

The City Council of the City of St. Charles welcomes you to its
 Regular Meeting of Tuesday, April 27, 2021 at 6:00 p.m.
 at 830 Whitewater Avenue, City Council Chambers, St. Charles, Minnesota.

ITEM	ACTION REQUESTED
1. Call to Order	
2. Pledge of Allegiance	
3. Approval of the Agenda	
4. Notices and Communications –	
5. Review of Financials	
6. Moose Day Proclamation	APPROVE
7. Letter of Support-Jose Pelaez	APPROVE
8. WOW Summer Request	APPROVE
9. Mike Bubany-2021 Street Financing Discussion	INFORMATION
10. Resolution #20-2021 Setting Sale of Bonds	APPROVE
11. Water Tower Logo Design	APPROVE
12. Ordinance #631 Amending the Zoning Map-RMTD (2 nd Reading)	APPROVE
13. Resolution #21-2021 Electronic Signatures	APPROVE
14. Neitz Easement Agreement	APPROVE
15. Advertisement for Bid (Parcel A & B)	APPROVE

UNSCHEDULED PUBLIC APPEARANCES: Members of the audience may address any item not on the agenda. State Statute prohibits the City Council from discussing an item that is not on the agenda, but the City Council does listen to your concerns and has staff follow up on any questions you raise.

ADJOURNMENT

Please Note: Some or all councilmembers may participate by telephone or other electronic means as permitted through Minn. Stat. 13D.021.

To attend the conference call please dial 1-320-460-1726 and the
 conference ID: 995 262 38#



MEMORANDUM for the CITY COUNCIL of St. Charles for
Tuesday, April 27, 2021

6. 2021 Moose Day Proclamation. Mayor Schaber will present a proclamation for 2021 Moose Day, which was canceled last year due to COVID. The proposed proclamation is included in the packet for review.

7. Letter of Support—Jose Pelaez. Jose Pelaez is being nominated for the American Legion Outstanding Enlisted Person of the Year and a request for a letter of support from Mayor Schaber and the Council has been made. Attached is a draft letter for consideration.

8. W.O.W. Summer Request. Please see the enclosed request for the What's On Wednesday (W.O.W.) group for Council consideration.

9. Mike Bubany-2021 Bonding Discussion. Mike Bubany of David Drown & Associates will be present to walk through the next steps in financing of the 2021 Street bond process.

10. Resolution #20-2021 Setting the Bond Sale. Please see the enclosed resolution for consideration that Mike Bubany will discuss during the meeting.

11. Water Tower Logo Design. Enclosed is a summary memo of the results received from the water tower logo survey. Bill Spitzer, chair of the committee, will be present to discuss the findings and recommendation.

12. Ordinance #631 Amending the Zoning Map-RMTD (2nd Reading). A second reading of the zoning map will be held for consideration.

13. Resolution #21-2021 Electronic Signatures. Enclosed is a copy of a policy related to allowing E-signatures as provide by Flaherty & Hood. In

addition, is the resolution that would accompany the proposed policy for consideration.

14. Neitz Easement Agreement. Enclosed is a proposed easement agreement for consideration provided by AB'S Leasing Co. Inc. (storage units) owned by Phil Neitz located on Sherwood Rd as the City looks to move ahead with respect to selling of Parcels A & B along Sherwood Rd. Mr. Neitz is willing to provide an utility easement for the purpose of a sewer main extension that would be necessary for the improvement of the two lots that the City is looking to sell.

15. Advertisement for Bid (Parcel A&B). Enclosed is the proposed advertisement for bid for the two parcels located along Sherwood Rd. There has been recent interest for the purchase of the properties. The owner would be responsible for extending water/sewer to the lots. The City has previously approved the sale through ordinance as required.



SOUTHERN MINNESOTA
INITIATIVE FOUNDATION

Collaborating for Regional Vitality



April 8, 2021

Nick Koverman
City of Saint Charles
830 Whitewater Ave
Saint Charles, MN 55972

Hello Mr. Koverman and City Council,

35 years ago, a devastating farming crisis swept across greater Minnesota. In response, Southern Minnesota Initiative Foundation (SMIF) along with five other regional foundations, were created to provide economic and philanthropic support to the 80 rural counties of Minnesota. 35 years later, we are faced with another crisis threatening the vitality of our region.

Southern Minnesotans have inspired us with their strength and unity in the face of the COVID-19 pandemic. At SMIF, we are proud to have facilitated more than \$12 million in relief to our region through emergency grants, loans and additional support such as professional trainings and one-on-one assistance. We have also continued our \$5 million in annual programming and grantmaking. Below is the impact we made last year in your county:

In Winona County...



\$779K in COVID-19 response funding was distributed to entrepreneurs, child care providers and communities.



55 early childhood professionals were impacted through grants, trainings and technical assistance.



80 businesses were impacted through our entrepreneur programming, grantmaking and lending.



For 35 years, SMIF has served the region in times of need. The enclosed fact sheets highlight this work and feature stories from those impacted by your financial gift. Thank you for your gift of \$1,500.00 on 3/29/2021. **Will you consider making a donation to SMIF again in 2022?** With your support, we can continue to invest in our region's early childhood professionals, entrepreneurs and communities.

Sincerely,

Tim Penny
President & CEO

cc: Heather Millard, Board Member



SOUTHERN MINNESOTA
INITIATIVE FOUNDATION

Collaborating for Regional Vitality

Winona County Investments

We envision southern Minnesota as a prosperous and growing region with vibrant communities, innovative and successful economies, and engaged and valued citizens. To achieve this vision, Southern Minnesota Initiative Foundation, a regional development and philanthropic organization, fosters economic and community vitality in 20 counties of southern Minnesota through a culture of collaboration and partnership.

For every donation of
from Winona County

\$1

=

\$19

is invested back
into Winona County
communities.*

*Includes grants, loans & programming

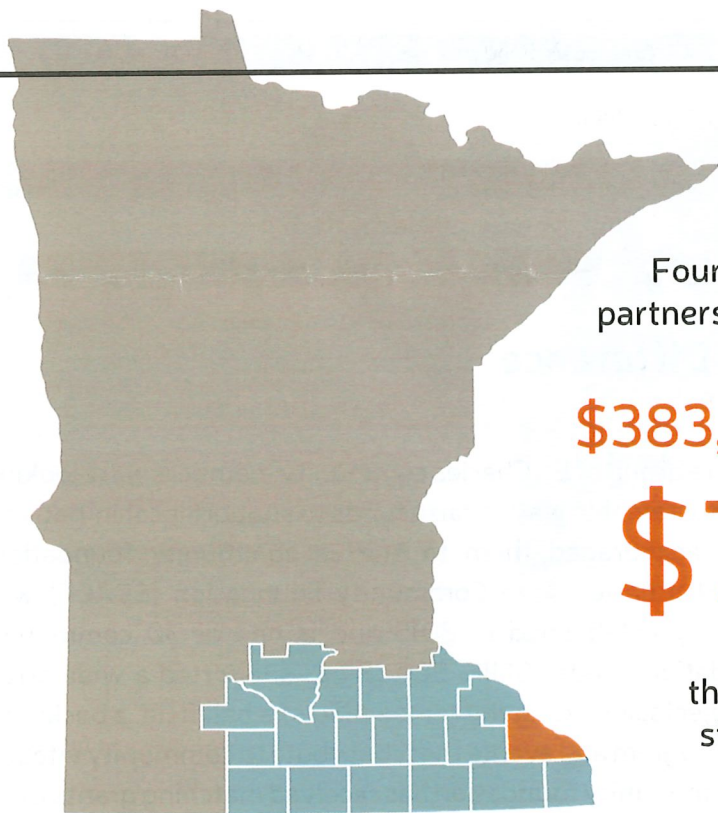
42 LOANS

\$2 million to Winona County entrepreneurs

264 GRANTS

\$2 million to support community initiatives

***\$5 million invested annually to the 20 counties of
south central and southeastern Minnesota***



Since 1986, Southern Minnesota Initiative Foundation has leveraged local investments & partnerships to create a stronger **Winona County**:

\$383,000 in local donations to SMIF

\$7.3 million

invested by SMIF in Winona County
through grants, loans, and programming for
stronger kids, businesses and communities

Loans & Equity Investments* Supporting local entrepreneurs & creating jobs

Premier Tool Repair, Winona	Tool repair, rental & resale of tools
Whitewater Gardens Farm, Altura	Small-scale vegetable farm
Bluff Country Co-op, Winona	Co-op grocery store
Kind LLC, Utica	Home health care
Gypsoil Pelletized Products, St. Charles	Converts gypsum into a granule capable of blending with fertilizers
Small Business Emergency Loans	Two businesses received COVID-19 relief loans

*Southern Minnesota Initiative Foundation in partnership with CEDA and DEED hold the Comprehensive Economic Development Strategy for Region 10, allowing these counties to apply for Economic Development Administration funding at the Federal level.

Grants Investments in economic development, early childhood and community vitality

AmeriCorps LEAP Initiative, Winona	Members helping with social emotional skill development
SE MN Together	Collaborative regional project to address workforce issues
Winona County	Farmers' Market project to assist immigrant and local growers
St. Charles Public Schools	Hundreds of books awarded for "ECFE on Wheels"
A Chance to Grow, Winona	Continued S.M.A.R.T. training to prepare children for kindergarten
Riverway Learning Community	Hundreds of books awarded through multiple literacy grants
Whitewater Garden Farms, Altura	FEAST! Smart Start client
DiscoverTree Childcare Center LLC, Winona	Start-up/expansion grant to child care facility
Emergency Child Care Grants	29 child care providers/centers received COVID-19 relief dollars
Community Foundation Relief Fund Grant, St. Charles	Grant to support COVID-19 relief efforts in the community
Hometown Resource Center, St. Charles	Grant to support expansion of food shelf due to COVID-19
Small Business Relief Grants	66 businesses received COVID-19 relief grants

Affiliate Funds Increasing rural philanthropy

St. Charles Area Community Foundation	Greenspace Fund
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Community Collaborations Bringing communities together for change

City of St. Charles, Regional Community Growth Initiative
Winona Community Growth Initiative
St. Charles Early Childhood Initiative (started in 2012)
Winona Early Childhood Initiative (started in 2006)

Making a Difference

Creating a network for community growth and vitality



When a group of St. Charles community members were looking for a sustainable way to raise funds to support local initiatives, SMIF encouraged them to start a community foundation. The St. Charles Area Community Foundation (SCACF) was officially established in 2015 and is one of 30 community foundations under SMIF. SCACF has supported a wide array of projects, including the remodeling of a ball field, a backpack food program and events that contribute to community vitality. The community foundation has received matching grants from SMIF to support this work over the years, including a recent grant to support their local pandemic-response efforts.

Your Gift ENABLED US TO RESPOND QUICKLY TO THE COVID-19 CRISIS

TOTAL IMPACT: **MORE THAN \$12 MILLION**



Community Foundation Relief Grants

SMIF provided \$101,218 in matching grants to 21 of our community foundations to support their localized relief efforts. By leveraging this opportunity, they were able to provide a total of \$121,050 to their communities, impacting more than 56,000 people.

Emergency Child Care Grants

SMIF provided \$254,950 in immediate financial support to licensed child care providers. 491 family providers and 34 centers were awarded with immediate funds, serving approximately 1,800 children in southern Minnesota.



Grow a Farmer Assistance Grants

SMIF awarded three organizations \$10,000 each through the Grow a Farmer Assistance Fund. They are working collaboratively to support at least 120 farmers in southern Minnesota through grants that help their businesses respond to new challenges.



Small Town Grants

SMIF awarded 22 organizations a total of \$192,500 to respond and recover from the hardships created by the crisis and the impact on their communities, all of which have populations of less than 10,000.



Small Business Relief Grants and Loans

SMIF distributed 1,024 MN DEED Small Business Relief Grants to southern Minnesota businesses for a total of \$10,240,000. The grants support businesses that have experienced financial hardship as a result of the crisis. Additionally, SMIF dispersed 50 MN DEED Small Business Emergency Loans for a total of \$1.2 million.



Early Care and Education Wrap Around Grants

SMIF approved 18 Early Care and Education Wrap Around Grants totaling \$180,000 in partnership with Minnesota Department of Education. This grant helped fund early care and education wrap around services for children birth to age eight from underserved populations impacted by the pandemic.



Learn how you can help!

To learn more about our **COVID-19 RESPONSE**, and the many partners and donors who have supported these efforts, visit smifoundation.org/covid-19. Making a gift to SMIF's general endowment supports these response efforts, including expenses related to the administration of these emergency funds and other essential response resources. Visit smifoundation.org/donate to make a gift.

Your Gift MADE AN IMPACT ON THEIR STORIES

“

In February 2020 when we were jumping-up-and-down-ecstatic to receive a Child Care Expansion Grant through SMIF, we didn't fully understand the true impact it would have on our ability to provide a safe, caring environment for children and families during one of the darkest times of our lives. Not only did the grant allow us to open an additional classroom during the pandemic so the children could learn safely in smaller group sizes, we also received critical support from the dedicated professionals at SMIF. Jeff Andrews helped us work through financial management and planning while John Katz went above and beyond to help us solve issues we were having with our online QuickBooks program. In this time of social distancing, it's this encouragement and generosity that helped our staff remain positive and know that their work was making a true difference in the lives of others. We cannot thank the donors and professionals of Southern Minnesota Initiative Foundation enough for your foresight, dedication and support throughout this pandemic."



-CHRISTINA VALDEZ, DIRECTOR OF LISTOS PRESCHOOL AND CHILDCARE

“

I'm so grateful to Southern Minnesota Initiative Foundation for their Grow A Farmer Assistance Grant. We've so far distributed funds to our members for things as diverse as installing internet on their farm, getting drone photography, starting up a tea business, buying COVID safety and health equipment and supplies, setting up an online fiber sale site, and more than that. It's been really interesting to see what the farmers are doing with these funds. We're all really dependent on each other when we're small entrepreneurs like this and the more healthy our local economy is we all do better. We've kind of adopted that model for ourselves, 'We all do better when we all do better.' From everyone in the Cannon River Sustainable Farming Association to Southern Minnesota Initiative Foundation, a big thank you for supporting us in our Cannon Valley Grown Project."



-GWEN ANDERSON, BOARD SECRETARY OF CANNON RIVER SUSTAINABLE FARMING ASSOCIATION

“

In April of 2020, Preston Area Community Foundation (PACF) discussed ways to help the local business community at the onset of the pandemic challenges. PACF reached out to the local EDA to develop a grant and loan program for local businesses to use for normal operating expenses. At this same time, SMIF made available a Community Foundation Relief Fund to be used by community foundations to address pandemic issues in their community. PACF reached out to the F & M Community Bank for support to take advantage of the \$5,000 SMIF matching grant and generously, the bank agreed to underwrite the entire \$5,000 PACF contribution. Thanks to SMIF and F & M Community Bank, the EDA loan and grant program funds increased to \$30,000. To date, over \$21,000 has been provided to local businesses with applications still being accepted. Preston area businesses have been so grateful to receive this support during these challenging times. Our community stepped up this year and we are proud of the work PACF accomplished with the help of local organizations and SMIF."



- CHUCK AUG, BOARD MEMBER OF PRESTON AREA COMMUNITY FOUNDATION



April 13, 2021

St. Charles Insurance Agency
1107 Whitewater Avenue
St. Charles, MN 55972

Re: City of St. Charles

This letter provides a review of the various coverage options and replacement cost values and limits. Please deliver a copy of this letter to the utility manager.

Review of Electric Utility Locations/Municipal Property Coverage

Location description

Power plant location

The power plant location includes the values on the building, production equipment, substation equipment and the substation that is outside or near the power plant building. The covenant includes an endorsement that lists the property that is covered at the power plant location.

Substation location

The substation location includes the values of the substation that is away from the power plant location.

This utility has the following power plant and substation locations and limits of coverage;

Location	Address	Occupancy	Limit
28	461 East 4 th St	Power Plant (see MPCBP 216) -Includes tanks, substation/inside/outside	\$13,009,487.

Replacement cost coverage

Because the utility has upgraded the (4) 2004 Cat 2000KW generators to be RICE compliant, we have increased the values to reflect the values of units that are RICE compliant.

The replacement cost coverage LMCIT provides for electric utilities differs from the coverage provided for other municipal property in an important way; the coverage for utility equipment allows for the use of used parts and materials to repair or replace damaged utility property, if used parts and materials of comparable kind and quality are available.

Replacement cost values

Estimating the replacement cost of electric utility equipment can be difficult. In most cases, we have requested the utilities to complete questionnaires on their equipment and have forwarded the information to various consulting engineers to determine the replacement cost values. Depending on the type of equipment, we may have used an internal replacement cost guideline as established by the consulting engineers. *Please review the replacement cost values on each location. If the utility feels that the values are inadequate, please contact LMCIT.*

Review of Electric Utility Locations/Equipment Breakdown Coverage

LMCIT is not providing any Equipment Breakdown Coverage.

Additional information regarding LMCIT's coverage for electric utilities (pages 15-21):

<http://www.lmc.org/media/document/1/lmcitpropertycrimebondandpetrofundcoverageguide.pdf>

Please contact me if you have any questions.

Thank you,
Nate Brue
LMCIT Underwriter

PROCLAMATION
St. Charles Moose Lodge Day,
May 14, 2021

WHEREAS, the MOOSE FRATERNITY is an International Organization of Men and Women Dedicated to Caring for Young and Old, Bringing Communities Closer Together, and Celebrating Life; and,

WHEREAS, the St. Charles Loyal Order of the Moose Lodge No. 1114 has been in existence since April of 1917; and,

WHEREAS, on May 14, 2021, the St. Charles Moose Lodge will welcome Supreme Governor, Rodney Hammond, to celebrate the excellence and longevity of the St. Charles organization; and,

WHEREAS, the City of St. Charles strives to enhance and improve the well-being and quality of life of all citizens through programming, services and community engagement within the City of St. Charles.

NOW THEREFORE, I, Mayor John Schaber of the City of St. Charles, County of Winona, State of Minnesota, do hereby proclaim that Friday, May 14, 2021 to be declared St. Charles Moose Lodge Day within the City of St. Charles.

Signed this 27th day of April, 2021.

John Schaber, Mayor
City of Saint Charles, MN

City of St. Charles
830 Whitewater Avenue
St. Charles, MN 55972

Phone (507) 932-3020
FAX (507) 932-5301

www.stcharlesmn.org



MAYOR: JOHN SCHABER, COUNCIL: DAVID BRAUN, WAYNE GETZ, DAVID KRAMER, JOHN STEFFEL ADM.: NICK KOVERMAN

April 27, 2021

RE: American Legion's Outstanding Enlisted Person of the Year

To Whom It May Concern:

On behalf of the St. Charles City Council, I am writing this letter of support on behalf of Jose Pelaez to support his nomination to be named the American Legion's Outstanding Enlisted Person of the Year.

On December 22, 2020, the City Council voted to appoint Police Sergeant Pelaez as the next Chief of Police of our community. Chief Pelaez had dedicated his life and work to the service of others. After initially joining the St. Charles Police Department in 2008, Jose quickly became an invaluable member of the department as he sought training to be a Drug Recognition Evaluator amongst his daily duties. In 2015, because of his military service with the United States Air Force Reserve, along with his strong work ethic and character, he was promoted to the newly created position of Sergeant. From that time forward, he worked to revamp the department's Field Training program as well as enhance the department's community outreach by building stronger partnerships with outside agencies as well as organizations within the community. His leadership skills directly contribute to the ongoing planning and training of the St. Charles Officers and the department as a whole.

In addition to his professional endeavor, Chief Pelaez also sought to improve himself personally by continuing his education through obtaining his Masters in Emergency Management and Homeland Security, which he has completed and will graduate May, 2021.

Of course, it is hard to imagine anyone being named the American Legion Outstanding Enlisted Person of the Year if their character and morals were not part of the entire package. Chief Pelaez demonstrates the highest moral standards and character and his genuine and fair nature is one of his greatest assets. He is trusted by the St. Charles School District administration and displays only the best intentions for his community and police department family.

It is my honor and privilege to recommend Jose Pelaez for the American Legion's Outstanding Enlisted Person of the Year.

Sincerely,

John Schaber, Mayor

Dave Braun, Councilmember

David Kramer, Councilmember

Wayne Getz, Councilmember

John Steffel, Councilmember



**Request for City Council Action**

Date: April 21, 2021

Requested Council Date: April 27, 2021

Originating Department: Administration

Council Action Requested: What's On Wednesday (WOW) Request

Background Information: See below

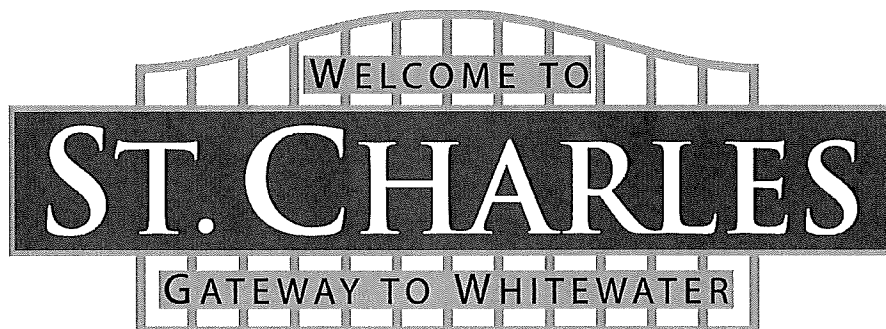
The What's On Wednesday committee is looking to host summer events in 2021 with the event dates as follows:

- June 2, 16 and 30
- July 7 and 21
- August 11 and 25

The events will be held from 4:30 p.m. - 8:30 p.m. and will follow all applicable COVID-19 mandates and provide a COVID plan prior to the first event.

The What's On Wednesday or W.O.W. organization would like to request the following:

- Use of City Hall restrooms
- Garbage receptables
- Use of the green space/church
- Partial closure of St. Charles Avenue and potentially West 9th Street from approximately 3:30-8:30 p.m. to allow for food trucks.



**DDA****David Drown Associates, Inc.**
Public Finance Advisors

Spring Valley Office:
29359 County 38
Spring Valley, MN 55975
Phone 507-346-7895 | Cell 507-273-2443
Fax 612-605-2375
www.daviddrown.com

April 21, 2021

RECOMMENDATIONS

VIA EMAIL

Mayor John Schaber & City Council
Nick Koverman, City Administrator
City of St. Charles
830 Whitewater Avenue Street
St. Charles, MN 55972

**RE: \$7,005,000 General Obligation Bonds, Series 2021A:
Recommendations for Issuance**

Honorable Mayor Schaber, Members of the City Council & Mr. Koverman:

This letter outlines our recommendations for the structure and sale of General Obligation Bonds associated with financing the City's 2021 street, sidewalk, trails, and utility improvements.

STATUTORY AUTHORITY

Whenever a City wishes to issue bonds, it must cite the statutory authority it intends to use. In this case the City intends to use three types of authority:

First, the City will use authority granted in Chapter 475 of Minnesota Statutes for the road related costs (bond amount of \$4,370,000). This authority, commonly referred to as Street Reconstruction Bonds, requires the City to hold a public hearing, adopt a five-year plan, and allow for a 30-day petition period. The City has completed those tasks and is now able to issue this debt. This portion of the debt DOES count against the City's net debt limits (3% of estimated market value), but we are well within that capacity.

Second, the City will use authority granted in Chapter 469 of Minnesota Statutes for all sidewalk and public trail related costs (bond amount of \$1,955,000). This authority, commonly referred to as Tax Abatement Bonds, requires a public hearing process and the identification of benefitting parcels whose City taxes cover the principal amount of the borrowing. Again, the City has completed all required tasks. This debt DOES NOT count against net debt limits.

Finally, the City will use authority granted in Chapter 444 of Minnesota Statutes for the utility related costs associated with the Chattanooga Innovation Park 2nd Addition (bond amount of \$680,000). This authority, commonly referred to as Utility Revenue Bonds, does not require any special processes nor does it count against any net debt limitations. A cash contribution from the City's Capital Project Fund (Fund 25) will be used to pay the road related costs for this portion of the project.

OVERVIEW OF PROJECT AND COMPONENT COSTS

The component costs of the bond issue are shown below:

Item	Cost
Construction, Engineering, & Contingency	\$7,480,249
Plus estimated issuance expenses (incl. discount)	127,550
Plus Capitalized Interest	50,213
Less Cash Contributions	<u>(653,012)</u>
AMOUNT OF BOND ISSUE	\$7,005,000

Please refer to the attached **Prelim Bond Report** schedule for general bond details and a breakdown between the three different statutory authorities noted above.

REVENUE REQUIREMENTS

Consistent with our prior planning, the term of the bonds would be established at approximately 15 years. I have based the interest rate on sales conducted this week PLUS 25 basis points to account for possible market movement. Ultimately, we cannot know the interest rate until bids are received in May. Revenue requirements would be roughly as follows:

Annual Tax Levy (& Abatement)	\$497,000
Annual Water	\$25,500
Annual Sewer	\$25,500

These amounts are very close to what we projected in prior planning, so the City should feel good about the process so far. Further, City staff intends to reduce annual contributions to Fund 25 to help mitigate the tax impacts of this project that we have talked about previously. Specifically, there will be a reduction in future seal coating, sidewalk, and trail contributions.

METHOD OF SALE AND RECOMMENDATIONS OF AWARD

While this is a large issue for the City of St. Charles, it is a straightforward General Obligation bond easily understood by the open market. Further, St. Charles is a fairly strong credit (AA-) and should have no difficulty attracting bids. On such a large issue it is always paramount to achieve the lowest overall cost of borrowing possible. A rated, competitive sales process should make us feel comfortable in that regard.

Bond Details:

Key elements of this financing would be:

- Approximate 15-year term is consistent with the City's prior financial planning.
- Offer up to 1% discount allowance.
- Callable any time after 2/1/2029 @ par plus acc'd interest. This call option should be far enough out to avoid any negative impact on rates.
- Sale of bonds utilizing a competitive sales process.
- Full Continuing Disclosure.
- Rated issue with Standard & Poor's. The cost to obtain the rating will be more than offset by lower interest expense when compared to an unrated issue.

OTHER OPTIONS CONSIDERED

Due to timing, program restrictions, and uncertainty of funding, government programs (such as USDA, PFA, etc.) are not helpful. The large size also makes a direct private placement with a bank unattractive. As such, a competitive, public sale appears to be the most suitable option for the City.

SCHEDULE AND ISSUANCE

The proposed schedule for putting the project financing in place is as follows:

April 27, 2021	Present bond recommendations / Council Adopts Set Sale Resolution
May 25, 2021	Present bids / Council considers approval
June 8, 2021	Date of Closing

I will be present to answer any questions or concerns you may have at your meeting on April 27th. I will ask the Council to authorize the attached Set Sale Resolution at that time. It continues to be a pleasure to serve the City of St. Charles.

Yours truly,



Mike Bubany
David Drown Associates, Inc.

Enc.

**EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE
CITY OF ST. CHARLES, MINNESOTA**

HELD: April 27, 2021

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of St. Charles, Winona County, Minnesota, was duly held at the City Hall in said City on the 27th day of April, 2021, beginning at 6:00 o'clock P.M. for the purpose, in part, of authorizing the competitive negotiated sale of \$7,005,000 General Obligation Bonds, Series 2021A, of said City.

The following Council members were present:

And the following were absent:

Council member _____ introduced the following resolution and moved its adoption:

RESOLUTION # 20-2021

**RESOLUTION PROVIDING FOR THE COMPETITIVE NEGOTIATED SALE OF
\$7,005,000 GENERAL OBLIGATION BONDS SERIES 2021A**

A. WHEREAS, the City Council of the City of St. Charles, Minnesota (the "City"), has heretofore determined that it is necessary and expedient to issue the City's \$7,005,000 General Obligation Bonds, Series 2021A (the "Bonds"), to provide financing for the 2021 Street, Sidewalk, Trail and Utility Improvements Projects (the "Project") located within the City; and

B. WHEREAS, the City has retained David Drown Associates, Inc., in Minneapolis, Minnesota ("David Drown"), as its independent financial advisor for the Bonds and is therefore authorized to sell the Bonds by a competitive negotiated sale in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9):

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of St. Charles, Minnesota, as follows:

1. Authorization. The Council hereby authorizes David Drown to solicit bids for the competitive negotiated sale of the Bonds.

2. Meeting; Bid Opening. The Council shall meet at the time and place specified in the Terms of Offering attached hereto as Exhibit A for the purpose of considering sealed bids for, and awarding the sale of, the Bonds. The City Administrator, or designee, shall open bids at the time and place specified in such Terms of Offering.

3. Terms of Offering. The terms and conditions of the Bonds and the negotiation thereof are fully set forth in the "Terms of Offering" attached hereto as Exhibit A and hereby approved and made a part hereof.

4. Official Statement. In connection with said competitive negotiated sale, the officers or employees of the City are hereby authorized to cooperate with David Drown and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

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

and the following voted against the same:

Adopted by the Council of the City of St. Charles, Minnesota this 27th day of April, 2021.

John Schaber, Mayor

Attest: _____
Nick Koverman, City Administrator

STATE OF MINNESOTA)
COUNTY OF ITASCA)
CITY OF ST. CHARLES)

I, the undersigned, being the duly qualified and acting Administrator/Clerk-Treasurer of the City of St. Charles, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council of said City, duly called and held on the date therein indicated, insofar as such minutes relate to the City's \$7,005,000 General Obligation Bonds, Series 2021A.

WITNESS my hand as City Administrator of the City this 27th day of April, 2021.

Nick Koverman
City Administrator

EXHIBIT A

TERMS OF OFFERING

City of St. Charles, Minnesota

\$7,005,000

General Obligation Bonds, Series 2021A

(BOOK ENTRY ONLY)

TERMS OF PROPOSAL

Proposals for the Bonds will be received on Tuesday, May 25, 2021 at 11:00 A.M. Central Time, at the offices of David Drown Associates, Inc., 5029 Upton Avenue South, Minneapolis, Minnesota, after which time they will be opened and tabulated. Consideration for award of the Bonds will be by the City Council at 6:00 P.M., Central Time, on that same date.

SUBMISSION OF PROPOSALS

Proposals may be submitted in a sealed envelope or by fax (612) 605-2375 to David Drown Associates, Inc. Signed Proposals, without final price or coupons, may be submitted to David Drown Associates, Inc. prior to the time of sale. The bidder shall be responsible for submitting to David Drown Associates, Inc. the final Proposal price and coupons, by telephone (612) 920-3320 or fax (612) 605-2375 for inclusion in the submitted Proposal. David Drown Associates, Inc. will assume no liability for the inability of the bidder to reach David Drown Associates, Inc. prior to the time of sale specified above.

Notice is hereby given that electronic proposals will be received via PARITY®, in the manner described below, until 11:00 A.M., CST, on May 25, 2021. Bids may be submitted electronically via PARITY® pursuant to this Notice until 11:00 A.M., CST, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY® conflict with this Notice, the terms of this Notice shall control. For further information about PARITY®, potential bidders may contact David Drown Associates, Inc. or PARITY® at (212) 806-8304.

Neither the City of St. Charles nor David Drown Associates, Inc. assumes any liability if there is a malfunction of PARITY. All bidders are advised that each Proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Bonds regardless of the manner of the Proposal submitted.

DETAILS OF THE BONDS

The Bonds will be dated June 8, 2021, as the date of original issue, and will bear interest payable on February 1 and August 1 of each year, commencing February 1, 2022. Interest will be computed on the basis of a 360-day year of twelve 30-day months. The Bonds will mature February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2022	\$ 30,000	2030	\$ 460,000
2023	435,000	2031	465,000
2024	440,000	2032	470,000
2025	440,000	2033	480,000
2026	445,000	2034	485,000
2027	445,000	2035	495,000
2028	445,000	2036	500,000
2029	455,000	2037	515,000

TERM BOND OPTION

Bids for the bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption and must conform to the maturity schedule set forth above at a price of par plus accrued interest to the date of redemption. In order to designate term bonds, the bid must specify as provided on the Proposal Form.

BOOK ENTRY SYSTEM

The Bonds will be issued by means of a book entry system with no physical distribution of Bonds made to the public. The Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The purchaser, as a condition of delivery of the Bonds, will be required to deposit the Bonds with DTC.

REGISTRAR

The City will name Northland Trust Services, Inc., Minneapolis, MN, as registrar for the Bonds. Northland Trust Services, Inc. subject to applicable SEC regulations. The City will pay for the services of the registrar.

OPTIONAL REDEMPTION

The City may elect on February 1, 2029 and on any day thereafter, to prepay Bonds due on or after February 1, 2030. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All prepayments shall be at a price of par plus accrued interest.

SECURITY AND PURPOSE

The Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. The proceeds will provide financing for the 2021 Street, Sidewalk, Trail and Utility Improvements Projects (the "Project").

TYPE OF PROPOSALS

Proposals shall be for not less than \$6,934,950.00 (99.0%) and accrued interest on the total principal amount of the Bonds. The apparent low-bidder as notified by David Drown Associates, Inc. shall wire, to a designated account, a good faith amount of \$140,100 by 3:00 p.m. on the date of sale. If the good faith wire transfer is not in process prior to the award, the City shall retain the right to reject the bid. In the event the purchaser fails to comply with the accepted proposal, said amount will be retained by the City. No proposal can be withdrawn or amended after the time set for receiving proposals unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made. Rates shall be in integral multiples of 5/100 or 1/8 of 1%. Rates must be in ascending order. Bonds of the same maturity shall bear a single rate from the date of the Bonds to the date of maturity. No conditional proposals will be accepted.

AWARD

The Bonds will be awarded on the basis of the lowest interest rate to be determined on a net interest cost (NIC) basis. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling. The City will reserve the right to waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Bonds, reject all proposals without cause, and reject any proposal which the City determines to have failed to comply with the terms herein.

ISSUE PRICE DETERMINATION

In order to provide the City with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the "Code"), the Purchaser will be required to assist the City in establishing the issue price of the Bonds and shall complete, execute, and deliver to the City prior to the closing date, a written certification in a form acceptable to the Purchaser, the City, and Bond Counsel (the "Issue Price Certificate") containing the following for each maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity): (i) the interest rate; (ii) the reasonably expected initial offering price to the "public" (as said term is defined in Treasury Regulation Section 1.148-1(f) (the "Regulation")) or the sale price; and (iii) pricing wires or equivalent communications supporting such offering or sale price. However, such Issue Price Certificate may indicate that the Purchaser has purchased the Bonds for its own account in a capacity other than as an underwriter or wholesaler, and currently has no intent to reoffer the Bonds for sale to the public. Any action to be taken or documentation to be received by the City pursuant hereto may be taken or received on behalf of the City by David Drown Associates, Inc.

The City intends that the sale of the Bonds pursuant to this Terms of Offering shall constitute a "competitive sale" as defined in the Regulation based on the following:

- i. the City shall cause this Terms of Offering to be disseminated to potential bidders in a manner that is reasonably designed to reach potential bidders;
- ii. all bidders shall have an equal opportunity to submit a bid;
- iii. the City reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Bonds; and
- iv. the City anticipates awarding the sale of the Bonds to the bidder who provides a proposal with the lowest net interest cost, as set forth in this Terms of Offering (See "AWARD" herein).

Any bid submitted pursuant to this Terms of Offering shall be considered a firm offer for the purchase of the Bonds, as specified in the proposal. The Purchaser shall constitute an "underwriter" as said term is defined in the Regulation. By submitting its proposal, the Purchaser confirms that it shall require any agreement among underwriters, a selling group agreement, or other agreement to which it is a party relating to the initial sale of the Bonds, to include provisions requiring compliance with the provisions of the Code and the Regulation regarding the initial sale of the Bonds.

If all requirements of a "competitive sale" are not satisfied, the City shall advise the Purchaser of such fact prior to the time of award of the sale of the Bonds to the Purchaser. **In such event, any proposal submitted will not be subject to cancellation or withdrawal.** Within twenty-four (24) hours of the notice of award of the sale of the Bonds, the Purchaser shall advise the City and David Drown Associates, Inc. if a "substantial amount" (as defined in the Regulation) of any maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) has been sold to the public and the price at which such substantial amount was sold. The City will treat such sale price as the "issue price" for such maturity, applied on a maturity-by-maturity basis. The City will not require the Purchaser to comply with that portion of the Regulation commonly described as the "hold-the-offering-price" requirement for the remaining maturities, but the Purchaser may elect such option. If the Purchaser exercises such option, the City will apply the initial offering price to the public provided in the proposal as the issue price for such maturities. If the Purchaser does not exercise that option, it shall thereafter promptly

provide the City and David Drown Associates, Inc. the prices at which a substantial amount of such maturities are sold to the public; provided such determination shall be made and the City and David Drown Associates, Inc. notified of such prices not later than three (3) business days prior to the closing date.

BOND INSURANCE AT PURCHASER'S OPTION

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the underwriter, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the purchaser of the Bonds. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the purchaser, except that, if the City has requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any other rating agency fees shall be the responsibility of the purchaser. Failure of the municipal bond insurer to issue the policy after Bonds have been awarded to the purchaser shall not constitute cause for failure or refusal by the purchaser to accept delivery on the Bonds.

CUSIP NUMBERS

If the Bonds qualify for assignment of CUSIP numbers such numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the purchaser to accept delivery of the Bonds. The purchaser shall pay the CUSIP Service Bureau charge for the assignment of CUSIP identification numbers.

SETTLEMENT

Within 40 days following the date of their award, the Bonds will be delivered without cost to the purchaser at a place mutually satisfactory to the City and the purchaser. Delivery will be subject to receipt by the purchaser of an approving legal opinion of bond counsel, and of customary closing papers, including a no-litigation certificate. On the date of settlement payment for the Bonds shall be made in federal, or equivalent, funds which shall be received at the offices of the City or its designee not later than 12:00 Noon, Central Time. Except as compliance with the terms of payment for the Bonds shall have been made impossible by action of the City, or its agents, the purchaser shall be liable to the City for any loss suffered by the City by reason of the purchaser's non-compliance with said terms for payment.

FULL CONTINUING DISCLOSURE

On the date of the actual issuance and delivery of the Bonds, the City will execute and deliver a Continuing Disclosure Undertaking where under the City will covenant to provide, or cause to be provided, annual financial and operating information, including audited financial statements of the City, and notices of certain material events, as specified in and required by SEC Rule 15c2-12(b)(5).

OFFICIAL STATEMENT

The City has authorized the preparation of an Official Statement containing pertinent information relative to the Bonds, and said Official Statement will serve as a nearly final Official Statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For copies of the Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Financial Advisor to the City, David Drown Associates, Inc., 5029 Upton Avenue South, Minneapolis, Minnesota 55410, and telephone (612) 920-3320.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as that term is defined in Rule 15c2-12. By awarding the Bonds to any underwriter or underwriting syndicate submitting a proposal therefor, the City agrees that, no more than seven business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded 40 copies of the Official Statement and the addendum or addenda described above. The City designates

the senior managing underwriter of the syndicate to which the Bonds are awarded as its agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter delivering a proposal with respect to the Bonds agrees thereby that if its proposal is accepted by the City (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

Dated: April 27, 2021

BY ORDER OF THE CITY COUNCIL`

/s/ Nick Koverman
City Administrator

City of St. Charles, Minnesota

\$7,005,000
General Obligation Bonds, Series 2021A**Proposed for Competitive Sale****Master Cash Flow ~ Preliminary****Uses of Funds**

Street Reconstruction Portion		4,258,048.00
Tax Abatement Portion		1,906,424.76
Utility Portion		1,315,776.24
Total Project Costs		7,480,249.00
Underwriter's Discount Allowance	1.00%	70,050.00
Unused Discount to D/S Fund		-
Fiscal Fee	verified	22,000.00
Tax Abatement Processing	verified	3,500.00
Bond Counsel	verified	14,000.00
Pay Agent	verified	750.00
Printing & Misc	verified	1,500.00
Rating Agency Fee	verified	15,750.00
Bond Premium		-
Excess Proceeds		-
Capitalized Interest (to D/S Fund)		50,213.12
		<u>7,658,012.12</u>

Sources of Funds

Bond Issue	7,005,000.00
Bond Premium	-
Construction Fund Earnings	-
City Cash Contribution	653,012.12
	<u>7,658,012.12</u>

Payment Schedule & Cashflow

<i>Payment Schedule</i>					
12-Month Period ending	Principal	Rate	Interest	Payment Total	PLUS 5%
6/8/2021 <i>Dated Date</i>					
2/1/2022	30,000	0.45%	55,488	85,488	87,252
2/1/2023	435,000	0.45%	85,598	520,598	546,627
2/1/2024	440,000	0.50%	83,640	523,640	549,822
2/1/2025	440,000	0.60%	81,440	521,440	547,512
2/1/2026	445,000	0.70%	78,800	523,800	549,990
2/1/2027	445,000	0.85%	75,685	520,685	546,719
2/1/2028	445,000	1.00%	71,903	516,903	542,748
2/1/2029	455,000	1.15%	67,453	522,453	548,575
2/1/2030	460,000	1.30%	62,220	522,220	548,331
2/1/2031	465,000	1.40%	56,240	521,240	547,302
2/1/2032	470,000	1.45%	49,730	519,730	545,717
2/1/2033	480,000	1.50%	42,915	522,915	549,061
2/1/2034	485,000	1.60%	35,715	520,715	546,751
2/1/2035	495,000	1.75%	27,955	522,955	549,103
2/1/2036	500,000	1.85%	19,293	519,293	545,257
2/1/2037	515,000	1.95%	10,043	525,043	551,295
	<u>7,005,000</u>		<u>904,115</u>	<u>7,909,115</u>	<u>8,302,061</u>

Bond Details

Set Sale Date	4/27/2021
Award Date	5/25/2021
Dated Date	6/8/2021
Closing Date	6/8/2021
1st Interest Payment	2/1/2022
Proceeds spent by:	12/31/2022 to Dated Date
Purchase Price	6,934,950.00
Net Interest Cost	974,165.48
Net Effective Rate	1.5749%
Average Coupon	1.4617%
Call Option	@ par
Average Life	9.160
Bond Yield for Arbitrage	
Purchaser	Proposed for Competitive Sale
Bond Counsel	Taft Stettinius & Hollister, LLP
Rating Agency	S & P Global Ratings
Pay Agent	Northland Trust Services, Inc.
Tax Status	Tax Exempt, Bank Qualified
Continuing Disclosure	FULL
Rebate	Subject to Rebate - 24 months spend down provision expected
Statutory Authority	MS, Chapters 475, 469, 444

Collection Year					<i>Account Balances</i>	
	Water Revenues	Sewer Revenues	Tax Abatement	Tax Levies	Surplus (deficit)	Account Balance
					Initial Deposit to D/S Fund >	50,213
2021	18,519	18,519	-	-	(50,213)	-
2022	25,208	25,208	130,333	365,878	-	-
2023	25,113	25,113	130,333	369,262	-	-
2024	25,008	25,008	130,333	367,162	-	-
2025	24,882	24,882	130,333	369,892	-	-
2026	24,735	24,735	130,333	366,915	-	-
2027	24,557	24,557	130,333	363,301	-	-
2028	26,972	26,972	130,333	364,298	-	-
2029	26,700	26,700	130,333	364,597	-	-
2030	26,393	26,393	130,333	364,183	-	-
2031	26,062	26,062	130,333	363,259	-	-
2032	25,720	25,720	130,333	367,288	-	-
2033	25,365	25,365	130,333	365,687	-	-
2034	24,987	24,987	130,333	368,795	-	-
2035	24,574	24,574	130,333	365,776	-	-
2036	26,762	26,762	130,333	367,438	-	-
	<u>401,559</u>	<u>401,559</u>	<u>1,955,000</u>	<u>5,493,729</u>	<u>(50,213)</u>	

City of St. Charles, Minnesota

STREET RECONSTRUCITON PORTION

\$4,370,000

General Obligation Bonds, Series 2021A

Uses of Funds

Construction		3,908,048.00	6,830,249
Engineering		200,000.00	400,000
Contingency		150,000.00	250,000
Total Project Costs		4,258,048.00	7,480,249
Underwriter's Discount Allowance	1.00%	43,700.00	
Unused Discount to D/S Fund		-	
Allocated Issuance Costs		33,564.13	
Surplus Funds (to D/S Fund)		-	
Capitalized Interest (to D/S Fund)		34,687.88	
		<u>4,370,000.00</u>	

Sources of Funds

Bond Issue	4,370,000.00
Bond Premium	-
Construction Fund Earnings	-
City Cash Contribution	-
	<u>4,370,000.00</u>

Payment Schedule & Cashflow

<i>Payment Schedule</i>					
12-Month Period ending	Principal	Rate	Interest	Payment Total	PLUS 5%
6/8/2021 <i>Dated Date</i>					
2/1/2022	-	0.450%	34,688	34,688	34,688
2/1/2023	275,000	0.450%	53,595	328,595	345,025
2/1/2024	275,000	0.500%	52,358	327,358	343,725
2/1/2025	275,000	0.600%	50,983	325,983	342,282
2/1/2026	280,000	0.700%	49,333	329,333	345,799
2/1/2027	280,000	0.850%	47,373	327,373	343,741
2/1/2028	280,000	1.000%	44,993	324,993	341,242
2/1/2029	285,000	1.150%	42,193	327,193	343,552
2/1/2030	285,000	1.300%	38,915	323,915	340,111
2/1/2031	290,000	1.400%	35,210	325,210	341,471
2/1/2032	295,000	1.450%	31,150	326,150	342,458
2/1/2033	300,000	1.500%	26,873	326,873	343,216
2/1/2034	305,000	1.600%	22,373	327,373	343,741
2/1/2035	310,000	1.750%	17,493	327,493	343,867
2/1/2036	315,000	1.850%	12,068	327,068	343,421
2/1/2037	320,000	1.950%	6,240	326,240	342,552
	<u>4,370,000</u>		<u>565,833</u>	<u>4,935,833</u>	<u>5,180,890</u>

Collection Year	<i>Pledged Revenues</i>	<i>Account Balances</i>	
	Tax Levies	Surplus (deficit)	Account Balance
	Initial Deposit to D/S Fund >		34,688
2021	-	(34,688)	-
2022	345,025	-	-
2023	343,725	-	-
2024	342,282	-	-
2025	345,799	-	-
2026	343,741	-	-
2027	341,242	-	-
2028	343,552	-	-
2029	340,111	-	-
2030	341,471	-	-
2031	342,458	-	-
2032	343,216	-	-
2033	343,741	-	-
2034	343,867	-	-
2035	343,421	-	-
2036	342,552	-	-
	<u>5,146,202</u>	<u>(34,688)</u>	

City of St. Charles, Minnesota

TAX ABATEMENT PORTION

\$1,955,000
General Obligation Bonds, Series 2021A

Sidewalk and Public Trails

Uses of Funds

Construction		1,816,165.00
Engineering		65,259.76
Contingency		25,000.00
Total Project Costs		1,906,424.76
Underwriter's Discount Allowance	1.00%	19,550.00
Unused Discount to D/S Fund		-
Allocated Issuance Costs		13,500.00
Surplus Funds (to D/S Fund)		-
Capitalized Interest (to D/S Fund)		15,525.24
		<u>1,955,000.00</u>

Sources of Funds

Bond Issue	1,955,000.00
Premium to Issuer	-
Construction Fund Earnings	-
City Cash Contribution	-
	<u>1,955,000.00</u>

Payment Schedule & Cashflow

<i>Payment Schedule</i>					
12-Month Period ending	Principal	Rate	Interest	Payment Total	PLUS 5%
6/8/2021 <i>Dated Date</i>					
2/1/2022	-	0.450%	15,525	15,525	15,525
2/1/2023	120,000	0.450%	23,988	143,988	151,187
2/1/2024	125,000	0.500%	23,448	148,448	155,870
2/1/2025	125,000	0.600%	22,823	147,823	155,214
2/1/2026	125,000	0.700%	22,073	147,073	154,426
2/1/2027	125,000	0.850%	21,198	146,198	153,507
2/1/2028	125,000	1.000%	20,135	145,135	152,392
2/1/2029	125,000	1.150%	18,885	143,885	151,079
2/1/2030	130,000	1.300%	17,448	147,448	154,820
2/1/2031	130,000	1.400%	15,758	145,758	153,045
2/1/2032	130,000	1.450%	13,938	143,938	151,134
2/1/2033	135,000	1.500%	12,053	147,053	154,405
2/1/2034	135,000	1.600%	10,028	145,028	152,279
2/1/2035	140,000	1.750%	7,868	147,868	155,261
2/1/2036	140,000	1.850%	5,418	145,418	152,688
2/1/2037	145,000	1.950%	2,828	147,828	155,219
	<u>1,955,000</u>		<u>253,408</u>	<u>2,208,408</u>	<u>2,318,052</u>

Collection Year	<i>Account Balances</i>		Surplus (deficit)	Account Balance
	Tax Abatement	Tax Levies		
			Initial Deposit to D/S Fund >	15,525
2021	-	-	(15,525)	-
2022	130,333	20,854	-	-
2023	130,333	25,537	-	-
2024	130,333	24,880	-	-
2025	130,333	24,093	-	-
2026	130,333	23,174	-	-
2027	130,333	22,058	-	-
2028	130,333	20,746	-	-
2029	130,333	24,487	-	-
2030	130,333	22,712	-	-
2031	130,333	20,801	-	-
2032	130,333	24,072	-	-
2033	130,333	21,946	-	-
2034	130,333	24,928	-	-
2035	130,333	22,355	-	-
2036	130,333	24,886	-	-
	<u>1,955,000</u>	<u>347,527</u>	<u>(15,525)</u>	

\$680,000
General Obligation Bonds, Series 2021A

I-90 Business Park Utility Improvements

Uses of Funds

Construction		1,106,036.00
Engineering		134,740.24
Contingency		75,000.00
Total Project Costs		1,315,776.24
Underwriter's Discount Allowance	1.00%	6,800.00
Unused Discount to D/S Fund		-
Allocated Issuance Costs		10,435.88
Surplus Funds (to D/S Fund)		-
Capitalized Interest (to D/S Fund)		-
		<u>1,333,012.12</u>

Sources of Funds

Bond Issue	680,000.00
Premium to Issuer	-
Construction Fund Earnings	-
City Cash Contribution (for pond and street work)	653,012.12
	<u>1,333,012.12</u>

Payment Schedule & Cashflow

<i>Payment Schedule</i>					
12-Month Period ending	Principal	Rate	Interest	Payment Total	PLUS 5%
6/8/2021 <i>Dated Date</i>					
2/1/2022	30,000	0.450%	5,275	35,275	37,039
2/1/2023	40,000	0.450%	8,015	48,015	50,416
2/1/2024	40,000	0.500%	7,835	47,835	50,227
2/1/2025	40,000	0.600%	7,635	47,635	50,017
2/1/2026	40,000	0.700%	7,395	47,395	49,765
2/1/2027	40,000	0.850%	7,115	47,115	49,471
2/1/2028	40,000	1.000%	6,775	46,775	49,114
2/1/2029	45,000	1.150%	6,375	51,375	53,944
2/1/2030	45,000	1.300%	5,858	50,858	53,400
2/1/2031	45,000	1.400%	5,273	50,273	52,786
2/1/2032	45,000	1.450%	4,643	49,643	52,125
2/1/2033	45,000	1.500%	3,990	48,990	51,440
2/1/2034	45,000	1.600%	3,315	48,315	50,731
2/1/2035	45,000	1.750%	2,595	47,595	49,975
2/1/2036	45,000	1.850%	1,808	46,808	49,148
2/1/2037	50,000	1.950%	975	50,975	53,524
	<u>680,000</u>		<u>84,875</u>	<u>764,875</u>	<u>803,119</u>

Collection Year	50% Water Revenues	50% Sewer Revenues	<i>Account Balances</i>	
			Surplus (deficit)	Account Balance
			Initial Deposit to D/S Fund >	
2021	18,519	18,519	-	-
2022	25,208	25,208	-	-
2023	25,113	25,113	-	-
2024	25,008	25,008	-	-
2025	24,882	24,882	-	-
2026	24,735	24,735	-	-
2027	24,557	24,557	-	-
2028	26,972	26,972	-	-
2029	26,700	26,700	-	-
2030	26,393	26,393	-	-
2031	26,062	26,062	-	-
2032	25,720	25,720	-	-
2033	25,365	25,365	-	-
2034	24,987	24,987	-	-
2035	24,574	24,574	-	-
2036	26,762	26,762	-	-
	<u>401,559</u>	<u>401,559</u>	<u>-</u>	<u>-</u>



Memorandum

To: Mayor and Council
From: Water Tower Committee
Date: April 19, 2021
Subject: Water Tower Logo Design

As directed by Council at their January 26, 2021 meeting, the water tower logo committee consisting of Councilmember Kramer, Public Works Director Karger, and EDA member and former mayor, Bill Spitzer, was given direction to seek community input for proposed logos for the new 100,000-gallon water tank in the Chattanooga Innovation Park.

The committee proposed two designs that would be distributed for consideration. Below are the results of the survey that was taken.

A total of 324 responses were received from approximately the beginning of February until March 19th.

Option A included (SC logo, Go Saints)—109 responses received (60 community, 8 SCHS staff, 41 students).

Option B included (SC logo, Est. 1854)—120 responses received (67 community, 11 SCHS staff, 45 students).

Both options—37 responses received (27 community, 5 SCHS staff, 5 students).

Nothing as an option—55 responses received (38 community, 5 SCHS staff, 12 students).

Totals---192 community, 29 SCHS staff, and 103 students.

General comments received included the appreciation for the school colors and support of the school programs.

Option B would be the preferred majority.

CITY OF ST. CHARLES

ORDINANCE #631

**AN ORDINANCE OF THE CITY OF ST. CHARLES, MINNESOTA
AMENDING THE ST. CHARLES ZONING MAP TO REFLECT AN AMENDMENT OF
THE ZONING MAP**

THE CITY OF ST. CHARLES DOES ORDAIN:

Section 1. That the following described real property located within St. Charles Township, County of Winona, State of Minnesota, to be included within the city limits of the City of St. Charles, County of Winona, State of Minnesota and incorporated on the St. Charles Zoning Map and designated as C-3 (Regional Commercial District): Owners, Linus Soppa, Terry Soppa, Dori Zanto (RMTD, LLC.). See Attached Exhibit A and B, Winona County, Minnesota.

Section 2. That the zoning map be changed accordingly.

Section 3: This Ordinance shall take effect thirty days after its publication.

Adopted this 13th day of April 2021 by the City Council of the City of St. Charles, Minnesota.

John Schaber, Mayor

Attest:

Nick Koverman, City Administrator

First Reading:

Date: _____

Ayes: _____
Nays: _____
Absent: _____
Abstain: _____

Second Reading:

Date: _____

Ayes: _____

Nays: _____

Absent: _____

Abstain _____

Published:

Date: _____

Exhibit A

Legal Description

The Subject Area to be annexed into the attached joint Resolution is legally described as follows:

PARCEL 'E' description

A part of the North 10 Acres of the Northwest Quarter of the Southwest Quarter in Section 29, Township 106 North, Range 10 West, Winona County Minnesota, described as follows:

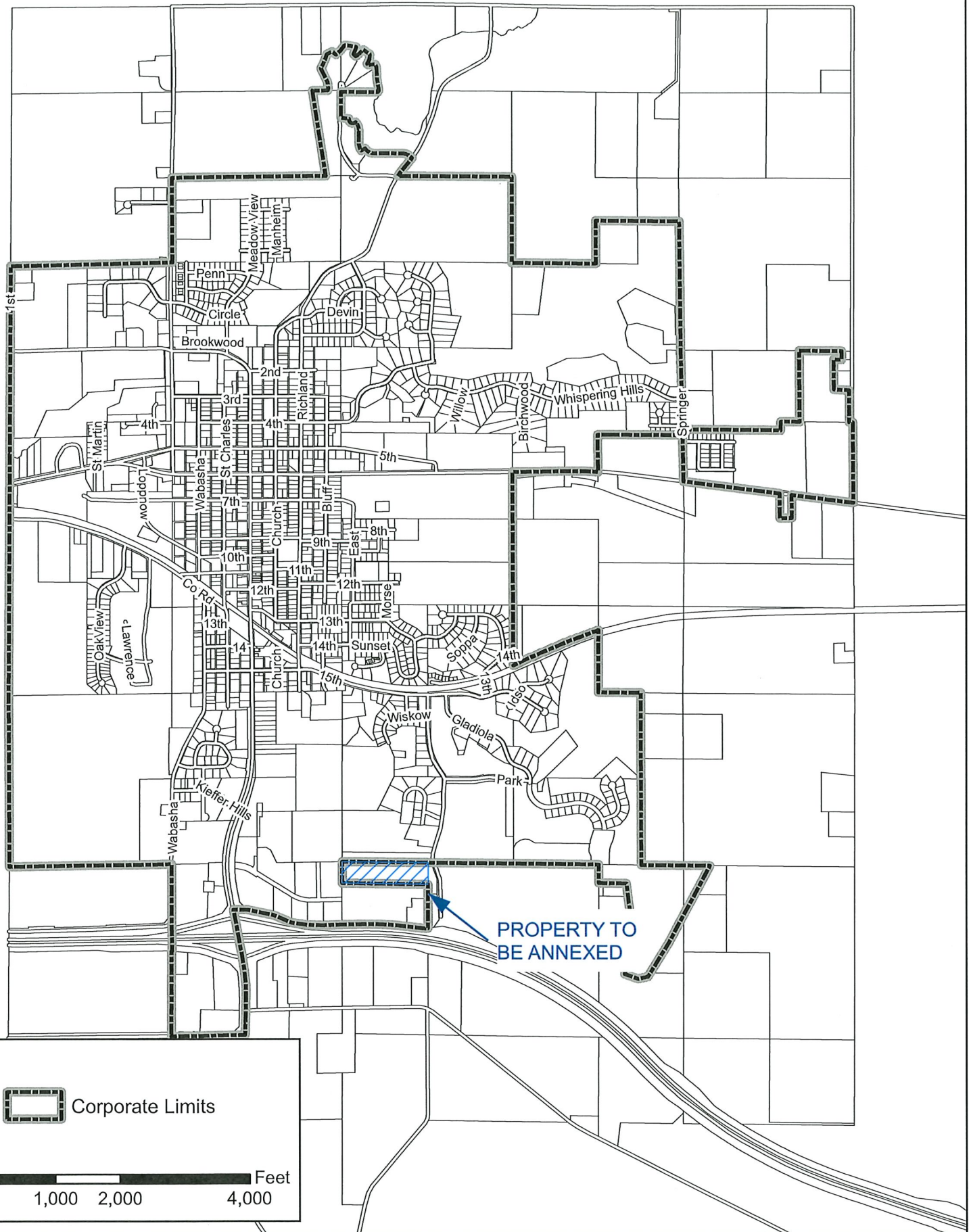
BEGINNING at the northeast corner of the Northwest Quarter of said Southwest Quarter, thence South 00 Degrees 00 minutes 50 seconds West (NOTE: all bearings are on the Winona County NAD 1983, HARN 96 adjustment) along the east line of the Northwest Quarter of said Southwest Quarter for a distance of 329.79 feet to the southeast corner of the North 10 Acres; thence North 89 degrees 18 minutes 34 seconds West along the south line of said North 10 Acres for distance of 660.00 feet; thence North 00 degrees 00 minutes 50 seconds East for a distance of 329.79 feet to the north line of the Northwest Quarter of said Southwest Quarter; thence South 89 degrees 18 minutes 34 seconds East along said north line for a distance of 660.00 feet to the point of beginning. Containing 5.00 acres, more or less.

Said PARCEL 'E' includes an access easement described elsewhere to access this PARCEL 'E' from SOUTH PARK ROAD.

Parcel 'D' description

A part of the North 10 Acres of the Northwest Quarter of the Southwest Quarter (NW ¼ of SW ¼) of Section 29, Township 106 North, Range 10 West, City of St. Charles, Winona County, Minnesota, described as follows:

BEGINNING at the northwest corner of the Northwest Quarter of said Southwest Quarter; thence South 00 degrees 01 minute 52 seconds West (NOTE: all bearings are on the Winona County NAD 1983, HARN 96 adjustment) along the west line of the Northwest Quarter of said Southwest Quarter for a distance of 329.79 feet to the southwest corner of said North 10 Acres; thence South 89 degrees 18 minutes 34 seconds East for a distance of 660.98 feet; thence North 00 degrees 00 minutes 50 seconds East for a distance of 329.79 feet to the north line of the Northwest Quarter of said Southwest Quarter; thence North 89 degrees 18 minutes 34 seconds West along said north line for a distance of 660.88 feet to the point of beginning.



ST. CHARLES
WINONA COUNTY

PROPOSED ANNEXATION

whks

engineers + planners + land surveyors

**City of St. Charles
Resolution #21-2021**

**A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF ST.
CHARLES, MINNESOTA ADOPTING THE CITY OF ST. CHARLES ELECTRONIC
SIGNATURE POLICY**

WHEREAS, Minnesota Statutes, section 325L.18 authorizes the City of St. Charles (the “City”) to determine whether, and to what extent, it will send and accept electronic records and electronic signatures to and from other persons and otherwise create, generate, communicate, store, process, use and rely upon electronic records and electronic signatures subject to state record retention laws contained in Minnesota Statutes, sections 15.17 and 138.17; and

WHEREAS, the City Council has drafted the City of St. Charles Electronic Signature Policy, which allows electronic signatures to be sent and accepted on behalf of the City subject to certain limitations contained therein; and

WHEREAS, permitting the use of electronic signatures pursuant to the City of St. Charles Electronic Signature Policy is in the best interests of the City, its operations, citizens, and staff.

**NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL
THAT:**

The City Council, pursuant to Minnesota Statute, section 325L.18, hereby adopts the City of St. Charles Electronic Signature Policy (the “Policy”), attached and incorporated herein, and authorizes the use of electronic signatures and records pursuant to the Policy.

Adopted by the Council of the City of St. Charles on this 27th day of April 2021.

John Schaber, Mayor

ATTEST:

Nick Koverman, City Administrator

CITY OF ST. CHARLES
ELECTRONIC SIGNATURE POLICY

Purpose:

- This policy establishes when an electronic signature may replace a written signature and when an electronic record may replace a paper document in official City of St. Charles (the “City”) business. This policy has been adopted in order to implement Minnesota Statutes, Section 325L.18, which authorizes municipalities to develop and implement policies regarding the use of electronic signatures.

Scope:

- This policy applies to all City departments.
- This policy applies to all City documents.

Policy:

- Approved Electronic Signature Methods
 - An electronic signature method shall be approved for use under this policy if:
 - The signature is capable of verification;
 - The signature is under the sole control of the person using it; and
 - The signature is linked to the data in such a manner that it is readily ascertainable if the data is changed after the signature is applied.
 - The City Administrator may approve specific technologies and vendors under this policy consistent with industry best practices to ensure the security and integrity of the data and the electronic signature.
- Use and Acceptance of Electronic Signatures
 - Where law or policy of the City requires that a record have the signature of a responsible person(s), that requirement is met when the electronic record has associated with it an electronic signature of the responsible person(s) using an approved electronic signature method.
 - Where law or policy of the City requires a written document, that requirement is met when an electronic record has associated with it an electronic signature of the responsible person(s) using an approved electronic signature method.
- Use and Acceptance of e-Notarization
 - Where law or policy of the City requires that a record be notarized, that requirement is met when the electronic record is e-Notarized in compliance with Minnesota Statutes 358 and 359.
- Records Retention
 - The City may retain electronic archives of all documents executed by electronic signature.

(Top 3 inches reserved for recording data)

PERMANENT PUBLIC UTILITY EASEMENT

This Agreement is made this 21 day of April, 2021, by and A B's Leasing Co., Inc., a Minnesota corporation, referred to hereinafter as "Grantor," and the City of St. Charles, Minnesota, a municipal corporation organized under the laws of the State of Minnesota, referred to hereinafter as "Grantee"; (collectively referred to herein as the "parties").

AGREEMENT

That for and in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, paid this date by Grantee to Grantor(s), the receipt and sufficiency of which is hereby acknowledged, the Grantor(s) and Grantee do hereby agree as follows:

1. The undersigned Grantor hereby grants and conveys to the Grantee a Permanent Easement, fifteen (15) feet in width, for utility purposes (the "Permanent Easement"), over, under and across that part of the tract of land legally described on Exhibit A, which is attached hereto and incorporated herein by reference, in the City of St. Charles, Winona County, Minnesota, as legally described on Exhibit B, which is attached hereto and incorporated by reference (the "Permanent Easement Area").
2. The Permanent Easement Area and described above are depicted together on Exhibit C, which is attached hereto and incorporated herein by reference.
3. The Grantor states and hereby covenants that the Grantor(s) is the lawful owner of the above-described real property, is lawfully seized and possessed of said real property, and that the Grantor has good and lawful right to grant the Permanent Easement described herein. Grantor further covenants that the real property is free and clear of liens and encumbrances.
4. The Grantee shall have the right to construct, excavate, grade, inspect, install, operate, maintain, place, reconstruct, improve, enlarge and repair as it may find reasonably necessary utility facilities and improvements, in the Permanent Easement Area described herein.
5. The Grantee and its employees, agents, permittees and licensees shall have the right of ingress and egress to and from the Permanent Easement Area at all times and without notice to

Grantor by such route as shall occasion the least practical damage and inconvenience to the Grantor.

6. The Grantee shall have the right to trim, remove and keep the Permanent Easement Area clear of all buildings, structures, roots, shrubbery, trees, bushes, undergrowth and all other obstructions that may interfere with or endanger the Grantee's exercise of any of the rights pursuant to this Permanent Easement.
7. The Grantor shall not erect, construct or locate in the Permanent Easement Area any new structure or object that was not in existence on the date of this Permanent Easement, which would prevent the Grantee's reasonable access to the Permanent Easement Area or prevent the public's full enjoyment of the rights granted hereunder, without the written consent of the Grantee.
8. The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto, and all covenants shall apply to and run with the land.
9. This Permanent Easement shall be recorded as soon as practicable following its execution with the understanding that the Grantee has complete and absolute sole ownership, use and control of any public drainage and utility facilities and improvements constructed in the Permanent Easement area in accordance with the grant of rights conveyed herein.
10. Grantor(s) and Grantee agree to correct any legal descriptions contained herein if there is a mistake discovered, including any mistakes or discrepancies revealed by an accurate survey of the property identified herein.
11. Grantee agrees to the installation of a sewer pipe and a "Y" junction at Grantee's expense, to facilitate sewer service to Grantor's property. The sewer pipe and "Y" junction shall be installed in a manner to be determined by the City Engineer at the time of installation.

IN WITNESS WHEREOF, the parties have hereunto executed this document the day and year first above written.

GRANTOR:

A B's LEASING CO, INC

By: _____

Phillip Nietz Its Chief Executive Officer

EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY

The real property referenced in this Permanent Easement is legally described as follows:

LEGAL DESCRIPTION:

Commencing at a point where the West line of Lot 29, Plat of Limits of the City of St. Charles intersects the Southerly right of way line of the Chicago and Northwestern Railroad; thence on an assumed bearing of South 00 degrees 00 minutes 00 seconds East, along said West line a distance of 238.18 feet; thence South 89 degrees 55 minutes 06 seconds West a distance of 66.00 feet to the point of beginning; thence continue South 89 degrees 56 minutes 06 seconds West a distance of 233.97 feet; thence North 00 degrees 03 minutes 03 seconds West a distance of 324.77 feet to a point in the Southerly right of way line of County Road No. 126; thence Southeasterly along said right of way line a distance of 262.60 feet along a non tangential curve concave to the Southwest, having a radius of 5,434.82 feet, a central angle of 2 degrees 46 minutes 06 seconds and a chord of said curve bears South 63 degrees 08 minutes 06 seconds East; thence South 00 degrees 00 minutes 00 seconds East, not tangent to said curve, a distance of 205.84 feet to the point of beginning, being located upon and forming a part of the Northeast quarter of the Southwest quarter (NE 1/4 of SW 1/4) of Section Nineteen (19), Township One hundred six (106) North, of Range Ten (10), West of the Fifth Principal Meridian, Winona County, Minnesota.

EXHIBIT B

LEGAL DESCRIPTION OF PERMANENT EASEMENT

LEGAL DESCRIPTION:

Easement Description:

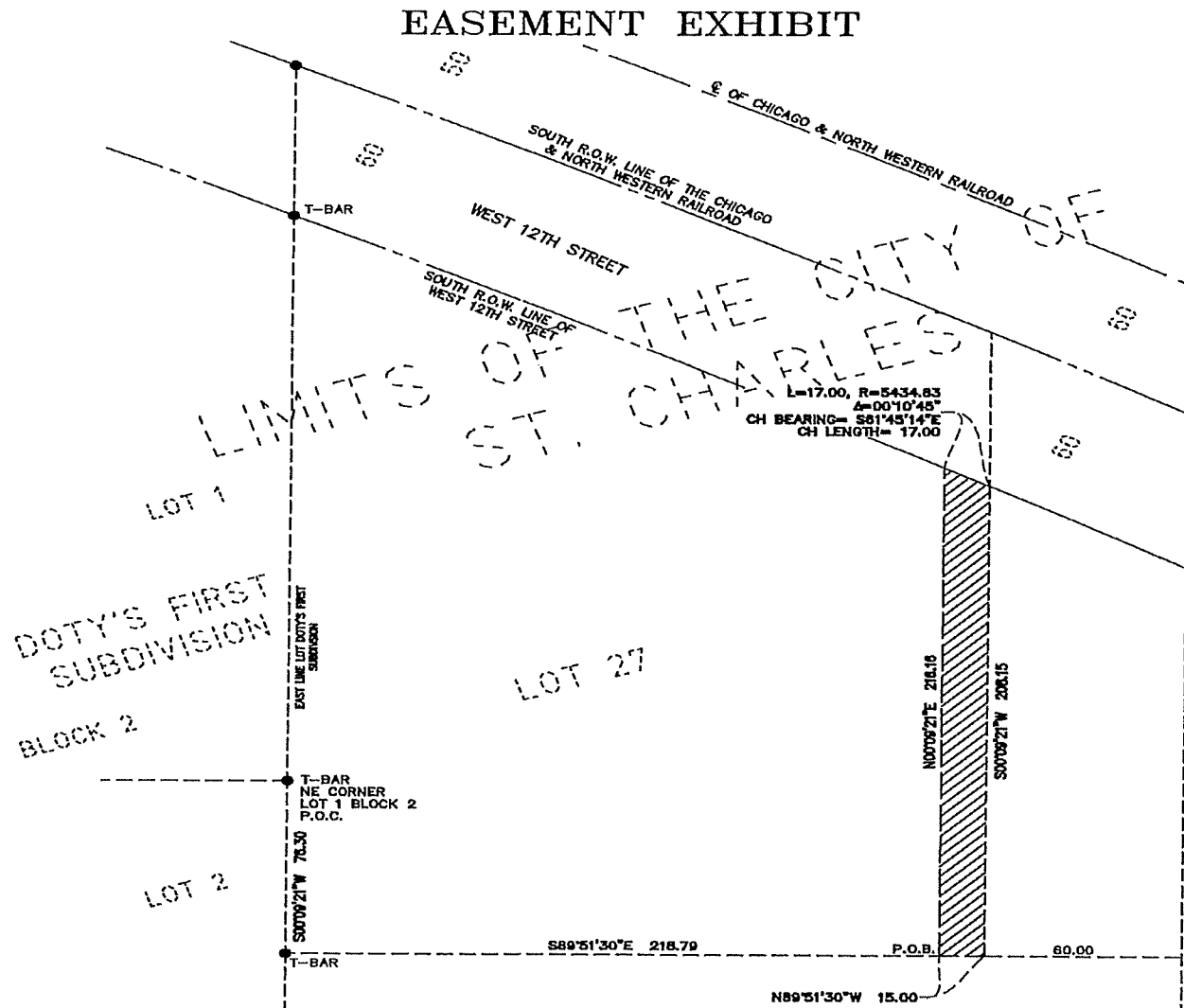
That part of LOT 27, LIMITS OF THE CITY OF ST. CHARLES, according to the plat thereof recorded on file at the Winona County Courthouse, more particularly described as:

Commencing at the Northeast corner of LOT 2, BLOCK 2, DOTY'S FIRST SUBDIVISION; thence South 00 degrees 09 minutes 21 seconds West, along the east line of said LOT 2, 76.30 feet; thence South 89 degrees 51 minutes 30 seconds East, 218.79 feet to the point of beginning; thence North 00 degrees 09 minutes 21 seconds East, 216.16 feet to a point on the south right of way line of West 12th Street; thence easterly along a non-tangential curve, concave southerly having a central angle of 00 degrees 10 minutes 45 seconds, a radius of 5434.83 feet, arc length of 17.00 feet, a chord bearing of South 61 degrees 45 minutes 14 seconds, a chord distance of 17.00 feet; thence South 00 degrees 09 minutes 21 seconds west, 208.15 feet; thence North 89 degrees 51 minutes 30 seconds East, 15.00 feet to the point of beginning.

Containing 3,182 square feet, more or less and subject to easements and restrictions of record.

EXHIBIT C

DEPICTION OF PERMANENT AND TEMPORARY EASEMENTS



City of St. Charles
To take bids for vacant parcels

The City of St. Charles will be accepting bids for the purchase of two parcels of land located along Sherwood Road. The two parcels are to be sold "AS IS" by Quit Claim Deed and without any warranties. The buyer is responsible for extending the publicly owned sewer and water mains within a private easement the City has previously acquired, which is located adjacent to the lots for sale. Such extensions must be completed upon approval of the City Engineer and the Public Works Director, and must be dedicated or ownership must be transferred to the City upon the completion of construction. Extension of the sewer and water mains will be at the buyer's/owner's expense. Any lateral sewer or water lines connected to the buyer's/owner's buildings must be constructed, owned and maintained at the buyer's expense. Parcel A contains approximately 0.79 acres, while Parcel B contains approximately 0.91 acres and are both zoned as R-1M (Modular and Mobile Home Residence District). A minimum bid of \$5,000 per lot is required on a form prescribed by the City. Sealed bids will be accepted at City Hall, 830 Whitewater Avenue, until noon on Wednesday, May 26, 2021. Bids will be reviewed by City Administration and all bids will be publicly disclosed at the time of Council consideration. The City has the right to reject any and all bids. Property information and bid packet is available at City Hall upon request. Questions on the property should be directed to City Administrator Nick Koverman at 932-3020.

Nick Koverman
City Administrator
Date: April 26, 2021

CITY OF ST. CHARLES PROPOSAL FORM

Proposal of _____
(Name of Bidder)

of _____
(City) (State)

TO: ATTN: Nick Koverman, City Administrator
St. Charles City Hall
830 Whitewater Avenue
St. Charles, Minnesota

To purchase parcels A or B, or both, in the attached description for a lump sum amount of

Parcel A \$ _____ (minimum bid required \$5,000)

Parcel B \$. _____ (minimum bid required \$5,000)

The right is reserved, as the interest of the Owner may require, to reject any and all bids, any unresponsive bid and to waive technicalities in bids received.

The Bidder understands that this Proposal is binding upon him/her for a period of sixty (60) days from and after the opening of all bids for this proposed purchase. Notwithstanding the executed bid, sale is contingent upon subsequent approval of the City Council. Sale is contingent upon execution of a purchase agreement as provided by the City of St. Charles.

Dated this ____ day of _____.

Name

Signature

Address _____

Phone: _____

E-mail: _____

The City of St. Charles will be accepting bids for the purchase of two parcels of land located along Sherwood Road. The two parcels are to be sold "AS IS" by Quit Claim Deed and without any warranties. The buyer is responsible for extending the publicly owned sewer and water mains within a private easement the City has previously acquired, which is located adjacent to the lots for sale. Such extensions must be completed upon approval of the City Engineer and the Public Works Director, and must be dedicated or ownership must be transferred to the City upon the completion of construction. Extension of the sewer and water mains will be at the buyer's/owner's expense. Any lateral sewer or water lines connected to the buyer's/owner's buildings must be constructed, owned and maintained at the buyer's expense. Parcel A contains approximately 0.79 acres, while Parcel B contains approximately 0.91 acres and are both zoned as R-1M (Modular and Mobile Home Residence District). A minimum bid of \$5,000 per lot is required on a form prescribed by the City. Sealed bids will be accepted at City Hall, 830 Whitewater Avenue, until noon on Wednesday, May 26, 2021. Bids will be reviewed by City Administration and the highest bid will be brought to the City Council for consideration. All bids will be publicly disclosed at the time of Council consideration. The City has the right to reject any and all bids. Property information and bid packet is available at City Hall upon request.

See Below the Certificate of Survey for Parcel A and Parcel B