

NOTICE TO BIDDERS

City of Moorhead, Minnesota

\$7,260,000*

**General Obligation Improvement Bonds,
Series 2019A
(the “Series 2019A Bonds”)**

\$6,275,000*

**General Obligation Improvement
Refunding Bonds, Series 2019B
(the “Series 2019B Bonds”)**

(collectively referred to as the “City Bonds”)

\$1,645,000*

Moorhead Economic Development Authority, Minnesota

**General Obligation Tax Increment Refunding Bonds, Series 2019A
(the “Authority Bonds”)**

(The City Bonds and the Authority Bonds are collectively referred to as the “Bonds”)

(Book Entry Only)

IMPORTANT CHANGES TO THE PRELIMINARY OFFICIAL STATEMENT FOR THE ABOVE-REFERENCED OBLIGATIONS ARE AS FOLLOWS:

- The par amount of the Series 2019A Bonds has changed from \$7,765,000 to \$7,260,000.
- The minimum bid amount, good faith amount, and maturity amounts of the Series 2019A Bonds have changed to reflect the new par amount.
- New council members were elected during the November 5, 2019 election to fill vacant seats.
- The sections titled, “THE SERIES 2019A BONDS – Sources and Uses,” “CITY INDEBTEDNESS,” and “GOVERNMENTAL ORGANIZATION AND SERVICES” have been revised.

The cover page, inside cover pages, table of contents, Terms of Proposal for the Series 2019A Bonds, Pages 1, 5, 13, 15, 18, 25 and the Bid Form included in the Preliminary Official Statement dated November 13, 2019 have been revised to reflect these changes and are attached hereto.

November 22, 2019

* Preliminary; subject to change.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 13, 2019

NEW AND REFUNDING ISSUES

Moody's Ratings: Requested

BANK QUALIFIED

In the opinion of Ohnstad Twichell, P.C., Bond Counsel, on the basis of laws in effect on the date of issuance, interest on the Bonds is not includable in gross income of the recipient for federal income tax purposes or in taxable net income of individuals, estates and trusts for Minnesota income tax purposes, but is includable in taxable income of corporations and financial institutions for purposes of the Minnesota franchise tax (see "TAX EXEMPTION" and "OTHER FEDERAL TAX CONSIDERATIONS" herein).

City of Moorhead, Minnesota

\$7,260,000*

General Obligation Improvement Bonds,
Series 2019A
(the "Series 2019A Bonds")

\$6,275,000*

General Obligation Improvement
Refunding Bonds, Series 2019B
(the "Series 2019B Bonds")

(collectively referred to as the "City Bonds")

\$1,645,000*

Moorhead Economic Development Authority, Minnesota

General Obligation Tax Increment Refunding Bonds, Series 2019A
(the "Authority Bonds")

(The City Bonds and the Authority Bonds are collectively referred to as the "Bonds")
(Book Entry Only)

Dated Date: Date of Delivery

Interest Due: Each February 1 and August 1,
commencing August 1, 2020

The Bonds (as defined herein) will mature as shown on the inside front cover of this Official Statement.

Proposals for the Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth on the following page.

The Bonds are general obligations of the City of Moorhead, Minnesota (the "City") for which the City pledges its full faith and credit and power to levy direct general ad valorem taxes. Additional sources of security for the Bonds will be discussed herein. The Bonds will be used for various purposes as discussed herein.

A separate proposal must be submitted for each Issue subject to the minimum bid amounts shown below, plus accrued interest, if any. Proposals shall specify rates in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public as stated on the proposal for each maturity of each issue must be 98.0% or greater. Following receipt of proposals, a good faith deposit for each issue will be required to be delivered to the City for the City Bonds, and to the Moorhead Economic Development Authority, Minnesota (the "Authority") for the Authority Bonds, by the lowest bidder as described in each "Terms of Proposal" herein. Award of the Bonds will be made on the basis of True Interest Cost (TIC).

	<u>Minimum Bid</u>
The Series 2019A Bonds	\$7,151,100
The Series 2019B Bonds	6,231,075
The Authority Bonds	1,628,550

The City and the Authority will designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases may be made in book entry form only, in the principal amount of \$5,000 and integral multiples thereof. Investors will not receive physical certificates representing their interest in the Bonds purchased. (See "Book Entry System" herein.) U.S. Bank National Association, Saint Paul, Minnesota will serve as registrar (the "Registrar") for the Bonds. The Bonds will be available for delivery at DTC on or about December 30, 2019.

PROPOSALS RECEIVED: Wednesday, December 4, 2019 until 10:00 A.M., Central Time

CONSIDERATION OF AWARD: Subsequent to Proposal Opening



Further information may be obtained from Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101-2887 (651) 223-3000.

* Preliminary; subject to change.

The information contained in this Preliminary Official Statement is deemed by the City to be final as of the date hereof; however, the pricing and underwriting information is subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

City of Moorhead, Minnesota

\$7,260,000* General Obligation Improvement Bonds, Series 2019A

The **Series 2019A Bonds** will mature February 1 in the years and amounts* as follows:

2021	\$ 85,000	2027	\$315,000	2032	\$310,000	2037	\$280,000	2042	\$225,000
2022	\$330,000	2028	\$310,000	2033	\$310,000	2038	\$280,000	2043	\$225,000
2023	\$325,000	2029	\$315,000	2034	\$310,000	2039	\$280,000	2044	\$225,000
2024	\$325,000	2030	\$315,000	2035	\$310,000	2040	\$280,000	2045	\$230,000
2025	\$320,000	2031	\$310,000	2036	\$280,000	2041	\$220,000	2046	\$230,000
2026	\$315,000								

The City may elect on February 1, 2029, and on any day thereafter, to redeem Series 2019A Bonds due on or after February 1, 2030.

\$6,275,000* General Obligation Improvement Refunding Bonds, Series 2019B

The **Series 2019B Bonds** will mature February 1 in the years and amounts* as follows:

2021	\$575,000	2024	\$565,000	2027	\$500,000	2029	\$485,000	2031	\$470,000
2022	\$575,000	2025	\$555,000	2028	\$490,000	2030	\$475,000	2032	\$465,000
2023	\$570,000	2026	\$550,000						

The City may elect on February 1, 2028, and on any day thereafter, to redeem Series 2019B Bonds due on or after February 1, 2029.

Moorhead Economic Development Authority, Minnesota

\$1,645,000* General Obligation Tax Increment Refunding Bonds, Series 2019A

The **Authority Bonds** will mature February 1 in the years and amounts* as follows:

2021	\$200,000	2023	\$200,000	2025	\$210,000	2027	\$210,000
2022	\$200,000	2024	\$200,000	2026	\$210,000	2028	\$215,000

The Authority Bonds will not be subject to redemption in advance of their respective stated maturity dates.

* Preliminary; subject to change.

CITY OF MOORHEAD, MINNESOTA

CITY COUNCIL

Jonathan Judd	Mayor, At Large
Shelly Dahlquist	Council Member, Ward 1
Sara Watson Curry	Council Member, Ward 1
Shelly Carlson	Council Member, Ward 2
Heidi Durand	Council Member, Ward 2
Larry Seljevold*	Council Member, Ward 3
Deb White	Council Member, Ward 3
Steve Lindaas*	Council Member, Ward 4
Chuck Hendrickson	Council Member, Ward 4

CITY MANAGER

Christina Volkers

FINANCE DIRECTOR

Karla McCall

MOORHEAD ECONOMIC DEVELOPMENT AUTHORITY, MINNESOTA

BOARD OF COMMISSIONERS

Michael Burns	Chair
Nate Anderson	Vice Chair
Violet Deilke	Secretary
Alexandra Cyusa	Commissioner
Heidi Durand	Commissioner
Zachary Heuring	Commissioner
Pat Kovash	Commissioner
John Rogalla	Commissioner
Jeff Schaumann	Commissioner
Roberta Solien	Commissioner
Debt White	Commissioner

ECONOMIC DEVELOPMENT PROGRAM ADMINISTRATOR

Amy Thorpe

MUNICIPAL ADVISOR

Baker Tilly Municipal Advisors, LLC
Saint Paul, Minnesota

BOND COUNSEL

Ohnstad Twichell, P.C.
West Fargo, North Dakota

* *Council Members Larry Seljevold (Ward 3) and Steve Lindaas (Ward 4) were elected on November 5, 2019 to replace seats vacated by former members Joel Paulsen (Ward 3) and Steve Gehrtz (Ward 4). They will each serve a one-year term to finish out those of Paulsen and Gerhrtz.*

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* *Preliminary; subject to change.*

THE CITY HAS AUTHORIZED BAKER TILLY MUNICIPAL ADVISORS, LLC TO NEGOTIATE THIS ISSUE ON ITS BEHALF. PROPOSALS WILL BE RECEIVED ON THE FOLLOWING BASIS:

TERMS OF PROPOSAL

\$7,260,000*

CITY OF MOORHEAD, MINNESOTA

GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2019A

(BOOK ENTRY ONLY)

Proposals for the above-referenced obligations (the “Series 2019A Bonds”) will be received by City of Moorhead, Minnesota (the “City”) on Wednesday, December 4, 2019, (the “Sale Date”) until 10:00 A.M., Central Time at the offices of Baker Tilly Municipal Advisors, LLC (“Baker Tilly MA”), 380 Jackson Street, Suite 300, Saint Paul, Minnesota, 55101, after which time proposals will be opened and tabulated. Consideration for award of the Series 2019A Bonds will immediately follow the opening of proposals.

SUBMISSION OF PROPOSALS

Baker Tilly MA will assume no liability for the inability of a bidder to reach Baker Tilly MA prior to the time of sale specified above. All bidders are advised that each proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Series 2019A Bonds regardless of the manner in which the proposal is submitted.

(a) **Sealed Bidding.** Proposals may be submitted in a sealed envelope or by fax (651) 223-3046 to Baker Tilly MA. Signed proposals, without final price or coupons, may be submitted to Baker Tilly MA prior to the time of sale. The bidder shall be responsible for submitting to Baker Tilly MA the final proposal price and coupons, by telephone (651) 223-3000 or fax (651) 223-3046 for inclusion in the submitted proposal.

OR

(b) **Electronic Bidding.** Notice is hereby given that electronic proposals will be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all proposals submitted to PARITY®. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic proposal in a timely manner and in compliance with the requirements of the Terms of Proposal.* Neither the City, its agents, nor PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the City, its agents, nor PARITY® shall be responsible for a bidder’s failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The City is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Series 2019A Bonds, and PARITY® is not an agent of the City.

If any provisions of this Terms of Proposal conflict with information provided by PARITY®, this Terms of Proposal shall control. Further information about PARITY®, including any fee charged, may be obtained from:

PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018
Customer Support: (212) 849-5000

* *Preliminary; subject to change.*

DETAILS OF THE SERIES 2019A BONDS

The Series 2019A Bonds will be dated as of the date of delivery and will bear interest payable on February 1 and August 1 of each year, commencing August 1, 2020. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2019A Bonds will mature February 1 in the years and amounts* as follows:

2021	\$ 85,000	2027	\$315,000	2032	\$310,000	2037	\$280,000	2042	\$225,000
2022	\$330,000	2028	\$310,000	2033	\$310,000	2038	\$280,000	2043	\$225,000
2023	\$325,000	2029	\$315,000	2034	\$310,000	2039	\$280,000	2044	\$225,000
2024	\$325,000	2030	\$315,000	2035	\$310,000	2040	\$280,000	2045	\$230,000
2025	\$320,000	2031	\$310,000	2036	\$280,000	2041	\$220,000	2046	\$230,000
2026	\$315,000								

* *The City reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Series 2019A Bonds or the amount of any maturity or maturities in multiples of \$5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Series 2019A Bonds as that of the original proposal. Gross spread for this purpose is the differential between the price paid to the City for the new issue and the prices at which the proposal indicates the securities will be initially offered to the investing public.*

Proposals for the Series 2019A Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth above. In order to designate term bonds, the proposal must specify “Years of Term Maturities” in the spaces provided on the proposal form.

BOOK ENTRY SYSTEM

The Series 2019A Bonds will be issued by means of a book entry system with no physical distribution of Series 2019A Bonds made to the public. The Series 2019A Bonds will be issued in fully registered form and one Series 2019A Bond, representing the aggregate principal amount of the Series 2019A Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository for the Series 2019A Bonds. Individual purchases of the Series 2019A Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Series 2019A Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The lowest bidder (the “Purchaser”), as a condition of delivery of the Series 2019A Bonds, will be required to deposit the Series 2019A Bonds with DTC.

REGISTRAR

The City will name the registrar which shall be subject to applicable regulations of the Securities and Exchange Commission. The City will pay for the services of the registrar.

OPTIONAL REDEMPTION

The City may elect on February 1, 2029, and on any day thereafter, to redeem Series 2019A Bonds due on or after February 1, 2030. 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 shall determine. If less than all Series 2019A Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed. 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. All redemptions shall be at a price of par plus accrued interest.

SECURITY AND PURPOSE

The Series 2019A Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. In addition, the City will pledge special assessments against benefited properties for repayment of a portion of the Series 2019A Bonds. The proceeds of the Series 2019A Bonds, along with available City funds, will be used to finance various improvement projects within the City.

BIDDING PARAMETERS

Proposals shall be for not less than \$7,151,100 plus accrued interest, if any, on the total principal amount of the Series 2019A Bonds. No proposal can be withdrawn or amended after the time set for receiving proposals on the Sale Date unless the meeting of the City scheduled for award of the Series 2019A Bonds is adjourned, recessed, or continued to another date without award of the Series 2019A Bonds having been made. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity as stated on the proposal must be 98.0% or greater. Series 2019A Bonds of the same maturity shall bear a single rate from the date of the Series 2019A Bonds to the date of maturity. No conditional proposals will be accepted.

ESTABLISHMENT OF ISSUE PRICE

In order to provide the City with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the "Code"), the Purchaser will be required to assist the City in establishing the issue price of the Series 2019A Bonds and shall complete, execute, and deliver to the City prior to the closing date, a written certification in a form acceptable to the Purchaser, the City, and Bond Counsel (the "Issue Price Certificate") containing the following for each maturity of the Series 2019A Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity): (i) the interest rate; (ii) the reasonably expected initial offering price to the "public" (as said term is defined in Treasury Regulation Section 1.148-1(f) (the "Regulation")) or the sale price; and (iii) pricing wires or equivalent communications supporting such offering or sale price. Any action to be taken or documentation to be received by the City pursuant hereto may be taken or received on behalf of the City by Baker Tilly MA.

The City intends that the sale of the Series 2019A Bonds pursuant to this Terms of Proposal shall constitute a "competitive sale" as defined in the Regulation based on the following:

- (i) the City shall cause this Terms of Proposal to be disseminated to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (ii) all bidders shall have an equal opportunity to submit a bid;
- (iii) the City reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Series 2019A Bonds; and
- (iv) the City anticipates awarding the sale of the Series 2019A Bonds to the bidder who provides a proposal with the lowest true interest cost, as set forth in this Terms of Proposal (See "AWARD" herein).

Any bid submitted pursuant to this Terms of Proposal shall be considered a firm offer for the purchase of the Series 2019A Bonds, as specified in the proposal. The Purchaser shall constitute an "underwriter" as said term is defined in the Regulation. By submitting its proposal, the Purchaser confirms that it shall require any agreement among underwriters, a selling group agreement, or other agreement to which it is a party relating to the initial sale of the Series 2019A Bonds, to include provisions requiring compliance with the provisions of the Code and the Regulation regarding the initial sale of the Series 2019A Bonds.

If all of the requirements of a “competitive sale” are not satisfied, the City shall advise the Purchaser of such fact prior to the time of award of the sale of the Series 2019A Bonds to the Purchaser. **In such event, any proposal submitted will not be subject to cancellation or withdrawal.** Within twenty-four (24) hours of the notice of award of the sale of the Series 2019A Bonds, the Purchaser shall advise the City and Baker Tilly MA if 10% of any maturity of the Series 2019A Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) has been sold to the public and the price at which it was sold. The City will treat such sale price as the “issue price” for such maturity, applied on a maturity-by-maturity basis. The City will not require the Purchaser to comply with that portion of the Regulation commonly described as the “hold-the-offering-price” requirement for the remaining maturities, but the Purchaser may elect such option. If the Purchaser exercises such option, the City will apply the initial offering price to the public provided in the proposal as the issue price for such maturities. If the Purchaser does not exercise that option, it shall thereafter promptly provide the City and Baker Tilly MA the prices at which 10% of such maturities are sold to the public; provided such determination shall be made and the City and Baker Tilly MA notified of such prices whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Series 2019A Bonds or until all of the Series 2019A Bonds of a maturity have been sold.

GOOD FAITH DEPOSIT

To have its proposal considered for award, the Purchaser is required to submit a good faith deposit to the City in the amount of \$72,600 (the “Deposit”) no later than 1:00 P.M., Central Time on the Sale Date. The Deposit may be delivered as described herein in the form of either (i) a certified or cashier’s check payable to the City; or (ii) a wire transfer. The Purchaser shall be solely responsible for the timely delivery of its Deposit whether by check or wire transfer. Neither the City nor Baker Tilly MA have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the City may, at its sole discretion, reject the proposal of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

Certified or Cashier’s Check. A Deposit made by certified or cashier’s check will be considered timely delivered to the City if it is made payable to the City and delivered to Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101 by the time specified above.

Wire Transfer. A Deposit made by wire will be considered timely delivered to the City upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from Baker Tilly MA following the receipt and tabulation of proposals. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and (iii) the issue to which it applies.

Once an award has been made, the Deposit received from the Purchaser will be retained by the City and no interest will accrue to the Purchaser. The amount of the Deposit will be deducted at settlement from the purchase price. In the event the Purchaser fails to comply with the accepted proposal, said amount will be retained by the City.

AWARD

The Series 2019A Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis calculated on the proposal prior to any adjustment made by the City. The City’s computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The City will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Series 2019A Bonds, (ii) reject all proposals without cause, and (iii) reject any proposal that the City determines to have failed to comply with the terms herein.

BOND INSURANCE AT PURCHASER'S OPTION

The City has **not** applied for or pre-approved a commitment for any policy of municipal bond insurance with respect to the Series 2019A Bonds. If the Series 2019A Bonds qualify for municipal bond insurance and a bidder desires to purchase a policy, such indication, the maturities to be insured, and the name of the desired insurer must be set forth on the bidder's proposal. The City specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the City. All costs associated with the issuance and administration of such policy and associated ratings and expenses (other than any independent rating requested by the City) shall be paid by the successful bidder. Failure of the municipal bond insurer to issue the policy after the award of the Series 2019A Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Series 2019A Bonds.

CUSIP NUMBERS

If the Series 2019A Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Series 2019A Bonds; however, neither the failure to print such numbers on any Series 2019A Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Series 2019A Bonds. Baker Tilly MA will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

SETTLEMENT

On or about December 30, 2019, the Series 2019A Bonds will be delivered without cost to the Purchaser through DTC in New York, New York. Delivery will be subject to receipt by the Purchaser of an approving legal opinion of Ohnstad Twichell, P.C. of West Fargo, North Dakota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Series 2019A Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the City or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Series 2019A Bonds has been made impossible by action of the City, or its agents, the Purchaser shall be liable to the City for any loss suffered by the City by reason of the Purchaser's non-compliance with said terms for payment.

CONTINUING DISCLOSURE

On the date of actual issuance and delivery of the Series 2019A Bonds, the City will execute and deliver a Continuing Disclosure Undertaking (the "Undertaking") whereunder the City will covenant for the benefit of the owners of the Series 2019A Bonds to provide certain financial and other information about the City and notices of certain occurrences to information repositories as specified in and required by SEC Rule 15c2-12(b)(5).

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Series 2019A Bonds, and said Preliminary Official Statement has been deemed final by the City as of the date thereof within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For copies of the Preliminary Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Municipal Advisor to the City, Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101, telephone (651) 223-3000.

A Final Official Statement (as that term is defined in Rule 15c2-12) will be prepared, specifying the maturity dates, principal amounts, and interest rates of the Series 2019A Bonds, together with any other information required by law. By awarding the Series 2019A Bonds to the Purchaser, the City agrees that, no more than seven business days after the date of such award, it shall provide without cost to the Purchaser up to 25 copies of the Final Official Statement. The City designates the Purchaser as its agent

for purposes of distributing copies of the Final Official Statement to each syndicate member, if applicable. The Purchaser agrees that if its proposal is accepted by the City, (i) it shall accept designation and (ii) it shall enter into a contractual relationship with its syndicate members for purposes of assuring the receipt of the Final Official Statement by each such syndicate member.

Dated November 12, 2019

BY ORDER OF THE CITY COUNCIL

/s/ Michelle Brekken
City Clerk

OFFICIAL STATEMENT

CITY OF MOORHEAD, MINNESOTA

\$7,260,000*

GENERAL OBLIGATION IMPROVEMENT BONDS, 2019A

\$6,275,000*

GENERAL OBLIGATION IMPROVEMENT REFUNDING BONDS, SERIES 2019B

\$1,645,000*

MOORHEAD ECONOMIC DEVELOPMENT AUTHORITY, MINNESOTA

GENERAL OBLIGATION TAX INCREMENT REFUNDING BONDS, SERIES 2019A

(BOOK ENTRY ONLY)

INTRODUCTORY STATEMENT

This Official Statement contains certain information relating to the City of Moorhead, Minnesota (the “City”) and its issuance of \$7,260,000* General Obligation Improvement Bonds, Series 2019A (the “Series 2019A Bonds”) and \$6,275,000* General Obligation Improvement Refunding Bonds, Series 2019B (the “Series 2019B Bonds”), collectively referred to as the “City Bonds”. This Official Statement also contains information relating to the Moorhead Economic Development Authority, Minnesota (the “Authority”) and its issuance of \$1,645,000* General Obligation Tax Increment Refunding Bonds, Series 2019A (the “Authority Bonds”). The City Bonds and the Authority Bonds are collectively referred to as the “Bonds”. The Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. Additional sources of security for the Bonds are described herein.

Inquiries may be directed to Ms. Karla McCall, Finance Director, City of Moorhead, 500 Center Avenue, Moorhead, Minnesota 56561, by telephoning (218) 299-5185, or by emailing karla.mccall@ci.moorhead.mn.us or Ms. Amy Thorpe, Economic Development Program Administrator, Moorhead Economic Development Authority, 500 Center Avenue, Moorhead, Minnesota 56561, by telephoning (218) 299-5442, or by emailing amy.thorpe@ci.moorhead.mn.us. Inquiries may also be made to Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101-2887, by telephoning (651) 223-3000, or by e-mailing bond_services@bakertilly.com. If information of a specific legal nature is desired, inquiries may be directed to Mr. John Shockley, Ohnstad Twichell, P.C., 444 Sheyenne Street, Suite 102, West Fargo, North Dakota 58078, by telephoning (701) 282-3249, or by emailing jshockley@ohnstadlaw.com.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934 (the “Rule”), pursuant to the Bond Resolutions, the City and the Authority have entered into undertakings (the “Undertakings”) for the benefit of holders of the Bonds to provide to certain repositories certain financial information and

* Preliminary; subject to change.

The current Board members are as follows:

		<u>Expiration of Term</u>
Michael Burns	Chair	January 31, 2022
Nate Anderson	Vice Chair	January 31, 2020
Violet Deilke	Secretary	January 31, 2020
Alexandre Cyusa	Commissioner	January 31, 2022
Heidi Durand	Commissioner	December 31, 2019
Zachary Heuring	Commissioner	January 31, 2022
Pat Kovash	Commissioner	January 31, 2021
John Rogalla	Commissioner	January 31, 2021
Jeff Schaumann	Commissioner	January 31, 2022
Roberta Solien	Commissioner	January 31, 2022
Deb White	Commissioner	December 31, 2019

Ms. Amy Thorpe is the Economic Development Program Administrator.

THE SERIES 2019A BONDS

Authority and Purpose

The Series 2019A Bonds are being issued pursuant to Minnesota Statutes, Chapters 429 and 475. The proceeds of the Series 2019A Bonds, along with available City funds, will be used to finance various improvement projects within the City.

Sources and Uses of Funds

The composition of the Series 2019A Bonds is estimated to be as follows:

Sources of Funds:	
Principal Amount	\$7,260,000
Available City Funds	<u>496,882</u>
Total Sources of Funds	\$7,756,882
Uses of Funds:	
Deposit to Project Fund	\$7,591,344
Allowance for Discount Bidding	108,900
Costs of Issuance	<u>56,638</u>
Total Uses of Funds	\$7,756,882

Security and Financing

The Series 2019A Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. In addition, the City will pledge special assessments against benefited properties for repayment of a portion of the Series 2019A Bonds. Special assessments include the principal amounts of approximately (i) \$1,282,325, expected to be filed in 2019 for first collection in 2020, and spread over a collection term of 20 years. Interest on the unpaid balance will be charged at an interest rate estimated to be 4.31%; (ii) \$2,938,530, expected to be filed in

General Obligation Special Assessment Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 12-30-19</u>
2-15-08	\$ 1,340,000	Improvements Refunding	2-1-2021	\$ 100,000
11-15-09	1,590,000	Improvements Refunding	2-1-2022	345,000
9-9-10	12,135,000	Improvements	2-1-2020	605,000*
9-22-10	2,030,000	Improvements Refunding	2-1-2023	620,000
9-1-11	4,855,000	Improvements	2-1-2033	3,210,000
9-1-11	900,000	Improvements Refunding	2-1-2024	330,000
12-28-11	4,200,000	Flood Mitigation	2-1-2033	3,085,000
5-15-12	16,955,000	Flood Mitigation	2-1-2033	12,495,000
5-15-12	10,430,000	Improvements Refunding	2-1-2033	8,510,000
5-15-12	8,815,000	Improvements Refunding	2-1-2027	5,705,000
9-1-12	10,320,000	Improvements	2-1-2039	8,375,000
10-23-13	2,165,000	Improvements	2-1-2035	1,720,000
7-24-14	19,440,000	Improvements Refunding	2-1-2036	17,290,000
12-29-14	6,170,000	Improvements	2-1-2036	5,285,000
12-29-14	7,660,000	Improvements Refunding	2-1-2025	5,355,000
12-29-14	9,785,000	Improvements Refunding	2-1-2027	6,980,000
9-24-15	12,270,000	Improvements	2-1-2042	11,400,000
11-10-16	21,705,000	Improvements	2-1-2042	19,595,000
11-10-16	12,490,000	Improvements Refunding	2-1-2033	9,345,000
12-14-17	10,905,000	Improvements	2-1-2043	10,680,000
12-14-17	5,645,000	Improvements Refunding	2-1-2029	4,610,000
11-20-18	11,690,000	Improvements	2-1-2044	11,690,000
11-20-18	4,870,000	Flood Mitigation and Improvements Refunding	2-1-2031	4,870,000
12-30-19	7,260,000	Improvements (the Series 2019A Bonds)	2-1-2046	7,260,000
12-30-19	6,275,000	Improvements Refunding (the Series 2019B Bonds)	2-1-2032	<u>6,275,000</u>
Total				\$165,735,000

* Excludes the Series 2010A Refunded Maturities.

General Obligation Tax Increment Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 12-30-19</u>
9-9-10	\$1,390,000	Tax Increment Refunding	2-1-2028	\$890,000

**Estimated Calendar Year Debt Service Payments Including the Bonds
and Excluding the Refunded Maturities**

<u>Year</u>	<u>G.O. Special Assessment Debt</u>		<u>G.O. Tax Increment Debt</u>	
	<u>Principal</u>	<u>Principal & Interest^(a)</u>	<u>Principal</u>	<u>Principal & Interest</u>
2019 (at 12-30)	(Paid)	(Paid)	(Paid)	(Paid)
2020	\$ 10,425,000	\$ 15,171,093	\$ 85,000	\$ 113,455
2021	11,000,000	16,083,860	85,000	110,905
2022	11,355,000	16,021,383	85,000	108,313
2023	11,335,000	15,590,214	95,000	115,475
2024	11,620,000	15,487,616	100,000	117,305
2025	11,735,000	15,216,196	100,000	113,955
2026	10,590,000	13,693,868	105,000	115,418
2027	10,235,000	12,990,433	115,000	121,510
2028	9,055,000	11,492,701	120,000	122,220
2029	8,420,000	10,573,124		
2030	7,595,000	9,485,845		
2031	7,695,000	9,330,246		
2032	7,655,000	9,031,775		
2033	7,330,000	8,454,088		
2034	5,215,000	6,124,133		
2035	3,365,000	4,128,982		
2036	3,260,000	3,915,412		
2037	2,870,000	3,424,040		
2038	2,790,000	3,249,995		
2039	2,710,000	3,078,174		
2040	2,450,000	2,731,589		
2041	2,350,000	2,550,903		
2042	2,390,000	2,511,043		
2043	1,120,000	1,180,828		
2044	710,000	737,734		
2045	230,000	240,868		
2046	<u>230,000</u>	<u>233,623</u>		
Total	\$165,735,000 ^(b)	\$212,729,766	\$960,000	\$1,038,556

^(a) Includes the Series 2019A Bonds and the Series 2019B Bonds at an assumed average annual interest rates of 2.68% and 1.93%, respectively, and excludes the Series 2010A Refunded Maturities.

^(b) 63.8% of this debt will be retired within ten years.

Debt Ratios*

	<u>G.O. Direct Debt</u>	<u>G.O. Direct & Overlapping Debt</u>
To 2018/19 Estimated Market Value (\$3,157,587,800)	5.36%	8.68%
Per Capita (43,522– 2018 Minnesota State Demographer Estimate)	\$3,885	\$6,297

* Excludes general obligation revenue debt, and utility revenue debt. Includes lease obligations and the Moorhead Economic Development Authority's general obligation debt.

CITY TAX RATES, LEVIES, AND COLLECTIONS

Tax Capacity Rates

	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19 Total</u>	<u>For Debt Only</u>
Clay County	45.286%	44.433%	45.703%	47.102%	48.071%	0.7363%
City of Moorhead	38.662	39.543	40.235	42.226	43.477	17.0394
ISD No. 152						
(Moorhead) ^(a)	26.399	34.097	30.439	31.741	30.220	15.1275
Special Districts ^(b)	<u>3.131</u>	<u>3.002</u>	<u>2.966</u>	<u>2.938</u>	<u>3.530</u>	<u>-0-</u>
Total	113.478%	121.075%	119.343%	124.007%	125.298%	32.9032%

^(a) Independent School District No. 152 (Moorhead) also has a 2018/19 tax rate of 0.17882% spread on the market value of property in support of an excess operating levy.

^(b) Special districts include the Moorhead Economic Development Authority and the Buffalo Watershed District.

NOTE: This table includes only net tax capacity-based rates. Certain other tax rates are based on market value. See Appendix III.

Tax Levies and Collections

<u>Levy/Collect</u>	<u>Net Levy*</u>	<u>Collected During Collection Year</u>		<u>Collected and/or Abated As of 5-16-19</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
2018/19	\$14,728,469		(In Process of Collection)		
2017/18	11,030,988	\$10,846,450	98.3%	\$10,921,244	99.0%
2016/17	9,881,057	9,770,161	98.9	9,858,264	99.8
2015/16	8,571,929	8,490,199	99.0	8,561,587	99.9
2014/15	7,409,149	7,354,140	99.3	7,406,657	99.9

* The net levy excludes state aid for property tax relief and fiscal disparities, if applicable. The net levy is the basis for computing tax capacity rates. See Appendix III.

Post-Secondary Education

Post-secondary education is available in the City at the Minnesota State Community and Technical College; Minnesota State University-Moorhead; Concordia College, a private liberal arts institution; Rasmussen College; and at North Dakota State University, located in the City of Fargo, North Dakota.

Source: Minnesota Department of Education, www.education.state.mn.us.

GOVERNMENTAL ORGANIZATION AND SERVICES

Organization

The City has been a municipal corporation since 1881 and is a Home Rule Charter City under Minnesota Statutes. The Charter was most recently amended in July 1995. The City is operated under a Council/Manager form of government, and the Council is composed of the Mayor, elected at large; and eight City Council members, two elected from each of the City's four wards.

The following individuals comprise the current City Council:

		<u>Expiration of Term</u>
Jonathan Judd	Mayor, At Large	December 31, 2022
Sara Watson Curry	Council Member, Ward 1	December 31, 2020
Shelly Dahlquist	Council Member, Ward 1	December 31, 2022
Shelly Carlson	Council Member, Ward 2	December 31, 2022
Heidi Durand	Council Member, Ward 2	December 31, 2020
Larry Seljevoid*	Council Member, Ward 3	December 31, 2020
Deb White	Council Member, Ward 3	December 31, 2022
Steve Lindaas*	Council Member, Ward 4	December 31, 2020
Chuck Hendrickson	Council Member, Ward 4	December 31, 2022

Ms. Christina Volkers has served as City Manager since January 23, 2017. Ms. Volkers transitioned to city management after a tenured career in the Judicial Branch as a Court Executive Officer/Court Administrator in the states of California and Minnesota. Ms. Karla McCall was hired as Finance Director effective December 17, 2018, and previously served as the Finance Director in for various cities in Minnesota, Montana, and North Dakota for the past 24 years. Ms. Christina Rust has been the City Clerk since October 2019.

* Council Members Larry Seljevoid (Ward 3) and Steve Lindaas (Ward 4) were elected on November 5, 2019 to replace seats vacated by former members Joel Paulsen (Ward 3) and Steve Gehrtz (Ward 4). They will each serve a one-year term to finish out those of Paulsen and Gerhrtz.

City Services

The City has a police department with 61 sworn officers and a fire department consisting of 37 full-time paid firefighters. The City and Clay County occupy a combined law enforcement center.

The City has nearly 1,500 acres of parks and recreational land, including improved bicycle/pedestrian trails, landscaping, new shelter buildings, and playground and sports facilities.

The City has 275.24 full-time equivalent (FTE) employees and approximately 230 temporary and seasonal employees at the peak of the summer season.

City of Moorhead, Minnesota
\$7,260,000* General Obligation Improvement Bonds, Series 2019A

For the Series 2019A Bonds of this Issue which shall mature and bear interest at the respective annual rates, as follow, we offer a price of \$_____ (which may not be less than \$7,151,100) plus accrued interest, if any, to the date of delivery.

<u>Year</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>Dollar Price</u>	<u>Year</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>Dollar Price</u>
2021	_____ %	_____ %	_____ %	2034	_____ %	_____ %	_____ %
2022	_____ %	_____ %	_____ %	2035	_____ %	_____ %	_____ %
2023	_____ %	_____ %	_____ %	2036	_____ %	_____ %	_____ %
2024	_____ %	_____ %	_____ %	2037	_____ %	_____ %	_____ %
2025	_____ %	_____ %	_____ %	2038	_____ %	_____ %	_____ %
2026	_____ %	_____ %	_____ %	2039	_____ %	_____ %	_____ %
2027	_____ %	_____ %	_____ %	2040	_____ %	_____ %	_____ %
2028	_____ %	_____ %	_____ %	2041	_____ %	_____ %	_____ %
2029	_____ %	_____ %	_____ %	2042	_____ %	_____ %	_____ %
2030	_____ %	_____ %	_____ %	2043	_____ %	_____ %	_____ %
2031	_____ %	_____ %	_____ %	2044	_____ %	_____ %	_____ %
2032	_____ %	_____ %	_____ %	2045	_____ %	_____ %	_____ %
2033	_____ %	_____ %	_____ %	2046	_____ %	_____ %	_____ %

Designation of Term Maturities

Years of Term Maturities _____

In making this offer on the sale date of December 4, 2019 we accept all of the terms and conditions of the Terms of Proposal published in the Preliminary Official Statement dated November 13, 2019, amended and supplemented by a Notice to Bidders dated November 19 2019, including the City's right to modify the principal amount of the Series 2019A Bonds. (See "Terms of Proposal" herein.) In the event of failure to deliver these Series 2019A Bonds in accordance with said Terms of Proposal, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

By submitting this proposal, we confirm that we have an established industry reputation for underwriting municipal bonds such as the Series 2019A Bonds.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: \$ _____

TRUE INTEREST RATE: _____ %

The Bidder ☐ will not ☐ will purchase municipal bond insurance from _____.

Account Members

Account Manager

By: _____

Phone: _____

.....
The foregoing proposal has been accepted by the City.

Attest: _____

Date: _____

.....
* Preliminary; subject to change.

Phone: 651-223-3000
Fax: 651-223-3046
Email: bond_services@bakertilly.com