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Title: Providing for the issuance of and accepting a proposal on the sale of General Obligation Street Reconstruction Bond, Series 2023C; and levying a tax for the payment of the Series 2023C Bond.

Sponsors: Amy Brendmoen

Indexes: Bond Sale

Code sections:

Attachments: 1. Exhibit A, 2. Exhibit B

Date	Ver.	Action By	Action	Result
6/29/2023	1	Mayor's Office	Signed	
6/28/2023	1	City Council	Adopted	Pass

Providing for the issuance of and accepting a proposal on the sale of General Obligation Street Reconstruction Bond, Series 2023C; and levying a tax for the payment of the Series 2023C Bond.

WHEREAS, the Director, Office of Financial Services, has presented to the City Council (the "Council") a proposal received for the sale of the City of Saint Paul, Minnesota (the "City") General Obligation Street Reconstruction Bond, Series 2023C (the "Series 2023C Bond") to Wells Fargo Bank, National Association ("Wells Fargo") in a direct loan placement; and

WHEREAS, on April 26, 2023, the City's Office of Financial Services transmitted to various financial institutions a Request for Proposals (the "RFP") for the issuance of general obligation street reconstruction bonds in order to (i) finance or reimburse the City for the preliminary costs of various street reconstruction projects (the "2023 Street Projects") authorized in the City's 2023-2027 Street Reconstruction Plan (the "Street Reconstruction Plan" or the "SRP"), and (ii) pay costs of issuance of the Series 2023C Bond; and

WHEREAS, in response to the RFP, the City's Office of Financial Services received four responses and, with the advice of the City's municipal advisor Baker Tilly Municipal Advisors, LLC, selected Wells Fargo as the financial institution that was considered to be the most advantageous financing proposal for the Series 2023C Bond; and

WHEREAS, the City will issue the Series 2023C Bond pursuant to the Charter of the City (the "City Charter") and Minnesota Statutes, Chapter 475, as amended (the "Municipal Debt Act"), including Section 475.58, Subd. 3b of the Municipal Debt Act (the "Street Reconstruction Act" and together with the Municipal Debt Act, the "Act"); and

WHEREAS, the Street Reconstruction Act requires that prior to issuance of the bonds the following requirements are met: (i) a public hearing is held by the Council with the notice required by the Street Reconstruction Act with respect to the issuance of the general obligations bonds to fund street reconstruction project in a five year street reconstruction plan such as the SRP; (ii) approval of the SRP and up to \$29,500,000 of general obligations bonds by a 2/3 vote of the Council after the public hearing; and (iii) the City Clerk of the City does not receive within 30 days of the public hearing a petition requesting a vote on the

issuance of the Series 2023C Bond signed by voters equal to five percent (5%) of the votes cast in the City in the last municipal general election; and

WHEREAS, on December 7, 2022, the Council held a public hearing (the “Public Hearing”) with respect to the SRP and the proposed issuance of up to \$29,500,000 of general obligation street reconstruction bonds for the 2023 Street Projects described in the SRP; and

WHEREAS, the Council, by adopting RES PH 22-365 on December 7, 2022, after the Public Hearing, adopted the SRP and gave its preliminary approval to the issuance of the Series 2023C Bond, which is in addition to the preliminary approval and reimbursement intent indicated in RES 23-67 adopted by the Council on January 11, 2023; and

WHEREAS, the City Clerk did not receive a petition within 30 days of the Public Hearing (December 7, 2022) that requested an election on the question of the issuance of up to \$29,500,000 of general obligation street reconstruction bonds; and

WHEREAS, in connection with the issuance of the Series 2023C Bond, the City will also enter into a Continuing Covenant Agreement, dated on or after July 1, 2023 (as amended, supplemented, modified or restated from time to time, the “CCA”) with Wells Fargo, which sets forth the terms and conditions of loans provided by Wells Fargo to the City including the loan that is evidenced by the Series 2023C Bond.

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

1. Requirements of the Street Reconstruction Act and Municipal Debt Act. The City has complied with the provisions of the Street Reconstruction Act, the Municipal Debt Act, and the City Charter regarding the issuance of the Series 2023C Bond.

On December 7, 2022, the City held the Public Hearing with respect to the SRP, the 2023 Street Projects, and the issuance of up to \$29,500,000 of general obligation street bonds under the Street Reconstruction Act after proper notice was given for such Public Hearing as required by the Street Reconstruction Act with a notice published in the official paper of the City, the *Saint Paul Pioneer Press*, on November 21, 2022. Pursuant to the Street Reconstruction Act, the City must hold a special election prior to the issuance of bonds under the Street Reconstruction Act and seek the approval of the voters of the City if a petition requesting a vote on the issuance is signed by voters equal to five percent (5%) of the votes cast in the last general election and such petition is filed with the City Clerk within thirty (30) days from the date of the Public Hearing (December 7, 2022). The City Clerk did not receive a petition by January 6, 2023, which date was thirty (30) days of the Public Hearing and, therefore, the City is not required to hold a special election on the issuance and sale of the Series 2023C Bond used to finance a portion of the preliminary costs of the 2023 Street Projects.

On December 7, 2022, as required by the Street Reconstruction Act, after the Public Hearing, the City Council by a 7-0 vote duly adopted the SRP.

2. Form of Series 2023C Bond. All of the provisions of the Series 2023C Bond, when executed as authorized herein, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Series 2023C Bond shall be substantially in the form attached to this Resolution as EXHIBIT A, which form is hereby approved, with such necessary and appropriate variations, omissions and insertions (including changes to the aggregate principal amount of the Series 2023C Bond, the stated maturity of the Series 2023C Bond, the interest rate on the Series 2023C Bond, the terms of redemption of the Series 2023C Bond, and variation from City policies regarding methods of offering general obligation bonds) as the City Treasurer and Director, Office of Financial Services, or their respective deputies, in their discretion, shall determine.

The City Treasurer is authorized and directed to obtain a copy of the proposed approving legal opinion of Ballard Spahr LLP, which shall be complete except as to dating thereof and cause the opinion to accompany the Series 2023C Bond.

3. Execution. The Series 2023C Bond shall be executed on behalf of the City by the facsimile or manual signatures of its Mayor, City Clerk and Director, Office of Financial Services, or their proper designees, each with the effect noted on the form of the Series 2023C Bond, provided, and the corporate seal may be omitted on the Series 2023C Bond as permitted by law. In the event of disability or resignation or other absence of any such officer, the Series 2023C Bond may be signed by the manual or facsimile signature of that officer who may act on behalf of such absent or disabled officer. In case any such officer whose signature shall appear on the Series 2023C Bond shall cease to be such officer before the delivery of the Series 2023C Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

4. Authentication; Date of Registration. No Series 2023C Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless a Certificate of Authentication on such Series 2023C Bond, substantially in the form set forth in EXHIBIT A, shall have been duly executed by an authorized representative of the City. The Registrar shall authenticate the signatures of officers of the City on the Series 2023C Bond by execution of the Certificate of Authentication on the Series 2023C Bond and by inserting as the date of registration in the space provided the date on which the Series 2023C Bond is authenticated. For purposes of delivering the original Series 2023C Bond to Wells Fargo, the Registrar shall insert as the date of registration as of the date of original issue.

The City Treasurer is hereby appointed as the initial bond registrar and paying agent (the “Registrar” and the “Paying Agent”) for the Series 2023C Bond. The City Treasurer shall serve as Registrar unless and until a successor Registrar is duly appointed. A successor Registrar shall be an officer of the City or a bank or trust company eligible for designation as Registrar pursuant to the Municipal Debt Act acceptable to Wells Fargo (or its successors) and may be appointed pursuant to any contract the City and such successor Registrar shall execute which is consistent herewith. The Registrar shall also serve as Paying Agent unless and until a successor Paying Agent is duly appointed. The principal of and interest on the Series 2023C Bond shall be paid to the registered holder or holders of the Series 2023C Bond (the “Holder” or “Holders”) in the manner set forth in the form of the Series 2023C Bond. The effect of registration and the rights and duties of the City and the Registrar with respect thereto are as follows:

(a) No Book-Entry System. The Series 2023C Bond shall be registered in the name of Wells Fargo, or its designee, and shall not initially be subject to the procedures of The Depository Trust Company.

(b) Register. The Registrar shall keep a bond register in which the Registrar provides for the registration of ownership of the Series 2023C Bond and the registration of transfers and exchanges of the Series 2023C Bond entitled to be registered, transferred, or exchanged.

(c) Transfer of Series 2023C Bond. Upon surrender for transfer of a Series 2023C Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Series 2023C Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until that interest payment date.

(d) Exchange of Series 2023C Bond. When the Series 2023C Bond is surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Series 2023C Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner’s

attorney in writing.

(e) Cancellation. A Series 2023C Bond surrendered upon transfer or exchange shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(f) Improper or Unauthorized Transfer. When a Series 2023C Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Series 2023C Bond until the Registrar is satisfied that the endorsement on the Series 2023C Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its reasonable judgment, deems improper or unauthorized.

(g) Persons Deemed Owners. The City and the Registrar may treat the person in whose name the Series 2023C Bond is registered in the bond register as the absolute owner of the Series 2023C Bond, whether the Series 2023C Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Series 2023C Bond and for all other purposes, and payments so made to a registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability upon the Series 2023C Bond to the extent of the sum or sums so paid.

(h) Taxes, Fees, and Charges. The Registrar may impose a reasonable charge upon the owner thereof for a transfer or exchange of the Series 2023C Bond sufficient to reimburse the Registrar for any tax, fee, or other governmental charge required to be paid with respect to the transfer or exchange.

(i) Mutilated, Lost, Stolen or Destroyed Bonds. If the Series 2023C Bond becomes mutilated or is destroyed, stolen, or lost, the Registrar shall deliver a new Series 2023C Bond of like amount, number, maturity date, and tenor in exchange and substitution for and upon cancellation of the mutilated Series 2023C Bond or in lieu of and in substitution for any Series 2023C Bond destroyed, stolen, or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Series 2023C Bond destroyed, stolen, or lost, upon filing with the Registrar of evidence satisfactory to it that the Series 2023C Bond was destroyed, stolen, or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance, and amount satisfactory to it and as provided by law, in which both the City and the Registrar must be named as obligees. The Series 2023C Bond so surrendered to the Registrar shall be cancelled by the Registrar and evidence of such cancellation shall be given to the City. If the mutilated, destroyed, stolen, or lost Series 2023C Bond has already matured or been called for redemption in accordance with its terms, it is not necessary to issue a new Series 2023C Bond prior to payment.

5. Rights Upon Transfer or Exchange. The Series 2023C Bond delivered upon transfer of or in exchange for or in lieu of any other Series 2023C Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Series 2023C Bond. The Series 2023C Bond may be transferred in accordance with the terms of this Resolution.

6. Registration and Payment. The Series 2023C Bond will be issued in certificate of definitive form only in fully registered form and shall be registered in the name of Wells Fargo. The interest thereon and, the principal amount thereof, is payable by check, draft or wire transfer or ACH debit as authorized herein and in the CCA. The Series 2023C Bond shall be dated as of the last interest payment date preceding the date of authentication to which interest on the Series 2023C Bond has been paid or made available for payment, unless: (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Series 2023C Bond will be dated as of the date of authentication; or (ii) the date of authentication is prior to the first interest payment date, in which case the Series 2023C Bond will be dated as of the date of original issue. The Series 2023C Bond shall bear interest at a variable rate as described in the Series 2023C Bond.

7. Acceptance of Proposal. The proposal of Wells Fargo to purchase the Series 2023C Bond, in

accordance with the RFP and the CCA, and to pay for the Series 2023C Bond the sum not to exceed \$29,500,000 (the principal amount of the Series 2023C Bond), is hereby found, determined and declared to be the most favorable proposal received and is hereby accepted for the purchase of the Series 2023C Bond.

8. Continuing Covenant Agreement and Series 2023C Bond Terms.

(a) CCA and Documents Approval. The Mayor and the Director, Office of Financial Services, or their proper designees (collectively, the “City Officials”), are hereby authorized to execute and deliver the CCA. The City Officials and other officers, employees, and agents of the City are hereby authorized to execute and deliver any documents, certificates, and instruments necessary or appropriate in connection with the issuance, sale, and delivery of the Series 2023C Bond, including without limitation various certificates of the City, the IRS Form 8038-G and similar documents (collectively, the “Financing Documents”).

The City hereby approves the execution and delivery by Wells Fargo of the Financing Documents to which it is a party and all other instruments, certificates, and documents prepared in conjunction with the issuance of the Series 203C Bond that require execution by Wells Fargo.

(b) Maximum Principal Amount of the Series 2023C Bond. The maximum amount of the Series 2023C Bond shall not exceed \$29,500,000. The Series 2023C Bond shall be issued in Authorized Denominations (as defined in the Series 2023C Bond).

(c) Variable Rate of Interest. Section 475.56 of the Municipal Debt Act authorizes the City to issue the Series 2023C Bond as a variable rate bond. The Series 2023C Bond shall bear interest at a variable rate per annum as set forth in the CCA and in the form of the Series 2023C Bond.

(d) Drawdown Bond. The Series 2023C Bond shall be issued as a drawdown bond and the City may draw the principal of the Series 2023C Bond from Wells Fargo upon the terms set forth in the CCA.

(e) Investor Letter. Wells Fargo will execute and deliver an investor letter with respect to the Series 2023C Bond in a form acceptable to both the City and Wells Fargo.

(f) Mandatory Tender. The Series 2023C Bond shall be subject to mandatory tender as set forth in the CCA and the Series 2023C Bond on July 1, 2026.

(g) Amendments to CCA. The authority to approve, execute, and deliver future amendments to the CCA entered into by the City in connection with the issuance of the Series 2023C Bond and the other transactions herein contemplated, is hereby delegated to the Director, Office of Financial Services, subject to the following conditions: (i) such amendments do not materially adversely affect the interests of the City as the issuer of the Series 2023C Bond; (ii) such amendments do not contravene or violate any policy of the City; and (iii) such amendments are acceptable in form and substance to the City Attorney and Series 2023C Bond Counsel. The execution of any amendment to the CCA by the Director, Office of Financial Services shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof.

(h) Redemption. (i) Optional Redemption. The City may elect to prepay and redeem the outstanding Series 2023C Bond; provided, however such redemptions may be subject to additional costs as described in the CCA if not made on the first Business Day (as defined in the CCA) of a month. Optional redemptions of the Series 2023C Bond may be in whole or in part at the option of the City and in accordance with the terms of the CCA, and such optional redemption may be made in amounts of less than an Authorized Denomination provided that such optional redemptions shall not cause the outstanding principal amount of the Series 2023C Bond to be less than \$250,000.

(ii) Scheduled Mandatory Redemption.

(A) The Series 2023C Bond. The Series 2023C Bond is subject to redemption and prepayment at a price of par plus accrued interest, without premium, on the dates and in the amounts set forth below.

Sinking Fund Payment Date (May 1)	Principal Amount
2024	\$1,205,000
2025	1,680,000
2026	1,580,000
2027	1,610,000
2028	1,635,000
2029	1,670,000
2030	1,695,000
2031	1,720,000
2032	1,755,000
2033	1,780,000
2034	1,155,000
2035	1,180,000
2036	1,215,000
2037	1,245,000
2038	1,285,000
2039	1,325,000
2040	1,370,000
2041	1,415,000
2042	1,465,000
2043	1,515,000

(B) Unremarketed Series 2023C Bond. An Unremarketed Series 2023C Bond is subject to special mandatory redemption by the City, at a redemption price equal to 100% of the principal amount of the Series 2023C Bond to be redeemed plus accrued interest thereon to but not including the date of such redemption in the manner set forth in the CCA.

(iii) Due Date. The Series 2023C Bond or portions thereof called for redemption shall be due and payable on a redemption date, and interest thereon shall cease to accrue from and after the redemption date.

(iv) Notice. Mailed notice of redemption shall be given to the paying agent (if other than a City officer) and to Wells Fargo at the address as set forth in the CCA. If and when the City shall call any portion of the Series 2023C Bond for redemption and payment prior to the stated maturity thereof, the Bond Registrar shall give written notice in the name of the City of its intention to redeem and pay a portion of the Series 2023C Bond at the office of the Bond Registrar or in such other manner as authorized in the CCA. Notice of redemption shall be given by first class mail, postage prepaid, mailed not less than fifteen (15) days prior to the redemption date, to Wells Fargo. All notices of redemption shall state:

(A) the redemption date;

(B) the redemption price;

(C) if less than all outstanding principal amount of the Series 2023C Bond is to be redeemed, the identification of the portion of the Series 2023C Bond to be redeemed;

(D) that on the redemption date, the redemption price will become due and payable

upon such amount of the Series 2023C Bond to be redeemed, and that interest thereon shall cease to accrue from and after said date;

(E) so long as Wells Fargo is the sole owner of 100% of the Series 2023C Bond, Wells Fargo shall not be required to surrender the Series 2023C Bond to the Paying Agent, except for redemption of all outstanding Series 2023C Bonds; and

(F) include a statement that the redemption so noticed is conditioned on sufficient funds being held by the City on or before noon on the applicable redemption date to pay the full redemption price, and if at such time the amount so held is not sufficient to pay all amounts required to effect the noticed redemption in full, the redemption shall be cancelled, with the Series 2023C Bond tendered for such redemption being returned to the holders thereof and no liability on the part of the City shall arise as a result of such cancellation.

9. Funds. There is hereby created a special fund to be designated the “2023 Street Reconstruction Capital Projects Fund” (numbered C23, the “Capital Fund”), to be administered and maintained by the City Treasurer as a bookkeeping account separate and apart from all other accounts maintained in the official financial records of the City. There is hereby created and established the “General Obligation Street Reconstruction Bond - 2023C Debt Service Fund” (the “2023C Debt Service Fund”). The Capital Fund, the 2023C Debt Service Fund and any other accounts or subaccounts established by the City Treasurer shall be maintained in the manner herein specified until the Series 2023C Bond and the interest thereon has been fully paid:

(a) Capital Fund. To the Capital Fund there shall be credited the proceeds of the Series 2023C Bond and all of the sources of funding for the 2023 Street Projects and funds transferred there by the Director, Office of Financial Services from such project accounts available to be applied to the 2023 Street Projects. From the Capital Fund there shall be paid all costs and expenses of making the 2023 Street Projects listed in the SRP and the cost of issuance of the Series 2023C Bond, after they have been ordered in accordance with the City Charter, including the cost of any construction contracts heretofore let and all other costs incurred and to be incurred of the kind authorized in Section 475.65 of the Municipal Debt Act (including interest on the Series 2023C Bond payable during the construction period); and the money in the Capital Fund shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Series 2023C Bond may also be used to the extent necessary to pay interest on the Series 2023C Bond due prior to the anticipated date of commencement of the collection of the Tax (as defined in Section 9 below); and provided further that if upon completion of the 2023 Street Projects there shall remain any unexpended balance in the Capital Fund, the balance may be transferred by the Council to the fund of any other street reconstruction project contained in the SRP, the costs of any other purpose permitted by law, or transferred to the 2023C Debt Service Fund. All earnings on the Capital Fund shall be transferred to the 2023C Debt Service Fund, or may be retained in the Capital Fund, as determined by the Director, Office of Financial Services. The Director, Office of Financial Services is authorized to pay the cost of issuance of the Series 2023C Bond from the Capital Fund.

(b) 2023C Debt Service Fund. There is hereby pledged and there shall be credited to the 2023C Debt Service Fund: (a) all accrued interest, if any, received upon delivery of the Series 2023C Bond; (b) any collections of the Tax; (c) all funds remaining in the Capital Fund after completion of the 2023 Street Projects, that the Director, Office of Financial Services determines should be transferred to the 2023C Debt Service Fund, and payment of the costs thereof, not so transferred to the account of another improvement or used to pay the costs of any other purpose permitted by law; and (d) all investment earnings on money held in the 2023C Debt Service Fund or (at the City’s option) on money held in the Capital Fund; and if money in the 2023C Debt Service Fund should ever be insufficient to pay debt service on the Series 2023C Bond, the Series 2023C Bond shall be paid from the general fund of the City. The City may also deposit into the 2023C Debt Service Fund, but is not required to do so collections of special assessments levied with respect to the 2023 Street Projects. Amounts drawn from the 2023C Debt Service Fund may be repaid with or without

interest when money sufficient for such repayment are deposited in the 2023C Debt Service Fund.

The 2023C Debt Service Fund shall be used solely to pay the principal of and interest on the Series 2023C Bond and any other general obligation bonds of the City heretofore or hereafter issued by the City and made payable from the 2023C Debt Service Fund as provided by law, or to pay any rebate due to the United States. No portion of the proceeds of the Series 2023C Bond shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Series 2023C Bond was issued, and (2) in addition to the above in an amount not greater than five percent (5%) of the proceeds of the Series 2023C Bond. To this effect, any sums from time to time held in the Capital Fund or in the 2023C Debt Service Fund (or any other City fund or account which will be used to pay principal or interest to become due on the Series 2023C Bond payable therefrom) in excess of amounts which under then-applicable federal arbitrage regulations may be invested without regard as to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. In addition, the proceeds of the Series 2023C Bond and money in the Capital Fund or in the 2023C Debt Service Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Series 2023C Bond to be "federally guaranteed" within the meaning of Section 149(b) of the federal Internal Revenue Code of 1986, as amended (the "Code").

(c) Other Accounts and Subaccounts. The City Treasurer is hereby authorized to create such accounts or subaccounts within the Capital Fund and the 2023C Debt Service Fund (and accounts and subaccounts therein) to properly administer such funds and accounts and to assure compliance with the preceding paragraphs, and paragraph (e) below. Specifically, the City Treasurer may create separate accounts and subaccounts to hold and apply the proceeds of the Series 2023C Bond and revenues for the payment thereof.

(d) Arbitrage Restrictions. The money in the funds shall be used solely as provided herein, or to pay any rebate due to the United States. No portion of the proceeds of the Series 2023C Bond shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (i) for a reasonable temporary period until such proceeds are needed for the purpose for which the Series 2023C Bond is issued, and (ii) in addition to the amounts referred to in clause (i) in an amount not greater than \$100,000. To this effect, any proceeds of the Series 2023C Bond and any sums from time to time held in the 2023C Debt Service Fund allocated to the Series 2023C Bond (or any other City account which will be used to pay principal or interest to become due on the Series 2023C Bond) in excess of amounts which, under then applicable federal arbitrage regulations, may be invested without regard as to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. In addition, the proceeds of the Series 2023C Bond and money allocated to the Series 2023C Bond in the 2023C Debt Service Fund shall not be invested in obligations or deposits issued by, guaranteed by, or insured by the United States of America, or any agency or instrumentality thereof, if and to the extent that such investment would cause the Series 2023C Bond to be deemed to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(e) Allocation of Investment Earnings. Investment earnings, net of rebatable arbitrage, shall be credited to the fund or account from which the investment was made.

10. Pledge of Tax Levy and General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Series 2023C Bond and all other obligations due and owing to Wells Fargo, as the same respectively become due and the other obligations of the City under this Resolution and the CCA, the full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the balance in

the 2023C Debt Service Fund is ever insufficient to pay all principal and interest then due on the Series 2023C Bond payable therefrom, the deficiency shall be promptly paid out of any other funds of the City which are available for such purpose, including the general fund of the City and the 2023C Debt Service Fund and the special accounts created therein, and such other funds may be reimbursed with or without interest from the 2023C Debt Service Fund when a sufficient balance is available therein.

For the purpose of paying the principal of and interest on the Series 2023C Bond, there is levied a direct annual irrepealable ad valorem tax (the "Tax") upon all of the taxable property in the City, to be spread upon the tax rolls and collected with and as part of other general taxes of the City. The Tax will be credited to the 2023C Debt Service Fund above provided and shall be established by officials of the City after the award of the Series 2023C Bond and determination of the interest rate on the Series 2023C Bond. The Tax shall be levied and collected for the Series 2023C Bond in the years and in the amounts as follows:

<u>Levy Year</u>	<u>Collection Year</u>	<u>Amount</u>
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(See attached EXHIBIT B)

All amounts on deposit in the various funds and accounts created under this Resolution for the Series 2023C Bond is hereby pledged to the payment of the principal of and interest on the Series 2023C Bond and all other obligations due and owing to Wells Fargo under the CCA.

11. Appropriation. The City covenants to pay debt service on the Series 2023C Bond and any other obligations due and owing to Wells Fargo under the CCA through the end of calendar year 2023 under this Resolution. The City also covenants to make the necessary appropriations required in future fiscal years of the City (and budget the necessary funds in future budgets) in order to pay when due the debt service on the Series 2023C Bond and any other obligations due and owing to Wells Fargo under this Resolution and all other obligations due and owing to Wells Fargo under the CCA.

12. Tax Levy; Coverage Test. The Tax is such that if collected in full it (along with any other funds, if any, deposited in the 2023C Debt Service Fund), will produce at least five percent (5%) in excess of the amount needed to meet when due the principal of and interest payments on the Series 2023C Bond. The Tax shall be irrepealable so long as any of the Series 2023C Bond is outstanding and unpaid, provided that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by Section 475.61, Subdivision 3 of the Municipal Debt Act.

13. Certificate of Registration. The City Treasurer is hereby directed to file a certified copy of this Resolution with the officer of Ramsey County, Minnesota, performing the functions of the county auditor (the "County Auditor"), together with such other information as the County Auditor shall require, and to obtain the County Auditor's certificate that the Series 2023C Bond have been entered in the County Auditor's Bond Register, and that the levy of the Tax required by law has been made.

14. Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to Wells Fargo, and to the attorneys approving the legality of the issuance of the Series 2023C Bond, certified copies of all proceedings and records of the City relating to the Series 2023C Bond and to the financial condition and affairs of the City, and such other affidavits, certificates and information as are required to show the facts relating to the legality and marketability of the Series 2023C Bond as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

All documents, certificates, and instruments relating to the issuance of the Series 2023C Bond, including the form of the Series 2023C Bond may be executed and delivered by the Mayor, the City Clerk, and Director, Office of Financial Services, City Treasurer or proper designees or executive assistants, or, in the

case of the Mayor, the Deputy Mayor, as determined by Ballard Spahr LLP, as bond counsel to the City, and the Office of the City Attorney.

15. Negative Covenants as to Use of Proceeds and 2023 Street Projects. The City hereby covenants not to use the proceeds of the Series 2023C Bond or to use the 2023 Street Projects, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the 2023 Street Projects, in such a manner as to cause the Series 2023C Bond to be a “private activity bond” within the meaning of Sections 103 and 141 through 150 of the Code. The City reasonably expects that no actions will be taken over the term of the Series 2023C Bond that would cause it to be a private activity bond, and the average term of the Series 2023C Bond is not longer than reasonably necessary for the governmental purpose of the issue. The City hereby covenants not to use the proceeds of the Series 2023C Bond in such a manner as to cause the Series 2023C Bond to be a “hedge bond” within the meaning of Section 149(g) of the Code.

16. Tax-Exempt Status of the Series 2023C Bond; Rebate; Elections. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Series 2023C Bond, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Series 2023C Bond, and the rebate of excess investment earnings to the United States.

The City expects that the 18-month expenditure exception to the rebate requirements may apply to the construction proceeds of the Series 2023C Bond to finance the 2023 Street Projects.

If any elections are available now or hereafter with respect to arbitrage or rebate matters relating to the Series 2023C Bond, the Mayor and Director, Office of Financial Services (or their proper designees), or any of them, are hereby authorized and directed to make such elections as they deem necessary, appropriate or desirable in connection with the Series 2023C Bond, and all such elections shall be, and shall be deemed and treated as, elections of the City.

17. No Designation of Qualified Tax-Exempt Obligations. The Series 2023C Bond, together with other obligations issued by the City in 2023, exceed in amount those which may be qualified as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, and hence are not designated for such purpose.

18. Negotiated Sale. The City has retained Baker Tilly Municipal Advisors, LLC as an independent financial advisor (municipal advisor), and the City has heretofore determined, and hereby determines, to sell the Series 2023C Bond by private negotiation to Wells Fargo, all as provided by Section 475.60, Subdivision 2 (9) of the Municipal Debt Act.

19. No Official Statement. Wells Fargo has not requested and the City has not prepared an offering document or other official statement with respect to the Series 2023C Bond.

20. No Continuing Disclosure; Reporting Requirements; City to Comply With the Following Financial Reporting. The Series 2023C Bond is not subject to the continuing disclosure requirements of Rule 15c2-12(b)(5), 17 CFR §240.15c2-12, promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”), because the Series 2023C Bond is being placed directly with Wells Fargo and is not being publicly offered.

Provided, however, while the Series 2023C Bond is outstanding, the City hereby agrees to provide to Wells Fargo, within 365 days after the completion of the City’s fiscal year, the City’s audited financial statements for each fiscal year, commencing with the City’s fiscal year ending December 31, 2023. If the City’s audited financial statements are not available, the City will provide to Wells Fargo the City’s unaudited financial statements for such fiscal year and provide the audited financial statements for such fiscal year as

soon as they are available. In addition, the City's financial information is also maintained on its investor relations website and the City's issuer page on the Municipal Securities Rulemaking Board's EMMA website.

21. Defeasance. When the Series 2023C Bond and all interest thereon have been discharged as provided in this section and all obligations to Wells Fargo under the CCA have been satisfied, all pledges, covenants and other rights granted by this Resolution to the holders of the Series 2023C Bond will cease, except that the pledge of the full faith and credit of the City for the prompt and full payment of the principal of and interest on the Series 2023C Bond will remain in full force and effect until redemption. The City may discharge the Series 2023C Bond, which is due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment, including interest earned thereon, in full of the Series 2023C Bond. If the Series 2023C Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

23. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

24. Headings. Headings in this resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.

25. Electronic Signatures. Other than the Series 2023C Bond, the City may execute documents (CCA), certificates, and instruments relating to the issuance of the Series 2023C Bond by electronic signature. For purposes hereof: (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message; or (iii) a digital signature of an authorized representative of any party provided by AdobeSign or DocuSign (or such other digital signature provider as specified by such party).