



**CITY COUNCIL
MEETING AGENDA
JANUARY 22, 2024 AT 5:30 PM
HJEMKOMST CENTER AUDITORIUM**

City Council Meeting

Disclaimer: Voting requirements may be subject to changes in the law, parliamentary procedural matters, or other unforeseen issues. The City Attorney provides opinion on questions of voting requirements in accordance with the Moorhead City Code, Minnesota State Statutes, and parliamentary procedure.

1. Call to Order and Roll Call
2. Pledge of Allegiance
3. Agenda Amendments
4. Consent Agenda

*All items listed with an asterisk (*) are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in accordance with the "Council Rules of Procedure". In such event, the item will be removed from the General Order of Business and considered in its normal sequence on the agenda.*
5. Recognitions - Presentations
 - A. Presentation: 2024 Bond Sale, Baker Tilly Municipal Advisors
6. Approve Minutes
 - A. January 8, 2024 Meeting Minutes
7. Citizens Addressing the Council (Time Reserved: 15 Minutes)

During "Citizens Addressing the Council", the Mayor will invite residents to share issues, concerns and opportunities. Individuals must limit their comments to three minutes. The Mayor may limit the number of speakers on the same issue in the interest of time and topic. Individuals should not expect the Mayor or Council to respond to their comments tonight.
8. *Mayor and Council Appointments
9. Public Hearings (5:45 pm)

During "Public Hearings", the Mayor will ask for public testimony after staff and/or applicants make their presentations. The following guidelines are in place to ensure an efficient, fair, and respectful hearing; limit your testimony to three minutes and to the matter under consideration; the Mayor may modify times, as deemed necessary; avoid repeating remarks or points of view made by previous speakers. The use of signs, clapping, cheering or booing or any other form of verbal or nonverbal communication is not allowed.

 - A. Public Hearing to Authorize Filing of an Application to the Federal Transit Administration for 2024 Operating and Capital Assistance
 - B. Resolution to Authorize Budget Adjustment #24-003 and Filing of an Application to the Federal Transit Administration for 2024 Operating and Capital Assistance
10. Economic Development
 - A. *Resolution to Approve Application to the Department of Employment and Economic

Development for a Redevelopment Grant in Support of Downtown Redevelopment, Committing Local Match, and Authorizing Contract Signatures

11. Engineering Department

- A. Resolution to Approve Cooperative Construction Agreement No. 1053983 for the Downtown Underpass Project (Eng. No. 14-02-03)
- B. Resolution to Approve Various Property Rights for the Downtown Underpass Project (Eng. No. 14-02-03C)
- C. Resolution to Approve the City of Moorhead enter into MnDOT Agreement No. 1055212 with the State of Minnesota, Department of Transportation
- D. *Resolution to Approve Actions Relating to 4th Ave S, 5th Ave S and 6th St S Area Street Improvements (Eng. No. 24-A2-06)
- E. *Resolution to Approve Actions Relating to 14th St N, 16th St N, and 6th Ave N Underground Utility and Street Improvements (Eng. No. 24-A2-04)
- F. *Resolution to Approve Actions Relating to 4th Ave N and 30th St N Underground Utility and Street Improvements (Eng. No. 24-A2-05)
- G. *Resolution to Support an Active Transportation Grant Application

12. Fire Department

- A. *Resolution to Award Bid for the Remodel of Fire Station 1 to Accommodate the 11th St N Underpass
- B. *Resolution to Approve Budget Adjustment #24-004 and Accept Grant Award for 2022 Hazardous Materials Emergency Preparedness (HMEP) Grant Program.

13. Community Development Department

- A. *Resolution to Approve Budget Adjustment #24-002 and Related Agreement with State of MN - Department of Labor and Industry

14. Moorhead Public Service

- A. Resolution Accepting Offer on the Sale of City of Moorhead \$27,810,000 Public Utility Revenue Bonds, Series 2024A (Moorhead Public Service), and providing for their Issuance

15. Administration

- A. *Resolution to Approve Trollwood Performing Arts School 2024 Operating Budget & Execute Affidavit
- B. *Resolution to Accept Quarterly Donations
- C. *Resolution to Accept 2023 Donations

16. Mayor and Council Reports

17. City Manager Reports
18. Executive Session
19. New Business
20. Adjourn



**CITY COUNCIL
MEETING MINUTES
JANUARY 08, 2024 AT 5:30 PM
HJEMKOMST CENTER AUDITORIUM**

1. Call to Order and Roll Call

Roll call of the members was made as follows:

Present: Council Member: Ryan Nelson
Council Member: Matthew Gilbertson
Council Member: Heather Nesemeier
Council Member: Laura Caroon
Council Member: Deb White
Council Member: Sebastian McDougall
Council Member: Chuck Hendrickson
Mayor: Shelly Carlson

Absent: Council Member: Larry Seljevold

2. Pledge of Allegiance

3. Agenda Amendments

4. Consent Agenda

Motion to Approve Consent Agenda made by Matthew Gilbertson and seconded by Heather Nesemeier

Motion Passed

For: 7; Nelson, Gilbertson, Nesemeier, Caroon, White, McDougall, Hendrickson

Against: 0;

Abstain/Recuse: 0;

Absent: 1; Seljevold

5. Recognitions - Presentations

A. MoorHeart Recognition: Markus Krueger

Governmental Affairs Director Lisa Bode presented the MoorHeart award to Markus Krueger for his efforts highlighting Moorhead's history through his work with the Historical and Cultural Society of Clay County. Mr. Krueger thanked the community for allowing him to share their stories. Mr. Krueger especially thanked Mark Piehl for his guidance and friendship throughout his career.

B. Employee Service Recognitions

Human Resources Director Amy Settergren recognized employees who have worked for the City of Moorhead for 25 years or more. Police Chief Shannon Monroe recognized Detective Brad Stuvland for his outstanding work with the Moorhead Police Department for 25 years. Public Works Director Paul Fiechtner presented Todd Grimm, Golf Course Superintendent at the Meadows, a certificate of appreciation for 30 years of service.

6. Approve Minutes

A. December 11, 2023 Meeting Minutes

Motion to Approve December 11, 2023 Meeting Minutes made by Deb White and seconded by Sebastian McDougall

Motion Passed

For: 7; Nelson, Gilbertson, Nesemeier, Caroon, White, McDougall, Hendrickson

Against: 0;

Abstain/Recuse: 0;

Absent: 1; Seljevold

7. Citizens Addressing the Council (Time Reserved: 15 Minutes)

8. *Mayor and Council Appointments

A. Resolution to Approve Appointment of Mayor Pro Tem and Mayoral Appointments to Committees, Boards, and Commissions

Motion to Approve Resolution to Approve Appointment of Mayor Pro Tem and Mayoral Appointments to Committees, Boards, and Commissions made by Heather Nesemeier and seconded by Laura Caroon

Motion Passed

For: 7; Nelson, Gilbertson, Nesemeier, Caroon, White, McDougall, Hendrickson

Against: 0;

Abstain/Recuse: 0;

Absent: 1; Seljevold

B. *Resolution to Approve Mayoral Appointments of Council Members to Committees, Boards, and Commissions

C. *Resolution for Appointments to Boards and Committees

9. Public Hearings (5:45 pm)

10. Parks and Recreation Department

A. *Resolution to Approve 2024 Agreements and 2024 Athletic Use Guide for Leasing of Facilities in Parks and Recreation

B. *Resolution to Approve Food and Beverage Service Vendor at Moorhead's Municipal Golf Courses

C. Resolution to Award Bids for the Renovations to the Neighborhood Recreation Center at Village Green Park due to Fire Damage

Director of Parks & Recreation Holly Heitkamp shared an update on insurance and bid documents to repair the Neighborhood Recreation Center at Village Green Park after a fire in June 2023.

Motion to Approve Resolution to Award Bids for the Renovations to the Neighborhood Recreation Center at Village Green Park due to Fire Damage made by Heather Nesemeier and seconded by Deb White

Motion Passed

For: 7; Nelson, Gilbertson, Nesemeier, Caroon, White, McDougall, Hendrickson

Against: 0

Abstain/Recuse: 0

Absent: 1; Seljevold

11. Community Development Department

- A. *Resolution to Approve the Re-establishment of a Non-Conforming Zoning Use at 3103 Covent Garden Street

12. Public Works

- A. *Resolution to Approve Agreement with MinnKota Recycling

13. Administration

- A. *Resolution to Approve 2024 Tax Increment Interfund Loan
- B. *Resolution to Designate the Official Newspaper and Website of the City of Moorhead
- C. *Resolution to Designate Official Depositories, Signers and Authority to make Electronic Funds Transfers
- D. *Resolution to Approve Joint Powers Agreement with the Minnesota Bureau of Criminal Apprehension regarding the State of Minnesota Criminal Justice Data Communications Network
- E. *Resolution to Approve Submission of 2024 CDBG Annual Action Plan and Amendment
- F. *Resolution to Approve Amendment to the 2022 and 2023 for Community Development Block Grant (CDBG) Annual Action Plan

14. Mayor and Council Reports

Council member Heather Nesemeier thanked Moorhead Public Service and Moorhead Public Works staff for their quick responses during a recent ice and snowstorm.

Mayor Shelly Carlson thanked City staff for their annual years of service recognitions. Mayor Carlson spoke about a meeting with the delegation of Minnesota's Legislative District 4 to review the City of Moorhead's priorities in the 2024 legislative session. Mayor Carlson was honored to be MSUM's fall 2023 commencement speaker. The Mayor recognized Mary Philipi, Executive Director of the Red River Regional Dispatch Center, on her retirement after 30 years of service. Mayor Carlson shared she attended a meeting with the Lakes and Prairies Community Action Partnership and a positive encounter with an individual from the Congo that is requesting assistance to bring family to the United States. Mayor Carlson spoke about a proclamation reading during Homeless Memorial Day on December 21. In addition, the Mayor gave an extended interview with Tyler Schonert with WDAY Radio regarding the great happenings in Moorhead in 2024.

15. City Manager Reports

City Manager Dan Mahli stated the City of Moorhead's 2023 Development Report will be shared at an upcoming City Council meeting. He also stated the Chamber of Commerce's annual State of the Cities event is taking place Thursday, January 11 at the Delta by Marriott in Fargo. City Manager

Mahli provided an update on Frostival events which due to lack of snow is exploring new and adaptive programs to support outdoor activations this winter.

16. Executive Session

17. New Business

18. Adjourn

Meeting adjourned at 6:06pm

APPROVED BY:

ATTEST:

Michelle (Shelly) A. Carlson
Mayor

Christina Rust
City Clerk

The proceedings of this meeting are digitally recorded and are available for public review.



City Council Communication

January 22, 2024

SUBJECT:

Public Hearing to Authorize Filing of an Application to the Federal Transit Administration for 2024 Operating and Capital Assistance

RECOMMENDATION:

The Mayor and City Council are asked to conduct a Public Hearing and, following this, consider approval of the following actions:

1. Authorize submission of a 2024 Grant Application for operating and capital assistance to Federal Transit Administration (FTA) Section 5307.
2. Authorize the Mayor or City Manager to sign FTA Certifications and Assurances.
3. Authorize the Mayor and City Manager to execute contracts with FTA.
4. Authorize the Transit Manager or Finance Manager to furnish such additional information FTA may require in connection with such application or program of projects.
5. Authorize the Transit Manager to set forth and execute affirmative minority business policies in connection with the Transit program of projects' procurement needs.
6. Approve budget adjustment #24-003 to the 2024 Mass Transit Budget for the engineering of multiple shelter improvements.

BACKGROUND/KEY POINTS:

Moorhead receives an annual apportionment of FTA Section 5307 funds based on population that can be used for operating, planning and capital projects. At this time, funds available for programing include Federal Fiscal Years (FFY) 2020-2023. The funds can be carried forward up to five years to prepare for larger projects. Four 5307 projects are included in the draft 2024 grant application: Operating, Engineering for Shelters, Purchase On-Demand Vehicle Expansion, and Replace Fare Media Sales Equipment.

On November 8, 2023, the City Council approved submission of capital grant applications to the State of Minnesota Department of Transportation (MnDOT) for the four-year period 2024-2027. The State of Minnesota has selected Moorhead to receive \$27,592 in FTA Section 5339 funding for shelter improvements and \$55,200 in STBGP funds to replace a senior ride van, which covers up to 80% of the project cost.

A public hearing is required prior to submission of grant applications to the Federal Transit Administration (FTA). Therefore, a public hearing has been scheduled tonight for the following proposed program of projects and budget or 2024. No comments have been received in advance from the public.



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URBANIZED AREA: Fargo, ND - Moorhead, MN

APPLICANT: City of Moorhead, MN

TRANSIT SERVICE AREA OF PROJECTS: Cities of Moorhead and Dilworth, MN

Section 5307 Federal Apportionment for FY2020 Balance	\$103,677
Section 5307 Federal Apportionment for FY2021 Partial	\$763,923
Section 5339 Federal Grant	\$27,592
Surface Transportation Program (STBGP) for FY2023	\$55,200
Total	\$950,392

	Funding Source	Local Share	Federal Share	Project Totals
PROGRAM OF PROJECTS DESCRIPTIONS				
I. OPERATING ASSISTANCE				
A. Maximum Federal Funding (up to 50% funding)				
1. Eligible net operating expenses of the Moorhead Transit System for the Period of January through December 2024	5307	\$694,000	\$694,000	\$1,388,000
II. CAPITAL PROJECTS				
A. 20% Local / 80% Federal Funding				
1. Engineering for Shelters	5307	\$3,000	\$12,000	\$15,000
2. Purchase On-demand Vehicle Expansion	5307	\$34,600	\$138,400	\$173,000
3. Replace Fare Media Sales Equipment	5307	\$5,800	\$23,200	\$29,000
B. 20% Local / 80% Federal Funding				
1. Rehab/Replace Shelters	5339	\$6,898	\$27,592	\$34,490
C. 20% Local / 80% Federal Funding				
1. Replace Senior Ride Van	STBGP	\$13,800	\$55,200	\$69,000
TOTAL PROGRAM OF PROJECTS		\$758,098	\$950,392	\$1,708,490

NOTE: Local share funds may include State funds.

FINANCIAL CONSIDERATIONS:

The projects under consideration are included in the approved 2024 Mass Transit Budget, with the exception of the \$15,000 for engineering shelter improvements. Moorhead has several shelter improvement projects in existing grants and requires engineering for the concrete work and accessible pathways for drafting plans and specifications to request bids.

Local Share Operating Match: The 50% local match for operating costs consists of up to 30% State of Minnesota and 20% City and CARES Act funds.



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The 30% State local share includes State aid funds generated from Minnesota Vehicle Excise Taxes transferred to MN/DOT for granting purposes as well as State general fund revenue.

The 20% City local share consists of advertising revenue, GTC concessions, earned interest and Federal CARES Act. The CARES resources dedicated to transit means that no property tax revenue is being utilized for transit operating with the exception of minor grant ineligible expenses.

Local Share Capital Match: All proposed capital projects were included in the approved 2024-2027 Capital Improvement Plan, with the exception of engineering for shelter improvements. Proposed Budget Adjustment 24-003 would fund the local share of \$3,000 with Mass Transit Reserves. The Moorhead local share capital match total of \$64,098 is available from the annual CIP allocation of \$150,000.

The remaining grant apportionment funds from FFY2021 and all grant funds from FFY2022-23 may be programmed for transit operating, planning or capital projects as needed and will remain available the year appropriated and five years beyond. Funds may be moved between projects and the grant can be amended to add projects should the City Council choose to select different projects, postpone projects or costs change.

Budget Adjustment #24-003

Fund Name	Acct. Description	Expenditure	Funding Source
Mass Transit	FTA Capital Grant		\$12,000.00
Mass Transit	From Reserves		\$3,000.00
Mass Transit	Professional Services	\$15,000.00	
	Total	\$15,000.00	\$15,000.00

Voting Requirements: 3/4 of Council (6)

Submitted By:

Dan Mahli, City Manager
 Lisa Bode, Governmental Affairs Director
 Lori Van Beek, Transit Manager

Attachments:

RESOLUTION

Resolution to Authorize Budget Adjustment #24-003 and Filing of an Application to the Federal Transit Administration for 2024 Operating and Capital Assistance

WHEREAS, the Federal Transportation Administrator has been delegated authority to award Federal financial assistance for a transportation project; and,

WHEREAS, the grant or cooperative agreement for Federal financial assistance will impose certain obligations upon the Applicant, and may require the Applicant to provide the local share of the project cost; and

WHEREAS, the Applicant has or will provide all annual certifications and assurances to the Federal Transit Administration required for the project; and

WHEREAS, the City of Moorhead, Minnesota, has received written authority from the State of Minnesota as the designated recipient to apply for Urbanized Area Formula Program assistance as defined by Title 49, United States Code, Section 5307, appropriated prior to Federal Fiscal Year 2024;

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

1. That the Mayor or City Manager, or his/her designee, is authorized to execute and file an application for Federal assistance on behalf of the City of Moorhead, Minnesota, with the Federal Transit Administration to aid in the financing of operating and capital assistance projects authorized under Title 49, United States Code, Section 5307.
2. That the Mayor or City Manager, or his/her designee, and/or the City Attorney are authorized to execute and file with its applications the annual certifications and assurances and other documents the Federal Transportation Administration requires before awarding a Federal assistance grant or cooperative agreement.
3. That the Transit Manager, or his/her designee, is authorized to furnish such additional information as the Federal Transit Administration may require in connection with such applications or program of projects.
4. That the Transit Manager, or his/her designee, is authorized to set forth and execute affirmative minority business policies in connection with program of projects' procurement needs.
5. That the Mayor and City Manager, or his/her designee, are authorized to execute grant and cooperative agreements with the Federal Transit Administration on behalf of the City of Moorhead, Minnesota, for aid in the financing of operating and capital assistance projects.
6. That the City Council hereby approves budget adjustment #24-003 to the 2024 Mass Transit Budget for the engineering of multiple shelter improvements.

PASSED: January 22, 2024 by the City Council of the City of Moorhead.

APPROVED BY:

ATTEST:

Michelle (Shelly) A. Carlson, Mayor

Christina Rust, City Clerk



City Council Communication

January 22, 2024

SUBJECT:

Resolution to Approve Application to the Department of Employment and Economic Development for a Redevelopment Grant in Support of Downtown Redevelopment, Committing Local Match, and Authorizing Contract Signatures

RECOMMENDATION:

The Mayor and City Council are asked to consider a resolution to authorize submission of an application to the Minnesota Department of Employment and Economic Development (DEED) "Redevelopment Grant Program" for Phase 1 of the Downtown (MCM) Redevelopment Project and authorize the Mayor and City Manager to execute any necessary document related to this application.

BACKGROUND/KEY POINTS:

In 2022, Roers Development announced a Master Development concept (www.moretomoorhead.com) for the downtown Moorhead Center Mall redevelopment site. MCM Development LLC (a closely related company of Roers Development) has site control of all parcels within the redevelopment project area and continues to move forward with phased plans for redeveloping the 14-acre site.

On September 11, 2023, the City Council approved a short-term extension to a Predevelopment Agreement with Roers Development and approved the demolition and clearance of blighted buildings. Phase 1 demolition has begun with the interior demolition of the former Herberger's department store. Demolition costs are one of the qualifying redevelopment expenses which communities may apply for grant funding.

Minnesota Department of Employment and Economic Development (DEED) Redevelopment Grant Program helps communities with the costs of redeveloping blighted industrial, residential, or commercial sites and putting land back into productive use. Eligible applicants are cities, counties, port authorities, housing and redevelopment authorities, and economic development authorities. The application deadline is February 1 and requires a City Council resolution approving the submission of the grant application.

A "Local Match Agreement" has been drafted by the City Attorney which states that Roers Development will be required to provide the 50% local match.

FINANCIAL CONSIDERATIONS:

There are no costs to the City other than staff time to apply for and, if awarded, administer the DEED grant. DEED Redevelopment Grants pay up to 50% of qualified redevelopment costs with the remaining 50% as a local match by Roers Development.



City Council Communication

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Voting Requirements: 3/4 of Council (6)

Submitted By:

Dan Mahli, City Manager

Derrick LaPoint, DMI/Economic Development

Amy Thorpe, Economic Development Program Administrator

Attachments: Draft Resolution

RESOLUTION

Resolution to Approve Application to the Department of Employment and Economic Development for a Redevelopment Grant in Support of Downtown Redevelopment, Committing Local Match, and Authorizing Contract Signatures

WHEREAS, the Minnesota Department of Employment and Economic Development (DEED) helps communities with the costs of redeveloping blighted industrial, residential, or commercial sites and putting land back into productive use; and

WHEREAS, a DEED Redevelopment Grant may pay up to half of the redevelopment costs for a qualifying site with a 50% local match; and

WHEREAS, a DEED Redevelopment Grant can assist with certain redevelopment costs such as site demolition, infrastructure improvements, soil stabilization, ponding or other environmental infrastructure, and costs necessary for the adaptive reuse of buildings; and

WHEREAS, the City desires to submit a Redevelopment Grant application for a site identified as the Downtown (MCM) Redevelopment Project, representing Phase 1 demolition of the Moorhead Center Mall; and

WHEREAS, the City has partnered with Roers Development (MCM Development LLC) to serve as the Master Developer for the 14-acre site.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Moorhead, Minnesota, that the City of Moorhead has approved the submission of a Redevelopment Grant application to the Department of Employment and Economic Development (DEED) due on or before February 1, 2024, for the "Downtown (MCM) Redevelopment Project Site" provided the Developer has provided the City their signature(s) on the Local Match Agreement and all other documents requested to be submitted for the grant application.

BE IT FURTHER RESOLVED that the City of Moorhead has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate project administration.

BE IT FURTHER RESOLVED that the sources and amounts of the local match identified in the application are committed to the project identified.

BE IT FURTHER RESOLVED that if the project identified in the application fails to substantially provide the public benefits listed in the application within five years from the date of the grant award, the City of Moorhead may be required to repay 100 percent of the awarded grant per Minn. Stat. 116J.575, Subd. 4.

BE IT FURTHER RESOLVED that the City of Moorhead has not violated any Federal, State, or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its application by the state, the City of Moorhead may enter into an agreement with the State of Minnesota for the above-referenced project, and that the City of Moorhead certifies that it will comply with all applicable laws and regulations as stated in all contract agreements.

NOW, THEREFORE, BE IT FINALLY RESOLVED THAT the Mayor and City Manager are hereby authorized to execute such agreements as are necessary to implement the project on behalf of the applicant, including the Local Match Agreement.

PASSED: January 22, 2024 by the City Council of the City of Moorhead.

APPROVED BY:

ATTEST:

Michelle (Shelly) A. Carlson, Mayor

Christina Rust, City Clerk



City Council Communication

January 22, 2024

SUBJECT:

Resolution to Approve Cooperative Construction Agreement No. 1053983 for the Downtown Underpass Project (Eng. No. 14-02-03)

RECOMMENDATION:

The Mayor and City Council are asked to consider three resolutions for the Downtown Underpass Project:

- Resolution to Approve Cooperative Construction Agreement No. 1053983 for the Downtown Underpass Project.
- Resolution to Approve Various Property Rights for the Downtown Underpass Project.
- Resolution to Approve Detour Agreement No. 1055212 for the Downtown Underpass Project.

BACKGROUND/KEY POINTS:

MnDOT has prepared a Cooperative Construction Agreement between the State of Minnesota, City of Moorhead, and Clay County for the Downtown Underpass Project. Under the agreement:

- MnDOT will award a construction contract and direct and supervise all construction activities with the exception of watermain and sanitary sewer improvements. City staff will perform construction engineering for those elements. City staff will be allowed to inspect all elements of the project having City cost-participation.
- MnDOT will process addenda and change orders as may be needed to complete the project. The City will share in the cost of change orders pursuant to the cost participation schedule included in the agreement. The City may request additional work or changes to the work in the plans.
- The City will obtain permits for City-owned utilities if such permits are needed.
- The City will obtain a Limited Use Permit from MnDOT for the trail and amenity zone located within trunk highway right-of-way.
- MnDOT, the City, and the County will each maintain roads under their jurisdiction; subject to other agreements that further define maintenance responsibilities.
- MnDOT, the City, and the County will each operate and maintain their own storm sewers as identified in the agreement. The City will perform minor maintenance on the stormwater lift station and force main. MnDOT, the City, and the County will share in the cost of major maintenance of the stormwater lift station and force main based on the ratios of contributing water volume as outlined in the agreement (currently estimated to be 16.4% MnDOT, 78.2% City, and 5.4% County)
- MnDOT, the City, and the County will each own and maintain certain retaining walls as outlined in the agreement.
- An agreement will be executed between MnDOT and BNSF for the railroad bridge over 11 St between Main Ave and Center Ave. The City will be responsible for maintenance of aesthetic improvements on this bridge (this may require a separate agreement between the City and BNSF).



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- An agreement will be executed between Clay County and BNSF for the railroad bridge over 11 St between Center Ave and 1 Ave N. The City may have a separate agreement with the County regarding maintenance of aesthetic improvements to that bridge.
- The City will maintain all sidewalks and trails, and will own and maintain all lighting.
- MnDOT, the City, and the County will each own and maintain certain traffic signals as outlined in the agreement; subject to other agreements that further define maintenance responsibilities.
- The agreement includes a preliminary schedule identifying State, City, and County cost participation.

Staff will work with the County Engineer to develop an agreement further defining each party's responsibilities associated with the project. This agreement will be provided for City Council consideration at a future date.

Staff recommends that the City Council approve the Cooperative Construction Agreement and authorize the Mayor and City Manager to execute the agreement.

MnDOT has prepared documents to establish various property rights required to facilitate construction of the Downtown Underpass Project. The property rights to be granted by the City include temporary construction easements, permanent easements, and fee simple acquisition. Temporary construction easements would expire on December 1, 2028. The property rights are detailed in the attached table and maps. City staff and the City Attorney have reviewed these documents, recommend approval, and authorization for the Mayor and City Manager to execute all documents necessary to establish the requested property rights.

To construct the project, MnDOT will establish a detour route on Main Ave (8 St to 21 St) and 21 St (Main Ave SE to Center Ave). In accordance with MnDOT's cost participation policy, MnDOT will reimburse the City for road life consumed by the additional traffic that will result from the detour. Staff recommends that the City Council approve the detour agreement and authorize the Mayor and City Manager to execute the agreement.

FINANCIAL CONSIDERATIONS:

The Cooperative Construction Agreement includes a preliminary schedule of cost participation. Based on this schedule, the City's cost share for the project is \$10,550,453.33. This cost-share will be revised after bid award and after the project is complete. The full amount of the City's preliminary cost share will be paid from various sources of Federal and State funds. No local funds will be required. The City may be required to participate in the cost of change orders in accordance with the cost participation schedule outlined in the agreement. If so, staff anticipates that most or all of these costs can be paid from Municipal State Aid funds.

The total value of the property rights being provided by the City is \$2,836,800. The City will receive \$133,500 and \$1,669,000 as a cost to cure for Parcel 40 (Memorial/Davy Park) and Parcel 30 (Fire Station #1), respectively. The cost to cure for Parcel 40 includes removal and restoration/replacement of playground facilities, removal and restoration/replacement of the



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beaver statues, and replacement of trees removed for construction. This work will be completed by the Public Works Department. The cost to cure for Parcel 30 includes reconfiguration of Fire Station #1 due to the loss of direct access to 1 Ave N. This work has been authorized by the City Council as part of a project being led by the Moorhead Fire Department. As part of the City's cost-share for the overall project, staff recommends that the City Council provide the balance of the value of the property rights (primarily temporary construction easements) at no cost (value of \$1,034,300).

Under the detour agreement, MnDOT will reimburse the City based on the number of days the detour is in place. The amount to be paid to the City is currently estimated to be \$8,531.20 based on detours for two construction stages with durations of 95 days each.

Voting Requirements: 3/4 of Council (6)

Submitted By:

Dan Mahli, City Manager
Bob Zimmerman, Engineering Director
Tom Trowbridge, Assistant City Engineer
Sylvia Lizotte, Office Specialist

Attachments: Parcel Table, Parcel Maps

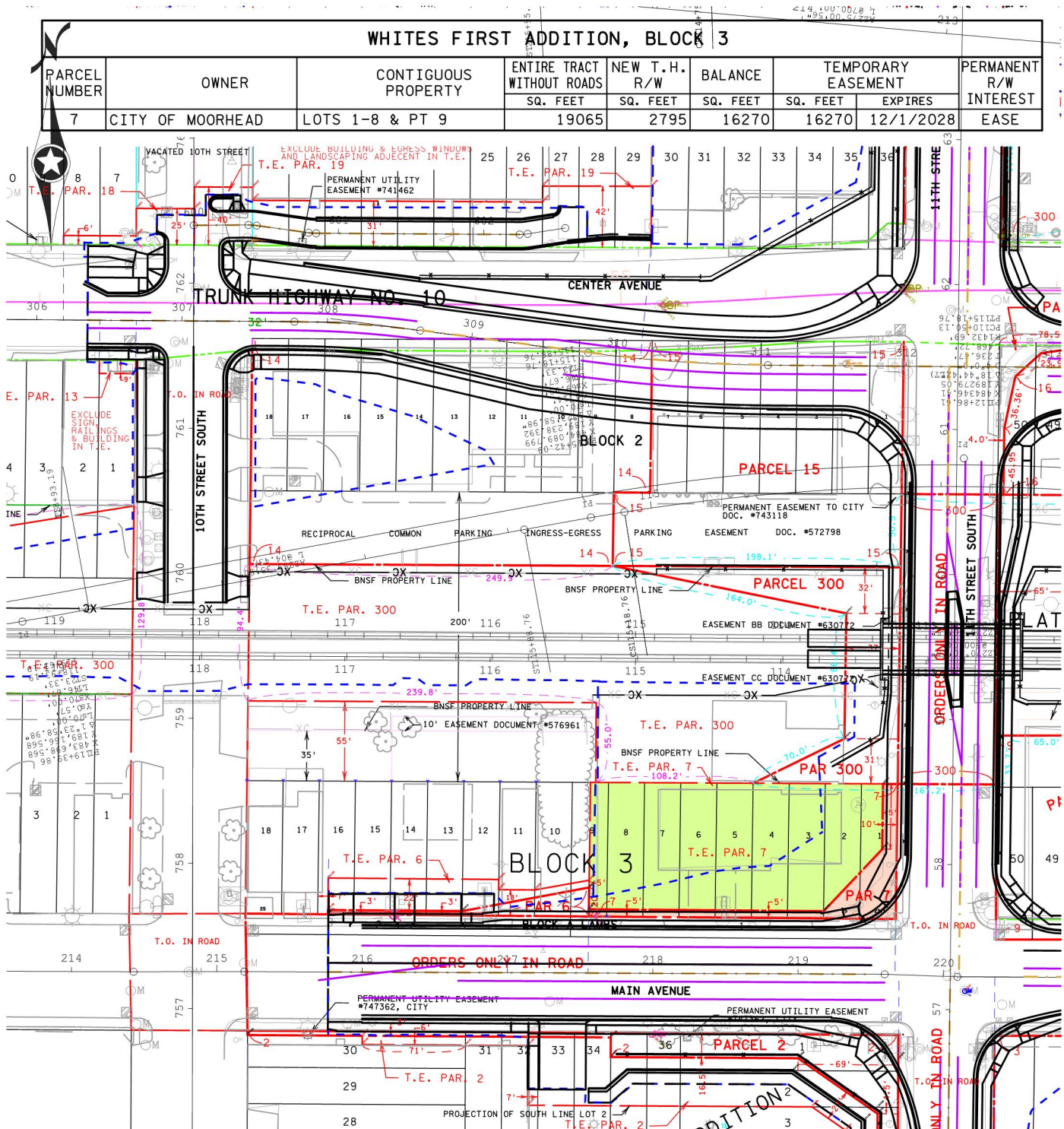
Downtown Underpass Project Parcel Summary

Parcel #	Location	Permanent Easement (square feet)	Temporary Easement (square feet)	Fee Simple (square feet)	Cost to Cure (\$)	Total Valuation (\$)
7	1030 Main Ave	2,795	16,270			\$130,200.00
22	1007 1 Ave N		36,989			\$180,400.00
23	1107 1 Ave N		58,389			\$310,700.00
26	1020, 1022, 1026 1 Ave N		14,994			\$79,800.00
30	111 12 St N (Fire Station #1)	3,271 (transferred back to the City after project completion)	5,301		\$1,669,000.00 (reconfiguration of Fire Station #1 due to loss of access to 1 Ave N)	\$1,730,900.00
40	111 8 St N (Memorial/Davy Park)		122,348		\$133,500 (remove/restore/replace playground equipment, beaver statues, trees)	\$404,800.00
41	1201 Center Ave			1,160 (existing City street)		N/A
Total		6,066	254,291	1,160	\$1,802,500.00	\$2,836,800.00

Control Section: 1401 (10=2) 904
State Project: 1401-177RW
Owner: City of Moorhead

County: Clay

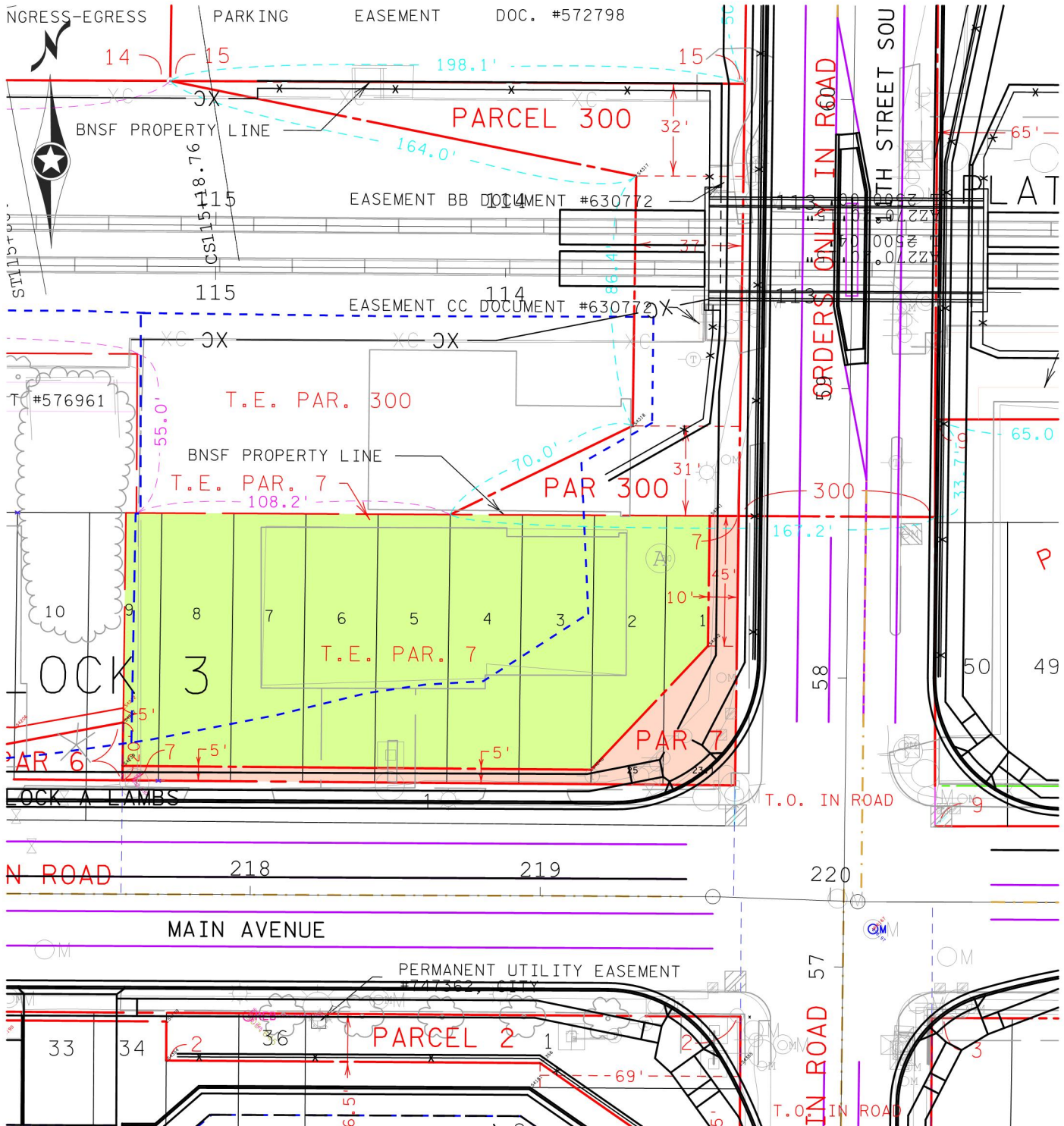
Parcel Number: 7
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Control Section: 1401 (10=2) 904
State Project: 1401-177RW
Owner: City of Moorhead

County: Clay

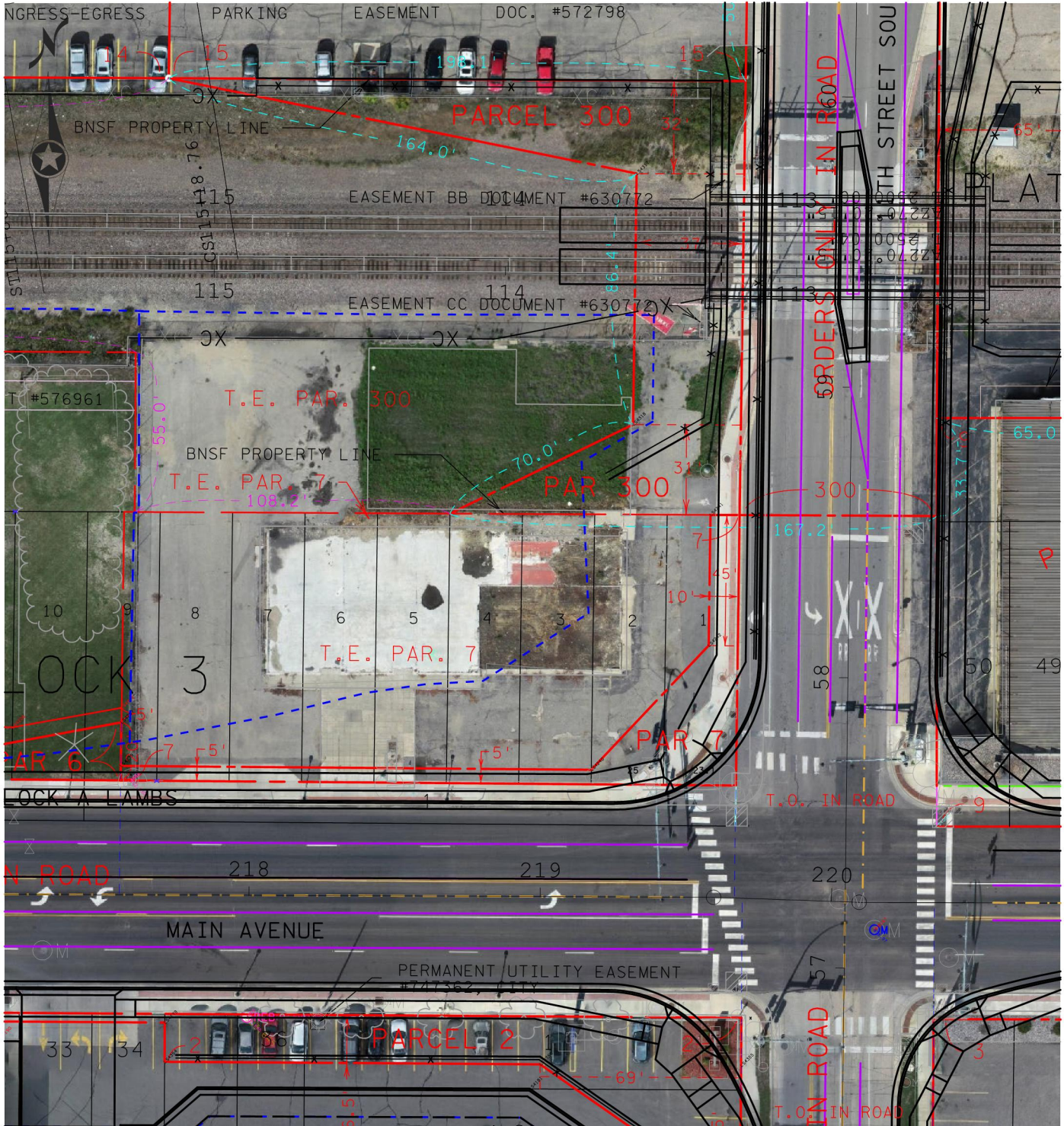
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Control Section: 1401 (10=2) 904
State Project: 1401-177RW
Owner: City of Moorhead

County: Clay

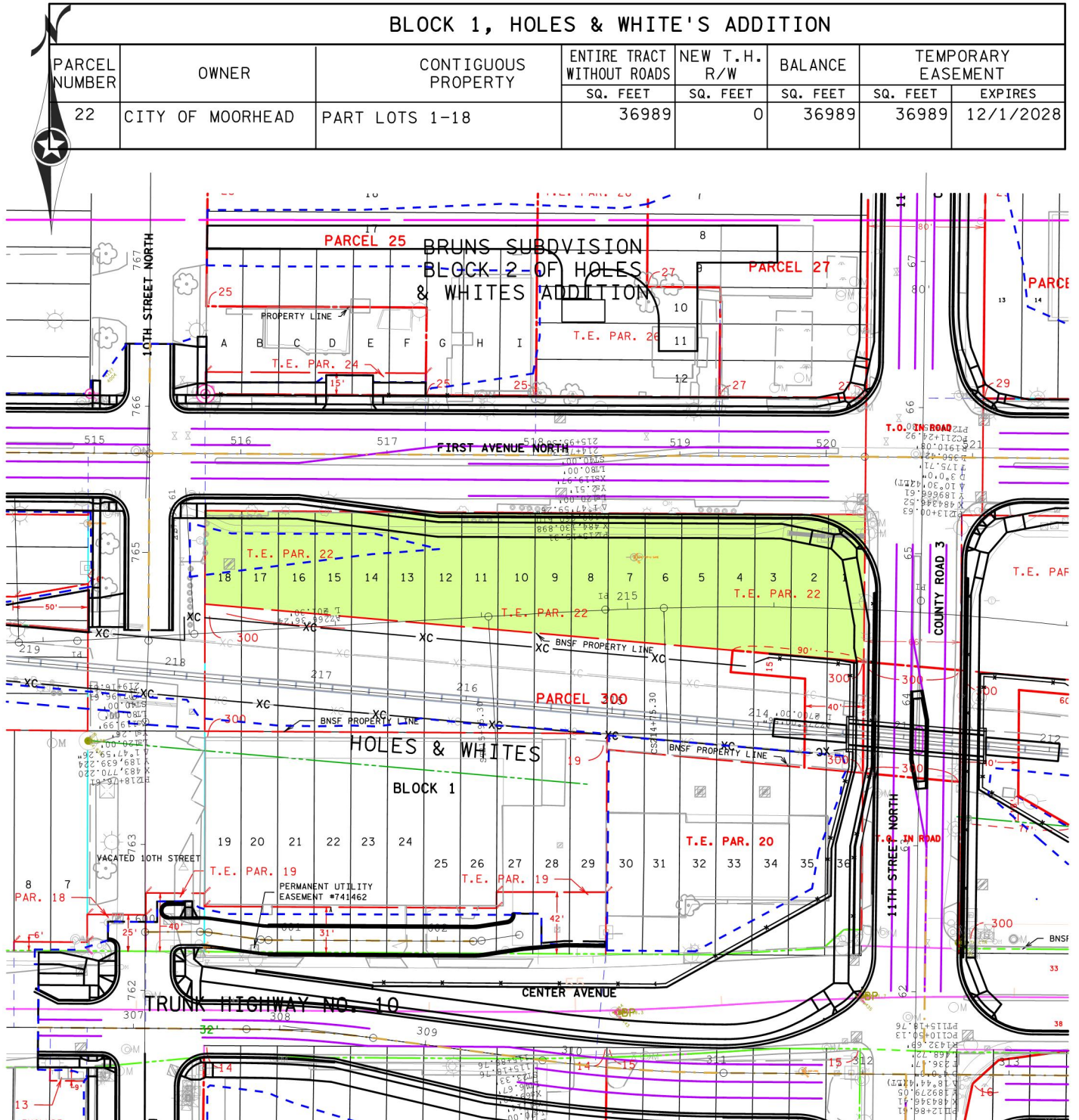
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Control Section: 1401 (10=2) 904
State Project: 1401-177RW
Owner: City of Moorhead

County: Clay

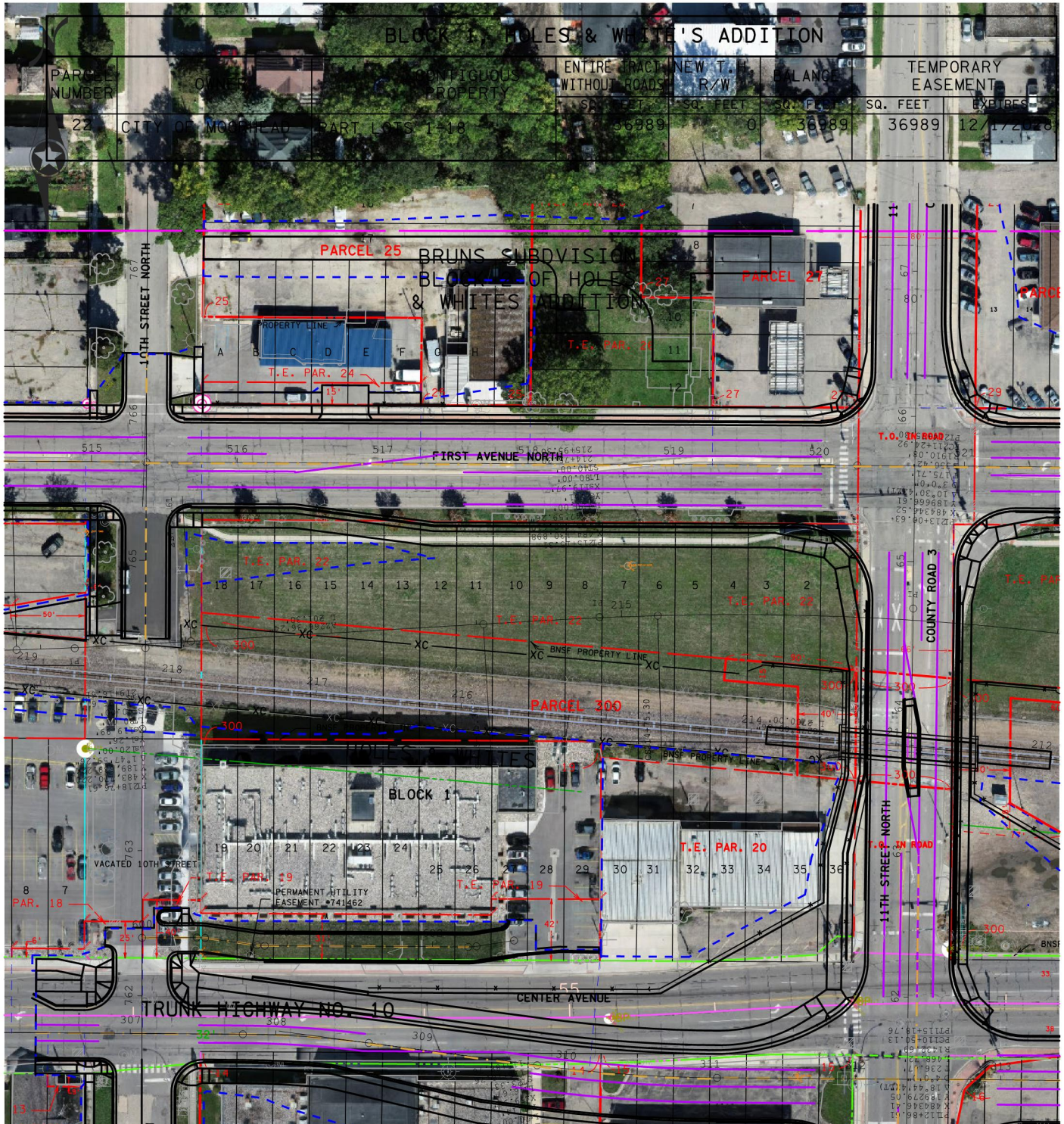
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Control Section: 1401 (10=2) 904
State Project: 1401-177RW
Owner: City of Moorhead

County: Clay

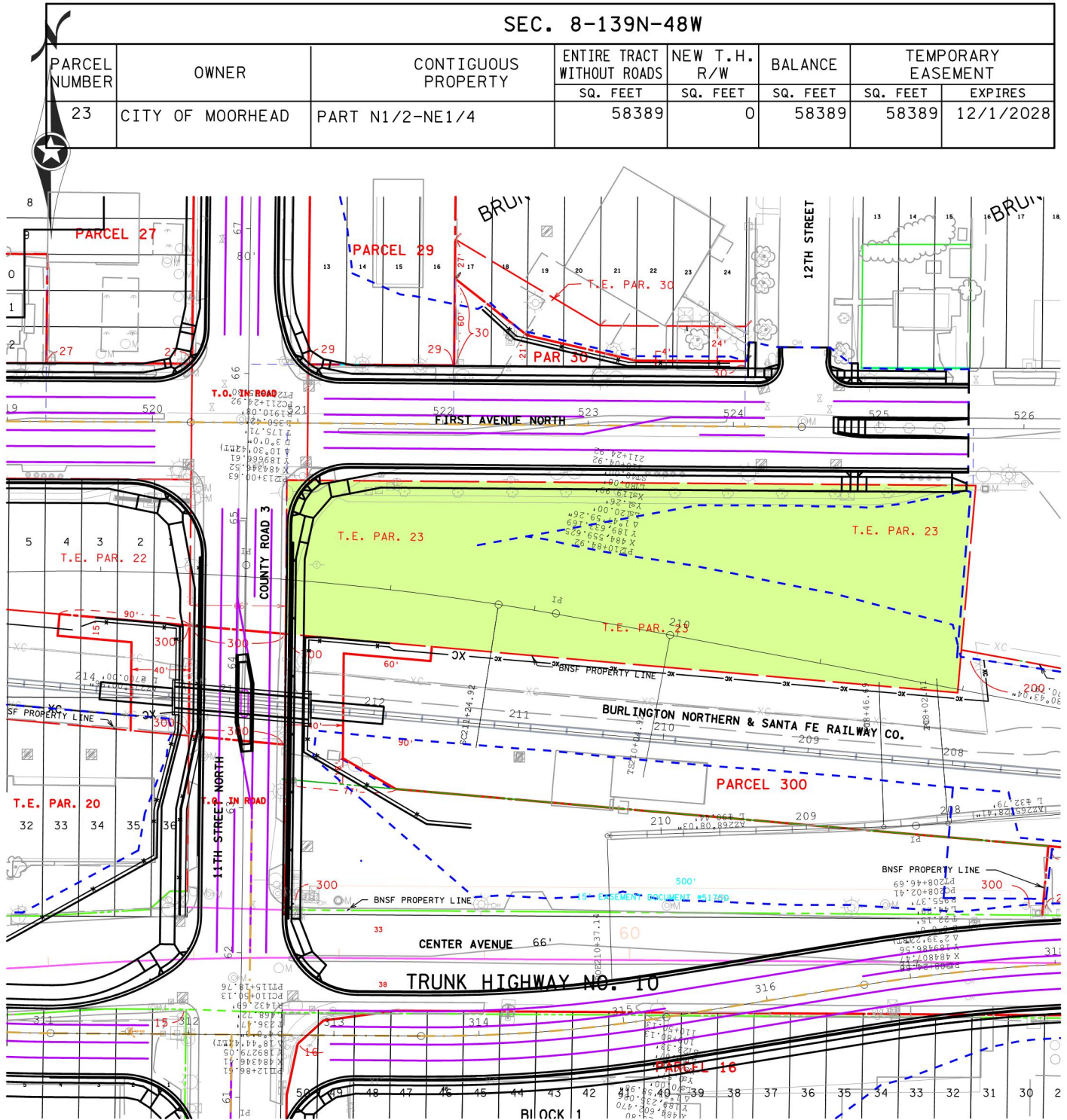
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Control Section: 1401 (10=2) 904
State Project: 1401-177RW
Owner: City of Moorhead

County: Clay

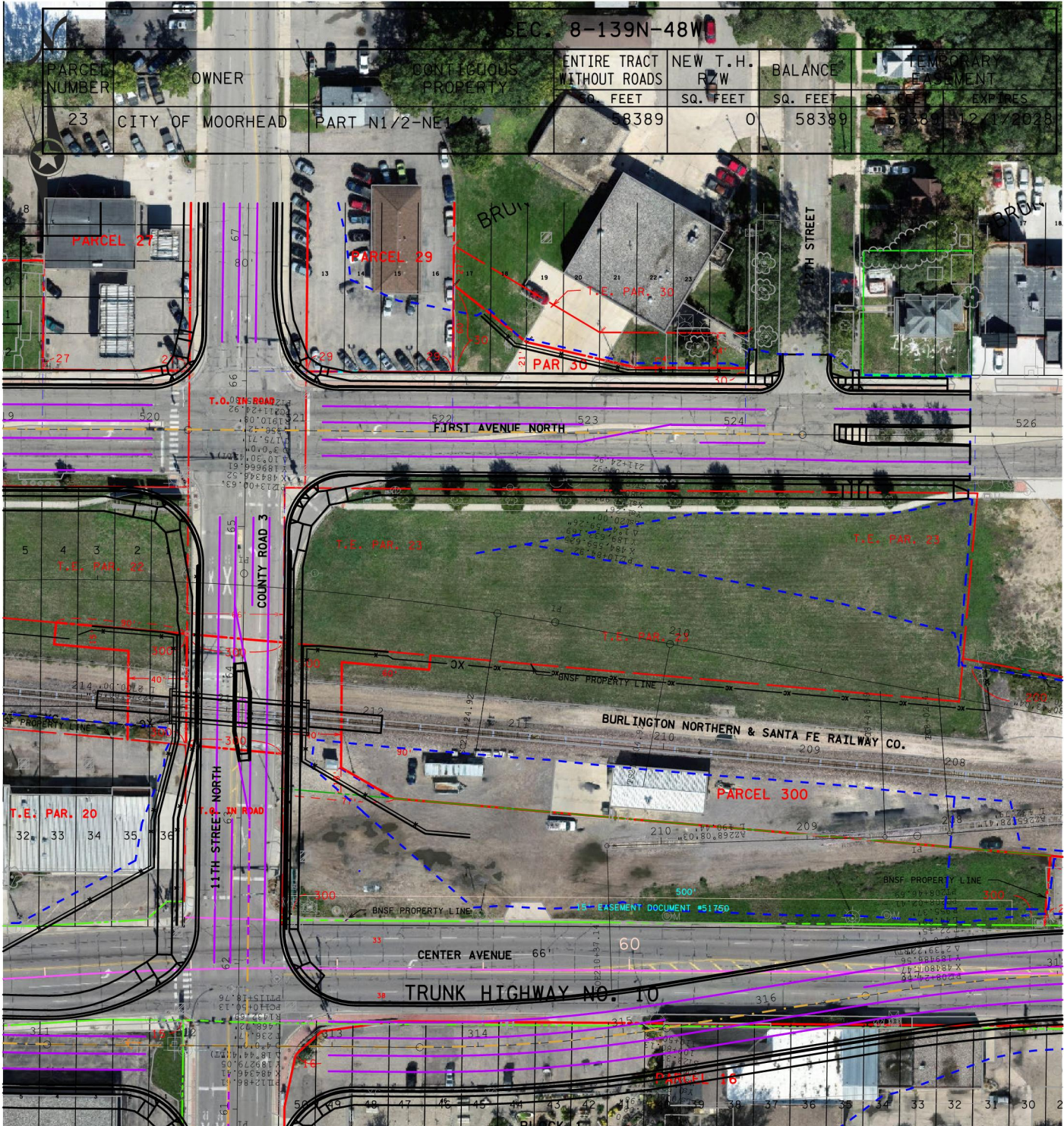
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Control Section: 1401 (10=2) 904
State Project: 1401-177RW
Owner: City of Moorhead

County: Clay

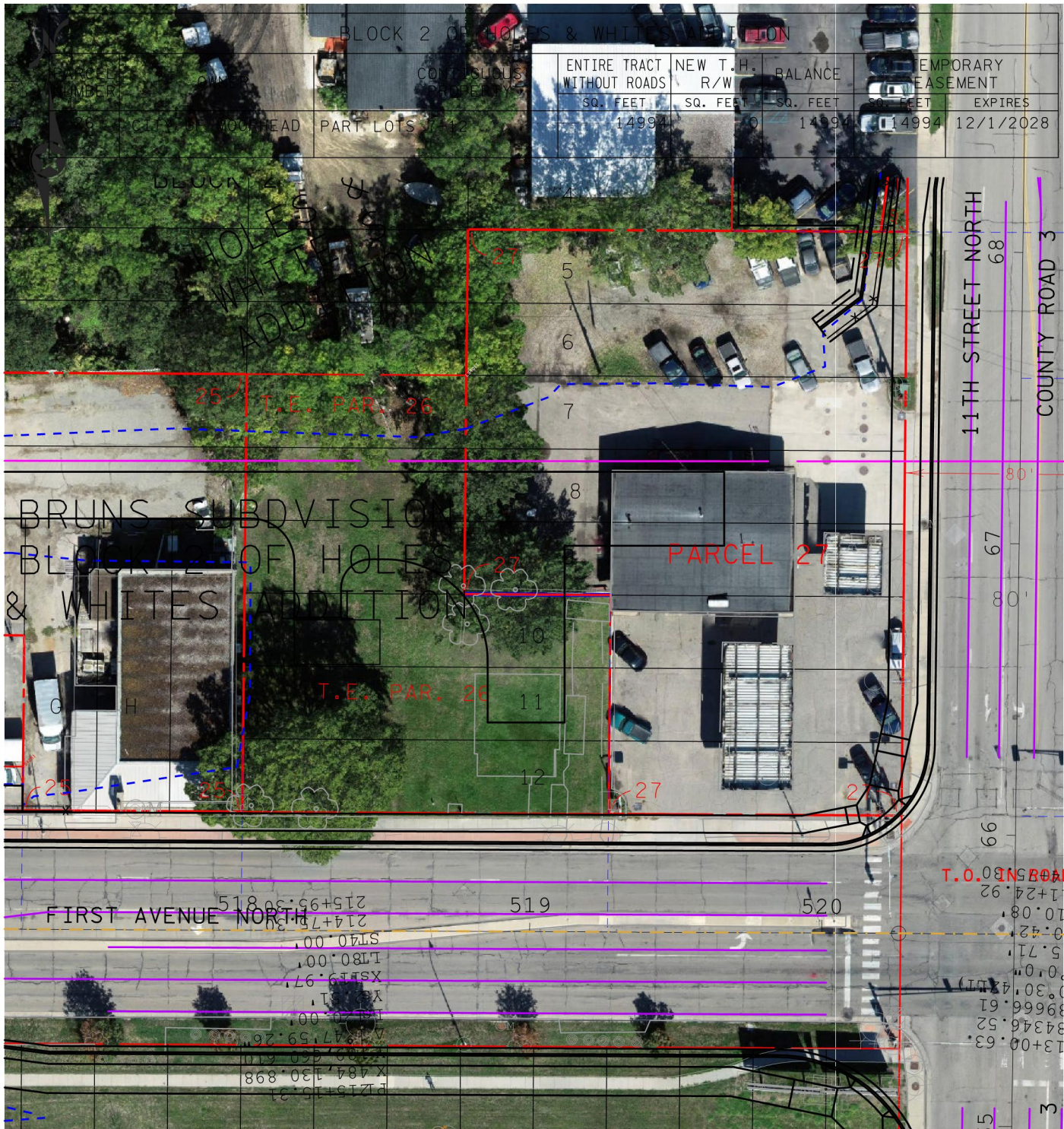
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Parcel Number: 26
Sheet 1 of 2
Scale 1 inch = 50 ft.



Parcel Number: 26
Sheet 2 of 2
Scale 1 inch = 50 ft.



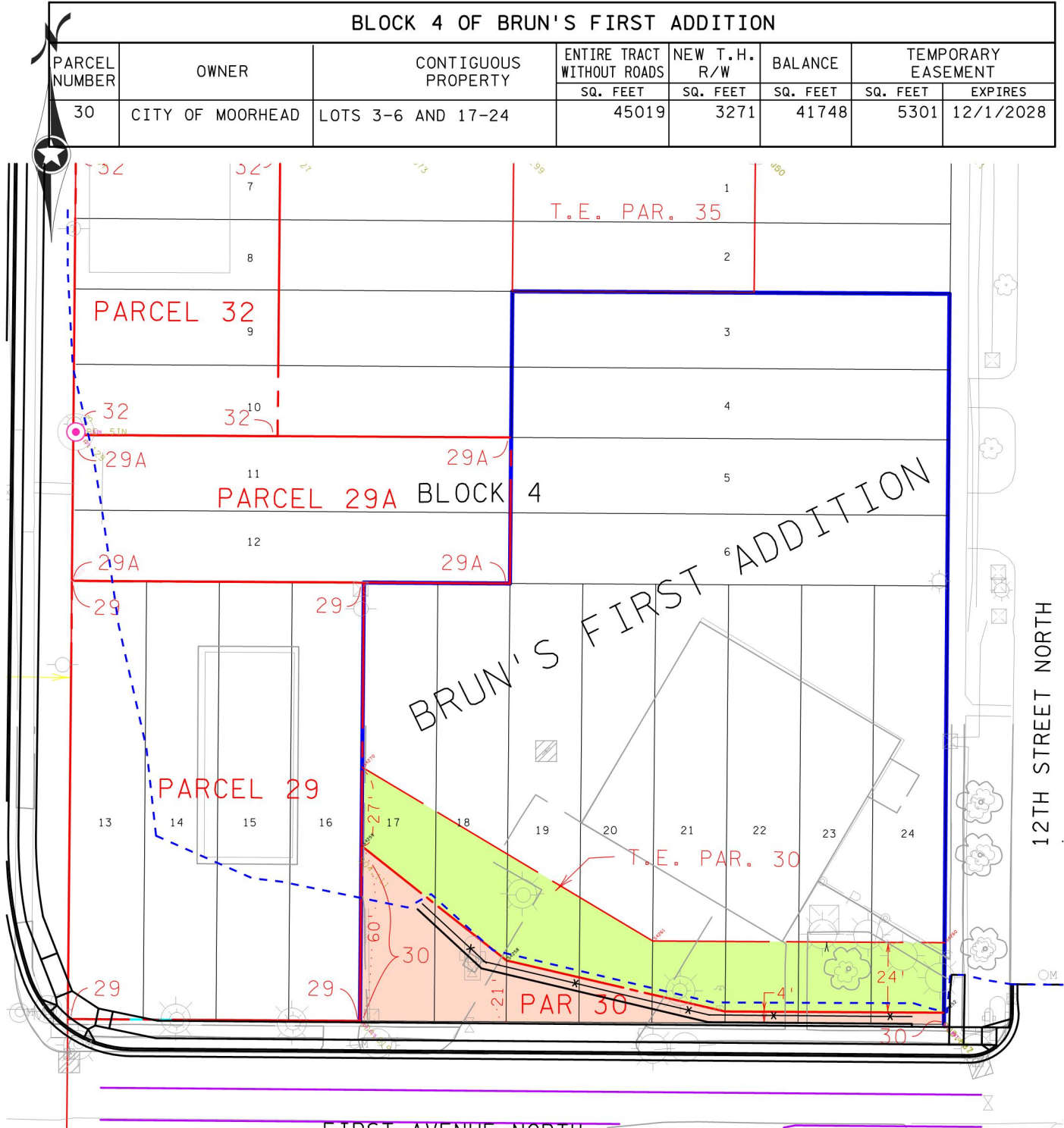
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Created on March 13, 2023
Page 29 of 112
Updated April 27, 2023

Control Section: 1401 (10=2) 904
State Project: 1401-177RW
Owner: City of Moorhead

County: Clay

Parcel Number: 30
Sheet 2 of 3
Scale 1 inch = 50 ft.



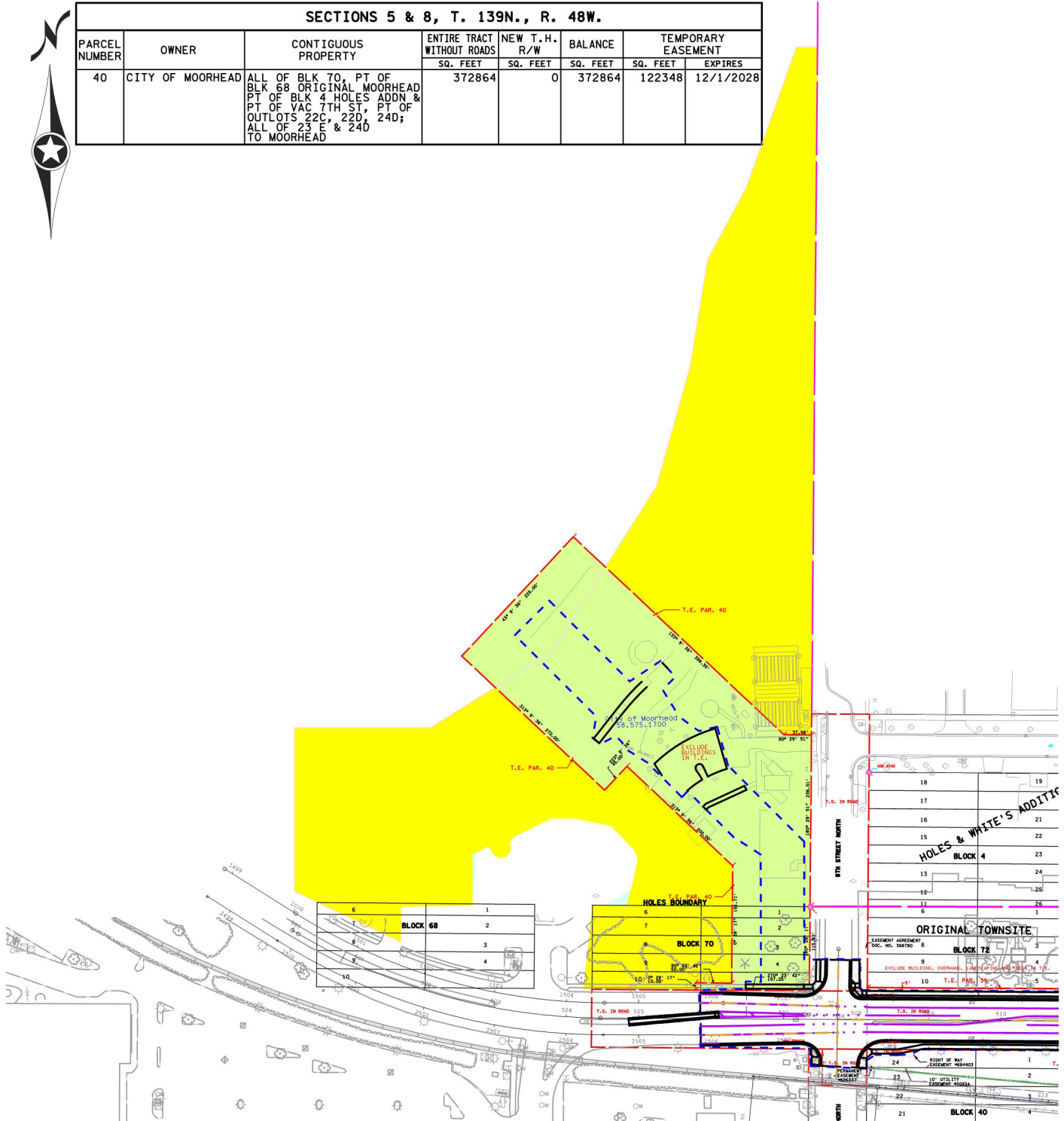
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Control Section: 1401 (10=2) 904
State Project: 1401-177RW
Owner: City of Moorhead

County: Clay

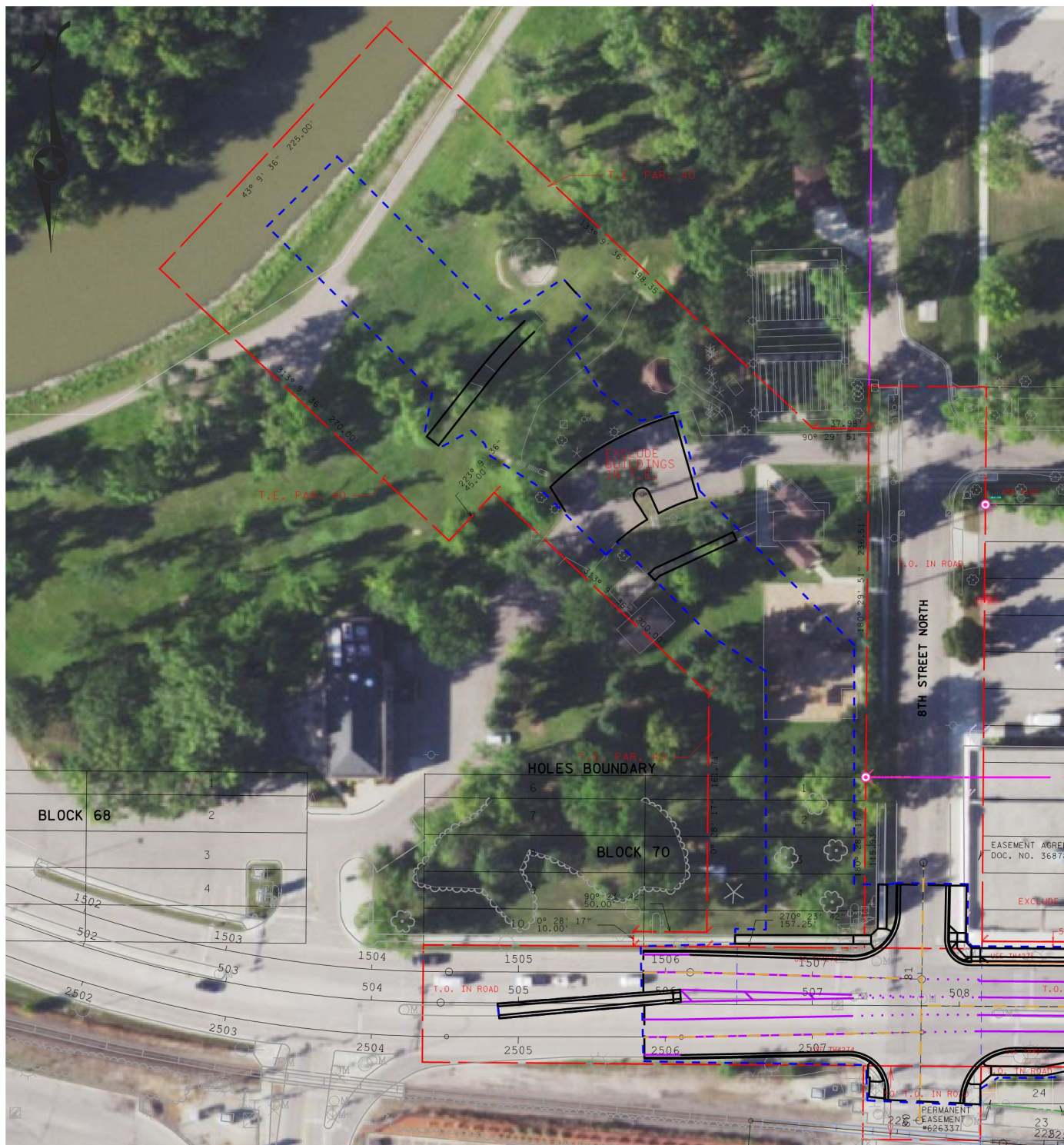
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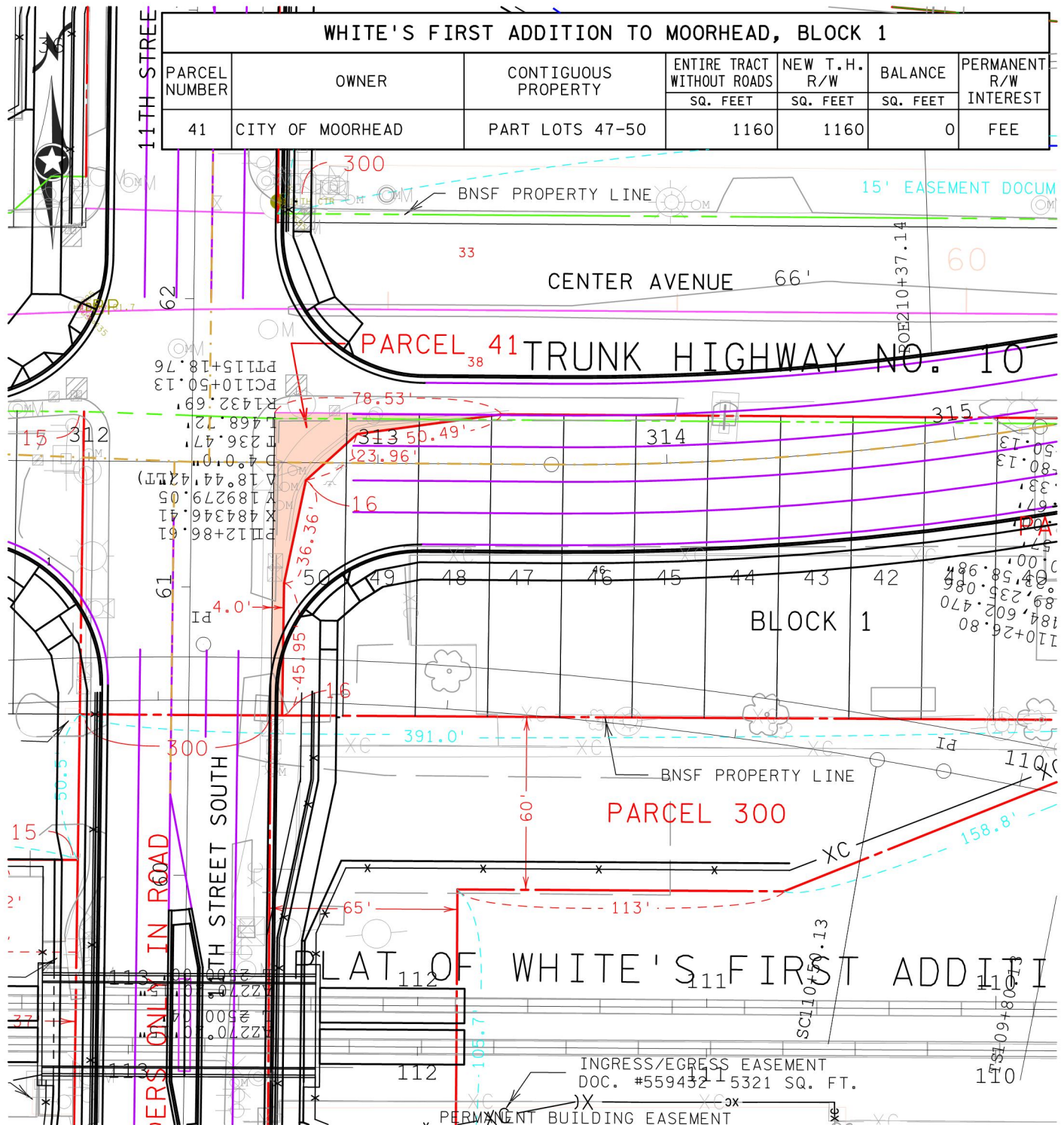
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Parcel Number: 40
Sheet 3 of 3
Scale 1 inch = 100 ft.



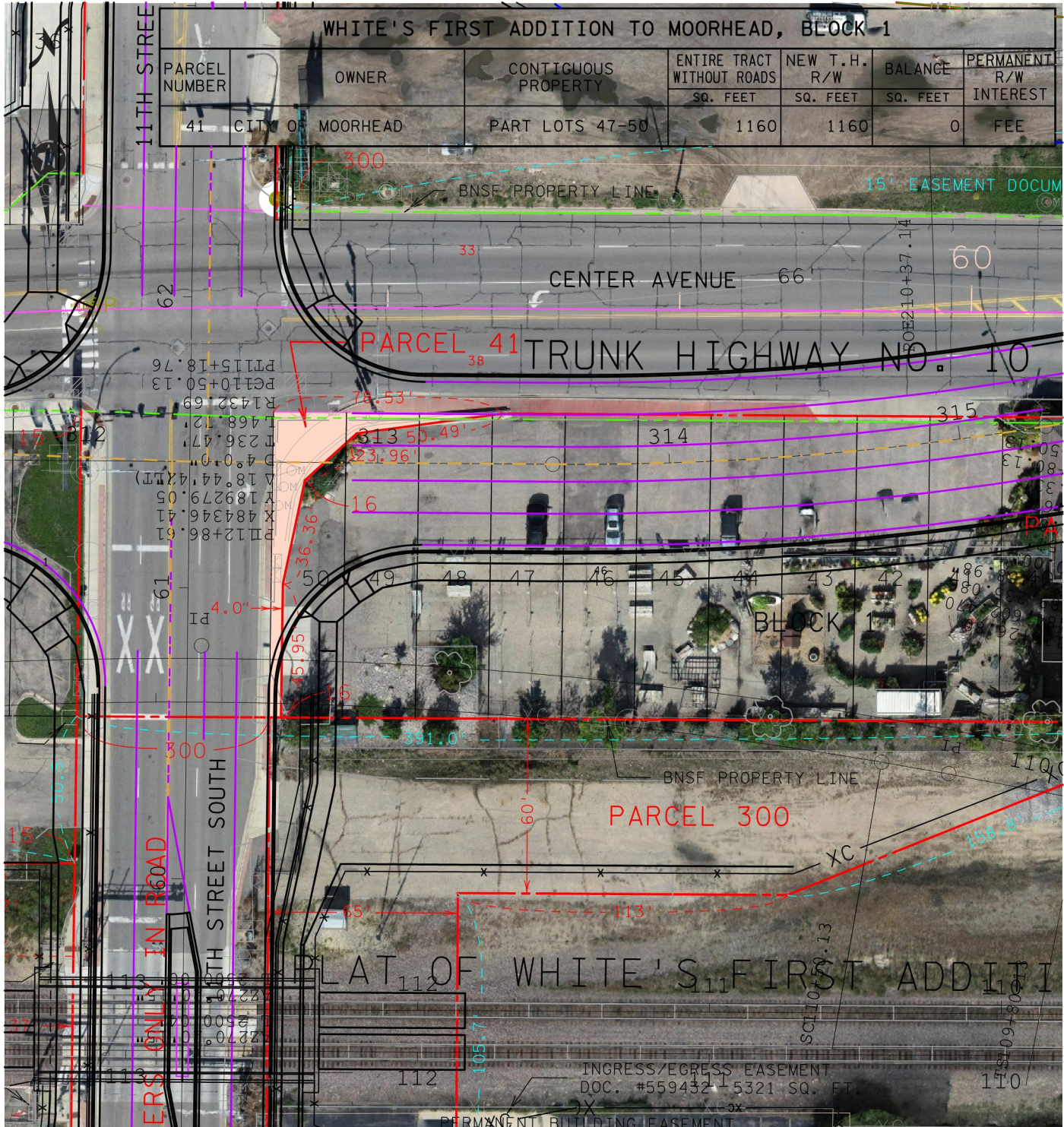
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Control Section: 1401 (10=2) 904
State Project: 1401-177RW
Owner: City of Moorhead

County: Clay

Parcel Number: 41
Sheet 2 of 2
Scale 1 inch = 50 ft.



RESOLUTION

Resolution to Approve Cooperative Construction Agreement No. 1053983 for the Downtown Underpass Project (Eng. No. 14-02-03)

WHEREAS, the City Council of the City of Moorhead, Minnesota request to enter into MnDOT Agreement No. 1053983 with the State of Minnesota, Department of Transportation for the following purposes:

To provide for payment by the City to the State of the City's share of the costs of the roadway, signal system, and utility construction and other associated construction to be performed upon, along, and adjacent to Trunk Highway No. 10/75 (Center Avenue) from 73 feet west of 10th Street to 400 feet west of 14th Street and upon, along, and adjacent to 11th Street/County State Aid Highway No. 3 from 2nd Avenue South to 2nd Avenue North within the corporate City limits under State Project No. 1401-177.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Moorhead, Minnesota that the Mayor and City Manager are authorized to execute the agreement and any amendments to the agreement.

PASSED: January 22, 2024 by the City Council of the City of Moorhead.

APPROVED BY:

ATTEST:

Michelle (Shelly) A. Carlson, Mayor

Christina Rust, City Clerk

RESOLUTION

Resolution to Approve Various Property Rights for the Downtown Underpass Project (Eng. No. 14-02-03C)

WHEREAS, MnDOT has prepared documents to establish various property rights to be provided by the City to facilitate construction of the Downtown Underpass Project; and

WHEREAS, these property rights include temporary construction easements, permanent easements, and fee simple acquisition; and

WHEREAS, City staff and the City Attorney have reviewed these documents and recommend approval; and

WHEREAS, the total value of the property rights being provided by the City is \$2,836,000.00; and

WHEREAS, the City will receive \$133,500.00 and \$1,669,000.00 as a cost to cure for Parcel 40 (Memorial/Davy Park) and Parcel 30 (Fire Station #1), respectively; and

WHEREAS, as part of the City's cost-share for the overall project, staff recommends that the City Council provide the balance of the value of the property rights at no cost (value of \$1,034,300).

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Moorhead, Minnesota that the proposed property rights are hereby approved.

BE IT FURTHER RESOLVED that the Mayor and City Manager are authorized to execute such documents as may be needed to establish the proposed property rights.

PASSED: January 22, 2024 by the City Council of the City of Moorhead.

APPROVED BY:

ATTEST:

Michelle (Shelly) A. Carlson, Mayor

Christina Rust, City Clerk

RESOLUTION

Resolution to Approve the City of Moorhead enter into MnDOT Agreement No. 1055212 with the State of Minnesota, Department of Transportation

WHEREAS, the City of Moorhead agrees to enter into MnDOT Agreement No.1055212 with the State of Minnesota, Department of Transportation for the following purposes

To provide for payment by the State to the City for the use of Main Avenue as a detour route during the construction to be performed upon, along, and adjacent to Trunk Highway No. 10 from 73 feet west of 10th Street to 400 feet west of 14th Street under State Project No. 1401-177 (T.H. 10 = 002);

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Moorhead, Minnesota that the Mayor and City Manager are authorized to execute the agreement and any amendments to the agreement.

PASSED: January 22, 2024 by the City Council of the City of Moorhead.

APPROVED BY:

ATTEST:

Michelle (Shelly) A. Carlson, Mayor

Christina Rust, City Clerk



City Council Communication

January 22, 2024

SUBJECT:

Resolution to Approve Actions Relating to 4th Ave S, 5th Ave S and 6th St S Area Street Improvements (Eng. No. 24-A2-06)

RECOMMENDATION:

The Mayor and City Council are asked to consider a resolution to receive the report, order the preparation of plans & specifications, and call for a public hearing for the above-referenced project.

BACKGROUND/KEY POINTS:

The proposed project area includes the streets of 4th Ave S, 5th Ave S, and 6th St S. (map attached) These streets are included in the City's 2024-2028 Capital Improvement Plan and are scheduled for construction of improvements in 2024. Since special assessments will be used to finance a portion of the project cost, and the project has been initiated by Council action rather than by petition of the benefiting property owners, in accordance with Minnesota Statutes, Chapter 429, it is necessary to prepare an engineering report and hold a Public Hearing prior to ordering the improvements.

On December 11, 2023, the City Council ordered the preparation of the Engineer's Report, which has been completed by City staff under the direction of the City Engineer. The report evaluated the existing street and utility systems, considering how they were constructed and maintained, their age and current condition, and information obtained from soil borings and sewer televising. The report makes recommendations for the following street and utility improvements:

4th Ave S – Mill & Overlay from 8th St S to 4th St S
5th Ave S – Mill & Overlay from 6th St S to 4th St S
6th Street S – Reconstruction from 4th Ave S to 7th Ave S

A mill & overlay involves removing the upper 2" (approximately) of pavement surface (by milling it off), and placement of a new layer of bituminous surface. This extends the life of the pavement typically by another 20 to 30 years. A reconstruction involves the full pavement depth being removed and replaced, including the gravel base and the curb & gutter.

MPS proposes to replace the cast iron pipe (CIP) water mains on all streets (4th Ave S, 5th Ave S and 6th St S) as well as several lead water services. In order to better coordinate construction phasing, at the request of MPS, the City Engineering Department will complete the design of the proposed water infrastructure replacement (with direction from MPS) and will include this work in the City's street project contract. All sanitary sewer mains are vitrified clay pipe (VCP) and are in good condition. There are two blocks within the project area that do not have sanitary main. This results in lengthy services for residents on those blocks as it is necessary to tie into a sanitary main located on an adjacent street. This could be corrected by installing a new sewer main on those blocks. However, that would require a full reconstruction of the street instead of the proposed mill & overlay which is not recommended, so no sanitary sewer improvements are included as part of this project.



City Council Communication

January 22, 2024

The report recommends pedestrian ramp improvements and spot replacement of sidewalk as necessary to comply with ADA requirements. This includes a significant amount of the sidewalk on 6th St S due to the overall poor condition of that sidewalk.

Staff is preparing a virtual a public information presentation that will be available on or about February 14, 2024 on the City website for the proposed street improvements. The public information presentation is intended to share project information with the property owners and to solicit property owner feedback prior to receiving bids. A letter will be mailed to the abutting property owners notifying them of the presentation, how to contact staff to ask questions or submit comments regarding the proposed design, and requesting feedback on or around February 26, 2024, which will allow staff time to incorporate changes (if any) into the plans prior to bidding.

The report finds that the proposed improvements are necessary, cost-effective and feasible. The report further finds that the project is of a sufficient size to achieve a desirable economy of scale and may be constructed as a stand-alone project or in connection with some other improvement. In this case, it is recommended to include the proposed MPS water main replacement work in the City contract as it will be the most cost-effective way to complete both projects.

A portion of the project cost will be financed using special assessments applied on an adjusted front foot basis at the standard rates included in the current City Fee Schedule (\$40.00 per foot for urban section mill & overlay projects, \$135.00 per foot for urban reconstruction). Staff recommends that the Council receive the Engineer's report, and order the preparation of plans & specifications. Staff further recommends that the City prepare plans & specifications and receive bids for the proposed project prior to holding the Public Hearing in order to have the best information available regarding the actual project costs prior to ordering the improvements. Staff recommends scheduling the Public Hearing to be held on or about March 25, 2024.

Below is an outline of the proposed project schedule.

PROJECT SCHEDULE	
Activity	Date
Order Preliminary Engineer's Report	December 11, 2023
Receive Engineer's Report, Order Plans & Specs, and Call for a Public Hearing	January 22, 2024
Approve Plans & Specs and Authorize Ad for Bids	February 2024
Receive Bids	March 2024
Hold Public Hearing, Order Improvements, Declare Intent to Assess & Award Bid	March 25, 2024
Anticipated Construction Schedule	May – Sept., 2024
Hold Assessment Hearing	Fall 2024



City Council Communication

January 22, 2024

FINANCIAL CONSIDERATIONS:

The cost of the above requested actions is negligible at this time as City staff will complete the design of the project. The total project cost (including proposed water infrastructure) with contingencies and fees is preliminarily estimated at \$2,670,000. MPS' cost share for the proposed water infrastructure and related work is preliminarily estimated at \$1,220,000. It is proposed to finance the remainder of the project cost (\$1,450,000) through the PIR Fund using a General Obligation Improvement Bond, and to assess approximately \$292,000 to the benefiting properties in accordance with the City's Special Assessment Policy. The balance of the project cost (\$1,158,000) will be paid as a City share.

Voting Requirements: Majority of Quorum

Submitted By:

Dan Mahli, City Manager
Tom Trowbridge, Assistant City Engineer
Sylvia Lizotte, Office Specialist

Attachments: CIP Project Map 24-A2-06

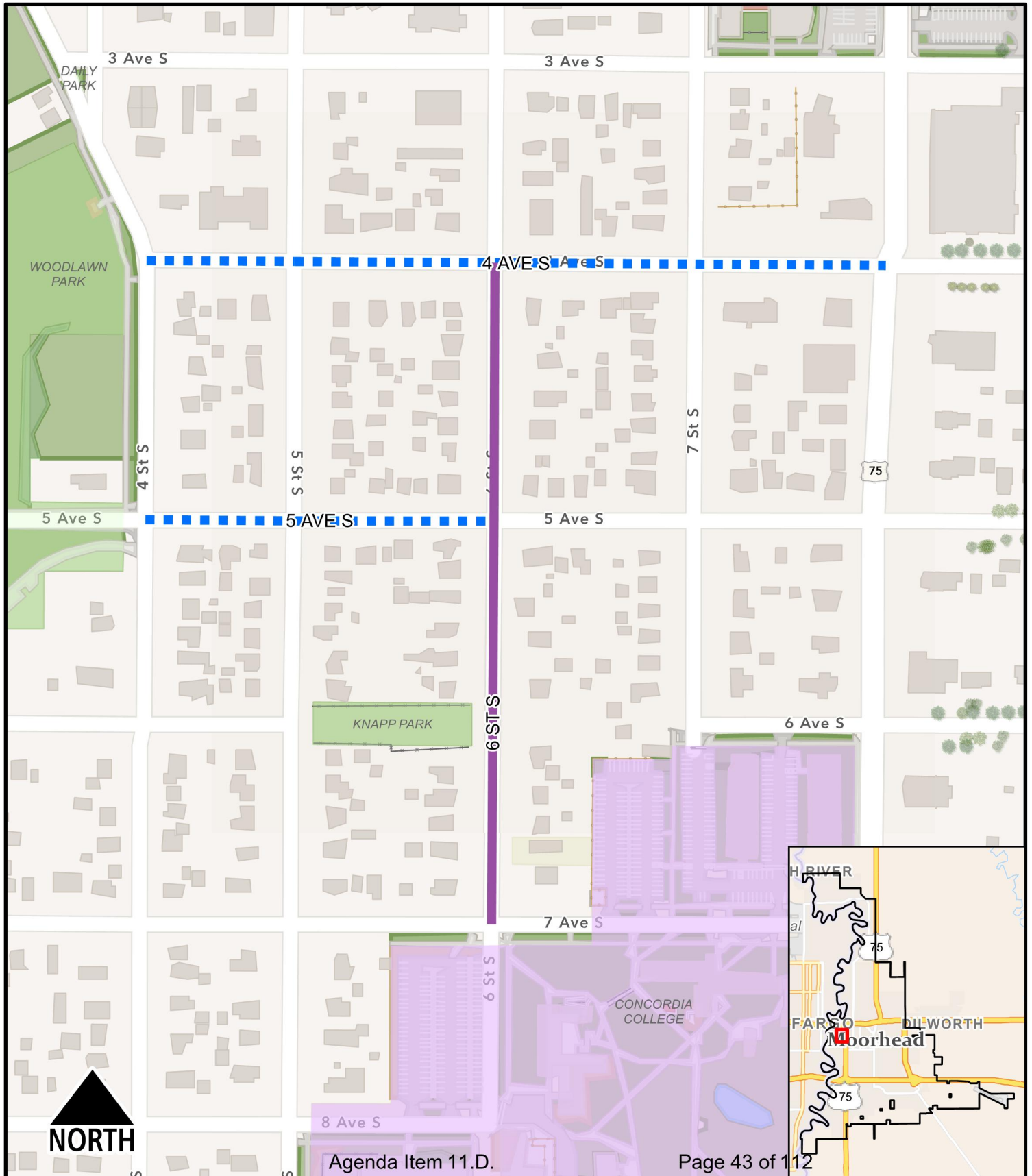


LEGEND

- COLLEGES
- PARKS
- MILL & OVERLAY
- RECONSTRUCTION

24-A2-06 Project Map

4TH AVE S, 5TH AVE S AND 6TH ST S
UNDERGROUND UTILITY AND STREET
IMPROVEMENTS
CITY OF MOORHEAD



RESOLUTION

Resolution to Approve Actions Relating to 4th Ave S, 5th Ave S and 6th St S Area Street Improvements (Eng. No. 24-A2-06)

WHEREAS, pursuant to a resolution of the City Council dated December 11, 2023, staff has prepared a preliminary engineering report under the direction of the City Engineer to consider the making of the 4th Ave S, 5th Ave S and 6th St S Area Street Improvements (Eng. No. 24-A2-06); and

WHEREAS, the preliminary engineering report finds that the proposed improvements are necessary, cost-effective and feasible, that they would best be completed as a stand-alone project, and includes information on the estimated cost of the improvement as recommended, and a description of the methodology used to calculate individual assessments for affected parcels; and

WHEREAS, it has been determined that the proposed infrastructure improvements benefit the abutting properties whose owners have not petitioned for the proposed improvements, therefore a Public Hearing must be held before ordering the improvements; and

WHEREAS, Council hereby determines that the preparation of plans & specifications and the receipt of bids will provide helpful information in determining the desirability and feasibility of the improvement in advance of the required Public Hearing.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Moorhead

1. The Council hereby receives the Preliminary Engineering Report for 4th Ave S, 5th Ave S and 6th St S Area Street Improvements (Eng. No. 24-A2-06). Such improvements are necessary, cost-effective, and feasible as detailed in the Preliminary Engineering Report, and would best be completed as proposed.
2. The City Engineer is hereby designated as the engineer for this improvement and plans & specifications for the making of such improvements shall be made under the supervision of the City Engineer.
3. A public hearing shall be held on such proposed improvement on or about the 25th day of March 2024, during the regularly scheduled Council Meeting in the auditorium of the Hjemkomst Center at 5:45 p.m., and the City Clerk shall give mailed and published notice of such hearing and improvement as required by law.

PASSED: January 22, 2024, by the City Council of the City of Moorhead.

APPROVED BY:

ATTEST:

Michelle (Shelly) A. Carlson, Mayor

Christina Rust, City Clerk



City Council Communication

January 22, 2024

SUBJECT:

Resolution to Approve Actions Relating to 14th St N, 16th St N, and 6th Ave N Underground Utility and Street Improvements (Eng. No. 24-A2-04)

RECOMMENDATION:

The Mayor and City Council are asked to consider a resolution to receive the report, order the preparation of plans & specifications, and call for a public hearing for the above-referenced project.

BACKGROUND/KEY POINTS:

The proposed project area includes the streets of 14th and 16th St N, and 6th Ave N (map attached). These streets are included in the City's 2024-2028 Capital Improvement Plan and are scheduled for construction of improvements in 2024. Since special assessments will be used to finance a portion of the project cost, and the project has been initiated by Council action rather than by petition of the benefiting property owners, in accordance with Minnesota Statutes, Chapter 429, it is necessary to prepare an engineering report and hold a Public Hearing prior to ordering the improvements.

On December 11, 2023, the City Council ordered the preparation of the Engineer's Report, which has been completed by City staff under the direction of the City Engineer. The report evaluated the existing street and utility systems, considering how they were constructed and maintained, their age and current condition, and information obtained from soil borings and sewer televising. The report makes recommendations for the following street and utility improvements:

14th St N – Mill & Overlay from 6th to 15th Ave N

16th St N –

- Rehabilitation from 2nd to 4th Ave N
- Mill & Overlay from 4th to 5th Ave N
- Rehabilitation from 5th to 7th Ave N
- Mill & Overlay from 10th to 13th Ave N

6th Ave N –

- Rehabilitation from 9th to 10th St N
- Mill & Overlay from 10th to 12th St N
- Rehabilitation from 12th to 13th St N
- Reconstruction from 13th to 15th St N
- Mill & Overlay from 15th to 17th St N

A mill & overlay involves removing the upper 2" (approximately) of pavement surface (by milling it off), and placement of a new layer of bituminous surface. This extends the life of the pavement, typically by another 20 to 30 years. A rehabilitation involves the full pavement depth being removed and replaced, typically including the gravel base, but preserves most of the



City Council Communication

January 22, 2024

existing curb and gutter. A reconstruction includes the full replacement of the pavement and curb & gutter.

The report notes that MPS will be replacing (in-house) about 4,300 feet of cast iron pipe (CIP) water mains scattered across the project area. In addition to that work, MPS has asked the City Engineering Department to design two proposed watermain improvements and to include them in the City street construction contract. One is the proposed cast iron watermain replacement on 6th Ave N between 12th and 13th St N (approximately 370 feet of new 6" PVC watermain). The other improvement is on 6th Ave N from 9th to 10th St. This block currently does not have water main, and properties interior to the block have connected to the mains on the side streets by running long services down the boulevard or have shared water services with an adjacent property. MPS proposes to install approximately 330 feet of new water main in this area to better serve those lots. The other water mains in the project area are all polyvinyl chloride (PVC) pipe and in good condition. All of the sanitary sewer mains are vitrified clay pipe (VCP) and are in acceptable condition. The blocks of 6th Ave N from 9th St to 10th St and from 12th St to 13th St do not have sanitary sewer main, and properties interior to the blocks have connected to the mains on the side streets by running long services down the boulevards or have shared sewer services with an adjacent properties. Staff proposes to install new sanitary sewer mains to better serve those lots since these blocks will be rehabilitated and it will be more cost-effective to do it now. The report recommends pedestrian ramp improvements necessary to comply with ADA requirements. There are three sidewalk gaps within the project area (519 12th St N, 524 12th St N, and 521 13th St N). These gaps are proposed to be reviewed for possible infill in accordance with the City Code 8.3.4D by soliciting input from the property owners.

Staff is preparing a virtual public information presentation that will be available on or about January 29th on the City website for the proposed street improvements. The public information presentation is intended to share project information with the property owners and to solicit property owner feedback prior to receiving bids. A letter will be mailed to the abutting property owners notifying them of the presentation, and how to contact staff to ask questions or submit comments regarding the proposed design, and requesting feedback by on or about February 12, 2024 which will allow staff time to incorporate changes (if any) into the plans prior to bidding. The report finds that the proposed mill & overlay, rehabilitation and reconstruction improvements are necessary, cost-effective and feasible. The report further finds that the project is of a sufficient size to achieve a desirable economy of scale and may be constructed as a stand-alone project or in connection with some other improvement. In this case, a portion of the MPS water main work will be included in the City plans, while MPS will replace the remaining CIP mains with their own crews in advance of the street construction as it will be the most cost-effective way to complete both projects.

A portion of the project cost will be financed using special assessments applied on an adjusted front foot basis, as well as an areawide assessment for 14th St N since this is a collector street. The assessments will be levied at the standard rates included in the current City Fee Schedule (\$135.00 per foot for reconstruction projects, \$85.00 per foot for rehabilitation projects, \$40.00 per foot for urban section mill & overlay projects, and \$575 per unit for areawide



City Council Communication

January 22, 2024

assessments). Staff further recommends that the Council receive the Engineer's report and order the preparation of plans & specifications. Staff further recommends that the City prepare plans & specifications and receive bids for the proposed project prior to holding the Public Hearing in order to have the best information available regarding the actual project costs prior to ordering the improvements. Staff recommends scheduling the Public Hearing to be held on or about March 25, 2024.

Below is an outline of the proposed project schedule.

PROJECT SCHEDULE	
Activity	Date
Order Preliminary Engineer's Report	December 11, 2023
Receive Engineer's Report, Order Plans & Specs, and Call for a Public Hearing	January 22, 2024
Approve Plans & Specs and Authorize Ad for Bids	February 12, 2024
Receive Bids	March 6, 2024
Hold Public Hearing, Order Improvements, Declare Intent to Assess & Award Bid	March 25, 2024
Anticipated Construction Schedule	May/Sept. 2024
Hold Assessment Hearing	Fall, 2024

FINANCIAL CONSIDERATIONS:

The cost of the above requested actions is negligible at this time, as City staff will complete the design of the project. The total project cost, including contingencies and fees, is preliminarily estimated at \$3,664,000. Moorhead Public Service will reimburse the City for its share of approximately \$258,000 for the City designed and constructed water improvements. It is proposed to finance the rest of the project cost (\$3,406,000) through the PIR Fund using a General Obligation Improvement Bond. The City will assess approximately \$717,000 of the total project cost to the benefiting properties in accordance with the City's Special Assessment Policy. The balance of the project cost (\$2,689,000) will be paid as a City share

Voting Requirements: Majority of Quorum

Submitted By:

Dan Mahli, City Manager
Tom Trowbridge, Assistant City Engineer
Sylvia Lizotte, Office Specialist

Attachments: 24-A2-04 Assessment District Map, 24-A2-04 Location Map

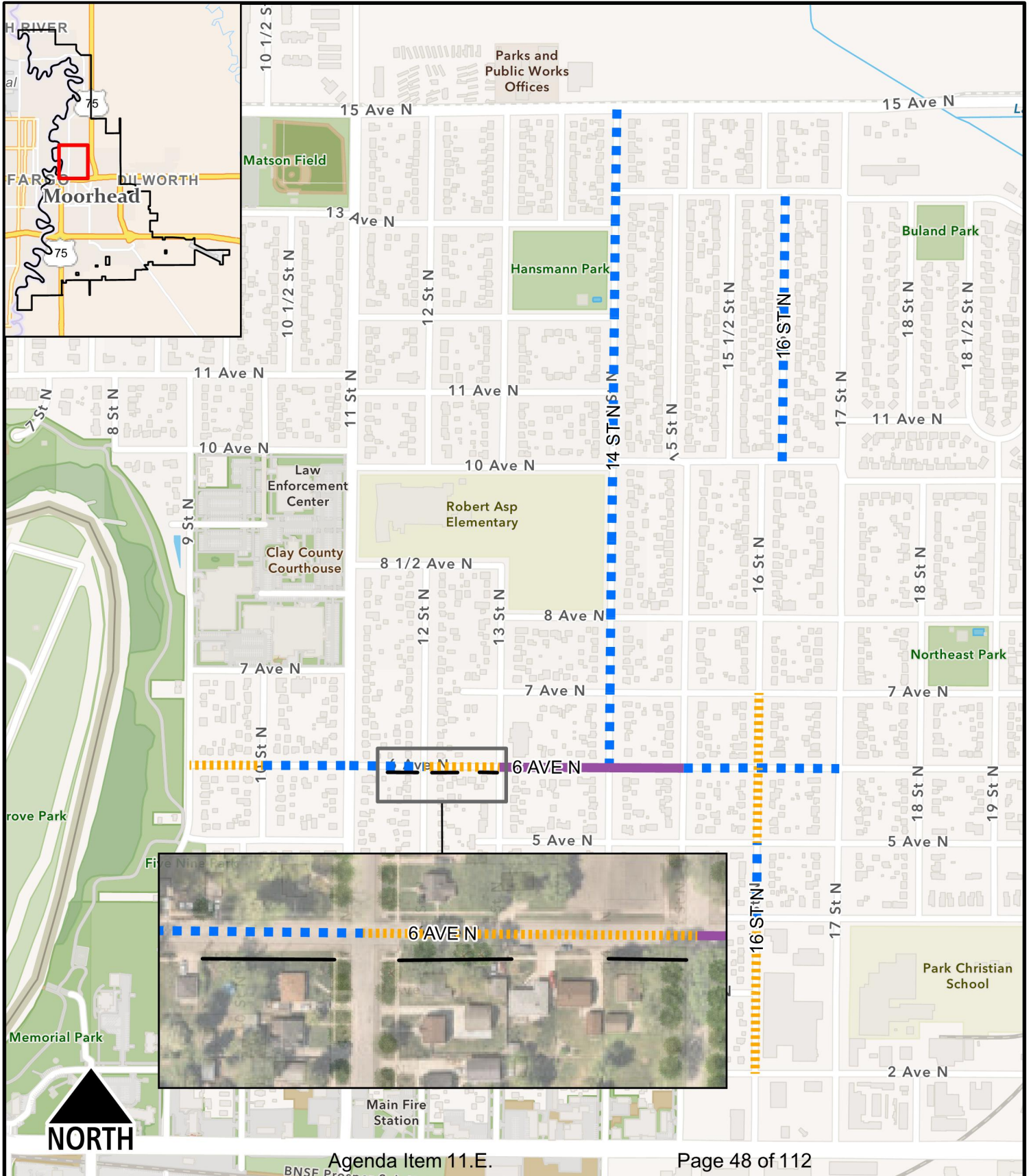


LEGEND

- MILL & OVERLAY
- RECONSTRUCTION
- REHABILITATION
- POSSIBLE SIDEWALK INFILL

24-A2-04 Street Project

14TH ST N, 16TH ST N, AND 6TH AVE N
UNDERGROUND UTILITY AND STREET
IMPROVEMENTS
CITY OF MOORHEAD



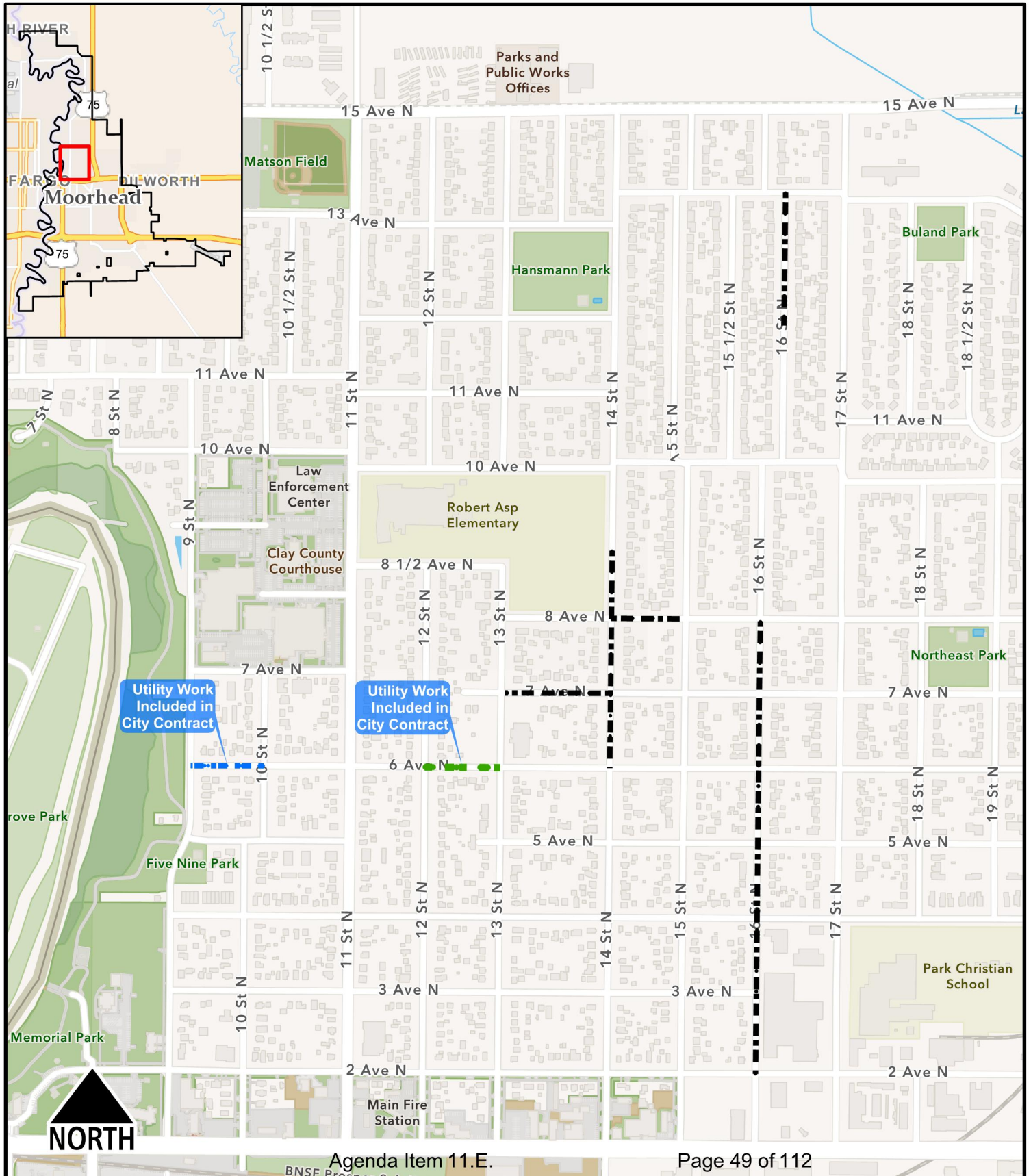


LEGEND

- MPS (IN-HOUSE) WATER MAIN REPLACEMENT
- WATER MAIN EXTENSION AND SANITARY SEWER EXTENSION
- WATER MAIN REPLACEMENT AND SANITARY SEWER EXTENSION

24-A2-04 Utility Project

14TH ST N, 16TH ST N, AND 6TH AVE N
UNDERGROUND UTILITY AND STREET
IMPROVEMENTS
CITY OF MOORHEAD



RESOLUTION

Resolution to Approve Actions Relating to 14th St N, 16th St N, and 6th Ave N Underground Utility and Street Improvements (Eng. No. 24-A2-04)

WHEREAS, pursuant to a resolution of the City Council dated December 11, 2023, staff has prepared a preliminary engineering report under the direction of the City Engineer to consider the making of the 14th St N, 16th St N, and 6th Ave N Underground Utility and Street Improvements (Eng. No. 24-A2-04); and

WHEREAS, the preliminary engineering report finds that the proposed improvements are necessary, cost-effective and feasible, that they would best be completed as a stand-alone project, and includes information on the estimated cost of the improvement as recommended, and a description of the methodology used to calculate individual assessments for affected parcels; and

WHEREAS, it has been determined that the proposed infrastructure improvements benefit the abutting properties whose owners have not petitioned for the proposed improvements, therefore a Public Hearing must be held before ordering the improvements; and

WHEREAS, the Council hereby determines that the preparation of plans & specifications and the receipt of bids will provide helpful information in determining the desirability and feasibility of the improvement in advance of the required Public Hearing.

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

1. The Council hereby receives the Preliminary Engineering Report for 14th St N, 16th St N, and 6th Ave N Underground Utility and Street Improvements (Eng. No. 24-A2-04). Such improvements are necessary, cost-effective, and feasible as detailed in the Preliminary Engineering Report, and would best be completed as a stand-alone project.
2. The City Engineer is hereby designated as the engineer for this improvement and plans & specifications for the making of such improvements shall be made under the supervision of the City Engineer.
3. A public hearing shall be held on such proposed improvement on or about the 25th day of March 2024, during the regularly scheduled Council Meeting in the auditorium of the Hjemkomst Center at 5:45 p.m., and the City Clerk shall give mailed and published notice of such hearing and improvement as required by law.

PASSED: January 22, 2024, by the City Council of the City of Moorhead.

APPROVED BY:

ATTEST:

Michelle (Shelly) A. Carlson, Mayor

Christina Rust, City Clerk



City Council Communication

January 22, 2024

SUBJECT:

Resolution to Approve Actions Relating to 4th Ave N and 30th St N Underground Utility and Street Improvements (Eng. No. 24-A2-05)

RECOMMENDATION:

The Mayor and City Council are asked to consider a resolution to receive the report, order the preparation of plans & specifications, and call for a public hearing for the above-referenced project.

BACKGROUND/KEY POINTS:

The proposed project area includes the streets of 4th Ave N and 30th St N (map attached). These streets are included in the City's 2024-2028 Capital Improvement Plan and are scheduled for construction of improvements in 2024. Since special assessments will be used to finance a portion of the project cost, and the project has been initiated by Council action rather than by petition of the benefiting property owners, in accordance with Minnesota Statutes, Chapter 429, it is necessary to prepare an engineering report and hold a Public Hearing prior to ordering the improvements.

On December 11, 2023, the City Council ordered the preparation of the Engineer's Report, which has been completed by City staff under the direction of the City Engineer. The report evaluated the existing street and utility systems, considering how they were constructed and maintained, their age and current condition, and information obtained from soil borings and sewer televising. The report makes recommendations for the following street and utility improvements:

4th Ave N – Mill & Overlay from 28th to 30th St N
30th St N –

- Mill & Overlay from 4th Ave N to 300 block (North portion)
- Rehabilitation from 300 block to 2nd Ave N (South portion)

A mill & overlay involves removing the upper 2" (approximately) of pavement surface (by milling it off), and placement of a new layer of bituminous surface. This extends the life of the pavement, typically by another 20 to 30 years. A rehabilitation involves the full pavement depth being removed and replaced, typically including the gravel base, but preserves most of the existing curb and gutter.

The sanitary sewer and water mains in the project area are all polyvinyl chloride (PVC) pipe and in good condition, so no utility improvements are recommended. Staff recommends pedestrian ramp improvements necessary to comply with ADA requirements. There are two sidewalk gaps located within the project area (30th St N on the side yard (west) of Autozone and the front of the Fryin' Pan) that are proposed to be reviewed in accordance with the City code by soliciting input from the property owners.



City Council Communication

January 22, 2024

Staff is preparing a virtual public information presentation that will be available on or about January 29th on the City website for the proposed street improvements. The public information presentation is intended to share project information with the property owners and to solicit property owner feedback prior to receiving bids. A letter will be mailed to the abutting property owners notifying them of the presentation, how to contact staff to ask questions or submit comments regarding the proposed design and requesting feedback on or about February 12, 2024 which will allow staff time to incorporate changes (if any) into the plans prior to bidding. The report finds that the proposed mill & overlay and rehabilitation improvements are necessary, cost-effective and feasible. The report further finds that the project is of a sufficient size to achieve a desirable economy of scale and may be constructed as a stand-alone project or in connection with some other improvement.

A portion of the project cost will be financed using special assessments applied on an adjusted front foot basis at the standard rates included in the current City Fee Schedule (\$85.00 per foot for rehabilitation projects and \$40.00 per foot for urban section mill & overlay projects). Staff recommends that the Council receive the Engineer's report and order the preparation of plans & specifications. Staff further recommends that the City prepare plans & specifications and receive bids for the proposed project prior to holding the Public Hearing in order to have the best information available regarding the actual project costs prior to ordering the improvements. Staff recommends scheduling the Public Hearing to be held on or about March 25, 2024.

Below is an outline of the proposed project schedule.

PROJECT SCHEDULE	
Activity	Date
Order Preliminary Engineer's Report	December 11, 2023
Receive Engineer's Report, Order Plans & Specs, and Call for a Public Hearing	January 22, 2024
Approve Plans & Specs and Authorize Ad for Bids	February 12, 2024
Receive Bids	March 6, 2024
Hold Public Hearing, Order Improvements, Declare Intent to Assess & Award Bid	March 25, 2024
Anticipated Construction Schedule	May/Sept. 2024
Hold Assessment Hearing	Fall, 2024

FINANCIAL CONSIDERATIONS:

The cost of the above requested actions is negligible at this time, as City staff will complete the design of the project. The total project cost, including contingencies and fees, is preliminarily estimated at \$930,500. It is proposed to finance the project through the PIR Fund using a



City Council Communication

January 22, 2024

General Obligation Improvement Bond, and to assess approximately \$277,000 of the total project cost to the benefiting properties in accordance with the City's Special Assessment Policy. The balance of the project cost (\$653,500) will be paid as a City share.

Voting Requirements: Majority of Quorum

Submitted By:

Dan Mahli, City Manager

Tom Trowbridge, Assistant City Engineer

Sylvia Lizotte, Office Specialist

Attachments: 24-A2-05 Location Map

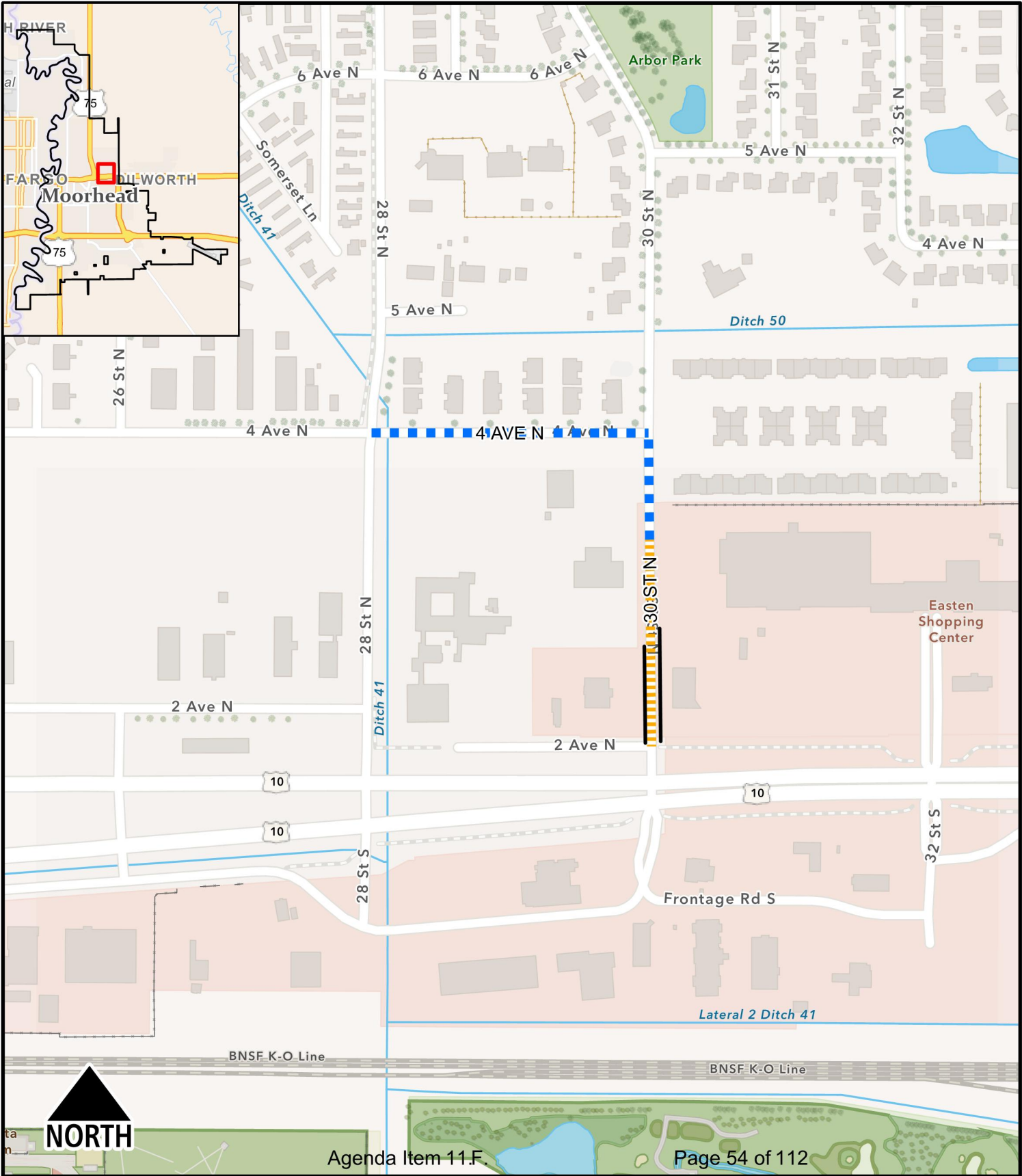


LEGEND

- MILL & OVERLAY
- ▨ REHABILITATION
- POSSIBLE SIDEWALK INFILL

24-A2-05 Street Project

4TH AVE N AND 30TH ST N UNDERGROUND
UTILITY AND STREET IMPROVEMENTS
CITY OF MOORHEAD



RESOLUTION

Resolution to Approve Actions Relating to 4th Ave N and 30th St N Underground Utility and Street Improvements (Eng. No. 24-A2-05)

WHEREAS, pursuant to a resolution of the City Council dated December 11, 2023, staff has prepared a preliminary engineering report under the direction of the City Engineer to consider the making of the 4th Ave N and 30th St N Underground Utility and Street Improvements (Eng. No. 24-A2-05); and

WHEREAS, the preliminary engineering report finds that the proposed improvements are necessary, cost-effective and feasible, that they would best be completed as a stand-alone project, and includes information on the estimated cost of the improvement as recommended, and a description of the methodology used to calculate individual assessments for affected parcels; and

WHEREAS, it has been determined that the proposed infrastructure improvements benefit the abutting properties whose owners have not petitioned for the proposed improvements, therefore a Public Hearing must be held before ordering the improvements; and

WHEREAS, the Council hereby determines that the preparation of plans & specifications and the receipt of bids will provide helpful information in determining the desirability and feasibility of the improvement in advance of the required Public Hearing.

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

1. The Council hereby receives the Preliminary Engineering Report for 4th Ave N and 30th St N Underground Utility and Street Improvements (Eng. No. 24-A2-05). Such improvements are necessary, cost-effective, and feasible as detailed in the Preliminary Engineering Report, and would best be completed as a stand-alone project.
2. The City Engineer is hereby designated as the engineer for this improvement, and plans & specifications for the making of such improvements shall be made under the supervision of the City Engineer.
3. A public hearing shall be held on such proposed improvement on or about the 25th day of March 2024, during the regularly scheduled Council Meeting in the auditorium of the Hjemkomst Center at 5:45 p.m., and the City Clerk shall give mailed and published notice of such hearing and improvement as required by law.

PASSED: January 22, 2024, by the City Council of the City of Moorhead.

APPROVED BY:

ATTEST:

Michelle (Shelly) A. Carlson, Mayor

Christina Rust, City Clerk



City Council Communication

January 22, 2024

SUBJECT:

Resolution to Support an Active Transportation Grant Application

RECOMMENDATION:

The Mayor and City Council are asked to consider a resolution to support an Active Transportation (AT) grant application solicited through the State of Minnesota.

BACKGROUND/KEY POINTS:

The Minnesota Active Transportation (AT) Program, established by the Minnesota Legislature in 2017 and defined in Minnesota Statute 174.38, has funding accounts which provide assistance to local agencies (counties, cities, and townships) for projects designed to improve pedestrian and bicycle infrastructure. For this 2023 AT Infrastructure Solicitation, a total of \$13.2 million in grant funds are available. Funds are available for pedestrian and bicycle infrastructure improvements on qualifying local roads in 2024 or 2025. Applicants may request up to \$1M per project. The grant program is highly competitive so there is no guarantee of funding. MnDOT issued a solicitation for grant applications on November 27, 2023. Grant applications are due February 2, 2024, with award notices anticipated in April or May 2024.

Staff recommends that the City submit an application for \$1M in AT funding for FY 2025 for improvements to Center Ave from 8th St to 10th St. This roadway is functionally classified as a principal arterial, is currently a Trunk Highway that will be turned back to the City upon completion of the underpass project and designated a Municipal State Aid Route, and is included in the City's 5-Year Capital Improvement Plan (CIP).

This project is planned for construction in 2025. Preliminary geometric design is currently underway, and staff anticipates bidding this project sometime between November 2024 and February 2025 and constructing the project in 2025.

The improvements will include full reconstruction of the street to include new sidewalk and ADA facilities and the extension of the shared-use trail that currently exists on Center Avenue between 4th St and 8th St. Constructing this segment of trail will connect the 11th Street underpass to the City's River corridor trail system.

FINANCIAL CONSIDERATIONS:

AT infrastructure funding does not require any match by the grant recipient. The grantee finances 100% of the project cost up front and submits a request for reimbursement. The City will be responsible for providing funding beyond the grant amount for actual construction costs, plus any other costs (engineering, administrative, right-of-way, etc.). It is proposed to use Municipal State Aid (MSA) funds for the City share of the project cost.



City Council Communication

January 22, 2024

Voting Requirements: Majority of Council

Submitted By:

Dan Mahli, City Manager

Tom Trowbridge, Assistant City Engineer

Sylvia Lizotte, Office Specialist

Attachments:

RESOLUTION

Resolution to Support an Active Transportation Grant Application

WHEREAS, the Minnesota Department of Transportation has issued a solicitation for the Active Transportation (AT) Infrastructure grants for projects that will be constructed in 2024 and 2025; and

WHEREAS, the City of Moorhead is planning the reconstruction of Center Avenue from 8th St to 10th St in 2025, using a mix of State and Municipal State Aid funds.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Moorhead, Minnesota that:

1. The City Council approves the application for an Active Transportation grant to be used for Improvements on Center Ave from 8th St to 10th St (Eng. No. 22-A2-07).
2. The City will fund engineering, right-of-way, inspection, and other non-AT eligible costs as well as AT-eligible costs in excess of AT grant amount.

PASSED: January 22, 2024, by the City Council of the City of Moorhead.

APPROVED BY:

ATTEST:

Michelle (Shelly) A. Carlson, Mayor

Christina Rust, City Clerk



City Council Communication

January 22, 2024

SUBJECT:

Resolution to Award Bid for the Remodel of Fire Station 1 to Accommodate the 11th St N Underpass

RECOMMENDATION:

The Mayor and City Council are asked to award the bid to Border Construction, LLC in the amount of \$1,379,600.00 for the Remodel of Fire Station 1 to Accommodate the 11th St N Underpass.

BACKGROUND/KEY POINTS:

The proposed project includes remodeling of portions of the Moorhead Fire Department Station 1 Apparatus Bay, addition of an overhead bay door, and replacement of all exterior paved surfaces.

Bids for the project are summarized in the attached Bid Tab. Staff recommends awarding the bid to the apparent lowest responsible bidder.

The remodel project is expected to begin April 2024 and end late 2024 or early 2025, depending upon status of 11th St Underpass Project.

FINANCIAL CONSIDERATIONS:

Six bids for the project were received and are detailed in the attached bid tabulation.

Based on the low bid, the estimated total project cost is \$1,379,600.00.

Based on a review of the bids, it is the recommendation of staff that the bid should be awarded to Border Construction, LLC as the lowest responsive, responsible bidder.

Voting Requirements: 3/4 of Council (6)

Submitted By:

Dan Mahli, City Manager

Jeff Wallin, Fire Chief

Emily Roen, Program Assistant

Attachments: 20234250 - Bid Tab Moorhead Fire Station 1 Addition and Remodel 12.7.23



(701) 461-7222

BIDS CLOSE: 2:00 p.m. local time BIDS READ: 2:00 p.m. local time

* Denotes apparent low bid

RESOLUTION

Resolution to Award Bid for Remodel of Fire Station 1 to Accommodate the 11th St N Underpass

WHEREAS, bids were received, opened and tabulated according to law, and six bids were received; and

WHEREAS, the Minnesota Department of Transportation has included funding to remedy this loss of access in their Fire Station 1 appraisal as a cost to cure;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Moorhead, Minnesota that:

1. It is found, determined and declared that the lowest responsive, responsible bid with respect to the proposed remodel was received from Border Construction, LLC in the amount of \$1,379,600.00. Said bid is in all respects in accordance with the plans and specifications heretofore approved by the City Council. Thus, said bid is hereby in all things approved and accepted.
2. The Mayor and City Manager are hereby authorized and directed to award the bid to Border Construction, LLC, for the remodel of Fire Station 1 to accommodate the 11th St N Underpass, according to the plans and specifications therefore approved by the City Council and on file in the office of the Fire Chief.
3. The City Clerk is hereby authorized and directed to return forthwith to all bidders the deposits made with their bid, except the deposits of the successful bidder and the next lowest bid shall be retained until a contract has been signed.
4. The City Manager is hereby authorized to approve minor extra work orders and change orders as necessary to satisfactorily complete the work up to a cumulative total not-to-exceed 5% (\$68,980.00) of the total contract amount.

PASSED: January 22, 2024 by the City Council of the City of Moorhead.

APPROVED BY:

ATTEST:

Michelle (Shelly) A. Carlson, Mayor

Christina Rust, City Clerk



City Council Communication

January 22, 2024

SUBJECT:

Resolution to Approve Budget Adjustment #24-004 and Accept Grant Award for 2022 Hazardous Materials Emergency Preparedness (HMEP) Grant Program.

RECOMMENDATION:

The Mayor and City Council are asked to consider the resolution to authorize the City Manager to accept the 2022 Hazardous Materials Emergency Preparedness (HMEP) Grant Program award from the Minnesota Department of Public Safety, State Fire Marshal Division.

BACKGROUND/KEY POINTS:

The Homeland Security and Emergency Management (HSEM) Division administers several preparedness grant programs that are available to jurisdictions, agencies and organizations throughout Minnesota. HMEP grants are used to develop, improve, and implement emergency plans; train hazardous materials (hazmat) emergency responders to respond to accidents and incidents involving hazardous materials, and assist local responders to prepare for hazardous materials emergencies, particularly those involving transportation. The City of Moorhead's Hazardous Materials Team has received funding from this grant program in the past several years. An application was submitted under the 2022 HMEP Grant Program to receive funding for training and planning, and an award notification was recently received. This grant award would assist in funding for hazmat training and planning as follows:

- Instructor fees and delivery costs for the 'Hazmat IQ: Above the Line Below the Line' Hazardous Materials Technician' Class with 30 attendees
- The registration and travel costs for up to 6 people from our Hazmat Team to attend the Cold Zone Hazmat Conference

The training and planning will benefit the City of Moorhead Fire Department's Hazmat Team and ultimately our citizens and surrounding communities. The request for authorization to accept this grant through resolution is consistent with City Policy, and the Mayor and Council possess the legal authority to accept grant awards through resolution under City policy and Minnesota Statutes.

FINANCIAL CONSIDERATIONS:

Previous and following notations provide a breakdown of the grant award for the planning and training:

The Federal share of the grant award (80%) would be \$20,000.00 and the required City match (20%) for a total of \$5,000.00 would come from the City of Moorhead Hazmat Team Budget.



City Council Communication

January 22, 2024

The proposed budget adjustment #24-004 would establish the appropriate expenditure and revenue accounts for the 2022 HMEP Grant Program award.

Budget Adjustment #24-004

Fund Name	Acct. Description	Expenditure	Funding Source
General (HMEP)	Munic State Aid Fed Pass thru		\$20,000.00
General (HMEP)	From Reserves (Hazmat)		\$5,000.00
General (HMEP)	Professional Services	\$17,500.00	
General (HMEP)	Travel, Training, Conferences	\$7,500.00	
	Total	\$25,000.00	\$25,000.00

Voting Requirements: Majority of Council

Submitted By:

Dan Mahli, City Manager
Chad Stangeland, Division Chief
Emily Roen, Program Assistant

Attachments:

RESOLUTION 2024-0122

Resolution to Accept Grant Award for 2022 Hazardous Materials Emergency Preparedness (HMEP) Grant Program

WHEREAS, grant funds were made available for distribution by the Minnesota State Fire Marshal Division through the U.S. Department of Transportation Hazardous Materials Emergency Preparedness (HMEP) Grant Program to assist local responders to prepare for hazardous materials emergencies, particularly those involving transportation; and

WHEREAS, the City of Moorhead Fire Department's Hazardous Materials Team submitted a grant application under this grant program to receive funding for Hazmat training and planning opportunities; and

WHEREAS, this funding would assist in the costs associated with travel and registration for 6 members to attend the Cold Zone Hazmat Conference; and

WHEREAS, this funding would also assist with the costs associated with our team members to attend the 'Hazmat IQ: Above the Line Below the Line' Hazardous Materials Technician' Class, and

WHEREAS, recent notification was received that the City of Moorhead Hazardous Materials Team has been awarded a 2022 Hazardous Materials Emergency Preparedness Grant to assist with the aforementioned costs; the Federal share of this grant award is \$20,000.00 (80 percent) and the remaining 20 percent of \$5,000.00 would come from the City of Moorhead Hazardous Materials Team budget; and

WHEREAS a resolution is needed authorizing the acceptance of said grant.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Moorhead, Minnesota, that they do hereby authorize the acceptance of said grant award and authorize the Mayor and City Manager to enter into said grant agreement and expend these funds within the grant guidelines.

BE IT FURTHER RESOLVED that budget adjustment #24-004 is approved to allocate these award funds to the correct revenue and expenditure accounts.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Moorhead.

PASSED: January 22, 2024 by the City Council of the City of Moorhead.

APPROVED BY:

ATTEST:

Michelle (Shelly) A. Carlson, Mayor

Christina Rust, City Clerk



City Council Communication

January 22, 2024

SUBJECT:

Resolution to Approve Budget Adjustment #24-002 and Related Agreement with State of MN - Department of Labor and Industry

RECOMMENDATION:

The Mayor and City Council are asked to consider a resolution to approve a budget adjustment and an Agreement with the MN Department of Labor and Industry for a Building Official Training Grant

BACKGROUND/KEY POINTS:

The Minnesota Department of Labor and Industry recognize the importance of training and supporting new building inspectors and building officials. Moorhead received a Building Official Training grant award in the amount of \$65,000 to support a one-year grant for the Moorhead Building Codes team. The goal of the Apprenticeship Grant is to provide knowledge and enhance career preparedness in the building inspection field by providing mentorship, training and classes.

FINANCIAL CONSIDERATIONS:

The grant will help fund an existing full-time position in the amount of \$65,000.

Budget Adjustment # 24-002

- Revenue Increase – State Grant Revenue \$65,000
- Expenditure Increase – Employee Wages and Benefits \$65,000

Voting Requirements: 2/3 of Council (6)

Submitted By:

Dan Mahli, City Manager
Kristie Leshovsky, Community Development Director

Attachments: Draft Resolution

RESOLUTION

Resolution to Approve Budget Adjustment #24-002 and Related Agreement with State of MN - Department of Labor and Industry

WHEREAS, the MN Department of Labor and Industry (DLI) Construction Codes and Licensing Division supports efforts to recruit and train future building officials; and

WHEREAS, the City of Moorhead Building Codes Division permits and inspects hundreds of projects each year; and

WHEREAS, MN DLI Construction Codes and Licensing Division has approved a \$65,000 grant to provide funding for an Apprenticeship building official and inspector within the Building Codes Division.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Moorhead that Budget Adjustment #24-002 is hereby approved and that the City Manager is directed and authorized to enter into Agreement/s required to receive MN DLI Construction Codes and Licensing Division Grant funds.

PASSED: January 22, 2024 by the City Council of the City of Moorhead.

APPROVED BY:

ATTEST:

Michelle (Shelly) A. Carlson, Mayor

Christina Rust, City Clerk



City Council Communication

January 22, 2024

SUBJECT:

Resolution Accepting Offer on the Sale of City of Moorhead \$27,810,000 Public Utility Revenue Bonds, Series 2024A (Moorhead Public Service), and providing for their Issuance

RECOMMENDATION:

The Mayor and Members of the City Council are asked to approve the resolution accepting an offer on the sale of the City of Moorhead \$27,810,000 Public Utility Revenue Bonds, Series 2024A, for Moorhead Public Service, and providing for their issuance.

BACKGROUND/KEY POINTS:

Moorhead Public Service's (MPS') preliminary 2023-2033 capital budget plan, which was reviewed by the Commission's Budget Working Group and approved by the Commission on October 17, 2023, included a 2024 revenue bond issue for capital improvements initiated in 2023 and scheduled completion in late 2024 and 2025. The bond issue, currently estimated to provide MPS with \$29,781,600 after the sale, which includes a premium of \$1,971,600, is to cover project financing of \$27,500,000, increased debt service reserves of \$1,695,300, and \$586,300 to cover a portion of estimated issuance and underwriting costs.

Major items to be financed with the bond issuance include reconfiguring MPS' Moorhead DOE Tap Substation (Substation) and the installation of electric transmission shunt reactors, a replacement transformer, and expansion of the substation, which includes a new control building, circuit breaker, and all other associated equipment at the Substation. The work on these two projects was initiated as a result of Southwest Power Pool (SPP) issuing two Notice to Construct (NTC) letters to Missouri River Energy Services (MRES) to upgrade transmission components in Moorhead that serve as a through-point in the upper-Midwest power grid. The work was ordered because MPS is a member of MRES and the owner of the facility associated with the NTCs.

It should be noted that work is already underway on these projects using reserve funds. Based on a previous resolution presented to, and approved by, the Commission on March 1, 2022 (Approve Resolution and Request to Mayor and Moorhead City Council to Approve Bond Sale), MPS expects to replenish reserves for costs paid to date. Within the resolution was a Declaration of Official Intent stating that MPS would be reimbursed for any project costs that were paid from reserves from the bond sale proceeds.

Baker Tilly Director Christine Hogan has analyzed MPS' outstanding debt for potential cost savings by refunding as is done each time MPS prepares for a new bond issue. At this time, there are no existing bond issues that would net a positive cash flow by refunding.

In 2012, MPS met with Moody's Investors Service (Moody's) and successfully received an upgraded credit rating to Aa3. On August 30, 2023, Moody's formally upgraded MPS' enterprise's revenue debt rating from Aa3 to Aa2. On January 9, 2024, Moody's issued a press



City Council Communication

January 22, 2024

release assigning an Aa2 bond rating to MPS. This upgrade is expected to result in savings for MPS' ratepayers and city of Moorhead taxpayers through more favorable interest rates on borrowings.

MPS' Electric Division's 2024 financing plan estimate is currently \$29,781,600, which includes issuance costs and reserves. Capital projects funded by this bond issue include the following:

	Amount
Construction at Moorhead DOE Tap Substation to include demolition, sitework, foundations, and installation of major equipment and buswork	\$15,675,000
Installation of electric transmission reactors at Moorhead DOE Tap Substation	\$6,500,000
Installation and upgrade of transformer at Moorhead DOE Tap Substation (\$5,975,000 less insurance reimbursement for storm damage)	\$5,325,000
Subtotal	\$27,500,000
Issuance and Underwriting	\$586,300
Reserves	<u>\$1,695,300</u>
Total Bonding	\$29,781,600

On December 11, 2023, the City Council approved a resolution providing for the competitive negotiated sale of the City of Moorhead \$27,810,000 Public Utility Revenue Bonds, Series 2024A. MPS and City staff have been working with Baker Tilly, and the bids related to the bond sale will be received and opened on January 22, 2024. Attached is a draft preliminary resolution approving the sale and the terms and conditions of the issuance of the bonds. On January 22, 2024 (the day of the bond sale), the City Attorney will distribute a final resolution, which will include the results of the bond sale. On February 6, 2024, the Moorhead Public Service Commission will concur with the approval of the resolution accepting an offer on the sale of the City of Moorhead's \$27,810,000 Public Utility Revenue Bonds, Series 2024A, and providing for their issuance.

FINANCIAL CONSIDERATIONS:

There will be no direct cost to the City for MPS' portion of any potential bond issuance. All costs associated with the bond sale will be incurred by MPS.

Voting Requirements: 3/4 of Council (6)

Submitted By:

Dan Mahli, City Manager

Travis Schmidt, General Manager



City Council Communication

January 22, 2024

Attachments: Resolution Calling for the Competitive Negotiated Sale of \$27,810,000 Public Utility Revenue Bonds, Series 2024A (dated December 5, 2023)
Resolution Providing for the Competitive Negotiated Sale of \$27,810,000 Public Utility Revenue Bonds, Series 2024A (dated December 11, 2023)

RESOLUTION

Resolution Accepting Offer on the Sale of City of Moorhead \$27,810,000 Public Utility Revenue Bonds, Series 2024A (Moorhead Public Service), and providing for their Issuance

EXTRACT OF MINUTES OF A MEETING OF THE CITY COUNCIL OF THE CITY OF MOORHEAD, MINNESOTA HELD: JANUARY 22, 2024

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Moorhead, Clay County, Minnesota, was duly called and held at the City Hall in said City on Monday, the 22nd day of January, 2024, at 5:30 P.M., for the purpose of awarding the sale of \$27,810,000 Public Utility Revenue Bonds, Series 2024A of the City.

The following members were present: _____
_____, and the following were absent: _____.

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION ACCEPTING OFFER ON THE SALE OF \$27,810,000 PUBLIC UTILITY REVENUE BONDS, SERIES 2024A, AND PROVIDING FOR THEIR ISSUANCE

A. WHEREAS, the City of Moorhead, Minnesota (the “City”) owns and operates a municipal electric light and power plant and system and a municipal water utility (the “Public Utilities”), both of which, pursuant to Chapter 12 of the Moorhead City Charter, are controlled, managed and operated by the Moorhead Public Service Commission (the “Commission”); and

B. WHEREAS, the City has heretofore created a Water and Light Fund into which all revenues of the Public Utilities are paid; and

C. WHEREAS, the Commission is undertaking the following project: various electric distribution system upgrades and electrical transmission upgrades (the “Improvements”); and

D. WHEREAS, there are now outstanding the following Public Utility Revenue Bonds: Water and Electric Revenue Loan, Series 2007A (Minnesota Utilities Association Financing Program), Public Utility Revenue and Refunding Bonds, Series 2009A; Public Utility Revenue and Refunding Bonds, Series 2012E; and Public Utility Revenue Bonds, Series 2016A, the payment for which the net revenues derived from the Public Utilities are pledged (collectively, less the Refunded Bonds set out below, the “Prior Parity Bonds”), the principal and interest of which have a prior lien on the net revenues of the Public Utilities; and

E. WHEREAS, the resolutions authorizing the Prior Parity Bonds provide that additional parity bonds may be issued provided that an additional bonds test is met; and

F. WHEREAS, other than the Prior Parity Bonds, neither the City nor the Commission has other outstanding bonds, warrants, certificates or other obligation of indebtedness for which the net revenues of the Public Utilities are pledged other than the Public Facilities Authority Loan of 2014; Public Facilities Authority Loan of 2016; and General Obligation Water Revenue Bonds, Series 2020A, which have a subordinate lien on the net revenues of the Public Utilities (the “Subordinate Bonds”); and

G. WHEREAS, the City and Commission find, determine and declare that it is necessary and expedient to provide moneys in the amount of \$27,810,000 to finance the Improvements; and

H. WHEREAS, the construction of the Improvements to be financed by the Bonds has heretofore been ordered; and

I. WHEREAS, offers to purchase the Bonds were solicited on behalf of the City by Baker Tilly Municipal Advisors, LLC; and

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

K. WHEREAS, the following offers were received, opened and recorded at the offices of Baker Tilly Municipal Advisors, LLC, at 10:00 a.m. this same day:

<u>Bidder</u>	<u>Interest Rate</u>	<u>Net Interest Cost</u>
---------------	----------------------	--------------------------

SEE ATTACHED

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

1. Defined Terms. As used in this Resolution and accompanying closing documents, the following terms have the meanings specified below:

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Applicable Law” means, collectively, the Constitutions of the United States and the State, all common law and principles of equity, and all federal, state and local laws including, without limitation, all environmental laws, statutes, treaties, codes, acts, rules, regulations, guidelines, ordinances, resolutions, orders, judgments, decrees, injunctions, and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, all governmental approvals, and all administrative orders, awards, directed duties, requests, licenses, certificates, authorizations and permits of, and agreements with,

any governmental authority, and, with respect to any Person, the articles of incorporation, bylaws or other organizational or governing documents of such Person, in each case whether or not having the force of law, that are applicable now or are applicable at any time hereafter to (a) the City, (b) the Project, or (c) the transactions.

“Authorized City Representative” means the Mayor and any other officer, member or employee of the City authorized by a certificate of the City Manager to perform the act or sign the document in question, and if there is no such authorization, means the Acting Mayor. Any document delivered hereunder that is signed by an Authorized City Representative shall be conclusively presumed to have been authorized by all necessary action on the part of the Council and shall be conclusively presumed to have acted on behalf of the City.

“Council” means the City Council, the governing body of the City, and any successor thereto.

“Bonds” means the “City of Moorhead, Minnesota, Public Utility Revenue Bonds, Series 2024A.

“Business Day” means any day other than (a) a Saturday, Sunday or other day on which banks located in the cities in which the principal (or designated) office of either of the City or the Lender is located are required or authorized by law to close, (b) a day on which the New York Stock Exchange is closed, or (c) a day on which the payment system of the Federal Reserve System is not operational.

“City” means the City of Moorhead.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and all rules and regulations from time to time promulgated thereunder.

“Contract” means any indenture, contract, guaranty, note or agreement (other than this Resolution), other contractual restriction, lease, instrument, certificate of incorporation, charter or by-law.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract, or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Current Expenses” means reasonable and necessary costs of administering, operating, maintaining and insuring the Public Utilities, the cost of purchasing power from other utilities, and for power agencies, salaries, wages, costs of materials and supplies, necessary legal, engineering and auditing services, and all other items which, by sound accounting practices constitute normal, reasonable and current costs of operation and maintenance, but excluding any allowance for

depreciation, extraordinary repairs, and payment into the Revenue Bond Account and Reserve Account.

“Date of Taxability” means the date as of which, pursuant to a Determination of Taxability, the interest on the Bonds is deemed to first be includible in the gross income of the Lender, as reasonably determined by the Lender and set forth in a written notice to the City.

“Default” means the occurrence of any event or the existence of any condition which with the giving of notice, the passage of time, or both, would constitute an Event of Default.

“Determination of Taxability” means a determination that the interest payable on the Bonds does not qualify as interest which is excludable from gross income of the recipient thereof for federal income tax purposes under Section 103 of the Code (“Exempt Interest”) for any reason, which determination shall be deemed to have been made upon the first to occur of any of the following:

the date on which (i) the Internal Revenue Service issues a proposed or final determination of taxability, a Notice of Proposed Issue (IRS Form 5701-TEB), a notice of deficiency or similar notice, or any other notice, determination or decision, in each case, to the effect that the interest payable on the Bonds or any portion thereof does not qualify as Exempt Interest, or (ii) a court of competent jurisdiction has rendered any final ruling or decision to the effect that the interest payable on the Bonds or any portion thereof does not qualify as Exempt Interest; (iii) the date when the City files any statement, supplemental statement, or other tax schedule, return or document, which is in any respect inconsistent with interest payable on the Bonds or any portion thereof continuing to qualify as Exempt Interest; (iv) the date of any sale, lease or other deliberate action within the meaning of Treas. Reg. § 1.141-2(d), if prior to such action the City has not received an unqualified opinion of Determination Counsel to the effect that such action will not cause interest on the Bonds to become includible in the gross income of the recipient for federal income tax purposes.

“Dollars” or “\$” refers to lawful money of the United States of America.

“EMMA” means Electronic Municipal Market Access system operated by the MRSB.

“GAAP” means accounting principles generally accepted in the United States as set forth in the opinions and pronouncements of the Accounting Principles Board, the American Institute of Certified Public Accountants and the Financial Accounting Standards Board or in such other statements by such other entity as

may be in general use by significant segments of the accounting profession as in effect on the date hereof.

“Gross Revenues” means all fees, tolls, rates, rentals, and charges levied and collected in connection with, and all income and receipts of whatever kind or character derived by the City from the operation of the Public Utility.

“Indebtedness” means, with respect to any Person, all items that would be classified as a liability in accordance with GAAP including, without limitation, (a) indebtedness or liability for borrowed money, or for the deferred purchase price of property or services (including trade obligations); (b) obligations as lessee under leases which should have been, or should be, recorded as capital leases in accordance with GAAP; (c) current liabilities in respect of unfunded benefits under employee benefit, retirement or pension plans; (d) obligations issued for the account of any other Person; (e) all obligations arising under acceptance facilities; (f) all guarantees, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations to purchase, to provide funds for payment, to supply funds to any other Person or otherwise to assure a creditor against loss; (g) obligations secured by any mortgage, lien, pledge, security interest or other charge or encumbrance on property, whether or not the obligations have been assumed; and (h) obligations of the City under Hedge Agreements.

“Issuer” has the meaning assigned to such term in the introductory paragraph hereof.

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

“Net Revenues” means all gross revenues and earnings derived from the operation of the Public Utility less current expenses of the Public Utility.

“Parity Bonds” shall mean the City of Moorhead’s Water and Electric Revenue Loan, Series 2007A (Minnesota Utilities Association Financing Program), Public Utility Revenue and Refunding Bonds, Series 2009A; Public Utility Revenue and Refunding Bonds, Series 2012E; and Public Utility Revenue Bonds, Series 2016A.

“Person” means any natural or legal person, county, city, municipality, public benefit corporation, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority or other entity.

“Project” means electric system infrastructure improvements, including extension of distribution facilities and customer acquisition costs, substation facilities, and equipment and materials facilities.

“Public Utility” has the meaning assigned to such term in the introductory paragraph hereof.

“Resolution” has the meaning assigned to such term in the introductory paragraph hereof.

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s permitted successors and assigns, (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Resolution in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Resolution, and (e) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time.

2. Compliance with Additional Parity Bonds Test. The additional parity bonds test set out in the resolutions issuing the Prior Parity Bonds has been met as set forth by the facts and calculation set forth in Exhibit A to this Resolution. In addition the required additional deposit into the Reserve is required by this Resolution, and the handling of the funds and timing of principal and interest payments required by the additional parity bonds test are met by this Resolution.

3. Acceptance of Bid. The bid of _____ (the "Purchaser"), to purchase \$27,810,000 Public Utility Revenue Bonds, Series 2024A of the City (the "Bonds," or individually a "Bond"), in accordance with the notice of bond sale at the rates of interest hereinafter set forth, and to pay the sum of \$ _____ plus any interest accrued to settlement, is hereby found, determined and declared to be a favorable bid received and is hereby accepted, and the Bonds are hereby awarded to _____.

4. Term of Bonds.

(a) Title: Original Issue Date; Denominations; Maturities. The Bonds shall be titled “Public Utility Revenue Bonds, Series 2024A,” shall be dated February 22, 2024, as

the date of original issue, and shall be issued forthwith on or after such date as fully registered bonds. The Bonds shall be numbered from R-1 upward in the denomination of \$5,000 each or in any integral multiple thereof of a single maturity. The Bonds shall mature on November 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2024	\$1,235,000	2034	\$1,350,000
2025	870,000	2035	1,415,000
2026	915,000	2036	1,490,000
2027	960,000	2037	1,560,000
2028	1,005,000	2038	1,640,000
2029	1,060,000	2039	1,725,000
2030	1,110,000	2040	1,810,000
2031	1,165,000	2041	1,900,000
2032	1,225,000	2042	1,995,000
2033	1,285,000	2043	2,095,000

For the purpose of complying with MSA Section 475.54, subdivision 17, the City estimates that the primary source of payment is sufficient to pay when due the principal of and interest on the Bonds.

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

(i) The Bonds shall be initially issued and, so long as they remain in book entry form only (the "Book Entry Only Period"), shall at all times be in the form of a separate single fully registered Bond for each maturity of the Bonds; and for purposes of complying with this requirement under paragraphs 7 (with respect to Redemption) and 12 (with respect to registration, transfer, exchange) Authorized Denominations for any Bond shall be deemed to be limited during the Book Entry Only period to the outstanding principal amount of that Bond.

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

(iii) With respect to the Bonds, neither the City nor the Bond Registrar shall have any responsibility or obligation to any broker, dealer, bank, or any other financial institution for which the Depository holds Bonds as securities depository (the "Participant") or the person for which a Participant holds an interest in the Bonds shown on the books and records of the Participant (the "Beneficial Owner"). Without limiting the

immediately preceding sentence, neither the City, nor the Bond Registrar, shall have any such responsibility or obligation with respect to (A) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in the Bonds, or (B) the delivery to any Participant, any Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any notice of redemption, or (C) the payment to any Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the principal of or premium, if any, or interest on the Bonds, or (D) the consent given or other action taken by the Depository as the Registered Holder of any Bonds (the "Holder"). For purposes of securing the vote or consent of any Holder under this Resolution, the City may, however, rely upon an omnibus proxy under which the Depository assigns its consenting or voting rights to certain Participants to whose accounts the Bonds are credited on the record date identified in a listing attached to the omnibus proxy.

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

(v) Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new Nominee in place of the existing Nominee, and subject to the transfer provisions in paragraph 11 (with respect to registration, transfer, exchange) hereof, references to the Nominee hereunder shall refer to such new Nominee.

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

the Depository's role as book-entry Depository for the Bonds, collectively hereinafter referred to as the "Letter of Representations").

(vii) All transfers of beneficial ownership interests in each Bond issued in book-entry form shall be limited in principal amount to Authorized Denominations and shall be affected by procedures by the Depository with the Participants for recording and transferring the ownership of beneficial interests in such Bonds.

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

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

(x) In the case of a partial prepayment of a Bond, the Holder may, in lieu of surrendering the Bonds for a Bond of a lesser denomination as provided in 6 hereof (with respect to redemption), make a notation of the reduction in principal amount on the panel provided on the Bond stating the amount so redeemed.

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

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

(ii) Upon termination of the services of the Depository as provided in the preceding paragraph, and if no substitute securities depository is willing to undertake the functions of the Depository hereunder

can be found which, in the opinion of the City, is willing and able to assume such functions upon reasonable or customary terms, or if the City determines that it is in the best interests of the City or the Beneficial Owners of the Bond that the Beneficial Owners be able to obtain certificates for the Bonds, the Bonds shall no longer be registered as being registered in the bond register in the name of the Nominee, but may be registered in whatever name or names the Holder of the Bonds shall designate at that time, in accordance with paragraph 12 hereof. To the extent that the Beneficial Owners are designated as the transferee by the Holders, in accordance with paragraph 12 (with respect to registration, transfer, exchange) hereof, the Bonds will be delivered to the Beneficial Owners.

(iii) Nothing in this subparagraph(c) shall limit or restrict the provisions of paragraph 12 (with respect to registration, transfer, exchange) hereof.

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

5. Purpose. The Bonds shall provide funds for financing improvements to the Public Utilities.

6. Interest. The Bonds shall bear interest payable semiannually on May 1 and November 1 of each year (each an "Interest Payment Date"), commencing November 1, 2024, calculated on the basis of a 360-day year of twelve 30-day months, at the respective rates per annum set forth opposite the maturity years as follows:

<u>Maturity Year</u>	<u>Interest Rate</u>	<u>Maturity Year</u>	<u>Interest Rate</u>
2024	%	2034	
2025		2035	
2026		2036	
2027		2037	
2028		2038	
2029		2039	
2030		2040	
2031		2041	
2032		2042	
2033		2043	

7. Redemption. All Bonds maturing in the years 2034 shall be subject to redemption and prepayment at the option of the City on November 1, 2033, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to

prepayment. If redemption is in part, the City shall determine the order of Bonds to be prepaid; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Published notice of redemption shall in each case be given in accordance with law, and mailed notice of redemption shall be given to the paying agent and to each affected registered holder of the Bonds.

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

8. Bond Registrar. U.S. Bank Trust Company National Association, in St. Paul, Minnesota, is appointed to act as bond registrar and transfer agent with respect to the Bonds, and shall do so unless and until a successor Bond Registrar is duly appointed, all pursuant to any contract the City and Bond Registrar shall execute which is consistent herewith. The Bond Registrar shall also serve as paying agent unless and until a successor paying agent is duly appointed. Principal and interest on the Bonds shall be paid to the registered holders (or record holders) of the Bonds in the manner set forth in the form of Bond and paragraphs 4 and 6 of this Resolution.

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

UNITED STATES OF AMERICA
STATE OF MINNESOTA
CLAY COUNTY
CITY OF MOORHEAD

R-_____

\$_____

PUBLIC UTILITY REVENUE BOND
SERIES 2024A

INTEREST
RATE

MATURITY
DATE

DATE OF
ORIGINAL ISSUE

CUSIP

February 22, 2024

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that the City of Moorhead, Clay County, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, unless called for earlier redemption, and to pay interest thereon semiannually on May 1 and November 1 of each year (each an "Interest Payment Date"), commencing November 1, 2024, at the rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months) until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the principal office of U.S. Bank Trust Company National Association, St Paul, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given to Bondholders not less than ten days prior to the Special Record Date. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America.

Redemption. All Bonds of this issue (the “Bonds”) maturing in the years 2034 are subject to redemption and prepayment at the option of the Issuer on November 1, 2033, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part the City shall determine the order of Bonds to be prepaid; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Published notice of redemption shall in each case be given in accordance with law, and mailed notice of redemption shall be given to the paying agent and to each affected Holder of the Bonds.

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

Issuance; Purpose; Special Obligation. This Bond is one of an issue in the total principal amount of \$27,810,000, all of like date of original issue and tenor, except as to number, maturity, interest rate, denomination and redemption privilege, which Bond has been issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council of the Issuer on January 22, 2024 (the “Resolution”), for the purpose of financing improvements to the City’s water and electric utilities (the “Improvements”). The Bonds and the interest thereon are payable solely and exclusively from the net revenues of the water and electric utilities of the Issuer pledged to the payment thereof, and do not constitute a debt of the Issuer within the meaning of any constitutional or statutory limitation of indebtedness. In the event of any default hereunder, the holder of this Bond may exercise any of the rights and privileges granted by the laws of the State of Minnesota subject to the provisions of the authorizing resolution of the Issuer. The Bonds of this issue, The Bonds of this issue, together with the Water and Electric Revenue Loan, Series 2007A (Minnesota Utilities Association Financing Program), Public Utility Revenue and Refunding Bonds, Series 2009A; Public Utility Revenue and Refunding Bonds, Series 2012E; and Public Utility Revenue Bonds, Series 2016A, are a first and prior lien upon the net revenues of the water and electric utilities of the Issuer, except that the Issuer is authorized under certain conditions to issue additional revenue obligations on a parity of lien with these Bonds, all as provided in the Resolution.

Remedies. The holders of twenty percent (20%) or more in aggregate principal amount of Bonds at any time outstanding may, either by law or in equity, by suit, action, or other proceedings, protect and enforce the rights of all holders of Bonds then outstanding, or enforce and compel the performance of any and all of the covenants and duties specified in the Resolution to be performed by the Issuer or its officers and agents; provided, however, that nothing shall affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal of and interest on each of the Bonds issued to the respective holders thereof at the time and place, from the source and in the manner provided in the Bonds.

Denominations; Exchange; Resolution. The Bonds are issuable solely as fully registered bonds in the denominations of \$5,000 and integral multiples thereof of a single maturity and are exchangeable for fully registered Bonds of other authorized denominations in equal aggregate principal amounts at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

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

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

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

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

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond, have been done, have happened and have been performed, in regular and due form, time and manner as required by law, and that this Bond,

together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser, does not exceed any constitutional or statutory, or Charter limitation of indebtedness; and that the Issuer will maintain rates and charges for the water and electric service furnished by the water and electric utilities sufficient in an amount to promptly meet the principal and interest requirements of this issue.

IN WITNESS WHEREOF, the City of Moorhead, Clay County, Minnesota, by its City Council has caused this Bond to be executed on its behalf by the manual signatures of its Mayor and its City Manager, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

Date of Registration:

Bond Registrar's
CERTIFICATE OF AUTHENTICATION

CITY OF MOORHEAD,
CLAY COUNTY, MINNESOTA

This Certificate is one of the Certificates
described in the Resolution mentioned
within

Mayor

U.S. BANK TRUST COMPANY
NATIONAL ASSOCIATION
West Side Flats St. Paul
111 Filmore Avenue
St. Paul, Minnesota 55107
Bond Registrar

City Manager

By: _____
Authorized Signature

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UTMA - _____ as custodian for _____

(Cust) _____ (Minor)
under the _____ Uniform Transfers to Minors Act
(State)

Additional abbreviations may also be used
though not in the above list.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm having a membership in one of the major stock exchanges or any other "Eligible Guarantor Institution" as defined in 17 CFR 240.17 Ad-15(a) (2).

The Bond Registrar will not effect transfer of this Bond unless the information concerning the transferee requested below is provided.

Name and Address: _____

(Include information for all joint owners if the Bond
is held by joint account.)

CERTIFICATE AS TO LEGAL OPINION

We certify that attached is the legal opinion rendered by Bond Counsel on the issue of Bonds which includes the within Bond, dated as of the date of delivery of and payment for the Bonds.

City Manager

Mayor

PRELIMINARY

10. Execution; Temporary Bonds. The Bonds shall be executed on behalf of the City by the manual signatures of its Mayor and City Manager. In the event of disability or resignation or other absence of either such officer, the Bonds may be signed by the manual signature of that officer who may act on behalf of such absent or disabled officer. In case either such officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery. The City may elect to deliver, in lieu of printed definitive bonds, one or more typewritten temporary bonds in substantially the form set forth above, with such changes as may be necessary to reflect more than one maturity in a single temporary bond. Such temporary bonds may be executed with photocopied facsimile signatures of the Mayor and City Manager. Such temporary bonds shall, upon the printing of the definitive bonds and the execution thereof, be exchanged therefore and canceled.

11. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless a Certificate of Authentication on such Bond, substantially in the form hereinabove set forth, shall have been duly executed by an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate the signatures of officers of the City on each Bond by execution of the Certificate of Authentication on the Bond and by inserting as the date of registration in the space provided the date on which the Bond is authenticated, except that for purposes of delivering the original Bonds to the Purchaser, the Bond Registrar shall insert as a date of registration the date of original issue, which date is February 22, 2024. The Certificate of Authentication so executed on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.

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

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration (as provided in paragraph 10) of, and deliver, in the name of the designated transferee or transferees, one or more new Bonds of any authorized denomination or denominations of a like aggregate principal amount, having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation.

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

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

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

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

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

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

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

14. Interest Payment; Record Date. Interest on any Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond is registered (the "Holder") on the registration books of the City maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten (10) days prior to the Special Record Date.

15. Treatment of Registered Owner. The City and Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in paragraph 14 above) on, such Bond and for all other purposes whatsoever whether or not such Bond shall be overdue, and neither the City nor the Bond Registrar shall be affected by notice to the contrary.

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

17. Funds and Accounts. For the convenience and proper administration of the proceeds derived from the sale of the Bonds and for the payment of principal and interest on the Bonds, the Water and Light Fund which is a subaccount of the Electric Utility Fund and Water

Utility Fund of the City heretofore established shall continue to be in effect, subject to the following accounts which are hereby modified or continued effective as of the date of issuance of the Bonds:

(a) A "Capital Expenditure Account" into which there shall be paid the proceeds from the sale of the Bonds, less bond proceeds needed to pay issuance costs, and less accrued interest paid by the Purchaser upon delivery. In addition, \$_____ shall be placed into this account from the prior debt service reserve fund. From the Capital Expenditure Account shall be paid all costs of the Improvements to be financed by the Bonds, including legal, engineering, financing and other such expenses incidental thereto. Any balance remaining in the account after the payment of such costs shall be transferred to the Revenue Bond Account herein continued and may be credited against the next payments due to the Revenue Bond Account.

(b) An "Income Account" into which shall be paid all gross revenues and earnings derived from the operation of the Public Utilities. From this account there shall be paid all, but only, current expenses of the Public Utilities. Current expenses shall include the reasonable and necessary costs of administering, operating, maintaining and insuring the Public Utilities, the cost of purchasing power from other utilities and/or power agencies, salaries, wages, costs of materials and supplies, necessary legal, engineering and auditing services, and all other items which, by sound accounting practices constitute normal, reasonable and current costs of operation and maintenance, but excluding any allowance for depreciation, extraordinary repairs and payments into the Revenue Bond Account and the Reserve Account. There shall at all times be maintained in the account a reserve in an amount sufficient to cover the operation and maintenance costs of the Public Utilities for the ensuing two month period. All money remaining in the Income Account, including interest or other earnings received from the investment of any moneys in the Water and Light Fund, after paying or providing for the foregoing items shall constitute, and are referred to in this resolution as, "net revenues."

(c) A "Revenue Bond Account" into which there shall be credited and to which there is hereby irrevocably pledged (1) accrued interest paid by the Purchaser upon delivery of the Bonds, and (2) from the net revenues of the operation of the Public Utilities monthly on or before the first (1st) day of each month commencing as of November 1, 2024, through and including November 1, 2043, a sum equal to at least 1/12th of the total principal and interest due on the Bonds and Parity Bonds during the ensuing 12 months; provided, however, that any payments due hereunder prior to the date of delivery of the Bonds to the original purchaser ("Bond Closing") may be deferred until the Bond Closing; provided further, however, that no further payments need be made to the account when the moneys held therein are sufficient for the payment of all principal and interest due on the Bonds, Prior Parity Bonds, and any other bonds hereafter issued on a parity therewith (collectively, the "Parity Bonds") on or before the next maturity date of each issue thereof. The accrued interest and unused discount deposit in the Revenue Bond Account at the Bond Closing shall be credited against the first payments due hereunder. No money shall be paid out of the Revenue Bond Account except to pay principal of, and interest on, the Parity Bonds.

(e) A "Reserve Account" in which there shall be maintained an amount equal to the lesser of (i) 10% of the proceeds of all Parity Bonds and the Bonds, (ii) the maximum annual principal and interest to become due thereafter in any future Bond Year on all outstanding Parity Bonds, or (iii) 125% of the average annual debt service due in any future Bond Year and the Bonds (the "Reserve Requirement"). Provided that, after all the existing Parity Bonds are fully repaid or defeased, there shall be maintained an amount equal to the lesser of (i) 10% of the proceeds of all Parity Bonds and the Bonds, (ii) the maximum annual principal and interest to become due in any future fiscal year on all Parity Bonds and the Bonds, or (iii) 125% of the average annual debt service due in any future fiscal year on the Parity Bonds and the Bonds (the "Reserve Requirement"). Upon the closing date of the Bonds that the Reserve Requirement becomes effective, the City is authorized to increase the amount of funds held in the Reserve Account to the current Reserve Requirement. The increased Reserve Requirement shall be funded from proceeds of the Bond in an amount of \$ _____. "Bond Year" shall mean any period running from November 2 through November 1 of the following year. Moneys in the Reserve Account may be used only to pay principal and interest on the Parity Bonds and only when and if moneys in the Revenue Bond Account or other moneys available therefore are insufficient; provided that moneys in the Reserve Account may be used to prepay the Parity Bonds when such prepayment will retire all of the Parity Bonds then outstanding. Whenever any moneys constituting the Reserve Account shall be used to pay principal and interest on any Parity Bonds, the Reserve Account shall be restored to the Reserve Requirement from the next available net revenues of the Public Utilities, provided, however, that the Reserve Account shall terminate whenever there are sufficient funds in the Revenue Bond Account to pay principal and interest on all outstanding Parity Bonds. In no event may sums in the Reserve Account be used to fund the Revenue Bond Account so long as there are sufficient net revenues therefore. The balance in the Reserve Account shall be deemed to be the sum of all cash and the cost of all securities held in the account and the amount that can be drawn on any Credit Facility as provided below. Any sums held in the Reserve Account in excess of amounts permitted to be invested as a reasonably required reserve or replacement fund which are allocated to the Bonds shall not be invested at a yield in excess of the yield on the Bonds, except as permitted as part of a minor portion.

(f) Net revenues in excess of those required for the foregoing purposes may be used for any proper purpose.

(g) The City may deposit a Credit Facility (as defined below) in the Reserve Account in lieu of cash either at the time a series of Bonds is originally issued, or at any time thereafter, subject to the following conditions:

(1) the proceeds of each such Credit Facility must be available for the purposes and at the times required for the purposes of the Reserve Account;

(2) in calculating whether the amount then held in the Reserve Account is equal to the Reserve Requirement, each Credit Facility held therein shall be valued at its stated amount, or, if less, the amount which remains available thereunder;

(3) if a Credit Facility will replace cash in the Reserve Account to satisfy the Reserve Requirement for one or more series of bonds then outstanding, the substitution of the Credit Facility must not result in a lowering of the rating(s) then in effect for such series of bonds; and

(4) the Credit Facility must provide that it may be drawn upon prior to its stated expiration or termination date if the City either fails to provide a replacement or new Credit Facility or fails to deposit cash to replace the Credit Facility, as further provided in this subparagraph (g).

Upon deposit of a Credit Facility in the Reserve Account to replace cash then held therein, the amount so replaced shall be transferred to the Capital Expenditure Account and applied to pay the costs of improvements to the Public Utilities. On or before the date of expiration or termination of a Credit Facility held for the Reserve Account, the City shall promptly replace the Credit Facility with either a new Credit Facility which satisfies the conditions expressed in clauses (1) through (4) above, or with cash; provided that such replacement may be, at the City's option, partially by the deposit of cash and partially by a new Credit Facility. A "Credit Facility" is a letter of credit, surety bond, insurance policy or comparable instrument furnished by a Credit Provider (as defined below) with respect to one or more series of bonds to satisfy in whole or part the City's obligation to maintain the Reserve Requirement with respect to a series of bonds. A "Credit Provider" is the bank, insurance company, financial institution or other entity providing a Credit Facility.

(h) Moneys on deposit in the Reserve Account and Revenue Bond Account may be invested in any securities described in Minnesota Statutes, Chapter 118A, as from time to time amended. Such investment may at any time be liquidated and the proceeds thereof applied for the purpose or purposes for which the fund was created.

(i) The money in the Water and Light Fund shall be allotted and paid to the various accounts herein established in the order in which the funds are listed on a cumulative basis, and if in any month the money in the accounts is insufficient to place the required amount in any account, the deficiency shall be made up in the following month or months after payment into all other funds having a prior claim on the revenues have been made in full.

(j) All money held in any of the accounts created by this resolution shall be kept separate and apart from all municipal funds and accounts and shall be deposited in any bank or banks selected by the City or invested.

(k) No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued, (2) as part of a reasonably required reserve or replacement fund not in excess of ten percent (10%) of the issue price of the Bonds (or in a higher amount which the City establishes is necessary to the satisfaction of the Secretary of the Treasury of the United States), and (3) in addition to the above, in an amount not greater than the lesser of five percent (5%) of

the proceeds of the Bonds or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in 2024 Capital Expenditure Account, Revenue Bond Account or Reserve Account (or any other account which will be used to pay principal or interest to become due on the Bonds payable therefrom) in excess of amounts which under then-applicable federal arbitrage regulations may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "reasonably required reserve or replacement fund", "temporary periods" or "minor portion" made available under the federal arbitrage regulations. Money in the Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

18. Parity Bonds: Additional Obligations. The Bonds issued hereunder, together with the Prior Parity Bonds, shall be secured by a first charge and lien upon the net revenues of the Public Utilities. No additional obligations shall be hereafter issued unless they are secured by a lien on said net revenues made expressly second and subordinate to the lien upon said net revenues securing all Parity Bonds; provided, however, that additional obligations may be issued on a parity of lien with the Parity Bonds so long as the annual net revenues of the Public Utilities for each of the two completed fiscal years immediately preceding the issuance of such additional obligations shall have been at least (a) one and one-quarter (1.25) times the maximum annual principal and interest coming due thereafter on all outstanding Parity Bonds, including the additional obligations so to be issued; and (b) equal to the maximum annual principal and interest coming due thereafter on all outstanding obligations payable from the revenues of the Public Utilities, including any Commission Subordinate Lien Obligations and City Subordinate Lien obligations and the additional obligations so to be issued.

For the purpose of determining the net revenues of the Public Utilities for each of the preceding fiscal years as aforesaid, the amount of the gross revenues of the Public Utilities for such years may be adjusted by a Consulting Engineer or by the independent certified public accountant who prepared the last audit report covering the operations of the Public Utilities so as to reflect any changes in the amount of such revenues which would have resulted if any revision of the schedule of rates and charges imposed at least six months prior to the time of issuance of any additional bonds had been in effect. The amount of the revenues may be further adjusted for such purpose by a Consulting Engineer or such certified public accountant to the extent that either person estimates that: (a) any demand charges (as opposed to charges for the purchase of electric energy) paid under any interconnection agreement or contract with another utility system for the interchange of electric service during the preceding fiscal years would have been eliminated or reduced by reason of the improvements and extensions then to be constructed, (b) net revenues of the Public Utilities would have increased if the customers using the Public Utilities as of the date of issuance of the additional obligations had been customers during said preceding years, (c) a reduction in base load energy costs or savings in the cost of purchased power would have been affected if the improvements and extensions then to be constructed had been in operation during said preceding years, and (d) the annual net revenues of the Public Utilities during the first fiscal year of operation after completion of the improvements and extensions then to be constructed will increase because of the sale of surplus power resulting from the addition to the Public Utilities of

the improvements and extensions, provided, however, that such sale or sales may be considered only to the extent the same are supported by firm contracts requiring the purchaser to pay for available surplus power or capacity whether or not it is in fact accepted by the purchaser. The term "Consulting Engineer" means an engineer or firm of engineers who is not an officer or regular employee of the Commission or the City and is not devoting substantially all of his, hers or its time and effort to the affairs of the Public Utilities.

In addition, the following conditions shall be met:

- (a) the payments required to be made (at the time of the issuance of such parity lien bonds) into the various accounts provided for in this resolution have been made;
- (b) the resolution authorizing such additional bonds provides for deposit into the Reserve Account immediately upon issuance of such additional bonds, an amount equal to the maximum principal and interest coming due thereafter on the additional bonds or such other amount as is necessary to meet the Reserve Requirement;
- (c) the proceeds of such parity lien bonds shall be used only for the purpose of making improvements; additions, extensions, renewals or replacements to the Public Utilities; and
- (d) the interest on such additional Parity Bonds shall become due on May 1 and November 1 of each year and the principal on any such additional Parity Bonds shall become due on November 1 of each year.

Additional Parity Bonds may also be issued, without complying with the coverage provisions set forth above, to provide funds to:

- (1) Finance the City's cost under any agreement entered into between the Commission and one or more other public utilities suppliers for the purchase of excess capacity of the facilities by such other suppliers until such time that the City no longer needs to utilize such excess capacity to meet its own power supply needs, including, but not limited to, any agreement between the City or Commission and their power supplier, covering the purchase of additional capacity.
- (2) Finance the City's or Commission's share of any cost incurred pursuant to a joint electrical agreement entered into under the authority of Minnesota Statutes, Sections 453.51 to 453.63.

Nothing herein shall be construed as prohibiting the City or Commission from treating the costs referred to in this paragraph 18 as an operating cost payable from the Income Account so long as the obligation to pay such costs is not treated as debt under generally accepted accounting principles.

No additional Parity Bonds may be issued pursuant to this paragraph 18 unless the conditions and requirements of the resolutions authorizing the Prior Parity Bonds, and any and all other resolutions hereafter authorizing any Parity Bonds, are complied with and fully performed.

19. Parity Bonds for Refunding or Completion. The City also reserves the right and privilege of issuing additional Parity Bonds if and to the extent needed to refund bonds maturing within six (6) months of the issuance of the refunding bonds in case the moneys in the Revenue Bond Account and Reserve Account of the Water and Light Fund are insufficient to pay the same at maturity, provided that such refunding Parity Bonds shall mature subsequent to all other Parity Bonds which are still outstanding upon completion of such refunding, and the City further reserves the right and privilege of issuing additional Parity Bonds in an amount not to exceed \$500,000 if necessary to defray the costs incurred in the completion of the improvements to be financed by the Bonds, but such additional Parity Bonds must be issued within thirty-six (36) months from the date of this issue. Any Parity Bonds issued pursuant to this paragraph 19 may also be issued without complying with the coverage provisions set forth in paragraph 18 hereof.

20. Subordinate Bonds: Refunding Parity Bonds. Except as authorized in paragraphs 18 and 19 hereof, the City covenants and agrees that it will issue or incur no obligations payable from the net revenues of all or a part of the Public Utilities or constituting in any manner a lien thereon, unless such obligations are secured by a lien on such net revenues which is expressly made junior and subordinate to the lien and charge of the Parity Bonds on the net revenues, except that the Parity Bonds, or any part thereof, may be refunded and the refunding bonds issued shall enjoy complete equality of lien with the portion of any Parity Bonds not refunded, if there are any, provided that if only a portion of the outstanding Parity Bonds shall be so refunded and if such Parity Bonds shall be refunded in such manner that the annual principal and interest to become due on the refunding Parity Bonds shall be greater than the annual principal and interest to become due on the Parity Bonds to be refunded (assuming payment at their maturity), then such Parity Bonds may not be refunded without the consent of the holders of the unrefunded portion of the outstanding Parity Bonds.

21. Insufficiency of Net Revenues. In the event that the moneys in the Revenue Bond Account and the Reserve Account shall be insufficient at any time to pay the principal then due and interest then accrued on all Parity Bonds payable therefrom, said moneys shall first be applied to the payment pro rata of the accrued interest on all such Parity Bonds, and any balance shall be applied in payment pro rata of the principal on all such Parity Bonds; provided that if it shall ever be determined by a court of competent jurisdiction while any such Parity Bonds remain outstanding that the sums available and to become available for the payment of the principal thereof and interest thereon are insufficient whether or not then due, then the moneys in the Revenue Bond Account and Reserve Account shall be applied in payment of all then outstanding principal whether or not then due and the interest accrued thereon to the date of payment ratably according to the aggregate amount thereof without any preference or priority.

22. Bondholder Remedies. The holders of twenty percent (20%) or more in aggregate principal amount of all outstanding Parity Bonds may, either at law or in equity, by suit, action, or other proceedings, protect and enforce the rights of all holders of all outstanding Parity Bonds or enforce or compel the performance of any and all of the covenants and duties specified in this Resolution, to be performed by the City or their officers and agents, including the fixing and maintaining of rates and charges and the collection and proper segregation of revenues and the application and use thereof; provided, however, that nothing herein shall affect or impair the right of the holder of any Parity Bond to enforce the payment of the principal of and interest on any

Parity Bond at and after the maturity thereof, or the obligation of the City to pay the principal of and interest on each of the Parity Bonds issued hereunder to the respective holders thereof at the time and place, from the source and in the manner provided in the Parity Bonds.

23. Covenants as to Maintenance, Rates and Charges, Sale, Insurance, Etc. For the protection of the holders of the Bonds herein authorized and all other Parity Bonds from time to time outstanding, the City herein covenants and agrees to and with the holders thereof from time to time as follows:

(a) It will at all times adequately maintain and efficiently operate the electric light and power plant and system and water utility as a municipal utility. It will from time to time make all necessary and proper repairs, replacements, additions and betterments to the equipment and facilities of the Public Utilities so that they may at all times be operated properly and advantageously, and whenever any equipment of the system shall have been worn out, destroyed or otherwise become insufficient for proper use, it shall be promptly replaced or repaired so that the value and efficiency of the facilities shall be at all times fully maintained and its revenues unencumbered by reason thereof.

(b) It will permit no free service to any consumer or utility. The rates for all electric service and the charges for all electricity and water supplied by the public utilities to the municipality and its residents and to all consumers shall be reasonable and just, taking into account the cost and value of the Public Utilities, the cost of maintaining and operating the Public Utilities and the proper and necessary allowances for depreciation and the amounts required for the payment of principal and interest on the bonds payable from the net revenues of the Public Utilities

(c) It will establish, maintain and collect such charges and rates as will produce revenues sufficient to pay the reasonable cost of operation and maintenance of the Public Utilities and to pay (i) one hundred twenty-five percent (125%) of the interest on and principal of all Parity Bonds, and (ii) one hundred percent (100%) of the interest on and principal of all City Subordinate Lien obligations and Commission subordinate Lien obligations as and when they become due, as well as to provide sufficient money to make the required appropriations to the various accounts established herein.

(d) The City will not sell, lease, mortgage, or in any manner dispose of the Public Utilities or any part thereof including any and all extensions and additions that may be made thereto until all bonds payable from the revenues of the Public Utilities or a part thereof have been paid in full; provided, however, that the City may sell the Public Utilities or any part thereof if simultaneously with or prior to the sale all of the outstanding bonds are discharged in accordance with paragraph 29 of this resolution; and provided further that the City may sell or lease all or any part of the electric generating facilities of the Public Utilities to a municipal power agency of which it is a member provided that the City shall continue to operate and maintain an electric distribution system as part of the Public Utilities. This covenant shall not be construed to prevent the sale by the City at fair market value of real estate, equipment or other non-revenue-producing properties which in the judgment of the City have become unnecessary, uneconomical or inexpedient to use in connection with the Public Utilities provided that suitable facilities are obtained in place

thereof or in the judgment of the City the sale will not adversely affect the Public Utilities earnings or ability to meet required financial obligations.

(e) It will procure and keep in force insurance upon the Public Utilities of a kind and in an amount which would normally be carried by private companies in a like business, including public liability insurance, with an insurer or insurers in good standing; and it will keep in full force and effect fiduciary bonds on employees in charge of the Public Utilities. In the event of any loss, the proceeds from such insurance (including liability insurance) or bonds shall be used to make good such loss or to repair or restore the utility or to discharge all of the outstanding Parity Bonds in accordance with paragraph 29 of this resolution. Insurance premiums shall be paid as a cost of operation.

(f) The Commission shall cause to be kept proper books, records and accounts adapted to the Public Utilities separate from other accounts to be audited by a certified public accountant at the end of each fiscal year. A copy of the audit shall be furnished, without cost, to the original purchaser of any outstanding Parity Bonds within ninety (90) days after the close of each fiscal year. If the City fails to provide such audit at such time, the holders of twenty percent (20%) or more of the outstanding Parity Bonds may cause such audit to be made at the expense of the City. The expense of preparing such audit shall be paid as current operating expenses of the Public Utilities. The original purchaser of the outstanding Parity Bonds and the holders thereof, or their duly appointed representatives, from time to time shall have the right at all reasonable times, to inspect the Public Utilities and to inspect and copy the books, records, accounts and data relating thereto. The City agrees to furnish copies of such audit, without cost, to any holder or holders of the Parity Bonds at their request within ninety (90) days after the close of each fiscal year.

(g) It will faithfully and punctually perform all duties with reference to the Public Utilities required by the Constitution and laws of the State of Minnesota and this resolution.

(h) The City will grant no franchise to any competing utility if denial of such a franchise is not in violation of any law.

24. Amendments. No change, amendment, modification or alteration shall be made in the covenants made with holders of the Parity Bonds without the consent of the holders of not less than sixty percent (60%) in principal amount of then such outstanding Parity Bonds except for changes, amendments, modifications and alterations made (a) to cure any ambiguity or formal defect or omission, or (b) any other change which would not materially prejudice the holders of such outstanding Parity Bonds; provided, however, that nothing herein contained shall permit or be construed as permitting (1) an extension of the maturity of the principal of or the interest on any such Parity Bonds, or (2) a reduction in the principal amount of any such Parity Bond or the rate of interest thereon, or (3) a privilege or priority of any such Parity Bonds over any other Parity Bonds except as otherwise provided herein, or (4) a reduction in the aggregate principal amount of such Parity Bonds required for consent to any change, amendment, modification or alteration, or (5) permit the creation of any lien ranking prior to or on a parity with the lien of such Parity Bonds, except as hereinbefore expressly permitted, or (6) modify any of the provisions of this paragraph without the consent of the holders of one hundred percent (100%) of the principal

amount of Parity Bonds outstanding, or, in the case of any modifications described in clauses (1) through (5) the holders of only those outstanding Parity Bonds adversely affected by the modifications.

25. Fiscal Year. As used in this Resolution, the words “fiscal year” shall mean the twelve (12) month period beginning on January 1 of each year and ending on December 31 of the same year. Should it be deemed advisable at some later date to change its fiscal yearly basis, the same may be done by proper actions to that effect, with the approval of the original purchaser of the Bonds, which change shall not constitute an amendment or modification of this Resolution.

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

27. Negative Covenant as to Use of Proceeds and Project. The City hereby covenants not to use the proceeds of the Bonds or to use the Project, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Project, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code. The City herein covenants that neither it nor the Commission has heretofore entered into, nor will either it or the Commission hereafter enter into, any contract which will obligate any person or persons to purchase electric energy or water from the City or the Commission in a total aggregate amount which would cause any of the Parity Bonds herein authorized to become "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code and the regulations promulgated thereunder. The City reasonably expects that no actions will be taken over the term of the Bonds that would cause them to be private activity bonds, and the average term of the Bonds is not longer than reasonably necessary for the governmental purpose of the issue. The City hereby covenants not to use the proceeds of the Bonds in such a manner as to cause the Bonds to be "hedge bonds" within the meaning of Section 149(g) of the Code.

28. Investment Limitations; Rebate. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Bonds, including without limitation (1) requirements relating to temporary periods for investments, (2) limitations on amounts invested at a yield greater than the yield on the Bonds, and (3) the rebate of excess investment earnings to the United States.

29. Defeasance. When all Parity Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Bonds and Parity shall, to the extent permitted by law, cease. The City may discharge its obligations with respect to any Parity Bonds which are due on any date by irrevocably depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Parity Bond should not be paid when due, it may nevertheless be discharged by

depositing with the Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Parity Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full, provided that notice of redemption thereof has been duly given. The City may also at any time discharge its obligations with respect to any Parity Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, subject to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

30. Continuing Disclosure.

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

(1) Provide or cause to be provided, in a timely manner, to (i) each nationally recognized municipal securities information repository ("NRMSIR") or to the Municipal Securities Rulemaking Board ("MSRB") and (ii) the state information depository (the "SID"), if any, and after July 1, 2009, to EMMA notice of the occurrence of certain material events with respect to the Bonds in accordance with the Undertaking.

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

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

31. Bond Insurance. *Reserved for future use.*

32. Bonds Not Subject to Acceleration. The Bonds are not subject to acceleration in the event of default.

33. Amendment of Resolution.

(a) This Resolution may be amended without the consent of any Bondholders for one or more of the following purposes:

(1) To add to the covenants and agreements of the Issuer in this Resolution and any other covenants and agreements thereafter to be observed by the Issuer, or to surrender any right or power herein reserved to or conferred upon the Issuer.

(2) To cure any ambiguity or formal defect contained in this Resolution, that cure does not, in the judgment of the Issuer, adversely affects the interests of the Bondholders.

(b) This Resolution may be amended for any other purpose only upon the consent of not less than 50% of an aggregate principal amount of the Bonds outstanding, provided, however, that no amendment shall be valid which:

(1) Extends the maturity of any Bond, reduces the rate of interest upon any Bond, extends the time of payment of interest on the Bond, reduces the amount of principal payable on any Bond, or reduces any premium payable on any Bond, without the consent of the affected Bondholder; or

(2) Reduces the percent of Bondholders required to approve the mandatory resolutions.

34. No Credit Enhancement. There is no credit enhancement facility securing the Bonds, nor is there any provision for a credit enhancement facility to be provided to secure the Bonds.

35. Headings. Headings in this Resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.

36. Minnesota Law Applies. This agreement shall be controlled by the laws of the State of Minnesota, and as a result, any claim, demand, or cause of action arising under the terms of this Resolution shall be brought in an appropriate venue in the State of Minnesota.

37. Official Statement. The Official Statement relating to the Bonds, substantially in the form presented to this meeting, is hereby approved. The officers of the Issuer are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement.

38. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

39. Electronic Signatures. In the event that any signature required to execute this Resolution, the Bond documents, or other closing documents is delivered by facsimile transaction or by e-mail delivery of a “pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “pdf” signature page were an original thereof. The Moorhead Mayor, Moorhead City Manager, and Moorhead Finance Director are authorized to execute documents with electronic signatures as permitted by law or regulation.

Passed by the Moorhead City Council this 22nd day of January, 2024.

APPROVED BY:

Mayor

ATTEST:

City Clerk

The motion for the adoption of the foregoing resolution was duly seconded by Member _____, and, after a full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof: _____
_____; and the following voted against the same: _____,
whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA
COUNTY OF CLAY
CITY OF MOORHEAD

I, the undersigned, being the duly qualified and acting Clerk of the City of Moorhead, Minnesota, Do HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council of said City, duly called and held on the date therein indicated, insofar as such minutes relate to opening and considering bids for, and awarding the sale of, \$27,810,000 Public Utility Revenue Bonds, Series 2024A of said City.

WITNESS my hand and the seal of said City this 22nd day of January, 2024.

Clerk

(SEAL)



City Council Communication

January 22, 2024

SUBJECT:

Resolution to Approve Trollwood Performing Arts School 2024 Operating Budget & Execute Affidavit

RECOMMENDATION:

The Mayor and City Council are asked to consider approval of the Fargo Public Schools (FPS) 2024 Trollwood Performing Arts School (TPAS) Operating Budget.

BACKGROUND/KEY POINTS:

Section 2.03 of the Grant Agreement between the City of Moorhead and State of Minnesota requires an annual filing be submitted to the State of Minnesota. This filing is to include a determination that the facilities are being used for the purposes of the grant as well as the City's approval of the upcoming year's budget to operate. Last year's filing was made and accepted by appropriate State agencies.

In the 2023 performance season, Trollwood provided quality arts education through a broad range of arts experiences. A primary goal for the youth arts programming division of Trollwood Performing Arts School is to develop and deliver the highest standard of performing arts education, providing young people with the knowledge and skills needed to be successful in future endeavors. Underlying its performing arts curriculum is a commitment to instill the life skills of confidence, creativity, communication skills, and collaboration skills.

The City Council is requested to approve the 2023-24 Trollwood Performing Arts School Operating Budget as submitted by the Fargo Public Schools Board of Education. The budget reflects forecast program revenue along with other funding available for the operation of the program. The budget is equal to or greater than forecast expenses and will be transmitted to the State as required by the Grant Agreement, once approved by the City Council.

FINANCIAL CONSIDERATIONS:

Not Applicable

Voting Requirements: Majority of Council

Submitted By:

Dan Mahli, City Manager

Amy Thorpe, Economic Development Program Administrator

Attachments: 2023 Trollwood Performing Arts School Annual Update
FY 23-24 Budget Report
Draft Resolution

MEMO

To: Members of the Moorhead City Council and Staff

From: Kathy Anderson, Executive Director, Trollwood Perf Arts School & Bluestem

RE: Bluestem Center for the Arts and Trollwood Performing Arts School Annual Update

Date: January 10, 2024

I have attached our 2023 update, as well as our 2024 budget for your review. In addition, we are pleased to share with you an overview of our 2023 calendar year.

In 2023, Trollwood Performing Arts School and Bluestem Center for the Arts experienced a year of remarkable success. We proudly served a total of 63,786 constituents throughout the year, marking a significant increase compared to 2022, where we served 36,995 individuals. This substantial growth reflects our steadfast recovery from the challenges posed by the pandemic. Additionally, we had the pleasure of hosting 336 arts activities and events in 2023, a notable increase from the 235 events held in 2022.

One of our most gratifying accomplishments was our dedication to youth arts educational programs. Throughout the year, we offered 12 distinct arts educational programs, catering to students ranging from kindergarten to graduated seniors. These programs achieved an impressive 95% capacity and served 778 students, including 108 students from Moorhead, representing 14% of our total student body.

Our commitment to cultural enrichment extended to Bluestem Center for the Arts, where we hosted a series of memorable concerts in 2023. These events featured renowned artists such as Willie Nelson and family with Austin Snell, Chicago, Train with Better Than Ezra, Nathaniel Rateliff & the Night Sweats with Three Sacret Souls, Lindsey Stirling with Walk Off the Earth, Thrivefest featuring Jeremy Camp, Sister Cities Smokeout featuring Lee Brice, and Jason Isbell and the 400 Unit with Wednesday. Moreover, we celebrated the 12th Annual Symphony Rocks Bluestem concert in August, headlined by Post-Traumatic Funk Syndrome.

As we marked Trollwood's 45th Anniversary and Bluestem's 15th season in 2023, we look ahead with great anticipation for the upcoming year. Our full concert season promises to be extraordinary, and we are committed to offering a diverse array of arts educational opportunities for students from kindergarten to graduated seniors. Of special note, Trollwood Performing Arts School's Mainstage Musical program is set to present "THE ADDAMS FAMILY" in July—a production sure to captivate audiences of all ages.

Should you require any further information or have specific inquiries, please do not hesitate to contact us. We greatly value our ongoing partnership and appreciate your continued support. We look forward to a wonderful future together.

trollwood
PERFORMING ARTS SCHOOL

TROLLWOOD PERFORMING ARTS SCHOOL

AT BLUESTEM >> 2023 BY THE NUMBERS

45 YEAR
RICH
HISTORY



778

STUDENT PROGRAM ENROLLMENT

12 YOUTH
EDUCATION
PROGRAMS



AT

95%

CAPACITY IN
SUMMER YOUTH
PROGRAMS

YOUTH PROGRAMS

Elementary

1. Artspark
2. Trollwood Children's Theatre

Middle School

3. Totally Trollwood Musical
4. Totally Trollwood Academy
5. Winter Middle School Academy

High School

6. Mainstage Musical
7. Trollwood Academy
8. Trollwood Conservatory
9. The Trollwood Players
10. Student Leadership
11. Winter High School Academy

12. **STAR** (Students
At Risk)

96 Staff

27 TROLLWOOD
ALUMNI ON STAFF

28% OF TOTAL
WORKFORCE

9 CONCERT DAYS

FEATURING BOTH NATIONALLY KNOWN
RECORDING ARTISTS AND REGIONALLY
ACCLAIMED MUSICIANS

336

ARTS ACTIVITIES
AND EVENTS

63,786

AUDIENCE MEMBERS
AND CONSTITUENCY

SERVED

STAR PROGRAM

57 STUDENTS

were supported by STAR financial
aid scholarships in 2023.

180 MEALS PROVIDED

288 RIDES PROVIDED

**PROVIDED SERVICES FOR
54 STUDENTS**

who were challenged with
significant emotional, social
and/or behavioral issues.

BLUESTEM IS PROUD TO HOST:



community festivals



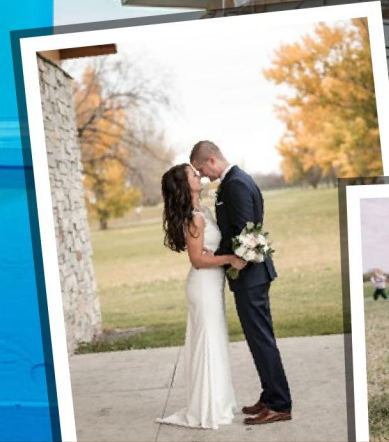
business conferences & trade shows



private events



concerts



FY 23-24 BUDGET JULY 1, 2023 – JUNE 30, 2024

	Description	Budget to Date	FY24 Actual to Date	Difference FY24	Actual FY23
Operational Income:					
	Venue Rentals	\$150,000	\$79,065	\$70,935	\$122,938
	FPS Operational Support	\$192,152	\$192,152	\$0	\$466,111
	Total Operations Income	\$342,152	\$271,217	\$70,935	\$589,049
Program Income:					
	Student Registration Fees	\$185,500	\$26,671	\$158,829	\$169,632
	Gate Receipts	\$321,603	\$198,345	\$123,258	\$43,251
	Merchandise Sales	\$5,500	\$2,259	\$3,241	\$3,767
	Concessions	\$45,000	\$42,854	\$2,146	\$3,752
	Student Meals	\$7,500	\$446	\$7,054	\$4,029
	Private Support	\$235,000	\$57,846	\$177,154	\$222,257
	Advertising Income	\$12,000	\$3,987	\$8,014	\$3,192
	Special Projects	\$6,357	\$6,357	\$0	\$8,890
	FPS Annual Program Support	\$400,000	\$150,209	\$249,791	\$396,939
	Total Program Support	\$1,218,460	\$488,973	\$729,487	\$855,708
TOTAL INCOME	Agenda Item 15.A.	\$1,560,612	\$760,190	\$800,422	\$1,444,757

FY 23-24 BUDGET JULY 1, 2023 – JUNE 30, 2024

	Description	Budget to Date	FY23 Actual to Date	Difference FY23	Actual FY22
Operational Expenses:					
	Operational Salaries & Wages	\$78,620	\$71,398	\$7,222	\$32,620
	Operational Benefits	\$8,602	\$11,882	\$(3,280)	\$3,891
	Operational Services	\$22,930	\$19,176	\$3,754	\$16,078
	Equipment Repair	\$4,650	\$2,063	\$2,587	\$8,292
	Contracted Maintenance	\$45,250	\$32,081	\$13,169	\$378,417
	Event Rental Expense	\$7,900	\$73	\$7,827	\$1,888
	Equipment Rental	\$27,000	\$9,454	\$17,546	\$22,745
	Phone/Fiber/Internet	\$13,000	\$-	\$13,000	\$13,694
	Operational Supplies	\$34,700	\$17,069	\$17,631	\$23,749
	Electricity	\$80,000	\$36,754	\$43,246	\$83,065
	Vehicle Maintenance	\$3,000	\$437	\$2,563	\$2,212
	Equipment	\$16,500	\$15,995	\$505	\$2,400
	Total Operational Expenses	\$342,152	\$216,381	\$125,770	\$589,049
Program Expenses:					
	Program Salaries & Wages	\$682,348	\$472,648	\$209,700	\$461,815
	Program Benefits	\$138,518	\$109,327	\$29,191	\$117,402
	Consultants	\$53,000	\$32,903	\$20,097	\$62,295
	Equipment Rental	\$40,559	\$559	\$40,000	\$36,475
	Royalties	\$40,800	\$294	\$40,506	\$6,250
	Marketing	\$35,900	\$10,236	\$25,664	\$17,686
	Programming Supplies	\$112,792	\$43,798	\$68,994	\$105,717
	Merchandise for Resale Exp	\$5,000	\$421	\$4,579	\$2,206
	Equipment	\$6,000	\$595	\$5,405	\$926
	Programming Operations	\$103,543	\$38,846	\$64,696	\$44,936
	Total Program Expenses	\$1,218,460	\$709,626	\$508,833	\$855,708
Total Expenses		\$1,560,611	\$926,008	\$634,604	\$1,444,757
INCOME OVER EXPENSES		\$0	\$(165,817)	\$165,817	\$0



RESOLUTION

Resolution to Approve Trollwood Performing Arts School 2024 Operating Budget & Execute Affidavit to Determine that the Use & Operation of Real Property and Facility meet State of Minnesota Requirements

WHEREAS, pursuant to the Lease Agreement between the City of Moorhead and Fargo Public School District No. 1, the City Council must approve the annual operating budget for the Trollwood Performing Arts School by resolution; and

WHEREAS, the Fargo Public School District has provided an operating budget for FY 2023-2024 and annual update for 2023 to the City Manager which includes projected revenues and expenses for the Trollwood Performing Arts School program; and

WHEREAS, the City Manager has reviewed the proposed budget and finds it to be in compliance with the State of Minnesota's bonding legislation and grant to the City of Moorhead; and

WHEREAS, the City Manager has reviewed the Trollwood Performing Arts School 2023 Annual Report and finds that the real property and facility are being used for the operation of the Government Program or for such other uses the Minnesota legislature may from time to time designate, and for no other purpose.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Moorhead, Minnesota hereby approves the Trollwood Performing Arts School FY 2023-24 Operating Budget.

BE IT FUTHER RESOLVED by the City Council of the City of Moorhead, Minnesota, that the City Manager is authorized to execute an affidavit "Determining that the Use and Operation of Real Property and Facility Meet State Requirements" and shall submit said affidavit to the appropriate State agency.

PASSED: January 22, 2024 by the City Council of the City of Moorhead.

APPROVED BY:

ATTEST:

Michelle (Shelly) A. Carlson, Mayor

Christina Rust, City Clerk



City Council Communication

January 22, 2024

SUBJECT:

Resolution to Accept Quarterly Donations

RECOMMENDATION:

The Mayor and City Council are asked to approve a resolution accepting various donations/gifts that are \$1,000 or greater in value on behalf of the City.

BACKGROUND/KEY POINTS:

Minnesota Statutes Section 465.03 allows the City to accept donations of real and personal property by resolution with an affirmative vote of two-thirds of the members of the City Council. The City has been accepting donations without a formal process of approval by the City Council. City staff has developed a policy and procedures to manage the acceptance of donations by the City, which includes the approval of an annual resolution to allow the City Manager to accept smaller donations, and quarterly resolutions for Council approval of larger donations. In both cases the City Council will be provided with a list of donations for approval by resolution for all donations accepted on behalf of the City.

The donations of \$1,000 or more that have been received, but not formally accepted include:

Name of Donor	Amount	Terms and Conditions
Robert and Lori Seigel	\$1,000.00	Police Volunteer
Robert and Lori Seigel	\$2,000.00	K-9 Program
Corwin Brothers	\$5,000.00	DARE Contribution
Country Financial	\$1,500.00	Operation Helping Heros
Country Financial	\$1,000.00	Fire Education
Lake Agassiz Pacers	\$3,500.00	Inclusive Playground
Kiwanis Club of Moorhead Foundation	\$2,000.00	Inclusive Playground
Ronette and Jeffery Miller	\$1,000.00	Matson Field Stadium Redesign
Donald Setler Jr.	\$1,000.00	Matson Field Stadium Redesign
Blue Cross Blue Shield	\$1,000.00	MHD Senior Center Sponsorship

FINANCIAL CONSIDERATIONS:

In an effort to minimize the administrative time involved with asking the City Council to approve separate resolutions for every donation it was decided that quarterly reporting to accept donations of \$1,000 or more and an annual resolution accepting those of smaller amounts would be presented to Council.

Voting Requirements: 2/3 of Council (6)

Submitted By:

Dan Mahli, City Manager
Jami McGregor, Executive Assistant

Attachments:

RESOLUTION

Resolution to Accept Quarterly Donations

WHEREAS, the City of Moorhead is generally authorized to accept donations of real and personal property pursuant to Minnesota Statutes Section 465.03 et seq. for the benefit of its citizens; and

WHEREAS, cities may accept gifts of real or personal property, including money and use them in accordance with the terms described by the donor; however, a municipality may not accept or use donations for religious or sectarian purposes; and

WHEREAS, under Minnesota Statute 465.03, a resolution accepting donations and the terms for such, requires an affirmative vote of two-thirds of the members of the Council; and

WHEREAS, the following persons and entities have offered to contribute the cash amounts set forth below to the city with the terms and conditions, if any:

Name of Donor	Amount	Terms and Conditions
Robert and Lori Seigel	\$1,000.00	Police Volunteer
Robert and Lori Seigel	\$2,000.00	K-9 Program
Corwin Brothers	\$5,000.00	DARE Contribution
Country Financial	\$1,500.00	Operation Helping Heros
Country Financial	\$1,000.00	Fire Education
Lake Agassiz Pacers	\$3,500.00	Inclusive Playground
Kiwanis Club of Moorhead Foundation	\$2,000.00	Inclusive Playground
Ronette and Jeffery Miller	\$1,000.00	Matson Field Stadium Redesign
Donald Setler Jr.	\$1,000.00	Matson Field Stadium Redesign
Blue Cross Blue Shield	\$1,000.00	MHD Senior Center Sponsorship

WHEREAS, all such donations have been contributed to the city for the benefit of its citizens, as allowed by law; and

WHEREAS, the City Council finds that it is appropriate to accept the donations offered.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Moorhead Minnesota that, in accordance with Minnesota Statute 465.03, the City Council does hereby authorize and direct the City Manager to accept gifts of real or personal property, including money to be utilized by the City of Moorhead as listed above that shall be used as the terms and conditions describe above, as allowed by law.

PASSED: January 22, 2024 by the City Council of the City of Moorhead.

APPROVED BY:

ATTEST:

Michelle (Shelly) A. Carlson, Mayor

Christina Rust, City Clerk

RESOLUTION

Resolution to Accept 2023 Donations

WHEREAS, the City of Moorhead is generally authorized to accept donations pursuant to Minnesota Statutes Section 465.03 for the benefit of its citizens; and

WHEREAS, the City of Moorhead is also the recipient of gifts made through the Moorhead Community Fund at the Fargo-Moorhead Area Foundation; and

WHEREAS, donations may include gifts of real or personal property, including money, and the City will use gifts in accordance with the terms described by the donor; however, the City may not accept or use donations for religious or sectarian purposes; and

WHEREAS, under Minnesota Statutes Section 465.03, a resolution accepting donations and the terms for such requires an affirmative vote of two-thirds of the members of the City Council; and

WHEREAS, the Moorhead City Council finds that if acceptance of all individual donations are completed through a vote of City Council, then the acceptance may not be accomplished in a timely manner to fulfill the intent of the donation; and

WHEREAS, Section 6.05 of the Moorhead City Charter establishes that the City Manager is the chief purchasing agent of the City and has the authority to make purchases and enter contracts, including for the acceptance of gifts; and

WHEREAS, the City Council retains the authority to review and approve of donations valued at more than \$1,000, and will aid the City Manager with donation review if requested by the City Manager.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Moorhead Minnesota, the City Council does hereby authorize the City Manager to accept the following individual gifts of real or personal property to be utilized by the City of Moorhead as described by the donor.

POLICE VOLUNTEER

SEIGEL, LORI AND ROBERT	1000.00
HOHLE, HANS OR PHYLLIS A	50.00

DARE CONTRIBUTION

KVERNO, JON A	12.00
MOORHEAD VIKINGLAND KIWANIS	200.00
MOORHEAD PLUMBING & HEATING INC	100.00
LUTHER FAMILY BUICK GMC	300.00
SCHEMPP, DAN	100.00
ROBERT GIBB & SONS	250.00
WRIGHT FUNERAL HOME	200.00
KORSMO FUNERAL SERVICE	100.00
BERT'S TRUCK EQUIPMENT	250.00
R-TRAVEL MART	250.00

VALLEY PREMIER BANK	100.00
NOKKEN CHIROPRACTIC CLINIC LTD	50.00
CASA MEXICO MOORHEAD	350.00
EDWARD JONES	50.00
MICHAEL J BURNS ARCHITECTS	50.00
HANSON, AARON	100.00
ABBOTT, ARNE, SCHWINDT, INC.	250.00
SWENSON, ARLAN	50.00
MICK'S SCUBA	50.00
BOULGER FUNERAL HOME	100.00
CHINA BUFFET	100.00
CORWIN BROTHERS	5,000.00
EIDE BAILLY	100.00
F-M SALT DELIVERY INC	50.00
MED-PLUS HEALTH CARE PLLC	100.00
NEWMAN SIGNS INC	100.00
CHOICE FINANCIAL GROUP	250.00
GATE CITY BANK	250.00
AMERICAN FAMILY INSURANCE	100.00
EAST 10 LAUNDRY	250.00
RK KUNNANZ LLC	50.00
AMERICAN LEGION POST 21	250.00
VAL-ED JOINT VENTURE LLP	150.00
MOORHEAD INSURANCE AGENCY INC	100.00
SHIH, DAVID	100.00

K-9

FM/AMERICAN LEGION RIDERS	500.00
SEIGEL, LORI AND ROBERT	2,000.00

FIRE

CASH	10.00
PACTIV	1,000.00
Country Financial	1,500.00
Country Financial	1,000.00

EMPLOYEE/VOLUNTEER APPRECIATION

SCHERLING PHOTOGRAPHY	625.25
SCHERLING PHOTOGRAPHY	1,011.65

INCLUSIVE PLAYGROUND

LAKE AGASSIZ PACERS	5,300.00
KIWANIS CLUB OF MOORHEAD FOUNDATION	4,000.00
MOORHEAD VIKINGLAND KIWANIS	1,000.00

LOCKREM, JAMES A	25.00
NORTH DAKOTA GENERAL OFFICE	75.00
OKSENDAHL, DOUGLAS C	50.00
CASH	97.00
QIAN ERZHAUNG	250.00
JENSEN DEBRA	100.00
STERNSON PRESTON LEE	50.00
CHAPWESKE, JERRY AND CHRISTGINE	1,250.00
RANDALLS EXCAVATING	2,000.00
WHEELER DAVID	50.00

REIMAGINE ROMKEY PARK

HARBRECHT BEVERLY	100.00
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MATSON FIELD STADIUM REDESIGN

SWENSON JAMES K	300.00
MILLER JEFFERY & RONETTE	1,000.00
SETLER DONALD JR	1,000.00
BENNES CHRISTOPHER	1,000.00
ANDERSON SCOTT	1,000.00
CHARLESTON TROY	1,000.00
MICROSOFT MATCHING CHARLESTON TROY	1,000.00
JAMES F EVERT & REBECCA L LILLARD	2,500.00
JOHN & KIM ERICKSON FAMILY	
FOUNDATION	1,000.00
SCHEELS CORPORATE OFFICE	500.00

PASSED: January 22, 2024 by the City Council of the City of Moorhead.

APPROVED BY:

ATTEST:

Michelle (Shelly) A. Carlson, Mayor

Christina Rust, City Clerk