Legislation Details (With Text)

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Type:	Resolution	**Status:**	Passed
		In control:	City Council
		Final action:	5/24/2023
Title:	Providing for the issuance of and accepting a proposal on the sale of a General Obligation Capital Note, Series 2023B; and levying a tax for the payment of the Series 2023B Note.		
Sponsors:	Amy Brendmoen		
Indexes:			
Code sections:			
Attachments:	1. Exhibit A, 2. Exhibit B		

Date	Ver.	Action By	Action	Result
5/25/2023	1	Mayor's Office	Signed	
5/24/2023	1	City Council	Adopted	Pass

Providing for the issuance of and accepting a proposal on the sale of a General Obligation Capital Note, Series 2023B; and levying a tax for the payment of the Series 2023B Note.

WHEREAS, the City of Saint Paul, Minnesota, a home rule charter city and political subdivision of the State of Minnesota (the "City") is authorized by (i) the City's home rule charter (the "City Charter") and (ii) Minnesota Statutes, Sections 410.32 and 412.301, as amended (the "Capital Notes Act"), to issue capital notes, bonds or certificates of indebtedness in order to finance the acquisition of capital equipment; and

WHEREAS, the provisions of Minnesota Statutes, Chapter 475, as amended (the "Municipal Debt Act") also apply to any debt obligations of the City issued under the provisions of the Capital Notes Act; and

WHEREAS, the City is proposing to issue its General Obligation Capital Note, Series 2023B (the "Series 2023B Note"), pursuant to the terms of the City Charter, the Municipal Debt Act and the Capital Notes Act; and

WHEREAS, on December 7, 2022 the City Council (the "City Council") of the City approved its 2023 City Budget including the proposed issuance of the Series 2023B Note; and

WHEREAS, the City Council gave its preliminary approval to the issuance of the Series 2023B Note by adopting RES 23-67 on January 11, 2023 (the "2023 Preliminary Resolution"); and

WHEREAS, the proceeds of the Series 2023B Note will be used by the City, along with certain other available funds, in order to: (i) fund public safety equipment and other capital equipment for use by the City departments identified in the 2023 City Budget (the "Equipment"); and (ii) pay costs of issuance relating to the Series 2023B Note; and

WHEREAS, the Director, Office of Financial Services, has presented to the City Council a proposal received for the sale of the Series 2023B Note in a direct loan placement with Webster Bank, National Association, a national banking association (the "Bank"); and

WHEREAS, on April 14, 2023, the City's Office of Financial Services transmitted to various financial institutions a Request for Proposals (the "RFP") for the issuance of the Series 2023B Note; and

WHEREAS, the RFP was sent to multiple financial institutions and the City's Office of Financial Services received five (5) responses and, with the advice of the City's municipal advisor PFM Financial Advisors, LLC, selected the Bank as the financial institution that was the most responsive and provides the most advantageous financing proposal for the Series 2023B Note; and

WHEREAS, the City will issue the Series 2023B Note pursuant to (i) the Charter of the City (the "City Charter"), (ii) the Municipal Debt Act and (iii) the Capital Notes Act; and

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

1. Requirements of the Capital Notes Act and the Municipal Debt Act. The City has complied with the provisions of the Capital Notes Act, the Municipal Debt Act and the City Charter regarding the issuance of the Series 2023B Note. The proceeds of the Series 2023B Note represents the statutorily authorized amount and shall be used for the purposes described in the Capital Notes Act. The total cost of the Equipment, which shall include all costs enumerated in Section 475.65 of the Municipal Debt Act, is estimated to be at least equal to the amount of the Equipment.

Section 412.301 of the Capital Notes Act specifies that the City may issue certificates of indebtedness such as capital notes to purchase capital equipment without referendum and without being subject to a petition for a referendum if the total amount of the capital notes being issued does not exceed 0.25% of the estimated market value of the taxable property in the City. Based on the City's 2023/24 estimated market value of $35,288,806,700, this represents a maximum issue size of approximately $88,222,017 for the Series 2023B Note. The principal amount of the Series 2023B Note in the amount of $1,165,000 (total proceeds of $1,165,000) is within the limitation set forth above and is therefore not subject to petition and the reverse referendum provisions of the Capital Notes Act.

2. Form of Series 2023B Note. All of the provisions of the Series 2023B Note, 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 2023B Note 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 2023B Note, the stated maturity of the Series 2023B Note, the interest rate on the Series 2023B Note, the terms of mandatory redemption of the Series 2023B Note, and variation from City policies regarding methods of offering general obligation notes) 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 2023B Note.

3. Execution. The Series 2023B Note 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 2023B Note, provided, and the corporate seal may be omitted on the Series 2023B Note as permitted by law. In the event of disability or resignation or other absence of any such officer, the Series 2023B Note 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 2023B Note shall cease to be such officer before the delivery of the Series 2023B Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

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Other than the Series 2023B Note, the City may execute documents, certificates, and instruments relating to the issuance of the Series 2023B Note 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).

4. Authentication; Date of Registration. No Series 2023B Note 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 2023B Note, 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 2023B Note by execution of the Certificate of Authentication on the Series 2023B Note and by inserting as the date of registration in the space provided the date on which the Series 2023B Note is authenticated. For purposes of delivering the original Series 2023B Note to the Bank, 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 2023B Note. 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 the Bank (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 2023B Note shall be paid to the registered holder or holders of the Series 2023B Note (the "Holder" or "Holders") in the manner set forth in the form of the Series 2023B Note. 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 2023B Note shall be registered in the name of the Bank and shall not 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 2023B Note and the registration of transfers and exchanges of the Series 2023B Note entitled to be registered, transferred, or exchanged.

(c) Transfer of Series 2023B Note. Upon surrender for transfer of the Series 2023B Note duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, 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, a new Series 2023B Note 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 2023B Note. When the Series 2023B Note is surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Series 2023B Notes of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing.

(e) Cancellation. When a Series 2023B Note is surrendered upon transfer or exchange it shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(f) Improper or Unauthorized Transfer. When a Series 2023B Note is presented to the Registrar

for transfer, the Registrar may refuse to transfer the Series 2023B Note until the Registrar is satisfied that the endorsement on the Series 2023B Note 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 2023B Note is registered in the bond register as the absolute owner of the Series 2023B Note, whether the Series 2023B Note is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Series 2023B Note 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 2023B Note 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 2023B Note 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 a Series 2023B Note becomes mutilated or is destroyed, stolen, or lost, the Registrar shall deliver a new Series 2023B Note of like amount, number, maturity date, and tenor in exchange and substitution for and upon cancellation of the mutilated Series 2023B Note or in lieu of and in substitution for any Series 2023B Note 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 2023B Note destroyed, stolen, or lost, upon filing with the Registrar of evidence satisfactory to it that the Series 2023B Note 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 2023B Note 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 2023B Note has already matured in accordance with its terms, it is not necessary to issue a new Series 2023B Note prior to payment.

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

6. Registration and Payment. The Series 2023B Note will be issued in certificate of definitive form only in fully registered form and shall be initially registered in the name of the Bank. The interest thereon and, the principal amount thereof, is payable by check, draft or wire transfer or ACH debit as authorized herein. The Series 2023B Note shall be dated as of the last interest payment date preceding the date of authentication to which interest on the Series 2023B Note 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 2023B Note 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 2023B Note will be dated as of the date of original issue. The Series 2023B Note shall bear interest at a fixed rate as described in the Series 2023B Note.

7. Acceptance of Proposal. The proposal of the Bank to purchase the Series 2023B Note, in accordance with the RFP, at the rate of interest set forth hereinafter and on the terms of the Bank proposal, and to pay for the Series 2023B Note the sum not to exceed $1,165,000 (the principal amount of the Series 2023B Note), is hereby found, determined and declared to be the most favorable proposal received and is hereby accepted for the purchase of the Series 2023B Note.

8. Series 2023B Note Terms.

(a) Authorized Principal Amount of the Series 2023B Note. The Series 2023B Note is hereby authorized to be issued in the original aggregate principal amount not to exceed $1,165,000. The Series 2023B Note shall be issued in a denomination equal to the principal of such Series 2023B Note, except as may be reduced by scheduled payments of principal pursuant to mandatory sinking fund redemption as provided herein ("Authorized Denomination").

(b) Interest Rate and Date of Maturity. Section 475.56 of the Municipal Debt Act authorizes the City to issue the Series 2023B Note as a fixed rate bond. The Series 2023B Note shall bear interest payable semiannually on March 1 and September 1 of each year (each, an "Interest Payment Date"), commencing March 1, 2024, calculated on the basis of a 360-day year of twelve 30-day months, at the rate per annum of 3.87%.

Principal on the Series 2023B Note shall be payable on each March 1, commencing March 1, 2024. The Bank does not need to present to the Registrar and Paying Agent for the Series 2023B Note in order to receive any payment on such Series 2023B Note.

The maturity date of the Series 2023B Note shall be March 1, 2026.

(c) The Series 2023B Note will be issued to a "qualified institutional buyer" as defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and without registration under state or other securities laws, pursuant to an exemption for such issuance; and accordingly the Series 2023B Note may not be assigned or transferred in whole or part, except to another "qualified institutional investor in accordance with this Resolution. Provided, however, the registered owner of the Series 2023B Note reserves the right to assign, transfer or convey the Series 2023B Note, or any interest therein or portion thereof, to (i) an affiliate of the registered owner or (ii) banks, insurance companies, trusts, custodians or other financial institutions or their affiliates. Nothing herein shall limit the right of the registered owner of the Series 2023B Note or its assignees to sell or assign participation interests therein to one or more entities listed in (i) or (ii).

(d) Investor Letter. The Bank will execute and deliver an investor letter with respect to the Series 2023B Note in a form acceptable to both the City and the Bank.

(e) Redemption. (i) Optional Redemption. The Series 2023B Note is not subject to optional redemption.

(ii) Scheduled Mandatory Redemption. he Series 2023B Note is subject to mandatory sinking fund redemption at a price of par plus accrued interest, without premium, on the dates and in the amounts set forth below.

Sinking Fund Payment Date (March 1)	**Principal Amount**
2024	$366,000
2025	392,000
2026*	407,000

**Final Maturity.*

The Bank does not need to present the Series 2023B Note in order to receive any mandatory sinking fund redemption payment on such Series 2023B Note.

(iii) Due Date. The Series 2023B Note or portions thereof called for mandatory sinking fund redemption shall be due and payable on a redemption date, and interest thereon shall cease to accrue

from and after such redemption date.

9. Funds. There is hereby created a special fund to be designated the "2023 Equipment Fund" (the "Equipment 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 Capital Notes - 2023 Debt Service Fund" (the "2023 Debt Service Fund"). The Equipment Fund, the 2023 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 2023B Note and the interest thereon has been fully paid:

(a) Equipment Fund. To the Equipment Fund there shall be credited the proceeds from the issuance and sale of the Series 2023B Note and all of the sources of funding for the Equipment and funds transferred therein by the Director, Office of Financial Services from such project accounts available to be applied to acquisition of the Equipment. From the Equipment Fund there shall be paid all costs and expenses of the Equipment and the cost of issuance of the Series 2023B Note, after they have been ordered in accordance with the City Charter, including all costs incurred and to be incurred of the kind authorized in Section 475.65 of the Municipal Debt Act and the money in the Equipment Fund shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Series 2023B Note may also be used to the extent necessary to pay interest on the Series 2023B Note 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 the acquisition of Equipment there shall remain any unexpended balance in the Equipment Fund, the balance may be transferred by the costs of any other purpose permitted by law, or transferred to the 2023 Debt Service Fund. All earnings on the Equipment Fund shall be transferred to the 2023 Debt Service Fund, or may be retained in the Equipment 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 2023B Note from the Equipment Fund.

(b) 2023 Debt Service Fund. There is hereby pledged and there shall be credited to the 2023 Debt Service Fund: (a) all accrued interest, if any, received upon delivery of the Series 2023B Note; (b) any collections of the Tax; (c) all funds remaining in the Equipment Fund after acquisition of the Equipment, that the Director, Office of Financial Services determines should be transferred to the 2023 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 2023 Debt Service Fund or (at the City's option) on money held in the Equipment Fund; and if money in the 2023 Debt Service Fund should ever be insufficient to pay debt service on the Series 2023B Note, the Series 2023B Note shall be paid from the general fund of the City. The City may also deposit into the 2023 Debt Service Fund, but is not required to do so collections of special assessments levied with respect to the Equipment, amounts drawn from the 2023 Debt Service Fund may be repaid with or without interest when money sufficient for such repayment is deposited in the 2023 Debt Service Fund.

The 2023 Debt Service Fund shall be used solely to pay the principal of and interest on the Series 2023B Note and any other general obligation bonds of the City heretofore or hereafter issued by the City and made payable from the 2023 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 2023B Note 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 2023B Note were issued, and (2) in addition to the above in an amount not greater than five percent (5%) of the proceeds of the Series 2023B Note. To this effect, any sums from time to time held in the Equipment Fund or in the 2023 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 2023B Note 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 2023B Note and money in the Equipment Fund or in the 2023 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 2023B Note 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 Equipment Fund and the 2023 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 2023B Note 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 2023B Note 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 2023B Note 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 2023B Note and any sums from time to time held in the 2023 Debt Service Fund allocated to the Series 2023B Note (or any other City account which will be used to pay principal or interest to become due on the Series 2023B Note) 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 2023B Note and money allocated to the Series 2023B Note in the 2023 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 2023B Note 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 2023B Note, as the same respectively become due and the other obligations of the City under this Resolution, the full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the balance in the 2023 Debt Service Fund is ever insufficient to pay all principal and interest then due on the Series 2023B Note 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 2023 Debt Service Fund and the special accounts created therein, and such other funds may be reimbursed with or without interest from the 2023 Debt Service Fund when a sufficient balance is available therein.

For the purpose of paying the principal of and interest on the Series 2023B Note, 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 2023 Debt Service Fund above provided and shall be established by officials of the City herein. The Tax shall be levied and collected for the Series 2023B Note in the years and in the amounts as follows:

Levy Year	Collection Year	Amount

(See attached EXHIBIT B)

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All amounts on deposit in the various funds and accounts created under this Resolution for the Series 2023B Note is hereby pledged to the payment of the principal of and interest on the Series 2023B Note.

11. Appropriation. The City covenants to pay debt service on the Series 2023B Note 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 2023B Note and any other obligations due and owing to the registered owner of the Series 2023B Note under this Resolution.

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 2023 Debt Service Fund), will produce at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Series 2023B Note. The Tax shall be irrepealable so long as the Series 2023B Note 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 2023B Note 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 the Bank, and to the attorneys approving the legality of the issuance of the Series 2023B Note, certified copies of all proceedings and records of the City relating to the Series 2023B Note 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 2023B Note 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 2023B Note, including the form of the Series 2023B Note 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 Equipment. The City hereby covenants not to use the proceeds of the Series 2023B Note or to use the Equipment, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Equipment, in such a manner as to cause the Series 2023B Note 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 2023B Note that would cause it to be a private activity bond, and the average term of the Series 2023B Note 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 2023B Note in such a manner as to cause the Series 2023B Note to be a "hedge bond" within the meaning of Section 149(g) of the Code.

16. Tax-Exempt Status of the Series 2023B Note; 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 2023B Note, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Series 2023B Note, and the rebate of excess investment earnings to the United States.

If any elections are available now or hereafter with respect to arbitrage or rebate matters relating to the Series 2023B Note, 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 2023B Note, 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 2023B Note, 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 PFM Financial Advisors, LLC as an independent financial advisor (municipal advisor), and the City has heretofore determined, and hereby determines, to sell the Series 2023B Note by private negotiation to the Bank, all as provided by Section 475.60, Subdivision 2(9) of the Municipal Debt Act.

19. No Official Statement. The Bank has not requested and the City has not prepared an offering document or other official statement with respect to the Series 2023B Note.

20. No Continuing Disclosure; Reporting Requirements; City to Comply With the Following Financial Reporting. The Series 2023B Note 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 2023B Note is being placed directly with the Bank and is not being publicly offered.

Provided, however, if the Bank has not previously obtained such information from the EMMA website, while the Series 2023B Note is outstanding, the City hereby agrees to provide to the Bank, 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, 2022. If the City's audited financial statements are not available, the City will provide to the Bank 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. The City further agrees to permit the Bank or its agents and representatives to inspect the City's books and records and make extracts therefrom at its own expense during regular business hours and in a manner which will not disrupt the normal business routine of the City.

In connection with the City's compliance with any continuing disclosure undertakings (each, a "Continuing Disclosure Agreement") entered into by the City on and after February 27, 2019, pursuant to SEC Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the Registered Owner of the Series 2023B Note acknowledges that the City may be required to file with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, or its successor ("EMMA"), notice that the City has incurred obligations hereunder and notice of certain subsequent events reflecting financial difficulties in connection with the Series 2023B Note. The City agrees that it shall not file or submit, or permit to be filed or submitted, with EMMA any documentation that includes the following unredacted sensitive or confidential information about the Registered Owner of the Series 2023B Note or its affiliates: address and account information of the Registered Owner or its affiliate, e-mail addresses, telephone numbers, fax numbers, names and signatures of officers, employees and signatories of the Registered Owner or its affiliates, unless otherwise required for compliance with the Rule or otherwise required by law. The City acknowledges that the Registered Owner of the Series 2023A Note is not responsible for the City's compliance or noncompliance with the Rule or any Continuing Disclosure Agreement.

21. Defeasance. When the Series 2023B Note and all interest thereon have been discharged as

provided in this section, all pledges, covenants and other rights granted by this Resolution to the Holders of the Series 2023B Note 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 2023B Note will remain in full force and effect until redemption. The City may discharge the Series 2023B Note, 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 2023B Note. If the Series 2023B Note 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.

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