

**PROCEEDINGS OF THE
BOARD OF ESTIMATE & TAXATION**

The regular meeting of April 13, 2011 was held in room 317 of City Hall.

Meeting called to order by President Wheeler at 4:00 p.m.

Present were: Fine (Robert Fine, Representative of the Park and Recreation Board), Johnson (Barbara Johnson, President of the City Council; Rybak (R T Rybak, Mayor of Minneapolis), Becker (Carol J. Becker, Elected Member) Wheeler (David Wheeler, Elected Member).

Absent: Hodges (Betsy Hodges, Chair of the Ways & Means/Budget Committee of the City Council).

The Secretary presented a letter to the Board from Bond Consul relating to the practices of issuance of bonds and answered questions thereof. Fine moved the Resolution; seconded by Johnson. Following questions and discussion the motion was adopted. Yeas – 5. Nays – none. As follows; Yeas – Fine, Johnson, Rybak, Becker, Wheeler - 5. Nays – none

RESOLUTION

(By Fine)

Providing for the sale bonds

RESOLVED BY THE BOARD OF ESTIMATE AND TAXATION

OF THE CITY OF MINNEAPOLIS

1. In the last few years, due to timing issues or other unusual circumstances, the Board of Estimate and Taxation (the “Board”) has been asked to consider and adopt resolutions with respect to the sale of general obligation bonds that provide direction to Board staff and the Chief Financial Officer of the City of Minneapolis (the “City”) to consider and award the sale of the bonds to the lowest bidder on a future date within the parameters set forth in the resolution (“Parameters Resolution”).
2. Pursuant to Minn. Stat. Section 475.60, the Board may delegate the authority to negotiate and sell bonds to an officer of the City.
3. Board Staff has requested that the Board consent to the routine use of Parameters Resolutions for the sale bonds.
4. The Board hereby approves the use of Parameters Resolutions for the sale bonds.
5. If a proposed sale of bonds involves unusual circumstances or the sale cannot be accomplished within the parameters of the applicable Parameters Resolution adopted by the Board, the Board Staff will return to the Board for further guidance regarding such bond sale.

The secretary went through the details supporting the request to issue bonds including the estimated cash out flow of each project and the debt service funding responsibility for each project and presented the recommended structures which had been arrived at after consultations with the Finance Department .

RESOLUTION
(By Johnson)

Relating to and providing for the internal maturity structures for the Net Debt Bonds (those supported by property taxes through the Bond Redemption Levy) in the amount of \$ 12,482,000 and for the Enterprise Bonds (those supported by the Enterprise Funds) in the amount of \$ 15,088,000.

RESOLVED BY THE BOARD OF ESTIMATE AND TAXATION
OF THE CITY OF MINNEAPOLIS

1. That providing for the internal maturity structures for the Net Debt Bonds (those supported by property taxes through the Bond Redemption Levy) in the amount of \$ 12,482,000 in the following respective amounts (all maturities are December1 of the year shown):

Misc	\$ 335,000 in 2011	
Libraries	\$ 1,040,000 in 2011	
Parks	\$ 70,000 in 2011	
Parkways	\$ 150,000 in 2011	
Streets & Bridges	\$ 2,847,000 in 2011 and	\$ 4,200,000 in 2012
Public Buildings	\$ 2,840,000 in 2011	
Information Technology	\$ 1,000,000 in 2011	

2. That providing for the internal maturity structures for the Enterprise Bonds (those supported by the Enterprise Funds) in the amount of \$ 15,088,000 in the following respective amounts all maturities are December1 of the year shown):

Sewer Fund 7100	\$ 1,000,000 in 2011, 2012, & 2013	
	\$ 500,000 in 2014 & 2015	
Storm Fund 7300	\$ 6,988,000 in 2011	and \$ 2,000,000 in 2012
Parking Fund 7500		
Sales Tax Supported	\$ 200,000 in 2011	
Parking Revenue	\$ 300,000 in 2012	and \$400,000 in 2013, 2014 & 2015
Diseased Tree assessments	\$ 100,000 in 2012, 2013, 2014 & 2015	

Johnson moved the Resolution; seconded by Rybak. Following questions and discussion the motion was adopted. Yeas – 5. Nays – none. As follows; Yeas – Fine, Johnson, Rybak, Becker, Wheeler - 5. Nays – none

On the question of the projects to be included in the Bond sale, Fine moved the Resolution; seconded by Becker. Following questions and discussion the motion was adopted. Yeas – 5. Nays – none. As follows; Yeas – Fine, Johnson, Rybak, Becker, Wheeler - 5. Nays – none.

RESOLUTION
(By Fine)

Relating to and providing for the issuance and sale of bonds of the City of Minneapolis in the amount of \$27,570,000.

RESOLVED BY THE BOARD OF ESTIMATE AND TAXATION

OF THE CITY OF MINNEAPOLIS

1. Under and pursuant to the provisions of Sections 9 and 10 of Chapter 15 [Board of Estimate and Taxation] of the Charter of the City of Minneapolis, adopted at an election held on November 2, 1920, as amended (the “Charter”), the Board of Estimate and Taxation of the City of Minneapolis (the “Board”) shall proceed forthwith to issue and sell General Obligation Various Purpose Bonds, Series 2011 (the “Various Purpose Bonds”), of the City of Minneapolis (the “City”), in the original aggregate principal amount of \$27,570,000, the proceeds thereof to be applied to the following purposes and in the following respective amounts:

(a) \$1,700,000 pursuant to resolution Nos. 2010R-604 of the City Council of the City, the proceeds thereof to be used for improvements in the parking ramp system of the City RP1101 of which \$200,000 is to be applied to improving ramps that are convention center related facilities.

(b) \$4,000,000 pursuant to Resolution Nos. 2010R-603 of the City Council of the City, the proceeds thereof to be used for sanitary sewer related projects described therein, including: (i) SA1101 Sanitary Tunnel & Sewer Rehab 2011 Program (\$1,000,000); and (ii) SA1136 Infiltration and Inflow Removal 2011 Program (\$3,000,000).

(c) \$8,988,000 pursuant to Resolution Nos. 2007R-649, 2008R-548, 2009R-591 and 2010R-603 of the City Council of the City, the proceeds thereof to be used for storm water related projects described therein, including: (i) SW831 Lake Hiawatha Blue Water Partnership Program Year 2008 (\$300,000); (ii) PV803 Lynnhurst Street Renovation Storm Drains (\$18,000); (iii) SW905 CSO Improvements 2009 Program (\$1,500,000); (iv) SW1005 CSO Improvements 2010 Program (\$1,500,000); (v) SW1105 CSO Improvements 2011 Program (\$1,000,000); (vi) SW1011 Storm Drain & Tunnel Rehab 2010 Program (\$2,070,000); and (vii) SW1111 Storm Drain & Tunnel Rehab 2011 Program (\$2,600,000).

(d) \$400,000 pursuant to Resolution Nos. 2009R-588 and 2010R-600 of the City Council of the City and resolutions of the Park Board, the proceeds thereof to be used by the Park and Recreation Board for: (i) 2010 Diseased Tree Removal Program (\$300,000; and (ii) 2011 Diseased Tree Removal Program (\$100,000).

(e) \$70,000 of net debt bonds pursuant to Resolution No. 2009R-590 of the City Council of the City as amended and resolution of the Park Board NO. 2010-103, the proceeds to be used by the Park and Recreation Board for the PRK1003 Rehab Shelter Building & Wading Pool Lake Hiawatha.

(f) \$1,040,000 of net debt bonds pursuant to Resolutions No. 2006R-614 (as amended by 2007R-568) and resolution of the Library Board adopted on September 19, 2007 for the Community Library system improvements.

(g) \$11,372,000 of net debt bonds to be used for the following authorized purposes:

(i) Various public infrastructure improvements pursuant to Resolution No. 2008R-547 as amended by 2009R-094 (\$380,000) the proceeds thereof to be used for the following authorized purposes:

Purpose	Remaining Authorized Amount	Deferred	Issue in 2011
BIK923 Bike Boulevard Pilot 2009 Program	\$50,000	50	
PSD901 Facilities & Repair 2009 Program	100,000		\$100,000
PSD911 Energy Conserv & Emissions Reductions 2009 Program	300,000	75,000	225,000
TR913 RR Crossings Safety Improvements 2009 Program	55,000		55,000

(ii) Various public infrastructure improvements pursuant to Resolution No. 2009R-590 (\$2,664,000) the proceeds thereof to be used for the following authorized purposes:

Purpose	Remaining Authorized Amount	Deferred	Issue in 2011
ART01 Art in Public Places 2010 Program	\$203,000	\$153,000	\$50,000
CDA1001 Heritage Park Redevelopment Project 2010 Program	200,000		200,000
CTY1002 City Property Reforestation 2010 Program	39,000		39,000
CBIK08 Hiawatha Trail Connections	111,000		111,000
MBC1009 Critical Power 20109 Program	66,000	66,000	
PSD1001 Facilities & Repair 2010 Program	400,000		400,000
PSD1011 Energy Conserv & Emissions Reductions 2010 Program	300,000	300,000	
PV1003 Street Renovation 2010 Program Lynnhurst Phase VI	1,275,000		1,275,000
PV1029 Chicago Av S 8 th St S to 28 th St E 2010 Program	445,000		445,000
PV1047 3 rd Av N St Reconstruction 2010 Program	150,000	150,000	
TR1007 Traffic & Pedestrian Safety Improvements 2010 Program	104,000		104,000
TR1013 RR Crossings Safety Improvements 2010 Program	110,000	70,000	40,000

(iii) Various public infrastructure improvements pursuant to Resolution No. 2010R-602

(\$8,328,000) the proceeds thereof to be used for the following authorized purposes:

Purpose	Remaining Authorized Amount	Deferred	Issue in 2011
ART1101 Art in Public Places 2011 Program	\$327,000	\$242,000	\$85,000
CBIK08 Hiawatha Trail Connections	150,000		150,000
BIS1103 BIS Enterprise Document Management 2011 Program	100,000		100,000
BIS1104 BIS Enterprise Infrastructure Capital Upgrades 2011 Program	400,000		400,000
BIS1108 BIS Enterprise Security Capital Upgrade 2011 Program	100,000		100,000
BIS1112 BIS Mobile Assessor 2011 Program	150,000		150,000
BIS1113 BIS Risk Mgmt & Claims Application System 2011 Program	250,000		250,000
BR1101 Major Bridge Repair 2011 Program	300,000		300,000
BR1110 Northtown Rail Yard Bridge	2,535,000	2,535,000	
CDA1101 Heritage Park Redevelopment Project 2011 Program	500,000	500,000	
MBC1101 Life Safety Improvements 2011 Program	200,000	30,000	170,000
MBC1102 Mechanical Systems Upgrade 2011 Program	785,000	65,000	720,000
PSD1101 Facilities & Repair 2011 Program	1,125,000	400,000	725,000
PSD1103 Facilities Space Improvements 2011 Program	500,000		500,000
PSD1111 Energy Conserv & Emissions Reductions 2011 Program	300,000	300,000	
PV1106 Alley Renovation 2011 Program	128,000	20,000	108,000
PV1121 33 rd Av SE & Talmage Av 2011 Program	495,000	495,000	
PV1126 Franklin/Cedar/Minnehaha 2011 Program	355,000	155,000	200,000
PV1156 Asphalt Pavement Resurfacing 2011 Program	400,000		400,000
PV1161 High Volume Corridor Pavement Reconditioning 2011 Program	330,000		330,000
PV1162 Riverside Av (Cedar Av to Franklin Av E) 2011 Program	1,985,000		1,985,000

Purpose	Remaining Authorized Amount	Deferred	Issue in 2011
PV1163 Garfield Av (32 nd to 33 rd St W) 2010 Program	375,000		375,000
SWK1109 Defective Hazardous Sidewalk Replacements 2011 Program	215,000		215,000
TR1108 Parkway Lighting Replacement 2011 Program	150,000		150,000
TR1110 Traffic Management System 2011 Program	25,000		25,000
TR1121 Traffic Signals 2011 Program	500,000		500,000
TR1122 Traffic Safety Improvements 2011 Program	495,000	180,000	315,000
TR1123 Trunk Hwy 55 Signal Improvement 2011 Program	150,000	75,000	75,000

2. The Various Purpose Bonds shall be dated the date of issuance and interest shall be paid semiannually on June 1 and December 1 of each year, commencing December 1, 2011. The Various Purpose Bonds shall mature on December 1 in the years and amounts as follows:

Maturity (December 1)	Principal Amount*
2011	16,470,000
2012	7,600,000
2013	1,500,000
2014	1,000,000
2015	1,000,000

*subject to adjustment

3. Costs of issuance with respect to the Various Purpose Bonds are to be paid first from any premium received with respect to the Various Purpose Bonds, with any remaining cost to be prorated and paid from the following funds: (i) Storm Water Fund; (ii) Sewer Fund; (iii) Parking Fund; and (iv) Bond Redemption Fund. Board staff is authorized to use Springsted Incorporated for bond sale administration and American Financial Printing, Inc. to produce the Official Statement and related electronic documents.

4. Competitive proposals for the sale of the Various Purpose Bonds will be considered by the Executive Secretary to the Board on behalf of the Board on Tuesday, May 17, 2011 at 10:00: a.m. pursuant to the terms set forth in an award resolution adopted by the Board on the date hereof. The terms of the sale shall be as set forth in the Official Terms of Proposal on file with the Executive Secretary. The Executive Secretary shall prepare and distribute an Official Statement and take such other action as may be necessary and appropriate to conduct the sale.

5. The Executive Secretary is authorized to make adjustments in the sale structure, terms and conditions to include the par amount of the issue based on factors that arise including the size of premium received if any and other market factors after consulting with Bond Counsel. Such changes shall be provided to the Board in writing.

On the question of authorizing the sale and issuance of the Bonds, Fine moved the Resolution; seconded by Becker. Following questions and discussion the motion was adopted. Yeas – 5. Nays – none. As follows; Yeas – Fine, Johnson, Rybak, Becker, Wheeler - 5. Nays – none

RESOLUTION
(By Fine)

AUTHORIZING THE SALE AND ISSUANCE OF GENERAL OBLIGATION VARIOUS PURPOSE BONDS, SERIES 2011, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$27,570,000; AND PROVIDING THE FORMS, TERMS, AND FINDINGS, COVENANTS, AND DIRECTIONS RELATING TO THE ISSUANCE OF SUCH OBLIGATIONS

BE IT RESOLVED By the Board of Estimate and Taxation (the “Board”) of the City of Minneapolis, Minnesota (the “City”) as follows:

Section 1. Background and Authority.

1.01. Previous Board Action. Pursuant to a resolution adopted by the Board on the date hereof (the “Authorizing Resolution”), the Board determined to solicit proposals for the purchase of General Obligation Various Purpose Bonds, Series 2011 (the “Various Purpose Bonds”) of the City, in the original aggregate principal amount of \$27,570,000 in accordance with the Official Terms of Proposal on file with the Executive Secretary of the Board and incorporated into an Official Statement to be prepared and distributed with respect to the Various Purpose Bonds. The proceeds of the Various Purpose Bonds will be used to finance various municipal improvements in the City.

1.02. Authority. The City is authorized to issue the Various Purpose Bonds pursuant to the terms of the Minnesota Statutes, Chapter 475 (the “Municipal Debt Act”), Minnesota Statutes, Chapter 444, as amended, Minnesota Statutes, Chapter 429, as amended, Minnesota Statutes, Section 410.32 and Section 412.301, and the City Charter.

1.03 City Council’s Request. The City Council adopted resolutions referred to in the Authorizing Resolution which authorize the Board to incur indebtedness, issue, and sell the Various Purpose Bonds to finance various municipal improvements.

Section 2. Issuance of Bonds. In order to finance certain municipal improvement projects in the City, there is hereby authorized to be issued by the City the Various Purpose Bonds in the aggregate principal amount of \$27,570,000.

Section 3. Terms and Forms of Various Purpose Bonds.

3.01. Bond Terms. The Various Purpose Bonds are authorized to be issued in accordance with the terms of this Resolution. The Various Purpose Bonds shall be designated "General Obligation Various Purpose Bonds, Series 2011" shall be issued in one or more series as the Executive Secretary may determine, and shall be assigned a separate series designation determined by the Executive Secretary for each series issued by the City. Any series of Various Purpose Bonds may be designated such other name or names as determined to be appropriate by the Executive Secretary. The Various Purpose Bonds shall be dated the date of issue, or such other date as the Executive Secretary may determine, shall be issued in denominations of \$5,000 or any integral multiple thereof, and each series shall be numbered from R-1 upwards in order of issuance, or with such other numbering and in such other order as the Bond Registrar may determine. The Bonds shall be issued in the original aggregate principal amount of \$27,570,000, or such greater or lesser amount as the Executive Secretary shall determine to be necessary and appropriate to finance the designated municipal improvements and related costs. The Various Purpose Bonds shall bear interest at the rates per annum approved by the Executive Secretary in connection with the sale thereof, payable semiannually on June 1 and December 1 of each year, or such other dates determined by the Executive Secretary, commencing on December 1, 2011, or such other date determined by the Executive Secretary, from the date of the Various Purpose Bonds or the most recent interest payment date to which interest has been paid or duly provided for, computed on the basis of a 360-day year of twelve thirty-day months. The principal of the Various Purpose Bonds shall mature on such dates and in such principal amounts as shall be determined by the Executive Secretary, consistent with the requirements of Section 475.54, subdivisions 1 and 17 of the Municipal Debt Act (determined, if necessary, by combining such maturities with those of other obligations of the City). The Executive Secretary may determine to designate any portion of the principal of the Various Purpose Bonds to be combined into one or more term bonds subject to mandatory sinking fund redemptions in the years and amounts determined by the Executive Secretary. The authorization to issue the Various Purpose Bonds is effective without any additional action by the City Council or the Board and shall be undertaken by the Executive Secretary on such date or dates and upon the terms and conditions deemed reasonable by the Executive Secretary.

The Executive Secretary shall establish a date on and after which all Various Purpose Bonds shall be subject to redemption and prior payment in whole or in part at the option of the City. The redemption price of the Various Purpose Bonds shall be at such redemption prices, with or without premium, as the Executive Secretary shall determine necessary to obtain the lowest interest rates for the Various Purpose Bonds consistent with the finance plan pursuant to which the Various Purpose Bonds are to be issued.

Thirty (30) days prior to any redemption date, notice of any such redemption shall be given by mail to the banks where the Various Purpose Bonds are payable and to the registered owners, in accordance with the terms of the Municipal Debt Act. In the event of a partial redemption by lot of the Various Purpose Bonds, the Bond Registrar shall assign to each Various Purpose Bond then outstanding a distinctive number for each \$5,000 of the principal amount of such Various Purpose Bonds and shall select by lot in the manner it determines the order of numbers, at \$5,000 for each number, for all outstanding Various Purpose Bonds of the maturity to be redeemed. The order of selection of Various Purpose Bonds to be redeemed shall be the Various Purpose Bonds to which were assigned numbers so selected, but only so much of the principal amount of each Various Purpose 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. Upon partial redemption of any Various Purpose Bond, the same shall be surrendered in exchange for one or more new Various Purpose Bonds in authorized form for the unredeemed portion of principal. The method of selecting Various Purpose Bonds for optional redemption may be altered in such manner as the Executive Secretary shall determine to be necessary and appropriate in the interests of the City and the owners of the Various Purpose Bonds.

3.02. Method of Payment; Bond Registrar and Paying Agent. The Various Purpose Bonds shall be payable as to principal upon presentation and surrender thereof at the office of the Finance Officer, in Minneapolis, Minnesota, as the initial Bond Registrar and Paying Agent, or at the offices of such other successor agents as the City may hereafter designate upon sixty (60) days mailed notice to the registered owners at their respective registered addresses. At the written request of the registered owner thereof, or at the direction of the Finance Officer, the payment of at least \$100,000 in principal amount of Various Purpose Bonds shall be made by wire transfer of immediately available funds to any bank in the continental United States upon presentation and surrender of such Various Purpose Bonds at the office of the Paying Agent. Interest shall be paid by check or draft mailed to the registered owners of record as of the fifteenth day (whether or not a business day) of the month next preceding the applicable interest payment date at their addresses shown on the registration books or, at the written request of a registered owner of at least \$1,000,000 in aggregate principal amount of Various Purpose Bonds or at the direction of the Finance Officer, by wire transfer of immediately available funds to any bank in the continental United States as the registered owner may specify.

3.03. Bond Form. The Various Purpose Bonds shall be in substantially the form set forth in Exhibit A attached hereto with necessary variations as to name, series designation, number, CUSIP Number, denomination, rate of interest, and date of maturity, the blanks therein to be properly filled in, and with such other additions, deletions, or other changes as the Executive Secretary may determine:

3.04. Registration. As long as any of the Various Purpose Bonds issued hereunder shall remain outstanding, the City shall maintain and keep at the office of the Bond Registrar an office or agency for the payment of the principal of and interest on such Various Purpose Bonds, as in this Resolution provided, and for the registration and transfer of such Various Purpose Bonds, and shall also keep at said office of the Bond Registrar books for such registration and transfer. Upon surrender for transfer of any Various Purpose Bond at the office of a Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or the registered owner's duly authorized attorney, and upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, the City shall execute and the Bond Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more fully registered Various Purpose Bonds of the same series, of any authorized denominations and of a like aggregate principal amount, interest rate and maturity. Any Various Purpose Bonds, upon surrender thereof at the office of the Bond Registrar may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Various Purpose Bonds of the same maturity and interest rate of any authorized denominations. In all cases in which the privilege of exchanging Various Purpose Bonds or transferring fully registered Various Purpose Bonds is exercised, the City shall execute and the Bond Registrar shall deliver Various Purpose Bonds in accordance with the provisions of this Resolution. For every such exchange or transfer of Various Purpose Bonds, whether temporary or definitive, the City or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provision of this Resolution, the cost of preparing each new Various Purpose Bond upon each exchange or transfer, and any other expenses of the City or the Bond Registrar incurred in connection therewith (except any applicable tax, fee or other governmental charge) shall be paid by the City. The City and the Bond Registrar shall not be required to make any transfer or exchange of any Various Purpose Bonds called for redemption, nor be obligated to make any such exchange or transfer of Various Purpose Bonds during the fifteen (15) days next preceding the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of Various Purpose Bonds.

3.05. Record Dates. Interest on any Various Purpose Bond which is payable, and is punctually paid or duly provided for, on any interest payment date shall be paid to the person in whose name that Various Purpose Bond (or one or more Various Purpose Bonds for which such bond was exchanged) is registered at the close of business on the fifteenth day of the preceding month. Any interest on any Various Purpose Bond which is payable, but is not punctually paid or duly provided for, on any interest payment date shall cease to be payable to the registered holder on the relevant regular record date solely by virtue of such holder having been such holder; and such defaulted interest may be paid by the City in any lawful manner, if, after notice given by the City to the Bond Registrar of the proposed payment pursuant to this paragraph, such payment shall be deemed practicable by the Bond Registrar. Such payments shall then be made to the persons in whose names the Various Purpose Bonds are registered at the close of business on a special record date established by the Bond Registrar. Subject to the foregoing provisions of this paragraph, each Various Purpose Bond delivered under this Resolution upon transfer of or in exchange for or in lieu of any other Various Purpose Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Various Purpose Bond and each such Various Purpose Bond shall bear interest from such date that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Various Purpose Bond shall become mutilated or be destroyed, stolen or lost, the City shall execute and the Bond Registrar shall authenticate and deliver a new Various Purpose Bond of like maturity and principal amount as the Various Purpose Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Various Purpose Bond, upon surrender and cancellation of such mutilated Various Purpose Bond, or in lieu of and substitution for the Various Purpose Bond destroyed, stolen or lost, upon filing with the City evidence satisfactory to the City and the Bond Registrar that such Various Purpose Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the City and the Bond Registrar with indemnity satisfactory to them and complying with such other reasonable regulations as the City and the Bond Registrar may prescribe and paying such expenses as the City and the Bond Registrar may incur in connection therewith. All Various Purpose Bonds so surrendered to the Bond Registrar shall be cancelled by it and evidence of such cancellation shall be given to the City.

3.07. Owners. As to any Various Purpose Bond, the City and the Bond Registrar and their respective successors, each in its discretion, may deem and treat the person in whose name such Various Purpose Bond for the time being shall be registered as the absolute owner thereof for all purposes and neither the City nor the Bond Registrar nor their respective successors shall be affected by any notice to the contrary. Payment of or on account of the principal of any such Various Purpose Bond shall be made only to or upon the order of the registered owner thereof, but such registration may be changed as above provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Various Purpose Bond to the extent of the sum or sums so paid.

3.08. Use of Securities Depository; Book-Entry Only System. The provisions of this Section shall take precedence over the provisions of Sections 3.01 through 3.07 hereof to the extent they are inconsistent therewith.

(a) The Depository Trust Company ("DTC") has agreed to act as securities depository for the Various Purpose Bonds, and to provide a Book-Entry Only System for registering the ownership interests of the financial institutions for which it holds the Various Purpose Bonds (the "DTC Participants"), and for distributing to such DTC Participants such amount of the principal and interest payments on the Various Purpose Bonds as they are entitled to receive, for redistribution to the beneficial owners of the Various Purpose Bonds as reflected in their records (the "Beneficial Owners").

(b) Initially, and so long as DTC or another qualified entity continues to act as securities depository, the Various Purpose Bonds shall be issued in typewritten form, one for each maturity in a principal amount equal to the aggregate principal amount of each maturity, shall be registered in the name of the securities depository or its nominee, and shall be subject to the provisions of this Section. While DTC is acting as the securities depository, the Various Purpose Bonds shall be registered in the name of DTC's nominee, CEDE & CO; provided that upon delivery by DTC to the City and the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of CEDE & CO., the words "CEDE & CO." in this Resolution shall refer to such new nominee of DTC.

With respect to Various Purpose Bonds registered in the name of DTC or its nominee, the City and the Bond Registrar shall have no responsibility or obligation to any DTC Participant or other person with respect to the following: (i) the accuracy of the records of any securities depository or its nominee with respect to any ownership interest in the Various Purpose Bonds; (ii) the delivery to any DTC Participant or other person or any other person, other than DTC, of any notice with respect to the Various Purpose Bonds, including any notice of redemption; or (iii) the payment to any DTC Participant or any other person, other than DTC, of any amount with respect to the principal of or interest on the Various Purpose Bonds. The Bond Registrar shall pay all principal of and interest on the Various Purpose Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal and interest on the Various Purpose Bonds to the extent of the sum or sums so paid. So long as the Book-Entry Only System described in this Section is in effect, no person other than DTC shall receive an authenticated Various Purpose Bond.

(c) Upon receipt by the City and the Bond Registrar of written notice from DTC or any other securities depository to the effect that it is unable or unwilling to discharge its responsibilities under the Book-Entry Only System, the Bond Registrar shall issue, transfer, and exchange Various Purpose Bonds of the initial series as requested by the securities depository in appropriate amounts, and whenever the securities depository requests the City and the Bond Registrar to do so, the City and the Bond Registrar shall cooperate with the securities depository in taking appropriate action after reasonable notice: (i) to arrange for a substitute depository willing and able, upon reasonable and customary terms, to maintain custody of the Various Purpose Bonds; or (ii) to make available Various Purpose Bonds registered in whatever name or names the Beneficial Owner registering ownership, transferring or exchanging such Various Purpose Bonds shall designate, in accordance with clause (f) or clause (g) below, whichever is applicable.

(d) In the event the City determines that it is in the best interests of the Beneficial Owners that they be able to obtain printed Various Purpose Bonds, the City may so notify the securities depository and the Bond Registrar, whereupon the securities depository shall notify the Beneficial Owners of the availability through the securities depository of such printed Various Purpose Bonds. In such event, the City shall cause to be prepared and the Bond Registrar shall issue, transfer and exchange printed Various Purpose Bonds, fully executed and authenticated, as requested by the securities depository in appropriate amounts and, whenever the securities depository requests, the City and the Bond Registrar shall cooperate with the securities depository in taking appropriate action after reasonable notice to make available printed Various Purpose Bonds registered on the Bond Register in whatever name or names the Beneficial Owners entitled to receive Various Purpose Bonds shall designate, in accordance with clause (f) or clause (g) below, whichever is applicable.

(e) Notwithstanding any other provisions of this Resolution to the contrary, so long as any Various Purpose Bond is registered in the name of a securities depository or its nominee, all payments of principal and interest on the Various Purpose Bond and all notices with respect to the Various Purpose Bond shall be made and given, respectively, to the securities depository as provided in the representation letter given to it by the City. The Blanket Letter of Representations from the City to the Depository Trust Company is confirmed and shall apply to the Various Purpose Bonds.

(f) In the event that the Book-Entry Only System established pursuant to this Section is discontinued, except as provided in clause (g), the Various Purpose Bonds shall be issued through the securities depository to the Beneficial Owners.

(g) In the event of termination of the Book-Entry Only System, the City shall have the right to terminate, and shall take all steps necessary to terminate, all arrangements with the securities depository described herein, and thereafter shall issue, register ownership of, transfer and exchange all Various Purpose Bonds as provided herein. Upon receipt by the securities depository of notice from the City, the securities depository shall take all actions necessary to assist the City and the Bond Registrar in terminating all arrangements for the issuance of documents evidencing ownership interests in the Various Purpose Bonds through the securities depository. Nothing herein shall affect the securities depository's rights under clause (e) above.

Section 4. Sale, Execution, and Delivery of Various Purpose Bonds and Related Documents.

4.01. Method of Sale. Authority to negotiate the sale and issuance of the Various Purpose Bonds is hereby delegated to the Executive Secretary, in consultation with the Finance Officer of the City, under Section 475.60, subdivision 1 of the Municipal Debt Act; provided that each series of Various Purpose Bonds shall be sold only at a price of not less than ninety-eight percent (98%) of the principal amount of such series of Various Purpose Bonds, and the Various Purpose Bonds shall bear interest at the rates specified by the successful proposal. In connection with the sale of the Various Purpose Bonds, by one or more certificates or other written instruments or documents, the Finance Officer may make such additional covenants or directions as he may deem necessary and expedient, including but not limited to, approval of an Official Statement and of a Continuing Disclosure Certificate. Any unused discount and any unused issuance costs shall be deposited in the Debt Service Account or applied to such other purposes as determined to be appropriate by the Finance Officer.

4.02. Execution and Delivery. The Various Purpose Bonds shall be executed by the manual or facsimile signature of the Finance Officer, the manual or facsimile signature of the President of the Board, and a facsimile of the corporate seal of the City shall be included as set forth in the form of Various Purpose Bond. The text of the approving legal opinion of Kennedy & Graven, Chartered, of Minneapolis, Minnesota, as bond counsel, may be printed on or accompany the delivery of each Various Purpose Bond. When the Various Purpose Bonds have been duly executed and authenticated by the Bond Registrar in accordance with this Resolution, the Various Purpose Bonds shall be delivered to the purchasers in accordance with the terms of the sale upon payment of the purchase price, and the receipt of the Finance Officer to said purchasers thereof shall be a full acquittance; and said purchasers shall not be bound to see to the application of the purchase money. The Various Purpose Bonds shall not be valid for any purpose until authenticated by the Bond Registrar, which is hereby appointed authenticating agent in accordance with the Municipal Debt Act.

4.03. Official Statement. The Executive Secretary shall cause an Official Statement relating to the Various Purpose Bonds and any appropriate addendums to such Official Statement to be prepared (collectively, the “Official Statement”), and the use thereof by the purchasers is approved.

4.04. Certificates. If such officer finds the same to be accurate, the Finance Officer is authorized and directed to furnish to the purchasers at the closing: (i) a certificate that, to the best of the knowledge of such officer, the Official Statement does not, at the date of closing, and did not, as of its date, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (ii) such other certificates as are required as a condition of sale, including a Continuing Disclosure Certificate setting forth the continuing disclosure obligations of the City under applicable law, as approved by the Finance Officer. Unless litigation shall have been commenced and be pending questioning the Various Purpose Bonds or the organization of the City or incumbency of its officers, at the closing, the Finance Officer shall also execute and deliver to the purchasers a suitable certificate as to absence of material litigation, and the Finance Officer shall also execute and deliver a certificate as to payment for and delivery of the Various Purpose Bonds. The Finance Officer shall also execute and deliver an arbitrage certificate meeting the requirements of the arbitrage regulations under Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”) and shall deliver the signed approving legal opinion of Kennedy & Graven, Chartered, as to the validity and enforceability of the Various Purpose Bonds and the exemption of interest thereon from federal and Minnesota income taxation (other than Minnesota corporate franchise and bank excise taxes measured by income) under present laws and rulings.

4.05. Filing of Resolution. Following the sale of the Various Purpose Bonds, the Executive Secretary is authorized and directed to file a certified copy of this resolution, along with a copy of the tax levy imposed pursuant to Section 5.03 hereof, with the Taxpayer Services Division Manager of Hennepin County and to obtain the certificate required by Section 475.63 of the Municipal Debt Act.

Section 5. Payment; Security; Pledges and Covenants.

5.01. Various Purpose Bonds Debt Service Account. The Various Purpose Bonds will be payable from the debt service account for the Various Purpose Bonds (the “Various Purpose Bonds Debt Service Account”) established as part of the City’s Debt Service Fund and the following are hereby pledged to the Various Purpose Bonds Debt Service Account: (a) special assessments against property specially benefited by local improvements financed with proceeds of the Various Purpose Bonds; (b) net revenues derived from the operation of the City’s sewer system, water system, and storm water system financed with proceeds of the Various Purpose Bonds; and (c) the proceeds of ad valorem taxes levied herein. If a payment of principal or interest on the Various Purpose Bonds becomes due when there is not sufficient money in the Various Purpose Bonds Debt Service Account to pay the same, the Finance Officer will pay such principal or interest from the general fund of the City, and the general fund will be reimbursed for those advances out of the proceeds of the assessments, revenues or proceeds of the taxes levied by this resolution, when collected. There is appropriated to the Various Purpose Bonds Debt Service Account a pro rata portion of: (i) interest to be financed with proceeds of the Various Purpose Bonds, if any, (ii) any amount over the minimum purchase price of the Various Purpose Bonds, if any, paid by the purchaser, and (iii) the accrued interest, if any, paid by the purchaser upon closing and delivery of the Various Purpose Bonds.

5.02. Various Purpose Bonds Project Fund. The proceeds of the Various Purpose Bonds, less the appropriations made in paragraph (a), together with any other funds appropriated for the improvements and assessments collected during the construction of the municipal improvements will be deposited in separate funds or accounts to be used solely to defray expenses of the municipal improvements including the payment of principal and interest on the Various Purpose Bonds prior to the completion and payment of all costs of any municipal improvement. Any balance remaining in any fund or account after completion of any municipal improvements may be used to pay the cost, in whole or in part, of any other local improvement undertaken by the City. When the municipal improvements are completed and the costs thereof paid, the funds and accounts are to be closed and subsequent collections of assessments for the improvements are to be deposited in the Various Purpose Bonds Debt Service Account.

5.03. Ad Valorem Tax Levy. For the purpose of paying the principal of and interest on the Various Purpose Bonds, the Finance Officer is hereby authorized to levy a direct annual irrepealable ad valorem tax upon all of the taxable property in the City, to be spread upon the tax rolls and collected with and as part of other general taxes of the City to the extent the Finance Officer determines such levy is necessary to pay the principal of and interest on the Various Purpose Bonds when due. Any tax levy so imposed will be irrepealable until the Various Purpose Bonds are paid, provided that the Finance Officer may reduce the tax levy in accordance with the provisions of Section 475.61 of the Municipal Debt Act. The tax revenues derived from the levy of such ad valorem taxes will be credited to the Various Purpose Bonds Debt Service Account above provided.

5.04. Adequacy of Revenues. It is determined that the estimated collection of the foregoing taxes, along with the special assessments and net revenues derived from the operation of the City's sewer system, water system, and storm water system described in Section 5.01, will produce at least five percent in excess of the amount needed to meet when due, the principal and interest payments on the Various Purpose Bonds. If necessary, however, the City shall levy a direct tax on all taxable property in the City, without limitation as to rate or amount, to pay such principal and interest when due.

Section 6. Tax Covenants.

6.01. Tax-Exempt Bonds. No action shall be taken or authorized to be taken in connection with the application or investment of the proceeds of the Various Purpose Bonds which would cause the Various Purpose Bonds to be or become "private activity bonds" within the meaning of Section 141 of the Code and the applicable Treasury Regulations promulgated thereunder, or be or become "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder. The City shall take all such actions as may be required under the Code and applicable Treasury Regulations to ensure that interest on the Various Purpose Bonds is not includable in gross income for federal income tax purposes.

6.02. Not Private Activity Bonds. The investments of the proceeds of the Various Purpose Bonds, including the investments of any revenues pledged to the Various Purpose Bonds which are considered proceeds under Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder, and accumulated sinking funds, if any, shall be limited as to amount and yield in such manner that the Various Purpose Bonds shall not be or become “arbitrage bonds” within the meaning of Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder. On the basis of the existing facts, estimates, and circumstances, including the foregoing findings and covenants, it is not expected that the proceeds of the Various Purpose Bonds will be used in such manner as to cause the Various Purpose Bonds to be or become “arbitrage bonds” within the meaning of Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder. The Finance Officer shall furnish a certificate to the Purchaser embracing or based on the foregoing certification at the time of delivery of the Various Purpose Bonds and the Finance Officer may make any election permitted under Section 148 or Section 150 of the Code on behalf of the City.

Section 7. Miscellaneous Matters Relating to Various Purpose Bonds.

7.01. Registration. The Executive Secretary is hereby authorized and directed to certify a copy of this Resolution and to cause the same to be filed with the Taxpayer Services Division Manager of Hennepin County, exercising the powers of the County Auditor under Section 475.63 of the Municipal Debt Act, and to obtain a certificate as to registration of the Various Purpose Bonds.

7.02. Enforceability of Various Purpose Bonds. All agreements, covenants, and obligations of the City contained in this Resolution and in the above-referenced documents shall be deemed to be the agreements, covenants, and obligations of the City to the full extent authorized or permitted by law, and all such agreements, covenants, and obligations shall be binding on the City and enforceable in accordance with their terms. No agreement, covenant, or obligation contained in this Resolution or in the above-referenced documents shall be deemed to be an agreement, covenant, or obligation of any member of the City Council or the Board, or of any officer, employee, or agent of the City in that person’s individual capacity. Neither the members of the City Council, the Board, nor any officer executing the Various Purpose Bonds shall be liable personally on the Various Purpose Bonds or be subject to any personal liability or accountability by reason of the issuance of the Various Purpose Bonds.

7.03. Rights Conferred. Nothing in this Resolution or in the above-referenced documents is intended or shall be constructed to confer upon any person (other than as provided in the Various Purpose Bonds and the other agreements, instruments, and documents hereby approved) any right, remedy, or claim, legal or equitable, under and by reason of this Resolution or any provision of this Resolution.

7.04. Persons Authorized to Execute Documents. If for any reason the Finance Officer or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written documents on behalf of the City shall for any reason cease to be an officer, employee, or agent of the City after the execution by such person of any certificate, instrument, or other written document, such fact shall not affect the validity or enforceability of such certificate, instrument, or other written document. If for any reason the Finance Officer or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written documents on behalf of the City shall be unavailable to execute such certificates, instruments, or other written documents for any reason, such certificates, instruments, or other written documents may be executed by an acting or assistant to such officer, or by such other officer of the City as in the opinion of the City Attorney is authorized to sign such document.

7.05. Amendments. The authority to approve, execute, and deliver future amendments to the documents executed and delivered by the City in connection with the transactions contemplated by this Resolution is hereby delegated to the Finance Officer, subject to the following conditions: (a) such amendments do not require the consent of the holders of the Various Purpose Bonds or, if required, such consent has been obtained; (b) such amendments do not materially adversely affect the interests of the City as the issuer of the Various Purpose Bonds; (c) such amendments do not contravene or violate any policy of the City; (d) such amendments are acceptable in form and substance to the City Attorney, bond counsel or other counsel retained by the City to review such amendments; (e) the City has received, if necessary, an opinion of bond counsel to the effect that the amendments will not adversely affect the tax-exempt character or interest on the Various Purpose Bonds (if the Various Purpose Bonds are then tax-exempt obligations); and (f) such amendments do not materially prejudice the interests of the owners of the Various Purpose Bonds. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Resolution. The execution of any instrument by the Finance Officer shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Finance Officer, any instrument authorized by this paragraph to be executed and delivered by the Finance Officer may be executed by such other officer of the City as in the opinion of the City Attorney is authorized to execute and deliver such document.

7.06. Effective Date. This Resolution shall take effect and be in force from and after its approval.

The secretary reported on 2012 & 2013 property tax levy pressures & the relationship of capital projects yet to be closed could be used to address some of the pressure. The secretary also reported on other means that might be available to address part of the pressure.

The following reports were presented by the secretary to the Board:

R – 1. Variable Rates (Tax Exempt) for the weeks starting April 7 & 14, 2011.

R – 2. Report on the following sales;

- A. The \$ 33,800,00 General Obligation Convention Center Refunding Bonds, Series 2011 S on March 15, 2011.
 - a. Fifth teen bidders & time of bids
 - b. Actual TIC bid
 - c. Bid tab
 - d. Sale information

- B. The \$ 71,250,00 Taxable General Obligation Convention Center Refunding Bonds, Serie 2011 Sale on March 15, 2011.
 - a. Nine bidders & time of bids
 - b. Actual TIC bid
 - c. Bid tab
 - d. Sale information

- C Other Related actions
 - a. December 1, 2010 Call from savings on the 2010 variable rate debt actual vs bud
 - b. February 14, 2011 Call from funds budgeted for 2011 June 1 & December 1 debt service payments.
 - c. April 1, 2012 Call of the April 1, 2013 & April 1, 2014 maturities.