



## Legislation Text

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**File #:** RES 21-459, **Version:** 1

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**A resolution authorizing the issuance of General Obligation Library Refunding Bonds, Series 2021D; fixing the form and specifications of the Series 2021D Bonds; directing the execution and delivery of the Series 2021D Bonds; and requesting the City of Saint Paul to levy a tax for the payment of the Series 2021D Bonds**

WHEREAS, the Saint Paul Public Library Agency (the "Library Agency") has been granted the responsibility for all libraries and library operations within the City of Saint Paul (the "City") pursuant to a special law enacted by the Minnesota Legislature in 2002 (Laws of Minnesota 2002, Chapter 390, Section 36-38 (the "Library Act")); and

WHEREAS, may issue general obligation bonds payable from the full faith and credit and taxing power of the City as authorized by the Library Act and Minnesota Statutes, Chapter 475, as amended (the "Municipal Debt Act" and together with the Library Act, the "Act"); and

WHEREAS, the Board of Commissioners (the "Library Board") of the Library Agency is the City Council of the City acting as the Library Board; and

WHEREAS, the Library Board of the Library Agency has heretofore determined that it is necessary and expedient to issue its General Obligation Library Refunding Bonds, Series 2021D (the "Series 2021D Bonds"), in order to secure funds to finance: (i) the current refunding of the Library Agency's outstanding Taxable General Obligation Library Bonds (Recovery Zone Economic Development Bonds - Direct Pay), Series 2010H (the "Series 2010H Bonds"), originally issued in the aggregate principal amount of \$3,700,000 and currently outstanding in the principal amount of \$3,700,000; and (ii) the costs of issuance of the Series 2021D Bonds; and

WHEREAS, the proceeds of the Series 2010H Bonds originally financed the construction of the Payne Maryland Library adjacent to the Arlington Hills Community Center located near the corner of Maryland Avenue East and Payne Avenue in the City; and

WHEREAS, the Library Agency is proposing to issue its Series 2021D Bonds, secured by the full faith and credit and taxing powers of the City; and

WHEREAS, the City previously adopted Ordinance No. CF10-779 (the "2010 Ordinance") permitting the City to pledge the full faith and credit of the City to the payment of the Series 2010H Bonds as authorized by the Act; and

WHEREAS, by Ordinance No. 21-7 adopted by the City on February 3, 2021 (the final reading of which was on February 24, 2021), which amends and replaces the 2010 Ordinance (the "Ordinance"), the City, among other things, pledged the full, faith and credit and taxing power of the City to the Series 2021D Bonds; and

WHEREAS, the bylaws of the Library Agency provide for the execution of instruments, including the Series 2021D Bonds, in the manner provided in Chapter 86 of the Saint Paul Administrative Code, by the Mayor and the Director, Office of Financial Services of the City or their respective proper designees; and

WHEREAS, the Series 2021D Bonds have been coordinated by the City's Treasurer, as a member of the Joint Debt Advisory Board, as provided in the Agency's bylaws and in Section 14.06 of the City's Legislative Code;

WHEREAS, by this Resolution, the Library Agency is requesting that a resolution be considered by the City Council of the City and to be approved by the Mayor (the "City Resolution"), that, among other things, will (i) consent to the issuance of the Series 2021D Bonds by the Library Agency, and (ii) confirm the Ordinance and the general obligation and full faith and credit pledge of the City to the Series 2021D Bonds for the purposes described above in this Resolution and provide for the property tax levy to repay the Series 2021D Bonds; and

WHEREAS, Baker Tilly Municipal Advisors, LLC (the "Municipal Advisor"), as financial advisor to the City and the Library Agency, will solicit proposals for the purchase of the Series 2021D Bonds pursuant to a Preliminary Official Statement (the "Preliminary Official Statement") and the Terms of Proposal (the "Terms of Proposal") therein; and

WHEREAS, pursuant to this Resolution, a pricing committee will be named, described of the persons named herein, to determine certain terms of the Series 2021D Bonds as hereinafter described.

NOW, THEREFORE, BE IT RESOLVED by the Saint Paul Public Library Agency, as follows:

Section 1. Sale of Series 2021D Bonds.

1.01. Purpose of the Series 2021D Bonds. The Library Agency is proposing to issue the Series 2021D Bonds, pursuant to the Library Act and the Municipal Debt Act, in the original aggregate principal amount not to exceed \$4,000,000, in order to (i) current refund the Series 2010H Bonds; and (ii) pay the costs of issuance of the Series 2021D Bonds.

1.02. Requirements of the Library Act and the Municipal Debt Act. The Library Agency has complied with the provisions of the Act. The proceeds of the Series 2021D Bonds shall be used for the purposes described in the Act and any excess money shall be devoted to any other purpose permitted by law.

1.03. Pricing Committee. The pricing committee for the Series 2021D Bonds will consist of the Director, Office of Financial Services of the City or their designee, the City's Treasurer or the City's Debt Manager as designee, and a representative of the Municipal Advisor (collectively, the "Pricing Committee") and is hereby delegated the authority to determine the final pricing of the Series 2021D Bonds and to sell the Series 2021D Bonds by negotiated competitive sale and to authorize the Library Agency to enter into a Bond Purchase Agreement or bid form (the "Purchase Agreement") with an underwriter or winning bidder (the "Purchaser"). The Pricing Committee is hereby delegated the authority to establish the terms and conditions of each series of the Series 2021D Bonds, subject to the limitations set forth in this Resolution. The City is hereby authorized to establish the annual amount of the tax levy to be certified to the Ramsey County Auditor (the "Auditor") with respect to each series of the Series 2021D Bonds. The Series 2021D Bond terms, amendments, if any, and tax levy, as set forth in the completed certificate of the Pricing Committee (the "Pricing Committee Certificate") shall, upon delivery, be deemed to be a part of this Resolution as if set forth originally herein and such terms shall be incorporated and included in the form of the Series 2021D Bonds and in such other certificates, documents and agreements as appropriate.

The Pricing Committee, in its discretion on behalf of the Library Agency, may waive non-substantive informalities with respect to the proposals to purchase the Series 2021D Bonds. The Pricing Committee is hereby authorized to determine the maturity dates, principal amounts of the stated maturities of the Series 2021D Bonds, and such other terms of the Series 2021D Bonds, as the Pricing Committee deems most appropriate and in the best interests of the Library Agency, provided (i) the true-interest cost for the Series

2021D Bonds shall not exceed 2.0% per annum; (ii) the final maturity date of the Series 2021D Bonds shall be no later than October 1, 2035; (iii) the original aggregate principal amount of the Series 2021D Bonds shall not exceed \$4,000,000; and (iv) the net present value of debt service savings on the Series 2010H Bonds to be refunded by the Series 2021D Bonds exceeds 6.0%.

1.04. Execution of Purchase Agreement/Bid Form. The Director, Office of Financial Services or designee, on behalf of the Library Agency, is directed to execute a purchase agreement or bid form with the Purchaser related to the Series 2021D Bonds if the bid or proposal of the Purchaser is determined by the Pricing Committee to meet the requirements of Section 1.03 above.

1.05. General Terms of the Series 2021D Bonds. The Series 2021D Bonds dated as of their date of issuance or shall be dated such other date as the Pricing Committee may determine in denominations of \$5,000 or any integral multiple thereof, and each series shall be numbered from R-1 upwards in order of issuance, or with such other numbering and in such other order as the Pricing Committee may determine. The issuance, sale and delivery of the Series 2021D Bonds pursuant to the Act and the Municipal Debt Act are hereby approved by the Library Agency.

1.06. Redemption.

(a) Optional Redemption. The Series 2021D Bonds may be subject to redemption prior to maturity if determined to be advantageous by the Pricing Committee pursuant to the Pricing Committee Certificate. If determined to be advantageous by the Pricing Committee, optional redemptions may be in whole or in part and if in part at the option of the Library Agency and in such manner as the Library Agency shall determine. If less than all Series 2021D Bonds of a maturity are called for redemption, the Library Agency will notify DTC (as defined herein) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All optional redemptions of the Series 2021D Bonds shall be at a price of par plus accrued interest to the redemption date.

(b) Selection of Series 2021D Bonds to be Redeemed: Redemption Procedure. In the event any of the Series 2021D Bonds are called for redemption, notice thereof identifying the Series 2021D Bonds to be redeemed shall be given by the Registrar (as defined herein) by mailing a copy of the redemption notice by first class mail (postage prepaid) to the registered owner of each Series 2021D Bonds to be redeemed at the address shown on the registration books kept by the Registrar and by publishing the notice if required by law. Failure to give notice by publication or by mail to any registered owner, or any defect therein, shall not affect the validity of the proceedings for the redemption of Series 2021D Bonds. Series 2021D Bonds so called for redemption shall cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the Registrar at that time.

(c) Notice of Redemption. The Registrar shall call Series 2021D Bonds for optional redemption and prepayment as herein provided upon receipt by the Registrar at least forty-five (45) days prior to the redemption date of a request of the Library Agency, in written form if the Registrar is other than a City officer. Such request shall specify the series and principal amount of Series 2021D Bonds to be called for redemption and the redemption date.

Mailed notice of optional redemption shall be given to the Paying Agent (if other than a City officer) and to each affected Holder. If and when the Library Agency shall call any of the Series 2021D Bonds for redemption and prepayment prior to the stated maturity thereof, the Registrar shall give written notice in the name of the Library Agency of its intention to redeem and pay such Series 2021D Bonds at the office of the Registrar. Notice of redemption shall be given by first class mail, postage prepaid, mailed not less than twenty (20) days prior to the redemption date, to each Holder of Series 2021D Bonds to be redeemed, at the address appearing in the Bond Register. All notices of optional redemption shall state: (i) the redemption date; (ii) the

redemption price; (iii) if less than all outstanding Series 2021D Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2021D Bonds to be redeemed; (iv) that on the optional redemption date, the redemption price will become due and payable upon each such Series 2021D Bond, and that interest thereon shall cease to accrue from and after said date; (v) the place where such Series 2021D Bonds are to be surrendered for payment of the redemption price (which shall be the office of the Registrar); and (vi) 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 all Series 2021D Bonds tendered for such redemption being returned to the holders thereof and no liability on the part of the Library Agency shall arise as a result of such cancellation.

Notices to DTC or its nominee shall contain the CUSIP numbers of the Series 2021D Bonds. If there are any Holders of the Series 2021D Bonds other than DTC or its nominee, the Registrar shall use its best efforts to deliver any such notice to DTC on the business day next preceding the date of mailing of such notice to all other Holders.

## Section 2. Registration and Payment.

2.01. Registered Form. The Series 2021D Bonds will be issued only in fully registered form. The interest thereon and, upon surrender of each Series 2021D Bond, the principal amount thereof, is payable by check or draft issued by the Registrar described herein.

2.02. Dates; Interest Payment Dates. Each Series 2021D Bond shall be dated as of the last interest payment date preceding the date of authentication to which interest on the Series 2021D Bonds 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 2021D Bonds 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 2021D Bonds will be dated as of the date of original issue. The Series 2021D Bonds shall mature on such dates and in such principal amounts as indicated in the Pricing Committee Certificate. The Series 2021D Bonds shall bear interest at the rates per annum as indicated in the Pricing Committee Certificate and shall be payable on each April 1 and October 1, commencing on October 1, 2021, computed on the basis of a 360-day year of twelve thirty-day months. The interest on the Series 2021D Bonds is payable to the registered owners of record thereof as of the close of business on the fifteenth (15th) day of the immediately preceding month, whether or not such day is a business day.

2.03. Registrar. The City Treasurer is hereby appointed as the initial bond registrar and paying agent (the "Registrar" and the "Paying Agent") for the Series 2021D Bonds. 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 and may be appointed pursuant to any contract the Library Agency 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. Principal and interest on the Series 2021D Bonds shall be paid to the registered holder or holders of the Series 2021D Bonds (the "Holder" or "Holders") in the manner set forth in the form of the Series 2021D Bonds. The effect of registration and the rights and duties of the City and the Registrar with respect thereto are as follows:

(a) *Register.* The Registrar shall keep a bond register in which the Registrar provides for the registration of ownership of the Series 2021D Bonds and the registration of transfers and exchanges of the Series 2021D Bonds entitled to be registered, transferred, or exchanged.

(b) *Transfer of Series 2021D Bonds.* Upon surrender for transfer of a Series 2021D Bond

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, one or more new Series 2021D 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 (15<sup>TH</sup>) day of the month preceding each interest payment date and until that interest payment date.

(c) *Exchange of Series 2021D Bonds.* When Series 2021D Bonds are surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Series 2021D Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing.

(d) *Cancellation.* Series 2021D Bonds surrendered upon transfer or exchange shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the Library Agency.

(e) *Improper or Unauthorized Transfer.* When a Series 2021D Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Series 2021D Bond until the Registrar is satisfied that the endorsement on the Series 2021D 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 judgment, deems improper or unauthorized.

(f) *Persons Deemed Owners.* The Library Agency and the Registrar may treat the person in whose name a Series 2021D Bond is registered in the bond register as the absolute owner of the Series 2021D Bond, whether the Series 2021D Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Series 2021D 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 2021D Bond to the extent of the sum or sums so paid.

(g) *Taxes, Fees, and Charges.* The Registrar may impose a charge upon the owner thereof for a transfer or exchange of Series 2021D 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.

(h) *Mutilated, Lost, Stolen or Destroyed Series 2021D Bond.* If a Series 2021D Bond becomes mutilated or is destroyed, stolen, or lost, the Registrar shall deliver a new Series 2021D Bond of like amount, number, maturity date, and tenor in exchange and substitution for and upon cancellation of the mutilated Series 2021D Bond or in lieu of and in substitution for any Series 2021D 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 2021D Bond destroyed, stolen, or lost, upon filing with the Registrar of evidence satisfactory to it that the Series 2021D 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 Library Agency and the Registrar must be named as obligees. Series 2021D Bonds so surrendered to the Registrar shall be cancelled by the Registrar and evidence of such cancellation shall be given to the Library Agency. If the mutilated, destroyed, stolen, or lost Series 2021D Bond has already matured or been called for redemption in accordance with its terms, it is not necessary to issue a new Series 2021D Bond prior to payment.

2.04. Execution, Authentication and Delivery. The Series 2021D Bonds shall be prepared under the direction of the Pricing Committee, provided that all signatures may be printed, engraved, or lithographed

facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Series 2021D Bonds ceases to be such officer before the delivery of any Series 2021D Bond, that signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Series 2021D Bond shall not be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Series 2021D Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Series 2021D Bonds need not be signed by the same representative. The executed certificate of authentication on a Series 2021D Bond is conclusive evidence that it has been authenticated and delivered under this Resolution. When the Series 2021D Bonds have been so prepared, executed, and authenticated, the Library Agency shall deliver the same to the Purchaser upon payment of the purchase price in accordance with the Bond Purchase Agreement heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

2.05. Temporary Series 2021D Bonds. The Library Agency may elect to deliver, in lieu of printed definitive Series 2021D Bonds, one or more typewritten temporary Series 2021D Bonds in substantially the form set forth in EXHIBIT A with such changes as may be necessary to reflect more than one maturity in a single temporary bond. Upon the execution and delivery of definitive Series 2021D Bonds, the temporary Series 2021D Bonds shall be exchanged therefor and cancelled.

### Section 3. Form of the Series 2021D Bonds.

3.01. Printing of Series 2021D Bonds. All of the provisions of the Series 2021D Bonds, 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 2021D Bonds 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 each series of the Series 2021D Bonds, the stated maturities of the Series 2021D Bonds, the interest rates on the Series 2021D Bonds, the terms of redemption of the Series 2021D Bonds, and variation from Library Agency policies regarding methods of offering general obligation bonds) as the Pricing Committee, in their discretion, shall determine and as memorialized on the Pricing Committee Certificate. The execution of the Series 2021D Bonds with the manual or facsimile signatures of the Mayor, City Clerk and Director, Office of Financial Services, or their deputy, and the delivery of the Series 2021D Bonds by the Library Agency shall be conclusive evidence of such determination.

3.02. Approving Legal Opinion. The Director, Office of Financial Services is authorized and directed to obtain a copy of the proposed approving legal opinion of Ballard Spahr LLP, as Bond Counsel, which shall be complete except as to dating thereof and cause the opinion to accompany each Series 2021D Bond.

### Section 4. Payment; Security; Pledges and Covenants.

#### 4.01. Bond Funds.

(a) Series 2021D Debt Service Fund. The Series 2021D Bonds shall be payable from the General Obligation Library Refunding Bonds, Series 2021D Debt Service Fund (the "Series 2021D Debt Service Fund") hereby created. Amounts (i) deposited in the Series 2021D Debt Service Fund by the Library Agency and (ii) proceeds of the ad valorem taxes hereinafter irrevocably levied as described in this Resolution and the Resolution of the City Council of the City relating to the Series 2021D Bonds (the "Tax Levy Resolution"), are hereby pledged to the Series 2021D Debt Service Fund. If a payment of principal or interest on the Series 2021D Bonds becomes due when there is not sufficient money in the Series 2021D Debt Service Fund to pay the same, the Director, Office of Financial Services will pay such principal or interest from the general fund of the City and the general fund will be reimbursed for those advances out of the proceeds of the taxes levied by

the Tax Levy Resolution, when collected. There is appropriated to the Series 2021D Debt Service Fund such amounts as determined by the Pricing Committee pursuant to the Pricing Committee Certificate.

(b) Series 2021D Library Refunding Account. There is hereby created a special account to be designated as the "Series 2021D Library Refunding Account" (the "Series 2021D Library Refunding Account"), to be held and administered by the City separate and apart from all other funds of the City. Proceeds of the Series 2021D Bonds shall be deposited to the Series 2021D Library Refunding Account, along with any original issue premium of the Series 2021D Bonds as determined by the Pricing Committee pursuant to the Pricing Committee Certificate. The amount deposited in the Series 2021D Library Refunding Account shall be applied to (i) the current refunding of the Series 2010H Bonds, and (ii) the payment of associated costs of issuance on the Series 2021D Bonds. The Director, Office of Financial Services is hereby directed to call the outstanding Series 2010H Bonds for redemption.

(c) Other Accounts and Subaccounts. The Director, Office of Financial Services is hereby authorized to create such accounts or subaccounts within the Series 2021D Debt Service Fund and Series 2021D Library Refunding Account (and accounts and subaccounts therein) to properly administer such funds and accounts and to assure compliance with the preceding paragraphs. Specifically, the Director, Office of Financial Services may create separate accounts and subaccounts to hold and apply the proceeds of the Series 2021D Bonds and revenues for the payment thereof.

(d) Use of Proceeds. On the date of issuance of the Series 2021D Bonds, the Library Agency shall:

(i) appropriate to the Series 2021D Debt Service Fund: (i) capitalized interest, if any, to be financed from Series 2021D Bond proceeds, in the amount determined by the Director, Office of Financial Services; (ii) any original issue premium of the Series 2021D Bonds determined by the Director, Office of Financial Services to be deposited therein; (iii) other amounts determined by the Director, Office of Financial Services to be deposited therein; and (iv) the accrued interest, if any, paid by the Purchaser upon closing and delivery of the Series 2021D Bonds; and

(ii) appropriate to the Series 2021D Library Refunding Account the amount required to prepay and redeem the Series 2010H Bonds on a current basis on May 12, 2021 or such other date as determined by the Pricing Committee (the "2010H Redemption Date").

(e) 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 2021D Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (i) for a reasonable temporary period until such proceeds are needed for the purpose for which the Series 2021D Bonds are 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 2021D Bonds and any sums from time to time held in the Series 2021D Debt Service Fund allocated to the Series 2021D Bonds (or any other Library Agency account which will be used to pay principal or interest to become due on the Series 2021D Bonds) 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 2021D Bonds and money allocated to the Series 2021D Bonds in the Series 2021D 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 2021D Bonds to be deemed to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

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

4.02. Filing of Resolution. The Director, Office of Financial Services is authorized and directed to file a certified copy of this Resolution, the Tax Levy Resolution, and an originally executed Pricing Committee Certificate, with the Auditor of Ramsey County (the "County") (or the official of the County performing the functions of the Auditor of the County) and to obtain the certificate that the Series 2021D Bonds have been entered in the Auditor's bond register, and that the tax levy required by law and this Resolution and the Tax Levy Resolution has been made.

4.03. Pledge of Tax Levy. For the purpose of paying the principal of and interest on the Series 2021D Bonds, the City will levy pursuant to the Tax Levy Resolution and the Ordinance, 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 Series 2021D Debt Service Fund above in the amounts for each year calculated by the Pricing Committee and set forth the Pricing Committee Certificate.

4.04. Overlevy Requirement. It is determined that the estimated collection of the foregoing Tax 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 2021D Bonds. The Tax so levied herein will be irrepealable until all of the Series 2021D Bonds are paid, provided that at the time the City makes its annual tax levies the City Clerk may certify to the Auditor (or the official of Ramsey County performing the functions of the Auditor) the amount available in the respective subaccount of the Series 2021D Debt Service Fund to pay principal and interest due during the ensuing year, and the Auditor will thereupon reduce the levy collectible during such year by the amount so certified.

4.05. General Obligation Pledge. The full faith and credit and taxing powers of the City are irrevocably pledged to the payment of the Series 2021D Bonds if amounts on deposit in the Series 2021D Debt Service Fund are not sufficient to pay principal and interest on the Series 2021D Bonds, as the same become due. If the balance in the Series 2021D Debt Service Fund is ever insufficient to pay all principal and interest then due on the Series 2021D Bonds 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 such other funds may be reimbursed with or without interest from the Series 2021D Debt Service Fund when a sufficient balance is available therein.

## Section 5. Authentication of Transcript.

5.01. Furnishing of Documents. The officers of the City are authorized and directed to prepare and furnish to the Purchaser and to Ballard Spahr LLP, as Bond Counsel to the Library Agency, certified copies of proceedings and records of the Library Agency relating to the Series 2021D Bonds and to the financial condition and affairs of the Library Agency, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Series 2021D Bonds, and such instruments, including any heretofore furnished, will be deemed representations of the Library Agency as to the facts stated therein.

5.02. Negotiated Sale. The Library Agency has retained the Municipal Advisor as an independent financial advisor, and the Library Agency has heretofore determined, and hereby determines, to sell the Series 2021D Bonds by private negotiation, all as provided by Section 475.60, Subdivision 2(9) of the Municipal Debt Act.

5.03. Official Statement. There have been submitted to this Library Agency the form of the



Preliminary Official Statement. The use and distribution of the Preliminary Official Statement and of a final Official Statement (collectively, the "Official Statement") by the Purchaser in connection with the offer and sale of the Series 2021D Bonds is hereby approved. The Mayor, Director, Office of Financial Services, and City Debt Manager (or their proper designees) are authorized and directed to certify that they have examined the Official Statement, and that to the best of their knowledge and belief the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement and that the Official Statement does not, at the date of closing, and did not, as of its date, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

## Section 6. Tax Covenants.

6.01. Tax-Exempt Series 2021D Bonds. The Library Agency covenants and agrees with the holders from time to time of the Series 2021D Bonds that it will not take or permit to be taken by any of its officers, employees, or agents any action which would cause the interest on the Series 2021D Bonds to become includable in gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become includable in gross income for federal income tax purposes under the Code and applicable Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Series 2021D Bonds.

6.02. Compliance with Code. The Library Agency will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Series 2021D Bonds under Section 103 of the Code, including, without limitation, requirements relating to temporary periods for investments and limitations on gross proceeds invested at a yield greater than the yield on the Series 2021D Bonds.

6.03. Not Private Activity Bonds. The Library Agency further covenants not to use the proceeds of the Series 2021D Bonds or to cause or permit them or any of them to be used, in such a manner as to cause the Series 2021D Bonds to be deemed to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

6.04. Procedural Requirements. The Library Agency will use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designations made by this section.

## Section 7. Book-Entry System; Limited Obligation of Library Agency.

7.01. DTC. The Series 2021D Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Series 2021D Bond for each of the maturities set forth in the Pricing Committee Certificate. Upon initial issuance, the ownership of each Series 2021D Bond will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns ("DTC"). Except as provided in this section, all of the outstanding Series 2021D Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

7.02. Participants. With respect to Series 2021D Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the Library Agency, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds Series 2021D Bonds as securities depository ("Participants") or to any other person on behalf of which a Participant holds an interest in the Series 2021D Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of Cede & Co.,

DTC or any Participant with respect to any ownership interest in the Series 2021D Bonds, (ii) the delivery to any Participant or any other person (other than a registered owner of Series 2021D Bonds, as shown by the registration books kept by the Registrar), of any notice with respect to the Series 2021D Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Series 2021D Bonds, of any amount with respect to principal of, premium, if any, or interest on the Series 2021D Bonds. The Library Agency, the Registrar and the Paying Agent may treat and consider the person in whose name each Series 2021D Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Series 2021D Bond for the purpose of payment of principal, premium and interest with respect to such Series 2021D Bond, for the purpose of registering transfers with respect to such Series 2021D Bonds, and for all other purposes. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2021D Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the Library Agency's obligations with respect to payment of principal of, premium, if any, or interest on the Series 2021D Bonds to the extent of the sum or sums so paid. No person other than a registered owner of a Series 2021D Bond, as shown in the registration books kept by the Registrar, will receive a certificated Series 2021D Bond evidencing the obligation of this Resolution. Upon delivery by DTC to the City Clerk of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co." shall refer to such new nominee of DTC; and upon receipt of such a notice, the City Clerk shall promptly deliver a copy of the same to the Registrar and Paying Agent.

**7.03. Representation Letter.** The Library Agency has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the "Representation Letter") which shall govern payment of principal of, premium, if any, and interest on the Series 2021D Bonds and notices with respect to the Series 2021D Bonds. Any Paying Agent or Registrar subsequently appointed by the Library Agency with respect to the Series 2021D Bonds shall agree to take all action necessary for all representations of the Library Agency in the Representation Letter with respect to the Registrar and Paying Agent, respectively, to be complied with at all times.

**7.04. Transfers Outside Book-Entry System.** In the event the Library Agency, by resolution of the Board of Commissioners, determines that it is in the best interests of the persons having beneficial interests in the Series 2021D Bonds that they be able to obtain Series 2021D Bond certificates, the Library Agency will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Series 2021D Bond certificates. In such event the Library Agency will issue, transfer and exchange Series 2021D Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this Resolution. DTC may determine to discontinue providing its services with respect to the Series 2021D Bonds at any time by giving notice to the Library Agency and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the Library Agency shall issue and the Registrar shall authenticate Series 2021D Bond certificates in accordance with this Resolution and the provisions hereof shall apply to the transfer, exchange and method of payment thereof.

**7.05. Payments to DTC.** Notwithstanding any other provision of this Resolution to the contrary, so long as a Series 2021D Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on the Series 2021D Bond and all notices with respect to the Series 2021D Bond shall be made and given, respectively, in the manner provided in DTC's Operational Arrangements, as set forth in the Representation Letter.

**Section 8. Defeasance.** When all Series 2021D Bonds 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 2021D Bonds 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 2021D Bonds will remain in full force and effect. The Library Agency may discharge all Series 2021D Bonds which are 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 2021D Bonds. If any Series 2021D 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.

Section 9. No Designation of Qualified Tax Exempt Obligations. The Series 2021D Bonds, together with other obligations issued by the Library Agency in 2021, 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.

Section 10. Continuing Disclosure. In order to satisfy the continuing disclosure requirements of Rule 15c2-12(b)(5), 17 CFR §240.15c2-12, promulgated by the Securities Exchange Commission under the Securities Exchange Act of 1934, as amended, the appropriate officials of the Library Agency are hereby authorized and directed to execute and deliver a continuing disclosure undertaking substantially in the form of the Continuing Disclosure Certificate set forth in the Official Statement (the “Continuing Disclosure Certificate”). The Continuing Disclosure Certificate is hereby approved with such changes, modifications, additions, and deletions as shall be necessary and appropriate and approved by the Library Agency Attorney and Ballard Spahr LLP, as Bond Counsel to the Library Agency.

Section 11. 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.

Section 12. 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.

Section 13. Cancellation of Prior Tax Levies. Upon the redemption and prepayment of the Series 2010H Bonds on the 2010H Redemption Date, the tax levy with respect to the Series 2010H Bonds shall be cancelled.