



CITY COUNCIL MEETING AGENDA
TUESDAY APRIL 21, 2020

CITY COUNCIL MEETING TIME: 6:30 PM

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. ****Consent Agenda****
All items listed under Consent Agenda are considered to be routine by Council and will be acted on by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.
 - a. Approval of City Council Minutes from the April 2, 2020 Special City Council Meeting.
 - b. Approval of Board of Review Minutes from the April 7, 2020 Board of Review Meeting.
 - c. Approval of City Council Minutes from the April 7, 2020 Regular City Council Meeting.
 - d. Approval of Accounts Payable; Checks Numbered 19567-19599.
5. Set Agenda – Anyone Not on the Agenda can be Placed Under Open/Misc.
6. Reports of Boards and Committees by Council and Staff.
7. West Hennepin Public Safety – Director Gary Kroells: Presentation of the March 2020 Activity Report.
8. Consideration of the Following Items Relating to the Proposed City Hall Improvements and Street Reconstruction Plans:
 - a. Finance Plan – Provides a detailed overview of this bond issuance (for reference only; no action is needed).
 - b. Resolution Setting the Sale of Bonds – **RESOLUTION 20-0421-01** - calling for the May 19th sale of the bonds.

- c. Approval of the Municipal Advisory Agreement – Agreement engaging Northland Securities as the City of Independence Municipal Advisor for this bond sale.
9. Consideration of Awarding 2020 Street Reconstruction Project (Bituminous Overlay) to Wm Mueller and Sons, Inc.
 - a. **RESOLUTION 20-0421-02** – Awarding the Contract for the 2020 Street Reconstruction Project.
10. Open/Misc.
11. Adjourn.

MINUTES OF A SPECIAL SESSION OF THE
INDEPENDENCE CITY COUNCIL
THURSDAY, APRIL 2, 3:00 PM

1. CALL TO ORDER.

Pursuant to due call and notice thereof, a special session of the Independence City Council was called to order by Mayor Johnson at 3:00 pm.

2. PLEDGE OF ALLEGIANCE.

Postponed until regular meeting.

3. ROLL CALL

PRESENT: Mayor Johnson, Councilors Betts, McCoy and Spencer.

ABSENT: Councilor Grotting

STAFF: Administrative to Administrator Horner, City Administrator Kaltsas, Administrative Assistant Gronstal, Public Works Supervisor Bode, Building Supervisor Satek

VISITORS: WHPS Chief Kroells

4. SET AGENDA- Anyone Not on the Agenda can be Placed Under Open/Misc.

5. VIRTUAL MEETING TEST

6. ADOPTION OF EMERGENCY DECLARATION

CITY OF INDEPENDENCE, MINNESOTA
MAYORAL AND CITY COUNCIL DECLARATION

WHEREAS, the Mayor and City Council of the City of Independence ("Mayor and City Council") finds that the following local emergency ("Emergency") exists in the City of Independence, Minnesota ("City"):

1. On March 11, 2020, the World Health Organization determined that the COVID-19 outbreak constitutes a pandemic. On March 13, 2020, President Trump declared a national state of emergency as a result of the pandemic.

2. On March 13, 2020, Governor Tim Walz issued Emergency Executive Order 20-01 declaring a state of peacetime emergency to address the COVID-19 pandemic in Minnesota. The Governor's Executive Order along with this Declaration triggers activation of the City's emergency management plan and enables the City to exercise its emergency powers.

3. The spread of COVID-19 in the United States and Minnesota has raised serious public health concerns and resulted in a great deal of uncertainty. Much remains unknown about the virus and how it spreads.

WHEREAS, Minnesota Statutes, Section 12.29 authorizes the Mayor to declare the existence of the Emergency, to invoke necessary portions of the City's emergency operations plans, and to potentially

authorize aid and services in accordance with interjurisdictional agreements; and WHEREAS, Minnesota Statutes, Section 12.37 authorizes the City, acting through its governing body, to:

- (1) enter into contracts and incur obligations necessary to combat the disaster by protecting the health and safety of persons and property and by providing emergency assistance to the victims; and
- (2) exercise the powers vested by that section in the light of the exigencies of the disaster without compliance with time-consuming procedures and formalities otherwise prescribed by law; and

WHEREAS, the Mayor and City Council finds that the Emergency is sudden and could not have been anticipated, and that this situation threatens the health, safety, and welfare of the residents of the community and threatens the provision and delivery of city services as a result of the Emergency; and WHEREAS, the Mayor and City Council finds that the Emergency poses the risk of and may cause catastrophic loss of public health, safety, and welfare if not immediately addressed.

NOW, THEREFORE, as the Mayor and City Council of the City of Independence, Minnesota, I declare that a Local Emergency exists effective from March 13, 2020 in the City of Independence, Minnesota.

This declaration invokes any of the City's emergency operations plans or otherwise validates said plans invoked upon Governor order. The portions that are necessary for response to and recovery from the Emergency are authorized, including but not limited to all appropriate community containment and mitigation strategies. To the extent normal state laws and city policies and procedures impede an efficient response or compliance with federal and state directives and recommendations, the City Administrator, Emergency Manager, and their designees are authorized to suspend compliance with those laws, policies, and procedures and to take those actions necessary to protect the public health, safety, and welfare. A special, emergency city council meeting may be held via telephone, in accordance with state laws and pursuant to Minnesota Statutes, 13D.021, to extend this declaration.

Dated: April 2, 2020.
Marvin Johnson, Mayor
City of Independence, Minnesota

Motion by McCoy, second by Spencer to approve the Emergency Declaration Resolution. Ayes: Johnson, Betts, Spencer and McCoy. Absent: Grotting. Nays: None. MOTION DECLARED CARRIED.

7. OPEN/MISC.

8. ADJOURN

Motion by Betts, second by McCoy to adjourn the Special Session of the City Council at 3:42 p.m. Ayes: Johnson, Betts, Spencer and McCoy. Absent: Grotting. Nays: None. MOTION DECLARED CARRIED.

Respectfully submitted,

Trish Gronstal, Recording Secretary



BOARD OF REVIEW AND APPEAL- MINUTES
TUESDAY, APRIL 07, 2020
6:00 P.M.

1. CALL TO ORDER

Pursuant to due call and notice thereof, an appeal meeting of the Independence City Council/ Board of Review was called to order by Mayor Johnson at 6:00 p.m. via Zoom video call.

2. ROLL CALL

PRESENT: Mayor Johnson, and Councilors Betts, Grotting, McCoy and Spencer

ABSENT: None

STAFF: City Administrative Assistant Horner, City Administrator Kaltsas, City Attorney Vose

VISITORS: Hennepin County Assessors Dave Thomsen and Mel Potter

3. Board of Appeal – Spencer introduced the process explaining that 1/5 of the area is reviewed annually. Estimated market values are evaluated along with actual sales to determine percentages for the next year. The overall average value for properties in Independence is 4.75%. Residential- 4.3%, lakeshore- 8.1%, commercial- 5.1%, industrial- 6.9%, agriculture- 3.6%. Thomsen addresses individual properties as follows as presented to the review board:

A. George and Linda Betts, 6050 Pagenkopf – PID 1411824340014/ Owner George and Linda Betts

Owners had an appraisal completed recently with an estimated market value of \$445,000. I do not disagree with most of the appraisal. The one thing that stood out was the adjustment for the 2nd house. The appraiser only adjusted \$15,000 for the 2nd house. I explained to Mr. Betts that I think this is not accurate based on my analysis. Similar sales were adjusted for differences and indicate an adjusted sale price ranging from \$456,000 to \$474,000. I have already reduced the estimated market value from \$491,000 to \$465,000.

Sales I used for comparison:

5826 Pagenkopf sold 3/2020 for \$420,000.

1724 County Rd 92 sold 9/2018 for \$561,000.

3550 Lake Haughey Rd sold 02/2019 for \$390,000.

Thomsen said he did not have a lot of disputes with the appraisal. He noted the adjustment on the additional home on the property. George Betts was not able to be communicated with on the Zoom call. Linda Betts said the state's estimate was lower than our local estimate. Betts noted the additional home is not a rental. Spencer noted the 465k appraisal is reasonable based on increases this year and Thomsen's review and adjustments per the original appraisal of \$491k.

Motion by Spencer, second by Johnson to approve the reviewed appraisal of 465,000 with any further action to be directed to Hennepin County. Ayes: Johnson, Grotting, McCoy and Spencer. Nays: None. Abstain: Betts. Absent: None. MOTION DECLARED CARRIED.

B. Tom Notch, 940 County Road 92, PID 2811824330001/ Owner Thomas Notch

Mr. Notch called inquiring why his valuation increased from \$217,000 to \$323,000. I explained that at quintile last year I was told there wasn't anything wrong with the property, thus I removed an adjustment that suppressed value due to condition. Also at this time I adjusted the outbuilding from a poor quality pole shed to an average quality garage. Both changes resulted in the large increase. After an interior inspection and conversation with the owner, it was apparent that the information provided last year was not correct regarding the condition of the property. Similar sales were adjusted for differences and indicate an adjusted sale price ranging from \$284,000 to \$316,000. I have already reduced the estimated market value from \$323,000 to \$293,000.

Sales I used for comparison:

9350 County Rd 11, sold 02/2019 for \$360,000

520 Nelson Rd, sold 01/2019 for \$302,500

25 Game Farm Rd, sold 10/2019 for \$370,000

Thomsen noted he stopped at the location due to an inquiry about the condition of the property. Thomsen raised the evaluation to full market value as it should have been categorized initially. Notch noted per memo he had done no work on the property since purchased. Notch said he looked at the averages around him on twelve properties and said his was at 35% whereas his neighbors were at approximately 10%. Notch said he does not agree with the valuation.

Motion by Spencer, second by Johnson to approve the adjusted valuation of \$270,000. Ayes: Johnson, Betts, Grotting, McCoy and Spencer. Nays: None. Abstain: None. Absent: None. MOTION DECLARED CARRIED.

C. The following appeals fall within the 10 day window and will need board approval.

2589 Geggen Tina Rd – PID 1511824310006 Owner Julie Magnuson

I spoke with the owner about the condition of the property. She also provided photos as evidence that the property has deferred maintenance that will impact market value. All major components are original from 1987 and need replacing, water intrusion in the basement, deck and porch in poor condition. After looking at similar sales, I recommend a market value reduction from \$357,000 to \$320,000. The owner is ok with the recommended change.

385 County Road 110N – PID 3511824410002 Owner Hamilton Brothers

Property increase excessive for the area. After looking at similar sales, I recommend a market value reduction from \$373,000 to \$349,000. The owner is ok with the recommended change.

Vacant Land – PID 1711824130004 Owner Thomas Hamilton

Property over valued based on recent purchase. After looking at similar sales, I recommend a market value reduction from \$667,000 to \$448,000. The owner is ok with the recommended change.

2930 Lindgren Lane – PID 1311824240031 Owner Mary Fehn

Mary had called about the excessive increase in market value compared to her neighbors. I explained the market increased and some homes appreciate/depreciate differently than others. She was not sure about attending the meeting, so I called her back and she expressed interest in attending because of her market value. She sent me interior photos of her property to view. After looking at similar sales, I recommend a market value reduction from \$525,000 to \$508,000. The owner is ok with the recommended change.

5345 Sunset Lane – PID 0111824240013 Owner Scott & Karen Beaupre

The owner thinks the house is over valued based on its condition in relation to sales in the area. She sent me interior photos to view. After looking at similar sales, I recommend a market value reduction from \$530,000 to \$487,000. The owner is ok with the recommended change.

Motion by Spencer, second by Betts to approve the list of PID's for the record as adjusted per Hennepin County memo. Ayes: Johnson, Betts, Grotting and Spencer. Nays: None. Abstain: McCoy. Absent: None. MOTION DECLARED CARRIED.

Motion by Spencer, second by McCoy to recess until the April 21, 2020 City Council Meeting. Ayes: Johnson, Betts, Grotting, McCoy and Spencer. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Motion by Spencer, second by Betts to rescind the recess motion for April 21, 2020 City Council Meeting rescheduling it for the May 5, 2020 meeting at 6:00 p.m. Ayes: Johnson, Betts, Grotting, McCoy and Spencer. Nays: None. Absent: None. MOTION DECLARED CARRIED.

MINUTES OF A REGULAR MEETING OF THE
INDEPENDENCE CITY COUNCIL
TUESDAY, APRIL 7, 2020 –6:30 P.M.

1. CALL TO ORDER.

Pursuant to due call and notice thereof, a regular meeting of the Independence City Council was called to order by Mayor Johnson at 7:12 p.m. via Zoom video call.

2. Pledge of Allegiance

3. ROLL CALL

PRESENT: Mayor Johnson, Councilors Betts, Grotting, McCoy and Spencer

ABSENT: None

STAFF: City Administrator Kaltsas, Assistant to Administrator Horner, City Attorney Vose

VISITORS: WHPS Chief Kroells, 17 viewing online

4. ****Consent Agenda****

All items listed under Consent Agenda are considered to be routine by Council and will be acted on by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

- a. Approval of City Council Minutes from the March 17, 2020 Regular City Council Meeting.
- b. Approval of Accounts Payable; Checks Numbered 19550-19566.
- c. Approval of Twin Cities Polo Club Large Assembly and Gambling Permits for Annual Charity Event to be Held on August 2, 2020. (Kaltsas noted that this event was cancelled today).

Motion by McCoy, second by Grotting to approve the Consent Agenda. Ayes: Johnson, Betts, McCoy, Spencer and Grotting. Nays: None. Absent: None. Abstain. None. MOTION DECLARED CARRIED.

5. SET AGENDA – ANYONE NOT ON THE AGENDA CAN BE PLACED UNDER OPEN/MISC.

6. REPORTS OF BOARDS AND COMMITTEES BY COUNCIL AND STAFF

Spencer attended the following meetings:

- Zoom training session

Grotting attended the following meetings:

- Phone call with Senator Phillips

McCoy attended the following meetings:

- Zoom training session

Betts attended the following meetings:

- Phone calls with Congressman Phillips and Senators Osmek and Hertaus
- Zoom training session

Johnson attended the following meetings:

- LMCC Cable Commission Video
- Senior Community Service Phone Conference
- Phone call with Senator Osmeck, Representative Hertaus and Congressman Phillips
- Phone interview for Hennepin Healthy Youth Communities
- Conference call with Congresswoman McCallum
- Zoom Meeting for Highway 55 Corridor Coalition Executive Committee
- Zoom training session

Horner attended the following meetings:

- Census training
- Webinar with BKV architects
- Zoom Meeting training

Kaltsas attended the following meetings:

7. **PUBLIC HEARING:** Consideration of an Amendment to City Code Section 915 - Regulation of Lake Independence Surface Use:

Kaltsas said the Lake Independence Citizens Association (LICA) has requested that the City consider amending the Lake Independence Surface Use Ordinance. The amendment would increase the trigger elevation (from 957.8 to 958.2; 4.8 inches) at which point the slow no-wake regulations would become effective. In 2019, surface use of Lake Independence was limited to no-wake for the entirety of the boating season as a result of water levels that exceeded the ordinance established elevations. The City last reviewed the surface use ordinance for Lake Independence in 2014. The previous ordinance had a 250 foot no-wake zone along the shoreline.

Slow no wake levels are set by local governments and can be modified if it's determined that a higher threshold level is needed to trigger slow no wake rules. Both Medina and Independence would have to amend their ordinances for the change to be approved. If approved by both municipalities, an application for an amendment would be made to the DNR for their review and approval.

Historical information relating to the elevations is attached to this report for reference. The information provided in the attached table highlights those readings above the proposed 958.2 elevation. The proposed increase to the trigger elevation would have historically decreased the number of days in which the slow-no wake restriction would be in place. For reference and consideration by the City, Lake Independence water readings for 2019 are shown in the graph below (highlighted area in yellow represents range between existing trigger level and proposed trigger level). There are several additional considerations that should be noted:

- The Ordinary High-Water Level (OHWL) for Lake Independence is 956.8.
- The 100-year flood elevation of Lake Independence is 959.5.
- The City has prepared an aerial graphic of the lake and surrounding properties which identifies those areas that fall between the current trigger level of 957.8 and the proposed trigger level of 958.2 (see attached graphic).

- The City of Medina is holding a public hearing in April to consider the requested ordinance amendment. Groundwater is high across much of MN and this is being shown by the water level of many lakes.
- Minnesota is experiencing the wettest 5-year period in recorded history for the metro area.
- Lake Independence does have an outlet which does regulate water levels. The City has been working with our water resource consultants to evaluate the outlet and identify any issues and or solutions that could increase the outlets function. The results of this evaluation will likely be available within the next two months.

Lake Independence does have an outlet which does regulate water levels. The City has been working with our water resource consultants to evaluate the outlet and identify any issues and or solutions that could increase the outlets function. The results of this evaluation will likely be available within the next two months. The Cities of Medina and Independence have the ability to amend the slow no-wake trigger elevation of Lake Independence. LICA is requesting an amendment to the ordinance which they believe represents a balance between reasonable recreational surface use of the lake and responsible management and mitigation of potential erosion, flooding and similar impacts to the lake shore. The City will need to determine if the proposed increase in trigger elevation provides a reasonable balance. City Council is asked to consider approval of ORDINANCE No. 2020-01 amending City Code Section 915 - Regulation of Lake Independence Surface Use.

- ORDINANCE NO. 2020-01:** A proposed amendment to City Code Section 915 – Regulation of Lake Independence Surface Use. The amendment would increase the trigger elevation (from 957.8 to 958.2) at which point the slow no-wake regulations would become effective.

Johnson asked if there was a specific person in charge of measuring levels. Spencer said there is an official reader, Pat Wolf. Spencer said he has been through this historically with other lakes and this is a process through LICA and other governing bodies. He said Independence’s trigger levels seem low and the lake was under a no-wake order all of last summer. Spencer said the minimal change in level should not have much impact and will put it in line with other area lakes.

Johnson opened the Public Hearing.

Public Hearing Open

Barbara Zadeh, 2314 Independence Road, stated she has lived here for 27 years and is speaking today on behalf of LICA. She said they are dedicated to water use and responsible use by all. She noted restrictions were present for much of 2018 and for all of the 2019 season. Zadeh said the board has spent a lot of time with all governing entities asking for opinions and feedback on best practices going forward for the lake. She noted it was about 50/50 with some wanting to keep the current levels and others wanting it modified so they are able to use boats on the lake. Zadeh said it was determined that the proposed level serves both sides with best outcomes.

Brad Kieley, 5070 South Lakeshore Dr, said he has lived on the lake for 19 years. He said he appreciates all LICA has done for the lake. Kieley presented details on lake levels for the past 10 years. He said this issue is creating a lot of animosity between neighbors which is unfortunate. Kieley said at the current levels the lake will be closed most summers and it is way too restrictive.

John Conlin, Lindgren Lane, said he has lived here for 32 years. He said the lake has turned into a swamp in the summertime due to the water levels and the water is compromised. Conlin said the phosphorous levels are very high. Conlin said there is agriculture run-off and erosion and he watches the deterioration every summer. He said to raise the high water mark would be short-sighted and only serves the boaters. He feels it is completely contracticory to what LICA is supposed to do in protecting the lake. Conlin said it is irresponsible and selfish to change the levels. He said the outflow is a real problem and the lake does not drain as it used to.

Keith and Kelsey Becker, 4914 South Lakeshore Dr., said he and his family have lived on the lake for 5 years. He said he agrees with Kieley's points. Keith said he thought it could be adjusted 250 feet and that would allow for full recreational use and satisfy more parties interests. He said responsible boaters create smaller waves than a typical thunderstorm generates in Minnesota. Kelsey said she echoes Keith's comments and spoke to Conlin's points. She said the visibility the first two years they lived on the lake were great but since then the milfoil is taking over. She wants to support LICA's mission but feels shutting down watercraft actually encourages milfoil growth as the water is not moving and churned up.

Joe Baker, Lake Sarah resident, said he serves as the Chair for the Pioneer Sarah Creek Watershed, which does not have a role in this decision as it is up to the City to determine any action. Baker said they are aligned with Medina and Independence and hopes to not be divided over this topic. Baker said Lake Sarah had very contentious in the past over trigger levels. He said they trending towards getting the external loading under control which will enable more work on internal loading. Baker said the funding arms like the DNR are important to get on board and contentious divides do not help those types of alignment. He feels the proposal is a good compromise.

Conlin said lack of action does not cause more milfoil. Vose said commentary on other comments should not be allowed going forward.

Grotting asked Vose if this format has been challenged because of lack of access due to the online format. Vose noted it is unprecedented and he would offer assurance that all 40 cities he represents have gone to this format. No one has challenged this public hearing format to date. Vose noted both Medina and Independence would have to act together.

Betts asked if the culvert beneath Pagenkopf was going to be replaced. She noted about two years ago it was dredged yet the water level still remains very high. Spencer said there were conversations around this and the City's engineers are conducting a study this spring to see if that would be viable and permissible.

Motion by Grotting to close the Public Hearing, second by McCoy. Ayes: Johnson, Grotting, Betts, Spencer and McCoy. Nays: None. Absent: None. Abstain. None. MOTION DECLARED CARRIED.

Public Hearing Closed

Spencer echoed Bakers points and said failure to act with Medina means going back to the beginning and starting over. He said the lake is currently above the current no wake trigger level and will probably stay that way until the DNR acts on the proposed amendment. Spencer said any delay on this will jeopardize the boating season for the summer of 2020. Kaltsas said one of the audience members noted that the Medina Council approved the ordinance tonight. Betts said she does not see a reason to change it until the drainage issues are addressed. McCoy said he agrees with Baker and Spencers comments. He likes the idea of putting out bouys to provide more aggressive control of boaters. Johnson said he is personally torn on this issue and remembers the history of this type of issue when it came up on Lake Sarah.

Motion by Spencer, second by Betts to approve ORDINANCE NO. 2020-01: A proposed amendment to City Code Section 915 – Regulation of Lake Independence Surface Use. The amendment would increase the trigger elevation (from 957.8 to 958.2) at which point the slow no-wake regulations would become effective. Ayes: Johnson, Betts, Grotting, Spencer and McCoy. Nays: None. Absent: None. Abstain. None. MOTION DECLARED CARRIED.

8. COVID -19 Update.

Kaltsas said the City continues to be open with rotating schedules per the essential orders. This will be for the foreseeable future until otherwise directed per order.

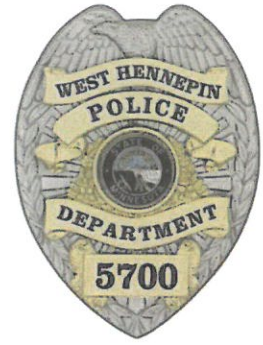
Kroells thanked the residents of Maple Plain and Independence on doing such a great job of social distancing and preventing the spread of COVID-19. He noted the police and fire departments are 24/65. Kroells said that while this meeting was in process a resident came in and donated 195 masks. Johnson asked if there were any cases in Independence, Kroells stated there was only one so far.


Vose said this all very new for Cities and Minnesota have adapted quickly. He noted his firm works through the City Administrator as appropriate. Vose acknowledged this is a new way of doing business. Everyone needs to be able to participate to the full extent. Johnson thanked Vose and acknowledged this meeting would be coordinated through the LMCC as appropriate.

9. Adjourn.

Motion by Spencer, second by McCoy to adjourn at 8:30 p.m. Ayes: Johnson, Betts, Grotting, Spencer and McCoy. Nays: None. Absent: None. Abstain. None. MOTION DECLARED CARRIED.

Respectfully Submitted,
Trish Gronstal/ Recording Secretary



Date: April 4, 2020
To: Public Safety Commissioners
City of Independence Council Members
City of Maple Plain Council Members
From: Director Gary Kroells 
SUBJECT: March 2020 ACTIVITY REPORT

The purpose of this report is to give the reader a quick overview of the activities of the Public Safety Department each month. It also compares monthly and year-to-date information to the reader.

The report is broken down into five categories, as defined by the Criminal Justice Reporting System.

CRIMINAL-- Criminal is broken down into Part I and Part II crimes.

Part I includes crimes against persons versus crimes against property; criminal homicide, forcible rape, robbery assault, aggravated assault, burglary -breaking or entering, larceny-theft, larceny analysis, motor vehicle theft and arson.

Part II includes other assaults, forgery and counterfeiting, fraud, embezzlement, stolen property, buying, receiving, possession; vandalism, weapons, carrying, possessing, etc.; prostitution and commercialized vice, sex offenses; drug abuse violations, gambling, offenses against the family and children, driving under the influence, liquor laws, drunkenness, disorderly conduct, vagrancy, all other offenses, suspicion, curfew and loitering laws - persons under 18; and runaways - persons under 18.

TRAFFIC-- Includes violations of the road and driving laws.

PART III-- Lost and Found: Includes lost and found persons, animals, and property, and stalled and abandoned vehicles.

PART IV-- Casualties: Includes all motor vehicle accidents, boating, and snowmobile; public home occupational accidents, fires, suicides, sudden deaths, burning permits, and burning violations.

PART V-- Miscellaneous Public: Includes open doors, gun permit applications, suspicious activities, animal complaints, motorist assists, alarm calls, parking complaints, house checks, driving complaints, civil matters, family disputes, department assists.

The balance of the report shows the total number of incidents handled, miles driven and how the Public Safety Department received calls. If anyone should desire more detailed statistical data, please contact my office.

\\WHPS#0\share\monthlyactivityreport\2020\lettertocouncilmonthlyreport.docx

West Hennepin Public Safety Department
1918 County Road 90 / Maple Plain, Minnesota 55359
Phone: (763) 479-0500 / Fax: (763) 479-0504

Web Address: <http://www.westhennepin.com> E-mail: westhennepin@westhennepin.com

Monthly Activity Report
March 2020

Offense	This Month	Same Month Last Year	This Year To Date	Last Year To Date
City Of Independence				
Criminal	6	7	31	18
Traffic	80	183	307	421
Part III	14	7	28	19
Part IV	23	52	95	138
Part V	137	140	335	345
Total City of Independence	260	389	796	941
City Of Maple Plain				
Criminal	2	4	12	14
Traffic	70	51	217	119
Part III	8	3	22	9
Part IV	18	25	54	59
Part V	62	86	182	243
Total City Of Maple Plain	160	169	487	444
Grand Total Both Cities	420	558	1,283	1,385
TZD	21	40	22	76
Agency Assists	15	28	43	44
Total ICR Reports	456	626	1,348	1,505
How Received				
Fax	14	13	31	30
In Person	21	23	67	76
Mail	1	1	1	3
Other	2	0	4	4
Phone	42	48	84	106
Radio	141	180	446	462
Visual	180	321	606	746
Email	26	11	37	24
Lobby Walk In	29	29	72	54
Total	456	626	1,348	1,505

March 2020 Criminal Part I & II
City of Independence Grid #'s 3-5

<u>AGN</u>	<u>ICR</u>	<u>Title</u>	<u>Grid #</u>	<u>Reported Date</u>	<u>MOC range</u>
WHPS	20000901	Traffic Possess Small Amount of Marijuana / Driving after Revocation	3	3/1/2020	DA540
WHPS	20000966	Misdemeanor - Harassment / Disturbing the Peace / Harrassing Phone Calls	3	3/5/2020	N2310
WHPS	20001246	4th Degree DWI	3	3/22/2020	JFW01
WHPS	20001253	Traffic -Possess Small Amount of Marijuana / Paraphernalia Possession / Drive with Due Care	5	3/22/2020	DC500
WHPS	20001274	Fraudulent Charges on Credit Card	4	3/24/2020	U2552
WHPS	20001311	3rd Degree DWI	5	3/28/2020	JFW01

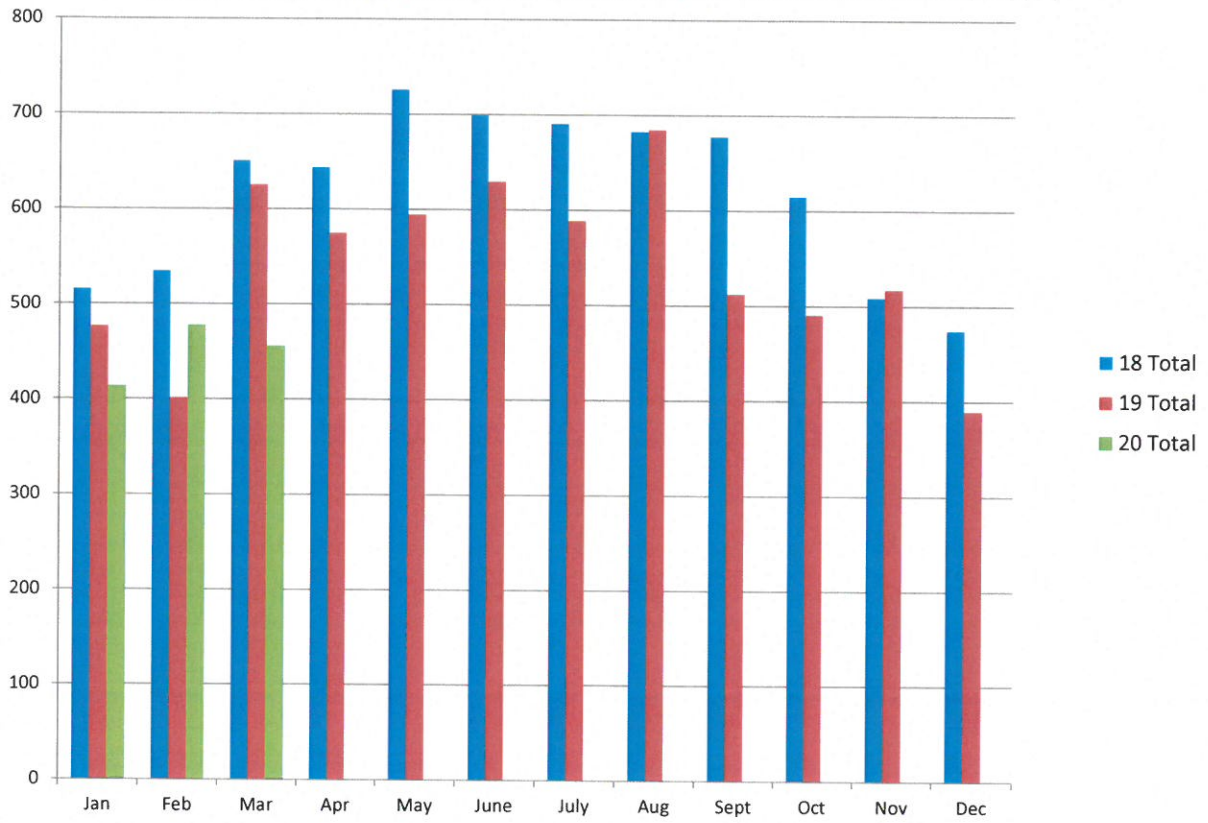
March 2020 Criminal Part I & II
City of Maple Plain Grid # 1-2

<u>AGN</u>	<u>ICR</u>	<u>Title</u>	<u>Grid #</u>	<u>Reported Date</u>	<u>MOC range</u>
WHPS	20001024	4th Degree DWI	1	3/8/2020	JFW01
WHPS	20001251	Underaged - Not a Drop-Underage drinking-driving / Possess Alcohol under 21	1	3/22/2020	M4101

March 2020 Criminal Part I & II
Towards Zero Death Grant Shift

<u>AGN</u>	<u>ICR</u>	<u>Title</u>	<u>Grid #</u>	<u>Reported Date</u>	<u>MOC range</u>
WHPS	20000898	4th Degree DWI	3/1/2020	20	3/1/2020

THREE YEAR COMPARISON OF POLICE CALLS FOR SERVICE & ACTIVITY



DIRECTOR'S NEWS & NOTES

WEST HENNEPIN PUBLIC SAFETY

March 2020 Activity Report

Year to Date Activity Report

At the end of March 31, 2020 West Hennepin Public Safety (WHPS) handled year-to-date a total 1,348 incident complaints. For the month of March 260 incidents were in the city of Independence and 160 in the city of Maple Plain.

The Criminal Part I and Part II cases for both cities have been highlighted for your review on the attached documents.

Recent Highlighted Cases:

Suspicious Act

March 1 9200 block Hwy. 12, Independence. Neighbor reported earlier in the day, someone in a green GMC pickup was removing items from the house. Officer investigation found the property owners handyman had stopped a day earlier than planned to clean things up and pick up trash from a previous residence fire.

Wire Arcing

March 2 300 block CR 92, Independence. Reported a wire was arcing and Maple Plain Fire was requested to respond. Officer found the wire was running through two overgrown trees. Xcel was notified and responded to the scene.

Burglary

Mar 2 5300 block Pioneer Creek Dr, Maple Plain. Renter reported sometime between November 2019 and February 2020 her storage locker was broken into. A few things were moved, and some items were missing: one box of books, a bag with Nerf Gun equipment and other misc. items. Case is under investigation.

Found Property

Mar 2 CR 11/ Lake Sarah Rd, Independence. Two friends were bird watching and found a wallet alongside the road. The owner was located and advised her wallet was found. Wallet contained a fake Michigan driver's license. Owner was cited for DL-Possession of Fake/Altered DL. Wallet, contents and valid MN DL were released to her.

Missing / Stolen Property

Mar 2 2800 block Providence Curve, Independence. Reported two passports were mailed in an envelope and one was stolen from the envelope. The envelope was taped on one side. The consulate is going to flag the old passport was stolen and reissue the passport that was stolen.

Personal Injury Crash

Mar 4 CR 11 / CR 92, Independence. Driver was on her way to the doctor in Delano and fell asleep at the wheel. Her vehicle crossed over the e/b lane of traffic, entered the ditch and struck a tree. The driver was transported to Waconia Hospital by North Memorial ambulance. Multiple areas were damaged on the vehicle and it was towed from the ditch.

Medical

Mar 6 3675 block Ihduhapi Trail, Independence. Vinland Center reported a female was experiencing withdrawal symptoms. North Memorial EMS arrived and transported the patient to North Memorial Hospital.

Locate / Warrant Arrest

Mar 6 3675 block Ihduhapi Trail, Independence. Todd County Probation reported their client at Vinland center under sentence for 1st Degree Burglary is being kicked out of the program for using narcotics and not following terms of the program. An arrest and detention order were issued, and the client was taken into custody at Vinland, and transported to Henn Co Jail for Todd Co Probation to pick him up.

Soliciting w/out Permit

Mar 6 4800 block Hwy 12, Maple Plain Two people were setting up a tent in a business parking lot and did not have a transient permit to sell merchandise. They were advised to get a transient permit from the city of Maple Plain. A later check found they had packed up their items and left.

Motorist Assist

Mar 6 Hwy 12/ County Line Rd, Independence A pickup truck ran out of gas and was stopped in the middle of Hwy 12. Reserve Officers assisted with traffic control while the Officer pushed the truck off to the side of the road. Driver was given a ride to his house to get a gas can, get fuel and brought back to his vehicle.

4th Degree DWI

Mar 8 1:24 a.m. Hwy 12 / Budd Ave., Maple Plain. Officer observed the driver with cell phone in hand, held in front of the steering wheel and actively typing on her phone. Driver admitted using the phone while driving, and an odor of alcohol was smelled while speaking with the driver. Samantha Dee Greenfield, 27 of Buffalo submitted a breath test which resulted in .09 breath alcohol concentration. Greenfield was arrested for 4th Degree DWI, Use of Wireless Communication Device and released to a sober person.

Suspicious Act

Mar 8 7000 block Pagenkopf Rd, Independence. Resident reported there were people behind his residence that should not be there. Officer located a 15-year-old female who was feeding the chickens and helping the property caretaker. All was ok.

Customer Problem

Mar 13 1500 block Howard Ave., Maple Plain. Officer responded to a report of a female refusing to get out of an Uber vehicle on Budd Ave. Officer located a 43-year-old female from Long Lake standing alongside the road. Uber driver stated the female tried to smoke in his vehicle, sent him to the wrong address, wouldn't give him the proper address, and swore at him. Driver was not willing to give the female a ride home. Female was able to articulate where she lived, and the Officer gave her a ride to her residence in Long Lake.

Suspicious Activity

Mar 13 Rainbow Park Warming House, Maple Plain. Caller reported some kids were climbing on the warming house at Rainbow Park. A check in the park area did not find any kids or issues.

Unconscious

Mar 13 800 block Kuntz Dr., Independence. Officer responded to a report of an unconscious person who had had chest pains for the last three days. North Memorial EMS responded and treated the patient.

Disturbance

Mar 14 1:07 a.m. 6300 block Main Street, Independence Resident reported a male was pounding on her door wanting to get in. Officer contact with the male found he was a neighbor from the 1100 block CR 90. He had accidentally locked his vehicle and house keys in his car. Officer unlocked his vehicle and keys were retrieved.

Medical

Mar 14 5800 block Main Street, Maple Plain. Male fell down the house stairs, struck his head causing an injury. He was transported to the hospital by ambulance.

Pick Up / Warrant

Mar 16 3675 Ihduhapi Trail, Vinland Center. 50-year-old male client from Edina, tested positive for using meth while at Vinland Center, violating his probation and was evicted from the program. The male was arrested and transported to Henn Co Jail.

Crash

Mar 16 2200 block CR 92, Independence. Officer responded to a reported rollover crash with a child trapped inside the vehicle. Upon arrival the 33-year-old male driver and his 3-year-old daughter were out of the vehicle and ok. The driver lost control of his vehicle on the slippery snowy roads, went into the ditch, struck a mailbox and the vehicle rolled over. Both driver and passenger were wearing their seatbelts.

Missing Dog

Mar 17 5100 block Broadmoor Dr, Independence. Animal owner reported her dog was missing since last night. The owner texted the Officer pictures of her dog. Officer reviewed reports and it was the dog found deceased last night on the side of the road.

Broken Leg

Mar 17 5200 block Bryantwood Dr, Maple Plain. Victim reported a motorcycle tipped over on him and broke his leg. Maple Plain Rescue and North Memorial EMS assisted with treatment. North transported the Victim to the hospital.

Verbal Domestic

Mar 17 5200 block Manchester Dr Maple Plain. Reported a disturbance, loud shouting and items hitting walls. Officers responded and contacted the husband and wife who were having a verbal altercation. The female stated she threw items at the wall and was shouting. Both agreed to remain civil.

Domestic

Mar 18 3300 block CR 92, Independence. Reported an uninvited upset female entered the residence, the female started yelling and threw a pillow at the male. No signs of a physical assault were observed. The female was issued a No Trespass Notice and warned if she enters the property she will be arrested.

Suspicious Person

Mar 18 Hwy 12/ CR 90, Independence. Officer observed a female walking partially in the turn lane on Hwy 12/ CR 90. Officer contact with the female who was identified from Pennsylvania, stated she was homeless, trying to get to Ortonville, MN with rides from people. Officer confirmed the female was ok and did not need assistance. Officer gave her a ride to Flippin Bills in Delano to get her off of Hwy 12.

Traffic Complaint

Mar 18 8:53 p.m. Hwy 12 / CR 90 / County Line Rd, Independence. Officer dispatched to a traffic complaint of a truck and horse trailer swerving and driving 40 mph. Officer contact with the driver who stated it was a new truck and trailer, and he was trying to avoid the center delineators. No signs of impairment were found. The driver was warned for weaving in traffic lane.

Medical

Mar 19 3675 Ihduhapi Trail, Independence. Reported a male client was having a stroke at Vinland Center. North Memorial EMS transported him to the hospital.

Assault / Warrant Arrest

Mar 19 5:46 p.m. 3675 Ihduhapi Trail, Independence. Officers responded to Vinland Center reporting an assault had occurred. Officers found Pernel Donahue Redday, 45-year-old male from Sandstone had tried to stab another client, Victim 42-year-old male from Cass Lake. Victim did not want to pursue charges, he was afraid Redday was going to stab him and stood up to square off with him. Video review showed verbal confrontation between the two males. Investigation found Redday had 5th Degree Drug Possession Warrant from Mille Lacs County Sheriff's Office. Redday was arrested and transported to Hennepin Co Jail.

Vehicle Fire - Unfounded

Mar 21 County Road 11 & Lake Sarah, Independence. Officer responded to a car on fire and found the vehicle had overheated, no fire. Loretto Fire Dept. was cancelled, and the vehicle was towed.

3rd Degree DWI

March 22 Hwy 12 / CR 90 Independence. Officer responded to a traffic complaint of the driver texting and driving and had stopped on the side of the road. Officer located the stopped vehicle and had contact with the driver, Alondra Yuselis Bonete-Lema, 22 from New Hope. Officer detected a strong odor of alcohol. Bonete-Lema admitted to drinking earlier and submitted a breath sample which resulted a .165 Blood Alcohol Concentration. Bonete-Lema was arrested, transported and booked into Hennepin Co Jail for 3rd Degree DWI.

Warrant Arrest

Mar 22 Highway 12 & Budd, Maple Plain An intoxicated sounding 22-year-old male from Maple Plain called dispatch stating he had a warrant and was at Hwy 12 and Budd in Maple Plain. The male was located, had been drinking and it was confirmed he had a DWI Warrant. He was transported to Henn Co Jail.

DWI

Mar 22 1600 block Howard Ave. Maple Plain. Officer contact with 19-year-old Jazmine Kaye Lappen Borreson of Maple Plain who admitted she had been drinking and driving and alcohol was in her vehicle. Borreson was cited for Not a Drop-Underage Drinking – Driving and Possess Alcohol Under 21.

Traffic Complaint

Mar 22 Hwy 12 / Halgren Rd, Maple Plain. Caller reported a BMW was swerving and driving over the traffic lines. Officer contact with the driver, Ashok Duenas Diaz, 37 of Delano, immediately the odor of burnt marijuana was detected. Diaz admitted to smoking a one-hitter while he was driving. A small amount of marijuana and a small pipe with MJ residue was found in his vehicle. Diaz was issued a citation for Failure to Drive with Due Care, Possession of Small Amount of Marijuana and Possession of Drug Paraphernalia.

Suspicious Act / Welfare Hold

Mar 23 5:59 a.m. 1400 block Copeland Rd, Independence. Resident reported a vehicle was sitting in her driveway crossways. As Officers approached the vehicle in the driveway, 37-year-old female driver from Spring Lake Park, was yelling for help and yelled for Officers to leave her alone. The female was seeing things and people that were not there. North Memorial EMS arrived and transported her to the hospital on an emergency hold.

Found Property

Mar 23 1500 block Howard Ave., Maple Plain. Business owner reported a large duffel bag was dumped in their dumpster and inside was a firearm he wanted checked out. Officer found the guns were paintball weapons. Business video surveillance ID the male dumping the duffel bag. The male was contacted who admitted the bags were his, but he thought it would be ok to dispose of them in the dumpster. The business owner did not want to pursue a dumping complaint, just wanted to make sure they were not real guns, and everything was ok.

Burning Complaint

Mar 23 5300 block Pioneer Creek Dr, Maple Plain Reported an unattended burn behind a business. Officer located two separate smoldering fires, and no one was present. Maple Plain Fire responded and extinguished both fires. The business owner was located who acknowledged he had been burning brush and did not obtain a burn permit. Business owner was cited for Burn Permit Acquired.

Fraud

Mar 24 5100 block Fern Drive, Independence. Resident reported \$6,900.00 of fraudulent charges on his credit card account. Credit cards were in his possession, unknown how transactions were completed. Case is under investigation.

Personal Injury Crash

Mar 25 Hwy 12/ CR 92, Independence. Vehicle1 s/b on CR 92N, had stopped at the stop sign, then pulled out into the intersection unto Hwy 12 to go e/b. Vehicle1 did not see Vehicle2 w/b on Hwy 12 and was struck by Vehicle2. All persons were wearing their seatbelts and had minor injuries. Both vehicles had disabling damages and were towed from the scene.

Verbal Domestic

Mar 25 1900 block County Road 90, Independence. Dispatched for a verbal argument between a wife and husband. After speaking with the Officer, both agreed to stay in separate areas of the house.

Illegal Burn

Mar 27 5100 block Broadmoor Street, Independence. Officer observed smoke coming from a brush pile. The homeowner was surprised when advised of the DNR burning ban. The homeowner put out the brush fire and was warned that he needed a burn permit before burning.

Medical

Mar 27 1500 block Howard Ave, Maple Plain. Officer was waived down by a female driver stating her passenger wasn't feeling well. The male was dizzy, had not had a lot of sleep lately due to hand pain preventing him from sleeping. The male stated he was feeling a lot better and refused EMS ambulance response.

Safety Check

Mar 27 7:22 p.m. Independence Rd / Fishing Bridge, Independence. Reported several cars and 10 kids were hanging out. Officer located four vehicles and four teenagers looking at the fish under the bridge. The teenagers were advised of the complaint and to be aware people may call when they see groups of kids hanging out due to COVID-19. They were respectful and understood why someone called. Officer advised they were parked in a no parking zone and to move their vehicles,

3rd Degree DWI

Mar 28 9:52 p.m. Highway 12 & County Line Road, Independence. Vehicle was stopped for 80/50 mph. Driver Eric Todd Wenz, 30 of Rockford admitted to driving too fast. A strong odor of alcohol was smelled and Wenz admitted to drinking. Wenz provided a breath test which resulted in .22 breath alcohol concentration. Wenz was arrested, transported and booked into Hennepin Co Jail for 3rd Degree DWI.

Burn Victim

Mar 31 5300 block Hwy 12, Maple Plain. Officers and Maple Plain Fire responded to a call of a female who set herself on fire. 39-year-old female from Richfield and her friend, 40-year-old male friend from St. Paul had been drinking and during their argument Vodka was poured on the female. The female lit herself on fire. The male had patted the flames out and had her get into the shower. The female was in a lot of pain and was transported to the hospital by ambulance.

Luce Line Trail

Mar 31 Luce Line Trail / Game Farm Rd, Independence. Reported horses are being ridden on the Luce Line walking trail and it ruins the trail for everyone biking and walking. There is a lower Luce Line trail for horses to be ridden on. The riders were not located.

Welfare Check

Mar 31 4200 block Woodhill Dr, Independence. Resident requested a welfare check on a neighbor whose window shades were down all day and did not answer her phone. Neighbors assisted the Officer and found the resident had fallen and could not get up. The 92-year-old female was helped up from the floor and transported to the hospital by ambulance.

Suspicious Act

Mar 31 9:15 p.m. 5100 Block Industrial Street, Maple Plain. Officer observed the back door of a business was open and lights were on inside. Contact with a male employee who came in to weld at night to get things done, due to the COVID-19.

Abandoned Vehicle

Mar 31 Bryant St / Budd Ave., Maple Plain. Calls were received of an abandoned vehicle left on the side of the road for several days. Attempts to reach the registered owner, a hearing aid company out of Missouri were unsuccessful. Business cards with a name and phone number on them were found inside the vehicle were successful in reaching the driver. The driver stated he had left the vehicle for his friend to pick up and store until he returned from his home in Fargo, ND. The driver was warned to move his vehicle by 4/1 or it would be impounded.

164 contacts of citations, verbal and written warnings were issued for traffic and equipment violations
1 citation for 'hands-free'

City of Independence
Resolution to Set Sale of Bonds to Finance the 2020 Capital Improvement Plan
and 2020 Street Reconstruction Plan

To: City Council
From: Mark Kaltsas, City Administrator
Meeting Date: April 21, 2020

Discussion:

The City has determined that certain streets in the City are in need of reconstruction, repair and improvements. The City based its findings on the long-range street improvement plans which assess all streets in the City based on their age, condition, number of users and current condition. The overlay project will provide for an approximately one and half inch bituminous overlay on top of the existing roads included in the project. Approximately 6 miles of existing bituminous roads will be included in the:

The City has prepared and adopted a 5-year street reconstruction plan which corresponds with the bituminous overlay.

In addition to the street reconstruction plan, the City is in the process of reviewing conditions and preparing plans and specifications for an update to the City Hall/West Hennepin Public Safety Building. The update would include the replacement of a portion of the HVAC equipment used to heat and cool the building, the replacement of the existing carpet/flooring throughout the building, replacement/repair of wall coverings, updating and making restrooms ADA compliant, updating the community room and City Council chambers, refinishing/painting portions of the building exterior and the addition of a new multi-purpose accessory building for WHPS and PW. The City has prepared and adopted the requisite five-year capital improvement plan identifying the proposed building improvements.

The City has held a public hearing relating to the five-year capital improvement plan and street reconstruction plan and preliminarily approved the issuance of bonds required to finance the plans. A copy of the finance plan is attached to this report for information. Following the public hearing, the City allowed for the requisite the 30-day public recall period. The City is now in a position to consider approval of setting the sale date for the bonds to be issued.

There is one point to note relating to the issuance of the bonds. The City has received bids on the street reconstruction plan that realized a considerable savings in comparison to the initial estimate. Based on the savings, staff would like to shift a portion of the anticipated bond issuance from the street reconstruction bonds to the capital improvement bonds. The maximum principal amount that the City can issue for the capital improvement plan is limited to \$2,500,000. The City would be able to move approximately \$100,000 towards the CIP bond issuance. Staff would like Council direction and concurrence with this adjustment.

Council Recommendation:

The City Council is being asked to consider approving **RESOLUTION NO. 20-0421-01** setting the sale date

of the bonds and calling for the sale on May 19th, 2020. In addition, the City Council approves the Municipal Advisory Agreement engaging Northland Securities as the City of Independence Municipal Advisor for this bond sale.

Attachment: **RESOLUTION NO. 20-0421-01**
Financial Plan for Bond Sale
Municipal Advisory Agreement

Extract of Minutes of Meeting
of the City Council of the
City of Independence, Hennepin County, Minnesota

Pursuant to due call and notice thereof a regular meeting of the City Council of the City of Independence, Hennepin County, Minnesota, was held by teleconference on Tuesday, April 21, 2020, commencing at 6:30 P.M. The teleconference was held in accordance with Minnesota Statutes, Section 13D.021 and pursuant to a [resolution adopted by the City Council on April 2, 2020].

The following members of the Council were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 20-0421-01

**RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF
GENERAL OBLIGATION BONDS, SERIES 2020A, IN THE
PROPOSED AGGREGATE PRINCIPAL AMOUNT OF \$3,795,000**

BE IT RESOLVED By the City Council (the “City Council”) of the City of Independence, Hennepin County, Minnesota (the “City”) as follows:

1. Street Reconstruction Bonds.

(a) Pursuant to Minnesota Statutes, Chapter 475, as amended (the “Act”), specifically Section 475.58, subdivision 3b thereof (the “Street Reconstruction Act”), the City is authorized to finance all or a portion of the cost of street reconstruction projects by the issuance of general obligation bonds of the City payable from ad valorem taxes.

(b) On March 17, 2020, following a duly noticed public hearing, the City Council adopted a street reconstruction plan for years 2020 through 2024 (the “Street Reconstruction Plan”) describing the streets to be reconstructed, estimated costs, and any planned reconstruction of other streets in the City and approved the issuance of general obligation bonds thereunder, pursuant to the Street Reconstruction Act.

(c) Expenditures described in the Street Reconstruction Plan include, but are not limited to, bituminous overlay along with crack repair, restriping and shoulder work on roads within the City, including Stephanie Way, Brei Kessel Road, Merz Way, Waldemar Way, Providence Place, Providence Court, Warren Way, Providence Curve, Providence Path, Turner Road, Polo Club Road, Copeland Road, Lindgren Lane, Independence Road, Budd Street, Fieldstone Place, Stone Court, Hillstrom Road, Drake Court, Drake Drive, Painter Creek Green and Timber Island Trail, as described in more detail in the Street Reconstruction Plan (collectively, the “Street Reconstruction”). The City estimates that the total cost of the Street Reconstruction is \$1,380,000.

(d) The City Council has determined that, within thirty (30) days after the hearing, no petition for a referendum on the issuance of general obligation bonds to pay costs of the Street Reconstruction was received by the City in accordance with the Street Reconstruction Act.

(e) It is necessary and expedient to the sound financial management of the affairs of the City to issue general obligation bonds in the proposed principal amount of \$1,380,000 (the “Street Reconstruction Bonds”), pursuant to the Street Reconstruction Act, to provide financing for the Street Reconstruction.

2. CIP Bonds.

(a) Pursuant to the Act, specifically Section 475.521 thereof (the “CIP Act”), the City is authorized to finance certain capital improvements under an approved capital improvement plan by the issuance of general obligation bonds of the City payable from ad valorem taxes. Capital improvements include acquisition or betterment of public lands, buildings or other improvements for the purpose of a city hall, library, public safety facility and public works facilities (excluding light rail transit or any activity related to it, or a park, road, bridge, administrative building other than a city hall, or land for any of those activities).

(b) On March 17, 2020, following a duly noticed public hearing, the City Council adopted a capital improvement plan for years 2020 through 2024 (the “Capital Improvement Plan”) and approved the issuance of general obligation bonds thereunder, pursuant to the CIP Act.

(c) The capital improvements described in the Capital Improvement Plan include, but are not limited to, the renovation, expanding, improvement, and equipping of the City’s existing City Hall, public safety and public works facilities (collectively, the “Capital Improvements”).

(d) The City Council has determined that, within thirty (30) days after the hearing, no petition for a referendum on the issuance of general obligation bonds pursuant to the Capital Improvement Plan was received by the City in accordance with the CIP Act.

(e) It is necessary and expedient to the sound financial management of the affairs of the City to issue general obligation bonds in the proposed principal amount of \$2,415,000 (the “CIP Bonds”), pursuant to the CIP Act, to provide financing for the Capital Improvements.

(e) As required by the CIP Act, the City has determined that: (i) the expected useful life of the projects to be financed with the proceeds of the CIP Bonds will be at least five (5) years; and (ii) the amount of principal and interest due in any year on all outstanding bonds issued by the City under the CIP Act, including the CIP Bonds, will not exceed 0.16 percent of the estimated market value of property in the City for taxes payable in 2020.

3. Sale of Bonds.

(a) The City Council finds it necessary and expedient to the sound financial management of the affairs of the City to issue its General Obligation Bonds, Series 2020A (the “Bonds”), in the proposed aggregate principal amount of \$3,795,000, pursuant to the Act to provide financing for the Street Reconstruction and the Capital Improvements. The Bonds will be issued, sold, and delivered in accordance with the Notice of Sale attached hereto as EXHIBIT A (the “Notice of Sale”).

(b) The City is authorized by Section 475.60, subdivision 2(9) of the Act to negotiate the sale of the Bonds, it being determined that the City has retained an independent municipal advisor in connection with such sale.

4. Authority of Municipal Advisor. Northland Securities, Inc. (the “Municipal Advisor”) is authorized and directed to negotiate the Bonds on behalf of the City in accordance with the Notice of Sale. The City Council will meet at 6:30 P.M. on Tuesday, May 19, 2020, to consider proposals on the Bonds and take any other appropriate action with respect to the Bonds.

5. Authority of Bond Counsel. The law firm of Kennedy & Graven, Chartered, as bond counsel for the City, is authorized to act as bond counsel and to assist in the preparation and review of necessary documents, certificates and instruments relating to the Bonds. The officers, employees and agents of the City are hereby authorized to assist Kennedy & Graven, Chartered in the preparation of such documents, certificates, and instruments.

6. Covenants. In the resolution awarding the sale of the Bonds the City Council will set forth the covenants and undertakings required by the Act.

7. Official Statement. In connection with the sale of the Bonds, the officers or employees of the City are authorized and directed to cooperate with the Municipal Advisor and participate in the

preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

(The remainder of this page is intentionally left blank.)

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember _____, and upon vote being taken thereon the following members voted in favor of the motion:

and the following voted against:

whereupon the resolution was declared duly passed and adopted.

EXHIBIT A

NOTICE OF SALE

\$3,795,000*
GENERAL OBLIGATION BONDS, SERIES 2020A

CITY OF INDEPENDENCE, MINNESOTA
(Book-Entry Only)

NOTICE IS HEREBY GIVEN that these Bonds will be offered for sale according to the following terms:

TIME AND PLACE:

Proposals (also referred to herein as “bids”) will be opened by the City’s Administrator, or designee, on Tuesday, May 19, 2020, at 10:00 A.M., CT, at the offices of Northland Securities, Inc. (the City’s “Municipal Advisor”), 150 South 5th Street, Suite 3300, Minneapolis, Minnesota 55402. Consideration of the Proposals for award of the sale will be by the City Council at its meeting at the City Offices beginning Tuesday, May 19, 2020 at 6:30 P.M., CT.

SUBMISSION OF PROPOSALS

Proposals may be:

- a) submitted to the office of Northland Securities, Inc.,
- b) faxed to Northland Securities, Inc. at 612-851-5918,
- c) for proposals submitted prior to the sale, the final price and coupon rates may be submitted to Northland Securities, Inc. by telephone at 612-851-5900 or 612-851-4945, or
- d) submitted electronically.

Notice is hereby given that electronic proposals will be received via PARITY™, or its successor, in the manner described below, until 10:00 A.M., CT, on Tuesday, May 19, 2020. Proposals may be submitted electronically via PARITY™ or its successor, pursuant to this Notice until 10:00 A.M., CT, but no Proposal will be received after the time for receiving Proposals specified above. To the extent any instructions or directions set forth in PARITY™, or its successor, conflict with this Notice, the terms of this Notice shall control. For further information about PARITY™, or its successor, potential bidders may contact Northland Securities, Inc. or i-Deal® at 1359 Broadway, 2nd floor, New York, NY 10018, telephone 212-849-5021.

Neither the City nor Northland Securities, Inc. assumes any liability if there is a malfunction of PARITY™ or its successor. All bidders are advised that each Proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Bonds regardless of the manner in which the Proposal is submitted.

BOOK-ENTRY SYSTEM

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in fully registered form and one bond certificate, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede

* The City reserves the right to increase or decrease the principal amount of the Bonds. Any such increase or decrease will be made in multiples of \$5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread.

& Co. as nominee of Depository Trust Company (“DTC”), New York, New York, which will act as securities depository of the Bonds.

Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the City through Northland Trust Services, Inc. Minneapolis, Minnesota (the “Paying Agent/Registrar”), to DTC, or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The successful bidder, as a condition of delivery of the Bonds, will be required to deposit the bond certificates with DTC. The City will pay reasonable and customary charges for the services of the Paying Agent/Registrar.

DATE OF ORIGINAL ISSUE OF BONDS

Date of Delivery (Estimated to be June 11, 2020)

AUTHORITY/PURPOSE/SECURITY

The Bonds are being issued pursuant to Minnesota Statutes, Chapter 475 and Sections 475.521 and 475.58 sub. 3b. Proceeds will be used to finance the 2020 street reconstruction projects, improvements to the City’s existing City Hall, public safety, and public works facilities, and to pay costs associated with the issuance of the Bonds. The Bonds are payable from ad valorem taxes on all taxable property within the City. The full faith and credit of the City is pledged to their payment and the City has validly obligated itself to levy ad valorem taxes in the event of any deficiency in the debt service account established for this issue.

INTEREST PAYMENTS

Interest is due semiannually on each February 1 and August 1, commencing February 1, 2021, to registered owners of the Bonds appearing of record in the Bond Register as of the close of business on the fifteenth day (whether or not a business day) of the calendar month preceding such interest payment date.

MATURITIES

Principal is due annually on February 1, inclusive, in each of the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2022	\$35,000	2027	\$35,000	2032	\$240,000	2037	\$270,000
2023	35,000	2028	220,000	2033	245,000	2038	275,000
2024	35,000	2029	225,000	2034	250,000	2039	285,000
2025	35,000	2030	230,000	2035	255,000	2040	290,000
2026	35,000	2031	235,000	2036	265,000	2041	300,000

Proposals for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above.

INTEREST RATES

All rates must be in integral multiples of 1/20th or 1/8th of 1%. *Rates must be in level or ascending order.* All Bonds of the same maturity must bear a single uniform rate from date of issue to maturity.

ESTABLISHMENT OF ISSUE PRICE (HOLD-THE-OFFERING-PRICE RULE MAY APPLY – BIDS NOT CANCELLABLE)

The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Bond Counsel. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City’s Municipal Advisor and any notice or report to be provided to the City may be provided to the City’s Municipal Advisor.

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:

- (1) the City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event that the competitive sale requirements are not satisfied, the City shall promptly so advise the winning bidder. The City may then determine to treat the initial offering price to the public as of the award date of the Bonds as the issue price of each maturity by imposing on the winning bidder the Hold-the-Offering-Price Rule as described in the following paragraph (the “Hold-the-Offering-Price Rule”). Bids will **not** be subject to cancellation in the event that the City determines to apply the Hold-the-Offering-Price Rule to the Bonds. **Bidders should prepare their bids on the assumption that the Bonds will be subject to the Hold-the-Offering-Price Rule in order to establish the issue price of the Bonds.**

By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the “Initial Offering Price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the Hold-the-Offering Price Rule shall apply to any person at a price that is higher than the Initial Offering Price to the public during the period starting on the award date for the Bonds and ending on the **earlier** of the following:

- (1) the close of the fifth (5th) business day after the award date; or
- (2) the date on which the underwriters have sold at least 10% of a maturity of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public (the “10% Test”), at which time only that particular maturity will no longer be subject to the Hold-the-Offering-Price Rule.

The City acknowledges that, in making the representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Bonds, including but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule if applicable to the Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A) to comply with the Hold-the-Offering-Price Rule, if applicable if and for so long as directed by the winning bidder and as set forth in the related pricing wires, (B) to promptly notify the winning bidder of any sales of Bonds that to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and (C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public, and (ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or the underwriter and as set forth in the related pricing wires.

Notes: Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (1) "public" means any person other than an underwriter or a related party,*
- (2) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public).*
- (3) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the*

purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation or another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership or another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(4) "sale date" means the date that the Bonds are awarded by the City to the winning bidder.

ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER PROPOSALS

The City reserves the right to increase or decrease the principal amount of the Bonds. Any such increase or decrease will be made in multiples of \$5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread. Such adjustments shall be made promptly after the sale and prior to the award of Proposals by the City and shall be at the sole discretion of the City. The successful bidder may not withdraw or modify its Proposal once submitted to the City for any reason, including post-sale adjustment. Any adjustment shall be conclusive and shall be binding upon the successful bidder.

OPTIONAL REDEMPTION

Bonds maturing on February 1, 2030 through 2041 are subject to redemption and prepayment at the option of the City on February 1, 2029 and 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 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.

CUSIP NUMBERS

If the Bonds qualify for assignment of CUSIP numbers such numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder thereof to accept delivery of and pay for the Bonds in accordance with terms of the purchase contract. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the successful bidder.

DELIVERY

Delivery of the Bonds will be within forty days after award, subject to an approving legal opinion by Kennedy & Graven, Chartered, Bond Counsel. The legal opinion will be paid by the City and delivery will be anywhere in the continental United States without cost to the successful bidder at DTC.

TYPE OF PROPOSAL

Proposals of not less than \$3,745,665 (98.70%) and accrued interest on the principal sum of \$3,795,000 must be filed with the undersigned prior to the time of sale. Proposals must be unconditional except as to legality. Proposals for the Bonds should be delivered to Northland Securities, Inc. and addressed to:

Mark Kaltsas, City Administrator
Independence City Hall

1920 County Rd. 90
Independence, MN 55359

A good faith deposit (the “Deposit”) in the amount of \$75,900 in the form of a federal wire transfer (payable to the order of the City) is only required from the apparent winning bidder, and must be received within two hours after the time stated for the receipt of Proposals. The apparent winning bidder will receive notification of the wire instructions from the Municipal Advisor promptly after the sale. If the Deposit is not received from the apparent winning bidder in the time allotted, the City may choose to reject their Proposal and then proceed to offer the Bonds to the next lowest bidder based on the terms of their original proposal, so long as said bidder wires funds for the Deposit amount within two hours of said offer.

The City will retain the Deposit of the successful bidder, the amount of which will be deducted at settlement and no interest will accrue to the successful bidder. In the event the successful bidder fails to comply with the accepted Proposal, said amount will be retained by the City. No Proposal can be withdrawn after the time set for receiving Proposals unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis. The City’s computation of the interest rate of each Proposal, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City will reserve the right to: (i) waive non-substantive informalities of any Proposal or of matters relating to the receipt of Proposals and award of the Bonds, (ii) reject all Proposals without cause, and (iii) reject any Proposal which the City determines to have failed to comply with the terms herein.

INFORMATION FROM SUCCESSFUL BIDDER

The successful bidder will be required to provide, in a timely manner, certain information relating to the initial offering price of the Bonds necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended.

OFFICIAL STATEMENT

By awarding the Bonds to any underwriter or underwriting syndicate submitting a Proposal therefor, the City agrees that, no more than seven business days after the date of such award, it shall provide to the senior managing underwriter of the syndicate to which the Bonds are awarded, the Final Official Statement in an electronic format as prescribed by the Municipal Securities Rulemaking Board (MSRB).

LIMITED CONTINUING DISCLOSURE UNDERTAKING

The City will covenant in the resolution awarding the sale of the Bonds and in a Continuing Disclosure Undertaking to provide, or cause to be provided, annual financial information, including audited financial statements of the City, and notices of certain material events, as required by SEC Rule 15c2-12.

BANK QUALIFICATION

The City will designate the Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

BOND INSURANCE AT UNDERWRITER'S OPTION

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

The City reserves the right to reject any and all Proposals, to waive informalities and to adjourn the sale.

Dated: April 21, 2020

BY ORDER OF THE INDEPENDENCE CITY COUNCIL

/s/ Mark Kaltsas
City Administrator

Additional information may be obtained from:
Northland Securities, Inc.
150 South 5th Street, Suite 3300
Minneapolis, Minnesota 55402
Telephone No.: 612-851-5900

EXHIBIT A

(ISSUE PRICE CERTIFICATE – COMPETITIVE SALE SATISFIED)

June __, 2020

The undersigned, for and on behalf of [NAME OF PURCHASER/REPRESENTATIVE] (the [“Purchaser”] [“Representative,” on behalf of itself and other underwriters listed below (collectively, the “Underwriting Group”)]), with respect to the sale and issuance of the General Obligation Bonds, Series 2020A (the “Bonds”), by the City of Independence, Minnesota (the “Issuer”), in the original aggregate principal amount of \$ _____, certifies as follows:

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the [Purchaser] [Underwriting Group] are the prices listed in EXHIBIT A attached hereto (the “Expected Offering Prices”). The Expected Offering Prices are the prices of the Maturities of the Bonds used by the [Purchaser] [Underwriting Group] in formulating its bid to purchase the Bonds. Attached hereto as EXHIBIT B is a true and correct copy of the bid provided by the [Purchaser] [Underwriting Group] to purchase the Bonds.

(b) The [Purchaser] [Underwriting Group] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the [Purchaser] [Underwriting Group] constituted a firm offer to purchase the Bonds.

(d) Capitalized terms that are used herein that are otherwise not defined shall have the meanings assigned to such terms in Section 5 hereof.

2. Purchase Price. The [Purchaser] [Representative] acknowledges that it is purchasing the Bonds for an aggregate purchase price of \$ _____ (par amount of Bonds of \$ _____, plus original issue premium of \$ _____, less original issue discount of \$ _____, less [a Purchaser’s] [an underwriter’s] discount of \$ _____).

3. Receipt of Bonds. The undersigned hereby acknowledges receipt of \$ _____ in original aggregate principal amount of the Bonds from the Issuer, fully executed and authenticated. [The [Purchaser] [Representative] has paid to [NAME OF INSURER] the sum of \$ _____ as a premium for an insurance policy for the Bonds.]

4. Representations. The representations set forth in this Certificate of Purchaser (the “Certificate”) are limited to factual matters only. Nothing in this Certificate represents the interpretation by the [Purchaser] [Representative] of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder. The undersigned understands that the foregoing information will be relied upon by: (i) the Issuer with respect to certain of the representations set forth in a tax certificate of the Issuer executed on the date hereof with respect to compliance with the federal income tax rules affecting the Bonds; and (ii) Kennedy & Graven, Chartered, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Information Return for Tax-Exempt Governmental Bonds, Form 8038-G (Rev. September 2018), and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

5. Defined Terms.

(a) “Maturity” means Bonds with the same credit and payment terms. Bonds with different

maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this Certificate means, with respect to a purchaser of the Bonds, if the Underwriter and the purchaser are subject, directly or indirectly, to (i) more than fifty percent (50%) common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another); (ii) more than fifty percent (50%) common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another); or (iii) more than fifty percent (50%) common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(c) "Sale Date" means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is May 19, 2020.

(d) "Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

IN WITNESS WHEREOF, the undersigned officer has executed this Certificate of Purchaser as of the date and year first written above.

[PURCHASER] [REPRESENTATIVE]

By _____

Name _____

Its _____

[Account Members:]

(ISSUE PRICE CERTIFICATE – HOLD THE PRICE)

June __, 2020

The undersigned, for and on behalf of [NAME OF PURCHASER/REPRESENTATIVE] (the ["Purchaser"] ["Representative," on behalf of itself and other underwriters listed below (collectively, the "Underwriting Group")]), with respect to the sale and issuance of the General Obligation Bonds, Series 2020A (the "Bonds"), by the City of Independence, Minnesota (the "Issuer"), in the original aggregate principal amount of \$ _____, certifies as follows:

1. Initial Offering Price for the Bonds.

(a) The [Purchaser] [Underwriting Group] offered each Maturity of the Bonds to the Public for purchase at the respective initial offering prices listed in EXHIBIT A attached hereto (the "Initial Offering Prices"). A copy of the pricing wire or equivalent communication for the Bonds is attached hereto as EXHIBIT A. Capitalized terms used herein that are otherwise not defined shall have the meanings assigned to such terms

in Section 5 hereof.

(b) As set forth in the Notice of Sale and the bid award, the [Purchaser has] [members of the Underwriting Group have] agreed in writing that (i) for each Maturity of the Bonds, [it] [they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “Hold-the-Offering-Price Rule”); and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the Hold-the-Offering-Price Rule. Pursuant to such agreement, no Underwriter has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

2. Purchase Price. The [Purchaser] [Representative] acknowledges that it is purchasing the Bonds for an aggregate purchase price of \$ _____ (par amount of Bonds of \$ _____, plus original issue premium of \$ _____, less original issue discount of \$ _____, less [a Purchaser’s] [an underwriter’s] discount of \$ _____).

3. Receipt of Bonds. The undersigned hereby acknowledges receipt of \$ _____ in original aggregate principal amount of the Bonds from the Issuer, fully executed and authenticated. [The [Purchaser] [Representative] has paid to [NAME OF INSURER] the sum of \$ _____ as a premium for an insurance policy for the Bonds.]

4. Representations. The representations set forth in this Certificate of Purchaser (the “Certificate”) are limited to factual matters only. Nothing in this Certificate represents the interpretation by the [Purchaser] [Representative] of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder. The undersigned understands that the foregoing information will be relied upon by: (i) the Issuer with respect to certain of the representations set forth in a tax certificate of the Issuer executed on the date hereof with respect to compliance with the federal income tax rules affecting the Bonds; and (ii) Kennedy & Graven, Chartered, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Information Return for Tax-Exempt Governmental Bonds, Form 8038-G (Rev. September 2018), and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

5. Defined Terms.

(a) “Holding Period” means, with respect to each Maturity of the Bonds, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the [Purchaser has] [Underwriters have] sold at least ten percent (10%) of such Maturity to the Public at prices that are no higher than the Initial Offering Price for such Maturity.

(b) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this Certificate means, with respect to a purchaser of the Bonds, if the Underwriter and the purchaser are subject, directly or indirectly, to (i) more than fifty percent (50%) common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another); (ii) more than fifty percent (50%) common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another); or (iii) more than fifty percent (50%) common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is

a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(d) “Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is May 19, 2020.

(e) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public)

WITNESS WHEREOF, the undersigned officer has executed this Certificate of Purchaser as of the date and year first written above.

[PURCHASER] [REPRESENTATIVE]

By _____

Name _____

Its _____

[Account Members:]

Finance Plan

City of Independence, Minnesota

\$3,795,000

General Obligation Bonds, Series 2020A

April 21, 2020



150 South 5th Street, Suite 3300

Minneapolis, MN 55402

612-851-5900 800-851-2920

www.northlandsecurities.com

Member FINRA and SIPC | Registered with SEC and MSRB

Contents

Executive Summary..... 3

Issue Overview..... 4

 Purpose 4

 Authority..... 4

 Structure 5

 Security and Source of Repayment 5

 Plan Rationale 5

 Issuing Process 6

Attachment 1 - Preliminary Debt Service Schedule..... 7

 Total Combined 7

 Street Reconstruction Portion 8

Attachment 2 - Estimated Levy Schedule..... 10

Attachment 3 - Related Considerations 11

 Bank Qualification 11

 Arbitrage Compliance..... 11

 Continuing Disclosure..... 11

 Premiums 11

 Rating 12

Attachment 4 - Calendar of Events..... 13

Attachment 5 - Risk Factors 15

Executive Summary

The following is a summary of the recommended terms for the issuance of \$3,795,000 General Obligation Bonds, Series 2020A (the "Bonds"). Additional information on the proposed finance plan and issuing process can be found after the Executive Summary, in the Issue Overview and Attachment 3 – Related Considerations.

Purpose	Proceeds from the Bonds will be used to finance street reconstruction projects and a capital improvement plan project, and to finance the costs associated with the issuance of the Bonds.
Security	The Bonds will be a general obligation of the City. The City will pledge property tax levies for payment of the Street Reconstruction Portion and the CIP Portion of the Bonds.
Repayment Term	The Bonds will mature annually each February 1 in the years 2022 through 2041. Interest on the Bonds will be payable on February 1, 2021 and semiannually thereafter on each February 1 and August 1.
Estimated Interest Rate	Average coupon: 2.43% True interest cost (TIC): 2.53%
Prepayment Option	Bonds maturing on and after February 1, 2030 will be subject to redemption on February 1, 2029 and any day thereafter at a price of par plus accrued interest.
Rating	A rating will be requested from Standard and Poor's (S&P). The City's general obligation debt is currently rated "AA+" by S&P.
Tax Status	The Bonds will be tax-exempt, bank qualified obligations.
Risk Factors	There are certain risks associated with all debt. Risk factors related to the Bonds are discussed in Attachment 5.
Type of Bond Sale	Public Sale – Competitive Bids
Proposals Received	Tuesday, May 19, 2020 @ 10:00 A.M.
Council Consideration	Tuesday, May 19, 2020 @ 6:30 P.M.

Issue Overview

Purpose

Proceeds from the Bonds will be used to finance the following projects (together, the “Projects”):

- the 2020 street reconstruction projects, which include multiple streets as provided in the City’s Street Reconstruction Plan adopted on March 17, 2020 (the “Street Reconstruction Portion”)
- improvements to the City’s existing City Hall, public safety, and public works facilities (the “CIP Portion”)

The proceeds will also be used to pay costs associated with issuing the Bonds. The Bonds have been sized based on cost estimates provided by City Staff. The table below contains the estimated sources and uses of funds for the bond issue.

	Street Reconstruction	CIP	Issue Summary
Sources Of Funds			
Par Amount of Bonds	\$1,380,000.00	\$2,415,000.00	\$3,795,000.00
Total Sources	\$1,380,000.00	\$2,415,000.00	\$3,795,000.00
Uses Of Funds			
Deposit to Project Construction Fund	1,323,843.00	2,309,226.00	3,633,069.00
Deposit to Capitalized Interest (CIF) Fund	18,898.33	37,656.11	56,554.44
Costs of Issuance	18,918.19	33,106.81	52,025.00
Total Underwriter's Discount (1.300%)	17,940.00	31,395.00	49,335.00
Rounding Amount	400.48	3,616.08	4,016.56
Total Uses	\$1,380,000.00	\$2,415,000.00	\$3,795,000.00

Authority

The Bonds will be issued pursuant to the authority of Minnesota Statutes, Chapter 475, Section 475.58, Subdivision 3b., and Section 475.521.

Under Section 475.58, Subdivision 3b., street reconstruction bonds can be used to finance the reconstruction and bituminous overlay of existing city streets. Eligible improvements may include turn lanes and other improvements having a substantial public safety function, realignments, other modifications to intersect with state and county roads and the local share of state and county road projects. Eligible improvements do not include the portion of project cost allocable to widening a street or adding curbs and gutters where none previously existed.

Before issuing street reconstruction bonds, the City must hold a public hearing on the street reconstruction project and the proposed bonds, and then must pass a resolution approving the Street Reconstruction Plan and issuance of street reconstruction bonds. The City held the required public hearing and approved the Street Reconstruction Plan on March 17, 2020.

Under Section 475.521, a capital improvement is a major expenditure of City funds for the acquisition or betterment of public lands, buildings, or other improvements used, such as a city hall, library, public safety, or public works facility, which has a useful life of five years or more.

The maximum amount of principal and interest for capital improvement bonds cannot exceed 0.16% of the estimated market value of taxable property in the City. The City’s 2020 estimated market value is \$754,730,700 ($\$754,730,700 \times 0.0016 = \$1,207,569$). The maximum amount of principal and interest is expected to be approximately \$308,632.50, which is less than \$1,207,569.

Before issuing bonds under a Capital Improvement Plan (“CIP”), the City must hold a public hearing on the CIP and the proposed bonds and must then approve the CIP and authorize the issuance of the bonds by at least a 3/5 majority. The City held the required public hearing and approved the CIP on March 17, 2020.

If a petition signed by voters equal to at least 5 percent of the votes cast in the last general election requesting a vote on the issuance of bonds is received by the clerk within 30 days after the public hearing, then the bonds may not be issued unless approved by the voters at an election. The Calendar of Events provided in attachment 4 indicates that the Bonds will not be sold until after the 30-day period has expired on April 16, 2020.

Structure

The Bonds have been structured around the City’s outstanding debt, resulting in an overall annual level levy of approximately \$321,291 over the life of the Bonds. The Street Reconstruction Portion of the Bonds has been structured over 15 years and the CIP Portion of the Bonds has been structured over 20 years. Based on current market rates used for the Finance Plan, in order to keep the City’s overall levy level, the payment due on February 1, 2027 for the CIP Portion of the Bonds will be interest only. Final rates established on the date of the bond sale will determine if a small principal payment will be made in addition to the interest payment on February 1, 2027 for the CIP Portion of the Bonds.

The proposed structure for the bond issue and preliminary debt service projections for each portion of the bond issue are illustrated in Attachment 1 and the estimated combined levy is illustrated in Attachment 2.

Security and Source of Repayment

The Bonds will be general obligations of the City. The finance plan relies on the following assumptions for the revenues used to pay debt service, as provided by City staff:

- Property Taxes. The revenues needed to pay debt service on the Bonds are expected to come from property tax levies. The initial projections show that for the Bonds, an annual net levy averaging \$128,300 over the first six years of the Bonds, during which time the City’s other existing debt is outstanding, is needed to meet the 105% statutory requirement. The levy may be adjusted annually based on actual monies in the debt service fund. The initial levy will be made in 2020 for taxes payable in 2021.

Given the timing of the initial revenue from the tax levy, capitalized interest will be included in the bond issue to cover the first interest payment due on February 1, 2021, before the first tax collections are received.

Plan Rationale

The Finance Plan recommended in this report is based on a variety of factors and information provided by the City related to the financed project and City objectives, Northland’s knowledge of the City and our experience in working with similar cities and projects. The issuance of General Obligation Bonds provides the best means of achieving the City’s objectives and cost-effective financing. The City has successfully issued and managed this type of debt for previous projects.

COVID-19 is having a significant impact on the municipal bond market. The Finance Plan is based on preliminary “AA+” rates as of April 3, 2020, plus 0.25%. Due to the volatility in the bond market, the potential bids from underwriters to purchase the Bonds may vary from the Finance Plan more significantly than what Northland would anticipate in less volatile times.

Issuing Process

Northland will receive bids from underwriters to purchase the Bonds on Tuesday, May 19, 2020 at 10:00 A.M. Market conditions and the marketability of the Bonds support issuance through a competitive sale. This process has been chosen as it is intended to produce the lowest combination of interest expense and underwriting expense on the structure, date and time set to receive bids. The calendar of events for the issuing process can be found in Attachment 4.

Municipal Advisor: Northland Securities, Inc., Minneapolis, Minnesota

Bond Counsel: Kennedy & Graven, Chartered, Minneapolis, Minnesota

Paying Agent: Northland Trust Services, Inc. Minneapolis, Minnesota

Attachment 1 – Preliminary Debt Service Schedule

Total Combined

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/11/2020	-	-	-	-	-
02/01/2021	-	-	56,554.44	56,554.44	56,554.44
08/01/2021	-	-	44,260.00	44,260.00	-
02/01/2022	35,000.00	1.450%	44,260.00	79,260.00	123,520.00
08/01/2022	-	-	44,006.25	44,006.25	-
02/01/2023	35,000.00	1.500%	44,006.25	79,006.25	123,012.50
08/01/2023	-	-	43,743.75	43,743.75	-
02/01/2024	35,000.00	1.550%	43,743.75	78,743.75	122,487.50
08/01/2024	-	-	43,472.50	43,472.50	-
02/01/2025	35,000.00	1.600%	43,472.50	78,472.50	121,945.00
08/01/2025	-	-	43,192.50	43,192.50	-
02/01/2026	35,000.00	1.700%	43,192.50	78,192.50	121,385.00
08/01/2026	-	-	42,895.00	42,895.00	-
02/01/2027	35,000.00	1.800%	42,895.00	77,895.00	120,790.00
08/01/2027	-	-	42,580.00	42,580.00	-
02/01/2028	220,000.00	1.900%	42,580.00	262,580.00	305,160.00
08/01/2028	-	-	40,490.00	40,490.00	-
02/01/2029	225,000.00	2.000%	40,490.00	265,490.00	305,980.00
08/01/2029	-	-	38,240.00	38,240.00	-
02/01/2030	230,000.00	2.100%	38,240.00	268,240.00	306,480.00
08/01/2030	-	-	35,825.00	35,825.00	-
02/01/2031	235,000.00	2.200%	35,825.00	270,825.00	306,650.00
08/01/2031	-	-	33,240.00	33,240.00	-
02/01/2032	240,000.00	2.250%	33,240.00	273,240.00	306,480.00
08/01/2032	-	-	30,540.00	30,540.00	-
02/01/2033	245,000.00	2.300%	30,540.00	275,540.00	306,080.00
08/01/2033	-	-	27,722.50	27,722.50	-
02/01/2034	250,000.00	2.350%	27,722.50	277,722.50	305,445.00
08/01/2034	-	-	24,785.00	24,785.00	-
02/01/2035	255,000.00	2.400%	24,785.00	279,785.00	304,570.00
08/01/2035	-	-	21,725.00	21,725.00	-
02/01/2036	265,000.00	2.450%	21,725.00	286,725.00	308,450.00
08/01/2036	-	-	18,478.75	18,478.75	-
02/01/2037	270,000.00	2.500%	18,478.75	288,478.75	306,957.50
08/01/2037	-	-	15,103.75	15,103.75	-
02/01/2038	275,000.00	2.550%	15,103.75	290,103.75	305,207.50
08/01/2038	-	-	11,597.50	11,597.50	-
02/01/2039	285,000.00	2.600%	11,597.50	296,597.50	308,195.00
08/01/2039	-	-	7,892.50	7,892.50	-
02/01/2040	290,000.00	2.650%	7,892.50	297,892.50	305,785.00
08/01/2040	-	-	4,050.00	4,050.00	-
02/01/2041	300,000.00	2.700%	4,050.00	304,050.00	308,100.00
Total	\$3,795,000.00	-	\$1,284,234.44	\$5,079,234.44	-

Date And Term Structure

Dated	6/11/2020
Delivery Date	6/11/2020
First available call date	2/01/2029
Call Price	100.000%

Yield Statistics

Bond Year Dollars	\$52,929.58
Average Life	13.947 Years
Average Coupon	2.4263075%

Net Interest Cost (NIC)	2.5195162%
True Interest Cost (TIC)	2.5279265%
All Inclusive Cost (AIC)	2.6486258%

*Based on preliminary "AA+" rates as of April 13, plus 0.25%.

Street Reconstruction Portion

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/11/2020	-	-	-	-	-
02/01/2021	-	-	18,898.33	18,898.33	18,898.33
08/01/2021	-	-	14,790.00	14,790.00	-
02/01/2022	30,000.00	1.450%	14,790.00	44,790.00	59,580.00
08/01/2022	-	-	14,572.50	14,572.50	-
02/01/2023	30,000.00	1.500%	14,572.50	44,572.50	59,145.00
08/01/2023	-	-	14,347.50	14,347.50	-
02/01/2024	30,000.00	1.550%	14,347.50	44,347.50	58,695.00
08/01/2024	-	-	14,115.00	14,115.00	-
02/01/2025	30,000.00	1.600%	14,115.00	44,115.00	58,230.00
08/01/2025	-	-	13,875.00	13,875.00	-
02/01/2026	30,000.00	1.700%	13,875.00	43,875.00	57,750.00
08/01/2026	-	-	13,620.00	13,620.00	-
02/01/2027	35,000.00	1.800%	13,620.00	48,620.00	62,240.00
08/01/2027	-	-	13,305.00	13,305.00	-
02/01/2028	120,000.00	1.900%	13,305.00	133,305.00	146,610.00
08/01/2028	-	-	12,165.00	12,165.00	-
02/01/2029	125,000.00	2.000%	12,165.00	137,165.00	149,330.00
08/01/2029	-	-	10,915.00	10,915.00	-
02/01/2030	125,000.00	2.100%	10,915.00	135,915.00	146,830.00
08/01/2030	-	-	9,602.50	9,602.50	-
02/01/2031	130,000.00	2.200%	9,602.50	139,602.50	149,205.00
08/01/2031	-	-	8,172.50	8,172.50	-
02/01/2032	135,000.00	2.250%	8,172.50	143,172.50	151,345.00
08/01/2032	-	-	6,653.75	6,653.75	-
02/01/2033	135,000.00	2.300%	6,653.75	141,653.75	148,307.50
08/01/2033	-	-	5,101.25	5,101.25	-
02/01/2034	140,000.00	2.350%	5,101.25	145,101.25	150,202.50
08/01/2034	-	-	3,456.25	3,456.25	-
02/01/2035	140,000.00	2.400%	3,456.25	143,456.25	146,912.50
08/01/2035	-	-	1,776.25	1,776.25	-
02/01/2036	145,000.00	2.450%	1,776.25	146,776.25	148,552.50
Total	\$1,380,000.00	-	\$331,833.33	\$1,711,833.33	-

Date And Term Structure

Dated	6/11/2020
Delivery Date	6/11/2020
First available call date	2/01/2029
Call Price	100.000%

Yield Statistics

Bond Year Dollars	\$14,866.67
Average Life	10.773 Years
Average Coupon	2.2320628%
Net Interest Cost (NIC)	2.3527354%
True Interest Cost (TIC)	2.3639872%
All Inclusive Cost (AIC)	2.5127545%

CIP Portion

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/11/2020	-	-	-	-	-
02/01/2021	-	-	37,656.11	37,656.11	37,656.11
08/01/2021	-	-	29,470.00	29,470.00	-
02/01/2022	5,000.00	1.450%	29,470.00	34,470.00	63,940.00
08/01/2022	-	-	29,433.75	29,433.75	-
02/01/2023	5,000.00	1.500%	29,433.75	34,433.75	63,867.50
08/01/2023	-	-	29,396.25	29,396.25	-
02/01/2024	5,000.00	1.550%	29,396.25	34,396.25	63,792.50
08/01/2024	-	-	29,357.50	29,357.50	-
02/01/2025	5,000.00	1.600%	29,357.50	34,357.50	63,715.00
08/01/2025	-	-	29,317.50	29,317.50	-
02/01/2026	5,000.00	1.700%	29,317.50	34,317.50	63,635.00
08/01/2026	-	-	29,275.00	29,275.00	-
02/01/2027	-	-	29,275.00	29,275.00	58,550.00
08/01/2027	-	-	29,275.00	29,275.00	-
02/01/2028	100,000.00	1.900%	29,275.00	129,275.00	158,550.00
08/01/2028	-	-	28,325.00	28,325.00	-
02/01/2029	100,000.00	2.000%	28,325.00	128,325.00	156,650.00
08/01/2029	-	-	27,325.00	27,325.00	-
02/01/2030	105,000.00	2.100%	27,325.00	132,325.00	159,650.00
08/01/2030	-	-	26,222.50	26,222.50	-
02/01/2031	105,000.00	2.200%	26,222.50	131,222.50	157,445.00
08/01/2031	-	-	25,067.50	25,067.50	-
02/01/2032	105,000.00	2.250%	25,067.50	130,067.50	155,135.00
08/01/2032	-	-	23,886.25	23,886.25	-
02/01/2033	110,000.00	2.300%	23,886.25	133,886.25	157,772.50
08/01/2033	-	-	22,621.25	22,621.25	-
02/01/2034	110,000.00	2.350%	22,621.25	132,621.25	155,242.50
08/01/2034	-	-	21,328.75	21,328.75	-
02/01/2035	115,000.00	2.400%	21,328.75	136,328.75	157,657.50
08/01/2035	-	-	19,948.75	19,948.75	-
02/01/2036	120,000.00	2.450%	19,948.75	139,948.75	159,897.50
08/01/2036	-	-	18,478.75	18,478.75	-
02/01/2037	270,000.00	2.500%	18,478.75	288,478.75	306,957.50
08/01/2037	-	-	15,103.75	15,103.75	-
02/01/2038	275,000.00	2.550%	15,103.75	290,103.75	305,207.50
08/01/2038	-	-	11,597.50	11,597.50	-
02/01/2039	285,000.00	2.600%	11,597.50	296,597.50	308,195.00
08/01/2039	-	-	7,892.50	7,892.50	-
02/01/2040	290,000.00	2.650%	7,892.50	297,892.50	305,785.00
08/01/2040	-	-	4,050.00	4,050.00	-
02/01/2041	300,000.00	2.700%	4,050.00	304,050.00	308,100.00
Total	\$2,415,000.00	-	\$952,401.11	\$3,367,401.11	-

Date And Term Structure

Dated	6/11/2020
Delivery Date	6/11/2020
First available call date	2/01/2029
Call Price	100.0000%

Yield Statistics

Bond Year Dollars	\$38,062.92
Average Life	15.761 Years
Average Coupon	2.5021759%
Net Interest Cost (NIC)	2.5846577%
True Interest Cost (TIC)	2.5956984%
All Inclusive Cost (AIC)	2.7049309%

Attachment 2 – Estimated Levy Schedule

Date	Total P+I	CIF	105% Levy	Plus Existing Levy*	Net Levy	Levy Year	Collection Year
02/01/2021	56,554.44	(56,554.44)	-	306,660.00	306,660.00	2019	2020
02/01/2022	123,520.00	-	129,696.00	192,000.00	321,696.00	2020	2021
02/01/2023	123,012.50	-	129,163.13	192,000.00	321,163.13	2021	2022
02/01/2024	122,487.50	-	128,611.88	192,000.00	320,611.88	2022	2023
02/01/2025	121,945.00	-	128,042.25	192,000.00	320,042.25	2023	2024
02/01/2026	121,385.00	-	127,454.25	192,000.00	319,454.25	2024	2025
02/01/2027	120,790.00	-	126,829.50	192,000.00	318,829.50	2025	2026
02/01/2028	305,160.00	-	320,418.00	-	320,418.00	2026	2027
02/01/2029	305,980.00	-	321,279.00	-	321,279.00	2027	2028
02/01/2030	306,480.00	-	321,804.00	-	321,804.00	2028	2029
02/01/2031	306,650.00	-	321,982.50	-	321,982.50	2029	2030
02/01/2032	306,480.00	-	321,804.00	-	321,804.00	2030	2031
02/01/2033	306,080.00	-	321,384.00	-	321,384.00	2031	2032
02/01/2034	305,445.00	-	320,717.25	-	320,717.25	2032	2033
02/01/2035	304,570.00	-	319,798.50	-	319,798.50	2033	2034
02/01/2036	308,450.00	-	323,872.50	-	323,872.50	2034	2035
02/01/2037	306,957.50	-	322,305.38	-	322,305.38	2035	2036
02/01/2038	305,207.50	-	320,467.88	-	320,467.88	2036	2037
02/01/2039	308,195.00	-	323,604.75	-	323,604.75	2037	2038
02/01/2040	305,785.00	-	321,074.25	-	321,074.25	2038	2039
02/01/2041	308,100.00	-	323,505.00	-	323,505.00	2039	2040
Total	\$5,079,234.44	(56,554.44)	\$5,273,814.00	\$1,458,660.00	\$6,732,474.00		

*The existing levy amounts were provided by the City and are comprised of levies for the following outstanding bond issues: G.O. Capital Improvement Bonds, Series 2006A, G.O. Improvement Bonds, Series 2010A; G.O. Tax Abatement Bonds, Series 2015A. Northland relied on the information provided by the City to structure the 2020A Bonds around the existing levy.

Attachment 3 – Related Considerations

Bank Qualification

We understand the City (in combination with any subordinate taxing jurisdictions or debt issued in the City's name by 501(c)3 corporations) anticipates issuing \$10,000,000 or less in tax-exempt debt during this calendar year. Therefore, the Bonds will be designated as "bank qualified" obligations pursuant to Federal Tax Law.

Arbitrage Compliance

Project/Construction Fund. All tax-exempt bond issues are subject to federal rebate requirements which require all arbitrage earned to be rebated to the U.S. Treasury. The rebate exemptions the City expects to qualify for is the "small issuer exception."

Debt Service Fund. The City must maintain a bona fide debt service fund for the Bonds or be subject to yield restriction in the debt service fund. A bona fide debt service fund involves an equal matching of revenues to debt service expense with a balance forward permitted equal to the greater of the investment earnings in the fund during that year or 1/12 of the debt service of that year.

The City should become familiar with the various Arbitrage Compliance requirements for this bond issue. The Resolution for the Bonds prepared by Bond Counsel explains the requirements in greater detail.

Continuing Disclosure

Type: Limited

The requirements for continuing disclosure are governed by SEC Rule 15c2-12. The primary requirements of Rule 15c2-12 actually fall on underwriters. The Rule sets forth due diligence needed prior to the underwriter's purchase of municipal securities. Part of this requirement is obtaining commitment from the issuer to provide continuing disclosure. The document describing the continuing disclosure commitments (the "Undertaking") is contained in the Official Statement that will be prepared to offer the Bonds to investors.

The City has less than \$10,000,000 of outstanding debt and will provide "limited" continuing disclosure. Historically, limited disclosure only required that certain information be provided upon request. The 2010 amendments to the Rule added the provision that issuers must annually provide financial information and operating data which is customarily prepared by the issuer and is publicly available. Issuers must also report certain "material events." Material events set forth in the Rule, including, but not limited to, bond rating changes, call notices, and the issuance of "financial obligations" (such as PFA loans, leases, or bank placements) must be reported within ten days of occurrence. This Bond issuance will need to be added to the City's CD reporting requirements.

Premiums

In the current market environment, it is likely that bids received from underwriters will include premiums. A premium bid occurs when the purchaser pays the City an amount in excess of the par amount of a maturity in exchange for a higher coupon (interest rate). The use of premiums reflects the bidder's view on future market conditions, tax considerations for investors and other factors. Ultimately, the true interest cost ("TIC") calculation will determine the lowest bid, regardless of premium.

A premium bid produces additional funds that can be used in several ways:

- The premium means that the City needs less bond proceeds and can reduce the size of the issue by the amount of the premium.
- The premium can be deposited in the Construction Fund and used to pay additional project costs, rather than used to reduce the size of the issue.
- The premium can be deposited in the Debt Service Fund and used to pay principal and interest.

Northland will work with City staff prior to the sale day to determine use of premium (if any).

Rating

A rating will be requested from Standard and Poor's (S&P). The City's general obligation debt is currently rated "AA+" by S&P. The rating process will include a conference call with the rating analyst. Northland will assist City staff in preparing for and conducting the rating call.

Attachment 4 - Calendar of Events

The following checklist of items denotes each milestone activity as well as the members of the finance team who will have the responsibility to complete it. *Please note this proposed timetable assumes regularly scheduled City Council meetings.*

February 2020						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

March 2020						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

April 2020						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

May 2020						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Date	Action	Responsible Party
February 18	Resolution Calling for the Public Hearing on the Capital Improvement Plan and Intent to Issue Capital Improvement Plan Bonds adopted Resolution Calling for the Public Hearing on the Street Reconstruction Plan adopted	City Council Action, Bond Counsel
February 21	Draft Capital Improvement Plan distributed to City staff Draft Street Reconstruction Plan distributed to City staff	Bond Counsel, Northland
March 3	Public Hearing Notice Published no later than this date	City Staff
March 17	Public Hearing - Resolution Approving the Capital Improvement Plan and Issuance of the bonds Adopted (3/5 vote required) Public Hearing - Resolution Approving the Street Reconstruction Plan and Issuance of Bonds adopted (2/3 vote required)	City Council Action
March 24	Northland sends General Information Certificate to City for completion	Northland
April 2	City returns completed General Information Certificate to Northland	City Staff

April 14	Set Sale Resolution Sent to City for Council Packets Finance Plan Sent to the City	Northland, Bond Counsel
April 16	Referendum Period Over	
April 21	Set Sale Resolution for Bonds Adopted Review of Finance Plan	City Council Action, Northland, Bond Counsel
April 22	Preliminary Official Statement Sent to City for Sign Off and to Rating Agency	Northland, City
Week of April 27 or May 4	Rating Conference Call	Northland, City, Rating Agency
May 11	Rating Received	Rating Agency, City, Northland
May 19	Bond Sale 10:00 a.m. Bond Purchase Agreement Signed Awarding Resolution Adopted - 6:30 p.m.	City, Northland
June 11	Closing on the Bonds (Proceeds available)	Northland, City Staff, Bond Counsel

Attachment 5 - Risk Factors

Property Taxes: Property tax levies shown in this Finance Plan are based on projected debt service and other revenues. Final levies will be set based on the results of sale. Levies should be reviewed annually and adjusted as needed. The debt service levy must be included in the preliminary levy for annual Truth in Taxation hearings. Future Legislative changes in the property tax system, including the imposition of levy limits and changes in calculation of property values, would affect plans for payment of debt service. Delinquent payment of property taxes would reduce revenues available to pay debt service.

General: In addition to the risks described above, there are certain general risks associated with the issuance of bonds. These risks include, but are not limited to:

- Failure to comply with covenants in bond resolution.
- Failure to comply with Undertaking for continuing disclosure.
- Failure to comply with IRS regulations, including regulations related to use of the proceeds and arbitrage/rebate. The IRS regulations govern the ability of the City to issue its bonds as tax-exempt securities and failure to comply with the IRS regulations may lead to loss of tax-exemption.

**MUNICIPAL ADVISORY SERVICE AGREEMENT
BY AND BETWEEN
THE CITY OF INDEPENDENCE, MINNESOTA
AND
NORTHLAND SECURITIES, INC.**

This Agreement made and entered into by and between the City of Independence, Minnesota (hereinafter "City") and Northland Securities, Inc., of Minneapolis, Minnesota (hereinafter "NSI").

WITNESSETH

WHEREAS, the City desires to have NSI provide it with advice on the structure, terms, timing and other matters related to the issuance of the General Obligation Bonds, Series 2020A (the "Debt") serving in the role of municipal (financial) advisor, and

WHEREAS, NSI is a registered municipal advisor with both the Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB") (registration # 866-00082-00), and

WHEREAS, NSI will act as municipal advisor in accordance with the duties and responsibilities of Rule G-42 of the MSRB, and

WHEREAS, the MSRB provides a municipal advisory client brochure on its website (www.msrb.org) that describes the protections that may be provided by the MSRB rules, including professional competency, fair dealing, duty of loyalty, remedies for disputes and how to file a complaint with an appropriate regulatory authority, and

WHEREAS, the City and NSI are entering into this Agreement to define the municipal advisory relationship at the earliest opportunity related to the inception of the municipal advisory relationship for the Debt, and

WHEREAS, NSI desires to furnish services to the City as hereinafter described,

NOW, THEREFORE, it is agreed by and between the parties as follows:

SERVICES TO BE PROVIDED BY NSI

NSI shall provide the City with services necessary to analyze, structure, offer for sale and close the Debt. The services will be tailored to meet the needs of this engagement and may include:

Planning and Development

1. Assist City officials to define the scope and the objectives for the Debt.
2. Investigate and consider reasonably feasible financing alternatives.
3. Assist the City in understanding the material risks, potential benefits, structure and other characteristics of the recommended plan for the Debt, including issue structure, estimated debt

service payments, projected revenues, method of issuance, bond rating, sale timing, and call provisions.

4. Prepare a schedule of events related to the issuance process.
5. Coordinate with bond counsel any actions needed to authorize the issuance of the Debt.
6. Attend meetings of the City Council and other project and bond issue related meetings as needed and as requested.

Bond Sale

1. Assist the City with the preparation, review and approval of the preliminary official statement (POS).
2. Assist the City and bond counsel with preparing and publishing the Official Notice of Sale if required by law.
3. Prepare and submit application for bond rating(s) and assist the City with furnishing the rating agency(s) with any additional information required to conduct the rating review. Assist the City with preparing and conducting the rating call or other presentation.
4. Assist the City in receiving the bids, compute the accuracy of the bids received, and recommend to the City the most favorable bid for award.
5. Coordinate with bond counsel the preparation of required contracts and resolutions.

Post-Sale Support

1. Assist the City with the preparation of final official statement, distribution to the underwriter and posting on EMMA.
2. Coordinate the bond issue closing, including making all arrangements for bond printing, registration, and delivery.
3. Furnish to the City a complete transcript of the transaction, if not provided by bond counsel.

There are no specific limitations on the scope of this agreement.

COMPENSATION

For providing these services with respect to the Debt, NSI shall be paid a lump sum of \$27,300. The fee due to NSI shall be payable by the City upon the closing of the Bonds.

NSI agrees to pay the following expenses from its fee:

- Out-of-pocket expenses such as travel, long distance phone, and copy costs.
- Production and distribution of material to rating agencies and/or bond insurance companies.
- Preparation of the bond transcript.

The City agrees to pay for all other expenses related to the processing of the bond issue(s) including, but not limited to, the following:

- Engineering and/or architectural fees.
- Publication of legal notices.
- Bond counsel and local attorney fees.
- Fees for various debt certificates.
- The cost of printing Official Statements, if any.
- City staff expenses.
- Airfare and lodging expenses of one NSI official and City officials when and if traveling for rating agency presentations.
- Rating agency fees, if any.

- Bond insurance fees, if any.
- Accounting and other related fees.

It is expressly understood that there is no obligation on the part of the City under the terms of this Agreement to issue the Debt. If the Debt is not issued, NSI agrees to pay its own expenses and receive no fee for any municipal advisory services it has rendered pursuant to this Agreement.

CONFLICTS OF INTEREST

NSI is not aware of any material conflicts of interest that could reasonably be anticipated to impair NSI's ability to provide advice to or on behalf of the City in accordance with the standards of conduct for municipal advisors.

The compensation for services provided in this Agreement is customary in the municipal securities market, but may pose a conflict of interest. Since the fee is payable at closing and only if the Debt is issued, NSI may have an incentive to encourage issuance. Compensation linked to the size of the transaction may provide incentive to increase the amount of the Debt. Compensation considerations will not impair NSI's ability to provide unbiased and competent advice or to fulfill its fiduciary duty to the City. In executing this Agreement, the City acknowledges and accepts the potential conflicts of interest posed by the compensation to NSI.

Northland Capital Holdings is the parent company of NSI. Another subsidiary of Northland Capital Holdings is Northland Trust, Inc. Northland Trust provides paying agent services to issuers of municipal bonds. The City is solely responsible for the decision on the source of paying agent services. Any engagement of Northland Trust is outside the scope of this Agreement. No compensation paid to Northland Trust is shared with NSI.

NSI does not provide executive search, organizational development, compensation systems or other management consulting services that may directly or indirectly affect City staff that recommend the engagement of municipal advisor services and may pose a conflict of interest.

LEGAL AND DISCIPLINARY ACTIONS

There are no legal or disciplinary events reported by the Securities and Exchange Commission contained in Form MA or Form MA-I. The City can find information about these forms and accessing information related to NSI at www.sec.gov/municipal/oms-edgar-links.

SUCCESSORS OR ASSIGNS

The terms and provisions of this Agreement are binding upon and inure to the benefit of the City and NSI and their successors or assigns.

TERM OF THIS AGREEMENT

This Agreement may be terminated by thirty (30) days written notice by either the City or NSI and it shall terminate sixty (60) days following the closing date related to the issuance of the Debt.

Dated this 24th day of March, 2020.

Northland Securities, Inc.

By: Michael Hart

Michael Hart, Managing Director

City of Independence, Minnesota

Name: _____

Signature: _____

Its: _____

City of Independence
Consideration to Award Low Bid for the 2020 Street Reconstruction Project

To: City Council
From: Mark Kaltsas, City Administrator
Meeting Date: April 21, 2020

Discussion:

In 2019, the initiated a street reconstruction project which would provide a new bituminous overlay for approximately half of the bituminous roadways within the City. The City prepared plans and specifications for the project in February of this year and authorized staff to go out for competitive bids to construct the project. The City received 10 bids in March of this year.

There were several other steps taken by the City to prepare for the award of this contract:

- The City prepared a street reconstruction plan which was adopted on March 17, 2020.
- The City held a public hearing to review the street reconstruction plan and preliminarily authorize approval to issue bonds to finance the costs of the street reconstruction plan.

The City Engineer prepared an estimate for the proposed street reconstruction project of \$1,203,494.00 (not including soft costs). The City's Engineer has reviewed the bids for accuracy and has determined that the low bid is from Wm Mueller for \$939,791.15. The low bid came in approximately \$250,000 below the Engineers Estimate. The City Engineers Estimate for all project costs is attached to this report for reference.

Council Recommendation:

City Council is asked to consider approval of **RESOLUTION No. 20-0421-01** awarding the construction contract for the 2020 Street Reconstruction Project to Wm Mueller and Sons, Inc. for \$939,791.15.

Attachments: **RESOLUTION No. 20-0421-01**
 Engineers Recommendation Letter
 Engineers Project Estimate



**CITY OF INDEPENDENCE
RESOLUTION NO. 20-0421-02**

**A RESOLUTION AWARDING THE 2020 STREET RECONSTRUCTION
(BITUMINOUS OVERLAY) PROJECT TO THE LOW BIDDER**

WHEREAS, the City of Independence (the “City”) is a municipal corporation under the laws of Minnesota; and

WHEREAS, the City of Independence builds and maintains local roadways for the benefit of the public; and

WHEREAS, the City has developed a Five-Year Street Reconstruction Plan that identifies planned maintenance and reconstruction activities such as crack sealing, seal coating, mill and overlay, and reconstruction; and

WHEREAS, pursuant to resolution of the City Council on February 18th, 2020 approved the plans and specifications for the 2020 Street Overlay Project; and

WHEREAS, the City received bids from ten qualified contractors; and

WHEREAS, the verified low bid was submitted by Wm Mueller and Sons, Inc. in the amount of \$939,751.15 for the project; and

WHEREAS, the City has determined that the total project estimate to include construction and associated soft costs for engineering and inspection (10%) of \$1,050,000 is appropriate and sufficient funds are available; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Independence, Minnesota, hereby approves the 2020 Bituminous Overlay Project and award Wm Mueller and Sons, Inc. the construction contract.

This resolution was adopted by the City Council of the City of Independence on this 21st day of APRIL 2020, by a vote of ____ ayes and ____ nays.

Marvin Johnson, Mayor

ATTEST:

Mark Kaltsas, City Administrator



Real People. Real Solutions.

2638 Shadow Lane
Suite 200
Chaska, MN 55318-1172

Ph: [952] 448-8838
Fax: [952] 448-8805
Bolton-Menk.com

April 8, 2020

City of Independence
Attn: Mr. Mark Kaltsas
1920 County Road 90
Independence, MN 55359

RE: Bid Results for the 2020 Street Overlay Project

Dear Mark:

Enclosed is the bid tab for the 2020 Street Overlay project. The project includes paving of various streets within the City of Independence city limits. Ten bids were received and are summarized below:

Contractor	Total Quote
Wm. Mueller and Sons, Inc	\$939,791.15
ASTECH Corp	\$989,896.05
GMH Asphalt	\$1,008,619.80
Omann Contracting	\$1,036,664.15
Knife River	\$1,044,148.50
Molnau Trucking	\$1,045,855.00
Valley Paving	\$1,064,049.75
Bituminous Roadways	\$1,067,000.00
S.M. Hentges & Sons	\$1,122,244.90
Mid Minnesota Hot Mix, Inc.	\$1,258,467.45

We have reviewed the bids and recommend awarding the project to the low bidder, Wm. Mueller and Sons, Inc. in the amount of \$939,791.15.

Please let me know if you have questions or need additional information.

Sincerely,
Bolton & Menk, Inc.

Andrew L. Budde, P.E.

**2020 OVERLAY
ENGINEER'S ESTIMATE
CITY OF INDEPENDENCE, MINNESOTA
PROJECT NO. C16.119985
DATE: 02/05/2020**

NO	ITEM	NOTES	UNIT	UNIT PRICE	TOTAL PROJECT	
					QUANT	COST
1	MOBILIZATION		LUMP SUM	\$60,000.00	1	\$68,000.00
2	TRAFFIC CONTROL		LUMP SUM	\$20,000.00	1	\$25,000.00
3	MILL BITUMINOUS PAVEMENT (VARIES)		SQ YD	\$2.50	10900	\$27,250.00
4	GRAVEL APPROACH TIE IN GRADING		EACH	\$800.00	7	\$5,600.00
5	AGGREGATE SURFACING CL 2	(1)	TON	\$30.00	2915	\$87,450.00
6	SUBGRADE EXCAVATION (EV)		CU YD	\$40.00	90	\$3,600.00
7	STABILIZING AGGREGATE (CV)		CU YD	\$38.00	90	\$3,420.00
8	ADJUST FRAME AND RING CASTING		EACH	\$800.00	10	\$8,000.00
9	MANHOLE RISER RING		EACH	\$200.00	4	\$800.00
10	FULL DEPTH BITUMINOUS PATCH		SQ YD	\$75.00	270	\$20,250.00
11	BITUMINOUS SURFACE CRACK REPAIR		LIN FT	\$40.00	4090	\$163,600.00
12	TYPE SP12.5 WEARING COURSE MIX (2,B)	(2)	TON	\$65.00	11900	\$773,500.00
13	BITUMINOUS FLUME SEALCOAT		SQ YD	\$35.00	81	\$2,835.00
14	4" SOLID WHITE STRIPE (PAINT)		LIN FT	\$0.30	3230	\$969.00
15	8" SOLID WHITE STRIPE (PAINT)		LIN FT	\$0.50	3140	\$1,570.00
16	4" DOUBLE YELLOW STRIPE (PAINT)		LIN FT	\$0.50	3300	\$1,650.00
17	LANDSCAPE ALLOWANCE		ALLOWANCE	\$10,000.00	1	\$10,000.00
ESTIMATED SUBTOTAL:						\$1,203,494.00
SOFT COSTS (10%)						\$120,349.40
ESTIMATED TOTAL PROJECT COST:						\$1,323,843.40

NOTES:

(1) FOR AGGREGATE SHOULDERING AND AGGREGATE DRIVEWAYS

(2) SWEEPING PRIOR TO PAVING IS INCIDENTAL TO TYPE SP12.5 WEARING COURSE MIX (2,B)