a decision at a later date.

Motion by Jaszewski, seconded by Wills, and passed by unanimous vote to approve the 2014 Annual Financial Report and Management Letter as presented by Abdo, Eick & Meyers.

EDA Director Smith-Strack, along with EDA Committee Member Dean Bergersen, presented the annual report for the EDA. Recognition was given to current and past members on the EDA. Smith-Strack explained that the EDA pursues the following four core functions and strategic directions: Organizational Development, Infrastructure Development, Business Development, and Market Development. She commented that one of the EDA's principal goals for this year is to plat the Industrial Park, with the intent to have infrastructure to the site by 2018. The EDA has met with both MnDOT and Seneca regarding access to the Industrial Park, which must be from the gravel road on Seneca's property. Smith-Strack commented that the EDA continues to do outreach visits with the businesses, in turn, three Revolving Loans were issued. She reviewed the goals the EDA has set. Heiland expressed his appreciation for all that the EDA was doing for the City of Arlington and its businesses.

PZ Administrator Smith-Strack, along with PZ Committee Member Jim Carlson, presented the annual report for the Planning & Zoning. Recognition was given to current and past members. Smith-Strack explained that the Planning & Zoning Committee functions in the following capacities:

- 1) Planning Capacity – The Committee assists the City in establishing a vision for the community and steps necessary to reach that vision.
- 2) Legislative Capacity – The Committee studies regulations and proposes changes as needed to attain a vision espoused in a comprehensive community plan.
- 3) Regulatory Capacity – The Committee applies the ordinances and rules to specific situations in fulfillment of the vision.

It was noted that nine ordinances (created/amended) were processed in the past year. Smith-Strack reviewed the Planning & Zoning Committee's goals.

The second reading of Ordinance 299-An Ordinance to Regulate the Utility Billing and Collection Policy within the City Limits of Arlington, was held. Brief discussion was held on whether landlords should be notified when their renters are going to be disconnected.

Motion by Jaszewski, seconded by Battcher, and passed by unanimous vote to approve Ordinance 299-An Ordinance to Regulate the Utility Billing and Collection Policy within the City Limits of Arlington, as follows:

ORDINANCE 299

AN ORDINANCE TO REGULATE THE UTILITY BILLING AND COLLECTION POLICY WITHIN THE CITY LIMITS OF ARLINGTON

THE CITY COUNCIL OF THE CITY OF ARLINGTON, MINNESOTA TO PROMOTE THE PUBLIC SAFETY, HEALTH AND WELFARE, HEREBY ORDAIN AS FOLLOWS:

SECTION 1. DEFINITIONS

For purposes of this ordinance, the following words and phrases shall have the meaning as defined by this section:

- A. **Bill** – means the statement of account for municipal utility services rendered by the City to a customer and due and payable to the City by the customer.
- B. **City** – means the municipal corporation known as the City of Arlington, Minnesota, and any designated agent authorized to act on behalf of the City.
- C. **Customer** – means any person, firm, corporation or entity to which the municipal utility services are rendered.
- D. **Delinquent Customer** – means any person, firm, corporation or entity who fails to pay any current charges or portion thereof for any municipal utility by the close of the business on the 20th of the month following its original due date.
- E. **Limited Metering** - a metering device/service that is designed to allow minimum usage/demand. If available, this service connection would apply to customers who have a delinquent account and are subject to disconnection. This type of connection would be within the compliance requirements of all Cold Weather rules. The City reserves the right to apply this connection and service as it sees fit.
- F. **Municipal Utilities** – means the water, sewer, storm water/sewer or electric departments or systems of the City of Arlington, Minnesota, or any combination thereof.
- G. **Past Due Amount** – means any current charges or portion thereof for any municipal utility which remain unpaid past the due date of the bill on which such current charges first appear.
- H. **Disconnect** – means the water or electricity services shall not be made available to any person, firm, corporation or entity due to non-payment.
- I. **Payment Arrangement Agreement** – means a contract between the customer and the City allowing the customer to make payments to the City to pay any current charges or portion thereof for any municipal utility by a determined date.

SECTION 2. UTILITY BILLING POLICIES AND PROCEDURES

The City of Arlington provides water, sewer, storm water/sewer and electricity services to residents of the City; including private homes, apartments and commercial users. The City of Arlington has water and electrical meters at each service location to monitor the amount of usage at that site. Bills are based on meter readings, submitted readings, or on estimated consumption, if necessary.

SECTION 3. UTILITY BILLING

There is hereby created a utility billing section within such department(s) as may be designated by the City Council. The billing section shall be responsible for the calculation and rendering of all municipal utility bills. The utility billing section shall maintain account records for each customer that includes the customer's name, billing address, service address, current charges and account history including past due charges, penalties and fees.

The City shall bill the owners of the property served by utility services. In the case of residential and commercial rental property, the renter shall be the party billed for the utility services upon properly setting up a utility account with the City. The owner and/or renter in these situations are hereafter referred to as the "customer".

In situations where rental property consists of two or more units, all of which are monitored by one meter, the city shall contract with the owner of the property to bill the owner for the utility services provided to the jointly metered building or complex.

SECTION 4. RATE ORDINANCE

All municipal utility charges shall be calculated in accordance with the specific service rate ordinance applicable to each municipal utility or service rendered to a customer. All fees and charges imposed may be changed from time to time by resolution of the City Council.

SECTION 5. MONTHLY UTILITY BILL

The utility billing section shall provide each municipal utility customer a combined monthly municipal utility bill which shall include the charges incurred by the customer for regular monthly water, sewer, storm water/sewer and electricity services or any combination thereof, plus any fees, penalties or previous balances. Each municipal utility shall be designated as a separate entry on the billing statement. Bills for municipal utility services provided shall be rendered and paid monthly.

SECTION 6. EXTRA SERVICE BILLS

Billings for any extra services, installation charges or other special charges shall be rendered in accordance with the applicable utility or service rate resolution and shall be included on the appropriate monthly billing statement or as a separate bill.

SECTION 7. PAYMENT METHODS

Payments can be made by mail or in person at City Hall, 204 Shamrock Drive, or deposited in the payment box also located at 204 Shamrock Drive. Customers can also pay their bill on-line anytime, by accessing the City Website at www.arlingtonmn.com and clicking on RevTrack on the home page.

Arrangements can be made to have a customer's bills paid directly through a checking or savings account. Inquire in City Hall to complete an Auto Bank Authorization Form.

SECTION 8. BILLING CYCLE

- A. **Meter Reading Date** – Meters shall be read as close as possible to the 15th of the month, but may range between the 12th and 19th day of the month.
- B. **Billing Period and Due Date** – Monthly billings shall be rendered by the 1st day of the month following the period in which municipal utility services are provided. The total bill shall be due and payable by the close of business no later than the 15th day of the month in which services are billed. If the due date falls on a holiday, Saturday or Sunday the due date shall be at 8:00 a.m. on the first business day following the holiday or weekend. Payments can be deposited 24 hours a day in our payment box at City Hall to ensure they meet the 8:00 a.m. deadline.
- C. **Late Fees** – If a bill is not paid on or before the close of business of the 20th day of the month in which a bill is rendered, a late charge equal to 5% of the current bill amount (minimum of \$1.00) shall be added to the account balance.
- D. **Disconnection Notice Issuance** – If a bill is not paid by the first business day of the month following the month in which the original billing was made, the City shall send a disconnection notice along with the current bill, by first class mail to the customer. The disconnection notice will state the past due amount on the customer's account, plus applicable reconnection fees if not paid by the specified date (on or before the 15th of that month).
- E. **Final Disconnect Warning** – If payment is not received by the initial disconnection notice due date, a final disconnect warning will be served by the Arlington Police Department on the delinquent customer, but if the customer cannot be found at the metered location, then said warning will be served on any adult person found at that location. Said final disconnect warning will be served at least two days prior to the actual disconnection. If no adult person can be found at the location to be served with the final disconnect warning, it shall be sufficient to post said disconnect warning on the primary entry doorway to the location. In the case of a residence, the primary entry door shall be considered the front door of the residence.
- F. **Disconnection Date** – If a bill is still not paid by the close of business on the 20th of the month following the month of its original due date, it will be considered delinquent, and the City Administrator shall order a disconnection of the customer's municipal utility service(s).

SECTION 9. DISCONNECTION OF DELINQUENT CUSTOMERS

Any customer whose bill remains unpaid at 5:00 p.m. on the 20th day of the month following the month of the original due date, shall be considered delinquent. Any customer who is delinquent on any municipal utility (water, sewer, electricity) or any combination thereof may be disconnected from the municipal utility system; and once disconnected shall not be reconnected or reinstated until payment of all charges, penalties and reconnection fees necessary to bring the account(s) to a current status has been made.

Delinquent utilities may also be certified and assessed to property taxes to be collected in the same manner as special assessments and other taxes. For those properties that cannot be assessed, other methods to collect delinquent or unpaid utilities will be utilized (i.e. a professional collections agency, Minnesota Revenue Recapture).

During the months of October 15 to April 15, limited metering will go in effect for delinquent accounts. Business accounts are exempt from the "Cold Weather Rule".

SECTION 10. MUNICIPAL UTILITY SERVICE APPLICATION

Any person, firm or corporation desiring to set up any municipal utility service or combination thereof shall make application for said service(s). The application shall be on such form(s) as may now or hereinafter be prescribed by the City. The application may include the applicant's name, co-applicant's name, service address, mailing address, landlord's name, telephone number, personal identification number (e.g. social security number, driver's license number and date of birth) or federal identification number (business), and signature of the party responsible for payment. A copy of a photo ID of the responsible party is also required. Persons applying on behalf of others, or acting as an agent for others, may provide the required information provided such agent agrees to assume responsibility for the person, firm or corporation upon whose behalf they are applying. Each service location shall be considered a separate account.

A meter deposit is required of any rental party, at the time of application for utility service. The meter deposit amounts are equal to two months average use of previous tenant. Special deposit will apply under city rules for designated rental complexes as listed in the annual fee schedule, as adopted by the City Council. Upon termination of service, the meter deposit and interest will be applied to the tenant's final bill. If deposit funds remain, said balance will be refunded to the customer within 30 days, to the forwarding address provided to the City. If the meter deposit is not sufficient to pay the final bill in full, the tenant accepts responsibility for any remaining charges. Interest is paid on all deposits over \$20 held by the City and the interest rate is determined each year by the Minnesota Department of Commerce.

SECTION 11. DISPUTED UTILITY BILLS

A customer may request a face-to-face conference regarding any dispute over a proposed disconnection of service before the City Council to hear such matters. This conference must take place before the scheduled disconnection.

A customer may request a face-to-face conference with the Deputy Clerk to consider a payment plan that would bring a utility account current within a reasonable timeframe. If a customer fails to make good on any term and/or condition contained within the Payment Arrangement Agreement, the customer's utility services may be disconnected immediately.

A customer, who feels the total usage reflected on their account for municipal utilities is incorrect, may request to have the City re-read their meter. A customer requesting to have their meter re-read must allow the City employee or contractor, access to the meter location at an agreed upon time during the course of City Hall normal business hours.

SECTION 12. SERVICE CHARGES

The following additional fees shall be charged for services provided by the municipal utility, which may be changed from time to time by resolution of the City Council:

- A. In 2015, reconnection of service due to nonpayment of bill:
 - \$25.00 (Water) from 8:00 a.m. to 2:30 p.m. – Monday to Friday (excluding holidays)
 - \$50.00 (Electricity) from 8:00 a.m. to 2:30 p.m. – Monday to Friday (excluding holidays)
 - \$250.00 (Electricity) After Hours.
- B. In 2015, returned check fees:
 - \$30.00 per occurrence, plus any bank fees.
 - For returned checks, the customer shall pay, by cash or money order, the amount of the returned check(s) plus the returned check fee(s).
 - After a returned check has occurred, the customer may be required to pay all current and future payments by cash or money order until notified otherwise.

SECTION 13. COLD WEATHER RULE

The Minnesota Cold Weather Rule is designated to assist people who have trouble paying their utility bills during the winter months. The Rule was issued by the Minnesota Public Utilities Commission (216B.097 and amendments thereto). The Minnesota Cold Weather Rule applies from October 15 to April 15.

The full text of the Minnesota Cold Weather Rule can be obtained at the City Office.

The Cold Weather Rule does not prohibit winter shut off. A customer is to contact City Hall promptly if they receive a disconnection notice.

SECTION 14. COLD WEATHER RULE PAYMENT OPTIONS

The following options are available if the customer receives a notice of disconnection:

Inability to Pay Plan

A residential customer can qualify for the Inability to Pay Plan if:

- 1) They are current or reasonably on time with a payment plan as of October 15; and
- 2) Meets Income Guidelines as set by the State; and
- 3) Are willing to make payment arrangements.

If a customer qualifies for Inability to Pay, the City of Arlington cannot disconnect their utility service between October 15 and April 15.

Ten Percent Plan

To qualify for the Ten Percent Plan a residential customer must be one who:

- 1) Was not current or reasonably on time with a payment plan as of October 15; and
- 2) Meets income guidelines set by the State; and
- 3) Agrees to pay the lesser of ten percent of monthly household income or the full amount of the current bill, not including arrears.

If the residential customer qualifies for the Ten Percent Plan and can make their required monthly payments, the City of Arlington cannot disconnect the customer's utility service between October 15 and April 15.

If a customer receives service from more than one utility, payment will be divided among the utilities. The utility providing the major portion of the energy costs from October 15 to April 15 will receive 70 percent of the 10 percent amount. All other utilities will receive equal portions of the remaining 30 percent.

Reconnection Plan

If the City of Arlington has shut off a customer's utility service on or before October 15, they may qualify for the Reconnection Plan. To qualify, a residential customer must meet all three conditions:

- 1) Was not current or reasonably on time with a payment plan as of October 15; and
- 2) Meets income guidelines set by the State; and
- 3) Agrees to pay the total amount owed plus the current utility bill in monthly payments. The customer is not required to pay more than ten percent of their monthly household income.

If a customer qualifies for the Reconnection Plan, their utility service will be restored. If the customer continues to pay, the City cannot disconnect the customer's service between October 15 and April 15.

SECTION 15. PAYMENT ARRANGEMENT AGREEMENT

The City of Arlington offers a payment schedule to delinquent residential customers of all income levels who are willing to make payment arrangements. The City may enter into a written Payment Arrangement Agreement for a customer’s municipal utility bill on a case-by-case basis. Verbal agreements will not be accepted. If the customer continues to make their payment arrangements on time, the City will not disconnect the customer’s service. Failure to keep payment arrangements, will result in an immediate disconnect. Under this plan, a customer may change its initial payment schedule in writing, if done before the disconnection, with approval of the City of Arlington.

SECTION 16. MEDICALLY NECESSARY ELECTRICITY EXEMPTION

The Medically Necessary Electricity Exemption is designated to protect a customer from electricity shut off where life-sustaining medical equipment requiring electricity is in use. The Rule was issued by the Minnesota Public Utilities Commission (216B.098 and amendments thereto).

The full text of the Medically Necessary Electricity Exemption can be obtained at the City Office. Certification of the necessity for service is required.

SECTION 17. ALTERNATIVE ASSISTANCE PROGRAMS

If a customer has difficulty paying their utility bill, local agencies may be able to provide payment assistance. The City of Arlington recommends one of the following:

- Minnesota Valley Action Council, Sibley County Office 507-237-2981
- Sibley County Human Services 507-237-4000
- Heat Share (Salvation Army) 888-999-1568

Third Party Notification

Third Party Notification applies to all customers. This program benefits those who live alone, persons with disabilities, senior citizens, customers who do not read English, as well as renter/landlord situations.

The purpose of the program is to notify a third party, along with the customer, that a disconnection notice has been sent. A third party could be a friend, relative, church or community agency. Although the third party is notified of the proposed disconnection, they are not required to pay the bill(s). The third party is able to receive and give information about the personal circumstances of the customer and make a payment plan with the City of Arlington for the customer. This helps avoid the hardship that would result from service being disconnected. To name a third party, please complete a Third Party Notification form.

SECTION 18. MINNESOTA EXTREME HEAT LAW

The Minnesota Extreme Heat Law protects customers who are unable to pay their utility bill from being disconnected during an excessive heat watch, heat advisory, or excessive heat warning issued by the National Weather Service.

SECTION 19. OBSTRUCTIONS

It shall be prohibited for any person to obstruct access to a municipal utility water meter, electric meter, meter reader or curb stop whether in a public right-of-way or on private property. Should any person, in violation of this section, refuse to remove an obstruction within 24 hours after written notification to do so, the City shall cause such obstruction to be removed at the owner’s expense including but not limited to towing and storage charges for vehicles by following the abatement process.

SECTION 20. EFFECTIVE DATE

This Ordinance is effective upon its adoption and publication as prescribed by law.

Adopted by the City of Arlington on the 18th day of May, 2015.

For the City of Arlington
/s/ Richard Nagel
By Richard Nagel
It’s Mayor

/s/ Liza M. Donabauer
By Liza M. Donabauer
It’s City Administrator

The first reading of Ordinance 300-An Ordinance Amending Ordinance 169, The Arlington Zoning Ordinance, by Adding Subdivision 10 to Section 13 Relating to Outdoor Storage, was held. PZ Adm. Smith-Strack commented that in 2014 the City had received complaints regarding the amount and types of items residents were storing on their properties. The Planning Committee was directed to research the matter and report back on methods to curtail outdoor storage. Smith-Strack commented that the Committee acknowledged regulation of outdoor storage to be problematic because it is subjective in terms

of: what is too much outdoor storage, what is orderly placement of storage, and what is junk or not worth storing. This can be emotional as it deals with personal property on private property. Smith-Strack explained that the Committee felt that the best approach was to clarify the existing zoning language and the existing code language as it relates to what can and cannot be done with outdoor storage of personal property on private property; it does not address anything on public streets. She reviewed the process that the Committee went through to draft the proposed ordinance. Wills questioned the enforcement of the proposed ordinance. Smith-Strack stated that she, along with the Police Chief, City Administrator, and Building Official had met to put a procedure in place regarding enforcement; it will start with the Police Department.

Councilmember Wills introduced the following resolution and moved for its adoption:

RESOLUTION 38-2015

**A RESOLUTION PROVIDING FOR SUMMARY PUBLICATION OF ORDINANCE 299 ENTITLED
“AN ORDINANCE TO REGULATE THE UTILITY BILLING AND COLLECTION POLICY
WITHIN THE CITY OF ARLINGTON, MINNESOTA.”**

WHEREAS, the City Council of Arlington routinely passes ordinances to promote the public safety, health and welfare of the residents of Arlington; and

WHEREAS, the City Council felt it to appropriate to adopt Ordinance 299 to regulate the utility billing and collection policy; and

WHEREAS, the City Council held a first reading of Ordinance 299 at its regular meeting on May 4, 2015; and

WHEREAS, the City Council approved the second reading and adoption of Ordinance 299 at its regular meeting on May 18, 2015; and

WHEREAS, Chapter 6, Section 2 of the Arlington City Charter requires publication of Ordinances following first and second reading and approval; and,

WHEREAS, City Council of the City of Arlington has determined the publication of the title and a summary of Ordinance 299 entitled “An Ordinance to Regulate the Utility Billing and Collection Policy within the City of Arlington, Minnesota.” is sufficient; and,

WHEREAS, prior to the publication of the title and summary, the Council has read and approved the text of the summary and determined that it clearly informs the public of the intent and effect of the Ordinance.

NOW, THEREFORE, BE IT RESOLVED, that the City Administrator shall cause a summary of Ordinance 299 to be published in the City’s official newspaper at the earliest practicable date.

BE IT FURTHER RESOLVED, the summary publication shall read as follows:

“On May 18, 2015, the City Council of the City of Arlington approved Resolution 38-2015 entitled ‘A Resolution Providing for Summary Publication of Ordinance 299 entitled “An Ordinance to Regulate the Utility Billing and Collection Policy within the City of Arlington, Minnesota’. The intent of the Ordinance is to regulate the utility billing and collection policy. The Ordinance in its entirety is available for review and/or photocopying during regular office hours at the City of Arlington, 204 Shamrock Drive, Arlington, Minnesota 55307.”

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Jaszewski and upon poll being taken thereon the following voted in favor thereof: Battcher, Heiland, Jaszewski, Nuesse, Wills; and the following voted against the same: None; and the following abstained from voting: None; and the following were absent: None.

The foregoing resolution was adopted by the City Council of the City of Arlington this 18th day of May, 2015.

CITY OF ARLINGTON, MINNESOTA

/s/ Richard Nagel, Mayor

Attest: /s/ Liza M. Donabauer, City Administrator

Whereupon the resolution was declared duly passed and adopted and was signed by the Mayor whose signature was attested by the City Administrator.

Financial Advisor Sweeney was present to discuss the bonding for the 2015 Improvement Project. He stated that two bids had been received: Robert W. Baird & Co., Inc. (interest rate of 2.6338%) and Northland Securities, Inc. (interest rate of 2.7428%). He reviewed the terms of the low bid, which had a call date of 2022. Sweeney commented that City Staff had participated in a credit rating call and did very well. He stated that the City’s “AA minus credit rating” was reaffirmed; which is an excellent credit rating. He commended the City for maintaining such a rating.

Councilmember Nuesse introduced the following resolution and moved for its adoption:

RESOLUTION 39-2015

A RESOLUTION AUTHORIZING ISSUANCE, AWARDED SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF \$2,005,000 GENERAL OBLIGATION IMPROVEMENT AND UTILITY REVENUE BONDS, SERIES 2015A

BE IT RESOLVED by the City Council, City of Arlington, Minnesota (the City), as follows:

SECTION 1. AUTHORIZATION AND SALE.

1.01. Authorization. This City Council, by resolution duly adopted on April 20, 2015 (the Preliminary Resolution), authorized the issuance and sale of its General Obligation Improvement and Utility Revenue Bonds, Series 2015A (the Bonds), pursuant to Minnesota Statutes, Section 444.075 and Chapters 429 and 475. Proceeds of the Bonds will be used to finance various street improvement projects in the City and improvements to the City’s water and sewer utilities (collectively, the Systems).

1.2. Sale. Pursuant to the Terms of Proposal and the Official Statement prepared on behalf of the City by David Drown Associates, Inc., sealed proposals for the purchase of the Bonds were received at or before the time specified for receipt of proposals. The proposals have been opened, publicly read and considered, and the purchase price, interest rates and net interest cost under the terms of each proposal have been determined. The most favorable proposal received is that of Robert W. Baird and Co. Incorporated in Milwaukee, Wisconsin (the Purchaser), to purchase the Bonds at a price of \$2,018,723.85, plus accrued interest on all Bonds to the day of delivery and payment, on the further terms and conditions hereinafter set forth.

1.3. Award. The sale of the Bonds is hereby awarded to the Purchaser, and the Mayor and City Administrator are hereby authorized and directed to execute a contract on behalf of the City for the sale of the Bonds in accordance with the Terms of Offering. The good faith deposit of the Purchaser shall be retained and deposited by the City until the Bonds have been delivered and shall be deducted from the purchase price paid at settlement.

The portion of the Bonds (\$1,240,000) that is being issued pursuant to Minnesota Statutes, Chapters 429 and 475 (the Improvement Bonds) will be used to finance street improvements in the City (the Improvement Project). The portion of the Bonds (\$765,000) that is being issued pursuant to Minnesota Statutes, Section 444.075 and Chapter 475 (the Utility Bonds) will be used to finance improvements to the Systems (the Utility Projects; together with the Improvement Project, the Projects). Maturity schedules for the Improvement Bonds and the Utility Bonds are attached hereto.

SECTION 2. BOND TERMS; REGISTRATION; EXECUTION AND DELIVERY.

2.01. Issuance of Bonds. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Bonds having been done, now existing, having happened and having been performed, it is now necessary for the Council to establish the form and terms of the Bonds, to provide security therefor and to issue the Bonds forthwith.

2.02. Maturities; Interest Rates; Denominations and Payment. The Bonds shall be originally dated as of June 1, 2015, shall be in the denomination of \$5,000 each, or any integral multiple thereof, of single maturities, shall mature on February 1 in the years and amounts stated below, and shall bear interest from date of issue until paid or duly called for redemption, at the annual rates set forth opposite such years and amounts, as follows:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2017	\$120,000	2.00%	2023	\$130,000	2.00%
2018	120,000	2.00	2024	130,000	2.50
2019	120,000	2.00	2025	135,000	2.50
2020	120,000	2.00	2027	275,000	3.00
2021	125,000	2.00	2029	295,000	3.00
2022	125,000	2.00	2031	310,000	3.00

The Bonds shall be issuable only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof shall be payable by check or draft issued by the Registrar described herein, provided that so long as the Bonds are registered in the name of a securities depository, or a nominee thereof, in accordance with Section 2.08 hereof, principal and interest shall be payable in accordance with the operational arrangements of the securities depository.

2.03. Dates and Interest Payment Dates. Upon initial delivery of the Bonds pursuant to Section 2.07 and upon any subsequent transfer or exchange pursuant to Section 2.06, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. Interest on the Bonds shall be payable on February 1 and August 1 in each year, commencing February 1, 2016, each such date being referred to herein as an Interest Payment Date, to the persons in whose names the Bonds are registered on the Bond Register, as hereinafter defined, at the Registrar’s close of business on the first day of the calendar

month in which the Interest Payment Date falls, whether or not such day is a business day. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

2.04. Redemption. Bonds maturing in 2023 and later years shall be subject to redemption and prepayment at the option of the City, in whole or in part, in such order of maturity dates as the City may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the bond depository in accordance with its customary procedures) in integral multiples of \$5,000, on February 1, 2022, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The City Administrator shall cause notice of the call for redemption thereof to be published if and as required by law, and at least thirty (30) and not more than sixty (60) days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail, to the Registrar and registered holders of any Bonds to be redeemed at their addresses as they appear on the Bond Register described in Section 2.06 hereof, provided that notice shall be given to any securities depository in accordance with its operational arrangements. No defect in or failure to give such notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

Bonds maturing on February 1, 2027, 2029, and 2031 (the Term Bonds) shall be subject to mandatory redemption prior to maturity pursuant to the sinking fund requirements of this Section 2.04 at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium. The Registrar shall select for redemption, by lot or other manner deemed fair, on February 1 in each of the following years the following stated principal amounts of such Bonds:

<u>Year</u>	<u>Principal Amount</u>
2026	\$135,000

The remaining \$140,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2027.

<u>Year</u>	<u>Principal Amount</u>
2028	\$145,000

The remaining \$150,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2029.

<u>Year</u>	<u>Principal Amount</u>
2030	\$155,000

The remaining \$155,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2031.

Notice of redemption shall be given as provided in the preceding paragraph.

2.05. Appointment of Registrar. The City hereby appoints Northland Trust Services, Inc., in Minneapolis, Minnesota, as the initial Bond registrar, transfer agent and paying agent (the Registrar). The Mayor and City Administrator 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 organized under the laws of the United States or one of the states of the United States and authorized by law to conduct such business, such corporation shall be 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, effective upon not less than thirty days' written notice and upon the appointment and acceptance of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the Bond Register to the successor Registrar.

2.06. Registration. The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a register (the Bond Register) in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged. The term Holder or Bondholder as used herein shall mean the person (whether a natural person, corporation, association, partnership, trust, governmental unit, or other legal entity) in whose name a Bond is registered in the Bond Register.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the Holder thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the Holder thereof or by an attorney duly authorized by the Holder in writing, the Registrar shall 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 first day of the month in which each interest payment date occurs and until such interest payment date.

(c) Exchange of Bonds. At the option of the Holder of any Bond in a denomination greater than \$5,000, such Bond may be exchanged for other Bonds of authorized denominations, of the same maturity and a like aggregate principal amount, upon surrender of the Bond to be exchanged at the office of the Registrar. Whenever any Bond is so surrendered for exchange the City shall execute and the Registrar shall authenticate and deliver the Bonds which the Bondholder making the exchange is entitled to receive.

(d) Cancellation. All Bonds surrendered for payment, transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until 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 Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name any Bond is at any time registered in the Bond Register as the absolute owner of the Bond, whether the Bond shall be 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 all payments made to or upon the order of such Holder shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

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

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any 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 of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall 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 shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1, as amended.

(j) Valid Obligations. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits under this Resolution as the Bonds surrendered upon such transfer or exchange.

2.07. Execution, Authentication and Delivery. The Bonds shall be prepared under the direction of the City Administrator and shall be executed on behalf of the City by the signatures of the Mayor and the City Administrator, provided that the signatures may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until the date of delivery of such Bond. Notwithstanding such execution, no Bond shall 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, substantially in the form provided in Section 2.09, has been executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on any Bond shall be conclusive evidence that it has been duly authenticated and delivered under this Resolution. When the Bonds have been prepared, executed and authenticated, the City Administrator shall deliver them to the Purchaser upon payment of the purchase price in accordance with the contract of sale theretofore executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

2.08. Securities Depository. (a) For purposes of this section the following terms shall have the following meanings:

“Beneficial Owner” shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person’s subrogee.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“DTC” shall mean The Depository Trust Company of New York, New York.

“Participant” shall mean any broker-dealer, bank or other financial institution for which DTC holds bonds as securities depository.

“Representation Letter” shall mean the Representation Letter pursuant to which the City agrees to comply with DTC’s Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. The Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the City shall be affected by any notice to the contrary. Neither the Registrar nor the City shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the Bond Register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with DTC’s Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the City’s obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of physical certificates, the City may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC, if not previously filed with DTC, by the Mayor or City Administrator is hereby authorized and directed.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of physical certificates and the method of payment of principal of and interest on such Bonds in the form of physical certificates.

2.09. Form of Bonds. The Bonds shall be prepared in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
CITY OF ARLINGTON

GENERAL OBLIGATION IMPROVEMENT AND UTILITY REVENUE BONDS,
SERIES 2015A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP No.</u>
_____%	February 1, 20__	June 1, 2015	041645
REGISTERED OWNER:	CEDE & CO.		
PRINCIPAL AMOUNT:	THOUSAND DOLLARS		

CITY OF ARLINGTON, State of 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 amount specified above on the maturity date specified above and promises to pay interest thereon from the date of original issue specified above or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, at the annual interest rate specified above, payable on February 1 and August 1 in each year, commencing February 1, 2016 (each such date, an Interest Payment Date), all subject to the provisions referred to herein with respect to the redemption of the principal of this Bond before maturity. The interest so payable on any Interest Payment Date shall be paid to the person in whose name this Bond is registered at the close of business on the first day (whether or not a business day) of the calendar month in which the Interest Payment Date occurs. Interest hereon shall be computed on the basis of a 360-day year composed of twelve 30-day months. The interest hereon and, upon presentation and surrender hereof at the principal office of the agent of the Registrar described below, the principal hereof are payable in lawful money of the United States of America by check or draft drawn on Northland Trust Services, Inc., Minneapolis, Minnesota, as Bond registrar, transfer agent and paying agent, or its successor designated under the Resolution described herein (the Registrar) or other agreed-upon means of payment by the Registrar or its designated successor. For the prompt and full payment of such principal and interest as the same respectively come due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

This Bond is one of an issue (the Bonds) in the aggregate principal amount of \$2,005,000 issued pursuant to a resolution adopted by the City Council on May 18, 2015 (the Resolution), to finance street improvement projects in the City and improvements to the City's water and sewer systems (collectively, the System), and is issued by authority of and in strict accordance with the provisions of the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Sections 444.075 and Chapters 429 and 475. For the full and prompt payment of the principal of and interest on the Bonds as the same become due, the full faith, credit and taxing power of the City have been and are hereby irrevocably pledged. The Bonds are issuable only in fully registered form, in the denomination of \$5,000 or any integral multiple thereof, of single maturities.

Bonds maturing in 2023 and later years shall be subject to redemption and prepayment at the option of the City, in whole or in part, in such order of maturity dates as the City may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the Bond depository in accordance with its customary procedures) in multiples of \$5,000, on February 1, 2022, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The City shall cause notice of the call for redemption thereof to be published if and to the extent required by law, and at least thirty (30) and not more than sixty (60) days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail (or, if applicable, provided in accordance with the operational arrangements of the securities depository), to the registered holders of any Bonds, at the holders' addresses as they appear on the Bond register maintained by the Bond Registrar, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

Bonds maturing in the years 2027, 2029, and 2031 shall be subject to mandatory redemption, at a redemption price equal to their principal amount plus interest accrued thereon to the redemption date, without premium, on February 1 in each of the years shown below, in an amount equal to the following principal amounts:

<u>Term Bonds Maturing in 2027</u>		<u>Term Bonds Maturing in 2029</u>	
<u>Sinking Fund</u>	<u>Aggregate</u>	<u>Sinking Fund</u>	<u>Aggregate</u>
<u>Payment Date</u>	<u>Principal Amount</u>	<u>Payment Date</u>	<u>Principal Amount</u>
2026	\$135,000	2028	\$145,000
2027 (final maturity)	140,000	2029 (final maturity)	150,000

<u>Term Bonds Maturing in 2031</u>	
<u>Sinking Fund</u>	<u>Aggregate</u>
<u>Payment Date</u>	<u>Principal Amount</u>
2030	\$155,000
2031 (final maturity)	155,000

Notice of redemption shall be given as provided in the preceding paragraph.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner's attorney, and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the City will cause a new Bond or Bonds to be issued in the name of the designated 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 any such transfer or exchange.

The Bonds have been designated by the City as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The City and the 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 as herein provided and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the City.

IT IS HEREBY 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 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; that, prior to the issuance hereof, the City Council has by the Resolution covenanted and agreed to levy special assessments upon property specially benefited by the improvements financed with the Bonds, and has agreed to collect and apply to payment of the Bonds certain net revenues of the System, which assessments and revenues are estimated to be collectible in years and amounts sufficient to produce sums not less than 5% in excess of the principal of and interest on the Bonds when due, and has appropriated such assessments and revenues to its General Obligation Improvement and Utility Revenue Bonds, Series 2015A Bond Fund for the payment of such principal and interest; that if necessary for the payment of such principal and interest, ad valorem taxes are required to be levied upon all taxable property in the City, without limitation as to rate or amount; that all proceedings relative to the projects financed by this Bond have been or will be taken according to law and that the issuance of this Bond, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation of indebtedness.

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

IN WITNESS WHEREOF, the City has caused this Bond to be executed on its behalf by the facsimile signatures of its Mayor and City Administrator and has caused this Bond to be dated as of the date set forth below.

CITY OF ARLINGTON, MINNESOTA

(facsimile signature – City Administrator)

(facsimile signature – Mayor)

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.
Date of Authentication: _____

NORTHLAND TRUST SERVICES, INC.,
as Registrar

other money on hand in other funds of the City, which other funds shall be reimbursed therefor when sufficient money becomes available in the Bond Fund. The City Council also covenants and agrees that it will each year levy a sufficient amount of ad valorem taxes to pay any accumulated or anticipated deficiency, which levy is not subject to any constitutional or statutory limitation.

There are hereby established two accounts in the Bond Fund, designated as the "Debt Service Account" and the "Surplus Account." There shall initially be deposited into the Debt Service Account upon the issuance of the Bonds the amount set forth in (b) above. Thereafter, during each Bond Year (i.e., each twelve month period commencing on February 2 and ending on the following February 1), as monies are received into the Bond Fund, the City Administrator shall first deposit such monies into the Debt Service Account until an amount has been appropriated thereto sufficient to pay all principal and interest due on the Bonds through the end of the Bond Year. All subsequent monies received in the Bond Fund during the Bond Year shall be appropriated to the Surplus Account. If at any time the amount on hand in the Debt Service Account is insufficient for the payment of principal and interest then due, the City Administrator shall transfer to the Debt Service Account amounts on hand in the Surplus Account to the extent necessary to cure such deficiency. Investment earnings (and losses) on amounts from time to time held in the Debt Service Account and Surplus Account shall be credited or charged to said accounts.

SECTION 5. SPECIAL ASSESSMENTS. The City hereby covenants and agrees that, for the payment of the costs of the Improvement Project, the City has done or will do and perform all acts and things necessary for the final and valid levy of special assessments in a principal amount not less than 20% of the cost of the Improvement Project. The cost of the Improvement Project, inclusive of financing costs, is estimated to be approximately \$1,240,000. It is estimated that the principal and interest on such special assessments will be levied beginning in 2015 and collected in the years 2016-2030 in the amounts shown on Appendix I attached hereto. The principal of the assessments shall be made payable in annual installments, with interest as established by the City Council in accordance with law on unpaid installments thereof from time to time remaining unpaid. In the event any special assessment shall at any time be held invalid with respect to any lot or tract of land, due to any error, defect or irregularity in any action or proceeding taken or to be taken by the City or by this City Council or by any of the officers or employees of the City, either in the making of such special assessment or in the performance of any condition precedent thereto, the City hereby covenants and agrees that it will forthwith do all such further things and take all such further proceedings as shall be required by law to make such special assessment a valid and binding lien upon said property.

SECTION 6. PLEDGE OF NET REVENUES. It is hereby found, determined and declared that the City owns and operates each System as a revenue-producing utility and convenience, and that the net operating revenues of each System, after deducting from the gross receipts derived from charges for the service, use and availability of the System the normal, current and reasonable expenses of operation and maintenance thereof, will be sufficient, together with any other pledged funds, for the payment when due of the principal of and interest on the Utility Bonds herein authorized, and on any other bonds to which such revenues are pledged.

Pursuant to Minnesota Statutes, Section 444.075, the City hereby covenants and agrees with the registered owners from time to time of the Bonds, that until the Utility Bonds and the interest thereon are discharged as provided in Section 8 or paid in full, the City will impose and collect reasonable charges in accordance with said Section 444.075 for the service, use and availability of the System according to schedules sufficient to produce net revenues sufficient to pay the Utility Bonds and any other bonds to which said net revenues have been pledged, and the net revenues, to the extent necessary, are hereby irrevocably pledged and appropriated to the payment of the Utility Bonds herein authorized and interest thereon when due. Nothing herein shall preclude the City from hereafter making further pledges and appropriations of the net revenues of the System for payment of additional obligations of the City hereafter authorized if the Council determines before the authorization of such additional obligations that the estimated net revenues of the System will be sufficient, together with any other sources pledged to the payment of the outstanding and additional obligations, for payment of the outstanding bonds and such additional obligations. Such further pledges and appropriations of net revenues may be made superior or subordinate to or on a parity with, the pledge and appropriation herein made.

SECTION 7. PLEDGE OF TAXING POWERS. For the prompt and full payment of the principal of and interest on the Bonds as such payments respectively become due, the full faith, credit and unlimited taxing powers of the City shall be and are hereby irrevocably pledged. However, it is presently expected that the special assessments pledged as described in Section 5 above and net revenues of the System pledged as described in Section 6 above, will produce not less than 5% in excess of the amount needed to meet when the principal and interest payments on the Bonds, and therefore no ad valorem tax levy is currently required.

SECTION 8. DEFEASANCE. When all of the Bonds have been discharged as provided in this Section, all pledges, covenants and other rights granted by this Resolution to the Holders of the Bonds shall cease. The City may discharge its obligations with respect to any 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; or, if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued from the due date to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms by depositing with the Registrar on or before that date an amount equal to the principal, redemption premium, if any, and interest then due, provided that notice of such redemption has been duly given as provided herein. The City may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with the Registrar or with a bank or trust company qualified by law to act as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited for such purpose, bearing interest payable at such times and at such rates and maturing or callable at the holder's option on such dates as shall be required to pay all principal and interest to become due thereon to maturity or, if notice of redemption as herein required has been irrevocably provided for, to an earlier designated redemption date. If such deposit is made more than ninety days before the maturity date or specified redemption date of the Bonds to be discharged, the City must have received a written opinion of Bond Counsel to the effect that such deposit does not adversely affect the exemption of interest on any Bonds

from federal income taxation and a written report of an accountant or investment banking firm verifying that the deposit is sufficient to pay when due all of the principal and interest on the Bonds to be discharged on and before their maturity dates or earlier designated redemption date.

SECTION 9. TAX COVENANTS; ARBITRAGE MATTERS AND CONTINUING DISCLOSURE.

9.01. General Tax Covenant. The City agrees with the registered owners 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 that would cause interest on the Bonds to become includable in gross income of the recipient under the Internal Revenue Code of 1986, as amended (the Code) and applicable Treasury Regulations (the Regulations), and agrees to take any and all actions within its powers to ensure that the interest on the Bonds will not become includable in gross income of the recipient under the Code and the Regulations. All proceeds of the Bonds deposited in the Construction Fund will be expended solely for the payment of the costs of the Projects. The Projects are and will be owned and maintained by the City and available for use by members of the general public on a substantially equal basis. The City shall not enter into any lease, management contract, use agreement, capacity agreement or other agreement with any non-governmental person relating to the use of the Projects, or any portion thereof, or security for the payment of the Bonds which might cause the Bonds to be considered "private activity bonds" or "private loan bonds" pursuant to Section 141 of the Code.

9.02. Arbitrage Certification. The Mayor and City Administrator being the officers of the City charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with Section 148 of the Code, and applicable Regulations, stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of the Code and Regulations.

9.03. Arbitrage Rebate. (a) It is hereby found that the City has general taxing powers, that no Bond is a "private activity bond" within the meaning of Section 141 of the Code, that 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the City, and that the aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued by the City and all subordinate entities thereof during the year 2015 is not reasonably expected to exceed \$5,000,000. Therefore, pursuant to the provisions of Section 148(f)(4)(D) of the Code, the City shall not be required to comply with the arbitrage rebate requirements of paragraphs (2) and (3) of Section 148(f) of the Code.

(b) Notwithstanding the provisions of paragraph (a) of this Section 9.03, if the arbitrage rebate provisions of Section 148(f) of the Code apply to the Bonds, the City hereby covenants and agrees to make the determinations, retain records and rebate to the United States the amounts at the times and in the manner required by said Section 148(f) and applicable Regulations.

9.04. Qualified Tax-Exempt Obligations. The City Council hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the disallowance of interest expense for financial institutions, and hereby finds that the reasonably anticipated amount of tax-exempt governmental obligations (within the meaning of Section 265(b)(3) of the Code) which will be issued by the City and all subordinate entities during calendar year 2015 does not exceed \$10,000,000.

9.05. Reimbursement. The City certifies that the proceeds of the Bonds will not be used by the City to reimburse itself for any expenditure with respect to the Projects which the City paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, the City shall have made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations, provided that this certification shall not apply (i) with respect to certain de minimis expenditures, if any, with respect to the Projects meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to "preliminary expenditures" for the Projects as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the "issue price" of the Bonds.

9.06. Continuing Disclosure. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the Rule), which will enhance the marketability of the Bonds, the City hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the outstanding Bonds. The City is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the City fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner owner means, in respect of the Bonds, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of the Bonds, any person or entity which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bonds (including persons or entities holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Bonds for federal income tax purposes.

(b) Information To Be Disclosed. The City will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the City, the following information at the following times:

- (1) On or before 365 days after the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 2014, the following financial information and operating data in respect of the City (the Disclosure Information):
 - (A) the audited financial statements of the City for such fiscal year, prepared in accordance with generally accepted accounting principles in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the City; and
 - (B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under the headings: Valuations; Tax Rates, Levies and Collections; and Indebtedness.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the City shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the City shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been filed with the SEC or have been made available to the public by the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access System (EMMA). The City shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the City have materially changed or been discontinued, such Disclosure Information need no longer be provided if the City includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other City operations in respect of which data is not included in the Disclosure Information and the City determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the City shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

- (2) In a timely manner, not in excess of 10 business days, to the MSRB through EMMA, notice of the occurrence of any of the following events (each a "Material Fact," as hereinafter defined):
 - (A) principal and interest payment delinquencies;
 - (B) non-payment related defaults;
 - (C) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (D) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (E) substitution of credit or liquidity providers, or their failure to perform;
 - (F) adverse tax opinions or events affecting the tax-exempt status of the security;
 - (G) modifications to rights of security holders;
 - (H) bond calls;
 - (I) defeasances;
 - (J) release, substitution, or sale of property securing repayment of the securities;
 - (K) rating changes;
 - (L) bankruptcy, insolvency, receivership, or similar event of the obligated person;
 - (M) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
 - (N) appointment of a successor or additional trustee or the change of name of a trustee, if material.

As used herein, for those events that must be reported if material, a "Material Fact" is a fact as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell the Bonds or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, a Material Fact is also a fact that would be deemed material for purposes of the purchase, holding or sale of the Bonds within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event. For the purposes of the event identified in (L) hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

- (3) In a timely manner, to the MSRB through EMMA, notice of the occurrence of any of the following events or conditions:
 - (A) the failure of the City to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;

- (B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the City under subsection (d)(2);
 - (C) the termination of the obligations of the City under this section pursuant to subsection (d);
 - (D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and
 - (E) any change in the fiscal year of the City.
- (c) Manner of Disclosure.
- (1) The City agrees to make available to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, the information described in subsection (b).
 - (2) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.
- (d) Term; Amendments; Interpretation.
- (1) The covenants of the City in this section shall remain in effect so long as any Bonds are outstanding. Notwithstanding the preceding sentence, however, the obligations of the City under this section shall terminate and be without further effect as of any date on which the City delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the City to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.
 - (2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the City from time to time, without notice to (except as provided in paragraph (c)(2) hereof) or the consent of the Owners of any Bonds, by a resolution of this Council filed in the office of the recording officer of the City accompanied by an opinion of Bond Counsel, who may rely on certificates of the City and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the City or the type of operations conducted by the City, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.
If the Disclosure Information is so amended, the City agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.
 - (3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

SECTION 10. CERTIFICATION OF PROCEEDINGS.

10.01. Registration of Bonds. The City Administrator is hereby authorized and directed to file a certified copy of this resolution with the County Auditor of Sibley County, together with such additional information as is required, and to obtain a certificate that the Bonds and the taxes levied pursuant hereto have been duly entered upon the County Auditor's Bond register.

10.02. Authentication of Transcript. The officers of the City and the County Auditor are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records relating to the Bonds and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds, as the same appear from the books and records in their custody and control or as otherwise known to them, and all such certified copies, affidavits and certificates, including any heretofore furnished, shall be deemed representations of the City as to the correctness of all statements contained therein.

10.03. Official Statement. The Preliminary Official Statement relating to the Bonds, dated April 27, 2015, prepared and distributed by David Drown Associates, Inc. is hereby approved. David Drown Associates, Inc. is hereby authorized on behalf of the City to prepare and deliver within seven business days from the date hereof a final Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934. The officers of the City are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement.

APPENDIX I
Special Assessments Levied with respect to the Improvement Project

<u>Year of Collection</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 15,123	\$ 16,316	\$ 31,439
2017	15,879	15,560	31,439
2018	16,673	14,766	31,439
2019	17,507	13,933	31,439
2020	18,382	13,057	31,439
2021	19,301	12,138	31,439

<u>Year of Collection</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	20,266	11,173	31,439
2023	21,279	10,160	31,439
2024	22,343	9,096	31,439
2025	23,461	7,979	31,439
2026	24,634	6,806	31,439
2027	25,865	5,574	31,439
2028	27,159	4,281	31,439
2029	28,516	2,923	31,439
2030	29,942	1,497	31,439
	<u>\$326,330</u>	<u>\$145,261</u>	<u>\$471,591</u>

Maturity Schedule—Improvement Bonds

<u>Date</u>	<u>Principal</u>
2017	\$ 75,000
2018	75,000
2019	75,000
2020	75,000
2021	75,000
2022	80,000
2023	80,000
2024	80,000
2025	85,000
2027	170,000
2029	180,000
2031	190,000

Maturity Schedule—Utility Bonds

<u>Date</u>	<u>Principal</u>
2017	\$ 45,000
2018	45,000
2019	45,000
2020	45,000
2021	50,000
2022	45,000
2023	50,000
2024	50,000
2025	50,000
2027	105,000
2029	115,000
2031	120,000

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Wills and upon poll being taken thereon the following voted in favor thereof: Battcher, Heiland, Jaszewski, Nuesse, Wills; and the following voted against the same: None; and the following abstained from voting: None; and the following were absent: None.

The foregoing resolution was adopted by the City Council of the City of Arlington this 18th day of May, 2015.

CITY OF ARLINGTON, MINNESOTA

/s/ Richard Nagel, Mayor

Attest: /s/ Liza M. Donabauer, City Administrator

Whereupon the resolution was declared duly passed and adopted and was signed by the Mayor whose signature was attested by the City Administrator.

Councilmember Battcher introduced the following resolution and moved for its adoption:

RESOLUTION 40-2015

**A RESOLUTION APPROVING A CONDITIONAL USE PERMIT TO ALLOW A
DETACHED ACCESSORY STRUCTURE EXCEEDING TEN PERCENT OF THE
LOT SIZE FOR 241/247 MAIN STREET WEST**

WHEREAS, Ross Arneson and David Hennies d.b.a. Arneson-Hennies Partnership have applied for a Conditional Use Permit to allow a 1,008 square foot detached accessory structure at 241/247 Main Street West in Arlington; and,

WHEREAS, Section 13, Subd. 6(G)2 of Ordinance 169, the Zoning Ordinance, provides accessory structures with ground floor area exceeding ten (10) percent of the lot size under a Conditional Use Permit, and,

WHEREAS, the proposed 1,008 square foot detached accessory structure is greater than ten percent of the subject property lot size; and,

WHEREAS, The property is legally defined as Lot 7, Block 14, Original Townsite, City of Arlington, Sibley County MN; and,

WHEREAS, the property identification numbers are 31.0083.000 & 31.0084.000; and,

WHEREAS, the Applicants represent:

- The proposed three car garage (1,008 sf) would replace two existing garages on the lot that have exceeded their useful life.
- Two of the three garage bays would be accessed from 3rd Ave NW. This means one more access than is currently provided off of 3rd Avenue NW. Therefore, the proposal has the effect of reducing public parking spaces available by one space.
- The third garage bay would be accessed from the alley.
- The proposed structure as represented in a site plan meets setback requirements.
- The proposed structure as represented in a site plan meets minimum building separation requirements.
- The garages would be used by residential renters and/or property owners.

WHEREAS, notice of a public hearing to accept input on the CUP request was published in the official newspaper on April 23, 2015 and sent to property owners within 350 feet of the subject property; and

WHEREAS, the Planning and Zoning Committee conducted a public hearing on the CUP request on May 7, 2015 and accepted input on the CUP request; and

WHEREAS, the Planning Committee has reviewed the CUP request and has made the following findings:

1. The proposed structure will replace two existing garages that have exceeded their useful life thereby providing a positive impact on persons living or working in the neighborhood.
2. The proposed structure's ground floor area is very similar to that of the two existing garages combined, as such, the structure will not be detrimental to the public welfare, or injurious to property or improvements in the neighborhood.
3. The proposed structure meets setback requirements as such, the structure will not be detrimental to the public welfare, or injurious to property or improvements in the neighborhood.
4. There is no maximum impervious surface coverage requirement in the Central Business District wherein larger building coverage percentages are encouraged.
5. The proposed project is consistent with the Comprehensive Plan in terms of future use of the property and goals to retain a pedestrian friendly historic downtown.

WHEREAS, the Planning Commission approved a resolution recommending the City Council approve the CUP request; and,

WHEREAS, the City Council reviewed the request at a regular meeting on May 18, 2015.

NOW, THEREFORE, BE IT RESOLVED BY THE ARLINGTON CITY COUNCIL THAT: The City Council hereby approves a Conditional Use Permit to allow construction of a 1,008 square foot detached accessory structure at 241/247 Main Street West subject to the following:

- A. The Conditional Use Permit is only valid for one detached accessory structure at 241/247 Main Street West in Arlington.
- B. The detached accessory structure shall not exceed 1010 square feet in size and shall be placed on the lot as represented in the site drawing submitted with the Conditional Use Permit application.
- C. This approval shall expire one year after date of approval unless the Applicant has commenced construction of the accessory structure on the site.
- D. This permit is subject to all applicable codes, regulations and ordinances, and violation thereof shall be grounds for revocation.
- E. The Conditional Use Permit allowing for the accessory structure authorized under this Resolution shall expire with no further action by the City Council if the structure is removed from the property for more than 12 consecutive months.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Wills and upon poll being taken thereon the following voted in favor thereof: Battcher, Heiland, Jaszewski, Nuesse, Wills; and the

following voted against the same: None; and the following abstained from voting: None; and the following were absent: None.

The foregoing resolution was adopted by the City Council of the City of Arlington this 18th day of May, 2015.

CITY OF ARLINGTON, MINNESOTA

/s/ Richard Nagel, Mayor

Attest: /s/ Liza M. Donabauer, City Administrator

Whereupon the resolution was declared duly passed and adopted and was signed by the Mayor whose signature was attested by the City Administrator.

Councilmember Battcher introduced the following resolution and moved for its adoption:

RESOLUTION 41-2015

A RESOLUTION AUTHORIZING THE CITY OF ARLINGTON TO ENTER INTO AN AGREEMENT WITH SIBLEY COUNTY

WHEREAS, the City of Arlington seeks to enter into an Agreement with Sibley County for the purpose of instituting the usage of Active 911 as part of Sibley County's computer aided dispatch system to provide information to the responders;

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

1. That the attached Active 911 Information Privacy and Security Agreement between Sibley County and the City of Arlington is hereby approved. A copy of the Agreement is attached to this Resolution and made a part of it.
2. The Agreement is to ensure both the privacy rights of individuals who receive services under computer-aided dispatch and the security of information about such individuals.
3. The Agreement describes the responsibilities of county and city.
4. That the City Administrator, or his or her successor, City Attorney and Mayor are designated the Authorized Representatives for the City.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Jaszewski and upon poll being taken thereon the following voted in favor thereof: Battcher, Heiland, Jaszewski, Nuesse, Wills; and the following voted against the same: None; and the following abstained from voting: None; and the following were absent: None.

The foregoing resolution was adopted by the City Council of the City of Arlington this 18th day of May, 2015.

CITY OF ARLINGTON, MINNESOTA

/s/ Richard Nagel, Mayor

Attest: /s/ Liza M. Donabauer, City Administrator

Whereupon the resolution was declared duly passed and adopted and was signed by the Mayor whose signature was attested by the City Administrator.

Corine Carney from the Dugout inquired about being able to hold the 'roll ins' on Main Street again this year. The request included being able to utilize city power (fee if any) and expand additional blocks so that all of the business district could benefit from the event. She stated that they have more volunteers this year to help out. Adm. Donabauer explained that the use of city power would not be feasible. She encouraged the businesses to provide power as needed or the public parking lot could be used. Discussion was held.

Motion by Heiland, seconded by Battcher, and passed by unanimous vote to approve the request from the Arlington Dugout to use Main Street for a Roll-In on the third Thursdays in June through September and allow alcohol to be consumed within the boundaries (Hwy 5 to 1st Avenue N).

Motion by Battcher, seconded by Nuesse, and passed by unanimous vote to authorize pay request #3 for work performed by Ti-Zack Concrete on the Safe Routes to School Project in the amount of \$13,272.64.

Adm. Donabauer provided an update on the requests from the Arli-Dazzle Committee discussed at a previous meeting. She shared the information she obtained through her research pertaining to how other communities handle the throwing of candy and policing during parades. It was suggested to allow candy/items to be handed out, not thrown. It was also suggested to have some type of barricade along the parade route (as simple as yellow tape attached to sticks/poles stuck in pails of sand), but type of barricade would be up to the Arli-Dazzle's Committee. Mayor Nagel was opposed to charging for city staff time. Jaszewski and Heiland agreed. Wills commented that he would like to see some compensation for the police department. It was the consensus that the City will not charge for any staff services this year.

Comments were made regarding pot hole filling and getting the streets re-surfaced/patched where water main breaks had occurred during the winter months. Adm. Donabauer stated that Staff was aware of both issues.

Motion by Wills, seconded by Nuesse, and passed by unanimous vote to adjourn the meeting at 8:59 pm.

City Administrator Liza M. Donabauer

Mayor Richard Nagel