

COUNCIL PROCEEDINGS

October 6, 2009

The City Council of Thief River Falls, Minnesota, met in regular session at 5:00 p.m. on October 6, 2009 in the Council Chambers of City Hall. The following Councilmembers were present: Bendickson, Cullen, Erickson, Holten, Lee, Schmalz, and Mayor Nordhagen. Councilmember Kajewski was absent. Mayor Nordhagen chaired the meeting.

RESOLUTION NO. 10-225-09: APPROVAL OF RESOLUTION OF SUPPORT OF RED LAKE WATERSHED DISTRICT IMPROVEMENTS TO COUNTY DITCH NO. 1

Myron Jesme and Delray Sparby representing the Red Lake Watershed District appeared before the Council to discuss improvements to County Ditch 1. Following discussion, Councilmember Lee introduced Resolution No. 10-225-09, being seconded by Councilmember Erickson, that:

WHEREAS, Myron Jesme and Delray Sparby of the Red Lake Watershed District presented a petition signed by the requisite number of benefitted property owners for drainage improvements of Pennington County Ditch No. 1; and,

WHEREAS, the Red Lake Watershed District requested a resolution of support from the City for the proposed improvements.

THEREFORE BE IT RESOLVED, that the City Council hereby indicates its support to the Red Lake Watershed District proposed improvements of the drainage system of Pennington County Ditch No. 1, noting that there is no cost obligation to the City of Thief River Falls.

On vote being taken, the resolution was unanimously passed.

APPROVAL OF AGENDA

Councilmember Schmalz motioned, being seconded by Councilmember Bendickson, to approve the agenda with revisions. On vote being taken, the motion was unanimously approved and the agenda adopted.

RESOLUTION NO. 10-226-09: APPROVAL OF COUNCIL PROCEEDINGS

Presented as part of the Consent Agenda, Councilmember Lee introduced Resolution No. 10-226-09, being seconded by Councilmember Cullen, that:

RESOLVED, by the City Council, to approve the September 14, 2009 Adjourned Council Proceedings, the September 15, 2009 Council Proceedings, and the September 29, 2009 Special Council Proceedings, as presented.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 10-227-09: APPROVAL OF PAYMENT OF BILLS

Presented as part of the Consent Agenda, Councilmember Lee introduced Resolution No. 10-227-09, being seconded by Councilmember Cullen, that:

RESOLVED, by the City Council, to authorize payment of bills and disbursements in the total amount of \$1,540,507.69. A printout of the approved payments and disbursements is attached hereto and made a part hereof.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 10-228-09: ACCEPTANCE OF RETIREMENT OF GARY ANDERSON, WATER SYSTEMS OPERATOR

A Public Utilities Committee recommendation was presented. Following discussion, Councilmember Bendickson introduced Resolution No. 10-228-09, being seconded by Councilmember Schmalz, that:

RESOLVED, by the City Council, to accept the retirement of Gary Anderson, Water Systems Operator, effective November 30, 2009.

The City Council wishes to express its gratitude to Mr. Anderson for his 31 years of service to the City of Thief River Falls.

BE IT FURTHER RESOLVED, that the position vacated by the retirement was opened for filling by qualified Teamster #320 employees and, since no applications were received, then it shall be opened to the general public.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 10-229-09: AUTHORIZING ISSUANCE; AWARDING THE SALE; PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF \$640,000 GENERAL OBLIGATION WATER REVENUE BONDS, SERIES 2009A

George Eilertson of Northland Securities and Finance Director Johnson presented information regarding the Issuance and Sale of \$640,000 General Obligation Water Revenue Bonds, Series 2009A. Following discussion, Councilmember Cullen introduced Resolution No. 10-229-09, being seconded by Councilmember Bendickson, that:

BE IT RESOLVED by the City Council of the City of Thief River Falls, Minnesota (the "City"), as follows:

AUTHORIZATION AND SALE OF BONDS.

Authorization. The City owns and operates a municipal water enterprise system (the "Utility"). This Council intends to construct public infrastructure improvements to the Utility (collectively, the "Improvements"). This Council hereby determines that it is in the best inter-

ests of the City to issue its \$640,000 aggregate principal amount of General Obligation Water Revenue Bonds, Series 2009A (the "Bonds") to finance the cost of making the Improvements pursuant to Minnesota Statutes, Section 444.075 and Chapter 475.

Sale. Pursuant to the provisions of Minnesota Statutes, Section 475.60, subdivision 2(2), the public sale requirements do not apply to the sale of the Bonds since the City has not and will not negotiate the sale of obligations pursuant to said subdivision in a principal amount exceeding \$1,200,000 during any 12 month period which includes the date of sale of the Bonds. The City has received an offer from Northland Securities, Inc., in Minneapolis, Minnesota (the "Purchaser") to purchase the Bonds at a price of \$640,000 plus accrued interest on all Bonds to the day of delivery and payment, on the further terms and conditions hereinafter set forth. The offer is hereby accepted, and the Mayor and City Administrator are hereby authorized and directed to execute a contract on the part of the City for the sale of the Bonds with the Purchaser.

Performance of Requirements. The City is authorized by Minnesota Statutes, Section 444.075, to issue and sell the Bonds to pay the costs of the Improvements, and to pledge to the payment of the Bonds net revenues to be derived from charges for the service, use and availability of the Utility. The City presently has outstanding obligations which constitute a lien on the net revenues of the Utility and the pledge of net revenues of the Utility to pay the Bonds should be on a parity with the pledge of net revenues of the Utility to pay such outstanding bonds. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Bonds having been done, existing, having happened and having been performed, it is now necessary for this Council to establish the form and terms of the Bonds, to provide security therefore and to issue the Bonds forthwith.

BOND TERMS, EXECUTION AND DELIVERY.

Maturities, Interest Rates, Denominations, and Payment. The Bonds shall be originally dated as of November 1, 2009, shall be in the denomination of \$5,000 each, or any integral multiple thereof, of single maturities, shall mature on February 1 in the years and amounts stated below, and shall bear interest from date of issue until paid at the annual rates set forth opposite such years and amounts, as follows:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2011	\$20,000	1.65 %	2021	\$30,000	3.50 %
2012	25,000	1.65	2022	30,000	3.75
2013	25,000	1.65	2023	35,000	3.75
2014	25,000	2.75	2024	35,000	3.75
2015	25,000	2.75	2025	35,000	4.00
2016	25,000	2.75	2026	40,000	4.00
2017	30,000	2.75	2027	40,000	4.00
2018	30,000	3.50	2028	40,000	4.20
2019	30,000	3.50	2029	45,000	4.20
2020	30,000	3.50	2030	45,000	4.20

The Bonds shall be issuable only in fully registered form, of single maturities. The interest thereon and, upon surrender of each Bond at the principal office of the Registrar described

herein, the principal amount thereof, shall be payable by check or draft issued by the Registrar. Each Bond shall be dated by the Registrar as of the date of its authentication.

Interest Payment Dates. Interest on the Bonds shall be payable on February 1 and August 1 in each year, commencing August 1, 2010, to the owners thereof as such appear of record in the bond register as of the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day.

Appointment of Initial Registrar:

The City hereby appoints Northland Trust Services, Inc., in Minneapolis, Minnesota, as the initial bond registrar, transfer agent and paying agent (the "Registrar"). The Mayor and City Administrator are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove any Registrar upon 30 days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar. On or before each principal or interest due date, without further order of this Council, the City Administrator shall transmit to the Registrar from the 2009 Utility Bond Fund described in Section 3 hereof, moneys sufficient for the payment of all principal and interest then due.

Registration. The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

Register. The Registrar shall keep at its principal office a bond register in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

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

Exchange of Bonds. Whenever any Bond is surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Bonds of a like aggregate principal amount, interest rate and maturity, as requested by the registered owner or the owner's attorney duly authorized in writing.

Cancellation. All Bonds surrendered upon any transfer or exchange shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

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

Persons Deemed Owners. The City and the Registrar may treat the person in whose name any Bond is at any time registered in the bond register as the absolute owner of such Bond,

whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the City upon such Bond to the extent of the sum or sums so paid.

Taxes, Fees and Charges. For every transfer or exchange of Bonds (except for an exchange upon a partial redemption of a Bond), the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

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

Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1.

Redemption. Bonds maturing in 2020 and later years are each subject to redemption, at the option of the City and in whole or in part, and if in part, in the maturities selected by the City and, within any maturity, in \$5,000 principal amounts selected by the Registrar by lot, on or after February 1, 2019, and on any interest payment date thereafter, at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest to the date of redemption. At least 30 days prior to the date set for redemption of any Bond, the City shall cause notice of the call for redemption to be mailed to the Registrar and to the registered owner of each Bond to be redeemed, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. The notice of redemption shall specify the redemption date, redemption price, the numbers, interest rates and CUSIP numbers of the Bonds to be redeemed and the place at which the Bonds are to be surrendered for payment, which is the principal office of the Registrar. Official notice of redemption having been given as aforesaid, the Bonds or portions thereof so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions thereof shall cease to bear interest.

Bonds maturing February 1, 2013, 2017, 2021, 2024, 2027 and 2030 shall be subject to mandatory redemption prior to maturity pursuant to the sinking fund requirements of this Section 2.05 at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium. The Registrar shall select for redemption, by lot or other manner deemed fair, on February 1 in each of the following years the following stated principal amounts of such Bonds:

<u>Year</u>	<u>Principal Amount</u>
2011	\$ 20,000
2012	25,000

The remaining \$25,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2013.

<u>Year</u>	<u>Principal Amount</u>
2014	\$ 25,000
2015	25,000
2016	25,000

The remaining \$30,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2017.

<u>Year</u>	<u>Principal Amount</u>
2018	\$ 30,000
2019	30,000
2020	30,000

The remaining \$30,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2021.

<u>Year</u>	<u>Principal Amount</u>
2022	\$ 30,000
2023	35,000

The remaining \$35,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2024.

<u>Year</u>	<u>Principal Amount</u>
2025	\$ 35,000
2026	40,000

The remaining \$40,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2027.

<u>Year</u>	<u>Principal Amount</u>
2028	\$ 40,000
2029	45,000

The remaining \$45,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2030.

Notice of redemption shall be given as provided in the preceding paragraph.

Preparation and Delivery. The Bonds shall be prepared under the direction of the City Administrator and shall be executed on behalf of the City by the signatures of the Mayor and the City Administrator; provided that said signatures may be printed, engraved, or lithographed facsimiles thereof. In case any officer whose signature, or a facsimile of whose signature, shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or facsimile shall nevertheless be valid and sufficient for all pur-

poses, the same as if such officer had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on such Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been so executed and authenticated, they shall be delivered to DTC on behalf the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

Securities Depository. a) For purposes of this Section the following terms shall have the following meanings:

“Beneficial Owner” shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person’s subrogee.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“DTC” shall mean The Depository Trust Company of New York, New York.

“Participant” shall mean any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

“Representation Letter” shall mean the Representation Letter from the City to DTC.

The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the City shall be affected by any notice to the contrary. Neither the Registrar nor the City shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with the Representation Letter, 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 interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (d) hereof.

In the event the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of bond certificates, the City may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (d) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (d) hereof.

In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of bond certificates and the method of payment of principal of and interest on such Bonds in the form of bond certificates.

Form of Bonds. The Bonds shall be prepared in substantially the following form:

UNITED STATES OF AMERICA
 STATE OF MINNESOTA
 CITY OF THIEF RIVER FALLS
 GENERAL OBLIGATION WATER REVENUE BOND, SERIES 2009A

			No. R-____
<u>Interest Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	February 1, 20__	November 1, 2009	

THE CITY OF THIEF RIVER FALLS, Minnesota (the "City"), acknowledges itself to be indebted and, for value received, hereby promises to pay to the registered owner named above, or registered assigns, the principal amount specified above, on the maturity date specified above, with interest thereon from the date of original issue specified above, or from the most recent interest payment date to which interest has been paid or duly provided for, at the annual rate specified above. Interest hereon is payable on February 1 and August 1 in each year, commencing August 1, 2010, to the person in whose name this Bond is registered at the close of business on the 15th day (whether or not a business day) of the immediately preceding month, all subject to the provisions referred to herein with respect to the redemption of the principal of this Bond before maturity. The interest hereon

and, upon presentation and surrender hereof, the principal hereof, are payable in lawful money of the United States of America by check or draft of Northland Trust Services, Inc., Minneapolis, Minnesota, as Bond Registrar, Transfer Agent and Paying Agent (the "Bond Registrar"), or its successor designated under the Resolution described herein.

This Bond is one of an issue in the aggregate principal amount of \$640,000 (the "Bonds") all of like date and tenor except as to serial number, interest rate, redemption privilege and maturity date, issued pursuant to a resolution adopted by the City Council on October 6, 2009 (the "Resolution"), for the purpose of financing the costs of improvements to the water enterprise system of the City, and is issued pursuant to and in full conformity with the provisions of the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Sections 444.075 and Chapter 475. For the full and prompt payment of the principal and interest on the Bonds as the same become due, the full faith, credit and taxing power of the City have been and are hereby irrevocably pledged. The Bonds are issuable only as fully registered bonds in denominations of \$5,000 or any multiple thereof, of single maturities.

Bonds maturing in 2020 and later years are each subject to redemption and prepayment, at the option of the City and in whole or in part, and in the maturities selected by the City and by lot, assigned in proportion to their principal amount, within any maturity, on February 1, 2019, and on any date thereafter, at a price equal to the principal amount thereof to be redeemed plus accrued interest to the date of redemption. At least 30 days prior to the date set for redemption of any Bond, notice of the call for redemption will be mailed to the Bond Registrar and to the registered owner of each Bond to be redeemed at his address appearing in the Bond Register, but no defect in or failure to give such mailed notice of redemption shall affect the validity of the proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of the Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price herein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bond or portions of Bonds shall cease to bear interest. Upon the partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

Bonds maturing in the years 2013, 2017, 2021, 2024, 2027 and 2030 shall be subject to mandatory redemption, at a redemption price equal to their principal amount plus interest accrued thereon to the redemption date, without premium, on February 1 in each of the years shown below, in an amount equal to the following principal amounts:

Term Bonds Maturing in 2013

<u>Sinking Fund Payment Date</u>	<u>Aggregate Principal Amount</u>
2011	\$20,000
2012	25,000
2013 (maturity)	25,000

Term Bonds Maturing in 2017

<u>Sinking Fund Payment Date</u>	<u>Aggregate Principal Amount</u>
2014	\$25,000
2015	25,000
2016	25,000
2017 (maturity)	30,000

Term Bonds Maturing in 2021

<u>Sinking Fund Payment Date</u>	<u>Aggregate Principal Amount</u>
2018	\$30,000
2019	30,000
2020	30,000
2021 (maturity)	30,000

Term Bonds Maturing in 2024

<u>Sinking Fund Payment Date</u>	<u>Aggregate Principal Amount</u>
2022	\$30,000
2023	35,000
2024 (maturity)	35,000

Term Bonds Maturing in 2027

<u>Sinking Fund Payment Date</u>	<u>Aggregate Principal Amount</u>
2025	\$35,000
2026	40,000
2027 (maturity)	40,000

Term Bonds Maturing in 2030

<u>Sinking Fund Payment Date</u>	<u>Aggregate Principal Amount</u>
2028	\$40,000
2029	45,000
2030 (maturity)	45,000

Notice of redemption shall be given as provided in the preceding paragraph.

The Bonds have been designated by the City as “qualified tax-exempt obligations” pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Bond Registrar, by the registered owner hereof in person or by his attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or his attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange, the City will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the

purpose of receiving payment and for all other purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the City.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the issuance of this Bond in order to make this Bond a valid and binding general obligation of the City according to its terms, have been done, do exist, have happened and have been performed in regular and due form as so required; that in and by the Resolution, the City has pledged to the payment of the principal of and interest on the Bonds net revenues of the water enterprise system of the City; that in and by the Resolution, the City has covenanted and agreed with the owner of the Bonds that it will impose and collect charges for the service, use and availability of its water enterprise system at the time and in the amounts required to produce net revenues adequate to pay all principal of and interest on the Bonds and on all other bonds payable from net revenues of the water enterprise system as such principal and interest respectively become due; that if needed to pay the principal and interest on this Bond, ad valorem taxes will be levied upon all taxable property in the City without limitation as to rate or amount; that the issuance of this Bond does not cause the indebtedness of the City to exceed any constitutional or statutory limitation; and that by the Resolution, the City has agreed to comply with the requirements of Minnesota Statutes, Section 446A.086, relating to the state guarantee of payment of principal of and interest on the Bonds.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Bond Registrar by the manual signature of a person authorized to sign on its behalf.

IN WITNESS WHEREOF, the City of Thief River Falls, Minnesota, by its City Council, has caused this Bond to be executed by the signatures of the Mayor and the City Administrator.

On vote being taken, the resolution was unanimously passed.

WIND ENERGY CONVERSION SYSTEM PROPOSED ORDINANCE

The City Council reviewed the proposed second reading of an ordinance relating to wind energy regulations. Following discussion, Councilmember Lee moved, being seconded by Councilmember Holten, to refer this matter back to the Public Utilities Committee for further study and discussion. On vote being taken, the Chair declared the motion carried.

RESOLUTION NO. 10-230-09: ADOPTION OF ORDINANCE NO. 44, 3RD SERIES, AN ORDINANCE AMENDING SIDEWALK SNOW REMOVAL REGULATIONS

A Public Works Committee recommendation was presented. Following discussion, Councilmember Cullen moved, being seconded by Councilmember Schmalz, to call for the first reading of an ordinance amending snow removal regulations. On vote being taken, the Chair declared the motion unanimously carried.

Following the reading of the ordinance by City Attorney Ihle, Councilmember Schmalz introduced Resolution No. 10-230-09, being seconded by Councilmember Cullen, that:

RESOLVED, by the City Council, to approve a Public Works Committee recommendation to adopt Ordinance No. 44, 3rd Series, an ordinance amending the sidewalk snow removal regulations. The ordinance shall be on file in the Office of the City Administrator and published in The Times newspaper.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 10-231-09: APPROVAL OF AMENDMENTS TO THIEF RIVER FALLS FIREMEN'S RELIEF ASSOCIATION BYLAWS

Volunteer Firefighter Semanko presented a proposed change to the Firemen's Relief Association Bylaws. Following discussion, Councilmember Schmalz introduced Resolution No. 10-231-09, being seconded by Councilmember Lee, that:

RESOLVED, by the City Council, to approve the following amendments to the Bylaws of the Thief River Falls Firemen's Relief Association:

ARTICLE I: SECTION 10: Military Service. Subject to limitations stated in this section, a volunteer firefighter who is absent from firefighting service due to service in the uniformed services, as defined in United States Code, title 38, section 4303(13), may obtain service credit for the period of the uniformed service, not to exceed five years, unless a longer period is required under United States Code, title 38, section 4312.

(a) To be eligible for service credit under this section, the volunteer firefighter must return to firefighter service with coverage by the Association or its successor upon discharge from service in the uniformed service within the time frame required in United States Code, title 38, 4312(e).

(b) Service credit is not authorized if the firefighter separates from uniformed service with a dishonorable or bad conduct discharge or under other than honorable conditions. Service credit is not authorized if the firefighter fails to provide notice to the Fire Department that the individual is leaving to provide service in the uniformed service, unless it is not feasible to provide that notice due to the emergency nature of the situation.

ARTICLE VI: SECTION 5: For the purpose of paying benefits or pensions payable under Articles VII and VIII, a "year of service" shall be defined as a period of 12 full months of active duty in the Thief River Falls Fire Department, beginning on the date when the Member became an active firefighter in said Fire Department. Service pensions and benefits shall be prorated monthly for fractional years of service. A "month" is a completed calendar month of active service measured from the Member's date of entry to the same date in the subsequent month. If a Member's period of active service has not been continuous, parts of years may be added together to compute full years.

ARTICLE VIII: SECTION 4: Death Benefit: Upon the death of an active Member of the Association, the Association shall pay to the surviving spouse and surviving child or children, or if none, to the designated beneficiary, or if none, to the estate of the deceased active Member the Member's full account balance, without regard to minimum or partial vesting requirements. The Member's full account balance includes the vested and non-vested amounts in the Member's individual account based on the current benefit level, and years and months of service.

Upon the death of a deferred Member of the Association, the Association shall pay to the surviving spouse and surviving child or children, or if none, to the designated beneficiary, or if none, to the estate of the deceased deferred Member the Member's vested account balance.

ARTICLE VIII: SECTION 5: Supplemental Benefit. The Association must pay a supplemental benefit to individuals who receive a lump sum distribution of pension or retirement benefits for service performed as a volunteer firefighter at the time that the lump sum benefit is paid. The supplemental benefit is calculated as ten percent of the regular lump sum distribution, but not to exceed \$1,000.

Upon the payment of a lump sum survivor benefit to the survivor of a deceased active or deferred Member, a supplemental survivor benefit will be paid to the legally married surviving spouse or, if none, to the surviving child or children. The survivor supplemental benefit is calculated as twenty percent of the survivor benefit distribution, but not to exceed \$2,000.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 10-232-09: APPROVAL OF APPOINTMENT OF VOLUNTEER FIREFIGHTERS

The City Council was presented with the names of candidates recommended to fill three vacancies in the Thief River Falls Volunteer Firefighter Association. Following discussion, Councilmember Cullen introduced Resolution No. 10-232-09, being seconded by Councilmember Bendickson, that:

RESOLVED, by the City Council to appoint the following persons as Volunteer Firefighters in the City of Thief River Falls, pending successful completion of background checks, drug tests, and physicals:

Andrea Wenzlaff
Judd Alby
John Cervantes

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 10-233-09: RESOLUTION VACATING A PORTION OF EASTWOOD DRIVE

The City Council reviewed information presented at the public hearing conducted prior to the Council Meeting. Following discussion, Councilmember Lee introduced Resolution No. 10-233-09, being seconded by Councilmember Schmalz, that:

WHEREAS, The City Council of Thief River Falls has determined to vacate that part of Eastwood Drive described as the N½ of the West 160 feet of Eastwood Drive in the City of Thief River Falls, Pennington County, Minnesota; and,

WHEREAS, a public hearing was held on October 6, 2009 before the City Council in the City Council Chambers, 405 3rd Street East, Thief River Falls, Minnesota, after publication on September 9, 2009, after posted notice on September 15, 2009, and after personal notice to all affected property owners, and all persons interested were given an opportunity to be heard; and,

WHEREAS, it appears that it will be in the best interest of the City to vacate such street; and,

WHEREAS, four-fifths of all members of the City Council concur in this resolution.

NOW, THEREFORE, BE IT RESOLVED, that the portion of Eastwood Drive described as the N½ of the West 160 feet of Eastwood Drive in the City of Thief River Falls, Pennington County, Minnesota, is hereby vacated.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 10-234-09: APPROVAL OF SEPTIC WASTE DISCHARGE PERMIT AND FEE

Director of Utilities Rude presented amendments to the septic waste discharge permit process and fees. Following discussion, Councilmember Lee introduced Resolution No. 10-234-09, being seconded by Councilmember Schmalz, that:

RESOLVED, by the City Council, to adopt a Septic Waste Discharge Permit to regulate the discharge of septic tank waste into the City's sanitary sewer system by state-licensed sewage hauling and discharge businesses/individuals. Fees shall be established as:

Annual Septic Waste Discharge Permit Fee: \$35.00 expires December 31st of each year

Discharge Fees: \$12.50 for 500 gallons or less per discharge
\$25.00 for more than 500 gallons per discharge

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 10-235-09: APPROVAL OF DESIGNATION OF JAMES H. OCHS D.B.A. INTEGRITY EMPLOYEE BENEFITS AS CITY'S AGENT FOR EMPLOYEE LONG-TERM DISABILITY BENEFIT

The City Council was presented with a change to the City's Agent of Record for the employee's optional long-term disability insurance premiums. Following discussion, Councilmember Cullen introduced Resolution No. 10-235-09, being seconded by Councilmember Bendickson, that:

WHEREAS, the City of Thief River Falls allows City employees to purchase long-term disability insurance through Assurant Employee Benefits and has a long standing relationship with James H. Ochs, previously with Ochs, Inc. and now owner of Integrity Employee Benefits, LLC.

THEREFORE, BE IT RESOLVED, by the City Council, to designate James H. Ochs d.b.a. Integrity Employee Benefits, LLC as the City's Agent of Record for the City of Thief River Falls employee long-term disability benefit.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 10-236-09: APPROVAL OF MANAGEMENT, ADMINISTRATIVE, PROFESSIONAL, AND SUPERVISORY EMPLOYEES UNION AND SALARY BENEFITS FOR 2009-2011

An Ad-Hoc Labor Committee recommendation was presented. Following discussion, Councilmember Bendickson introduced Resolution No. 10-236-09, being seconded by Councilmember Erickson, that:

RESOLVED, by the City Council, to accept an Ad-Hoc Labor Committee recommendation and approve the 2009-2011 Management, Administrative, Professional, and Supervisory Employee's Union and Salary Benefits package.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 10-237-09: APPROVAL OF PURCHASED POWER ADJUSTMENT CHARGE FOR ELECTRIC CUSTOMERS

Director of Utilities Rude and Northern Municipal Power Agency representative General Manager Darryl Tveitbakk presented a proposed purchased power adjustment charge. Following considerable discussion, Councilmember Bendickson reluctantly introduced Resolution No. 10-237-09, being reluctantly seconded by Councilmember Cullen, that:

WHEREAS, the City purchases electricity at wholesale from the Northern Municipal Power Agency; and,

WHEREAS, the Northern Municipal Power Agency and Minnkota Power Cooperative, Inc. have a Power Sales Agreement; and,

WHEREAS, the Power Sales Agreement sets the Wholesale Power Rate for all Municipal Electric Utilities of the Northern Municipal Power Agency and the Cooperatives of the Minnkota Power Cooperative, Inc.; and,

WHEREAS, the City has been notified that effective October 20, 2009 an Energy Surcharge will be billed to the City for all KWH's of wholesale power purchased; and,

WHEREAS, the City has no choice but to pass the surcharge on to the city's electric customers.

THEREFORE, BE IT RESOLVED, by the City Council, that the following Purchased Power Adjustment be part of the electric retail rates charged to the retail customers of the municipal electric utility:

Purchased Power Adjustment: The City may charge its retail customers a purchased power adjustment should Northern Municipal Power Agency add a surcharge to its power rate that is not part of the energy charge, demand charge, transmission charge, substation charge, or Northern Municipal Power Agency mill levy. This purchased power adjustment shall be a per KWH charge for the energy purchased by the City's retail customers.

The purchased power adjustment to the City's retail customers shall be \$0.00001 per KWH for every \$0.00001 per KWH surcharge charged by Northern Municipal Power Agency. This purchased power adjustment may change on a monthly basis.

Effective with the November 2009 electric retail billing, the purchased power adjustment shall be \$0.005 per KWH for all KWH sold. The purchase power adjustment shall end with the October 2010 electric retail billing.

On vote being taken, the resolution was unanimously passed.

UPCOMING MEETINGS

- Budget/Finance Committee Meeting – October 13, 2009 at 4:30 p.m.
- Long Range Planning Committee Meeting – October 14, 2009 at 4:30 p.m.
- Personnel/Labor Committee Meeting – October 15, 2009 at 4:30 p.m.
- Capital Acquisitions Committee Meeting – October 19, 2009 at 4:30 p.m.
- Planning Commission Meeting – October 19, 2009 at 7:00 p.m.
- City Council Meeting – October 20, 2009 at 5:00 p.m.

ITEMS FOR INFORMATION

- City Auction Sale – October 8, 2009 at 4:00 p.m. at the HOMCC
- City Yard Clean Up Day – October 10, 2009 from 9:00 am to 1 pm

ADJOURNMENT

There being no further discussion, Councilmember Cullen moved, being seconded by Councilmember Erickson, to adjourn the meeting at 6:00 p.m. On vote being taken, the Chair declared the motion unanimously carried and the meeting adjourned.

Steve Nordhagen, Mayor

Attest: _____
Jodie R. Torkelson, City Administrator