The City Council of the City of St. Charles welcomes you to its Regular Meeting of Tuesday, May 8, 2018 at 6:00 p.m. at 830 Whitewater Avenue, City Council Chambers, St. Charles, Minnesota.

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<th>ITEM</th>
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<td>1. Call to Order</td>
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<td>2. Pledge of Allegiance</td>
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<td>3. May 8, 2018 Agenda</td>
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<td>4. Meeting Minutes</td>
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<td>-April 10, 2018</td>
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<td>-April 18, 2018 Board of Equalization</td>
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<td>5. May Payables</td>
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<td>6. Notices and Communications (if applicable)</td>
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<td>7. Reports of Boards and Committees:</td>
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<td>7a. Administrator's Report, Nick Koverman</td>
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<td>7b. Public Works Superintendent Report, Kyle Karger</td>
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<td>7e. EDA Report, Wayne Getz</td>
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<td>7f. Park Board, Dave Braun</td>
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<td>7g. School Board, Craig Hilmer</td>
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<td>9. Resolution #18-2018 Issuance of GO Bond Sale and Levying</td>
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<td>10. Proposed Parking Partnership</td>
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<td>11. Seasonal Public Works Request</td>
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<td>12. Part-time Officer Request</td>
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<td>13. Summer Park &amp; Rec Staff List</td>
<td>APPROVE</td>
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<td>14. Gladiolus Days Button Contest Winner</td>
<td>APPROVE</td>
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**UN SCHEDULED 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**

*Attachment. Questions? Contact Nick Koverman at St. Charles City Hall at 932-3020 or by email at nkoverman@stcharlesmn.org.*
MEMORANDUM for the CITY COUNCIL of St. Charles for
Tuesday, May 8, 2018


9. Resolution #18-2018 Issuance of GO Bond Sale and Levying. Mike Bubany of David Drown & Associates will be present to discuss the enclosed resolution. A final copy will be presented Tuesday evening.

10. Proposed Parking Partnership. Enclosed is the information provided in the April 24th packet for consideration.

11. Seasonal Public Works Request. Please see the enclosed Request for Council Action.

12. Part-time Officer Request. Please see the enclosed Request for Council Action.

13. Summer Park & Rec Staff List. The summer staff list will be reviewed and approve at the Monday night Park Board meeting and will be presented to Council.

14. Gladiolus Days Button Contest Winner. The recommended winner will be presented to Council Tuesday evening for consideration.
MINUTES of the ST. CHARLES CITY COUNCIL  
for Tuesday, April 10, 2018 held at 6:00 p.m. at  
830 Whitewater Avenue,  
St. Charles, Minnesota

MEMBERS PRESENT:  
Councilmen:  
Mayor John Schaber  
Dave Braun  
Craig Hilmer  
Wayne Getz  
David Kramer

STAFF PRESENT: Ken Frank (Police Chief), Rick Schaber (Park & Recreation Director), and Nick Koverman (City Administrator).

OTHERS IN ATTENDANCE: Jill Veerkamp (St. Charles Press), Lew Overhaug (Winona County Planning), and Dan White.

1. ESTABLISH QUORUM/CALL TO ORDER  
Quorum was established with Mayor Schaber calling the meeting to order at 6:00 p.m.

2. PLEDGE of ALLEGIANCE

3. APPROVAL of the AGENDA  
Motion to approve: Dave Braun  
No discussion.  
Motion carried.

4. Meeting Minutes  
March 13, 2018  
Motion to approve: David Kramer  
No further discussion.  
Motion declared carried.

March 27, 2018  
Motion to approve: Craig Hilmer  
No further discussion.  
Motion declared carried.

5. April Payables.  
Motion to approve: Dave Braun  
No discussion.  
Motion declared carried.

6. Notices and communications: Admin. Koverman reminded everyone about the Wednesday, April 18 at City Hall at 7 p.m. for Board of Adjustment and Equalization.

7. Reports of Boards and Committee:  
Various reports were given by staff and Council that were included in the packet.

8. St. Charles Bike/Walking Trail Plan. Lew Overhaug from the Winona County Planning Department presented highlights from the plan to the Council. Admin. Koverman relayed that the Park Board held a public hearing on the matter and received no comment. Overhaug reviewed the sections of the plan as well as priorities. He relayed that the plan is a flexible and fluid document, but that it will help when applying
for potential grants. Koverman relayed that council could review the plan over the next two weeks and that they would look to adopt it at the April 24th meeting. No further discussion.

**9. 2017 Annual Reports.** Mayor Schaber asked the department heads present if there were any additions to the reports or if Council had any questions. Hearing no questions, he thanked everyone for their time and effort put forward.

**10. Ordinance #599 Amending Provisions of Section 152.24 (1st Reading).** Clm. Kramer relayed that provisions of the C-3 Regional Commercial District, while allowed the use of certain motor vehicle dealers, RVs, etc., did not reasonably allow them to operate the business as would be normally accustomed. Language for both exterior storage and signage was reviewed by the P&Z Commission and recommended for approval. No further questions were asked. A motion to approve the first reading as presented was moved.

Motion to approve: **Dave Braun**
No discussion.
Motion carried.

**11. Ordinance #600 Vacating certain utility/drainage easements in the Chattanooga Innovation Park (1st Reading).** Clm. Kramer described that with the proposed sale of the lots 2, 3, 4, and 5 that it was necessary to vacate utility easements and a drainage easement associate with the joining of the lot in order to allow for construction to be done on the easement. Council was in agreement and no questions were asked. A motion to approve the first reading as presented was moved.

Motion to approve: **David Kramer**
No further discussion.
Motion carried.

**UNSCHEDELD PUBLIC APPEARANCES**

Dan White of 737 Whitewater Avenue presented his compliments of staff as well as detailed proposed senior rally. He thanked them for their time.

Motion to adjourn at 6:25 p.m.
Motion to approve: **Wayne Getz**
Motion declared carried.

John Schaber, Mayor

ATTEST

Nick Koverman, City Administrator
MINUTES of the ST. CHARLES BOARD OF EQUALIZATION
for Wednesday, April 18, 2018 held at 7:00 p.m. at
830 Whitewater Avenue,
St. Charles, Minnesota

MEMBERS PRESENT:
Councilmen:
Mayor John Schaber
Dave Braun
Wayne Getz

STAFF PRESENT: Nick Koverman City Administrator

OTHERS IN ATTENDANCE: Stephen Hacken (County Assessor), John Conway (County Assessor).

1. ESTABLISH QUORUM/CALL TO ORDER
Quorum was established with Mayor Schaber calling the meeting to order at 7:00 p.m.

2. BUSINESS
The members of the Board of Equalization waited for 30 minutes but no one showed up during the meeting.
It was relayed by Mr. Hacken that his office had received only one call or request for changes within the
allotted time period. Mr. Hacken relayed that his office will be reviewing commercial property for the
upcoming year.

Seeing that no one was in attendance a motion to adjourn was made.

Motion to adjourn at 7:30 p.m.
Motion to approve: Wayne Getz
No further discussion.
Motion declared carried.

__________________________________________
John P. Schaber, Mayor

ATTEST

Nick Koverman, City Administrator
MEMBERS PRESENT:
Councilmen:
David Kramer (absent)
Dave Braun
Craig Hilmer
Wayne Getz
Mayor John Schaber

STAFF PRESENT:
Nick Koverman (City Administrator).

OTHERS IN ATTENDANCE: Dan White and Jill Veerkamp (St. Charles Press).

1. ESTABLISH QUOROM/CALL TO ORDER
Quorum was established with Mayor Schaber calling the meeting to order at 6:00 p.m.

2. PLEDGE OF ALLEGIANCE

3. APPROVAL of the AGENDA:
Motion to approve the agenda: Dave Braun
No discussion.
Motion carried.

4. Notices and Communications. Admin. Koverman relayed that the Farmer's Market will return behind City Hall on May 15th. No other updates were given.

5. Review of Financials.
Motion to approve: Craig Hilmer
No further discussion.
Motion carried.

6. Ordinance #599 Amending Provisions of Sect. 152.24 (2nd Reading). Mayor Schaber briefly discussed the ordinance regarding amending language in Section 152.24 and asked for any additional comment. Hearing none, he called for a motion to approve the second reading. A motion was moved.
Motion to approve: Wayne Getz
No further discussion.
Motion carried.

7. Ordinance #600 Vacating certain Utility/Drainage Easements in the Chattanooga Innovation Park (2nd Reading). Mayor Schaber reviewed the ordinance for vacating the utility easements and a drainage easement associated with the proposed sale of the land. No questions were asked and a motion to approve the ordinance was moved.
Motion to approve: Dave Braun
No further discussion.
Motion carried.

8. Ordinance #601 Emergency Sale of Real Property to Danmar Property, LLC. Mayor Schaber briefly reviewed the ordinance that authorized the sale of the land to Danmar Properties, LLC for the proposed car dealership. No questions were asked.
Motion to approve: Craig Hilmer
No further discussion.
Motion declared carried.

9. Resolution #15-2018 Approving Sale to Danmar Properties, LLC. The resolution outlined the sale and included the purchase agreement and map as an exhibit. The sale will entail 9.11 acres in the Chattanooga Innovation Park for a selling price of $305,000.00. Mayor Schaber relayed that the company looked to begin construction as soon as possible with a closing date of the property in late May. A motion to approve the proposed resolution was moved.
Motion to approve: Wayne Getz
No further discussion.  
Motion carried.

10. Safe Routes to School Update / Parking Proposal Request. Admin. Koverman relayed that a preconstruction meeting was held the prior week and that the St. Charles project was moved up on the priority list and would begin April 30th. Staff would be spending time relaying the information, parking and pedestrian plans, and changes to the school and business owners that are affected by the project. He then relayed that after receiving feedback on parking constraints in the downtown area from guests and residents, staff began to look at existing spaces and potential options or ideas. One possible idea was to better utilize parking space behind the block of Del’s and the insurance company. By potentially reconfiguring the existing space and coming up with a better traffic flow, it would not only clean up the space, but also look to add additional spaces. Because of the configuration of 11th Street and the angles associated with the alley that accesses the new 11th Street location, part of the proposal is to remove the blacktop between the library and the new green space that would remain as a result of the gas station removal. This would help to eliminate the offset intersection. Determining how the space could be utilized as a public space was one option he asked Council to consider. He had discussions with the Lions Club who would be willing to provide benches for a sitting area. He also relayed that the City had received information signs through Winona County Active Living SHIP program that the City partners with as well. With the green space project behind city hall, another option was potentially relocating the gazebo to the green space by the library. The proposal was brought to the business owners in that area and they expressed support of the idea as they would like to have their customers use parking in the rear as well. They would also make improvements to their buildings and rear entrances on their own. No questions were asked, and Mayor Schaber stated that the discussion would continue at the next meeting.

11. St. Charles Bike & Walking Trail Plan. Mayor Schaber asked if any additional comments on the plan were received or if Council had any additional thoughts. Hearing none, he called for a motion to approve the plan as presented.  
Motion to close: Dave Braun  
No further discussion.  
Motion declared carried.

12. Detachment Proceeding. Admin. Koverman highlighted the map and ordinance included in the packet from 2002 and relayed that through discussion with the Winona County Recorder’s Office as well as the State Boundary Adjustment office, past city council members, township officers, and landowners, the portion of land that was inadvertently annexed should not have been. In addition, a parcel of land that the County was collecting tax on for the City, would need to be corrected as it was never annexed into city limits. Mayor Schaber and Getz, who were both on Council at the time, relayed that they did not believe this portion was supposed to be annexed and that it was an error. Council agreed and motioned to have staff proceed forward with the detachment process.  
Motion to approve: Craig Hilmer  
No further discussion.  
Motion declared carried.

13. Resolution #16-2017 1-Day Temporary Liquor License, Springfest. Mayor Schaber described the request. A motion was made to approve the resolution.  
Motion to approve: Wayne Getz  
No further discussion.  
Motion declared carried.

14. Resolution #17-2018 1-Day Temporary Liquor License – Library. The library fundraiser was rescheduled for May 12 and the liquor license would accompany the date. A motion was made to approve the resolution.  
Motion to approve: Craig Hilmer  
No further discussion.  
Motion declared carried.

UNSCHEDULED PUBLIC APPEARANCES
None

Motion to adjourn at 6:21 p.m.  
Motion to approve: Wayne Getz  
Motion declared carried.

John Schaber, Mayor

Attest:  
Nick Koverman, City Administrator
April 9—Attended Friends of Whitewater meeting to continue discussion and planning of 2019 event. Helped to plan grant requests for local/area foundations.

April 16-20—Auditors from Smith Schaefer & Associates were on hand to conduct the in house audit. The full review will be held in June with the presentation to be given at the June 12 date.

April 18—Held a preconstruction meeting for the Safe Routes To School project and continued planning. Met with members of the Eyota fire department at the EMS building in the evening along with Fire Chief Mike Schultz to provide a tour and answer questions.

Held the Board of Equalization meeting with County Assessor Steve Hacken.

April 25—Met with owners of Whitewater Pub to discuss possible ideas for Gladiolus Days and Winona County Fair and promotion in general. Deputy City Clerk Janell Dahl and Park and Recreation Director Rick Schaber also attended.

April 27—Attended meeting in Winona for the All Hazard Mitigation plan for Winona County as required by FEMA.

April 28—Attended St. Charles Home Show with a City booth as well as helped to promote the St. Charles Area Community Foundation.

April 30—Held conference call with Mike Bubany of David Drown & Associates as well as Kristine Engstrand with Standard & Poors rating call.

Attended the Southeast League of Municipalities meeting in Leroy in the evening.
Public Works Report – April 2018

- Plowed and sanded streets, worked on lights at the powerplant and substation; maintenance on fleet equipment, disconnect/reconnect service at 106 East 4th after service upgrades; switched temporary electric to permanent electric on Northern Hills Drive.
- Ordered and installed new safety lights at the substation, installed temporary service at 782 Northern Hills Drive, inspected bucket truck, worked with Ziegler on power plant engine maintenance, and repaired street lights on Whitewater Avenue.
- Change plow blades on truck, installed electric meter at 1548 Whitewater Avenue, flushed all city water hydrants, changed out 100 KVA transformer on West 5th Street for new service, and removed three street lights on Whitewater for the Safe Routes to School road project.
- Meetings held with Mastec regarding street light boring project – the plan is to remove old poles and replace with new fiberglass poles and LED lighting.
- Meter reconnects at trailer park, checking spring orders for electric inventory and 2018 projects, city wide locates.
- Filed for DOT permit to add street lights on Hwy 14 West, tested new electric meters and changed out bi-directional meter, working on property pin locations for garages and fencing projects, checking on installation of switch breaker on Hwy 14 lights to East for the 4th of July fireworks.
- Meetings with 11th Street project engineers and Dunn Construction for electrical needs for flashing crosswalks, banner poles and street light’s new locations; repaired broken signs from winter, cleaned yards and streets from sand and chip sealing projects, and install temporary tool box on new street truck.
- Turned on curb stop north of Mike Rainey’s property; repaired lights on park truck sander, street sweeping city wide, cleaned City Hall grounds and bike trails, repaired
John Deere broom, check on Senior Center for cabinet replacements/doors only, and took City bulbs in for recycling.

- Picked up books for library, started working on jet vac truck, checked street signs and bridge signs that need replacement, hauled tables and chairs to library, install new door on Cold Storage building, cleaned fairgrounds after winter snow storage, lubricated all overhead doors at the city shop.

- Replaced seat in grader, cleaned Whitewater Avenue, filled pot holes, 2 employees attended Street Signs 101 class in the cities, burned grass field by Brookwood Park, worked on cold storage roof, calibrated confined space oxygen sensor, and worked on catch basin repair list.

- Put in locates for catch basin repairs and got cement trailer stocked; added degreaser for South Fork lift station, replaced water meter at 518 St. Charles Avenue.

- Daily/weekly/monthly - Utility locates; monthly rubber goods inventory and testing; MMUA safety meeting; ran power plant for monthly exercise; repaired street lights; located property pins; delivered disconnect notices and disconnected/reconnected electric meters for City Hall; daily Well checks; lift station and booster station checks; water samples; substation reporting; meter finals; checked and replaced water meters

Sincerely,
Kyle Karger
Public Works Superintendent
May 4, 2018

- We are in the process of updating the department rifles with weapon lights along with new slings and grips. The total cost for upgrading the 4 department rifles will be about for a total cost of $1335. The major improvements will be the slings will be much more user friendly and we are probably overdue for the weapon lights.

- Rob Floerke recently attend an 8-hour course sponsored by Glock Professional Training and became certified as a Glock weapons Armoror. This course taught the basics of Glock firearms including safety features, loading, unloading, field stripping & reassembly, detailed disassembly and assembly along with proper cleaning and lubricating. All of the handguns owned by this department are Glocks and the vast majority of handguns used by officers in the department are Glocks.

- With the help of the Sheriff’s Office we are the recipient of 4 used Taser X-26 weapons. These electronic stun guns were donated by the Dakota County Sheriff’s Office and will supplement our current inventory. What is really appreciated is this particular weapon is the same as currently in use by this department and several extra batteries were also donated. On a side note this model of the X-26 is being discontinued, meaning in future mechanical issues will result in the unit being destroyed. With the addition of these 4 units we should have an ample supply of weapons and batteries for the next several years.

- Sgt Pelaez attended and ICAT “Train the Trainer Course.” This course certified him as an instructor for recognizing and diffusing a range of critical incidents teaching critical thinking, crisis intervention, communications and tactics. Sgt Pelaez will be the department’s instructor for this Critical Decision-Making Model which will help officers assess situations, make safe and effective decisions along with documenting and learning from their actions. This training will become part of our new state mandated training crisis response and conflict management.

Respectfully submitted,

Chief Ken Frank

“Proud to Serve”
City of St. Charles
Economic Development Authority
Regular Meeting
Minutes
April 27, 2018

1. Meeting was called to order at 7:05am at City Hall. Present were: Greg Gall, Mayor John Schaber, Wayne Getz, Jim Allen, Dan Pearson, EDA Coordinator Cris Gastner, and City Administrator Nick Koverman

2. Business Items:

   a. Potential project
      Gastner and Koverman informed the board about a potential project exploring development in Chattanooga Innovation Park. One hurdle is that the party is showing interest in the same lots that are under consideration for the hotel development. Gastner and Koverman also updated the Board on the ongoing discussions with the hotel developers. The hotel developers have been made aware that there is someone else interested in the property if they decide that their project isn’t going to move forward. Consensus of the Board is to continue to move forward in the discussions with the new project as to be prepared to move the project forward if the hotel does not.

   b. Updates
      Koverman and Gastner updated the Board on the progress of several ongoing projects.

Meeting was adjourned.
PROCLAMATION
BY THE CITY COUNCIL
OF THE CITY OF ST. CHARLES, MINNESOTA
May 9th, 2018 Is National Bike to School Day

WHEREAS, Wednesday, May 9, 2018 is recognized as National Bike to School Day in St. Charles; and,

WHEREAS, the St. Charles National Bike to School Day is designed to join children and adults around the community and nation to celebrate the benefits of bicycling and walking by encouraging your student to walk or bike to school for "National Bike to School Day"; and

WHEREAS, The M.A.P.S. (Motorist and Pedestrian Safety) group and the St. Charles Public School District in collaboration with the City of St. Charles seeks to promote motorist and pedestrian safety through various activities and programs on this day; and

WHEREAS, the well-being and quality of life of all citizens of St. Charles is being enhanced and improved as a direct result of the various events and programs scheduled as a way of staying safe; and,

NOW THEREFORE, I, John Schaber, Mayor of the City of St. Charles, in the County of Winona, and State of Minnesota, do hereby proclaim that Wednesday, May 9, 2018 be declared National Bike to School Day within the City of St. Charles

IN WITNESS WHEREOF, I have hereunto set the Great Seal of the City of St. Charles to be affixed this 8th day of May, 2018.

John Schaber, Mayor

(SEAL)
BIKE SAFETY

1. WEAR A HELMET

2. WALK YOUR BIKE ACROSS BUSY STREETS/HIGHWAYS

3. USE HAND SIGNALS WHEN TURNING

4. SEE AND BE SEEN - WEAR LIGHT COLORED CLOTHING

5. TRAVEL WITH THE FLOW OF TRAFFIC

6. KEEP YOUR EYES ON THE ROAD. BE AWARE OF TRAFFIC AROUND YOU ESPECIALLY DRIVEWAYS

7. KIDS/PARENTS-PRACTICE GETTING TO SUMMER DESTINATIONS SUCH AS A FRIEND’S HOUSE, THE POOL, PARK AND REC ACTIVITIES, THE PARKS, ETC.

8. PRACTICE LOOKING OVER YOUR SHOULDER AND KEEPING YOUR BIKE IN A STRAIGHT LINE

Safe Travels Makes Happy Arrivals

M.A.P.S.
MOTORIST AND PEDESTRIAN SAFETY
Join children and adults around the nation to celebrate the benefits of bicycling and walking by encouraging your student to walk or bike to school for "National Bike to School Day" on Wednesday, May 9th.

We will have meeting locations for students to meet at 7:40 a.m. and then go to school as a "bike bus." We will also have law enforcement placed at two locations...one to cross Highway 74 near the laundromat and the other to cross Highway 14 near Kwik Trip/Good Sport/Chiropractor.

A staff member from the school or adult volunteer will be escorting the students to school in the morning. The route will drop students at the elementary school first and then head to the high school.

After school, there will be an escort from the elementary immediately following the school day but there will not be a staff member to escort the students from the high school. Law enforcement will be assisting at crossings in the afternoon as well. We encourage the students to use the same route that the staff member led them on in the morning.
EXTRACT OF MINUTES OF A MEETING
OF THE CITY COUNCIL OF THE
CITY OF ST. CHARLES, MINNESOTA

HELD: MAY 8, 2018

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of St. Charles, Winona County, Minnesota, was duly called and held at the City Hall on May 8, 2018, at 6:00 P.M., for the purpose of, in part, of authorizing the issuance and awarding the sale of $650,000 General Obligation Street Reconstruction Bonds, Series 2018A.

The following members were present:

and the following were absent:

Member ______________________ introduced the following resolution and moved its adoption:

RESOLUTION #18-2018

PROVIDING FOR THE ISSUANCE AND SALE OF $650,000 GENERAL OBLIGATION STREET RECONSTRUCTION BONDS, SERIES 2018A, AND LEVYING A TAX FOR THE PAYMENT THEREOF

A. WHEREAS, the City of St. Charles, Minnesota (the "City"), has heretofore determined and declared that it is necessary and expedient to issue $650,000 General Obligation Street Reconstruction Bonds, Series 2018A (the "Bonds" or individually, a "Bond"), pursuant to Minnesota Statutes, Chapter 475 and Section 475.58, Subdivision 3b, to finance street reconstruction improvements under the City's 2017 through 2021 Five-Year Street Reconstruction Plan adopted on November 14, 2017 (the "Improvements"); and

B. WHEREAS, on November 14, 2017, following duly published notice thereof, the Council held a public hearing on the issuance of approximately $650,000 principal amount of bonds to finance the Improvements and all persons who wished to speak or provide written information relative to the public hearing were afforded an opportunity to do so; and

C. WHEREAS, no petition signed by voters equal to 5 percent of the votes cast in the City in the last municipal general election requesting a vote on the issuance of the street reconstruction bonds was filed with the Administrator within 30 days after the public hearing on November 14, 2017; and

D. WHEREAS, the Bonds, together with any outstanding bonds of the City that are subject to the City's net debt limit, do not exceed the City's net debt limit; and

E. WHEREAS, the City has retained David Drown, Inc., in Minneapolis, Minnesota ("David Drown"), as its independent municipal advisor for the sale of the Bonds and was
therefore authorized to sell the Bonds by private negotiation in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9) and proposals to purchase the Bonds have been solicited by David Drown; and

F. WHEREAS, the proposals set forth on Exhibit A attached hereto were received by the Administrator, or designee, at the office of David Drown, at 11:00 A.M. on the date hereof, pursuant to the Terms of Offering established for the Bonds; and

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

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

1. Acceptance of Proposal. The proposal of __________________________ (the "Purchaser"), to purchase the Bonds in accordance with the Terms of Offering, at the rates of interest hereinafter set forth, and to pay therefore the sum of $__________, plus interest accrued to settlement, is hereby found, determined and declared to be the most favorable proposal received, is hereby accepted and the Bonds are hereby awarded to the Purchaser. The Administrator is directed to retain the deposit of the Purchaser and to forthwith return to the unsuccessful bidders their good faith checks or drafts.

2. Bond Terms.

(a) Original Issue Date; Denominations; Maturities; Term Bond Option. The Bonds shall be dated May 29, 2018, as the date of original issue, shall be issued forthwith on or after such date in fully registered form, shall be numbered from R-1 upward in the denomination of $5,000 each or in any integral multiple thereof of a single maturity (the "Authorized Denominations") and shall mature on February 1 in the years and amounts as follows:

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

(b) Book Entry Only System. The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York or any of its successors or its successors to its functions hereunder (the "Depository") will act as securities depository for the Bonds, and to this end:
(i) The Bonds shall be initially issued and, so long as they remain in book entry form only (the "Book Entry Only Period"), shall at all times be in the form of a separate single fully registered Bond for each maturity of the Bonds; and for purposes of complying with this requirement under paragraphs 5 and 10 Authorized Denominations for any Bond shall be deemed to be limited during the Book Entry Only Period to the outstanding principal amount of that Bond.

(ii) Upon initial issuance, ownership of the Bonds shall be registered in a bond register maintained by the Bond Registrar (as hereinafter defined) in the name of CEDE & CO., as the nominee (it or any nominee of the existing or a successor Depository, the "Nominee").

(iii) With respect to the Bonds neither the City nor the Bond Registrar shall have any responsibility or obligation to any broker, dealer, bank, or any other financial institution for which the Depository holds Bonds as securities depository (the "Participant") or the person for which a Participant holds an interest in the Bonds shown on the books and records of the Participant (the "Beneficial Owner"). Without limiting the immediately preceding sentence, neither the City, nor the Bond Registrar, shall have any such responsibility or obligation with respect to (A) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in the Bonds, or (B) the delivery to any Participant, any Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any notice of redemption, or (C) the payment to any Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the principal of or premium, if any, or interest on the Bonds, or (D) the consent given or other action taken by the Depository as the Registered Holder of any Bonds (the "Holder"). For purposes of securing the vote or consent of any Holder under this Resolution, the City may, however, rely upon an omnibus proxy under which the Depository assigns its consenting or voting rights to certain Participants to whose accounts the Bonds are credited on the record date identified in a listing attached to the omnibus proxy.

(iv) The City and the Bond Registrar may treat as and deem the Depository to be the absolute owner of the Bonds for the purpose of payment of the principal of and premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to the Bonds, for the purpose of obtaining any consent or other action to be taken by Holders for the purpose of registering transfers with respect to such Bonds, and for all purpose whatsoever. The Bond Registrar, as paying agent hereunder, shall pay all principal of and premium, if any, and interest on the Bonds only to the Holder or the Holders of the Bonds as shown on the bond register, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid.

(v) Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new Nominee in place of the existing Nominee, and subject to the transfer provisions in paragraph 10, references to the Nominee hereunder shall refer to such new Nominee.
(vi) So long as any Bond is registered in the name of a Nominee, all payments with respect to the principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, by the Bond Registrar or City, as the case may be, to the Depository as provided in the Letter of Representations to the Depository required by the Depository as a condition to its acting as book-entry Depository for the Bonds (said Letter of Representations, together with any replacement thereof or amendment or substitute thereto, including any standard procedures or policies referenced therein or applicable thereto respecting the procedures and other matters relating to the Depository's role as book-entry Depository for the Bonds, collectively hereinafter referred to as the "Letter of Representations").

(vii) All transfers of beneficial ownership interests in each Bond issued in book-entry form shall be limited in principal amount to Authorized Denominations and shall be effected by procedures by the Depository with the Participants for recording and transferring the ownership of beneficial interests in such Bonds.

(viii) In connection with any notice or other communication to be provided to the Holders pursuant to this Resolution by the City or Bond Registrar with respect to any consent or other action to be taken by Holders, the Depository shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action; provided, that the City or the Bond Registrar may establish a special record date for such consent or other action. The City or the Bond Registrar shall, to the extent possible, give the Depository notice of such special record date not less than 15 calendar days in advance of such special record date to the extent possible.

(ix) Any successor Bond Registrar in its written acceptance of its duties under this Resolution and any paying agency/bond registrar agreement, shall agree to take any actions necessary from time to time to comply with the requirements of the Letter of Representations.

(c) **Termination of Book-Entry Only System.** Discontinuance of a particular Depository's services and termination of the book-entry only system may be effected as follows:

(i) The Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the City and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of the Depository with respect to the Bond if it determines that the Depository is no longer able to carry out its functions as securities depository or the continuation of the system of book-entry transfers through the Depository is not in the best interests of the City or the Beneficial Owners.

(ii) Upon termination of the services of the Depository as provided in the preceding paragraph, and if no substitute securities depository is willing to undertake the functions of the Depository hereunder can be found which, in the opinion of the City, is willing and able to assume such functions upon reasonable or customary terms, or if the City determines that it is in the best interests of the City or the Beneficial Owners of the Bond that the Beneficial Owners be able to obtain certificates for the Bonds, the Bonds
shall no longer be registered as being registered in the bond register in the name of the Nominee, but may be registered in whatever name or names the Holder of the Bonds shall designate at that time, in accordance with paragraph 10. To the extent that the Beneficial Owners are designated as the transferee by the Holders, in accordance with paragraph 10, the Bonds will be delivered to the Beneficial Owners.

(iii) Nothing in this subparagraph (c) shall limit or restrict the provisions of paragraph 10.

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

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

4. Interest. The Bonds shall bear interest payable semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing February 1, 2019, calculated on the basis of a 360-day year of twelve 30-day months, at the respective rates per annum set forth opposite the maturity years as follows:

<table>
<thead>
<tr>
<th>Maturity Year</th>
<th>Interest Rate</th>
<th>Maturity Year</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td></td>
<td>2025</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td>2026</td>
<td></td>
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<tr>
<td>2022</td>
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<td>2027</td>
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<td>2023</td>
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<td>2028</td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td></td>
<td>2029</td>
<td></td>
</tr>
</tbody>
</table>

5. Optional Redemption. All Bonds maturing February 1, 2026 and thereafter shall be subject to redemption and prepayment at the option of the City on February 1, 2025, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the City; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected registered holder of the Bonds thirty (30) days prior to the date fixed for redemption.
6. **Bond Registrar.** Northland Trust Services, Inc., in Minneapolis, Minnesota, is appointed to act as bond registrar and transfer agent with respect to the Bonds (the "Bond Registrar"), and shall do so unless and until a successor Bond Registrar is duly appointed, all pursuant to any contract the City and Bond Registrar shall execute which is consistent herewith. The Bond Registrar shall also serve as paying agent unless and until a successor paying agent is duly appointed. Principal and interest on the Bonds shall be paid to the registered Holders (or record holders) of the Bonds in the manner set forth in the form of Bond and paragraph 12.

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

```
UNITED STATES OF AMERICA
STATE OF MINNESOTA
WINONA COUNTY
CITY OF ST. CHARLES

R- ________  $ ________

GENERAL OBLIGATION STREET RECONSTRUCTION BOND, SERIES 2018A

<table>
<thead>
<tr>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Date of Original Issue</th>
<th>CUSIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>_____ %</td>
<td>February 1</td>
<td>May 29, 2018</td>
<td></td>
</tr>
</tbody>
</table>

REGISTERED OWNER:  CEDE & CO.

PRINCIPAL AMOUNT:  _______________ DOLLARS

THE CITY OF ST. CHARLES, WINONA COUNTY, MINNESOTA (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, unless called for earlier redemption, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing February 1, 2019, at the rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months) until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the principal office of Northland Trust Services, Inc., in Minneapolis, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so
timely paid shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given to Bondholders not less than ten days prior to the Special Record Date. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America. So long as this Bond is registered in the name of the Depository or its Nominee as provided in the Resolution hereinafter described, and as those terms are defined therein, payment of principal of, premium, if any, and interest on this Bond and notice with respect thereto shall be made as provided in the Letter of Representations, as defined in the Resolution, and surrender of this Bond shall not be required for payment of the redemption price upon a partial redemption of this Bond. Until termination of the book-entry only system pursuant to the Resolution, Bonds may only be registered in the name of the Depository or its Nominee.

Optional Redemption. All Bonds of this issue (the "Bonds") maturing February 1, 2026 and thereafter are subject to redemption and prepayment at the option of the Issuer on February 1, 2025, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the Issuer; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected registered holder of the Bonds thirty (30) days prior to the date fixed for redemption.

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

Issuance; Purpose; General Obligation. This Bond is one of an issue in the total principal amount of $650,000, all of like date of original issue and tenor, except as to number, maturity, interest rate, denomination and redemption privilege, issued pursuant to and in full conformity with the Constitution, Charter of the Issuer and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council on May 8, 2018 (the "Resolution"), for the purpose of providing money to finance street reconstruction improvements within the Issuer. This Bond is payable out of the General Obligation Street Reconstruction Bonds, Series 2018A Fund of the Issuer. This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of its principal, premium, if any, and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

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

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

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

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

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

Qualified Tax-Exempt Obligation. This Bond has been designated by the Issuer as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution, Charter of the Issuer and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond, have been done, have happened and have been performed, in regular and due form, time and manner as required by law, and that this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser, does not exceed any constitutional, charter or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of St. Charles, Winona County, Minnesota, by its City Council has caused this Bond to be executed on its behalf by the facsimile signatures of its Mayor and its Administrator, the corporate seal of the Issuer having been intentionally omitted as permitted by law.
Date of Registration: Registrable by: NORTHLAND TRUST SERVICES, INC.

Payable at: NORTHLAND TRUST SERVICES, INC.

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the Resolution mentioned Within.

NORTHLAND TRUST SERVICES, INC.
Minneapolis, Minnesota
Bond Registrar

By: __________________________
   Authorized Signature

CITY OF ST. CHARLES,
WINONA COUNTY, MINNESOTA

/s/ Facsimile
Mayor

/s/ Facsimile
Administrator
ABBREVIATIONS

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

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as tenants in common
UTMA - ________ as custodian for ____________

(Cust) (State) (Minor)

under the ______________ Uniform Transfers to Minors Act

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

ASSIGNMENT

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

Dated: ______________

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

Signature Guaranteed:

__________________________________________

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

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

Name and Address: __________________________________________

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

9. **Authentication.** No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless a Certificate of Authentication on such Bond, substantially in the form hereinabove set forth, shall have been duly executed by an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate the signatures of officers of the City on each Bond by execution of the Certificate of Authentication on the Bond and by inserting as the date of registration in the space provided the date on which the Bond is authenticated, except that for purposes of delivering the original Bonds to the Purchaser, the Bond Registrar shall insert as a date of registration the date of original issue of May 29, 2018. The Certificate of Authentication so executed on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.

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

   Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration (as provided in paragraph 9) of, and deliver, in the name of the designated transferee or transferees, one or more new Bonds of any Authorized Denomination or Denominations of a like aggregate principal amount, having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation.

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

   All Bonds surrendered upon any exchange or transfer provided for in this resolution shall be promptly canceled by the Bond Registrar and thereafter disposed of as directed by the City.
All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the City evidencing the same debt, and entitled to the same benefits under this resolution, as the Bonds surrendered for such exchange or transfer.

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

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

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

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

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

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

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

15. Funds. There is hereby established a special fund to be designated the "General Obligation Street Reconstruction Bonds, Series 2018A Fund" (the "Fund") to be administered and maintained by the Administrator as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The Fund shall be maintained in
the manner herein specified until all of the Bonds and the interest thereon have been fully paid. There shall be maintained in the Fund the following separate accounts.

(a) Construction Account. To the Construction Account there shall be credited the proceeds of the sale of the Bonds, less capitalized interest and less any amount paid for the Bonds in excess of the minimum bid. From the Construction Account there shall be paid all costs and expenses of making the Improvements, including the cost of any construction contracts heretofore let and all other costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65; and the moneys in the Construction Account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Bonds may also be used to the extent necessary to pay interest on the Bonds due prior to the anticipated date of commencement of the collection of taxes herein levied or covenanted to be levied; and provided further that if upon completion of the Improvements there shall remain any unexpended balance in the Construction Account, the balance shall be transferred by the Council to the Debt Service Account.

(b) Debt Service Account. There are hereby irrevocably appropriated and pledged and shall be credited to the Debt Service Account: (i) all funds paid for the Bonds in excess of the minimum bid; (ii) all collections of taxes herein or hereafter levied for the payment of the Bonds; (iii) capitalized interest in the amount of $________ (together with interest earnings thereon and subject to such other adjustments as are appropriate to provide sufficient funds to pay interest due on the Bonds on or before February 1, 2019); (iv) all funds remaining in the Construction Account after completion of the Improvements and payment of the costs thereof; (v) all investment earnings on funds held in the Debt Service Account; and (vi) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Debt Service Account. The Debt Service Account shall be used solely to pay the principal and interest on the Bonds and any other general obligation bonds of the City hereafter issued by the City and made payable from the Debt Service Account as provided by law.

No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued and (2) in addition to the above in an amount not greater than the lesser of five percent of the proceeds of the Bonds or $100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Construction Account or Debt Service Account (or any other City account which will be used to pay principal or interest to become due on the bonds payable therefrom) in excess of amounts which under then applicable federal arbitrage regulations may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. Money in the Construction Account shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").
16. **Tax Levy; Coverage Test.** To provide moneys for payment of the principal and interest on the Bonds there is hereby levied upon all of the taxable property in the City a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the City for the years and in the amounts as follows:

<table>
<thead>
<tr>
<th>Years of Tax Levy</th>
<th>Years of Tax Collection</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

See Attached Tax Levy Schedule

The tax levies are such that if collected in full they will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levies shall be irrepealable so long as any of the Bonds are outstanding and unpaid, provided that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61, Subdivision 3.

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

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

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

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

The Mayor and Administrator or any other officer of the City authorized to act in their place (the "Officers") are hereby authorized and directed to execute on behalf of the City the Undertaking in substantially the form presented to the City Council subject to such modifications thereof or additions thereto as are (i) consistent with the requirements under the Rule, (ii) required by the Purchaser of the Bonds, and (iii) acceptable to the Officers.
19. **Defeasance.** When all Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Bonds shall, to the extent permitted by law, cease. The City may discharge its obligations with respect to any Bonds which are due on any date by irrevocably depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

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

The City hereby certifies and/or covenants as follows:

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

(b) Each Reimbursement Expenditure is a capital expenditure or a cost of issuance of the Bonds or any of the other types of expenditures described in Section 1.150-2(d)(3) of the Reimbursement Regulations.
(c) The "reimbursement allocation" described in the Reimbursement Regulations for each Reimbursement Expenditure shall and will be made forthwith following (but not prior to) the issuance of the Bonds and in all events within the period ending on the date which is the later of eighteen months after payment of the Reimbursement Expenditure or one year after the date on which the Project to which the Reimbursement Expenditure relates is first placed in service, but not more than three years after the date of the Reimbursement Expenditure.

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

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

21. Certificate of Registration. A certified copy of this resolution is hereby directed to be filed in the offices of the County Auditor of Winona County, Minnesota, together with such other information as the County Auditor shall require and to obtain the County Auditor's Certificate that the Bonds have been entered in the County Auditor's Bond Register and the tax levy required by law has been made.

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

23. Negative Covenant as to Use of Proceeds and Improvements. The City hereby covenants not to use the proceeds of the Bonds or to use the Improvements, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Improvements, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

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

For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements for governmental units issuing $5,000,000 or less of bonds, the City hereby finds,
determines and declares that (i) the Bonds are issued by a governmental unit with general taxing powers; (ii) no Bond is a private activity bond; (iii) ninety five percent or more of the net proceeds of the Bonds are to be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City); and (iv) the aggregate face amount of all tax exempt bonds (other than private activity bonds) issued by the City (and all entities subordinate to, or treated as one issuer with the City) during the calendar year in which the Bonds are issued and outstanding at one time is not reasonably expected to exceed $5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

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

(a) the Bonds are issued after August 7, 1986;

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

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

(d) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the City (and all entities treated as one issuer with the City, and all subordinate entities whose obligations are treated as issued by the City) during this calendar year 2018 will not exceed $10,000,000;

(e) not more than $10,000,000 of obligations issued by the City during this calendar year 2018 have been designated for purposes of Section 265(b)(3) of the Code; and

(f) the aggregate face amount of the Bonds does not exceed $10,000,000.

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

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


28. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.
29. **Headings.** Headings in this resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.

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

and the following voted against the same:

Whereupon the resolution was declared duly passed and adopted.

______________________________________________

John Schaber, Mayor

**ATTEST:**

______________________________________________

Nick Koverman, City Administrator
I, the undersigned, being the duly qualified and acting Administrator 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 duly called and held on the date therein indicated, insofar as the minutes relate to considering proposals and awarding the competitive negotiated sale of $650,000 General Obligation Street Reconstruction Bonds, Series 2018A.

WITNESS my hand on May 8, 2018.

_________________________________
Administrator
EXHIBIT A

PROPOSALS

[To be supplied by David Drown, Inc.]
EXHIBIT B

TAX LEVY SCHEDULE

[To be supplied by David Drown, Inc.]
Request for City Council Action

Date: April 18, 2018 Requested Council Date: April 24, 2018

Originating Department: Administration

Council Action Requested: Proposed parking partnership

Background Information: Moving forward with the Safe Routes To School project, staff continue to review the project as a whole. In consideration of the project, we reviewed the existing parking and traffic flow of the area. Enclosed is a proposal to remove the blacktop connection between 11th Street and the rear parking area behind State Farm and Dels Café, which would extend the library green space, decrease unwarranted drive-thru traffic and eliminate “S” corner of the alley. As a proposal to more efficiently utilize existing parking to service downtown patrons/guests, as well as generally enhance the space that abuts the SRTS area, a draft plan of surfacing the gravel area for public use is attached. Support has been received from those businesses as to the idea of a reconfiguration. Cost of the proposal is approximately $27,500, which will be part of repair/maintenance budget. A similar situation of municipal and private parking exists between the City, the Moose, Merchants, and the Pub.
Parcel ID: 290600870
Sec/Twp/Rng: 19-106-010
Property Address: 360 ST CHARLES AVE

District: SAINT CHARLES CITY
Brief Tax Description: Sect-19 Twp-106 Range-010 ORIGINAL PLAT Lot-008 Block-020 & LOT 9

Alternate ID: n/a
Class: 201 - RESIDENTIAL
Acreage: n/a
Owner Address: OWENS, GREG LISA WENDT
360 ST CHARLES AVE
ST CHARLES, MN 55972

Note: This map is created from data contained in Winona County GIS and is for reference purposes only. While significant effort has been invested to depict boundary extents as accurately as possible per existing records, this map should not be considered a replacement for professional land survey.

Date created: 4/19/2018
Last Data Uploaded: 4/18/2018 8:57:24 PM

Developed by The Schneider Corporation
Date: April 27, 2018  Requested Council Date: May 8, 2018

Originating Department: Public Works

Council Action Requested: Consideration of Seasonal Public Works Employee

Background Information: In reviewing the upcoming summer project list and the 2018 Street project, Public Works Director Karger, would like to request consideration of a temporary/seasonal public works employee to primarily assist Greg Feuerhelm as he works on various projects of curbs, gutters, new catch basins, manhole repairs, and all other concrete assignments for the city. While in the past the public works crew members have switched between projects and assignments, it is often not the same person each day as they work alongside Greg as he completes the various projects. The upcoming 2018 Street project will entail Mr. Feuerhelm completing these tasks during May, June, July and part of August as well as other concrete projects to stay ahead of contractor’s schedules. In order to provide consistency and improve efficiency, it was requested by public works staff to explore the possibility of this seasonal position that could assist Greg. It would be a temporary/seasonal position for the upcoming 2018 construction season and would be re-evaluated based on feedback from Greg and Mr. Karger. Based on experience a pay range of $10-$12 would be recommended. Seasonal Park staff is currently at $12/hour.
Request for City Council Action

Date: May 4, 2018  Requested Council Date: May 8, 2018

Originating Department:

Council Action Requested: Background an individual reference increasing our part-time roster

Background Information: Applications and interviews were conducted in February of this year reference hiring/promotion of an officer to a fulltime position. Casey McCready got that spot. With recent resignations I currently have 4 part-time officers, of which only 2 can regularly work shifts. Of these 2 officers (Caleb Hohensee & Myles Wolters) one is available only during the week and the other is available only on weekends. I would like to add another part-time officer to the roster to better assure the availability to fill shifts should the need arise.

Based on the previous interview process, I would recommend backgrounding Brady Jones for employment. Brady works for the Lyle, Adams and Lewiston Police Departments, has received extensive training in areas that will familiarize himself with the operations of this department and is also familiar with area law enforcement officers.

**On a side note the total number of part-time hours schedule Jan 1 – March 10, 2018 was 394. From March 11 (Casey McCready’s start full-time date) – May 5 we have scheduled 94 hrs.