



IVANHOE CITY COUNCIL MEETING MINUTES

5:30 p.m. Regular City Council meeting

Monday October 14, 2024

City Council Chambers

401 N Harold Street

Ivanhoe, MN 56142

1. Call to Order

The regular City Council, City of Ivanhoe, Minnesota was called to order on October 14, 2024, at 5:30 pm by Mayor, Dennis Klingbile.

Pledge of Allegiance

2. Roll Call

The City Council Members present were Christy Lundberg, Kyle Krier, Brad Blanchette, Rob Hopper

Others in attendance were City Administrator Dianne Beckendorf, Jim Wright, Mike Cable, City Attorney, Mike Bubany, Drown and Associates. Rural Water Association, Susan Vizecky, Librarian

3. Approval of Minutes

a. September 23, 2024

A motion was made by Rob Hopper and seconded by Kyle Krier to approve the City Council minutes from the September 23, 2024, Council Meeting and unanimously carried out.

4. Consent of Agenda

A motion was made by Kyle Krier and seconded by Rob Hopper to approve the agenda and unanimously carried out.

5. Mike Bubany- MN Rural Water Assoc Micro Loan

- Mike Bubany attended the meeting to discuss the \$125,000 General Obligation Water Revenue Note, Series 2024A - For Watermain Repair. The bond can be prepaid only in whole after 11/1/2026. Mike would like a follow up to discuss current water rates to assure the rates are aligned with expenses.

6. Report of Departments

a. Lincoln Co. Sheriff report was shared with the council for the September 2024 calls and time patrolling the city of Ivanhoe.

b. Public Works- Jim Wright

*Watermain project will start on 10/15/24 the awarded bid to T & E from Tyler

*FEMA funds have been received in amount of 18,032.73 from 2019 damages

*Bolten & Menk engineers spent two days grading the city streets that will be a part of the Capital

Improvement plan for the city that is being developed. They noted that 1 block of sewer is not lined, all else looked good.

- *The public works department applied patches to the city streets
- *If get moisture they will grade/fill the alley ways that need more work.
- *Jim shared that there are city street signs missing and he will be ordering replacements. There are 32 missing, and a need for 66
- *Jim will follow up with Derek Christianson about the cement repairs needed by the ILS
- *The ADA sidewalk project has begun; they will begin cement next week.
- *Jim reports that there are some water meters that the batteries are going dead. They are under warranty at a pro-rated base, the cost is \$80-85 each. He will order 6 at a time.
- *Jim will send the sheriff dept the list of plates to check for those that did not pay for camping over polish days

c. City Administrator

- * Audit Update- working on completion by next week.
- * Investigation of ILS theft is being worked on by county, with interviews occurring
- * Invoices for Viere's – Scott will bring a statement of unpaid invoices to the city; the city will cross reference the invoices to see what needs to be paid.
- * Liquor license renewals for 2025 are being prepared for VFW and Bowling Alley
- * Truth in Taxation meeting December 9th at 6:30pm
- * Personnel Policies – working on draft version to present to the City Council members to begin reviewing.
- * Cannabis Policy, Rick from Lincoln County called wondering if the city would like to be included or will develop own ordinance. The discussion was the county can develop the ordinance, and the city can always look at developing their own when the time comes.

A motion was made by Rob Hopper and seconded by Christy Lundberg to set the Truth in Taxation Meeting for December 9th at 6:30 PM or shortly thereafter, and unanimously carried out.

7. Public Hearings: None

8. Petitions, Open Forum and requests

- a. Data Request - prepare the preliminary budget copies for the constituent and once the auditor is done with the 2023 books, can present the budget year to date to the council and give copies to the constituent wanting the data.

Public addresses of Council: Persons addressing the Council must sign up on the public discussion form before the meetings start. Once recognized during “Public Comments” you may present yourself before the council, stating your name and the topic you are speaking on. Topics can be items on or not on the agenda. Remarks are limited to 2 minutes and no decision may be immediately made.

9. Ordinances, and Resolutions:

- a. Resolution 2024-46 accept donation of \$1,176.74 from Southwest Initiative Foundation for the Ivanhoe Public Library
A motion was made by Kyle Krier, seconded by Rob Hopper and unanimously carried to adopt resolution #2024-46
- b. Resolution 2024-47 to designate \$58,028.87 of ARPA funds for ITC Broadband Infrastructure Project
A motion was made by Rob Hopper, seconded by Kyle Krier and unanimously carried to adopt resolution #2024-47

- c. Resolution 2024-48 to authorize the issuance, sale and delivery of a \$125,000 General Obligations Water Revenue Note, Series 2024A

A motion was made by Brad Blanchette, seconded by Kyle Krier and unanimously carried to adopt resolution #2024-48

- d. Resolution 2024-49 to authorize the transfer of funds from General Fund to Fire, Library, EDA
A motion was made by Rob Hopper, seconded by Brad Blanchette and unanimously carried to adopt resolution #2024-49

10. Approval Invoices

- a. Invoice payments: Batch 10.14.24 in amount of \$67,073.11

100 GENERAL FUND	\$ 28,529.85
225 FIRE FUND	\$ 2,903.11
226 AMBULANCE FUND	\$ 1,052.62
245 LIBRARY FUND	\$ 218.75
241 SCDP Revolving	\$ 90.00
601 WATER FUND	\$ 8,338.03
602 SEWER FUND	\$ 2,971.62
605 GARBAGE FUND	\$ 2,741.33
GENERAL FUND PAYMENTS	\$ 46,825.31
610 LIQUOR FUND	\$ 20,247.80
TOTAL	\$67,073.11

Kyle Krier made a motion seconded by Rob Hopper to approve the invoices for 10.14.24 and unanimously carried.

11. Unfinished business- None

12. New Business- None

13. Miscellaneous-

- a. Employee – Susan Vizecky, Librarian

A motion was made by Kyle Krier and seconded by Brad Blanchette to close the meeting for the purposes of attorney-client privilege under Minnesota State Statutes 13D.05(3). All voted in favor. None voted against. The motion was carried. A motion was made by Rob Hopper and seconded by Kyle Krier to reopen the meeting at 6:48pm. All voted in favor. None voted against. The motion was carried.

*Sue Vizecky, Librarian discussed insurance eligibility. Stating she was denied insurance due to paperwork City Administrator completed. The City Administrator sent more information to the insurance company from the City insurance agent, of the Notice of Eligibility that they had in the files. The Notice of Eligibility states: Starting under 7 on Article 1 Eligibility

The hours required OFO of 40 hours. Suzan does not work 40 hours for the city of Ivanhoe and is therefore not offered insurance.

*Mike Cable, City Attorney confirmed that Susan is a city employee and is supervised by the Library Board.

Rob Hopper made a motion to pay Sue for the .42 hours of missed break pay on 8/30/2024, seconded by K. Krier and unanimously carried.

Announcements:

***** Upcoming Meetings & Important Dates:**

10/28/24 City Council Regular Meeting 5:30pm
11/1/24 EDA Meeting 7:30am
11/12/24 (Tuesday) City Council Regular Meeting 5:30pm
11/25/24 City Council 5:30pm
12/6/24 EDA Meeting 7:30am
12/9/24 City Council 5:30pm - Truth in Taxation meeting at 6:30pm

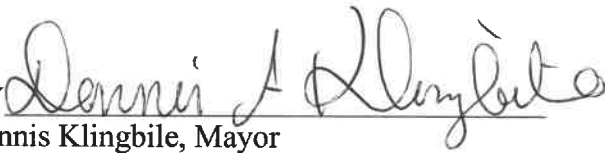
13. Adjournment

A motion was made by Rob Hopper, seconded by Christy Lundberg and unanimously carried to adjourn the meeting at 7:54 p.m.

Dated at Ivanhoe, Minnesota, this 14th day of October 2024

THE GOVERNING BODY OF THE CITY OF IVANHOE, MINNESOTA

BY


Dennis Klingbile, Mayor

ATTEST:

BY


Dianne Beckendorf, City Administrator

IVANHOE CITY COUNCIL CLOSED MEETING MINUTES

6:22 p.m. Monday October 14, 2024

City Council Chambers

401 N Harold Street Ivanhoe, MN 56142

A meeting of the City Council for the City of Ivanhoe, Minnesota was held on October 14th, 2024, at 6:22 pm in the City Council Chambers.

Members Present: Christy Lundberg, Kyle Krier, Brad Blanchette, Rob Hopper

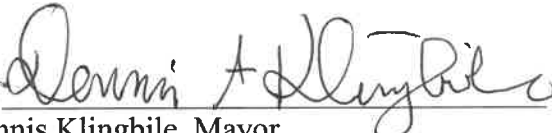
Others Present: Susan Vizecky, Librarian, Mike Cable, City Attorney

The meeting was called to order at 6:22 pm by Mayor Klingbile

A motion was made by Kyle Krier and seconded by Brad Blanchette to close the meeting for the purposes of attorney-client privilege under Minnesota State Statutes 13D.05(3). All voted in favor. None voted against. The motion was carried. A motion was made by Rob Hopper and seconded by Kyle Krier to reopen the meeting at 6:48pm. All voted in favor. None voted against. The motion was carried.

Dated at Ivanhoe, Minnesota, this 14th day of October 2024

THE GOVERNING BODY OF THE CITY OF IVANHOE, MINNESOTA

BY 
Dennis Klingbile, Mayor

ATTEST:

BY 
Dianne Beckendorf, City Administrator

Resolution #2024-46

**RESOLUTION EXPRESSING ACCEPTANCE OF APPRECIATION FOR
AND DESIGNATION OF DONATIONS RECEIVED**

WHEREAS the following have made donations: Southwest Initiative Foundation in the amount of \$1,176.74.

WHEREAS this donation is specifically requested to be used for the Ivanhoe Library.

WHEREAS the City Council appreciates these donations and commends and thanks the individual for their support, generosity, and consideration.

THEREFORE, BE IT RESOLVED, that the City Council for the City of Ivanhoe, County of Lincoln, State of Minnesota accepts and acknowledges with gratitude these donations; and designates the donations to be appropriate as requested.

PASSED AND ADOPTED this 14th day of Octobert 2024, by the City Council of Ivanhoe, County of Lincoln, State of Minnesota.

This resolution was offered by:
Voting in favor:



Mayor, Dennis Klingbile

This resolution was seconded by:
Voting against:
Attest:



Dianne Beckendorf, City Administrator

CITY OF IVANHOE
Resolution #2024-47

A RESOLUTION TO SPEND AMERICAN RESCUE PLAN ACT FUNDS

WHEREAS, the American Rescue Plan Act (ARPA) was signed into law by President Biden in March of 2021,

WHEREAS, ARPA appropriates funds to nonentitlement units of government (NEUs) to mitigate the fiscal effects stemming from the public health emergency with respect to COVID-19,

WHEREAS, A nonentitlement unit of government is defined as a city, that is not a metropolitan city,

WHEREAS, City of Ivanhoe is a nonentitlement unit of government and has accepted funds from ARPA,

WHEREAS, ARPA permits NEUs to spend ARPA funds under major categories, which include (A) supporting public health expenditures, (B) addressing negative economic impacts caused by the public health emergency, (C) replacing lost public sector revenue, (D) providing premium pay for essential workers, and (E) investing in water, sewer, and broadband infrastructure,

WHEREAS, the city seeks to use ARPA funds on broadband infrastructure, ITC broadband project

WHEREAS, the city seeks to use ARPA funds on broadband infrastructure investment

THEREFORE, BE IT RESOLVED, that the City Council for the City of Ivanhoe, County of Lincoln, State of Minnesota as Follows:

The city will use the \$58,0283.87 ARPA funds to pay for Broadband Infrastructure, ITC Broadband project as infrastructure investments as allowed by ARPA.

PASSED AND ADOPTED this 14th day of October 2024, by the City Council of Ivanhoe, County of Lincoln, State of Minnesota.

This resolution was offered by:
Voting in favor:

This resolution was seconded by:
Voting against:



Mayor, Dennis Klingbile

Attest:



Dianne Beckendorf, City Administrator

RESOLUTION NO. 2024-48

**RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY
OF A \$125,000 GENERAL OBLIGATION WATER REVENUE NOTE,
SERIES 2024A**

BE IT RESOLVED, by the City Council of the City of Ivanhoe, Lincoln County, Minnesota (the "Issuer"), as follows:

Section 1. Note Purpose, Authorization, and Award.

1.01 **Statutory Authority.** Pursuant to authority contained in Minnesota Statutes, Section 444.075, and Chapter 475, the Issuer is authorized to issue its general obligation bonds for the purpose of financing improvements to its municipal water utility, including the reconstruction of the watermain for the utility (the "Project") and for the payment of part of the issuance costs of the Note.

1.02 Authorization.

A. The City Council directs the issuance and sale of a \$125,000 General Obligation Water Revenue Note, Series 2024A of the Issuer dated as of the date and closing and delivery thereof (the "Note").

B. The principal of and interest on the Note shall be paid primarily from Net Revenues (defined herein) of the Issuer's municipal water utility (the "Water Utility").

1.03 **Municipal Advisor.** The Issuer has retained the services of David Drown Associates, Inc., as its municipal advisor.

1.04 **Award.** The Issuer has received a proposal for a loan to be evidenced by the Note from Frandsen Bank & Trust, Zumbrota, Minnesota (the "Lender"), in the amount of \$125,000 to pay costs of the Project, upon condition that the Note matures and bears interest at the times and annual rate set forth in Section 2. The Issuer, after due consideration, finds such offer reasonable and proper and the offer of the Lender is accepted. All actions of the Mayor and the City Administrator, taken with regard to the sale of the Note are ratified and approved.

Section 2. Terms of the Note.

2.01 **Interest Rate and Principal Maturities.** A. The Note shall be dated the date of its closing and delivery as the date of original issue, shall be issued in the denomination equal to the principal amount thereof, shall be issued in fully registered form and lettered and numbered R-1. The Note shall bear interest at the annual rate of 4.90 percent and shall mature on the dates and in the installment amounts shown below:

<u>Date</u>	<u>Principal Amount</u>
2/1/2025	\$7,000
2/1/2026	\$11,000
2/1/2027	\$11,000
2/1/2028	\$12,000
2/1/2029	\$12,000
2/1/2030	\$13,000
2/1/2031	\$14,000
2/1/2032	\$14,000
2/1/2033	\$15,000
2/1/2034	\$16,000

B. The maturities of the Note, together with the maturities of all other outstanding general obligation bonds of the Issuer, meet the requirements of Minnesota Statutes, Section 475.54.

2.02 Prepayment. The Note is prepayable, in whole only, beginning on February 1, 2025, without notice at a price of par plus accrued interest to the prepayment date, and subject to a 0.5% prepayment penalty if such prepayment is on or prior to November 1, 2026.

2.03 Interest Payment Dates. The interest on the Note shall be payable semi-annually on February 1 and August 1 of each year (each referred to herein as an “Interest Payment Date”), commencing February 1, 2025. Interest will be computed upon the basis of a 360-day year of twelve 30-day months. If a payment is 11 days or more late, Issuer will be charged 5% of the unpaid portion of the regular scheduled payment.

2.04 Preparation and Execution.

A. The Note shall be prepared for execution in accordance with the approved form and shall be signed by the manual signature of the Mayor and attested by the manual signature of the City Administrator. The corporate seal of the Issuer may be omitted from the Note as permitted by law. In case any officer whose signature shall appear on the Note shall cease to be an officer before delivery of the 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.

B. The City Administrator is authorized and directed to obtain a copy of the proposed approving legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A., Duluth, Minnesota, which is to be complete thereof and cause the opinion to be attached to the Note.

2.05 Registrar. The City Council hereby appoints the City Administrator, as registrar, authenticating agent, paying agent and transfer agent for the Note (the “Registrar”). No Note shall be valid or obligatory for any purpose unless or until the Note has been executed by the manual signature of at least one officer of the Issuer or the Registrar’s Authentication Certificate on such Note, substantially set forth in this resolution, shall have been duly executed by an authorized representative of the Registrar. Authentication certificates on different bonds need not be signed by the same representative. The executed Authentication Certificate or manual signature of an

officer of the Issuer on the Note shall be conclusive evidence that it has been authenticated and delivered under this Resolution.

2.06 Registration, Exchange and Transfer.

A. The Issuer shall cause to be kept by the Registrar a bond register in which, subject to such reasonable regulations as the Registrar may prescribe, the Issuer shall provide for the registration of the Note and the registration of transfers of the Note entitled to be registered or transferred as herein provided. In the event of the resignation or removal of the Registrar or its incapability of acting as such, the bond registration records shall be maintained at the office of the successor Registrar as may be appointed by the City Council.

B. Upon surrender for transfer of any Note at the principal corporate office of the Registrar, the Issuer shall execute and the Registrar shall authenticate, if required by law or this Resolution, and deliver, in the names(s) of the designated transferee(s), one or more new notes of a like aggregate principal amount, as requested by the transferor.

C. At the option of the registered owners, the Note may be exchanged for another Note of any authorized denomination, of a like aggregate principal amount, maturing upon the same date, upon surrender of the Note to be exchanged at the principal corporate office of the Registrar. Whenever any Note is so surrendered for exchange, the Issuer shall execute and the Registrar shall authenticate, if required by law or this Resolution, and deliver the Note which the registered owner making the exchange is entitled to receive.

D. Each Note surrendered upon the exchange provided for in this Resolution shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the City Council.

E. Each Note issued in exchange for or upon transfer of a Note shall be valid obligation of the Issuer evidencing the same debt and entitled to the same benefits under this Resolution as the Note surrendered for such exchange or transfer.

F. Every Note presented for a transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Issuer and the Registrar, duly executed by the registered owner thereof or the owner's attorney duly authorized in writing.

G. The Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of the Note, other than exchange expressly provided in this Resolution to be made, without expense or without charge to the registered owner.

H. Each Note delivered upon transfer of or in exchange for or in lieu of any other Note shall carry all of the rights to interest, accrued and unpaid and to accrue, which are carried by such other Note. Each Note shall be dated by the Registrar as of the date of its authentication or manual execution. The Issuer and the Registrar shall not be required to make any transfer or exchange of any Note called for redemption or to make any such exchange or transfer of a Note during the 15 days next preceding the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of the Note.

2.07 Replacement of Note. If the Note becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver a new Note of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Note or in lieu of and in substitution for any 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 Note destroyed, stolen or lost, upon filing with the Registrar and the Issuer of evidence satisfactory to them that the Note was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it and as provided by law, in which both the Issuer and the Registrar must be named as obligees. A Note so surrendered to the Registrar will be canceled by the Registrar and evidence of such cancellation must be given to the Issuer. If the mutilated, destroyed, stolen or lost Note has already matured or been called for redemption in accordance with its terms, it is not necessary to issue a new Note prior to payment.

2.08 Payment. The principal of and interest on the Note shall be payable by the Registrar in such funds as are legal tender for the payment of debts due the United States of America. The Issuer shall pay the reasonable and customary charges of the Registrar for the disbursement of principal and interest.

2.09 Delivery. Delivery of the Note and payment of the purchase price shall be made at a place mutually satisfactory to the Issuer and the Lender. A typewritten and executed Note shall be furnished by the Issuer without cost to the Lender. The Note, when prepared in accordance with this resolution and executed, shall be delivered by or under the direction of the City Administrator to the Lender upon receipt of the purchase price plus accrued interest.

Section 3. Form of the Note.

3.01 The Note shall be printed or typewritten in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF LINCOLN

R-1

\$125,000

CITY OF IVANHOE
GENERAL OBLIGATION WATER REVENUE NOTE,
SERIES 2024A

Rate
4.90%

Maturity Date
February 1, 2034

Date of Original Issue
November 1, 2024

REGISTERED OWNER: FRANDSEN BANK & TRUST

PRINCIPAL AMOUNT: ONE HUNDRED TWENTY-FIVE THOUSAND
DOLLARS

The City of Ivanhoe, Lincoln County, Minnesota (the “Issuer”), for value received, promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above, and to pay interest on said principal amount to the registered owner hereof from the date of original issue set forth above, or from the most recent Interest Payment Date (defined below) to which interest has been paid or duly provided for, until the principal amount is paid, said interest being at the rate per annum specified above.

Interest is payable semiannually on February 1 and August 1 of each year (each referred to herein as an “Interest Payment Date”), commencing on February 1, 2025. Interest will be computed upon the basis of a 360-day year of twelve 30-day months. The Note is payable in the principal installment amounts and at the times described below. Payments shall be applied first to interest due on the outstanding principal balance and thereafter to reduction of the principal balance. If a payment is 11 days or more late, Issuer will be charged 5% of the unpaid portion of the regular scheduled payment.

Date	<u>Principal Amount</u>
2/1/2025	\$7,000
2/1/2026	\$11,000
2/1/2027	\$11,000
2/1/2028	\$12,000
2/1/2029	\$12,000
2/1/2030	\$13,000
2/1/2031	\$14,000
2/1/2032	\$14,000
2/1/2033	\$15,000
2/1/2034	\$16,000

Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the main office of the City Administrator, as Registrar, authenticating agent, paying agent and transfer agent (the “Registrar”), or at the office of such successor Registrar as may be designated by the governing body of the Issuer. The Registrar shall make all payments with respect to this Note directly to the registered owner hereof shown on the Note registration records maintained on behalf of the Issuer by the Registrar at the close of business on the 15th day of the month next preceding the Interest Payment Date (whether or not a business day) at such owner’s address shown on said Note registration records, without, except for final payment of principal of this Note, the presentation or surrender of this Note, and all such payments shall discharge the obligation of the Issuer to the extent of the payments so made. The final payment of principal of this Note shall be made upon presentation and surrender of this Note to the Registrar when due.

For the prompt and full payment of such principal and interest as they become due, the full faith and credit and taxing power of the Issuer are irrevocably

pledged. The Issuer has designated the Note as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Note comprises the entire amount of this series issued by the Issuer as one fully registered Note without coupons, in the aggregate amount of \$125,000, pursuant to the authority contained in Minnesota Statutes, Section 444.075, Chapter 475, and all other laws thereunto enabling, and pursuant to an authorizing resolution adopted by the governing body of the Issuer on October 14, 2024 (the “Resolution”), for the purpose of financing the reconstruction of a watermain of the Issuer’s water plant and for the payment of the issuance costs of the Note. The principal of and interest on this Note are payable from net revenues (the “Net Revenues”) derived from the operation of Issuer’s water utility (the “Water Utility”) in excess of normal, reasonable and current costs of the operation and maintenance of the Water Utility for the payment of the principal and interest when due on this Note, and has covenanted and agreed that it will impose and collect just and equitable charges for all use and for the availability of all facilities of the Water Utility at the times and in the amounts required to pay the normal, reasonable and current expenses of operating and maintaining the Water Utility, and also to produce Net Revenues, which will be at least adequate at all times to pay the principal and interest due on the Note. Reference is made to the Resolution for a full statement of rights and powers thereby conferred.

The principal amount evidenced by this Note was drawn upon by Issuer in accordance with the Loan Agreement between Issuer and Lender dated as of the date of the date hereof.

The Note is prepayable, in whole only, beginning on February 1, 2025, without notice at a price of par plus accrued interest to the prepayment date, and subject to a 0.5% prepayment penalty if such prepayment is on or prior to November 1, 2026.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the laws and the Constitution of the State of Minnesota to be done and to exist precedent to and in the issuance of this Note, in order to make it a valid and binding general obligation of the Issuer in accordance with its terms, have been done and do exist in form, time and manner as so required; that all taxable property within the limits of the Issuer is subject to the levy of ad valorem taxes to the extent needed to pay the principal hereof and the interest hereon when due, without limitation as to rate or amount and that the issuance of this Note does not cause the indebtedness of the Issuer to exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Ivanhoe, Lincoln County, Minnesota, by its governing body, has caused this Note to be executed in its name by the signature of the Mayor and attested by the signature of the City Administrator.

ATTEST:

(form-no signature required)
City Administrator

(form-no signature required)
Mayor

This Note must be registered as to both principal and interest in the name of the owner on the books to be kept by City Administrator, as Registrar. No transfer of this Note shall be valid unless made on said books by the registered owner or the owner's attorney thereunto duly authorized and similarly noted on the registration books. The ownership of the unpaid principal balance of this Note and the interest accruing thereon is registered on the books of the Registrar, in the name of the registered owner last noted below.

<u>Date</u>	<u>Registered Owner</u>	<u>Signature of City Administrator</u>
11/1/2024	Frandsen Bank & Trust 1440 S. Main Main Street Zumbrota, MN 55992 Federal Tax I.D. No.: 41-0947097	<u>(form-no signature required)</u>

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

Social Security or Other
Identifying Number of Assignee

the within Note and all rights thereunder and irrevocably constitutes and appoints _____ attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

(Bank, Trust Company, member of
National Securities Exchange)

THIS INSTRUMENT HAS NOT BEEN REGISTERED UNDER THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF FOR VALUE, OR TRANSFERRED, WITHOUT (i) AN OPINION OF COUNSEL THAT SUCH SALE, DISPOSITION OR TRANSFER MAY LAWFULLY BE MADE WITHOUT REGISTRATION UNDER THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED AND UNDER APPLICABLE STATE SECURITIES LAWS, OR (ii) SUCH REGISTRATION. THE TRANSFERABILITY OF THIS INSTRUMENT IS SUBJECT TO RESTRICTIONS REQUIRED BY (1) FEDERAL AND STATE SECURITIES LAWS GOVERNING UNREGISTERED SECURITIES; AND (2) THE RULES, REGULATIONS, AND INTERPRETATIONS OF THE GOVERNMENTAL AGENCIES ADMINISTERING SUCH LAWS. THIS INSTRUMENT HAS NOT BEEN REGISTERED UNDER CHAPTER 80A OF MINNESOTA STATUTES OR OTHER APPLICABLE STATE BLUE SKY LAWS AND MAY NOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF FOR VALUE EXCEPT PURSUANT TO REGISTRATION OR OPERATION OF LAW.

Section 4. Covenants, Accounts and Tax Levies.

4.01 Water Fund. The Issuer covenants and agrees with the holder of the Note and with its taxpayers as follows:

(i) It will impose and collect just and equitable charges for all use and for the availability of all facilities of the Water Utility at the times and in the amounts required to pay the normal, reasonable, and current expenses of operating and maintaining such Water Utility, and also to produce Net Revenues (defined below), which together with other funds of the Issuer pledged herein, will be at least adequate at all times to pay the principal and interest due on the Note and on all other notes and bonds heretofore or hereafter issued and made payable from said Net Revenues, and will operate the Water Utility and segregate and account for the revenues thereof as provided in this Section.

(ii) It will place all such charges for the use and availability of the Water Utility, when collected, and all money received from the sale of any facilities or equipment of the Water Utility in the Water Fund (the "Water Fund"). Except as provided in this Section, this fund shall be used only to pay claims duly approved and allowed for payment of expenses which, under generally accepted accounting principles, constitute normal, reasonable, and current expenses of operating and maintaining the Water Utility, and to maintain such reasonable reserves for such expenses as the City Council shall determine to be necessary from time to time. Sums in excess of those required to make such payments and maintain such revenues constitute the net revenues ("Net Revenues") a portion of

which are herein pledged and appropriated first to pay the principal of and interest when due on the Note.

(iii) Surplus Water Utility revenues from time to time received in the Water Fund, in excess of payments due from and reserves required to be maintained in the Water Fund and in the Debt Service Account, may be used for necessary capital expenditures for the improvement of the Water Utility, for the prepayment and redemption of notes and bonds constituting a lien on the Water Utility, and for any other proper municipal purpose consistent with policies established by resolution of the City Council.

4.02 Fund. There is created a special fund to be designated the “2024A General Obligation Water Revenue Note Fund” (the “Fund”) to be administered and maintained by the City Administrator as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the Issuer. The Fund shall be maintained in the manner herein specified until the Note and the interest thereon have been fully paid. There shall be maintained in the Fund two (2) separate accounts, to be designated the “Construction Account” and “Debt Service Account,” respectively:

A. *Construction Account*. On receipt of the purchase price of the Note, the Issuer shall credit proceeds from the sale of the Note, less amounts used to pay part of the interest of the issue as allowed by Minnesota Statutes Section 475.56 (the “Additional Interest”) and less any accrued interest paid by the Lender upon closing and delivery of the Note (the “Accrued Interest”) to the Construction Account. Proceeds from the Note on deposit in the Construction Account, along with other monies of the Issuer available therefor, shall be used from time to time to pay, or reimburse the Issuer for payment of, the capital costs of the Project and costs of legal, financial advisory, and other professional services, printing and publication costs, and costs of issuance of the Note and interest due on the Note prior to completion of the Project, as such become due.

B. *Debt Service Account*. The Debt Service Account shall be administered and maintained by the City Administrator as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the Issuer. The Debt Service Account shall be maintained in the manner herein specified until all of the Note and the interest thereon have been fully paid:

(i) There is pledged and appropriated and there shall be credited to the Debt Service Account: (A) the Accrued Interest and surplus funds; (B) the Additional Interest; (C) Net Revenues in such amounts, which will be sufficient to pay the principal of and interest on the Note when due; (D) all funds remaining in the Construction Account after completion of the Project and payment of the costs thereof; (E) any and all other moneys which are properly available and are appropriated by the governing body of the Issuer to the Debt Service Account; and (F) investment earnings on the monies identified in the foregoing clauses (A) through (E). The proceeds of the Note described in clauses (A) and (B) of the preceding sentence shall be used for payment of interest on the Note. (The funds and investments identified in clauses (C) through (F) are referred to herein as the “Pledged Revenues.”)

(ii) The money in such account shall be used for no purpose other than the payment of principal and interest and redemption premium, if any, on the Note and any other general

obligation bonds of the Issuer hereafter issued by the Issuer and made payable from said account as provided by law; provided, however, that if any payment of principal or interest shall become due when there is not sufficient money in the Debt Service Account, the City Administrator shall pay the same from any other fund of the Issuer, which fund shall be reimbursed from the Debt Service Account when the balance therein is sufficient.

(iii) Immediately prior to each Interest Payment Date, the City Administrator shall transfer to the Debt Service Account amounts of Net Revenues which are sufficient, along with funds then on deposit in the Debt Service Account, for the payment of all interest and principal then due on the Note.

(iv) If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Note, the Treasurer shall nevertheless provide sufficient money first from the Construction Account, second from the Water Fund and third from any other funds of the Issuer which are available for that purpose, and such other funds shall be reimbursed from the Debt Service Account when the balance therein is sufficient. All such reimbursements shall comply with Treasury Regulations, Section 1.150-2.

C. *Surplus Revenues.* Surplus revenues of the Water Utility from time to time received in the Fund and Water Fund, in excess of payments due from and reserves required to be maintained in the Fund and in the Debt Service Account, may be used for necessary capital expenditures for the improvement of the Water Utility, for the prepayment and redemption of notes and bonds issued pursuant to Section 444.075 of the Act, and for any other proper municipal purpose consistent with law and policies established by resolution of the Issuer.

D. *Investments.* Monies on deposit in the Water Fund, the Construction Account and in the Debt Service Account may, at the discretion of the Issuer, be invested in securities permitted by Minnesota Statutes, Chapter 118A; provided, that any such investments shall mature at such times and in such amounts as will permit for payment of the principal and interest on the Note when due.

4.03 No Tax Levy. A. It is determined that the estimated Pledged Revenues and other funds of the Issuer pledged and appropriated for payment of principal and interest on the Note will produce at least five percent in excess of the amount needed to meet when due, the principal and interest payments on the Note and that no tax levy is needed at this time.

B. It is recognized that the Issuer's liability on the Note is not limited to the Pledged Revenues, and the City Council covenants and agrees that the full faith and credit and resources of the Issuer are irrevocably pledged for the prompt and full payment of principal of and interest on the Note as such principal and interest respectively come due; and that in the event of any current or anticipated deficiency in the Pledged Revenues it will levy upon all taxable property within the Issuer and cause to be extended, assessed, and collected, any additional taxes found necessary for full payment of the principal of and interest on the Note, without limitation as to rate or amount.

Section 5. Tax Covenants.

A. The Issuer covenants and agrees with the holders of the Note that the Issuer will (i) take all action on its part necessary to cause the interest on the Note to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Note and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Note to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the Note and investment earnings thereon on certain specified purposes.

B. For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements, the Issuer finds, determines and declares:

- (i) the Issuer is a governmental unit with general taxing powers;
- (ii) based on information provided by bond counsel, the Note is not a “private activity bond;”
- (iii) 95% or more of the net proceeds of the Note is to be used for local governmental activities of the Issuer; and
- (iv) the aggregate face amount of the tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Note is issued is not reasonably expected to exceed \$5,000,000.

C. In order to qualify the Note as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, the Issuer makes the following factual statements and representations:

- (i) the Note is not “private activity bonds” as defined in Section 141 of the Code;
- (ii) the Issuer designates the Note as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code;
- (iii) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the Issuer (and all entities whose obligations will be aggregated with those of the Issuer) during the calendar year in which the Note is being issued will not exceed \$10,000,000; and
- (iv) not more than \$10,000,000 of obligations issued by the Issuer during the calendar year in which the Note is being issued have been designated for purposes of Section 265(b)(3) of the Code.

Section 6. Certificate of Proceedings; Miscellaneous.

6.01 The City Administrator or the designee thereof is directed to file with the Lincoln County Auditor a certified copy of this Resolution and such other information as the County Auditor may require, and to obtain from the County Auditor a certificate stating that the Note herein authorized have been duly entered on its register.

6.02 The officers of the Issuer are authorized and directed to prepare and furnish to the Lender of the Note and to bond counsel for the Note certified copies of all proceedings and records of the Issuer relating to the authorization and issuance of the Note and other affidavits and certificates as may reasonably be requested to show the facts relating to the legality and marketability of the Note as such facts appear from the official books and records of the officers' custody or otherwise known to them. All of such certified copies, certificates and affidavits, including any heretofore furnished, constitute representations of the Issuer as to the correctness of facts recited therein and the actions stated therein to have been taken.

6.03 In the event of the absence or disability of the Mayor, the City Administrator, or such officers or members of the City Council as in the opinion of the Issuer's attorney, may act in their behalf, shall without further act or authorization, execute and deliver the Note, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

Section 7. Loan Agreement. The proceeds of the Note will be advanced to the Issuer in accordance with the terms of this Resolution and with a Loan Agreement between the Issuer, and the Lender (the "Loan Agreement"). The Mayor and City Administrator of the Issuer are hereby authorized and directed to execute the Loan Agreement substantially in the form currently on file in the office of the Issuer.

Section 8. Pre- and Post-Issuance Compliance Policy and Procedures. The City Council has previously approved a Post-Issuance Compliance Policy and Procedures which applies to qualifying obligations to provide for compliance with all applicable federal regulations for tax-exempt obligations or tax-advantaged obligations (collectively, the "Policy and Procedures"). The City Council hereby approves the Policy and Procedures which have been presented to the City Council. The City Administrator continues to be designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

(remainder of page intentionally left blank)

[Signature page to Loan Agreement by and between the City of Ivanhoe, Minnesota and Frandsen Bank & Trust, located in Zumbrota, Minnesota]

This Agreement is dated as of the date and year first above written.

FRANDSEN BANK & TRUST

By _____
Its _____

[Signature page to Loan Agreement by and between the City of Ivanhoe, Minnesota and Frandsen Bank & Trust, located in Zumbrota, Minnesota]

This Agreement is dated as of the date and year first above written.

CITY OF IVANHOE, MINNESOTA

By Dennis A. Hengbile
Mayor

By Dianne Beekendorf
City Administrator

LOAN AGREEMENT

This Loan Agreement is made as of this 1st day of November, 2024, by and between the City of Ivanhoe, Lincoln County, Minnesota (the "City") and Frandsen Bank & Trust, located in Zumbrota, Minnesota (the "Lender").

R E C I T A L S

WHEREAS, the City desires to obtain a loan from the Lender to be evidenced by the City's \$125,000 General Obligation Water Revenue Note, Series 2024A, dated November 1, 2024 (the "Note"). The proceeds of such loan shall be used for public purposes, including:

- A. financing the cost of improvements to the Issuer's water system, as more fully described in the City's resolution adopted on October 14, 2024 (the "Resolution"); and
- B. to provide for the costs of issuance of the Note.

WHEREAS, the parties hereto desire to set out the terms and conditions of such loan and the Note and the terms and conditions of advancing funds pursuant to the Note.

NOW, THEREFORE, it is hereby agreed as follows:

1. The City agrees to issue the Note to the Lender and the Lender agrees that such loan will be repaid with interest at the rate of 4.90% per annum in accordance with the terms and conditions of the Note set forth in the Resolution.
2. The Lender shall agree to accept the debt instrument for investment and not with a present view to the distribution, transfer or resale thereof. The Lender intends to hold and book the Note as a loan in its loan portfolio; the Lender acknowledges that the use of the word "Note" in the name of the debt instrument is for convenience only and is not intended to indicate that the instrument is a security within the meaning of the Securities Act of 1933.
3. The Lender agrees to hold the Note for its own account until its maturity or early redemption and does not intend to dispose of all or any portion of such Note and understands that transfer of such Note is restricted pursuant to the terms of the Resolution, the Note and this Loan Agreement.
4. On the date of issuance of the Note, the Lender shall advance the entire loan amount of \$125,000 in exchange for delivery of the Note by the City.
5. All capitalized terms not defined herein shall have the meaning, as defined, in the Resolution.

**EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE
CITY OF IVANHOE, MINNESOTA
HELD: October 14, 2024**

Pursuant to due call and notice thereof, a meeting of the City Council of the City of Ivanhoe, Lincoln County, Minnesota, was duly held on October 14, 2024 at City Hall, at 5:30 pm.

The following Members were present: Christy Lundberg, Brad Blanchette, Rob Hopper, Kyle Krier

and the following Members were absent: None

Member Brad Blanchette introduced the following resolution and moved its adoption:

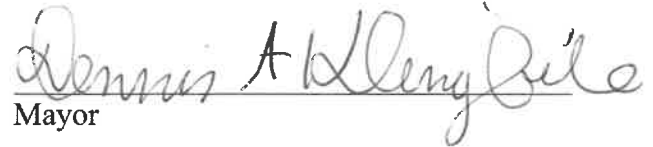
**RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY
OF A \$125,000 GENERAL OBLIGATION WATER REVENUE NOTE,
SERIES 2024A**

The motion for the adoption of the foregoing resolution was duly seconded by Member Kyle Krier and upon a vote being taken thereon, the following voted in favor thereof: Christy Lundberg, Rob Hopper, Kyle Krier

and the following Members voted against the same: None

Whereupon the resolution was declared duly passed and adopted.

Adopted: October 14, 2024.


Mayor

ATTEST:


City Administrator

CITY OF IVANHOE

Resolution #2024-49

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO TRANSFER FUNDS

WHEREAS, the City of Ivanhoe deems it necessary to transfer money from one fund to another, annually;

WHEREAS the City of Ivanhoe wishes to move these funds effective October 15, 2024 for FY24;

NOW THEREFORE, BE IT RESOLVED, that the City Council for the City of Ivanhoe, County of Lincoln, State of Minnesota that the following transfers shall be for fiscal year 2024.

General Fund to Fire Fund	\$30,000
General Fund to Library Fund	\$32,000
General Fund to EDA Fund	\$10,000


This resolution was offered by:
Voting in favor:

This resolution was seconded by:
Voting against:

PASSED AND ADOPTED this 14th day of October 2024, by the City Council of Ivanhoe, County of Lincoln, State of Minnesota.


Mayor, Dennis Klingbile

ATTEST:


Dianne Beckendorf, City Administrator

IVANHOE

10/14/24 12:21 PM

Page 1

*Check Summary Register©

10000 Unposted

Gen • Fire • Amb • Lib

	Nam	Check Date	Check Amt
10000 General Checking			
Unposted	AG Plus Cooperative	10/14/2024	\$228.02
Unposted	BANYON DATA SYSTEMS	10/14/2024	\$2,520.00
Unposted	BCBS	10/14/2024	\$3,634.02
Unposted	BOLTON & MENK	10/14/2024	\$8,176.50
Unposted	BWD SERVICES, LLC	10/14/2024	\$1,799.00
Unposted	CCNI COMMODITY FUND	10/14/2024	\$15.25
Unposted	DAKOTA SUPPLY GROUP	10/14/2024	\$409.29
Unposted	DUININCK	10/14/2024	\$264.10
Unposted	Gopher State One Call	10/14/2024	\$24.30
Unposted	GREAT PLAINS FIRE	10/14/2024	\$2,648.61
Unposted	INGRAM LIBRARY SERVICES, IN	10/14/2024	\$188.02
Unposted	INTERSTATE TELECOMMUNICA	10/14/2024	\$405.24
Unposted	Ivanhoe Service Center	10/14/2024	\$528.24
Unposted	IVANHOE SUPERMARKET	10/14/2024	\$5.29
Unposted	League of MN Cities Ins Trust	10/14/2024	\$12,226.20
Unposted	Lincoln Pipestone Rural Water	10/14/2024	\$4,315.69
Unposted	Lipinski Small Engine	10/14/2024	\$473.15
Unposted	MARCO	10/14/2024	\$51.39
Unposted	MADISON NATIONAL LIFE INS C	10/14/2024	\$4.98
Unposted	Ottertail Power Company	10/14/2024	\$2,119.99
Unposted	Postmaster	10/14/2024	\$241.00
Unposted	QUARNSTROM & DOERING, PA	10/14/2024	\$405.00
Unposted	Southwest Sanitation	10/14/2024	\$2,741.33
Unposted	TE UNDERGROUND, LLC	10/14/2024	\$2,770.00
Unposted	Tom's Welding & Repair	10/14/2024	\$25.00
Unposted	UTILITY CONSULTANTS	10/14/2024	\$121.73
Unposted	Veires Inc	10/14/2024	\$497.97
	Total Checks		\$46,839.31

IVANHOE

10/14/24 12:45 PM

Page 1

*Check Summary Register©

10105 Unposted

ILS

	Nam	Check Date	Check Amt
10105 Liquor Checking			
Unposted	BCBS	10/14/2024	\$982.43
Unposted	Beverage Wholesalers	10/14/2024	\$3,719.55
Unposted	BMO BANK N.A.	10/14/2024	\$529.72
Unposted	Buffalo Ridge Newspapers LLC	10/14/2024	\$25.00
Unposted	HARRYS FROZEN FOOD	10/14/2024	\$405.00
Unposted	HEGGIES PIZZA	10/14/2024	\$64.05
Unposted	HENRYS FOODS INC	10/14/2024	\$3,201.92
Unposted	INTERSTATE TELECOMMUNICA	10/14/2024	\$104.33
Unposted	IVANHOE SUPERMARKET	10/14/2024	\$33.01
Unposted	Ivanhoe Times	10/14/2024	\$176.00
Unposted	JOHNSON BROTHERS LIQUOR	10/14/2024	\$126.87
Unposted	Lipinski Small Engine	10/14/2024	\$45.25
Unposted	MADISON BOTTLING COMPANY	10/14/2024	\$3,549.95
Unposted	MADISON NATIONAL LIFE INS C	10/14/2024	\$1.66
Unposted	Ottertail Power Company	10/14/2024	\$1,049.32
Unposted	PAUSTIS WINE	10/14/2024	\$461.00
Unposted	Pepsi Cola Bottling	10/14/2024	\$295.50
Unposted	PERFORMANCE FOODSERVICE	10/14/2024	\$1,722.33
Unposted	PHILLIPS WINE & SPIRITS	10/14/2024	\$2,978.58
Unposted	SOUTHERN GLAZERS OF MN	10/14/2024	\$442.61
Unposted	Vestis	10/14/2024	\$221.82
Unposted	WODEN SPOONS BAKERY	10/14/2024	\$111.90
Total Checks			\$20,247.80