

**Approved Minutes
City Council Regular Session
April 27, 2015**

Monday 6:00 p.m. Tour of City Buildings, 7:10 Regular Council Meeting

1. Tour of City Buildings: Council members met at City Hall at 6:00 pm and then left for a tour of city buildings which included the police station, water plant and public works shop, and the wastewater treatment plant. City Council members attending the tour were Jeff Pike, Jeremy Hinderks, Al Rohlik and Brent Dahl. City Administrator/Clerk Kari Gislason was also present. Councilmember Shane Wohlman and Janette Wertish did not attend the tour.

The regular session of the City Council, City of Renville, Minnesota was called to order on April 27, 2015 at 7:10 p.m. by Mayor Wertish.

City Council Members present were Jeff Pike, Jeremy Hinderks, Al Rohlik, Brent Dahl and Shane Wohlman. Also present were Mayor Janette Wertish, City Administrator/Clerk Kari Gislason, Police Chief Ben Dehmlow and Doug Erickson.

2. Pledge of Allegiance

3. Approval of Agenda

A motion was made by Al Rohlik and seconded by Jeremy Hinderks to approve the agenda. The motion carried 5 to 0.

4. Approval of Minutes

A motion was made by Shane Wohlman and seconded by Jeff Pike to approve the minutes of the April 13, 2015 Public Hearing and Regular Council Meeting. The motion carried 5 to 0.

5. Invoices Payable

A motion was made by Shane Wohlman to approve the following invoices:

Check #	Name	Amount	Comments	Date
31620	LOFFLER	\$46.91	Copier Service Contract	4/14/2015
31621	SUNVOLD, NATHAN	\$67.50	2015 Flex Plan Reimbursement	4/14/2015
31622	ICMA	\$50.00	Sunvold, Nathan #302283	4/20/2015
031623	AEI	\$80.16	PD - Reconfigure printer	4/27/2015
031624	AUTO COLLISION & COLOUR	\$1,084.05	Repair '14 Ford Explorer	4/27/2015
031625	DEHMLow, BEN	\$93.27	Hotel reimbursement for training - 4/20/15	4/27/2015
031625	DEHMLow, BEN	\$345.00	Mileage for training - 600 mi.	4/27/2015
031626	ED DAVIS BUSINESS MACHINES INC	\$76.17	Office Supplies	4/27/2015
031627	HASLER FINANCIAL SERVICES	\$100.00	Postage	4/27/2015
031628	HILLYARD FLOOR CARE SUPPLY	\$71.61	Community Center Supplies	4/27/2015
031629	KANO LABORATORIES INC	\$69.54	Penephite - Sewer Dept.	4/27/2015
031629	KANO LABORATORIES INC	\$69.54	Penephite - Water Dept.	4/27/2015
031629	KANO LABORATORIES INC	\$69.54	Penephite - Street Dept.	4/27/2015
031630	LARKIN TREE CARE & LANDSCAPING	\$1,035.00	Raise trees over Fremont Ave. & clean up	4/27/2015
031631	LOCKMAN INC.	\$84.00	Door Lock repair	4/27/2015

031632	MARTIN MARIETTA MATERIALS	\$1,447.06	Class 5, Base	4/27/2015
031632	MARTIN MARIETTA MATERIALS	\$421.06	Class 5 Gravel	4/27/2015
031633	MCLAUGHLIN AND SCHULZ, INC.	\$627.52	Granite Fines	4/27/2015
031634	MIDWEST FIRE EQUIP. & REPAIR CO	\$837.50	96 Freightliner Repairs	4/27/2015
031635	MVTL LABORATORIES, INC.	\$233.75	Sewer Testing	4/27/2015
031635	MVTL LABORATORIES, INC.	\$29.50	Water Testing	4/27/2015
031636	NORTHLAND TRUST SERVICES, INC.	\$1,971.00	GO Bond 2012A Interest	4/27/2015
031636	NORTHLAND TRUST SERVICES, INC.	\$1,752.00	GO Bond 2012A Interest	4/27/2015
031636	NORTHLAND TRUST SERVICES, INC.	\$495.00	Bond Annual Fee	4/27/2015
031636	NORTHLAND TRUST SERVICES, INC.	\$735.00	GO Bond 2004 Interest	4/27/2015
031636	NORTHLAND TRUST SERVICES, INC.	\$3,577.00	GO Bond 2012A Interest	4/27/2015
031637	RENVILLE CO AUDITOR-TREAS.	\$2,315.15	2014 Property Taxes - 1st Half	4/27/2015
031638	RENVILLE-SIBLEY COOPERATIVE	\$1,059.25	Water Electric	4/27/2015
031639	SCHROEDER, GARRET	\$300.00	Street Dept. Maintenance	4/27/2015
031640	THEIN WELL COMPANY, INC	\$275.00	Annual Inspection of Pumps and Wells	4/27/2015
031641	USABLE LIFE	\$20.45	Life Ins.	4/27/2015
031641	USABLE LIFE	\$20.44	Life Ins.	4/27/2015
031641	USABLE LIFE	\$28.48	Life Ins.	4/27/2015
031641	USABLE LIFE	\$12.26	Life Ins.	4/27/2015
031641	USABLE LIFE	\$20.45	Life Ins.	4/27/2015
031642	VERIZON WIRELESS	\$50.85	Police Dept. Telephone	4/27/2015
031642	VERIZON WIRELESS	\$59.60	Street Dept. Telephone	4/27/2015
031643	WEST CENTRAL SANITATION	\$34.16	WWT Refuse	4/27/2015
031643	WEST CENTRAL SANITATION	\$17.55	Street Refuse	4/27/2015
031644	WULF, NICK	\$35.04	Fire Dept. - Key case and rope	4/27/2015
031645	XCEL ENERGY	\$4,690.09	Sewer Electric	4/27/2015
	Total	\$24,407.45		

Al Rohlik seconded the motion. The motion carried 5 to 0.

6. Public Comments:

7. Committee/Staff Reports

A. EDA

- Jen Sullivan from the Renville Events Committee requested funds for the advertising and marketing of Sugar Beet Days. 2014 expenses were \$1,946.77.
History of city contributions: 2011 - \$1,500, 2012 - \$2,000, 2013 - \$2,000, 2014 - \$2,000
The committee recommends providing \$2000 for 2015 advertising and marketing expenses.

A motion was made by Shane Wohlman and seconded by Al Rohlik to approve providing \$2,000 to the Renville Events Committee for 2015 advertising and marketing expenses for Sugar Beet Days. The motion carried 5 to 0.

- Presentation from Susie Lang, Renville County Housing and Economic Development, presented information about funding opportunities for local businesses.

- Mid MN Revolving Loan Fund has loan funds available.
- Kari updated the committee regarding the ELF grant applications. At this point, one application has been completed. Deadline for applications will be June 30, 2015 as committee will review all applications at the July 15 meeting.
- An application for the storefront development fund has been turned in, but more details are required.
- The committee was asked for feedback concerning local and county police coverage. Questions raised: What would happen to the 2014 vehicle? What about the SRO position? Could a county office be in the Community Center?
- City Facebook page is on hold due to possible freedom of speech issues with removing or deleting comments. May just utilize other facebook pages like Revitalizing Renville or Renville Area Events pages to post information that is timely.
- Jim Miller from Farmers Coop Oil is requesting abatement instead of a TIF, details to come.

A motion to approve the EDA report was made by Al Rohlik and seconded by Brent Dahl. The motion carried 5 to 0.

B. City Administrator/Clerk

Kari Gislason reported the following:

- Avian Influenza - we may need to look at a bulk water rate, hopefully warm weather will slow this down
- A certified letter was sent to Minaqua addressing issues with the exterior of the building
- County Coverage:
Kari talked about setting up a date for a public meeting
Scott Hable would like to attend and first part of June may work for him. Need to keep the process transparent and the public informed. Kari is compiling a list of questions to make handouts for the community. This could also be posted on the website. She encouraged the council to pass along questions they hear to be added to the list. Additionally further discussion will take place at the next Public Works and Public Safety Committee meetings.

A motion to approve the City Administrator/Clerk Report as presented was made by Shane Wohlman and seconded by Jeremy Hinderks. The motion carried 5 to 0.

8. Discussion Items

A. County Coverage

Doug Erickson, Mayor of Bird Island, attended the meeting to give some background and answer questions regarding county coverage.

Summary:

Bird Island has contracted with the County since July 1, 2012. Doug was initially against county coverage. He was concerned about Bird Island losing its identity. Also, there was concern over losing employees. He estimated county coverage provided Bird Island a savings of about \$20,000/yr. He said Sheriff Scott Hable is great to work with and he talked about how important communication was in dealing with issues they had.

Bird Island contracts for 60 hours/week. He said when going with the county, Bird Island did change their previous coverage hours slightly. Bird Island has an assigned deputy for 40 hours per week and the other 20 hours are covered by various county staff. They have had three deputies assigned to the city; he said they have been young guys. In Bird Island, deputies have assisted with enforcing the blight ordinance and they also assist with fire and ambulance calls.

Doug was unsure whether crime rate has increased or decreased since the city has been utilizing county coverage.

Doug recommended to the council to carefully consider this decision as it is a three year commitment and opting out can be very expensive.

B. Zone Permits: Burrell, Carlson and Rembrandt Enterprises

For informational purposes, a copy of the approved Cindy Burrell, Mitch and Abby Carlson and Rembrandt Zone Permits were included in the packet.

C. Latest Site Plan for Farmers Co-op Oil

The latest site plan for Farmers Co-op Oil was reviewed. Due to increasing the amount of impervious surface at the site, a retention pond will be required for storm water run-off. Council has questions regarding size and security of the pond. Kari will find out more details.

D. Community Center Dividers

There have been issues with the Community Center dividers being difficult to move. Generally, this is worse in the winter. Kari has contacted the company who installed them and they have provided an estimate for \$1750 to service the dividers. When servicing, they may find further corrective action is needed. Kari will do further research on the issue.

E. MDH Sanitary Survey Report

Council was provided with a copy of the MDH Sanitary Survey Report. The report recommends wells 3 and 4 should be sealed and well 8 should have an above ground check valve. Kari will do further research on pricing.

9. Action Items

A. Change May 25 Meeting Date

A motion was made by Jeff Pike and seconded by Al Rohlik to change the May 25 meeting date to May 26. The motion carried 5 to 0.

B. Hold Second Reading of Resolution 3.03.00, Amending Ordinance 3.03.00 Excavations

A motion was made by Shane Wohlman and seconded by Brent Dahl to hold the second reading of Resolution 3.03.00 amending ordinance 3.03.00 Excavations. The motion carried 5 to 0.

C. Accept Second Reading of Resolution 3.03.00, Amending Ordinance 3.03.00 Excavations

A motion was made by Al Rohlik and seconded by Brent Dahl to accept the second reading of Resolution 3.03.00 amending ordinance 3.03.00 Excavations. The motion carried 5 to 0.

D. Resolution 09-15: Sound System Donation

CITY OF RENVILLE

RESOLUTION 09-2015

**RESOLUTION EXPRESSING ACCEPTANCE OF, APPRECIATION FOR AND
DESIGNATION OF DONATION RECEIVED**

WHEREAS, the following have made donations:

- A + Insurance Agency, Inc
- Adam Zaske - A to Z Insurance Center
- Bart's Place
- David Maurice - American Family
- Dawson Co-op Credit Union
- F & M Bank Minnesota
- Farmers Co-op Oil
- First Security Bank
- Hinderks Chiropractic, P.A.
- Main Street Bar & Grill
- Renville Lions Club
- Steve's Heating & AC
- Sullivan's Electric

WHEREAS, these donations are specifically requested to be designated to purchase a wireless sound system for the Renville Community Center, and

WHEREAS, the City Council is appreciative of the donation and commends and thanks these businesses for their support, generosity and consideration,

BE IT RESOLVED, the City Council of the City of Renville, Minnesota accepts and acknowledges with gratitude these donations; and designates the donations to be appropriated to purchase a wireless sound system for the Renville Community Center

Passed and adopted this 27th day of April, 2015, by the City Council of Renville, Minnesota.

This resolution was offered by: Jeremy Hinderks

This resolution was seconded by: Jeff Pike

Voting in favor: Jeremy Hinderks, Jeff Pike, Brent Dahl, Al Rohlik and Shane Wohlman

Voting against: none

Attest:

Janette Wertish, Mayor

Kari Gislason, City Admin./Clerk

E. Resolution 10-15: 2015A \$100,000 GO Tax Abatement Bond

EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE
CITY OF RENVILLE, MINNESOTA
HELD: April 27, 2015

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Renville, Renville County, Minnesota, was duly called and held at the City Hall on April 27, 2015, at 7:00 P.M., for the purpose, in part, of authorizing the issuance and awarding the sale of a \$100,000 General Obligation Taxable Tax Abatement Bond, Series 2015A.

The following members were present: Council members: Jeff Pike, Jeremy Hinderks, Al Rohlik, Brent Dahl and Shane Wohlman and Mayor Janette Wertish

and the following were absent: none

Member Al Rohlik introduced the following resolution and moved its adoption:

RESOLUTION 10-15

RESOLUTION ACCEPTING THE OFFER OF THE DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT TO PURCHASE A \$100,000 GENERAL OBLIGATION TAXABLE TAX ABATEMENT BOND, SERIES 2015A, PROVIDING FOR ITS ISSUANCE AND AUTHORIZING EXECUTION OF A LOAN AGREEMENT

A. WHEREAS, the City Council of the City of Renville, Minnesota (the "City") has determined and declared that it is necessary and expedient to issue a \$100,000 aggregate principal amount General Obligation Taxable Tax Abatement Bond, Series 2015A (the "Bond"), to provide financing pursuant to Minnesota Statutes, Chapter 475, and Sections 469.1812 through 469.1816, as amended, to finance the costs of demolition and removal of substandard buildings in the downtown area of the City (the "Project") and the Department of Employment and Economic Development, a Department of the State of Minnesota, ("DEED") has committed to purchase the Bond from the City in the principal amount of \$100,000 to be disbursed and repaid in accordance with the terms of a Demolition Loan Program Loan Agreement (the "Loan Agreement"), dated as of _____, 20__, a copy of which has been presented to the Council and is on file with the Administrator/Clerk; and

B. WHEREAS, the City has on this date established a tax abatement program (the "Program") pursuant to the provisions of Minnesota Statutes, Sections 469.1812 through 469.1815, with respect to providing for the abatement of property taxes for a period of 10 years on various properties in the City, as described in the resolution adopted by the City Council on this date, approving the Program (the "Abatement Resolution"); and

C. WHEREAS, the amount of the property taxes abated are estimated to be at least equal to the principal amount of the Bond and pursuant to the provisions of the Abatement Resolution, funds are to be expended to provide money to pay for Project; and

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

1. Acceptance of Offer; Payment. The offer of DEED to purchase a \$100,000 General Obligation Taxable Tax Abatement Bond, Series 2015A of the City (the "Bond"), at the rate of interest hereinafter set forth, and to pay therefor the sum of \$100,000 as provided below, is hereby accepted, and the sale of the Bond is hereby awarded to DEED. Payment for the Bond shall be disbursed in installments as eligible costs of the Project are reimbursed or paid, all as provided in the Loan Agreement.

2. Title; Date; Denomination; Interest Rates; Maturities. The Bond shall be a fully registered negotiable obligation, shall be titled "General Obligation Taxable Tax Abatement Bond, Series 2015A", shall be dated as of the date of delivery and shall be issued forthwith. The Bond shall be in the principal amount of \$100,000, or so much thereof as shall be disbursed pursuant to the Loan Agreement, shall bear interest and, interest and principal shall be payable as set forth in the Bond.

3. Purpose; Cost. The proceeds of the Bond shall provide funds to finance construction of the Project. Pursuant to the Abatement Resolution, the City's share of real estate taxes generated as a result of the Project and the Program (the "Tax Abatements") have been pledged to the payment of the Bond and interest thereon. The principal amount of the Bond does not exceed the estimated amount of Tax Abatements. The total cost of the Project, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Bond. Proceeds of the Bond shall be expended on costs or uses permitted by Minnesota Statutes, Sections 469.1812 through 469.1815, and shall not be expended on any costs or devoted to any other uses.

4. Redemption. The Bond shall be subject to redemption and prepayment in whole or in part at the option of the City as provided in the Bond. If redemption is in part, installments of principal payable last under the Bond shall be prepaid first, unless the City and the holder of the Bond agree to a different result.

5. Registration of Bond. At the time of issuance and delivery of the Bond, the officer of the City performing the functions of the treasurer (the "Treasurer") shall register the Bond in the name of the payee in a bond register which the Treasurer and the officer's successors in office shall maintain for the purpose of registering the ownership of the Bond. The Bond shall be prepared for execution with an appropriate text and spaces for notation of registration. The force and effect of such registration shall be as stated in the form of Bond hereinafter set forth. Payment of principal installments and interest, whether upon redemption or otherwise, made with respect to the Bond, may be made to the registered holder thereof or to the registered holder's legal representative, without presentation or surrender of the Bond.

6. Form of Bond. The Bond, together with the Certificate of Registration attached hereto, shall be in substantially the following form:

UNITED STATES OF AMERICA

STATE OF MINNESOTA

RENVILLE COUNTY

CITY OF RENVILLE

R-1

\$100,000

GENERAL OBLIGATION TAXABLE TAX ABATEMENT BOND, SERIES 2015A

The City of Renville, Renville County, Minnesota (the "City"), certifies that it is indebted and for value received promises to pay to the Minnesota Department of Employment and Economic Development ("DEED") or the registered assign, the principal sum of ONE HUNDRED THOUSAND DOLLARS, or so much thereof as may have been disbursed, in the installments as follows:

No principal or interest shall be payable during the 24-month period subsequent to the date of this Bond, and no interest shall accrue during the 24-month period subsequent to the date of this Bond.

Interest Payments. Interest on such amounts of principal as may be advanced from time to time, computed from _____, 20__ (the date that is 24 months and 1 day following the date of this Bond), and thereafter computed from the date of each advance at the rate of 2.00 % per annum (the earliest to occur of February or August of the third year following the date of this Bond) (the "First Payment Date"), and the same day of February and August (each subsequent 6-month period following the First Payment Date).

Principal Payments. Principal payments annually as follows: commencing on the First Payment Date (or on such later date as Deed may direct), and on the same day and month of each succeeding year thereafter until the entire indebtedness has been paid in full, _____ level installments of \$ _____, over a term of 10 years shall be due and payable on _____. In the event the full amount of the Bond is never disbursed the amount of the principal not disbursed shall be applied and reduce each unpaid principal installment in the proportion that such installment bears to the total of all unpaid principal installments (i.e. the remaining principal payment schedule shall be reamortized to provide similarly level installments of principal). In any event, the balance of principal, if any, remaining unpaid, plus accrued interest, shall be due and payable on the final payment date.

Each installment shall be applied first to interest accrued on the then-unpaid principal balance, at the rate of 2.00% per annum, and the balance thereof shall be applied to reduction of principal.

All interest payable under this Bond shall be computed on the basis of a 360-day year.

Both principal and interest shall be payable at the offices of DEED, 1st National Bank Building, 332 Minnesota Street, Suite E-200, St. Paul, MN 55101-1351, or such other place as DEED may designate in writing.

Redemption. The debt evidenced by this Bond may be prepaid in whole or in part at any time prior to the Final Payment Date hereof. At the time of any prepayment, the City shall pay a prepayment processing fee to DEED, in an amount to be determined by DEED in its sole discretion but not to exceed the appropriate administrative costs incurred by DEED in processing the prepayment.

Purpose; General Obligation. This Bond has been issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota for the purpose of providing money to finance the costs of demolition and removal of substandard buildings in the downtown area of the City and is payable out of the General Obligation Taxable Tax Abatement Bond, Series 2015A Fund of the City. This Bond constitutes a general obligation of the City, and to provide moneys for the prompt and full payment of said principal installments and interest when the same become due, the full faith, credit and taxing powers of the City have been and are hereby irrevocably pledged.

Registration; Transfer. This Bond shall be registered in the name of the payee on the books of the City by presenting this Bond for registration to the Treasurer, who will endorse his or her name and note the date of registration opposite the name of the payee in the certificate of registration attached hereto. Thereafter this Bond may be transferred to a bona fide purchaser only by delivery with an assignment duly executed by the registered owner or the registered owner's legal representative, and the City may treat the registered owner as the person exclusively entitled to exercise all the rights and powers of an owner until this Bond is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted hereon by the Treasurer.

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

Loan Agreement. The terms and conditions of the Loan Agreement are incorporated herein by reference and made a part hereof. The Loan Agreement may be attached to this Bond, and shall be attached to this Bond if the holder of this Bond is any person other than the Minnesota Department of Trade and Economic Development.

Taxable Interest. The interest on this Bond is included in the gross income of the owner hereof purposes of United States income tax and to the same extent in both gross income and taxable net income for State of Minnesota income tax purposes.

Not Qualified Tax-Exempt Obligation. This Bond has not been designated by the City as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the federal Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be

performed, precedent to and in the issuance of this Bond, 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 City outstanding on the date hereof, being the date of its actual issuance and delivery, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Renville, Renville 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/Clerk, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

CITY OF RENVILLE,
RENVILLE COUNTY, MINNESOTA

/s/ (do not sign) _____

Mayor

/s/ (do not sign) _____

Administrator/Clerk

CERTIFICATE OF REGISTRATION

The transfer of ownership of the principal amount of the attached Bond may be made only by the registered owner or his, her or its legal representative last noted below.

<u>DATE OF REGISTRATION</u>	<u>REGISTERED OWNER</u>	<u>SIGNATURE OF TREASURER</u>
(do not date)	Minnesota Department of Employment and Economic Development Saint Paul, Minnesota Federal Employer Identification No. 41- _____	(do not sign)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

7. Execution. The Bond shall be executed on behalf of the City by the signatures of its Mayor and Administrator/Clerk; the seal of the City has been intentionally omitted as permitted by law. In the event of disability or resignation or other absence of either such officer, the Bond may be signed by the manual signature of that officer who may act on behalf of such absent or disabled officer. In case either such officer whose signature shall appear on the Bond shall cease to be such officer before the delivery of the Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

8. Delivery; Application of Proceeds. The Bond when so prepared and executed shall be delivered by the Administrator/Clerk to the purchaser thereof prior to disbursements pursuant to the Loan Agreement, and the purchaser shall not be obliged to see to the proper application thereof.

9. Fund and Accounts. There is hereby created a special fund to be designated the "General Obligation Taxable Tax Abatement Bond, Series 2015A Fund" (the "Fund") to be administered and maintained by the Administrator/Clerk 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 the Bond has been fully paid and the City has been fully reimbursed from the pledge of Tax Abatements for payment of the principal and interest on the Bond paid by the City from taxes levied on property in the City other than the Project. 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 Bond, less accrued interest received thereon. It is recognized that the sale proceeds of the Bond are received in reimbursement for costs expended on the Project or in direct payment of such costs, and that accordingly the moneys need not be placed in the Construction Account upon receipt but may be applied immediately to reimburse the source from which the expenditure was made. From the Construction Account there shall be paid all costs and expenses of the Project, 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 Bond may also be used to the extent necessary to pay interest on the Bond due prior to the receipt of Tax Abatements.

(b) Debt Service Account. To the Debt Service Account there is hereby pledged and irrevocably appropriated and there shall be credited: (i) Tax Abatements in an amount sufficient to pay the annual principal and interest payments on the Bond; (ii) any collections of all taxes herein or hereafter levied for the payment of the Bond and interest thereon; (iii) all funds remaining in the Construction Account after completion of the Project and payment of the costs thereof; (iv) all investment earnings on funds held in the Debt Service Account; and (v) 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 Bond.

10. Tax Abatements; Use of Tax Abatements. As provided in clause B hereof, the Council has adopted the Abatement Resolution and has thereby approved the Tax Abatements, including the pledge thereof to the payment of principal and interest on the Bond. As provided

in the Abatement Resolution, the estimated total amount of the Tax Abatements, if received as estimated for the full maximum term thereof, is not less than \$100,000, and therefore the principal amount of the Bond does not exceed the maximum projected amount of the Tax Abatements. The Council hereby confirms the Abatement Resolution, which is hereby incorporated as though set forth herein.

11. Coverage Test. The Tax Abatements 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 Bond.

12. General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Bond 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 Bond payable therefrom, the deficiency shall be promptly paid out of any other accounts of the City which are available for such purpose, and such other funds may be reimbursed without interest from the Debt Service Account when a sufficient balance is available therein.

13. Taxable Status of the Bond. The City does not qualify the Bond as tax-exempt under the Internal Revenue Code of 1986, as amended. It is hereby determined that the Bond is to be issued as a fully taxable obligation, and all interest received on the Bond is to be included in the gross income of the Holder of any Bond for federal income taxation purposes and, to the same extent, in both gross income and taxable net income for state income taxation purposes.

14. Certificate of Registration. The Administrator/Clerk is hereby directed to file a certified copy of this resolution with the County Auditor of Renville County, Minnesota, together with such other information as the County Auditor shall require, and to obtain the County Auditor's certificate that the Bond has been entered in the County Auditor's Bond Register and that the tax levy required by law has been made.

15. Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to DEED, and to the attorneys approving the legality of the issuance of the Bond, certified copies of all proceedings and records of the City relating to the Bond 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 Bond 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.

16. Loan Agreement. The Loan Agreement is hereby approved in substantially the form heretofore presented to the City Council, and in the form executed is hereby incorporated by reference and made a part of this resolution. Each and all of the provisions of this resolution relating to the Bond are intended to be consistent with the provisions of the Loan Agreement, and to the extent that any provision in the Loan Agreement is in conflict with this resolution as it relates to the Bond, that provision of the Loan Agreement shall control and this resolution shall be deemed accordingly modified. The execution of the Loan Agreement by the Mayor and Administrator/Clerk is conclusive evidence of the approval of the Loan Agreement in accordance

with the terms hereof. The Loan Agreement may be attached to the Bond, and shall be attached to the Bond if the holder of the Bond is any person other than the Deed.

17. 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.

18. 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 Jeff Pike and, after a full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof: Al Rohlik, Jeff Pike, Brent Dahl, Shane Wohlman and Jeremy Hinderks

and the following voted against the same: none

Whereupon the resolution was declared duly passed and adopted.

F. Approval of DEED Loan Agreement

Council member Rohlik requested Kari have Jon Saunders review the agreement. No action taken.

G. Renville Renewable Letter of Support

The developers with the Renville Renewable project have requested a letter of support which will be included when applying for their MPCA permit. The letter of support was included in the council packets.

A motion was made by Jeremy Hinderks and seconded by Shane Wohlman to approve the proposed letter of support with council members' signatures. The motion carried 5 to 0.

10. Mayor's Report

Mayor asked council members to get their pros and cons list turned into the City Administrator.

11. Adjourn

A motion was made by Al Rohlik and seconded by Jeff Pike to adjourn the meeting. The motion carried 5 to 0. Meeting was adjourned at 8:17 p.m.

Dated at Renville, Minnesota this 27th day of April, 2015.

THE GOVERNING BODY OF THE CITY
OF RENVILLE, MINNESOTA

BY _____
Janette Wertish, Mayor

ATTEST:

BY _____
Kari Gislason, City Administrator/Clerk