

City of Ramsey
Agenda
Special City Council
Tuesday, November 15, 2022
5:15 pm or Immediately Following the Canvassing Board
Council Chambers, 7550 Sunwood Drive NW

Remote Attendance available at www.cityoframsey.com/meetings.
Those joining remotely and requesting to speak are asked to use a webcam when speaking.

1. **Call to Order**

2. **Citizen Input**

3. **Approve Agenda**

4. **Consent Agenda**

5. **Council Business**
 1. Adopt Resolution #22-259 Providing for the Issuance and Sale of \$10,765,000 General Obligation Street Reconstruction Bonds, Series 2022A and Levying a Tax for the Payment Thereof

6. **Mayor/Council/Staff Input**

7. **Adjournment**

CC Special Session

Meeting Date: 11/15/2022

By: Diana Lund, Finance

Title:

Adopt Resolution #22-259 Providing for the Issuance and Sale of \$10,765,000 General Obligation Street Reconstruction Bonds, Series 2022A and Levying a Tax for the Payment Thereof

Purpose/Background:

Purpose: To provide funding for street reconstructions and bituminous overlays via the issuance of Street Reconstruction Plan Bonds.

Background: Over the past several years, much discussion has taken place over the financing of street improvements. These needed improvements: Overlays and Reconstructions are based on the 60-year Long-Term Street Maintenance Program that the engineering department had compiled on all of the city's streets based on a PASER rating (the lower the PASER rating, the worse the road).

Street Reconstruction Bubble (From Public works Committee Meetings June 21, 2022 & July 19, 2022)
Between 1975 and 1985 approximately 40-percent of all City streets were constructed. At the time these streets were constructed their anticipated useful design life was 40-years, after which reconstruction would be required. These streets have all now either reached, or are nearing, the end of their useful lives. This means approximately 40-percent of City streets need to be reconstructed now or in the immediate future. And while it has generally been known for a decade or more that this "street reconstruction bubble" was approaching, it has become even more apparent this year that current Pavement Management Program funding levels need to be increased to acceptably maintain the condition of City streets. Based on the Engineer's estimate, these projects totaled approximately \$12.8M.

Included in the draft document of the City's 2023-2032 Capital Improvement Plan is over \$37 million of Pavement Management Improvement Projects including the \$12.8M projects noted above.

During the 2023 budget city council worksessions, it was the consensus of council to "front-load" funding these projects due to the large amount of streets that are in need of repair. The agreement was to not only levy the annual pavement management levy that is approximately \$1.7 million but also to issue debt so that there would be funding available to get ahead on improving a major section of these streets. The average debt needed was determined to be approximately \$12M.

The city is looking to issue General Obligation Street Reconstruction Bonds.

There are requirements that need to be followed if the City desires to issue Road Reconstruction Plan Bonds. The requirements are: 1. A Five-Year Street Reconstruction and Overlay Plan (SROP) must be prepared. The City's five-year plan as presented, is based on the highest priority street projects that Engineering had outlined in their Long-Term Street Maintenance Program and which are also outlined in the City's 2023-2032 Capital Improvement Plan (CIP). 2. City Council must hold a public hearing on the issuance of the bonds and Street Reconstruction and Overlay Plan. Public Hearing was held on October 11, 2022. The major requirement to allow the city to issue this debt, is that the City Council must approve the sale of the street reconstruction bonds by at least 2/3 vote of its membership present.

Like a Capital Improvement bond, the Street Reconstruction bond is not required to have a referendum, but a reverse referendum is allowable. If a petition bearing the signatures of at least 5 percent of the votes cast in the last general election is filed with the City Clerk within 30 days after the public hearing regarding the bonds (October 11, 2022), the bonds may not be issued unless approved by voters. No petition was filed by the November 10, 2022, deadline.

At its regular meeting of October 11, 2022, City Council passed resolution #22-237 Giving preliminary approval of issuance of Street Reconstruction bonds and approval of Street Reconstruction and Overlay Plan and Resolution #22-238 Providing for the Sale of General Obligation Street Reconstruction Bonds.

The GO Street Reconstruction bonds will be bid on the morning of November 15, 2022 by prospective bond buyers and the results will be presented to the City Council that same night.

The City had a bond rating call with Standard & Poor's (S&P) rating service on November 7, 2022. S& P assigned an AA+ rating to this issue and affirmed the City's rating of AA+ on prior issues. Ratings report is attached.

The City's preliminary levy that was adopted September 27, 2022, included an estimated annual debt levy of \$1,145,607 that was applicable to this bond being sold to fund approximately \$12M of City street reconstruction and overlay projects. When sold, if the annual debt levy is determined to be higher than the \$1,145,607 the levy amount for 2023 cannot be increased, but the remaining 14 years of annual levies would offset the difference.

Time Frame/Observations/Alternatives:

Alternatives:

- #1. Motion to Adopt Resolution #22-259 authorizing approval of the sale of \$10,765,000 General Obligation Street Reconstruction Bonds, Series 2022A.
- #2. Motion to not Adopt Resolution #22-259 which would be to reject the bids of the bond sale.

Funding Source:

The issuance of Street Reconstruction Bonds will fund the reconstruction and overlay projects as outlined in the 5-Year Street Reconstruction & Overlay Plan (SRPOP) which is taken from the City's 2023-2032 Capital Improvement Plan (CIP)

Recommendation:

Staff recommends Alternative #1

Outcome/Action:

Motion to Adopt Resolution #22-259 Providing for the Issuance and Sale of \$10,765,000 General Obligation Street Reconstruction Bonds, Series 2022A, and Levying a Tax for the Payment Thereof.

Attachments

- Sale Day Report
- S&P Ratings Report
- Reso #22-256 Approve Sale of Debt

Form Review

Inbox	Reviewed By	Date
Brian Hagen	Brian Hagen	11/10/2022 10:48 AM
Form Started By: Diana Lund		Started On: 10/19/2022 01:21 PM
Final Approval Date: 11/10/2022		

November 15, 2022

SALE DAY REPORT FOR:

City of Ramsey, Minnesota

**\$10,765,000 General Obligation Street
Reconstruction Bonds, Series 2022A**



Prepared by:

Ehlers
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Stacie Kvilvang,
Senior Municipal Advisor

Jason Aarsvold,
Senior Municipal Advisor

Keith Dahl,
Municipal Advisor

BUILDING COMMUNITIES. IT'S WHAT WE DO.

Competitive Sale Results

PURPOSE: To finance certain street reconstruction projects described in the City's 5-Year Street Reconstruction and Overlay Plan, dated October 11, 2022.

RATING: S&P Global Ratings "AA+"

NUMBER OF BIDS: 10

LOW BIDDER: Piper Sandler & Co., Minneapolis, Minnesota

COMPARISON FROM LOWEST TO HIGHEST BID: (TIC as bid)

LOW BID:* 3.4634%

HIGH BID: 3.5977%

INTEREST DIFFERENCE: \$57,949

Summary of Sale Results:	
Principal Amount*:	\$10,765,000
Underwriter's Discount:	\$25,812
Reoffering Premium:	\$1,240,343
True Interest Cost:	3.4689%
Costs of Issuance:	\$75,787
Yield:	2.96%-3.53%
Total Net P&I	\$15,575,956

NOTES: * Subsequent to bid opening, the issue size was decreased to \$10,765,000.00 due to receipt of a premium bid.

CLOSING DATE: December 6, 2022

SUPPLEMENTARY ATTACHMENTS

- Bid Tabulation
- Sources and Uses of Funds and Updated Debt Service Schedules
- Rating Report (distributed by email to City via S & P)
- Bond Resolution (Distributed in City Council Packets)

BID TABULATION

\$12,075,000* General Obligation Street Reconstruction Bonds, Series 2022A

City of Ramsey, Minnesota

SALE: November 15, 2022

AWARD: PIPER SANDLER & CO.

Rating: S&P Global Ratings "AA+"

Tax Exempt - Non-Bank Qualified

NAME OF BIDDER	MATURITY (December 15)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
PIPER SANDLER & CO. Minneapolis, Minnesota	2023	5.000%	2.960%	\$13,428,774.75	\$3,982,069.00	3.4634%
	2024	5.000%	2.970%			
	2025	5.000%	3.000%			
	2026	5.000%	3.020%			
	2027	5.000%	3.030%			
	2028	5.000%	3.040%			
	2029	5.000%	3.070%			
	2030	5.000%	3.100%			
	2031	5.000%	3.120%			
	2032	5.000%	3.170%			
	2033	5.000%	3.230%			
	2034	5.000%	3.330%			
	2035	5.000%	3.410%			
	2036	5.000%	3.470%			
	2037	5.000%	3.530%			
JANNEY MONTGOMERY SCOTT LLC Philadelphia, Pennsylvania				\$13,380,733.35	\$4,030,110.40	3.5137%
FIFTH THIRD SECURITIES, INC. Cincinnati, Ohio				\$13,366,224.45	\$4,044,619.30	3.5290%
BOK FINANCIAL SECURITIES, INC. Milwaukee, Wisconsin				\$13,365,642.45	\$4,045,201.30	3.5296%

* Subsequent to bid opening the issue size was decreased to \$10,765,000.

Adjusted Price - \$11,979,530.78 Adjusted Net Interest Cost - \$3,596,425.47 Adjusted TIC - 3.4689%

NAME OF BIDDER	MATURITY (December 15)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
TD SECURITIES (USA) LLC New York, New York				\$13,358,860.50	\$4,051,983.25	3.5368%
HILLTOPSECURITIES Dallas, Texas				\$13,356,648.35	\$4,054,195.40	3.5391%
THE BAKER GROUP Oklahoma City, Oklahoma				\$12,988,613.57	\$3,988,608.93	3.5707%
BAIRD Milwaukee, Wisconsin				\$13,314,169.75	\$4,096,674.00	3.5840%
UBS FINANCIAL SERVICES INC. New York, New York				\$13,189,156.15	\$4,060,168.85	3.5851%
KEYBANC CAPITAL MARKETS INCORPORATED Cleveland, Ohio				\$13,064,849.55	\$4,040,017.95	3.5977%

City of Ramsey, Minnesota

\$10,765,000 General Obligation Street Reconstruction Bonds, Series 2022A

Sources & Uses

Dated 12/06/2022 | Delivered 12/06/2022

Sources Of Funds

Par Amount of Bonds	\$10,765,000.00
Reoffering Premium	1,240,343.15
Total Sources	\$12,005,343.15

Uses Of Funds

Total Underwriter's Discount (0.240%)	25,812.37
Costs of Issuance	75,787.00
Deposit to Project Construction Fund	11,903,743.78
Total Uses	\$12,005,343.15



City of Ramsey, Minnesota

\$10,765,000 General Obligation Street Reconstruction Bonds, Series 2022A

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/06/2022	-	-	-	-	-
12/15/2023	485,000.00	5.000%	551,706.25	1,036,706.25	1,036,706.25
06/15/2024	-	-	257,000.00	257,000.00	-
12/15/2024	525,000.00	5.000%	257,000.00	782,000.00	1,039,000.00
06/15/2025	-	-	243,875.00	243,875.00	-
12/15/2025	550,000.00	5.000%	243,875.00	793,875.00	1,037,750.00
06/15/2026	-	-	230,125.00	230,125.00	-
12/15/2026	580,000.00	5.000%	230,125.00	810,125.00	1,040,250.00
06/15/2027	-	-	215,625.00	215,625.00	-
12/15/2027	605,000.00	5.000%	215,625.00	820,625.00	1,036,250.00
06/15/2028	-	-	200,500.00	200,500.00	-
12/15/2028	635,000.00	5.000%	200,500.00	835,500.00	1,036,000.00
06/15/2029	-	-	184,625.00	184,625.00	-
12/15/2029	670,000.00	5.000%	184,625.00	854,625.00	1,039,250.00
06/15/2030	-	-	167,875.00	167,875.00	-
12/15/2030	705,000.00	5.000%	167,875.00	872,875.00	1,040,750.00
06/15/2031	-	-	150,250.00	150,250.00	-
12/15/2031	740,000.00	5.000%	150,250.00	890,250.00	1,040,500.00
06/15/2032	-	-	131,750.00	131,750.00	-
12/15/2032	775,000.00	5.000%	131,750.00	906,750.00	1,038,500.00
06/15/2033	-	-	112,375.00	112,375.00	-
12/15/2033	815,000.00	5.000%	112,375.00	927,375.00	1,039,750.00
06/15/2034	-	-	92,000.00	92,000.00	-
12/15/2034	855,000.00	5.000%	92,000.00	947,000.00	1,039,000.00
06/15/2035	-	-	70,625.00	70,625.00	-
12/15/2035	895,000.00	5.000%	70,625.00	965,625.00	1,036,250.00
06/15/2036	-	-	48,250.00	48,250.00	-
12/15/2036	940,000.00	5.000%	48,250.00	988,250.00	1,036,500.00
06/15/2037	-	-	24,750.00	24,750.00	-
12/15/2037	990,000.00	5.000%	24,750.00	1,014,750.00	1,039,500.00
Total	\$10,765,000.00	-	\$4,810,956.25	\$15,575,956.25	-

Yield Statistics

Bond Year Dollars	\$96,219.13
Average Life	8.938 Years
Average Coupon	5.0000000%
Net Interest Cost (NIC)	3.7377449%
True Interest Cost (TIC)	3.4689377%
Bond Yield for Arbitrage Purposes	3.2499767%
All Inclusive Cost (AIC)	3.5573638%

IRS Form 8038

Net Interest Cost	3.2864564%
Weighted Average Maturity	9.050 Years

City of Ramsey, Minnesota

\$10,765,000 General Obligation Street Reconstruction Bonds, Series 2022A

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
12/15/2022	-	-	-	-	-
12/15/2023	485,000.00	5.000%	551,706.25	1,036,706.25	1,088,541.56
12/15/2024	525,000.00	5.000%	514,000.00	1,039,000.00	1,090,950.00
12/15/2025	550,000.00	5.000%	487,750.00	1,037,750.00	1,089,637.50
12/15/2026	580,000.00	5.000%	460,250.00	1,040,250.00	1,092,262.50
12/15/2027	605,000.00	5.000%	431,250.00	1,036,250.00	1,088,062.50
12/15/2028	635,000.00	5.000%	401,000.00	1,036,000.00	1,087,800.00
12/15/2029	670,000.00	5.000%	369,250.00	1,039,250.00	1,091,212.50
12/15/2030	705,000.00	5.000%	335,750.00	1,040,750.00	1,092,787.50
12/15/2031	740,000.00	5.000%	300,500.00	1,040,500.00	1,092,525.00
12/15/2032	775,000.00	5.000%	263,500.00	1,038,500.00	1,090,425.00
12/15/2033	815,000.00	5.000%	224,750.00	1,039,750.00	1,091,737.50
12/15/2034	855,000.00	5.000%	184,000.00	1,039,000.00	1,090,950.00
12/15/2035	895,000.00	5.000%	141,250.00	1,036,250.00	1,088,062.50
12/15/2036	940,000.00	5.000%	96,500.00	1,036,500.00	1,088,325.00
12/15/2037	990,000.00	5.000%	49,500.00	1,039,500.00	1,091,475.00
Total	\$10,765,000.00	-	\$4,810,956.25	\$15,575,956.25	\$16,354,754.06

Significant Dates

Dated	12/06/2022
First Coupon Date	12/15/2023

Yield Statistics

Bond Year Dollars	\$96,219.13
Average Life	8.938 Years
Average Coupon	5.0000000%
Net Interest Cost (NIC)	3.7377449%
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IRS Form 8038

Net Interest Cost	3.2864564%
Weighted Average Maturity	9.050 Years

City of Ramsey, Minnesota

\$10,765,000 General Obligation Street Reconstruction Bonds, Series 2022A

Detail Costs Of Issuance

Dated 12/06/2022 | Delivered 12/06/2022

COSTS OF ISSUANCE DETAIL

Municipal Advisor	\$37,350.00
Bond Counsel (Taft Stettinius & Hollister)	\$18,000.00
Rating Agency Fee (S&P)	\$19,500.00
Paying Agent (Bond Trust Services)	\$937.00
TOTAL	\$75,787.00



RatingsDirect®

Summary:

Ramsey, Minnesota; General Obligation

Primary Credit Analyst:

Emma Drilias, Chicago (1) 312-233-7132; emma.drilias@spglobal.com

Secondary Contact:

Jessica Olejak, Chicago + 1 (312) 233 7068; jessica.olejak@spglobal.com

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Credit Highlights

Outlook

Related Research

Summary:

Ramsey, Minnesota; General Obligation

Credit Profile

US\$12.075 mil GO str reconstruction bnds ser 2022A dtd 12/06/2022 due 12/15/2037

<i>Long Term Rating</i>	AA+/Stable	New
Ramsey GO		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
Ramsey GO		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
Ramsey GO		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
Ramsey GO		
<i>Long Term Rating</i>	AA+/Stable	Affirmed

Credit Highlights

- S&P Global Ratings assigned its 'AA+' long-term rating to the City of Ramsey, Minn.'s anticipated \$12.075 million series 2022A general obligation (GO) street reconstruction bonds.
- S&P Global Ratings also affirmed its 'AA+' rating on the city's existing GO debt.
- The outlook is stable.

Security

Ramsey's unlimited ad valorem tax GO pledge secures the series 2022A bonds. Bond proceeds will finance the city's 2023 to 2025 street reconstruction projects.

Credit overview

Ramsey's strong financial profile is underscored by the city's consistent operating surpluses, supported by a growing property tax base and local revenue-raising flexibility. For fiscal 2022, management anticipates the city will achieve its breakeven operating budget with use of \$64,000 of its total \$3 million of American Rescue Plan Act (ARPA) funds to cover fuel cost overruns driven by inflationary cost increases. About \$316,000 of ARPA funds were used to purchase police-worn body cameras in 2022, while remaining ARPA funds will be used on road improvement projects in 2023 and 2024. The preliminary fiscal 2023 budget is balanced with additional property tax revenue based on a projected 25% increase in the city's total net tax capacity in addition to a preliminary 12% operating levy increase.

In our view, Ramsey's underlying economy lacks the depth of that of higher-rated peers, but the city benefits from its northwestern location in the broad and diverse Minneapolis-St. Paul-Bloomington metropolitan statistical area (MSA). Furthermore, we anticipate the city's debt and contingent liability profile will likely remain at least weak based on Ramsey's elevated debt service carrying charge and plans to issue up to \$20 million of new GO (\$5 million) and utility-revenue backed debt (\$15 million) to make necessary improvements to the city's water treatment plant.

The 'AA+' rating further reflects our assessment of Ramsey's:

- Growing suburban economy, with extensive residential, commercial, and industrial development based on the city's abundance of developable land and participation in a broad and diverse MSA;
- Considerable revenue flexibility, with a predominately property tax-funded budget (82% in fiscal 2021) supporting Ramsey's very strong liquidity and budgetary flexibility, with available reserves representing 71.7% of general fund expenditures in fiscal 2021;
- Strong management, with good financial policies and practices under our Financial Management Assessment methodology, highlighted by the city's five-year operating forecast, 10-year capital improvement plan, and fund balance policy requiring 50% of expenditures in reserves, with a strong institutional framework score;
- Weak debt and contingent liability profile, with plans to issue up to \$15 million of water utility revenue-backed debt in 2023 to partially finance \$47 million of planned improvements to the water treatment facility; and
- Moderate pension and other postemployment benefit exposure based on the city's participation in the adequately funded General Employees' Retirement Fund (87% funded as of June 30, 2021, with a net pension liability of \$2.6 million using a 7.5% discount rate), and the Public Employees' Police and Fire Fund (93.7% funded as of June 30, 2021, with a net pension liability of \$1.9 million using a 7.5% discount rate).

For more information, see the summary analysis on Ramsey, published Sept. 21, 2021, on RatingsDirect.

Environmental, social, and governance

Ramsey faces heightened environmental risks based on the elevated manganese levels in four of the city's eight drinking water wells as per the Minnesota Department of Health guidelines. Elevated manganese levels pose health risks to bottle-fed infants, children, and adults. The city plans to remediate these risks through the above-mentioned improvements to the water treatment plant, which are scheduled to begin in 2023. We view the city's social and governance risks as neutral in our credit rating analysis. We also note Ramsey has implemented policies and practices to help mitigate its exposure to cyber security risks.

Outlook

The stable outlook reflects our expectation that Ramsey will maintain very strong budgetary flexibility and liquidity positions, with continued property tax revenue growth over the two-year outlook horizon. While we expect the nation will enter a recession in 2023, we think the city's economy will likely remain relatively resilient and not contract at a greater rate than the national economy due to Ramsey's participation in the regional Twin Cities economy. (For further information, see "Economic Outlook U.S. Q4 2022: Teeter Totter," published Sept. 26, 2022.)

Downside scenario

We could take negative rating action if the city's budgetary performance were to worsen, leading to significant deterioration in budgetary flexibility and liquidity.

Upside scenario

We could take positive rating action with strengthening of multiple credit factors including moderation to the city's debt profile and with higher income and wealth metrics.

Ramsey, Minn.--Key Credit Metrics

	Most recent	Historical information		
		2021	2020	2019
Strong economy				
Projected per capita EBI % of U.S.	107			
Market value per capita (\$)	137,266			
Population (no.)		27,487	27,154	27,050
County unemployment rate(%)		3.4		
Market value (\$000)	3,773,024	3,284,612	3,022,065	2,811,159
Ten largest taxpayers % of taxable value	12.0			
Strong budgetary performance				
Operating fund result % of expenditures		2.5	8.3	3.0
Total governmental fund result % of expenditures		1.1	(1.0)	13.0
Very strong budgetary flexibility				
Available reserves % of operating expenditures		71.7	69.0	69.1
Total available reserves (\$000)		10,413	10,073	8,857
Very strong liquidity				
Total government cash % of governmental fund expenditures		366	320	423
Total government cash % of governmental fund debt service		3,036	1,612	2,450
Strong management				
Financial Management Assessment	Good			
Weak debt & long-term liabilities				
Debt service % of governmental fund expenditures		12.0	19.9	17.3
Net direct debt % of governmental fund revenue	163			
Overall net debt % of market value	2.1			
Direct debt 10-year amortization (%)	58			
Required pension contribution % of governmental fund expenditures		3.8		
OPEB actual contribution % of governmental fund expenditures		0.1		
Strong institutional framework				

EBI--Effective buying income. OPEB--Other postemployment benefits. Data points and ratios may reflect analytical adjustments.

Related Research

Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

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Councilmember introduced the following resolution and moved its adoption:

RESOLUTION #22-259

**RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$12,075,000
GENERAL OBLIGATION STREET RECONSTRUCTION BONDS, SERIES
2022A AND LEVYING A TAX FOR THE PAYMENT THEREOF**

A. WHEREAS, the City of Ramsey, Minnesota (the "City"), has heretofore determined and declared that it is necessary and expedient to issue \$12,075,000 General Obligation Street Reconstruction Bonds, Series 2022A (the "Bonds" or individually, a "Bond"), pursuant to Minnesota Statutes, Chapter 475 and Section 475.58, Subdivision 3b, to finance street reconstruction improvements under the City's 2023 through 2027 Five-Year Street Reconstruction Overlay Plan adopted on October 11, 2022 (the "Improvements"); and

B. WHEREAS, on October 11, 2022, following duly published notice thereof, the Council held a public hearing on the issuance not to exceed of approximately \$25,000,000 principal amount of bonds to finance the Improvements and all persons who wished to speak or provide written information relative to the public hearing were afforded an opportunity to do so; and

C. WHEREAS, no petition signed by voters equal to 5 percent of the votes cast in the City in the last municipal general election requesting a vote on the issuance of the street reconstruction bonds has been filed with the City Administrator within 30 days after the public hearing on October 11, 2022; and

D. WHEREAS, the Bonds, together with any outstanding bonds of the City that are subject to the City's net debt limit, do not exceed the City's net debt limit; and

E. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent municipal advisor for the sale of the Bonds and was therefore authorized to sell the Bonds by private negotiation in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9) and proposals to purchase the Bonds have been solicited by Ehlers; and

F. WHEREAS, the proposals set forth on Exhibit A attached hereto were received by the City Administrator, or designee, at the office of Ehlers, at 10:00 A.M. on the date hereof, pursuant to the Preliminary Official Statement for the Bonds, dated November 7, 2022; and

G. WHEREAS, it is in the best interests of the City that the Bonds be issued in book-entry form as hereinafter provided;

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

1. Acceptance of Proposal. The proposal of _____ (the "Purchaser"), to purchase the Bonds in accordance with the Preliminary Official Statement, at the rates of interest hereinafter set forth, and to pay therefor the sum of \$ _____, plus

interest accrued to settlement, is hereby found, determined and declared to be the most favorable proposal received and is hereby accepted and the Bonds are hereby awarded to the Purchaser. The Finance Director is directed to retain the deposit of the Purchaser.

2. Bond Terms.

(a) Original Issue Date; Denominations; Maturities; Term Bond Option. The Bonds shall be dated December 6, 2022, as the date of original issue, shall be issued forthwith on or after such date in fully registered form, shall be numbered from R-1 upward in the denomination of \$5,000 each or in any integral multiple thereof of a single maturity (the "Authorized Denominations") and shall mature on December 15 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2023		2031	
2024		2032	
2025		2033	
2026		2034	
2027		2035	
2028		2036	
2029		2037	
2030			

As may be requested by the Purchaser, one or more term Bonds may be issued having mandatory sinking fund redemption and final maturity amounts conforming to the foregoing principal repayment schedule, and corresponding additions may be made to the provisions of the applicable Bond(s).

(b) Book Entry Only System. The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York or any of its successors or its successors to its functions hereunder (the "Depository") will act as securities depository for the Bonds, and to this end:

(i) The Bonds shall be initially issued and, so long as they remain in book entry form only (the "Book Entry Only Period"), shall at all times be in the form of a separate single fully registered Bond for each maturity of the Bonds; and for purposes of complying with this requirement under paragraphs 5 and 10 Authorized Denominations for any Bond shall be deemed to be limited during the Book Entry Only Period to the outstanding principal amount of that Bond.

(ii) Upon initial issuance, ownership of the Bonds shall be registered in a bond register maintained by the Bond Registrar (as hereinafter defined) in the name of CEDE & CO., as the nominee (it or any nominee of the existing or a successor Depository, the "Nominee").

(iii) With respect to the Bonds neither the City nor the Bond Registrar shall have any responsibility or obligation to any broker, dealer, bank, or any other financial institution for which the Depository holds Bonds as securities depository (the

"Participant") or the person for which a Participant holds an interest in the Bonds shown on the books and records of the Participant (the "Beneficial Owner"). Without limiting the immediately preceding sentence, neither the City, nor the Bond Registrar, shall have any such responsibility or obligation with respect to (A) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in the Bonds, or (B) the delivery to any Participant, any Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any notice of redemption, or (C) the payment to any Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the principal of or premium, if any, or interest on the Bonds, or (D) the consent given or other action taken by the Depository as the Registered Holder of any Bonds (the "Holder"). For purposes of securing the vote or consent of any Holder under this Resolution, the City may, however, rely upon an omnibus proxy under which the Depository assigns its consenting or voting rights to certain Participants to whose accounts the Bonds are credited on the record date identified in a listing attached to the omnibus proxy.

(iv) The City and the Bond Registrar may treat as and deem the Depository to be the absolute owner of the Bonds for the purpose of payment of the principal of and premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to the Bonds, for the purpose of obtaining any consent or other action to be taken by Holders for the purpose of registering transfers with respect to such Bonds, and for all purpose whatsoever. The Bond Registrar, as paying agent hereunder, shall pay all principal of and premium, if any, and interest on the Bonds only to the Holder or the Holders of the Bonds as shown on the bond register, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid.

(v) Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new Nominee in place of the existing Nominee, and subject to the transfer provisions in paragraph 10, references to the Nominee hereunder shall refer to such new Nominee.

(vi) So long as any Bond is registered in the name of a Nominee, all payments with respect to the principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, by the Bond Registrar or City, as the case may be, to the Depository as provided in the Letter of Representations to the Depository required by the Depository as a condition to its acting as book-entry Depository for the Bonds (said Letter of Representations, together with any replacement thereof or amendment or substitute thereto, including any standard procedures or policies referenced therein or applicable thereto respecting the procedures and other matters relating to the Depository's role as book-entry Depository for the Bonds, collectively hereinafter referred to as the "Letter of Representations").

(vii) All transfers of beneficial ownership interests in each Bond issued in book-entry form shall be limited in principal amount to Authorized Denominations and

shall be effected by procedures by the Depository with the Participants for recording and transferring the ownership of beneficial interests in such Bonds.

(viii) In connection with any notice or other communication to be provided to the Holders pursuant to this Resolution by the City or Bond Registrar with respect to any consent or other action to be taken by Holders, the Depository shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action; provided, that the City or the Bond Registrar may establish a special record date for such consent or other action. The City or the Bond Registrar shall, to the extent possible, give the Depository notice of such special record date not less than 15 calendar days in advance of such special record date to the extent possible.

(ix) Any successor Bond Registrar in its written acceptance of its duties under this Resolution and any paying agency/bond registrar agreement, shall agree to take any actions necessary from time to time to comply with the requirements of the Letter of Representations.

(c) Termination of Book-Entry Only System. Discontinuance of a particular Depository's services and termination of the book-entry only system may be effected as follows:

(i) The Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the City and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of the Depository with respect to the Bond if it determines that the Depository is no longer able to carry out its functions as securities depository or the continuation of the system of book-entry transfers through the Depository is not in the best interests of the City or the Beneficial Owners.

(ii) Upon termination of the services of the Depository as provided in the preceding paragraph, and if no substitute securities depository is willing to undertake the functions of the Depository hereunder can be found which, in the opinion of the City, is willing and able to assume such functions upon reasonable or customary terms, or if the City determines that it is in the best interests of the City or the Beneficial Owners of the Bond that the Beneficial Owners be able to obtain certificates for the Bonds, the Bonds shall no longer be registered as being registered in the bond register in the name of the Nominee, but may be registered in whatever name or names the Holder of the Bonds shall designate at that time, in accordance with paragraph 10. To the extent that the Beneficial Owners are designated as the transferee by the Holders, in accordance with paragraph 10, the Bonds will be delivered to the Beneficial Owners.

(iii) Nothing in this subparagraph (c) shall limit or restrict the provisions of paragraph 10.

(d) Letter of Representations. The provisions in the Letter of Representation are incorporated herein by reference and made a part of the resolution, and if and to the extent any such provisions are inconsistent with the other provisions of this resolution, the provisions in the Letter of Representation shall control.

3. Purpose. The Bonds shall provide funds to finance the Improvements. The total cost of the Improvements, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Bonds. Work on the Improvements shall proceed with due diligence to completion. The City covenants that it shall do all things and perform all acts required of it to assure that work on the Improvements proceeds with due diligence to completion and that any and all permits and studies required under law for the Improvements are obtained.

4. Interest. The Bonds shall bear interest payable semiannually on June 15 and December 15 of each year (each, an "Interest Payment Date"), commencing December 15, 2023, calculated on the basis of a 360-day year of twelve 30-day months, at the respective rates per annum set forth opposite the maturity years as follows:

<u>Maturity Year</u>	<u>Interest Rate</u>	<u>Maturity Year</u>	<u>Interest Rate</u>
2023		2031	
2024		2032	
2025		2033	
2026		2034	
2027		2035	
2028		2036	
2029		2037	
2030			

5. Optional Redemption. All Bonds maturing December 15, 2033 and thereafter shall be subject to redemption and prepayment at the option of the City on December 15, 2032, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the City; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected registered holder of the Bonds not more than sixty (60) days and not fewer than thirty (30) days prior to the date fixed for redemption.

To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar prior to giving notice of redemption shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers so assigned to such Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the City or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the

City and Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the City shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of the Bond, without service charge, a new Bond or Bonds having the same stated maturity and interest rate and of any Authorized Denomination or Denominations, as requested by the Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered

6. Bond Registrar. Bond Trust Services Corporation, in Roseville, Minnesota, is appointed to act as bond registrar and transfer agent with respect to the Bonds (the "Bond Registrar"), and shall do so unless and until a successor Bond Registrar is duly appointed, all pursuant to any contract the City and Bond Registrar shall execute which is consistent herewith. The Bond Registrar shall also serve as paying agent unless and until a successor paying agent is duly appointed. Principal and interest on the Bonds shall be paid to the registered Holders (or record holders) of the Bonds in the manner set forth in the form of Bond and paragraph 12.

7. Form of Bond. The Bonds, together with the Bond Registrar's Certificate of Authentication, the form of Assignment and the registration information thereon, shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
ANOKA COUNTY
CITY OF RAMSEY

R-_____ \$_____

GENERAL OBLIGATION STREET RECONSTRUCTION BOND, SERIES 2022A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
____%	December 15,	December 6, 2022	751813

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

THE CITY OF RAMSEY, ANOKA COUNTY, MINNESOTA (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, unless called for earlier redemption and to pay interest thereon semiannually on June 15 and December 15 of each year (each, an "Interest Payment Date"), commencing December 15, 2023, at the rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months) until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the principal office of Bond Trust Services Corporation, in Roseville, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the first (1st) day of the calendar month of such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given to Bondholders not less than ten days prior to the Special Record Date. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America. So long as this Bond is registered in the name of the Depository or its Nominee as provided in the Resolution hereinafter described, and as those terms are defined therein, payment of principal of, premium, if any, and interest on this Bond and notice with respect thereto shall be made as provided in the Letter of Representations, as defined in the Resolution, and surrender of this Bond shall not be required for payment of the redemption price upon a partial redemption of this Bond. Until termination of the book-entry only system pursuant to the Resolution, Bonds may only be registered in the name of the Depository or its Nominee.

Optional Redemption. All Bonds of this issue (the "Bonds") maturing December 15, 2033 and thereafter are subject to redemption and prepayment at the option of the Issuer on December 15, 2032, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the Issuer; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected registered holder of the Bonds not more than sixty (60) days and not fewer than thirty (30) days prior to the date fixed for redemption.

Prior to the date on which any Bond or Bonds are directed by the Issuer to be redeemed in advance of maturity, the Issuer will cause notice of the call thereof for redemption identifying the Bonds to be redeemed to be mailed to the Bond Registrar and all Bondholders, at the addresses shown on the Bond Register. All Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption have been duly deposited.

Selection of Bonds for Redemption; Partial Redemption. To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to the Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of the Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the Issuer or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of the Bond, without service charge, a new Bond or Bonds having the same stated maturity and interest rate and of any Authorized Denomination or Denominations, as requested by the Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

Issuance; Purpose; General Obligation. This Bond is one of an issue in the total principal amount of \$12,075,000, all of like date of original issue and tenor, except as to number, maturity, interest rate, denomination and redemption privilege, issued pursuant to and in full conformity with the Charter of the Issuer, Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council on November 15, 2022 (the "Resolution"), for the purpose of providing money to finance street reconstruction improvements within the jurisdiction of the Issuer. This Bond is payable out of the General Obligation Street Reconstruction Bonds, Series 2022A Fund of the Issuer. This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of its principal,

premium, if any, and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

Denominations; Exchange; Resolution. The Bonds are issuable solely in fully registered form in Authorized Denominations (as defined in the Resolution) and are exchangeable for fully registered Bonds of other Authorized Denominations in equal aggregate principal amounts at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

Transfer. This Bond is transferable by the Holder in person or by the Holder's attorney duly authorized in writing at the principal office of the Bond Registrar upon presentation and surrender hereof to the Bond Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with the Bond Registrar. Thereupon the Issuer shall execute and the Bond Registrar shall authenticate and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee (but not registered in blank or to "bearer" or similar designation), of an Authorized Denomination or Denominations, in aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate.

Fees upon Transfer or Loss. The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds.

Treatment of Registered Owners. The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except as otherwise provided herein with respect to the Record Date) and for all other purposes, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security unless the Certificate of Authentication hereon shall have been executed by the Bond Registrar.

Not Qualified Tax-Exempt Obligation. This Bond has not been designated by the Issuer as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Charter of the Issuer, Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond, have been done, have happened and have been performed, in regular and due form, time and manner as required by law, and that this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser, does not exceed any charter, constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Ramsey, Anoka County, Minnesota, by its City Council has caused this Bond to be executed on its behalf by the facsimile signatures of its Mayor and Its City Administrator, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

Date of Registration:

Registrable by: BOND TRUST SERVICES CORPORATION

Payable at: BOND TRUST SERVICES CORPORATION

BOND REGISTRAR'S
CERTIFICATE OF
AUTHENTICATION
This Bond is one of the
Bonds described in the
Resolution mentioned
Within.

CITY OF RAMSEY,
ANOKA COUNTY, MINNESOTA

/s/ Facsimile

Mayor

BOND TRUST SERVICES
CORPORATION
Roseville, Minnesota
Bond Registrar

/s/ Facsimile

City Administrator

By: _____
Authorized Signature

8. Execution. The Bonds shall be in typewritten form, shall be executed on behalf of the City by the signatures of its Mayor and City Administrator and be sealed with the seal of the City; provided, as permitted by law, both signatures may be photocopied facsimiles and the corporate seal has been omitted. In the event of disability or resignation or other absence of either officer, the Bonds may be signed by the manual or facsimile signature of the officer who may act on behalf of the absent or disabled officer. In case either officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, the signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

9. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless a Certificate of Authentication on such Bond, substantially in the form hereinabove set forth, shall have been duly executed by an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate the signatures of officers of the City on each Bond by execution of the Certificate of Authentication on the Bond and by inserting as the date of registration in the space provided the date on which the Bond is authenticated, except that for purposes of delivering the original Bonds to the Purchaser, the Bond Registrar shall insert as a date of registration the date of original issue of December 6, 2022. The Certificate of Authentication so executed on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.

10. Registration; Transfer; Exchange. The City will cause to be kept at the principal office of the Bond Registrar a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Bond Registrar shall provide for the registration of Bonds and the registration of transfers of Bonds entitled to be registered or transferred as herein provided.

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration (as provided in paragraph 9) of, and deliver, in the name of the designated transferee or transferees, one or more new Bonds of any Authorized Denomination or Denominations of a like aggregate principal amount, having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation.

At the option of the Holder, Bonds may be exchanged for Bonds of any Authorized Denomination or Denominations of a like aggregate principal amount and stated maturity, upon surrender of the Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration of, and deliver the Bonds which the Holder making the exchange is entitled to receive.

All Bonds surrendered upon any exchange or transfer provided for in this resolution shall be promptly canceled by the Bond Registrar and thereafter disposed of as directed by the City.

All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the City evidencing the same debt, and entitled to the same benefits under this resolution, as the Bonds surrendered for such exchange or transfer.

Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the Holder thereof or the Holder's attorney duly authorized in writing.

The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of any Bond and any legal or unusual costs regarding transfers and lost Bonds.

Transfers shall also be subject to reasonable regulations of the City contained in any agreement with the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates. The Finance Director is hereby authorized to negotiate and execute the terms of said agreement.

11. Rights Upon Transfer or Exchange. Each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

12. Interest Payment; Record Date. Interest on any Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond is registered (the "Holder") on the registration books of the City maintained by the Bond Registrar and at the address appearing thereon at the close of business on the first (1st) day of the calendar month of such Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten days prior to the Special Record Date.

13. Treatment of Registered Owner. The City and Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in paragraph 12) on, such Bond and for all other purposes whatsoever whether or not such Bond shall be overdue, and neither the City nor the Bond Registrar shall be affected by notice to the contrary.

14. Delivery; Application of Proceeds. The Bonds when so prepared and executed shall be delivered by the Finance Director to the Purchaser upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.

15. Funds. There is hereby established a special fund to be designated the "General Obligation Street Reconstruction Bonds, Series 2022A Fund" (the "Fund") to be administered and maintained by the Finance Director as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The Fund shall be maintained

in the manner herein specified until all of the Bonds and the interest thereon have been fully paid. There shall be maintained in the Fund the following two (2) separate accounts, to be designated the "Construction Account" and "Debt Service Account", respectively.

(a) Construction Account. To the Construction Account there shall be credited the proceeds of the sale of the Bonds. From the Construction Account there shall be paid all costs and expenses of making the Improvements, including the cost of any construction contracts heretofore let and all other costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65. Moneys in the Construction Account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Bonds may also be used to the extent necessary to pay interest on the Bonds due prior to the anticipated date of commencement of the collection of taxes herein levied or covenanted to be levied; and provided further that if upon completion of the Improvements there shall remain any unexpended balance in the Construction Account, the balance shall be transferred to the Debt Service Account.

(b) Debt Service Account. There are hereby irrevocably appropriated and pledged and shall be credited to the Debt Service Account (i) all collections of taxes herein or hereafter levied for the payment of the Bonds; (ii) all funds remaining in the Construction Account after completion of the Improvements and payment of the costs thereof; (iii) all investment earnings on funds held in the Debt Service Account; and (iv) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Debt Service Account. The Debt Service Account shall be used solely to pay the principal and interest on the Bonds and any other general obligation bonds of the City hereafter issued by the City and made payable from the Debt Service Account as provided by law.

No portion of the proceeds of the 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 Bonds were issued and (ii) in addition to the above in an amount not greater than the lesser of five percent of the proceeds of the Bonds or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Construction Account or Debt Service Account (or any other City account which will be used to pay principal or interest to become due on the bonds payable therefrom) in excess of amounts which under then applicable federal arbitrage regulations may be invested without regard 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. Money in the Construction Account shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

16. Tax Levy; Coverage Test. To provide moneys for payment of the principal and interest on the Bonds there is hereby levied upon all of the taxable property in the City a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the City for the years and in the amounts as follows:

Years of Tax Levy

Years of Tax Collection

Amount

SEE ATTACHED SCHEDULE IN EXHIBIT B

The tax levies are such that if collected in full they will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levies shall be irrevocable so long as any of the Bonds are outstanding and unpaid, provided that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61, Subdivision 3.

17. General Obligation Pledge. For the prompt and full payment of the principal and interest on the Bonds, as the same respectively become due, the full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Bonds and any other bonds payable therefrom, the deficiency shall be promptly paid out of any other funds of the City which are available for such purpose, and such other funds may be reimbursed with or without interest from the Debt Service Account when a sufficient balance is available therein.

18. Defeasance. When all Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Bonds shall, to the extent permitted by law, cease. The City may discharge its obligations with respect to any Bonds which are due on any date by irrevocably depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full, provided that notice of redemption thereof has been duly given. The City may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

19. Compliance With Reimbursement Bond Regulations. The provisions of this paragraph are intended to establish and provide for the City's compliance with United States Treasury Regulations Section 1.150-2 (the "Reimbursement Regulations") applicable to the "reimbursement proceeds" of the Bonds, being those portions thereof which will be used by the City to reimburse itself for any expenditure which the City paid or will have paid prior to the Closing Date (a "Reimbursement Expenditure").

The City hereby certifies and/or covenants as follows:

(a) Not later than 60 days after the date of payment of a Reimbursement Expenditure, the City (or person designated to do so on behalf of the City) has made or will have made a written declaration of the City's official intent (a "Declaration") which effectively (i) states the City's reasonable expectation to reimburse itself for the payment of the Reimbursement Expenditure out of the proceeds of a subsequent borrowing; (ii) gives a general and functional description of the property, project or program to which the Declaration relates and for which the Reimbursement Expenditure is paid, or identifies a specific fund or account of the City and the general functional purpose thereof from which the Reimbursement Expenditure was to be paid (collectively the "Program"); and (iii) states the maximum principal amount of debt expected to be issued by the City for the purpose of financing the Program; provided, however, that no such Declaration shall necessarily have been made with respect to: (i) "preliminary expenditures" for the Program, defined in the Reimbursement Regulations to include engineering or architectural, surveying and soil testing expenses and similar prefatory costs, which in the aggregate do not exceed 20% of the "issue price" of the Bonds, and (ii) a de minimis amount of Reimbursement Expenditures not in excess of the lesser of \$100,000 or 5% of the proceeds of the Bonds.

(b) Each Reimbursement Expenditure is a capital expenditure or a cost of issuance of the Bonds or any of the other types of expenditures described in Section 1.150-2(d)(3) of the Reimbursement Regulations.

(c) The "reimbursement allocation" described in the Reimbursement Regulations for each Reimbursement Expenditure shall and will be made forthwith following (but not prior to) the issuance of the Bonds, and not later than 18 months after the later of (i) the date of the payment of the Reimbursement Expenditure, or (ii) the date on which the Improvements to which the Reimbursement Expenditure relates is first placed in service, but in no event more than three years after the date of payment of the Reimbursement Expenditure.

(d) Each such reimbursement allocation will be made in a writing that evidences the City's use of Bond proceeds to reimburse the Reimbursement Expenditure and, if made within 30 days after the Bonds are issued, shall be treated as made on the day the Bonds are issued.

Provided, however, that the City may take action contrary to any of the foregoing covenants in this paragraph upon receipt of an opinion of its Bond Counsel for the Bonds stating in effect that such action will not impair the tax-exempt status of the Bonds.

20. Continuing Disclosure. The City is the sole obligated person with respect to the Bonds. The City hereby agrees, in accordance with the provisions of Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, as amended, and a Continuing Disclosure Undertaking (the "Undertaking") hereinafter described to:

(a) Provide or cause to be provided to the Municipal Securities Rulemaking Board (the "MSRB") by filing at www.emma.msrb.org in accordance with the Rule, certain annual financial information and operating data in accordance with the Undertaking. The City reserves the right to modify from time to time the terms of the Undertaking as provided therein.

(b) Provide or cause to be provided to the MSRB notice of the occurrence of certain events with respect to the Bonds in not more than ten (10) business days after the occurrence of the event, in accordance with the Undertaking.

(c) Provide or cause to be provided to the MSRB notice of a failure by the City to provide the annual financial information with respect to the City described in the Undertaking, in not more than ten (10) business days following such occurrence.

(d) The City agrees that its covenants pursuant to the Rule set forth in this paragraph and in the Undertaking is intended to be for the benefit of the Holders of the Bonds and shall be enforceable on behalf of such Holders; provided that the right to enforce the provisions of these covenants shall be limited to a right to obtain specific enforcement of the City's obligations under the covenants.

The Mayor and City Administrator of the City, or any other officer of the City authorized to act in their place (the "Officers") are hereby authorized and directed to execute on behalf of the City the Undertaking in substantially the form presented to the City Council subject to such modifications thereof or additions thereto as are (i) consistent with the requirements under the Rule, (ii) required by the Purchaser of the Bonds, and (iii) acceptable to the Officers.

21. Certificate of Registration. A certified copy of this resolution is hereby directed to be filed with the County Auditor of Anoka County, Minnesota, together with such other information as the County Auditor shall require, and there shall be obtained from the County Auditor a certificate that the Bonds have been entered in the County Auditor's Bond Register and the tax levy required by law has been made.

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

23. Negative Covenant as to Use of Proceeds and Improvements. The City hereby covenants not to use the proceeds of the Bonds or to use the Improvements, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Improvements, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

24. Tax-Exempt Status of the Bonds; Rebate. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Bonds, including without limitation (i) requirements relating to temporary periods for investments, (ii) limitations on amounts invested at a yield greater than the yield on the Bonds, and (iii) the rebate of excess investment earnings to the United States. The City expects to satisfy the twenty-four month exemption for

gross proceeds of the Bonds as provided in Section 1.148-7(e) of the Regulations. The Mayor and/or the City Administrator and/or the Finance Director, are hereby authorized and directed to make such elections as to arbitrage and rebate matters relating to the Bonds as they deem necessary, appropriate or desirable in connection with the Bonds, and all such elections shall be, and shall be deemed and treated as, elections of the City.

25. Not Designation of Qualified Tax-Exempt Obligations. The City will not designate the Bonds as "qualified tax exempt obligations" for purposes of Section 265(b)(3) of the Code.

26. Official Statement. The Official Statement relating to the Bonds prepared and distributed by Ehlers is hereby approved and the officers of the City are authorized in connection with the delivery of the Bonds to sign such certificates as may be necessary with respect to the completeness and accuracy of the Official Statement.

27. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to Wells Fargo Bank, San Francisco, California on the closing date for further distribution as directed by the City's financial advisor, Ehlers.

28. 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.

29. 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.

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

and the following voted against the same:

and the following abstained:

and the following were absent:

Whereupon said resolution was declared duly passed and adopted by the Ramsey City Council this the 15th day of November, 2022.

Mayor

ATTEST:

City Clerk

STATE OF MINNESOTA
COUNTY OF ANOKA
CITY OF RAMSEY

I, the undersigned, being the duly qualified and acting City Administrator of the City of Ramsey, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council duly called and held on the date therein indicated, insofar as the minutes relate to considering proposals and awarding the competitive negotiated sale of \$12,075,000 General Obligation Street Reconstruction Bonds, Series 2022A.

WITNESS my hand on November 15, 2022.

City Administrator

EXHIBIT A

PROPOSALS

[To be supplied by Ehlers & Associates, Inc.]

EXHIBIT B

TAX LEVY SCHEDULE

[To be supplied by Ehlers & Associates, Inc.]