AGENDA
CITY COUNCIL MEETING
May 10, 2016

Recite Pledge of Allegiance

7:00 **I. CALL TO ORDER AND ROLL CALL**

II. CITIZEN COMMENTS

III. ADOPT AGENDA

IV. CONSENT AGENDA

** All items listed with asterisks (**) are considered routine and non-controversial by the Council and will be approved by one motion. There will be no separate discussion of these items unless a Council member, City staff or citizen so requests, in which case the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

V. **APPROVAL OF MINUTES

A. City Council Meeting Minutes of April 12, 2016

VI. PRESENTATIONS/PUBLIC HEARINGS RECOGNITIONS/PROCLAMATIONS

A. Oath of Office for Kenyon Police Officer Alex Rehbein

VII. ENGINEERING

A. Update on 1st Street Reconstruction Project
   1. Pay request 1 – Heselton Construction - $56,308.25

B. Update on Fire Facility Project
   1. Further Review of Plans and Specifications

C. Patching & Overlay Project quote for portions of 7th Street & Forest Street

D. 2017 Highway 56 Bridge Replacement

VIII. LEGAL

A. Resolution 2016-14: Resolution Approving Minor Subdivision of Property in the City of Kenyon (Bauernfeind/Engel)

B. Renewal of VFW Club Liquor License

IX. FINANCIAL

**A. April 2016 Treasurer's Report

**B. Payment of Claims

X. OLD BUSINESS

A. Update on 600 Block of 2nd Street Parking

B. Painting of Parking Stalls, Crosswalks, etc.

XI. NEW BUSINESS

A. Resolution 2016-13: Resolution Awarding the Sale of General Obligation Improvement Bonds, Series 2016A, in the Aggregate Principal Amount of $625,000; Fixing their Form and Specifications; Directing their Execution and Delivery; and Providing for their Payment

B. Fire Department

1. Donate old Turn-out Gear to Federal Dam, MN Fire Department
2. Jamie Wallaker Retirement

C. Approve Memorial Day Parade Permit

D. Approve Hiring of Municipal Swimming Pool Employees

1. Freddie Rolstad – Assistant Mgr. / WSI / Lifeguard
2. Siri Quam – Assistant Mgr. / WSI / Lifeguard
3. Roxy Rolstad – Manager / Lifeguard
4. Sarah Benrud – WSI / Lifeguard
5. Ethan Cota – Lifeguard
6. Lauren Berg – Lifeguard
7. Corynne Dahl – Lifeguard
8. Mara Quam – Lifeguard
9. Elaine Dorn – Lifeguard
10. Kaitlyn Vold – Lifeguard

XII. OTHER BUSINESS

A. Schedule of Upcoming Meetings

1. City Council Meeting: Tuesday, June 14th @ 7 p.m.

XIII. COUNCIL AND STAFF GENERAL COMMENTS

8:00 **XIV. ADJOURNMENT**

M E M O R A N D U M

TO: Honorable Mayor and City Council
FROM: Mark Vahlsing, City Administrator
RE: Meeting of May 10, 2016

Attached please find the agenda and related materials for Tuesday's meeting.

I. CALL TO ORDER AND ROLL CALL

II. CITIZEN COMMENTS

III. ADOPT AGENDA

MOTION NEEDED

IV. CONSENT AGENDA

The Consent Agenda contains the following items for approval:
Regular City Council Meeting Minutes of April 12, 2016
April 2016 Treasurer's Report
Payment of Claims

MOTION NEEDED

V. APPROVAL OF MINUTES

Consent Agenda Item

VI. PRESENTATIONS/PUBLIC HEARINGS

Oath of Office for Kenyon Police Officer Alex Rehbein

VII. ENGINEERING *(Joe Rhein will be in attendance at this meeting.)*

Update on 1st Street Reconstruction Project
The City Engineer will provide an update on the status of the project.
1. Pay request 1. Heselton Construction - $56,308.25
MOTION NEEDED

Update on Fire Facility Project
The City Engineer will provide an update on the status of the project.
1. Final Review of Fire Hall Plans & Specifications
Follow-up to the May 6, 2015 work session
MOTION MAY BE NEEDED

Patching & Overlay Project on 7th Street & Forest Street
See the memo from the City Engineer included in you r packet.
MOTION NEEDED

2017 Highway 56 bridge replacement
MNDOT representatives informed the City this week that the bridge on Highway 56 North (near the Golf Course) is scheduled for replacement in 2017. The project will be staged so that one lane of the bridge stays open at all times. There will also be a bridge replaced in the Stanton area of Highway 56 as part of the overall project. There will be a small amount of mill and overlay related to the project. Further information will be made

available by MNDOT as the project gets closer.

VIII. LEGAL

Resolution 2016-14: Resolution Approving Minor Subdivision of Property in the City of Kenyon (Bauernfeind & Engel)
This is a minor property adjustment.

MOTION NEEDED

Kenyon VFW Liquor License Renewal
This renewal is for a Club license.

MOTION NEEDED

IX. FINANCIAL

April 2016 Treasurer's Report – Consent Agenda Item
Payment of Claims – Consent Agenda Item

X. OLD BUSINESS

Update on Parking in the 600 Block of 2nd Street
Chief Sjolander will discuss parking in the downtown area. He will review the status of adding handicapped and any other changes to the parking areas along 2nd Street.

Painting of Parking Stalls, Crosswalks, etc.
The City is in the process of receiving quotes to paint the parking stalls and crosswalks in the downtown area. It is anticipated that the painting will take place in the next 4-6 weeks.

XI. NEW BUSINESS

Resolution 2016-13: Resolution Awarding the Sale of General Obligation Improvement Bonds, Series 2016A, in the Aggregate Principal Amount of $625,000; Fixing their Form and Specifications; Directing their Execution and Delivery; and Providing for their Payment
Awarding the sale of the bond financing for the 1st Street project. Also for information included in the packet is a summary report of S&P global's rating for the bond sale. The City was able to utilize the State of Minnesota AA+ rating through a credit enhancement program available for infrastructure projects. This rating will allow the City to get very good financing for the project.

MOTION NEEDED

Fire Department – Chief Lee

Donate old Turn-out Gear to Federal Dam, MN Fire Department
The Fire Department is asking for approval to donate old turn-out gear that is no longer in use to Federal Dam FD. This department is located in Northern MN is small and does not have a lot of financial resources. The Kenyon Fire Department was going to dispose of the gear. The donation would require the approval of the Council.

MOTION NEEDED

Walker

Jamie ~~Weliker~~ Retirement

MOTION NEEDED

Approve Memorial Day Parade Permit

MOTION NEEDED

Approve Hiring of Municipal Swimming Pool Employees
Roxy Rolstad has interviewed the list of candidates included in your packet.

MOTION NEEDED

XII. OTHER BUSINESS

SCHEDULE OF UPCOMING MEETINGS
Please see your agenda

XIII. COUNCIL AND STAFF GENERAL COMMENTS

XIV. ADJOURNMENT

Please contact me, if you have any questions or require additional information.

Pursuant to due call and notice thereof, a City Council Meeting was duly held in the City Council chambers at 7:00 p.m. on the 12th day of April, 2016. The following members were present: Mayor Mike Engel, Council Members, Fred Barsness, Richard Nielsen, Doug Henke and John Mortensen. Also present: Administrator Mark Vahlsing, Engineer Joe Rhein, Attorney Scott Riggs, and Administrative Assistant Pam Blow.

CITIZEN COMMENTS
None

ADOPT AGENDA
Add: / XI / New Business / D / Approve Hiring of Full Time Police Officer Alex Rehbein. Motion by Nielsen second by Mortensen to approve the agenda as amended. Motion carried 5-0-0.

CONSENT AGENDA
Motion by Barsness second by Nielsen to approve the Consent Agenda, which includes payment of check numbers, 64568 through 64708; 2539E through 2554E; and additional checks 64709 through 64724. Motion carried 5-0-0.

PRESENTATIONS
2015 Audit Presentation – Tom Wente, Smith ♦ Schafer
Mr. Wente noted that a clean opinion of the 2015 Audit was issued. Mr. Wente reviewed the audited figures for revenues, expenditures and fund balances. According to Mr. Wente, all special revenue funds have positive fund balances.

ENGINEERING
Update on 1st Street Reconstruction Project
According to Engineer Rhein, the contract for the project will be executed next week. A pre-construction meeting was held today, and a neighbor meeting will be held on April 18th at 6 p.m. Subsequent to the neighbor meeting, a notice to proceed document will be given to the contractor. They will mobilize and begin the project during the week of April 18th.

Update on Fire Facility Project
Engineer Rhein told the Council that the plans and specifications have been submitted to the USDA architect for review. After they have been approved by USDA, the council will meet review them one last time before possible adoption. According to Engineer Rhein, Stage 2 of the USDA funding is complete, and the "Letter of Conditions" has been signed with the USDA. The projected bid advertising date is in June, but it is dependent upon all approvals from the USDA being completed by that time.

LEGAL
Luis Tellez (Taco Express) Lot Use Agreement
Motion by Nielsen, second by Henke to approve the agreement. Motion carried 5-0-0.

Kenyon Country Club Liquor License Renewal
Motion by Nielsen, second by Barsness to approve the license for on-sale and Sunday liquor. Motion carried 5-0-0.

OLD BUSINESS
Police Department
Parking in the 600 Block of 2nd Street

Chief Sjolander has previously asked that new handicapped parking spaces be installed in front of Tatge Jewelry and Papa's Restaurant. Mayor Engel suggested that there should be a handicapped parking space in front of City Hall, but Chief Sjolander noted that there is a handicapped parking space in the City's parking lot east of City Hall. Mayor Engel noted that he wouldn't support more restrictions for parking because the spaces are limited and staff time for enforcement is also limited. Councilman Henke commented that the parking stalls should be re-painted. He also noted that he spoke with a business owner who has been in business downtown for years, and the business owner has not had any complaints about lack of parking.

Update on Police Officer Hiring

Chief Sjolander noted that Alex Rehbein has accepted the job offer with the KPD. The background investigation is completed and the psychological and physical testing will be completed as soon as possible.

NEW BUSINESS

Resolution 2016-11: Resolution in Support of the Minnesota Broadband Vision

Administrator Vahlsing noted that this is part of a statewide effort to get additional broadband services into rural Minnesota. Motion by Engel, second by Nielsen to approve Resolution 2016-11. Motion carried 5-0-0.

Approve Kenyon Senior Living 2nd Annual 5K Fun Run/Walk

Chief Sjolander noted that part of the proposed route for this event planned for May 21, 2016, is along 1st Street which will be under construction at the time of the race. He told the council that he will work with the planning committee to avoid using that road due to construction. He stated they will have additional staff on duty to ensure a safe event.

Motion by Henke, second by Nielsen to approve Kenyon Senior Living 5K. Motion carried 5-0-0.

Approve Changes to Administrative Policy #24 – Garbage and Recycling

According to Administrator Vahlsing, the changes in the policy are minor to reflect the change in haulers and cost.

Motion by Mortensen, second by Nielsen to approve Administrative Policy #24. Motion carried 5-0-0.

Approve Hiring of Full Time Police Officer Alex Rehbein

Motion by Henke, second by Nielsen to approve the hiring of Alex Rehbein as a full-time police officer. Motion carried 5-0-0.

OTHER BUSINESS

Schedule of Upcoming Meetings

City Council Meeting: Tuesday, May 10th @ 7 p.m.
SEMLM Annual Meeting: Wednesday, April 27th in Elgin

COUNCIL AND STAFF GENERAL COMMENTS

Councilman Barsness read a statement regarding the construction of the new Fire Hall. He stated that he had mentioned at a previous work session his concerns about the high cost of the facility. He read that the Fire Hall is a building meant to house equipment, hold meetings and practices. The new design has offices, a kitchen and several bathrooms. Additionally, the storm drain system seems excessive, according to Councilman Barsness. He went on to say that the design is an embarrassment and that it will cost many tax dollars. Barsness noted that his comments are not to stop the construction of the Fire

Hall, but to stand up for the voters that he represents, when he feels we are wasting those tax dollars. According to Barsness, the citizens are the only people who are going to pay for the facility, and they put their trust in the council to use the money wisely. Councilman Barsness thanked the group for letting him speak.

Councilman Nielsen commented that he voted against the design of the Fire Hall for some of the reasons given above by Councilman Barsness. Nielsen agrees with Barsness that the plan may be more expensive that it needs to be. Nielsen would like to find ways to decrease the cost without decreasing the effectiveness of the design for the Fire Hall.

Councilman Henke asked Engineer Rhein to look into some of the concerns mentioned. Henke feels that the design is good, but would like to be assured that it isn't extravagant.

Engineer Rhein noted that there were two review meetings for the design of the Fire Hall, but they were mainly staff and consultant level meetings. Mayor Engel had attended that first review meeting and Councilmen Barsness had attended the second review meeting. There will be a final council review of the plans. Rhein mentioned that the MPCA and USDA funding requires the storm water plan that is a part of the site design. Some of the other design elements are also a result of USDA requirements.

Mayor Engel commented that we have had expenditures with the project; including engineering, architect, and legal. Engel doesn't feel that the building needs to be elaborate, but doesn't want a tin shed, and we need to proceed. Engel commented that it may have been a mistake not to have the full council attend the meetings held to review the design.

Councilman Henke noted that he is glad that Councilman Barsness brought up his concerns and would like it if the council could review the plans so the project can move forward. Engineer Rhein noted that a full review by the council is the next step in the process.

Administrator Vahlsing suggested that a meeting be arranged with the architect and the entire council to review the entire design. A work session will be planned for May 4th or 6th, depending on availability of staff and council schedules. Vahlsing also noted that some design elements are required by the building code and have to be met. Engineer Rhein noted that the plans and specifications can be accessed by the council on-line.

Councilman Nielsen asked about what was happening with the old tennis courts, and Administrator Vahlsing noted that the property belongs to First Evangelical Church. They have no interest in selling that lot and no plans at this time for the property.

Councilman Mortensen noted that the Municipal Liquor Store's revenue is up by 8% for the first three months of this year.

Motion Nielsen, seconded by Engel to adjourn the meeting at 8:40 p.m. Motion Carried 5-0-0.

_____

Pam Blow, Administrative Assistant

_____

Michael Engel, Mayor

Kenyon Police Officer Oath of Office

I, **Alex Rehbein** do affirm the following:

That as an officer of the City of Kenyon, I will uphold the laws and Constitution for the united States of America, the state of Minnesota, and the ordinances of the city of Kenyon.

I swear that I will diligently discharge all orders and directions of the present, or future, Chief of Police, and other superior officers appointed over me according to the rules and regulations of the Kenyon Police Department.

I further solemnly swear that I will also serve honestly and faithfully in the performance of my duties as a police officer, that I will conduct my personal life in accordance with the same diligence as my professional life, and will accept my commission as a symbol of authority and a mark of service to the people of this community so help me God.

Sworn on the 10th day of May, 2016.

_____

Officer

_____

Chief of Police

BOLTON & MENK, INC.
Consulting Engineers & Surveyors
2035 County Road D East • Suite B • Maplewood, MN 55109-5314
Phone (651) 704-9970 • Fax (651) 704-9971
www.bolton-menk.com

MEMORANDUM

Date: May 4, 2016

To: Kenyon City Council
City Administrator Mark Vahlsing

From: City Engineer Joe Rhein

Subject: First Street Project Update

This memo provides a brief update of recent activities on the First Street project.

Summary of Construction Activities

- Neighborhood Information meeting was held April 18th, and went well.
- Notice to Proceed was issued to the contractor on April 19th.
- Contractor has completed a majority of removals.
- Sanitary sewer is underway and should be complete by May 6th.
- A water shut down is scheduled for the evening of May 4th, to allow the work at the intersection of Forest Street.
- Storm sewer work is scheduled for the week of May 9th, along with the start of street base (gravel) work.
- Schedule for concrete curb and paving is not yet known.

Project Newsletter

- A project construction newsletter was prepared May 3rd. It was mailed to all project properties and was also posted on the project website.
- A copy of the May 3rd newsletter is included with this memo for reference.

Payment Request

- The first payment request for the contractor has been prepared and is provided to the City Council for consideration at the May 10th meeting. The amount of the request is $56,308.25.

We will be present at the City Council meeting on May 10th to review this information. If discussion is desired in advance of the meeting, please contact me at 651-968-7384 or joerh@bolton-menk.com.

May 3, 2016

2016 Street Improvement Project Newsletter

Construction includes:

- *Tree Removal*
- *Pavement Removals*
- *Sanitary sewer collection system and service lines*
- *New water main*
- *Street construction*
- *Driveway and turf restoration*
- *Contract completion date: July 29th*

Bolton & Menk, Inc.
Joe Rhein, PE
City Engineer
Cell Phone: 651-968-7384
E-mail: joerh@bolton-menk.com

Bryan Holtz
Senior Engineering Technician
Cell Phone: 507-993-1112
E-mail: bryanho@bolton-menk.com

Russ Morsching
Construction Representative
Cell Phone: 507-323-5192
E-mail: russmo@bolton-menk.com

PROJECT INTRODUCTION

As you are aware the City of Kenyon is reconstructing First Street from Red Wing Avenue to Bullis Street. The work includes, sanitary sewer main and service reconstruction, a small amount of water main, storm sewer in the intersection of Forest Street and First Street, intermittent sidewalk replacement, new concrete curb and gutter and driveways, new aggregate base and bituminous pavement.

CONSTRUCTION OPERATIONS

Heselton Construction started work on April 19th and has been progressing fairly quickly. Presently, the new sanitary sewer is installed from Forest Street to Bullis Street. Heselton Construction is working on completing the sanitary sewer from Forest Street to Red Wing Avenue.

There is/was a scheduled water main shut down on Wednesday May 4th from 5:00 – 9:00 PM. All affected properties have been notified. The shutdown is necessary in order to complete the small amount of water main construction.

Heselton Construction anticipates completing the sanitary sewer and water main work by May 6th. Storm sewer construction should start on or before May 9th along with street construction.

UPCOMING CONSTRUCTION OPERATIONS

Storm sewer construction should start on or before May 9th. Street construction grading and placement of aggregate base should start sometime during the week of May 9th.

The new concrete curb and gutter and driveways will be constructed after all the aggregate base has been placed on the street. During concrete construction access into driveways will be limited due to curing times for the concrete. Notice will be provided once the concrete curb and driveway work has been scheduled.

CONTACTS

Informational newsletters, such as this one, will be mailed to you periodically throughout the project. If you have questions or concerns at any time, please contact Bryan Holtz or Russ Morsching at the phone numbers or email addresses listed to the left.

PROJECT WEBSITE

This newsletter will also be uploaded to the project website which you will be able to access by using this link:

https://www.bolton-menk.com/kenyonfirststreet

If you prefer to receive these newsletters and updates by e-mail, you can sign up on the project website.

Thank you for your patience and cooperation during the construction!

CONTRACTOR'S PAY REQUEST **FIRST STREET IMPROVEMENT PROJECT** **CITY OF KENYON, MN** **BMI PROJECT NO. N15.109279**	**DISTRIBUTION:** CONTRACTOR (1) OWNER (1) ENGINEER (1) BONDING CO. (1)
TOTAL AMOUNT BID PLUS APPROVED CHANGE ORDERS	$430,659.69
TOTAL, COMPLETED WORK TO DATE	$59,271.84
TOTAL, STORED MATERIALS TO DATE	$0.00
DEDUCTION FOR STORED MATERIALS USED IN WORK COMPLETED	$0.00
TOTAL, COMPLETED WORK & STORED MATERIALS	$59,271.84
RETAINED PERCENTAGE (5%)	$2,963.59
TOTAL AMOUNT OF OTHER PAYMENTS OR (DEDUCTIONS)	$0.00
NET AMOUNT DUE TO CONTRACTOR TO DATE	$56,308.25
TOTAL AMOUNT PAID ON PREVIOUS ESTIMATES	$0.00
PAY CONTRACTOR AS ESTIMATE NO. 1	$56,308.25

Certificate for Partial Payment

I hereby certify that, to the best of my knowledge and belief, all items quantities and prices of work and material shown on this Estimate are correct and that all work has been performed in full accordance with the terms and conditions of the Contract for this project between the Owner and the undersigned Contractor, and as amended by any authorized changes, and that the foregoing is a true and correct statement of the contract amount for the period covered by this Estimate.

Contractor: Heselton Construction, LLC
680 N.W. 24th Street
Faribault, MN 55021

By _____
Name Title

Date _____

CHECKED AND APPROVED AS TO QUANTITIES AND AMOUNT:
ENGINEER: BOLTON & MENK, INC., 1960 PREMIER DRIVE, MANKATO, MN 56001.

By _____, CITY ENGINEER

Date 5-4-16

APPROVED FOR PAYMENT:
OWNER:

By _____
Name Title Date

And _____
Name Title Date

Partial Pay Estimate No.: 1

FIRST STREET IMPROVEMENT PROJECT

CITY OF KENYON, MN

BMI PROJECT NO. N15.109279

WORK COMPLETED THROUGH 4/30/2016

ITEM NO.	ITEM	UNIT PRICE	AS BID ESTIMATED QUANTITY		AS BID ESTIMATED AMOUNT	PREVIOUS ESTIMATE ESTIMATED QUANTITY	PREVIOUS ESTIMATE ESTIMATED AMOUNT	COMPLETED TO DATE ESTIMATED QUANTITY		COMPLETED TO DATE ESTIMATED AMOUNT
PART 1 - SANITARY SEWER										
1	MOBILIZATION	$6,000.00	1	LS	$6,000.00	LS	$0.00	0.25	LS	$1,500.00
2	TRAFFIC CONTROL	$3,620.00	1	LS	$3,620.00	LS	$0.00	0.25	LS	$905.00
3	TEMPORARY ROCK CONSTRUCTION ENTRANCE	$725.00	1	EA	$725.00	EA	$0.00	0.00	EA	$0.00
4	CLEARING & GRUBBING	$540.00	6	TREE	$3,240.00	TREE	$0.00	14.00	TREE	$7,560.00
5	REMOVE SEWER PIPE (SANITARY)	$3.50	72	LF	$252.00	LF	$0.00	67.00	LF	$234.50
6	REMOVE MANHOLE	$310.00	3	EA	$930.00	EA	$0.00	0.00	EA	$0.00
7	SANITARY SEWER BYPASS	$2,245.00	1	LS	$2,245.00	LS	$0.00	0.50	LS	$1,122.50
8	CONNECT TO EXISTING SANITARY PIPE	$640.00	4	EA	$2,560.00	EA	$0.00	3.00	EA	$1,920.00
9	CONNECT TO EXISTING SEWER SERVICE	$115.00	21	EA	$2,415.00	EA	$0.00	1.00	EA	$115.00
10	4" SDR-26 SANITARY SEWER SERVICE	$34.00	703	LF	$23,902.00	LF	$0.00	51.00	LF	$1,734.00
11	8" SDR-35 SANITARY SEWER PIPE	$25.00	965	LF	$24,125.00	LF	$0.00	612.00	LF	$15,300.00
12	12" SDR-35 SANITARY SEWER PIPE	$44.50	72	LF	$3,204.00	LF	$0.00	109.00	LF	$4,850.50
13	IMPROVED PIPE FOUNDATION	$2.80	1740	LF	$4,872.00	LF	$0.00	721.00	LF	$2,018.80
14	8"x4" SDR-26 SANITARY SEWER WYE	$144.00	21	EA	$3,024.00	EA	$0.00	6.00	EA	$864.00
15	CONSTRUCT MANHOLE - 48"	$1,725.00	4	EA	$6,900.00	EA	$0.00	0.00	EA	$0.00
16	CONSTRUCT MANHOLE OVER EXISTING PIPE - 48"	$2,035.00	2	EA	$4,070.00	EA	$0.00	0.00	EA	$0.00
17	CASTING ASSEMBLY, SANITARY	$555.00	6	EA	$3,330.00	EA	$0.00	3.00	EA	$1,665.00
18	EXPLORATORY EXCAVATION	$250.00	20	HR	$5,000.00	HR	$0.00	0.00	HR	$0.00
PART 2 - WATER SYSTEM										
19	CONNECT TO EXISTING WATER MAIN - 6"	$721.00	2	EA	$1,442.00	EA	$0.00	0.00	EA	$0.00
20	CONNECT TO EXISTING WATER MAIN - 2"	$840.00	1	EA	$840.00	EA	$0.00	0.00	EA	$0.00
21	REMOVE WATER MAIN PIPE	$5.85	10	LF	$58.50	LF	$0.00	0.00	LF	$0.00
22	6" DIP WATERMAIN, CL. 52	$55.25	66	LF	$3,646.50	LF	$0.00	0.00	LF	$0.00
23	WATERMAIN OFFSET	$113.30	40	LF	$4,532.00	LF	$0.00	0.00	LF	$0.00
24	6" GATE VALVE & BOX	$1,362.00	1	EA	$1,362.00	EA	$0.00	0.00	EA	$0.00
25	WATERMAIN FITTINGS	$7.85	245	LB	$1,923.25	LB	$0.00	0.00	LB	$0.00
26	CUT IN 6" X 6" CROSS	$1,600.00	1	EA	$1,600.00	EA	$0.00	0.00	EA	$0.00
27	2" CORPORATION STOP	$505.00	1	EA	$505.00	EA	$0.00	0.00	EA	$0.00
28	2" WATER SERVICE	$42.00	45	LF	$1,890.00	LF	$0.00	0.00	LF	$0.00
29	ADJUST VALVE BOX	$160.00	2	EA	$320.00	EA	$0.00	0.00	EA	$0.00
PART 3 - STORM SEWER										
30	REMOVE SEWER PIPE (STORM)	$8.50	146	LF	$1,241.00	LF	$0.00	0.00	LF	$0.00
31	REMOVE MANHOLE (STORM)	$285.00	1	EA	$285.00	EA	$0.00	0.00	EA	$0.00
32	REMOVE CATCH BASIN	$285.00	4	EA	$1,140.00	EA	$0.00	0.00	EA	$0.00
33	12" RCP STORM SEWER, CLASS 5	$41.25	78	LF	$3,217.50	LF	$0.00	0.00	LF	$0.00
34	15" RCP STORM SEWER, CLASS 5	$42.50	10	LF	$425.00	LF	$0.00	0.00	LF	$0.00
35	18" RCP STORM SEWER, CLASS 5	$44.90	29	LF	$1,302.10	LF	$0.00	0.00	LF	$0.00
36	30" RCP STORM SEWER, CLASS 3	$61.70	20	LF	$1,234.00	LF	$0.00	0.00	LF	$0.00
37	4" DRAINTILE	$18.00	40	LF	$720.00	LF	$0.00	0.00	LF	$0.00
38	ADJUST CATCH BASIN CASTING	$200.00	3	EA	$600.00	EA	$0.00	0.00	EA	$0.00
39	ADJUST FRAME & RING CASTING	$305.00	1	EA	$305.00	EA	$0.00	0.00	EA	$0.00
40	CONNECT TO EXISTING STORM PIPE	$715.00	4	EA	$2,860.00	EA	$0.00	0.00	EA	$0.00
41	CONNECT DRAIN TILE TO CATCH BASIN	$310.00	4	EA	$1,240.00	EA	$0.00	0.00	EA	$0.00
42	CONST DRAINAGE STRUCTURE DES. 4020-60"	$1,995.00	1	EA	$1,995.00	EA	$0.00	0.00	EA	$0.00
43	CONST DRAINAGE STRUCTURE DES. R-1 (2'X3')	$1,045.00	2	EA	$2,090.00	EA	$0.00	0.00	EA	$0.00
44	CASTING ASSEMBLY, STORM	$655.00	3	EA	$1,965.00	EA	$0.00	0.00	EA	$0.00
PART 4 - STREET IMPROVEMENTS										
45	REMOVE BITUMINOUS	$2.20	5242	SY	$11,532.40	SY	$0.00	4,933.00	SY	$10,852.60
46	REMOVE CURB & GUTTER	$2.60	2675	LF	$6,955.00	LF	$0.00	2,752.00	LF	$7,155.20

Partial Pay Estimate No.: 1

FIRST STREET IMPROVEMENT PROJECT

CITY OF KENYON, MN

BMI PROJECT NO. N15.109279

WORK COMPLETED THROUGH 4/30/2016

ITEM NO.	ITEM	UNIT PRICE	AS BID ESTIMATED QUANTITY		AS BID ESTIMATED AMOUNT	PREVIOUS ESTIMATE ESTIMATED QUANTITY	PREVIOUS ESTIMATE ESTIMATED AMOUNT	COMPLETED TO DATE ESTIMATED QUANTITY		COMPLETED TO DATE ESTIMATED AMOUNT
47	REMOVE CONCRETE DRIVEWAY PAVEMENT	$7.60	77	SY	$585.20	SY	$0.00	87.70	SY	$666.52
48	REMOVE CONCRETE WALK	$0.67	3817	SF	$2,557.39	SF	$0.00	1,206.30	SF	$808.22
49	SAWING BITUMINOUS PAVEMENT	$2.25	237	LF	$533.25	LF	$0.00	0.00	LF	$0.00
50	SAWING CONCRETE PAVEMENT	$3.50	265	LF	$927.50	LF	$0.00	0.00	LF	$0.00
51	COMMON EXCAVATION (EV) (P)	$10.80	2330	CY	$25,164.00	CY	$0.00	0.00	CY	$0.00
52	SUBGRADE EXCAVATION (EV)	$6.90	233	CY	$1,607.70	CY	$0.00	0.00	CY	$0.00
53	GEOTEXTILE FABRIC	$1.15	6381	SY	$7,338.15	SY	$0.00	0.00	SY	$0.00
54	TOPSOIL BORROW (LV)	$24.45	100	CY	$2,445.00	CY	$0.00	0.00	CY	$0.00
55	AGGREGATE BASE CL 5	$11.35	3288	TON	$37,318.80	TON	$0.00	0.00	TON	$0.00
56	STABILIZING AGGREGATE	$14.60	420	TON	$6,132.00	TON	$0.00	0.00	TON	$0.00
57	CONCRETE DRIVEWAY PAVEMENT (6")	$58.15	108	SY	$6,280.20	SY	$0.00	0.00	SY	$0.00
58	CONCRETE DRIVEWAY PAVEMENT (8")	$71.00	16	SY	$1,136.00	SY	$0.00	0.00	SY	$0.00
59	CONCRETE CURB & GUTTER, DES. B624	$15.20	2688	LF	$40,857.60	LF	$0.00	0.00	LF	$0.00
60	TYPE SP 9.5 WEARING COURSE (SECOND LIFT)	$59.00	479	TON	$28,261.00	TON	$0.00	0.00	TON	$0.00
61	TYPE SP 9.5 WEARING COURSE (FIRST LIFT)	$59.00	640	TON	$37,760.00	TON	$0.00	0.00	TON	$0.00
62	BITUMINOUS TACK COAT	$2.20	264	GAL	$580.80	GAL	$0.00	0.00	GAL	$0.00
63	4" CONCRETE WALK	$5.10	3148	SF	$16,054.80	SF	$0.00	0.00	SF	$0.00
64	6" CONCRETE WALK	$9.70	748	SF	$7,255.60	SF	$0.00	0.00	SF	$0.00
65	TRUNCATED DOMES	$34.55	112	SF	$3,869.60	SF	$0.00	0.00	SF	$0.00
66	INLET PROTECTION	$154.00	9	EA	$1,386.00	EA	$0.00	0.00	EA	$0.00
67	SODDING, TYPE LAWN	$6.05	3410	SY	$20,630.50	SY	$0.00	0.00	SY	$0.00
68	SILT FENCE	$3.25	273	LF	$887.25	LF	$0.00	0.00	LF	$0.00
69	RAPID STABILIZATION METHOD 3	$1.65	1450	SY	$2,392.50	SY	$0.00	0.00	SY	$0.00
70	STREET SWEEPER	$137.00	20	HR	$2,740.00	HR	$0.00	0.00	HR	$0.00
71	WATER FOR DUST CONTROL	$47.00	10	MGAL	$470.00	MGAL	$0.00	0.00	MGAL	$0.00
72	SALVAGE AND REINSTALL STREET SIGN	$215.00	10	EA	$2,150.00	EA	$0.00	0.00	EA	$0.00
ALTERNATE BID A										
A-1	REMOVE CONCRETE DRIVEWAY PAVEMENT	$8.30	21	SY	$174.30	SY	$0.00	0.00	SY	$0.00
A-2	REMOVE CONCRETE WALK	$0.80	175	SF	$140.00	SF	$0.00	0.00	SF	$0.00
A-3	COMMON EXCAVATION (P)	$12.30	57	CY	$701.10	CY	$0.00	0.00	CY	$0.00
A-4	AGGREGATE BASE CL 5	$13.80	51	TON	$703.80	TON	$0.00	0.00	TON	$0.00
A-5	CONCRETE DRIVEWAY PAVEMENT (6")	$58.15	36	SY	$2,093.40	SY	$0.00	0.00	SY	$0.00
A-6	CONCRETE DRIVEWAY PAVEMENT (8")	$71.00	22	SY	$1,562.00	SY	$0.00	0.00	SY	$0.00
A-7	4" CONCRETE WALK	$5.80	1780	SF	$10,324.00	SF	$0.00	0.00	SF	$0.00
0	0	$0.00	0	0	$0.00	0	$0.00	0.00	0	$0.00
0	0	$0.00	0	0	$0.00	0	$0.00	0.00	0	$0.00
0	0	$0.00	0	0	$0.00	0	$0.00	0.00	0	$0.00
0	0	$0.00	0	0	$0.00	0	$0.00	0.00	0	$0.00
0	0	$0.00	0	0	$0.00	0	$0.00	0.00	0	$0.00
0	0	$0.00	0	0	$0.00	0	$0.00	0.00	0	$0.00
0	0	$0.00	0	0	$0.00	0	$0.00	0.00	0	$0.00
0	0	$0.00	0	0	$0.00	0	$0.00	0.00	0	$0.00
0	0	$0.00	0	0	$0.00	0	$0.00	0.00	0	$0.00
0	0	$0.00	0	0	$0.00	0	$0.00	0.00	0	$0.00
	TOTAL AMOUNT:				**$430,659.69**		**$0.00**			**$59,271.84**

Partial Pay Estimate No.: 1

FIRST STREET IMPROVEMENT PROJECT

CITY OF KENYON, MN

BMI PROJECT NO. N15.109279

WORK COMPLETED THROUGH 4/30/2016

ITEM NO.	ITEM	UNIT PRICE	AS BID ESTIMATED QUANTITY		AS BID ESTIMATED AMOUNT	PREVIOUS ESTIMATE ESTIMATED QUANTITY	PREVIOUS ESTIMATE ESTIMATED AMOUNT	COMPLETED TO DATE ESTIMATED QUANTITY		COMPLETED TO DATE ESTIMATED AMOUNT
PART 1 - SANITARY SEWER										
1	MOBILIZATION	$6,000.00	1	LS	$6,000.00	LS	$0.00	0.25	LS	$1,500.00
2	TRAFFIC CONTROL	$3,620.00	1	LS	$3,620.00	LS	$0.00	0.25	LS	$905.00
3	TEMPORARY ROCK CONSTRUCTION ENTRANCE	$725.00	1	EA	$725.00	EA	$0.00	0.00	EA	$0.00
4	CLEARING & GRUBBING	$540.00	6	TREE	$3,240.00	TREE	$0.00	14.00	TREE	$7,560.00
5	REMOVE SEWER PIPE (SANITARY)	$3.50	72	LF	$252.00	LF	$0.00	67.00	LF	$234.50
6	REMOVE MANHOLE	$310.00	3	EA	$930.00	EA	$0.00	0.00	EA	$0.00
7	SANITARY SEWER BYPASS	$2,245.00	1	LS	$2,245.00	LS	$0.00	0.50	LS	$1,122.50
8	CONNECT TO EXISTING SANITARY PIPE	$640.00	4	EA	$2,560.00	EA	$0.00	3.00	EA	$1,920.00
9	CONNECT TO EXISTING SEWER SERVICE	$115.00	21	EA	$2,415.00	EA	$0.00	1.00	EA	$115.00
10	4" SDR-26 SANITARY SEWER SERVICE	$34.00	703	LF	$23,902.00	LF	$0.00	51.00	LF	$1,734.00
11	8" SDR-35 SANITARY SEWER PIPE	$25.00	965	LF	$24,125.00	LF	$0.00	612.00	LF	$15,300.00
12	12" SDR-35 SANITARY SEWER PIPE	$44.50	72	LF	$3,204.00	LF	$0.00	109.00	LF	$4,850.50
13	IMPROVED PIPE FOUNDATION	$2.80	1740	LF	$4,872.00	LF	$0.00	721.00	LF	$2,018.80
14	8"x4" SDR-26 SANITARY SEWER WYE	$144.00	21	EA	$3,024.00	EA	$0.00	6.00	EA	$864.00
15	CONSTRUCT MANHOLE - 48"	$1,725.00	4	EA	$6,900.00	EA	$0.00	0.00	EA	$0.00
16	CONSTRUCT MANHOLE OVER EXISTING PIPE - 48"	$2,035.00	2	EA	$4,070.00	EA	$0.00	0.00	EA	$0.00
17	CASTING ASSEMBLY, SANITARY	$555.00	6	EA	$3,330.00	EA	$0.00	3.00	EA	$1,665.00
18	EXPLORATORY EXCAVATION	$250.00	20	HR	$5,000.00	HR	$0.00	0.00	HR	$0.00
PART 2 - WATER SYSTEM										
19	CONNECT TO EXISTING WATER MAIN - 6"	$721.00	2	EA	$1,442.00	EA	$0.00	0.00	EA	$0.00
20	CONNECT TO EXISTING WATER MAIN - 2"	$840.00	1	EA	$840.00	EA	$0.00	0.00	EA	$0.00
21	REMOVE WATER MAIN PIPE	$5.85	10	LF	$58.50	LF	$0.00	0.00	LF	$0.00
22	6" DIP WATERMAIN, CL. 52	$55.25	66	LF	$3,646.50	LF	$0.00	0.00	LF	$0.00
23	WATERMAIN OFFSET	$113.30	40	LF	$4,532.00	LF	$0.00	0.00	LF	$0.00
24	6" GATE VALVE & BOX	$1,362.00	1	EA	$1,362.00	EA	$0.00	0.00	EA	$0.00
25	WATERMAIN FITTINGS	$7.85	245	LB	$1,923.25	LB	$0.00	0.00	LB	$0.00
26	CUT IN 6" X 6" CROSS	$1,600.00	1	EA	$1,600.00	EA	$0.00	0.00	EA	$0.00
27	2" CORPORATION STOP	$505.00	1	EA	$505.00	EA	$0.00	0.00	EA	$0.00
28	2" WATER SERVICE	$42.00	45	LF	$1,890.00	LF	$0.00	0.00	LF	$0.00
29	ADJUST VALVE BOX	$160.00	2	EA	$320.00	EA	$0.00	0.00	EA	$0.00
PART 3 - STORM SEWER										
30	REMOVE SEWER PIPE (STORM)	$8.50	146	LF	$1,241.00	LF	$0.00	0.00	LF	$0.00
31	REMOVE MANHOLE (STORM)	$285.00	1	EA	$285.00	EA	$0.00	0.00	EA	$0.00
32	REMOVE CATCH BASIN	$285.00	4	EA	$1,140.00	EA	$0.00	0.00	EA	$0.00
33	12" RCP STORM SEWER, CLASS 5	$41.25	78	LF	$3,217.50	LF	$0.00	0.00	LF	$0.00
34	15" RCP STORM SEWER, CLASS 5	$42.50	10	LF	$425.00	LF	$0.00	0.00	LF	$0.00
35	18" RCP STORM SEWER, CLASS 5	$44.90	29	LF	$1,302.10	LF	$0.00	0.00	LF	$0.00
36	30" RCP STORM SEWER, CLASS 3	$61.70	20	LF	$1,234.00	LF	$0.00	0.00	LF	$0.00
37	4" DRAINTILE	$18.00	40	LF	$720.00	LF	$0.00	0.00	LF	$0.00
38	ADJUST CATCH BASIN CASTING	$200.00	3	EA	$600.00	EA	$0.00	0.00	EA	$0.00
39	ADJUST FRAME & RING CASTING	$305.00	1	EA	$305.00	EA	$0.00	0.00	EA	$0.00
40	CONNECT TO EXISTING STORM PIPE	$715.00	4	EA	$2,860.00	EA	$0.00	0.00	EA	$0.00
41	CONNECT DRAIN TILE TO CATCH BASIN	$310.00	4	EA	$1,240.00	EA	$0.00	0.00	EA	$0.00
42	CONST DRAINAGE STRUCTURE DES. 4020-60"	$1,995.00	1	EA	$1,995.00	EA	$0.00	0.00	EA	$0.00
43	CONST DRAINAGE STRUCTURE DES. R-1 (2'X3')	$1,045.00	2	EA	$2,090.00	EA	$0.00	0.00	EA	$0.00
44	CASTING ASSEMBLY, STORM	$655.00	3	EA	$1,965.00	EA	$0.00	0.00	EA	$0.00
PART 4 - STREET IMPROVEMENTS										
45	REMOVE BITUMINOUS	$2.20	5242	SY	$11,532.40	SY	$0.00	4,933.00	SY	$10,852.60
46	REMOVE CURB & GUTTER	$2.60	2675	LF	$6,955.00	LF	$0.00	2,752.00	LF	$7,155.20

Partial Pay Estimate No.: 1

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67	SODDING, TYPE LAWN	$6.05	3410	SY	$20,630.50	SY	$0.00	0.00	SY	$0.00
68	SILT FENCE	$3.25	273	LF	$887.25	LF	$0.00	0.00	LF	$0.00
69	RAPID STABILIZATION METHOD 3	$1.65	1450	SY	$2,392.50	SY	$0.00	0.00	SY	$0.00
70	STREET SWEEPER	$137.00	20	HR	$2,740.00	HR	$0.00	0.00	HR	$0.00
71	WATER FOR DUST CONTROL	$47.00	10	MGAL	$470.00	MGAL	$0.00	0.00	MGAL	$0.00
72	SALVAGE AND REINSTALL STREET SIGN	$215.00	10	EA	$2,150.00	EA	$0.00	0.00	EA	$0.00
ALTERNATE BID A										
A-1	REMOVE CONCRETE DRIVEWAY PAVEMENT	$8.30	21	SY	$174.30	SY	$0.00	0.00	SY	$0.00
A-2	REMOVE CONCRETE WALK	$0.80	175	SF	$140.00	SF	$0.00	0.00	SF	$0.00
A-3	COMMON EXCAVATION (P)	$12.30	57	CY	$701.10	CY	$0.00	0.00	CY	$0.00
A-4	AGGREGATE BASE CL 5	$13.80	51	TON	$703.80	TON	$0.00	0.00	TON	$0.00
A-5	CONCRETE DRIVEWAY PAVEMENT (6")	$58.15	36	SY	$2,093.40	SY	$0.00	0.00	SY	$0.00
A-6	CONCRETE DRIVEWAY PAVEMENT (8")	$71.00	22	SY	$1,562.00	SY	$0.00	0.00	SY	$0.00
A-7	4" CONCRETE WALK	$5.80	1780	SF	$10,324.00	SF	$0.00	0.00	SF	$0.00
0	0	$0.00	0	0	$0.00	0	$0.00	0.00	0	$0.00
0	0	$0.00	0	0	$0.00	0	$0.00	0.00	0	$0.00
0	0	$0.00	0	0	$0.00	0	$0.00	0.00	0	$0.00
0	0	$0.00	0	0	$0.00	0	$0.00	0.00	0	$0.00
0	0	$0.00	0	0	$0.00	0	$0.00	0.00	0	$0.00
0	0	$0.00	0	0	$0.00	0	$0.00	0.00	0	$0.00
0	0	$0.00	0	0	$0.00	0	$0.00	0.00	0	$0.00
0	0	$0.00	0	0	$0.00	0	$0.00	0.00	0	$0.00
0	0	$0.00	0	0	$0.00	0	$0.00	0.00	0	$0.00
0	0	$0.00	0	0	$0.00	0	$0.00	0.00	0	$0.00
	TOTAL AMOUNT:				**$430,659.69**		**$0.00**			**$59,271.84**

BOLTON & MENK, INC.
Consulting Engineers & Surveyors
2035 County Road D East • Suite B • Maplewood, MN 55109-5314
Phone (651) 704-9970 • Fax (651) 704-9971
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MEMORANDUM

Date: May 4, 2016

To: Kenyon City Council
City Administrator Mark Vahlsing

From: City Engineer Joe Rhein

Subject: Fire Station Project Update

This memo provides a brief update of recent activities on the Fire Station project.

Plans and Specifications

- Completed and submitted to the USDA Architect in March 2016 for review.
- Comments have been received from the USDA Architect:
  - No changes are required to the plans.
  - Minor changes are required to the specifications.
- A Work Session has been scheduled for May 6th to review the plan and specifications with the full Council. The Council will also consider any potential changes they may want to make to the plan.
  - If no changes are requested by the City Council, the plans and specifications would be ready for consideration of approval at the City Council meeting on May 10th.
  - If changes are desired by the City Council, the Council will need to provide direction on the changes at their meeting of May 10th.

USDA Funding Application:

- The application was sent from the regional office in Faribault to the State office on April 6th.
- The application was forwarded from the State office to the USDA Office of General Counsel (OGC) in Kansas City for review. It is assumed this occurred approximately April 11th.
  - Estimated time for application review in Kansas City is 6 – 8 weeks.
  - Based on this information, completion of the review from Kansas City can be anticipated by approximately June 3rd.

Project Schedule / Next Steps

- If no changes are requested by the City Council as a result of their May 6th Work Session, it appears the following actions could be taken on May 10th:
  - Approve the plans and specifications.
  - Set the bid date for mid-June.
  - Authorize advertising for bids in accordance with the bid date selected.
- If changes to the plan are desired as a result of the May 6th Work Session, the following would be the next steps in the project development:
  - May 10th: City Council direct the requested changes to be made.
  - Schedule for the completion of the requested changes would need to be determined, and would be dependent upon the scope of the changes.
  - Depending upon the scope of the changes, the plans may need to be re-submitted to the USDA Architect for review.
  - The date for review and consideration of approval of the updated plans by the City Council would need to be determined based on the schedule to complete the changes and the review by the USDA Architect, if necessary.
  - Bid date would be scheduled based upon date of plan approval by the City Council.

We will be present at the City Council meeting on May 10th to review this information. If discussion is desired in advance of the meeting, please contact me at 651-968-7384 or joerh@bolton-menk.com.

BOLTON & MENK, INC.
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MEMORANDUM

Date: May 10, 2016
To: Kenyon City Council
City Administrator Mark Vahlsing
From: City Engineer Joe Rhein
Subject: Street Overlay and Patching
Review of Quote

The City of Kenyon has received a quote from Bituminous Materials, LLC for proposed street overlay and patching to be performed in 2016. A copy of the quote is included with this memo for reference.

The proposed work is divided into two parts – mill & overlay, and patching. We have reviewed the quote from Bituminous Materials LLC, and offer the following comments:

Mill and Overlay

The first part of the quote proposes to mill and overlay the top 1.5" of existing bituminous surfacing on 7th Street from Redwing Avenue to Forest Street, and on Forest Street from 6th Street to 5th Street. It should be noted the work on 7th Street is half the street width.

The total area proposed for mill and overlay is approximately 3,965 square yards (SY). The total price quoted for this work is $32,358.50. This equates to a price of $8.16/SY.

The work proposed is similar to work performed by Bituminous Materials LLC in 2015 for the City. For reference, the price quoted by Bituminous Materials LLC in 2015 was $9.75/SY. In addition, our estimate to complete the mill and overlay work proposed for 2016 would be approximately $10.00/SY. Therefore, the price quoted by Bituminous Materials LLC for the 2016 work is favorable to both the actual 2015 price, and our estimated price.

The description for the proposed work is consistent with the description of the work done last year, and seems appropriate. All proposed materials also seem appropriate.

Patching

The second part of the quote proposes street patching on 7th Street at the intersections with Forest Street and with Spring Street. The areas proposed are relatively small, totaling 155 SY between both intersections combined.

The proposed work includes removal and disposal of the existing bituminous, preparing the existing aggregate base, and placing 4" of new pavement in two layers. The quoted price for the work is $4,600. When divided by the area of 155 SY, this equates to a price of $29.68/SY.

There was no comparable work included in the 2015 quote from Bituminous Materials LLC. However, our estimate for the patching work would be approximately $32.00/SY. Therefore, the price quoted by Bituminous Materials LLC for the patching work is favorable to our estimate.

The quote also includes provision for correcting unstable street base beneath the patching areas as necessary. The correction would be 6" to 8" thick, and is quoted at a cost of $12.15/SY. Our estimate for this work would be approximately $12.00/SY, which is comparable.

The description for the work seems appropriate. However, it does not indicate whether the existing bituminous material at the limits of the patched areas will be saw-cut. We recommend the existing surfacing be saw-cut to produce a clean, straight edge to abut the new patch. This should be clarified with Bituminous Materials LLC. If they did not include saw cutting in their quote, they may request additional compensation. A reasonable price would be $3 to $5 per foot.

Summary

We have no objection to the quote provided by Bituminous Materials LLC for the mill & overlay and patching work proposed in Kenyon for 2016. The description of the work and proposed materials seem appropriate, and the quoted prices seem reasonable.

We recommend the City of Kenyon accept the quote from Bituminous Materials LLC, contingent upon clarification of the saw cutting for the patching areas.

We will be in attendance at the May 10th City Council meeting. Please contact me if you have any questions regarding this memo or if you wish to discuss this matter prior to the meeting.

Attachment: Bituminous Materials LLC quote dated 4-29-16

BITUMINOUS MATERIALS, LLC
680 N.W. 24TH ST.
P.O. BOX 246 • FARIBAULT, MN 55021
TELEPHONE (507) 334-5155
PLANT 4: FARIBAULT, MN • (507) 334-1073

ESTIMATE & AGREEMENT

DATE: **04-29-2016**

TO: **City of Kenyon**
Attn: Steve Baalson

BID: We hereby propose to furnish material and labor to complete the work outlined herein for the sum of:

As Stated Below Dollars
(**$**) Payment to be made as follows

Net 30 from Billing Date

We hereby submit specifications and bid for: **Roadway Patching & Overlay Paving**

Project Location: Half of 7th Street (Redwing to Forest) and Forest Ave (6th Street to 5th Street)

Mill street ends, curb edges and intersection transitions for 1.5" lift of SP wear mix. Millings go to City of Kenyon. Adjust manhole castings and gate valve tops with ring risers. Clean streets, apply tack coat and pave with SP 12.5 (2, B) wearing course mix. 1.5" compacted thickness. Approx. 3,965 SY. $32,358.50

Pricing Breakdown:

- **Milling/Cleaning/ Paving: $7.90 SY**
- **Manhole Ring Risers: $200.00 EA (2 Found)**
- **Gate Valve Ring Risers: $95.00 EA (3 Found)**
- **Traffic Control: $350.00 LS**

Street Patching: Remove and dispose of deteriorated asphalt. Shape existing aggregate base and pave with 4.0" of SP 12.5 wearing course mix 2,B in two lifts. Approx. 155 SY. $4,600.00

Locations:

- **7th & Forest. Approx. 69 SY**
- **7th & Spring. Approx. 86 SY**

Contingency for Soil Correction (to be approved by owner): Excavate and dispose of approx. 8" of unsuitable base material. Haul, place, shape and compact approx. 6" of Class 7 aggregate base material. Add $12.15 SY as needed. Anticipated Area: Approx. 155 SY

CONTRACTOR'S GUARANTEE

We guarantee all material used in this contract to be as specified above and the entire job to be done in a neat, workmanlike manner. Any variations from plan or alterations requiring extra labor or material will be performed only upon written order and billed in addition to the sum covered by this contract. Agreements made with our workmen are not recognized.

DATE **04-29-2016** SIGNED P. Hess

ACCEPTANCE OF BID

The above specifications, terms and contract are satisfactory, and (I) (we) hereby authorize the performance of this work.

DATE:

SIGNED

THIS CONTRACT IS VOID 30 DAYS FROM DATE UNLESS ORIGINAL IS SIGNED AND RETURNED TO BIDDER

WE COMPLY WITH ALL WORKMAN'S COMPENSATION & PROPERTY DAMAGE LIABILITY INSURANCE LAWS.

www.bituminousmaterials.com

Member _____ introduced the following resolution and moved its adoption:

CITY OF KENYON
RESOLUTION NO. 2016-14

RESOLUTION APPROVING MINOR SUBDIVISION OF PROPERTY IN THE CITY OF KENYON

WHEREAS, an application has been filed by Todd A. Bauernfeind and Kristine B. Bauernfeind (collectively the "Owner") the owner of a parcel of land, requesting a subdivision to permit the splitting of a parcel of land located within the City of Kenyon, Goodhue County, Minnesota, for sale;

WHEREAS, a Surveyor's Certificate from Rapp Land Surveying, Land Surveyors, dated September 2, 2015, has been provided and placed on record setting forth the proposed subdivision and creating the legal descriptions for the subdivided parcels, all as described as follows:

See the attached Surveyor's Certificate set forth in Exhibit A;

WHEREAS, such a lot-split can be accomplished as a minor subdivision pursuant to the Kenyon City Code Section 565.17;

WHEREAS, the City Council, at a meeting, duly held on May 10, 2016, approved said minor subdivision;

WHEREAS, it appears that it will be in the best interest of the City to approve such minor subdivision, subject to the conditions noted herein;

WHEREAS, a majority of all members of the City Council concur in this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KENYON, MINNESOTA, AS FOLLOWS:

1. The recitals set forth above in this Resolution are incorporated into and made part of this Resolution.

2. This Resolution is subject to the condition that the Owner is in compliance and will be in compliance at all times with all applicable laws, rules and regulations concerning the Property.

3. This Resolution is subject to the condition that all representations, written and oral, made by the Owner and the Owner's agents and representatives to the City contained in and concerning the application for the minor subdivision must have been true, complete, and accurate at the time they were made, and they must

remain true and accurate for the duration of the minor subdivision.

4. This Resolution is subject to the condition that the Owner must submit current title work and proof of ownership for the Property to the City.

5. This Resolution is subject to the condition that the Owner must pay for all costs incurred by the City for consideration and review of the application for minor subdivision, including preparation and review of plans and specifications by technical assistants, the holding of a special City Council meeting, preparation of this Resolution, etc.

6. Subject to the terms and conditions in this Resolution, the requirements for this minor subdivision pursuant to the Kenyon City Code are satisfied.

7. The requested minor subdivision is hereby approved, subject to the foregoing conditions.

8. The Mayor and City Administrator of the City are hereby authorized and directed to execute all appropriate documents to facilitate the approval referenced and contemplated herein, with all such actions to be in accordance with the terms and conditions set forth in this Resolution.

9. The Mayor and City Administrator, staff and consultants are hereby authorized and directed to take any and all additional steps and actions necessary or convenient in order to accomplish the intent of this Resolution.

Dated: May 10, 2016.

_____
Fred G. Barsness, Acting Mayor

ATTEST:

_____
Mark R. Vahlsing, City Administrator

The motion for the adoption of the foregoing resolution was duly seconded by member _____ upon vote being taken thereon, the following voted in favor thereof: all members and the following voted against same: _____.

Whereupon said resolution was declared duly passed and adopted.

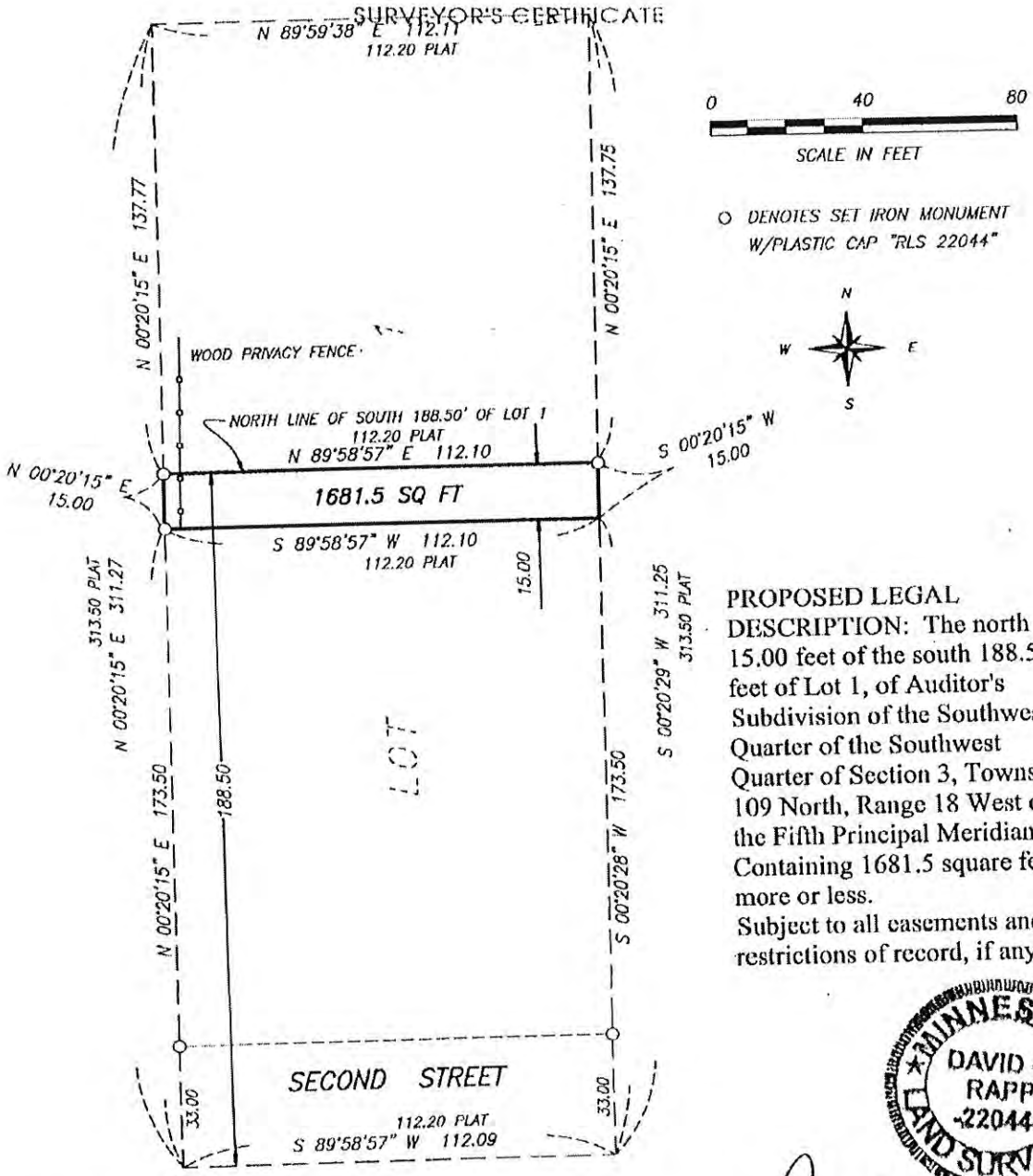
EXHIBIT A
Surveyor's Certificate

Certificate for:
Michael Engel
1018 Second Street
Kenyon, MN 55946

Bk: 33/17
D1486
D15155

RAPP LAND SURVEYING
David G. Rapp
Registered Land Surveyor
45967 30th Ave. • Kenyon, MN 55946 • 507-789-5366

SURVEYOR'S CERTIFICATE



PROPOSED LEGAL DESCRIPTION: The north 15.00 feet of the south 188.50 feet of Lot 1, of Auditor's Subdivision of the Southwest Quarter of the Southwest Quarter of Section 3, Township 109 North, Range 18 West of the Fifth Principal Meridian. Containing 1681.5 square feet, more or less.
Subject to all easements and restrictions of record, if any.

MINNESOTA DAVID G. RAPP 22044 LAND SURVEYOR

I hereby certify that this survey, plan, or report was prepared by me or under my direct supervision and that I am a duly Registered Land Surveyor under the laws of the State of Minnesota

Dated September 2, 2015

David G. Rapp
Minnesota Registration No. 22044

No Delinquent Taxes and Transfer entered
this_____ day of_____ 20_____
Carolyn Holmsten Goodhue County Auditor

_____
By Deputy Auditor

LIMITED WARRANTY DEED
Individual to Individual

DEED TAX DUE: $ 1.65

DATE: April 1, 2016

FOR VALUABLE CONSIDERATION, TODD A. BAUERNFEIND and KRISTINE B. BAUERNFEIND, Husband and Wife (marital status), Grantors,

hereby convey(s) and warrants(s) to MICHAEL G. ENGEL, Grantee,

as joint tenants, real property in GOODHUE County, Minnesota, described as follows:

The north 15.00 feet of the south 188.50 feet of Lot 1, of Auditor's Subdivision of the Southwest Quarter of the Southwest Quarter of Section 3, Township 109 North, Range 18 West of the Fifth Principal Meridian. Containing 1681.5 square feet, more or less.

66-140-0070(pt)

together with all hereditaments and appurtenances belonging thereto, subject to the following exceptions.
EASEMENTS OF RECORD, IF ANY

CONSIDERATION FOR THIS TRANSACTION IS LESS THAN $1,000.00.

Grantor covenants and represents that:
(1) This Deed conveys after-acquired title; and
(2) Grantor has not made, done, executed or suffered any act or thing whereby the above-described property or any part thereof, now or at any time hereafter, shall or may be imperiled, charged or encumbered in any manner, and Grantor will warrant the title to the above-described property against all persons claiming the same from or through Grantor as a result of any such act or thing, EXCEPT: None.

Check box if applicable:
- ☒ The Seller certifies that the seller does not know of any wells on the described real property.
- ☐ A well disclosure certificate accompanies this document.
- ☐ I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

Todd A. Bauernfeind

Kristine B. Bauernfeind

DEED TAX
$1.65

_____
Goodhue County A/T OR Deputy - Date

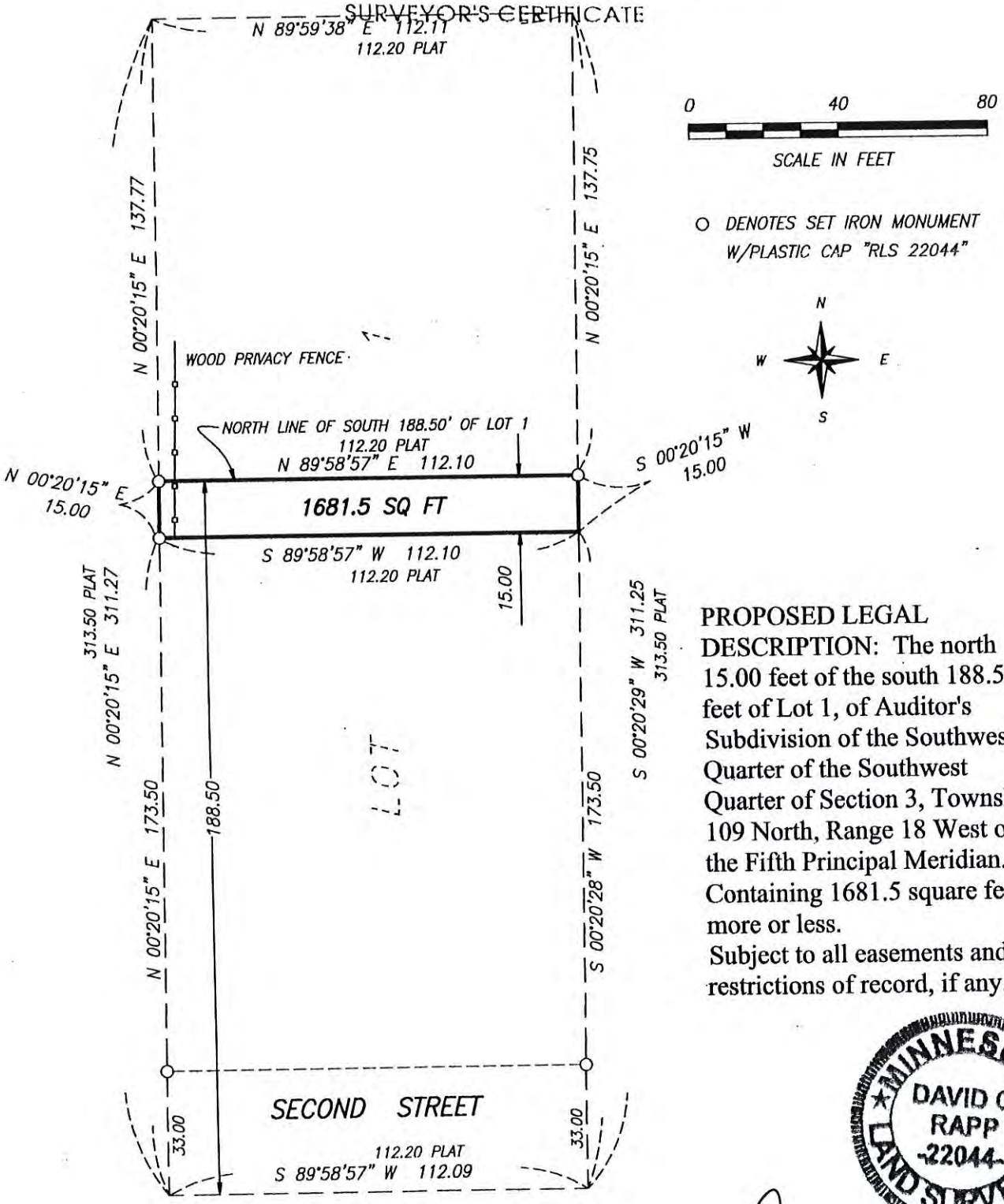
Certificate for:
Michael Engel
1018 Second Street
Kenyon, MN 55946

RAPP LAND SURVEYING

Bk: 33/17
D1486
D15155

David G. Rapp
Registered Land Surveyor
45967 30th Ave. • Kenyon, MN 55946 • 507-789-5366

SURVEYOR'S CERTIFICATE



PROPOSED LEGAL DESCRIPTION: The north 15.00 feet of the south 188.50 feet of Lot 1, of Auditor's Subdivision of the Southwest Quarter of the Southwest Quarter of Section 3, Township 109 North, Range 18 West of the Fifth Principal Meridian. Containing 1681.5 square feet, more or less.
Subject to all easements and restrictions of record, if any.

MINNESOTA LAND SURVEYOR DAVID G. RAPP -22044-

I hereby certify that this survey, plan, or report was prepared by me or under my direct supervision and that I am a duly Registered Land Surveyor under the laws of the State of Minnesota.
Dated September 2, 2015

David G. Rapp
Minnesota Registration No. 22044

Minnesota Department of Public Safety
Alcohol and Gambling Enforcement
445 Minnesota Street, Suite 222
St. Paul, MN 55101
651-201-7500

RENEWAL OF LIQUOR , WINE, CLUB OR 3.2% LICENSES

No license will be approve or released until the $20 Retailer ID Card fee is received by Alcohol and Gambling Enforcement

Licensee: Please verify your license information contained below. Make corrections if necessary and sign. City Clerk/County Auditor should submit this signed renewal with completed license and licensee liquor liability for the new license period. City Clerk/County Auditor are also required by M.S. 340A.404 S.3 to report any license cancellation.

License Code MCLONSL **License Period Ending** 6/30/2016 **ID#** 993

ISSUING AUTHORITY Kenyon

Licensee Name VFW 141

Trade Name Conrad Osthum Post

City, State, Zip Code 601 2nd St/Box 51
Kenyon MN 55946

Business Phone 5077895691

License Fees: **Off Sale** $0.00 **On Sale** $300.00 **Sunday** $0.00

By signing this renewal application, applicant certifies that there has been no change in ownership on the above named licensee. For changes in ownership, the licensee named above, or for new licensees, full applications should be used. S back of this application for further information needed to complete this renewal.

Applicant's signature on this renewal confirms the following: Failure to report any of the following may result in civil penalties.

1. Licensee confirms it has no interest whatsoever, directly or indirectly in any other liquor establishments in Minnesota. If so, give details on back of this application.
2. Licensee confirms that it has never had a liquor license rejected by any city/township/county in the state of Minnesota. If ever rejected, please give details on the back of this renewal, then sign below.
3. Licensee confirms that for the past five years it has not had a liquor license revoked for any liquor law violation (state or local). If a revocation has occurred, please give details on the back of this renewal, then sign below.
4. Licensee confirms that during the past five years it or its employees have not been cited for any civil or criminal liquor law violations. If violations have occurred, please give details on back of this renewal, then sign below.
5. Licensee confirms that during the past license year, a summons has not been issued under the Liquor Liability Law (Dram Shop) MS 340A.802. If yes, attach a copy of the summons, then sign below.
6. Licensee confirms that Workers Compensation insurance will be kept in effect during the license period.

Licensee has attached a liquor liability insurance certificate that corresponds with the license period in city/county where license is issued. $100,000 in cash or securities or $100,000 surety bond may be submitted in lieu of liquor liability. (3.2& liquor licenses are exempt if sales are less than $25,000 at on sale, or $50,000 at off sale).

Licensee Signature _____ DOB_____ SS#_____ Date_____
(Signature certifies all above information to be correct and license has been approved by city/county.)

City Clerk/County Auditor Signature _____ Date_____
(Signature certifies that renewal of a liquor, wine or club license has been approved by the city/county as stated above.)

County Attorney Signature _____ Date_____
County Board issued licenses only(Signature certifies licensee is eligible for license).

Police/Sheriff Signature _____ Date_____
Signature certifies licensee or associates have been checked for any state/local liquor law violations (criminal/civil) during the past five years. Report violations on back, then sign here.

Extract of Minutes of Meeting
of the City Council of the City of
Kenyon, Goodhue County, Minnesota

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Kenyon, Minnesota, was duly held in the City Hall in said City on Tuesday, May 10, 2016, commencing at 7:00 P.M.

The following members were present:

and the following were absent:

None

* * * * * * * * *

The Mayor announced that the next order of business was consideration of the proposal of Northland Securities, Inc. which had been received for the purchase of the City's General Obligation Improvement Bonds, Series 2016A, in the aggregate principal amount of $625,000.

After due consideration of the proposal, Member _____ introduced the following written resolution, the reading of which was dispensed with by unanimous consent, and moved its adoption:

RESOLUTION NO. 2016-13

A RESOLUTION AWARDING THE SALE OF GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2016A, IN THE AGGREGATE PRINCIPAL AMOUNT OF $625,000; FIXING THEIR FORM AND SPECIFICATIONS; DIRECTING THEIR EXECUTION AND DELIVERY; AND PROVIDING FOR THEIR PAYMENT

BE IT RESOLVED By the City Council of the City of Kenyon, Goodhue County, Minnesota (the "City"), as follows:

Section 1. Sale of Bonds.

1.01 Authority. It is hereby determined that:

(a) Certain assessable public improvements related to the City's First Street Improvement Project, including sewer line replacement and related street restoration (collectively, the "Improvements"), have been made, duly ordered or contracts let for the construction thereof pursuant to the provisions of Minnesota Statutes, Chapters 429 and 475, as amended (collectively, the "Act").

(b) It is necessary and expedient to the sound financial management of the affairs of the City to issue its General Obligation Improvement Bonds, Series 2016A (the "Bonds"), in the approximate aggregate principal amount of $625,000, pursuant to the Act, to provide financing for the Improvements.

(c) The City desires to proceed with the sale of the Bonds by direct negotiation with Northland Securities, Inc. (the "Purchaser"). The Purchaser will purchase the Bonds in an arm's-length commercial transaction with the City. The City is authorized by Section 475.60, subdivision 2(2) of the Act to negotiate the sale of the Bonds, it being determined that the City has not issued and sold more than $1,200,000 in Bonds in the past twelve (12) months. The actions of the City staff in negotiating the sale of the Bonds are ratified and confirmed in all respects.

1.02. Award to the Purchaser and Interest Rates. The proposal of the Purchaser to purchase the Bonds of the City is hereby determined to be a reasonable offer and is hereby accepted, the proposal being to purchase the Bonds at a price of $_____ (par amount of $_____, plus original issue premium of $_____, less underwriter's discount of $_____), plus accrued interest to date of delivery, if any, for Bonds bearing interest as follows:

Year of Maturity	Interest Rate	Year of Maturity	Interest Rate
2018	%	2028	%
2019		2029	
2020		2030	
2021		2031	
2022		2032	

2023	2033
2024	2034
2025	2035
2026	2036
2027	

True interest cost: _____%

1.03. Terms and Principal Amounts of the Bonds. The City will forthwith issue and sell the Bonds pursuant to the Act in the total principal amount of $625,000, originally dated June 1, 2016, in the denomination of $5,000 each or any integral multiple thereof, numbered No. R-1, upward, bearing interest as above set forth, and maturing serially on February 1 in the years and amounts as follows:

Year of Maturity	Amount	Year of Maturity	Amount
2018	$	2028	$
2019		2029	
2020		2030	
2021		2031	
2022		2032	
2023		2033	
2024		2034	
2025		2035	
2026		2036	
2027			

1.04. Optional Redemption. The City may elect on February 1, 2024, and on any day thereafter to prepay Bonds due on February 1, 2025. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC (as defined in Section 7 hereof) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

[1.05. Term Bonds, Mandatory Redemption. To be completed if Term Bonds are requested by Purchaser.]

Section 2. Registration and Payment.

2.01. Registered Form. The Bonds will be issued only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof, is payable by check or draft issued by the Registrar described herein.

2.02. Dates; Interest Payment Dates. Each Bond will be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond has been paid or made available for payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Bond will be dated as of the date of authentication, or (ii) the date of authentication is prior to the first interest payment date, in which case the Bond will be dated as of the date of original issue. The interest on the Bonds is payable on February 1 and August 1 of each year, commencing February 1, 2017, to the registered owners of record

thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not that day is a business day.

2.03. Registration. The City will appoint, and will maintain, a bond registrar, transfer agent, authenticating agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of the City and the Registrar with respect thereto are as follows:

(a) Register. The Registrar must keep at its principal corporate trust office a bond register in which the Registrar provides for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

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

(c) Exchange of Bonds. When Bonds are surrendered by the registered owner for exchange the Registrar will authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. Bonds surrendered upon transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

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

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name a Bond is registered in the bond register as the absolute owner of the Bond, whether the Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Bond and for all other purposes and payments so made to registered owner or upon the owner's order will be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. The Registrar may impose a charge upon the owner thereof for a transfer or exchange of Bonds, sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a

Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance and amount satisfactory to it and as provided by law, in which both the City and the Registrar must be named as obligees. Bonds so surrendered to the Registrar will be cancelled by the Registrar and evidence of such cancellation must be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it is not necessary to issue a new Bond prior to payment.

(i) Redemption. In the event any of the Bonds are called for redemption, notice thereof identifying the Bonds to be redeemed will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Registrar and by publishing the notice if required by law. Failure to give notice by publication or by mail to any registered owner, or any defect therein, will not affect the validity of the proceedings for the redemption of Bonds. Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

2.04. Appointment of Initial Registrar. The City appoints Northland Trust Services, Inc., Minneapolis, Minnesota, as the initial Registrar. The Mayor and the City Administrator are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, the resulting corporation is authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar upon 30 days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar must deliver all cash and Bonds in its possession to the successor Registrar and must deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of this Council, the City Administrator must transmit to the Registrar monies sufficient for the payment of all principal and interest then due.

2.05. Execution, Authentication and Delivery. The Bonds will be prepared under the direction of the City Administrator and executed on behalf of the City by the signatures of the Mayor and the City Administrator, provided that all signatures may be printed, engraved or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of any Bond, that signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Bond will not be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on any Bond is conclusive evidence that it has been authenticated and delivered under this resolution. When the Bonds have been so prepared, executed and authenticated, the City Administrator will deliver the same to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

2.06. Temporary Bonds. The City may elect to deliver in lieu of printed definitive Bonds one or more typewritten temporary Bonds in substantially the form set forth in EXHIBIT A attached hereto such changes as may be necessary to reflect more than one maturity in a single temporary bond. Upon the execution and delivery of definitive Bonds the temporary Bonds will be exchanged therefor and cancelled.

Section 3. Form of Bond.

3.01. Execution of the Bonds. The Bonds will be printed or typewritten in substantially the form set forth in EXHIBIT A attached hereto.

3.02. Approving Legal Opinion. The City Administrator is authorized and directed to obtain a copy of the proposed approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota, which is to be complete except as to dating thereof and to cause the opinion to be printed on or accompany each Bond.

Section 4. Payment; Security; Pledges and Covenants.

4.01. Debt Service Fund. The Bonds are payable from the General Obligation Improvement Bonds, Series 2016A Debt Service Fund (the "Debt Service Fund") hereby created, and the proceeds of general taxes hereinafter levied (the "Taxes") and special assessments levied or to be levied (the "Assessments") for the Improvements described herein are hereby pledged to the Debt Service Fund. There is appropriated to the Debt Service Fund (i) capitalized interest financed from the proceeds of the Bonds, if any, and (ii) accrued interest.

4.02. Project Fund. The proceeds of the Bonds, less the appropriations made in Section 4.01 hereof, together with any other funds appropriated for the Improvements and Assessments and Taxes collected during the construction of the Improvements, will be deposited in a separate project fund (the "Project Fund") to be used solely to defray expenses of the Improvements and the payment of principal of and interest on the Bonds prior to the completion and payment of all costs of the Improvements. Any balance remaining in the Project Fund after completion of the Improvements may be used to pay the cost in whole or in part of any other improvement instituted under the Act under the direction of the City Council. When the Improvements are completed and the cost thereof paid, the Project Fund is to be closed and subsequent collections of Assessments and Taxes for the Improvements are to be deposited in the Debt Service Fund.

4.03. City Covenants. It is hereby determined that the Improvements will directly and indirectly benefit abutting property, and the City hereby covenants with the holders from time to time of the Bonds as follows:

(a) The City has caused or will cause the Assessments for the Improvements to be promptly levied so that the first installment will be collectible not later than 2017 and will take all steps necessary to assure prompt collection, and the levy of the Assessments is hereby authorized. The City Council will cause to be taken with due diligence all further actions that are required for the construction of each Improvement financed wholly or partly from the proceeds of the Bonds, and will take all further actions necessary for the final and valid levy of the Assessments and the appropriation of any other funds needed to pay the Bonds and interest thereon when due.

(b) In the event of any current or anticipated deficiency in Assessments and Taxes, the City Council will levy additional ad valorem taxes in the amount of the current or anticipated deficiency.

(c) The City will keep complete and accurate books and records showing receipts and disbursements in connection with the Improvements, Assessments and Taxes levied therefor and other funds appropriated for their payment, collections thereof and disbursements therefrom, monies on hand and, the balance of unpaid Assessments.

(d) The City will cause its books and records to be audited at least annually and will furnish copies of such audit reports to any interested person upon request.

(e) At least 20% of the cost of the assessable Improvements described herein will be specially assessed against benefited properties.

4.04. Pledge of Tax Levy. For the purpose of paying the principal of and interest on the Bonds, there is levied a direct annual irrepealable ad valorem tax upon all of the taxable property in the City, which will be spread upon the tax rolls and collected with and as part of other general taxes of the City. The Taxes will be credited to the Debt Service Fund above provided and will be in the years and amounts as attached hereto as EXHIBIT B.

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

4.06. Certification to County Auditor as to Debt Service Fund Amount. It is hereby determined that the estimated collections of Assessments and the foregoing Taxes will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levy herein provided is irrepealable until all of the Bonds are paid, provided that at the time the City makes its annual tax levies the City Administrator may certify to the County Auditor/Treasurer the amount available in the Debt Service Fund to pay principal and interest due during the ensuing year, and the County Auditor/Treasurer will thereupon reduce the levy collectible during such year by the amount so certified.

4.07. State Credit Enhancement.

(a) Pursuant to a resolution adopted by the City Council on March 8, 2016, the City Council authorized and directed City staff to enter the City into a Credit Enhancement Program Agreement (the "Credit Agreement") with the Minnesota Public Facilities Authority (the "Authority"). Pursuant to Minnesota Statutes, Section 446A.086, as amended (the "Credit Enhancement Act"), the State of Minnesota, acting through the Authority, may provide a guarantee of any deficiency of debt service payments on the Bonds. Pursuant to the Credit Enhancement Act, the City makes the following representations and covenants:

(i) the City will notify the Authority of any default or potential default in the payment of principal or interest due on the Bonds;

(ii) the City will deposit with the Registrar all payments of principal and interest due on the Bonds at least three business days prior to the payment due date;

(iii) the agreement the City enters into with the Registrar will include all provisions required by the Credit Enhancement Act; and

(iv) the City will comply with all provisions of the Credit Agreement and with the Credit Enhancement Act.

(b) Pursuant to Section 3 of the Credit Enhancement Act, the City acknowledges and agrees that the Registrar is required to inform the Minnesota Commissioner of Management and Budget and the Authority if the Registrar becomes aware of a default or potential default in the payment of principal or interest on the Bonds or if, on the day two business days before the date a payment is due on the Bonds, there are insufficient funds to make the payment on deposit with the Registrar.

4.08. Certificate of County Auditor as to Registration. The City Administrator is authorized and directed to file a certified copy of this resolution with the County Auditor/Treasurer and to obtain the certificate required by Section 475.63 of the Act.

Section 5. Authentication of Transcript.

5.01. City Proceedings and Records. The officers of the City are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bonds, certified copies of proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Bonds, and such instruments, including any heretofore furnished, may be deemed representations of the City as to the facts stated therein.

5.02. Certification as to Official Statement. The Mayor and the City Administrator are hereby authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement.

5.03. Other Certificates. The Mayor and the City Administrator are hereby authorized and directed to furnish to the Purchaser at the closing such certificates as are required as a condition of sale. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the City or incumbency of its officers, at the closing the Mayor and the City Administrator shall also execute and deliver to the Purchaser a suitable certificate as to absence of material litigation, and the City Administrator shall also execute and deliver a certificate as to payment for and delivery of the Bonds.

Section 6. Tax Covenant.

6.01. Tax-Exempt Bonds. The City covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bonds to become subject to taxation under the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become subject to taxation under the Code and applicable Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Bonds.

6.02. No Rebate Required.

(a) The City will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Bonds, and the rebate of excess investment earnings to the United States, if the Bonds (together with other obligations reasonably expected to be issued in calendar year 2016) exceed the small-issuer exception amount of $5,000,000.

(b) For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements, the City finds, determines and declares that the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City (and all subordinate entities of the City) during the calendar year in which the Bonds are issued and outstanding at one time is not reasonably expected to exceed $5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

6.03. Not Private Activity Bonds. The City further covenants not to use the proceeds of the Bonds or to cause or permit them or any of them to be used, 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.

6.04. Qualified Tax-Exempt Obligations. In order to qualify the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the City makes the following factual statements and representations:

(a) the Bonds are not "private activity bonds" as defined in Section 141 of the Code;

(b) the City hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;

(c) the reasonably anticipated amount of tax-exempt obligations (other than any private activity bonds that are not qualified 501(c)(3) bonds) which will be issued by the City (and all subordinate entities of the City) during calendar year 2014 will not exceed $10,000,000; and

(d) not more than $10,000,000 of obligations issued by the City during calendar year 2016 have been designated for purposes of Section 265(b)(3) of the Code.

6.05. Procedural Requirements. The City will use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designations made by this section.

Section 7. Book-Entry System; Limited Obligation of City.

7.01. DTC. The Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Bond for each of the maturities set forth in Section 1.04 hereof. Upon initial issuance, the ownership of each Bond will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns ("DTC"). Except as provided in this section, all of the outstanding Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

7.02. Participants. With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the City, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository (the "Participants") or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person (other than a registered owner of Bonds, as shown by the registration books kept by the Registrar) of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The City, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bonds, and for all other purposes. The Paying Agent will pay all principal of, premium, if any, and interest on the Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the registration books kept by the Registrar, will receive a certificated Bond evidencing the obligation of this resolution. Upon delivery by DTC to the City Administrator of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co." will refer to such new nominee of DTC; and upon receipt of such a notice, the City Administrator will promptly deliver a copy of the same to the Registrar and Paying Agent.

7.03. Representation Letter. The City has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the "Representation Letter") which shall govern payment of principal of, premium, if any, and interest on the Bonds and notices with respect to the Bonds. Any Paying Agent or Registrar subsequently appointed by the City with respect to the Bonds will agree to take all action necessary for all representations of the City in the Representation Letter with respect to the Registrar and Paying Agent, respectively, to be complied with at all times.

7.04. Transfers Outside Book-Entry System. In the event the City, by resolution of the City Council, determines that it is in the best interests of the persons having beneficial interests in the Bonds that they be able to obtain Bond certificates, the City will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Bond certificates. In such event the City will issue, transfer and exchange Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this resolution. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the City will issue and the Registrar will authenticate Bond certificates in accordance with this resolution and the provisions hereof will apply to the transfer, exchange and method of payment thereof.

7.05. Payments to Cede & Co. Notwithstanding any other provision of this resolution to the contrary, so long as a Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on the Bond and notices with respect to the Bond will be made and given, respectively in the manner provided in DTC's Operational Arrangements, as set forth in the Representation Letter.

Section 8. Defeasance. When all Bonds and all interest thereon have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of the Bonds will cease, except that the pledge of the full faith and credit of the City for the prompt and full payment of the principal of and interest on the Bonds will remain in full force and effect. The City may discharge all Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full. If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

(The remainder of this page is intentionally left blank.)

The motion for the adoption of the foregoing resolution was duly seconded by Member _____, and upon 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.

EXHIBIT A
FORM OF BOND

No. R-_____ $_____

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF GOODHUE
CITY OF KENYON

GENERAL OBLIGATION IMPROVEMENT BOND
SERIES 2016A

Rate	Maturity	Date of Original Issue	CUSIP
	February 1, 20__	May 10, 2016	

Registered Owner: Cede & Co.

The City of Kenyon, Minnesota, a duly organized and existing municipal corporation in Goodhue County, Minnesota (the "City"), acknowledges itself to be indebted and for value received hereby promises to pay to the Registered Owner specified above or registered assigns, the principal sum of $_____ on the maturity date specified above, with interest thereon from the date hereof at the annual rate specified above, payable February 1 and August 1 in each year, commencing February 1, 2017, to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft by Northland Trust Services, Inc., Minneapolis, Minnesota, as Bond Registrar, Paying Agent, Transfer Agent and Authenticating Agent, or its designated successor under the Resolution described herein. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

The City may elect on February 1, 2024, and on any day thereafter to prepay Bonds due on February 1, 2025. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify Depository Trust Company ("DTC") of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

This Bond is one of an issue in the aggregate principal amount of $_____ all of like original issue date and tenor, except as to number, maturity date, redemption privilege, and interest rate, all issued pursuant to a resolution adopted by the City Council on May 10, 2016 (the "Resolution"), for the purpose of providing money to defray the expenses incurred and to be incurred in making certain assessable local improvements, pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Chapters 429 and 475, as amended, and the principal hereof and interest hereon are payable in part from special assessments against property specially benefited by local improvements and in part from ad valorem taxes for the City's share of the cost of the improvements, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby

conferred. The full faith and credit of the City are irrevocably pledged for payment of this Bond and the City Council has obligated itself to levy additional ad valorem taxes on all taxable property in the City in the event of any deficiency in special assessments and taxes pledged, which additional taxes may be levied without limitation as to rate or amount. The Bonds of this series are issued only as fully registered Bonds in denominations of $5,000 or any integral multiple thereof of single maturities.

The City Council has designated the issue of Bonds of which this Bond forms a part as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code") relating to disallowance of interest expense for financial institutions and within the $10,000,000 limit allowed by the Code for the calendar year of issue.

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

The City and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the City nor the Registrar will be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the City in accordance with its terms, have been done, do exist, have happened and have been performed as so required, and that the issuance of this Bond does not cause the indebtedness of the City to exceed any constitutional or statutory limitation of indebtedness.

This Bond is not valid or obligatory for any purpose or entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon has been executed by the Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City of Kenyon, Goodhue County, Minnesota, by its City Council, has caused this Bond to be executed on its behalf by the facsimile or manual signatures of the Mayor and City Administrator and has caused this Bond to be dated as of the date set forth below.

Dated: June 1, 2016

CITY OF KENYON, MINNESOTA

(Facsimile)
Mayor

(Facsimile)
City Administrator

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

NORTHLAND TRUST SERVICES INC.

By _____
Authorized Representative

_____

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, will 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 entireties

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

UNIF GIFT MIN ACT
_____ Custodian _____
(Cust) (Minor)
under Uniform Gifts or Transfers to Minors Act, State of _____

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 all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, 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:

_____

NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agent Medallion Program ("STAMP"), the Stock Exchange Medallion Program ("SEMP"), the New York Stock Exchange, Inc. Medallion Signatures Program ("MSP") or other such "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, SEMP or MSP, all in accordance with the Securities Exchange Act of 1934, as amended.

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

Name and Address: _____

_____

_____

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

Please insert social security or other identifying number of assignee

_____

_____

PROVISIONS AS TO REGISTRATION

The ownership of the principal of and interest on the within Bond has been registered on the books of the Registrar in the name of the person last noted below.

Date of Registration	Registered Owner	Signature of Officer of Registrar
_____	Cede & Co. Federal ID #13-2555119	_____

EXHIBIT B

TAX LEVY SCHEDULE

YEAR *	TAX LEVY
2017	$
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	

** Year tax levy collected.*

STATE OF MINNESOTA)
)
COUNTY OF GOODHUE) SS.
)
CITY OF KENYON)

I, the undersigned, being the duly qualified and City Administrator of the City of Kenyon, Minnesota (the "City"), do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the City Council of the City held on May 10, 2016, with the original minutes on file in my office and the extract is a full, true and correct copy of the minutes insofar as they relate to the issuance and sale of the City's General Obligation Improvement Bonds, Series 2016A.

WITNESS My hand officially as such City Administrator and the corporate seal of the City this _____ day of _____, 2016.

_____
City Administrator
City of Kenyon, Minnesota

(SEAL)

STATE OF MINNESOTA

COUNTY OF GOODHUE

CERTIFICATE OF COUNTY
AUDITOR/TREASURER AS TO
TAX LEVY AND REGISTRATION

I, the undersigned County Auditor/Treasurer of Goodhue County, Minnesota, hereby certify that a certified copy of a resolution adopted by the governing body of the City of Kenyon, Minnesota (the "City"), on May 10, 2016, levying taxes for the payment of the City's General Obligation Improvement Bonds, Series 2016A, in the original aggregate principal amount of $625,000, dated as of June 1, 2016, has been filed in my office and said bonds have been entered on the register of obligations in my office and that such tax has been levied as required by law.

WITNESS My hand and official seal this _____ day of _____, 2016.

COUNTY AUDITOR/TREASURER,
GOODHUE COUNTY, MINNESOTA

By: _____

Its: _____

(SEAL)

S&P Global
Ratings

RatingsDirect®

Summary:

Kenyon, Minnesota; Non-School State Programs

Primary Credit Analyst:
James Neville, Centennial 303-721-4334; james.neville@spglobal.com

Secondary Contact:
Blake E Yocom, Chicago (1) 312-233-7056; blake.yocom@spglobal.com

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Rationale

Outlook

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Summary:

Kenyon, Minnesota; Non-School State Programs

Credit Profile		
US$0.625 mil GO imp bnds ser 2016A dtd 06/01/2016 due 02/01/2036		
Long Term Rating	AA+/Positive	New

Rationale

S&P Global Ratings assigned its 'AA+' long-term rating to Kenyon, Minn.'s general obligation (GO) improvement bonds series 2016A. The outlook is positive.

Minnesota City Credit Enhancement Program

On the request for a rating on qualified GO bonds from Minnesota cities that meet state guidelines for participation in the program, S&P Global Ratings will assign a rating of 'AA+'. In addition, if requested, S&P Global Ratings will assign an underlying rating (SPUR) to the bonds, which will reflect the credit quality of the city's bonds without the benefit of the state enhancement.

Minnesota established the program to secure lower interest costs on GO bonds from Minnesota cities. All cities in the state are eligible to benefit from this program, authorized by Minnesota Statutes Section 446A.086 (2008). The bill outlines program restrictions, including a restriction on the use of proceeds for city GO bonds qualifying under the program for the construction, improvement, or rehabilitation of:

- Wastewater facilities,
- Drinking water facilities, or
- Stormwater facilities.

The Minnesota Public Facilities Authority administers the program.

Participation in the program is voluntary and prospective. The prospective city must apply for enhancement before the bond sale of each issue. For a bond issue to qualify under the program, the city must enter an agreement with the public facilities authority that obligates it to abide by the provisions of the statute, which are:

- The deposit of sufficient funds with a paying agent three days before a debt service payment is due,
- The notification of the authority no less than 15 business days before the payment date if the city is unable to make full or partial payment, and
- The notification of the state's commissioner of finance at least two business days before a debt service payment if the paying agent becomes aware of a default or potential default.

If Minnesota makes a guarantee payment on a participating city's behalf, the city is obligated to repay the state with interest and would be required to levy a property tax, if necessary, to make these repayments.

1627636 | 302253520

State credit enhancement programs

All cities can experience significant financial benefits from issuing debt using the state credit enhancement program. These benefits include:

- A higher S&P Global Ratings credit rating than if they issued debt without the program security;
- Greater market access and increased acceptance of, and demand for, their debt by out-of-state investors, resulting from the higher credit quality and recognition from S&P Global Ratings' program rating; and
- Lower borrowing costs, especially in the form of interest rate savings, as a result of the higher credit quality based on the program's security enhancement.

State credit enhancement programs are essentially credit substitutions structured by state constitution, statute, or both. Therefore, although S&P Global Ratings' credit ratings assess the probability of full and timely payment of debt service primarily based on the issuer's economic, financial, management, and debt factors, they also can reflect legal provisions of public credit enhancement mechanisms that allow for the prompt cure of a potential default. These provisions and mechanisms can improve the credit quality of a debt issue and function as complete credit substitutions to bondholders. In such situations, the strength of the legal structure and the availability of financial resources to satisfy any shortfall in debt service payments provide the basis for the program rating determination.

The extent of the credit enhancement depends on the nature of the state program.

S&P Global Ratings evaluates the program's legal strength and the state's ability and willingness to cover program participants' debt service obligations. In some cases, the state guarantees the local debt, pledging its own full faith and credit or using sizable state funds as collateral. In others, the state is only partly responsible for debt service in an event of default but diverts the issuer's state aid entitlement to provide the balance of funds needed to repay the obligation. In cases where the program security is directly linked to a specific fund's liquidity and quality, S&P Global Ratings performs an in-depth analysis on investments held and the policies regarding investment decisions and fund leverage.

City of Kenyon, Minn.

The 2.25-square-mile City of Kenyon is located 37 miles northwest of Rochester and 40 miles south of the Twin Cities metropolitan area with an estimated population of 1,822 in 2016. Officials will use the 2016A bond proceeds to finance sewer line replacements and related street restorations.

Outlook

The positive outlook on the enhanced rating reflects that on the State of Minnesota rating and moves in tandem with the state GO rating and outlook.

Related Criteria And Research

Related Criteria

- USPF Criteria: State Credit Enhancement Programs, Nov. 13, 2008
- Ratings Above The Sovereign: Corporate And Government Ratings—Methodology And Assumptions, Nov. 19, 2013

- Criteria: Use of CreditWatch And Outlooks, Sept. 14, 2009

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

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S&P Global
Ratings

130 East Randolph Street
Suite 2900
Chicago, IL 60601
tel 312-233-7000
reference no.: 1434583

April 29, 2016

City of Kenyon
709 2nd Street
Kenyon, MN 55946
Attention: Mr. Mark Vahlsing, City Administrator

Re: ***US$625,000 City of Kenyon, Minnesota, General Obligation Improvement Bonds, Series 2016A, dated: June 01, 2016, due: February 01, 2036***

Dear Mr. Vahlsing:

Pursuant to your request for a S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AA+". S&P Global Ratings views the outlook for this rating as positive. A copy of the rationale supporting the rating is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements) will become effective only after we have released the rating on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable.

To maintain the rating, S&P Global Ratings must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. Relevant financial and other information includes, but is not limited to, information about direct bank loans and debt and debt-like instruments issued to, or entered into with, financial institutions, insurance companies and/or other entities, whether or not disclosure of such information would be required under S.E.C. Rule 15c2-12. You understand that S&P Global Ratings relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: pubfin_statelocalgovt@standardandpoors.com. If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

Please send hard copies to:
S&P Global Ratings
Public Finance Department
55 Water Street

New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,
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Mr. Trent Wells

S&P Global
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S&P Global Ratings
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LICENSE NO. 2016-02 **License Fee: waived**

Parade Permit

STATE OF MINNESOTA

CITY OF KENYON
GOODHUE COUNTY

Whereas, the *Memorial Day Association* *has complied with all the requirements of said Ordinances necessary for obtaining this License:*

Now, Therefore, *By order of the Kenyon City Council, and by virtue hereof, said Memorial Day Association is hereby licensed and authorized to have a parade originating at Spring and Second Street, East on Second Street to Slee Street, then North to Kenyon Cemetery, beginning at 10:30 a.m. on* ***Monday, May 30, 2016,*** *subject to all the conditions and provisions of said Ordinances.*

Given under my hand and the corporate seal of the City of Kenyon
This 10th day of May A.D. 2016.

Attest: _____ ***City Administrator***
Mark Vahlsing

_____ ***Mayor***
Michael Engel