

City of Ada
Regular Meeting of the City Council
Tuesday, November 3, 2015 – 6:00 P.M. – Council Chambers

Agenda

- I. Call to Order**
 - II. Pledge of Allegiance**
 - III. Roll Call**

 - IV. Citizen Forum** – *Individuals may address the council about any item of concern. A maximum of 15 minutes is allotted for the forum. If the full 15 minutes are not needed for the forum, the City Council will continue with the agenda. The City Council will take no official action on items discussed at the forum, with the exception of referral to staff or commission for future report.*

 - V. Consent Agenda** – *These items are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member or citizen so requests, in which event the item will be removed from the Consent Agenda and placed elsewhere on the agenda.*
 - A.** October 6, 2015 Council Meeting minutes
 - B.** City Pre – paid checks
 - C.** City Accounts payables

 - VI. Approve Agenda** – *No item of business shall be considered unless it appears on the agenda for the meeting. Council Members may add items to the agenda by a majority vote of the council.*

 - VII. Presentations with possible discussion and decision.**
 - A.** Drug Task Force Presentation.
 - B.** MMUA Safety Program.
 - C.** TIF Request – Ada Area Promotions Committee.
 - D.** Approve Resolution 2015-11-02 – Bond Issuance for AAPC Project.
 - E.** Approve MN Rural Water Loan Application.
 - F.** Moore Engineering.
 - 1.** Levee Improvement (award flood control contract)
 - A.** Approve Resolution 2015-11-05 – Purchase of Real Property (flood project).
 - B.** Approve Resolution 2015-11-06 – Purchase Easements (flood project).
 - 2.** Well Improvement Project invoice.
 - 3.** Southwest Industrial Park Project invoice.
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- VIII. Reports of Department Heads and Committees**
 - A.** Mayors Report
 - 1) Approve AFSCME Council 65 Union Contract.

2) Set date for Truth in Taxation Hearing – December 8, 2015 – 6:00 p.m.

B. Administrator / Clerk / Treasurer Report.

- 1) Department Updates.
- 2) Acknowledge Bryan Thronson retirement letter.
- 3) Employee Performance Incentives.
- 4) Approve hiring Public Works Maintenance staff.
- 5) Tower Addition annexation update.
- 6) Repurpose NW Minnesota Foundation funding.
- 7) Update and approval of security improvements.
- 8) Northwest Industrial Park update.

IX. Old Business

- A.** Approve Resolution 2015-11-01 – Sale of Real Property – Camdele Land Sale.

X. New Business

- A.** Kaleidoscope guests
- B.** Approve Resolution 2015-11-04 - McCollum Hardware Loan Request.
- C.** Approve Resolution 2015-11-03 – Increasing amounts for loans.
- D.** Closed Session- Receive security briefings and reports, to discuss issues related to security systems, to discuss emergency response procedures and to discuss security deficiencies in or recommendations regarding public services, infrastructure and facilities, if disclosure of the information discussed would pose a danger to public safety or compromise security procedures or responses. § 13D.05 Subd. 3.

XI. Adjournment

8/30/2015

Interim Combined Statement of Cash and Investments

Fund	Cash Balance 7/31/2015	Investment Balance 7/31/2015	August Cash Debits	August Cash Credits	August Invest Debits	August Invest Credits	Balance 8/31/2015
General Fund	(365,009.19)	367,170.77	115,694.69	199,888.06			(82,031.79)
	0.00						0.00
Special Revenue Funds:							0.00
TIF District 2-1 Redevelopment	0.00						
TIF District 2-2 Housing	67,828.13						40,661.06
TIF District 2-3 Housing	2,803.90	0.00					2,803.90
Ada Revitalization Project '88 Revolving Loan	6,617.17	3,568.70	0.00				10,185.87
Ada Economic Development Revolving Loan	78,950.40		264.27	0.00			79,214.67
Library	(34,695.84)	40,566.63	548.05	1,140.13			5,278.71
Community Center Maintenance Fund	(281,148.31)	696,487.52	0.00	0.00			415,339.21
Recreation Development Fund	(7,338.78)	40,000.00	2,628.49	2,628.49			32,661.22
Long Term Designated Capital	326,584.69	613,602.03	0.22	109,500.84	0.22		830,686.32
Public Works	30,609.01	4,690.92	0.00	0.00			35,299.93
Capital Project - Highway 9	0.00		0.00				0.00
Capital Project - Emergency Services Building	0.00						0.00
Capital Project - Lift Station / Force Main Project	(56,074.77)		309,329.36	371,721.92			(118,467.33)
Capital Project - New Well	658,429.37	0.00	0.00	0.00			658,429.37
	0.00						0.00
Debt Service Funds:							0.00
2008 Lease Purchase Fire Hall	56,129.48			0.00			56,129.48
2003 G. O. Improvement Bonds (Street Project)	52,083.28	3,539.73	0.00	0.00			55,623.01
1999 G. O. Water / Sewer Rev Bonds	0.00						0.00
2000 G. O. Improvement Bonds	615.04		0.00	0.00			615.04
	0.00						0.00
Enterprise Funds:							0.00
Water and Sewer Fund	(1,102,086.76)	82,914.83	72,167.72	37,031.24			(984,035.45)
Electric Utility	621,424.16	10,179.15	149,553.64	181,873.35			599,283.60
Hospital	266,307.84	599,846.84	15.73	15.73	15.73		866,170.41
Liquor	273,859.50	1,237.75	59,407.74	65,450.06			269,054.93
Total - All Funds	595,888.32	2,463,804.87	709,609.91	969,249.82	15.95	0.00	2,800,069.23
Frandsen Bank - Checking							305914.11
Frandsen Bank - Savings							15,071.73
Frandsen Bank - Money Market - general							0.00
Frandsen Bank - Money Market - LT Des							25,912.15
Frandsen Bank - Fire Insurance Proceeds							10.00
Frandsen Bank - CD's							478,000.00
Bank of the West Money Market (General)							0.00
Bank of the West Money Market (Bridges)							185,268.45
BancWest Investment Services (Bridges)							599,831.13
BancWest Investment Services (Maintenance Funds)							700,613.73
BancWest Investment Services (General)							269,394.69
BancWest Investment Services (LT Des Cap)							220,053.24
Total Balances 8-31-2015							2,800,069.23

November 2015

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1 Daylight Savings Time Ends!	2	3 Regular City Council Mtg 6:00 pm City Hall	4	5	6	7
8	9	10	11 Veteran's Day – City Hall Closed	12	13	14
15	16 Public Safety Meeting – 5:30 p.m. Public Safety Bldg	17 Dekko Comm.Mtg – Dekko Center 6:15p.m.	18 Beautification Comm Mtg – Dekko Center 6:15 p.m.	19 EDA Meeting- Dekko Meeting Room 7:30 a.m.	20	21
22	23	24	25	26 Happy Thanksgiving – City Hall Closed.	27	28
29	30 Public Works Comm PW Bldg – 5:30 p.m.					

City of Ada
Minutes of the Regular City Council Meeting
October 6, 2015 – 6:00 p.m. – City Hall

Members present: Mayor Jim Ellefson, Members John Hintz, Candy Robertson, John Rosenberger, Neil Miller, Mike Triplett, Jim Hansen, Rich Pinsonneault.

Others present: James Leiman, LeeAnn Hall, Tyson – Moore Engineering, and others.

IV. Citizens Forum. None.

V. Consent Agenda. Listed on the Consent Agenda was: September 8, 2015 council meeting minutes, EDA meeting minutes, City pre – paid checks, City Accounts Payables in the amount of \$52,339.20, Approve Baseball Field Agreement with Ada – Borup School District, Approve Dekko Lease Agreement with Ada – Borup School District, Approve salary adjustment of \$.50 / hour for Officer Hager for Defensive Tactics credential.

Motion by Member Triplett, second by Member Robertson to approve the consent agenda moving the salary adjustment request to new business. Members voting for: Hintz, Robertson, Rosenberger, Miller, Triplett, Hansen, Pinsonneault. Against: None. Motion passed.

VI. Approve Agenda. Added to the agenda was: GPS, Demolition request, Thank You to Flood Committee, Committees.

Motion by Member Miller, second by Member Hintz to approve the agenda with changes. Members voting for: Hintz, Robertson, Rosenberger, Miller, Triplett, Hansen, Pinsonneault. Against: None. Motion passed.

VII. Presentations with possible discussion and decision. Recognize council members Peterson, Austinson, and Erickson for their service. Plaques were presented in appreciation of their service.

B. Approve Resolution 2015-10-02 - Sale of Property to Kent Carlson.

Motion by Member Pinsonneault, second by Member Robertson to approve Resolution 2015-10-02. Members voting for: Hintz, Robertson, Rosenberger, Miller, Triplett, Hansen, Pinsonneault. Against: None. Motion passed.

C. Discuss Ultieg Engineering with Alex Ranz. Mr. Ranz introduced himself as a representative of Ultieg Engineering, offering their services if the City is ever in need of an engineer.

D. Dekko Tuck Pointing. The top layer of exterior wall is beginning to slant due to the roof pulling the wall; as a result, a professional roofer must tuck point the building.

F. Discuss Blight Letter requirements with Sorenson. The property owner requested extra consideration in addressing his blight letter. He has a cargo container on his property that violates municipal code.

Motion by Member Hintz, second by Member Robertson to extend the deadline to comply to May 31, 2016. Members voting for: Hintz, Robertson, Rosenberger, Miller, Triplett, Hansen. Against: None. Abstain: Pinsonneault. Motion passed.

E. Moore Engineering. Special Assessment and Petition for Improvement.

Motion by Member Pinsonneault, second by Member Miller to approve the project at \$108,000 and the Condition of Agreement of Assessment and Waiver with the Ada Area Promotions Committee at a rate of 3.5% for 7-10 years, granting permission to file a loan request with MN Rural Water. Also awarding the construction contract to Visser Trenching contingent upon the Promotions Committee signing the agreement. Members voting for: Hintz, Robertson, Rosenberger, Miller, Triplett, Hansen, Pinsonneault. Against: None. Motion passed.

2. Approve Resolution 2015-10-03 – Plat Resolution.

Motion by Member Miller, second by Member Pinsonneault to approve Resolution 2015-10-03. Members voting for: Hintz, Robertson, Rosenberger, Miller, Triplett, Hansen, Pinsonneault. Against: None. Motion passed.

VIII. A. 1. Mayor's Report. Appoint Board of Adjustment / Committee Appointments. Mayor Ellefson would like to appoint Jim Austinson, Doug Slininger and John Hintz to the Board of Adjustment. He would also add Mike Triplett to Planning and Zoning and Public Safety, Rich Pinsonneault to Negotiating and Neil Miller to Public Works.

Motion by Member Pinsonneault, second by Member Triplett to approve the Board of Adjustment members. Members voting for: Hintz, Robertson, Rosenberger, Miller, Triplett, Hansen, Pinsonneault. Against: None. Motion passed.

Motion by Member Pinsonneault, second by Member Robertson to approve Mike Triplett on the Planning and Zoning and Public Safety Committees. Members voting for: Hintz, Robertson, Rosenberger, Miller, Triplett, Hansen, Pinsonneault. Against: None. Motion passed.

Motion by Member Robertson, second by Member Triplett to approve Rich Pinsonneault to the Negotiating Committee and Neil Miller to the Public Works Board. Members voting for: Hintz, Robertson, Rosenberger, Miller, Triplett, Hansen, Pinsonneault. Against: None. Motion passed.

B. 1. Administrator / Clerk / Treasurer Report. James updates the council on the happenings going on in each department. He requested \$7,000 to spend on cameras to place in each department, outside of the Dekko.

Motion by Member Pinsonneault, second by Member Miller to authorize up to \$7,000 to be spent on cameras within City Departments. Members voting for: Hintz, Robertson, Rosenberger, Miller, Triplett, Hansen, Pinsonneault. Against: None. Motion passed.

IX. Old Business. Second Reading – Ordinance 463 – establishing a Water Bond Fee on utility bills.

Motion by Member Miller, second by Member Rosenberger to approve the second reading of Ordinance 463. Members voting for: Hintz, Robertson, Rosenberger, Miller, Triplett, Hansen, Pinsonneault. Against: None. Motion passed.

B. Consignment of Ride Tek inventory to McCollum Hardware.

Motion by Member Robertson, second by Member Triplett to consign the inventory with McCollum Hardware. Members voting for: Hintz, Robertson, Rosenberger, Miller, Triplett, Hansen, Pinsonneault. Against: None. Motion passed.

C. Approve salary adjustment of \$.50 for Officer Hager for Defensive Tactics credential. The council questioned where this request came from and if it is needed. More information will be gathered.

Motion by Member Miller, second by Member Rosenberger to table this item until more information is gathered. Members voting for: Hintz, Robertson, Rosenberger, Miller, Triplett, Hansen, Pinsonneault. Against: None. Motion passed.

D. GPS tracking in squad cars. This was discussed for the purpose of making sure the officers are staying within the parameters set by the council and to locate the officer in case they are injured and can't respond for help.

Motion by Member Pinsonneault, second by Member Robertson to authorize the Administrator to do a feasibility study for GPS tracking in the squad cars. Members voting for: Hintz, Robertson, Rosenberger, Miller, Triplett, Hansen, Pinsonneault. Against: None. Motion passed.

E. Demolition funding request. Mark Potucek is requesting up to \$1,500 in assistance to tear down a house.

Motion by Member Hintz, second by Member Miller to grant the request up to \$1,500.00. Members voting for: Hintz, Robertson, Rosenberger, Miller, Triplett, Hansen, Pinsonneault. Against: None. Motion passed.

F. Thank you to Flood Committee. Member Hansen wanted to acknowledge Rich Pinsonneault and the committee for all their hard work. Mayor Ellefson was also acknowledged.

X. A. New Business. Kaleidoscope guests. Member Robertson volunteered.

B. Approve Tree Assessment Agreement at 1% interest with Anita Fontaine.

Motion by Member Miller, second by Member Rosenberger to approve the Tree Assessment Agreement with Anita Fontaine. Members voting for: Hintz, Robertson, Rosenberger, Miller, Triplett, Hansen, Pinsonneault. Against: None. Motion passed.

C. Approve Resolution 2015-10-01 Certify loan and grant award recommendation from EDA.

Motion by Member Rosenberger, second by Member Triplett to approve Resolution 2015-10-01. Members voting for: Hintz, Robertson, Rosenberger, Triplett, Hansen, Pinsonneault. Against: None. Abstain: Miller. Motion passed.

D. Approve insurance claim reimbursement for boiler purchase at hospital - \$118,797.00.

Motion by Member Pinsonneault, second by Member Miller to approve payment of the claim reimbursement. Members voting for: Hintz, Robertson, Rosenberger, Miller, Triplett, Hansen, Pinsonneault. Against: None. Motion passed.

E. Closed session – Evaluate the Performance of an Individual subject to Council Authority – Administrator Quarterly Review.

Motion by Member Triplett, second by Member Robertson to close the meeting at 7:51 p.m. Members voting for: Hintz, Robertson, Rosenberger, Miller, Triplett, Hansen, Pinsonneault. Against: None. Motion passed.

Motion by Member Robertson, second by Member Triplett to re – open the meeting at 8:02 p.m. Members voting for: Hintz, Robertson, Rosenberger, Miller, Triplett, Hansen, Pinsonneault. Against: None. Motion passed.

XI. Motion by Member Robertson, second by Member Triplett to adjourn the meeting at 8:03 p.m. Members voting for: Hintz, Robertson, Rosenberger, Miller, Triplett, Hansen, Pinsonneault. Against: None. Motion passed.

Respectfully submitted,

James Leiman
Administrator / Clerk / Treasurer

Jim Ellefson
Mayor

Committee: Beautification Committee

Meeting Date: 10/14/2015

Start Time: 6:00pm

Location: Dekko Community Center

Agenda:

1. Discuss Goals from previous Beautification meeting
 - a. Bosworth Park
 - b. Christmas Decorations
 - c. Hospital and School Signs
2. Nuisance Ordinance

The first item the committee discussed was the modifications to the city's nuisance ordinance. Each member is to take the ordinance home and go through the ordinance and any comments, concerns, or suggestions, regarding section three, section four, and section five will be made at the next Beautification Meeting. The feedback will then be given to the City Administrator to review.

Next we discussed the topic of Bosworth Park and the results from looking into fixing up or finding alternative options for the bathrooms at Bosworth Park. Septic Plumbing could provide one portable restroom for the summer months at \$40 per month with a \$20 per week cleaning fee. At this time, the committee has decided to pass on the portable restrooms and only open the current restrooms when there is a need.

The committee then decided to order four wayfinding guide signs for the Bridges Medical Center and Ada Borup School. These signs will be purchased in the next few months.

Finally, the committee has decided to hold off on purchasing new Christmas decorations for the City's light poles. At this time the cost is too high. The committee would like to decorate a Christmas tree on the corner street next to McCollum's. Permission and electrical use does need to get sorted out first, along with the decorations for the tree.

The decisions were made to keep the current restrooms that are available at Bosworth Park and not rent a portable restroom for the season. The committee will be purchasing wayfinding guide signs for the hospital and school. Also, the decision was made to not purchase Christmas decorations for the City's light poles this year but will visit this topic again next summer.

The meeting adjourned at 6:40 pm on October 14, 2015.

EDA Minutes

9/24/2015

Meeting Called to Order at 7:40 AM

Roll Call: Present were Todd Sawrey, Richard Pinsoneault, James Leiman, & John Hintz. Noted that Jim Birkemeyer & Greg Slotten were absent.

Approval of Minutes: Motion by Rich, 2nd by Todd

Old Business:

Website Update: The website is up & running. We need to get the word out there to have more businesses add to the “Visit Ada” section. We only have 8 currently & it was suggested that we have LeeAnn send out something with the monthly newsletter.

Store Front Update: The city has given the Fjelds 30 days to address a few items & are worried about the structural integrity of the building. Brandyn Dahl is looking to rent out the back half of his building (the old West Main Pizza).

Dollar General: It opens on Sunday, 9/27/2015.

Cougar Addition: All lots are sold at this time. There is an interested party exploring the idea of a 1.6 million dollar project on Greg Balzum’s land that would result in 7 new lots. It is in the very early stages.

AAPC Building Project: At the time of the meeting the footings & loading dock had been poured. The walls should be completed within a week. They are meeting with a party this week to discuss becoming a possible tenant.

Ride-Tek: It will be brought to the council’s attention/vote to allow McCollum Hardware to consign/sell.

New Business:

Demolition Request: From Mark Potucek in regards to demolishing the little green house to the SW of his yard. He purchased the property from Hap Ambuehl. Motion to approve pending a formal bid from demolition company for up to \$1,500 by Rich, 2nd by John.

Grant/Loan Program: Lots of applications have been picked up & we are hoping for a great selection. We set up a special meeting for Thursday, October 1st @ 7:30 to go over the potential applicants. Motion by Rich, 2nd by Todd.

Confirmed Next Meeting: 7:30 on October 29th at the Dekko Community Center

Adjournment: 8:42 AM - Motion by Rich, 2nd by John

MINUTES OF THE PUBLIC WORKS BOARD MEETING

October 26, 2015

Members present: John Rosenberger Vernon Habeck, Paul Bergman, Bob Ramstad, Kim Lewis, Neil Miller

Members Absent: None

Also present: Brian Rasmusson, James Ellefson, and Joe Schmidt (MMUA)

Call meeting to order. 5:47 pm

Chairman Rosenberger called the meeting to order.

Approve minutes: August 31, 2015 regular meeting, Sept. 8 2015 Special meeting, Motion, Ramstad, and 2nd Habeck. All in favor, motion passed. There was no regular Board meeting do to not having a quorum.

Items added to agenda: Election of vice chairman of the Public Works Board.

Approve agenda: Motion: Lewis 2nd Bergman. All in favor, motion passed.

Old business:

Water:

Contract renewal for MMUA safety contract was discussed. Joe Schmidt from MMUA outlined what services that they provide to the City of Ada, after many questions from the board and the board being comfortable with what we are receiving in services from MMUA the Board decided to approve the contract and bring it to council for their approval. Price of MMUA training services of \$13,400.00. One condition Chairman Rosenberger had was that Joe meet with City administrator James Leiman to make sure all departments will be included in the safety training program. **Motion; Lewis, 2nd Ramstad. All in favor, motion passed.**

Sewer: None

Electric: Street light rental fees were discussed. Brian asked the question if we should raise the rental rate from \$4.00/month to \$5.00/ month. After some discussion the board decided that we should look at updating all of our fees that we charge, i.e. mowing private lots, street light rental just to name a couple. Brian will take a look at our existing fee schedule and bring it back to the next board meeting. **No action was taken.**

Street: None

Other: None

New business:

Water:

Brian updated the board on the new well (Well #6). Well #6 has been completed we took samples to test for bacteria; we are waiting for the results of those tests. **Information only, no action needed.**

Brian informed the board that we are done insulating the water service for Olga Merkens. The problem was where the water service line went over the storm sewer pipe; the water line was less than 5 feet deep and had very little insulation covering it. This line should not freeze in the future. **Information only, no action needed.**

Sewer: The Norman County Highway Dept. had a request to clean the ditch on the west side of the Cities wastewater stabilization ponds, (Norman Counties policy is that they do not clean ditches or pay to clean them as it would be too costly). This is the ditch that is used when we discharge our wastewater after it has been treated and passes many tests that the MPCA requires. Bob Ramstad explained that the individual thought that the cattails in the ditch were holding back water when we discharge, resulting in it backing up into their ditch west of their field. The board has dealt with this issue in the past and came to the same conclusion that it would not benefit anyone if the city was the only one to clean the ditch in front of our property, as the ditch flows north and there are two other land owners that would have to clean their ditch before it would do any good. **No action was taken.**

Electric: Brian informed the board that Loren Brorby and Jim Shelquist Red River Valley Co-op Power Assn.). have confirmed that they will attend the November 30, 2015 Public Works Board meeting. They will update us on what services that they provide to the City and what maintenance items that they have done for us this summer and how we are utilizing our allotted hours. **Information only, No action needed.**

Street: Brian asked the board to consider purchasing a new street sweeper, our current sweeper is 12 years old and the life expectancy is 10 years. The street sweeper is starting to cost us a fair amount of maintenance money, is often breaking down during use and is performing poorly as the streets look worse after sweeping than before being swept. The board

asked Brian to check on prices and to see if there are any companies that would lease us a street sweeper. No time table was set as we have all winter to research this item. **Information only, No action needed.**

Other: Election of Vice Chairman of the Public Works Board, Neil Miller was nominated, Kim Lewis motioned for nominations to cease, 2nd by Habeck, all in favor. **Ramstad motioned to appoint Miller as Vice Chairman 2nd by Habeck, all in favor. Motion Passed.**

Next meeting: November 30, 2015 Ada Public Works Dept.5:30 pm

Adjourn meeting: Motion - Lewis, 2nd Ramstad. All in favor, motion passed 7:02 pm.

Safety Contract Renewal

Situation: In the past, the City of Ada has contracted with the Minnesota Municipal Utilities Association (MMUA) to provide safety consulting services for Public Works. It turns out, the contract is actually good for all city departments for the same price (actually about \$1,000 less as we don't require electrical consultation services any longer). Below is a list of offered services for city departments. Not all are applicable for every department however a needs based assessment will occur to determine what is required for each city building:

- 1) A review/audit of the respective facilities for any obvious safety hazards and/or concerns regarding OSHA compliance.
- 2) A review and inventory of job duties and tasks, to familiarize myself with job performance in order to create any possible suggestions to ensure a safe working environment.
- 3) OSHA requires several written programs for all employers. These programs include but are not limited to: AWAIR, ERTK, Bloodborne Pathogens, PPE, and Confined Spaces. These OSHA programs will be developed to include the operations of all city departments, where needed and required. The program manual are also kept updated with any changes that need to be made via the regulatory requirements.
- 4) A safety committee structure will be developed and reviewed, per MN OSHA requirements.
- 5) Visits with employees. These visits and discussions are meant to create and keep a line of communication open. This communication is important for employees to be able to share any safety concerns they may have or any incidents they may have been involved with so as to abate the hazards for future incident prevention.
- 6) Walk throughs for obvious compliance issues, with the intent of remedying them before they become a safety issue or before an OSHA inspection should one occur.
- 7) If an accident or injury has occurred, there would be discussion concerning the causal factors and how they can be eliminated so that a repeat does not happen. If an accident/injury occurs that is what supervisory personnel deem to be severe or catastrophic in nature, an accident investigation may be called in immediately.
- 8) Training, OSHA and MNOSHA have training topics that are required, some with certain frequencies. Training topics are most commonly decided by myself, however, that is not to say that desires of employees, supervisors or safety committees cannot make those determinations. MMUA has a very extensive library of safety videos that are available.
- 9) Training Topics:
 - A) Employee Right to Know
 - B) Bloodborne Pathogens
 - C) AWAIR/General Safety
 - D) Confined Space Entry and Hazards
 - E) Slips Trips and Falls
 - F) Personal Protective Equipment Use and Limitations
 - G) Fire Safety
 - H) Fire Extinguisher Use
 - I) Stress Management

- J) Safety Inspections
- K) Winter Safety
- L) Driving Safety
- M) First Aid/CPR/AED Use
- N) Hypothermia
- O) Summer Safety
- P) Portable and Hand Tool Use
- Q) Lockout/Tagout – Hazardous Energy Control
- R) Lawn Mowers/Weed Whips
- S) Chainsaw Use/Tree Trimming & Felling
- T) Welding Safety
- U) Housekeeping
- V) Computer Use/Ergonomics
- W) Office Safety
- X) Protecting your identity
- Y) OSHA Inspections/Recordkeeping Requirements
- Z) Accident Investigation
- AA) Drug and Alcohol Use/Abuse
- BB) CDL License requirements
- CC) Load Securement
- DD) Reasonable Suspicion Activities for Supervisors – CDL Issues
- EE) Holiday Home Safety
- FF) Industrial Hygiene Issues
- GG) Noise Monitoring and Hearing Protection
- HH) Respiratory Protection
- II) Fall Protection
- JJ) Aerial Lift (Bucket Truck) Rescue and Operations
- KK) Electrical Safety

- 10) Safety Resource: When a questions arises, I'm only a phone call/text message or email away.
- 11) EPA – The EPA and PCA have their own programs and issues that we stay abreast of and how they may impact our operations. SPCC (Spill Control and Countermeasures).
- 12) There are some issues that come up periodically regarding contractors, their relationship to City operations and where the city may be open to safety compliance. Where desired, this too can be a part of the services.
- 13) Others - The service is to provide to the best of our abilities to whatever the needs are. It is difficult to quantify what each department needs until reviewed or until an issue presents itself.

Recommendation Moving Forward: It is recommended that this contract be continued and expanded to all city departments. This would improve safety at all city facilities and maximize the use of contract dollars. In addition, it will undoubtedly lead to a safer environment for bar patrons, Dekko customers and city employees.

AGREEMENT OF ASSESSMENT AND WAIVER

THIS AGREEMENT, is made this 7th day of October, 2015, between the CITY OF ADA, a Minnesota municipal corporation, hereinafter referred to as the City, and ADA AREA PROMOTIONS COMMITTEE, INC. of Norman County, State of Minnesota, hereinafter referred to as the owner.

In consideration of the action of the city council, at the owner's request, to cause the construction of water and sewer improvements on real property abutting 9th Street West, specifically Lots 4, 5, 6, and 7 of Block 2, and to assess 100 percent of the cost of \$108,000 to the owner, owner agrees to pay said percentage, as may be determined by the city council of the City to be a fair apportionment of the costs of said improvement estimated to be \$108,000 over a period of 10 years at 3.5% interest. Owner further agrees that the estimated assessment may be exceeded if the increases are a result of requests made by or otherwise approved by the owner in a subsequent separate written document. Owner expressly waives objection to any irregularity with regard to the said improvement assessments and any claim that the amount thereof levied against owner's property is excessive, together with all rights to appeal in the courts.

In testimony, whereof, Mark Potucek, President, has hereunto set his hand, the day and year first above written.

ADA AREA PROMOTIONS COMMITTEE, INC.

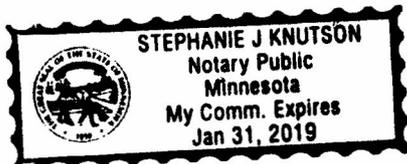


Mark Potucek, President

Dated:

STATE OF MINNESOTA)
) ss.
COUNTY OF Norman)

The foregoing instrument was acknowledged before me on the 9th day of October, 2015, by Mark Potucek, the President, of ADA AREA PROMOTIONS COMMITTEE, INC.


Notary Public



DDA

David Drown Associates, Inc.
Public Finance Advisors

Parkers Prairie Office:
13979 County Highway 42
Parkers Prairie, MN 56361
(612)920-3320 xtn 110 | fax (612) 605-2375
www.daviddrown.com

October 26, 2015

Mr. James Leiman, City Administrator
City of Ada
15 4th Avenue East
Ada, MN 56510

Mr. Mark Potucek, Chair
Ada Area Promotions Committee
305 3rd Avenue East
Ada, MN 56510

RE: AAPC Development Terms and Conditions

Dear Mr. Leiman and Mr. Potucek:

The purpose of this letter is to outline proposed terms of a development agreement between the City of Ada and Ada Area Promotions Committee.

Project Overview

In an effort to attract additional manufacturing business to the community of Ada, Minnesota, AAPC has broken ground on an 8,000 square foot building in the Southwest Industrial Park in the city of Ada. The AAPC is interested attracting an industrial business to the city to provide jobs and tax base in the community. The building is projected to be completed later this year.

TIF is being requested to assist with financing the development. AAPC is bearing 100% of the infrastructure extension costs for the project, which includes the extension city water, sewer, storm water management, and road improvement. In a letter sent to the City, the development has indicated that without TIF assistance, a significant financing gap exists in the project and that this project would not move forward.

TIF District 2-4

In June of 2015, the City of Ada created TIF District 2-4 to assist industrial development in the City. The TIF plan and budget was created with a large enough budget to assist additional industrial development in the City, designating parcels in the North Industrial Park and Southwest Industrial Park, in the TIF district.

Development Contract: The following is outline of terms for the development contract for both parties:

Developer Commitments

1. Commence construction of the Minimum Improvements (defined as an 8,000+ square foot industrial building) and be substantially completed by June 1, 2016. The Minimum Improvements

are expected to increase the taxable value of the parcels by an additional \$400,000, which is only an estimate at this time. Actual taxable value may be higher or lower.

2. Not challenge its assessed taxable valuation for the duration of the Business Subsidy.
3. Not transfer the benefits of the contract to another party without prior written permission from the City.
4. Secure a tenant that will:
 - a. Maintain operations at the Development Site for a minimum of five years from the Benefit Date (defined as the date a certificate of occupancy is issued by the City).
 - b. Create a minimum of ___ new jobs with an average wage/benefit package worth at least \$_____ within two years of the Benefit Date.
 - c. To submit employment information to the City on forms prescribed by the City by February 1st each year after the Benefit Date until all job goals have been achieved.
 - d. Repay any assistance plus interest should the goals in #5 or #6 not be achieved (repayment may be prorated to the extent goals were met).
5. Upon completion of the construction, submit copies of paid invoice and / or other documentation evidencing site improvement costs of at least \$60,000 to the City.
6. The Developer agrees to keep current on all payments of property taxes.
7. Indemnify the City for the project.

City Commitments:

1. The City agrees to provide 9 years of tax increment payments, with the first payment on the note scheduled for February 1, 2018. The increment shall be payable on February 1, 2018, based upon the total amount of increment generated in the previous year, and on each February 1st thereafter to and including the final payment on February 1, 2026.
2. The City will provide pay-as-you-go TIF assistance and agree to provide TIF payments to the Developer, based on the following schedule:

Year 1	90% of Increment generated
Year 2	80 % of Increment generated
Year 3	70 % of Increment generated
Year 4	60% of Increment generated
Years 5 through 9	50% of increment generated

If the parties agree to the terms as outlined above, we will coordinate with _____ in the drafting a development agreement for Phase II, with the goal of having City Council review and approval on December 8, 2015.

Should there be any questions or changes, please feel free to contact me at 612-920-3320 ext. 110.

Respectfully,

A handwritten signature in black ink, appearing to read "Jason Murray". The signature is fluid and cursive, with the first name "Jason" and last name "Murray" clearly distinguishable.

Jason Murray, Associate
David Drown Associates, Inc.
jason@daviddrown.com

CITY OF ADA, MINNESOTA
PRE- AND POST-ISSUANCE COMPLIANCE POLICY AND PROCEDURES

I. DEFINITIONS

For purposes of this policy and procedure, the following capitalized terms have the meanings given:

Bond Counsel: the firm of Fryberger, Buchanan, Smith & Frederick, P.A., of Duluth, Minnesota, or any other firm of nationally recognized bond counsel experienced in tax-exempt financing, selected by the Issuer.

Code: the Internal Revenue Code of 1986, as amended.

Compliance Officer: the Clerk-Treasurer of the Issuer.

Conduit Bonds: a common term for Obligations that are issued for the purpose of making loans to Conduit Borrowers.

Conduit Borrower: an entity other than a state or local government who is responsible for the payment of debt service on Conduit Bonds and is contractually obligated to maintain the tax-exempt status of the Conduit Bonds.

Conduit Issue: an issue of Conduit Bonds.

Conduit Issuer: a state or local government which issues Conduit Bonds.

Conduit Loan: the loan of the proceeds of the Conduit Bonds by a Conduit Issuer to a Conduit Borrower.

Declaration: an official action by the Issuer of its intent to reimburse itself for previously paid expenditures out of the proceeds of subsequently issued tax-exempt Obligations.

Designees: one or more employees or consultants under the supervision of the Compliance Officer.

EMMA: the Electronic Municipal Market Access system of the MSRB.

Issuer: the City of Ada, Minnesota.

MSRB: the Municipal Securities Rulemaking Board, or any successor to its functions.

Obligations: the Issuer's existing, proposed and future obligations on which it is directly obligated.

Official Statement: collectively, preliminary and final Official Statements, remarketing circulars or offering memoranda used in connection with the offering of Obligations.

Treasury Regulations: regulations promulgated by the IRS under the Code.

VCAP: the Treasury's Tax-Exempt Bonds Voluntary Closing Agreement Program.

II. STATEMENT OF PURPOSE

This document sets forth specific policies of the Issuer designated to monitor pre- and post-issuance compliance by the Issuer with provisions of the Code and Treasury Regulations applicable to the Obligations.

This policy and procedure documents various procedures and systems implemented or to be implemented by the Issuer and in order to identify on a timely basis facts relevant to compliance with the requirements that must be satisfied prior and subsequent to the issuance of Obligations in order that the interest on such Obligations be, or continue to be, or would be but for certain provisions of the Code, excludable from gross income for federal income tax purposes. The Issuer recognizes that compliance with applicable provisions of the Code and Treasury Regulations is an on-going process, necessary during the entire term of the Obligations, and an integral component of the Issuer's debt management. Accordingly, the analysis of those facts and implementation of this policy and procedure will require on-going monitoring and, likely, consultation with Bond Counsel beyond the scope of its initial engagement with respect to the issuance of particular Obligations.

III. PROCEDURES APPLICABLE TO DIRECT OBLIGATIONS OF THE ISSUER

A. Monitoring of Post-Issuance Compliance

Monitoring of pre- and post-issuance compliance for tax-exempt Obligations will be the responsibility of the Compliance Officer. The Compliance Officer may appoint Designees to carry out certain duties under this policy and procedure on his or her behalf in the same manner and with the same effect as any similar designation for any other purpose permitted by law.

B. Compliance with Covenants in Bond Documents

The Compliance Officer shall monitor compliance with all financial and operational covenants made by the Issuer in the documents relating to the issuance of the Obligations, including but not limited to financial reporting and restrictions on incurring additional indebtedness.

C. Federal Tax Law Compliance

1. Issue Price. An issue of obligations is a good candidate for a negotiated sale if the Issuer has not issued its direct obligations in a significant period of time; the Issuer has not traditionally sought a credit rating; the issue is relatively small and as a result the costs of issuance of a competitive sale are unduly burdensome; or the restructuring of debt to be refunded or refinanced and extending repayment and targeting specific debt service and tax levy thresholds requires a fair amount of tinkering and dialogue with both the Issuer and the investors, which is much easier to accomplish with the flexibility of a negotiated pricing.

- a. In conjunction with the negotiated sale of any direct obligations of the Issuer, the Compliance Officer shall, or shall request the Issuer's independent financial advisor to, monitor the issue price of any direct obligations of the Issuer in accordance with the Government Finance Officers Association's Best Practice relating to Pricing Bonds in a Negotiated Sale.
 - b. In the event the Issuer's independent financial advisor is unavailable, the Issuer will request the purchaser to provide ongoing information to the Issuer about how the market for obligations such as the ones the Issuer is contemplating is changing and how it will impact the rates, especially in the weeks leading up to the sale. In addition, the Issuer will request that the purchaser, during the pricing process, provide "comparables" to the Issuer, for purposes of comparing the pricing on the obligations against other similarly rated issues in the market, including trades posted on EMMA.
2. Proper Use of Proceeds. The Compliance Officer shall monitor the use of proceeds of the Obligations so that such proceeds are allocated to expenditures in a manner that is consistent with the purpose for which each issue of Obligations is undertaken, as set forth in any tax compliance certificate or agreement related to each issue of Obligations.
3. Investment of Bond Proceeds. The Compliance Officer shall monitor the investment of proceeds of the Obligations to ensure that such proceeds are invested in investments that are permissible under Minnesota Statutes, Chapter 118A, the documents relating to the issuance of the Obligations and any applicable federal tax.
4. Arbitrage Rebate. The Compliance Officer shall monitor the expenditures of proceeds of the Obligations to verify compliance with available exceptions to the arbitrage rebate requirements of the Code and Treasury Regulations. If the Obligations do not qualify for an exception, the Compliance Officer shall see to the timely completion of arbitrage rebate calculations, filings and payment to the United States Department of the Treasury of any required arbitrage rebate payments.
5. Yield Reduction Payments and Calculations. The Compliance Officer shall consult with Bond Counsel prior to the calculation of yield reduction payments, filings and payment to the United States Department of the Treasury of any required yield reduction payments.
6. Post-Issuance Transactions. The Compliance Officer shall consult with Bond Counsel as follows:
 - a. before making any modifications or amendments to the documents for an issue of Obligations, including, but not limited to, entering or modifying

investment agreements; making any change in security for the Obligations; engaging in post-issuance credit enhancement transactions (e.g., bond insurance, letters of credit) or hedging transactions (e.g., interest rate swaps, caps); terminating or appointing successor trustees; releasing any liens; or reissuing the Obligations; and

b. in the event the Issuer determines to change the use of any facilities financed with an issue of Obligations. For purposes of the foregoing, “change of use” includes the lease, management or use of any portion of the financed facilities by a person or entity other than the Issuer.

7. Remedial Action. The Compliance Officer shall be aware of options for voluntary corrections for failure to comply with post-issuance compliance requirements (such as remedial actions under Section 1.141-12 of the Regulations and VCAP). In the event that it is determined that any use of proceeds of or facilities financed by the Obligations is inconsistent with the character of the status for federal income tax purposes of the Obligations, the Compliance Officer shall consult with Bond Counsel for the purpose of determining the nature and extent of any remedial action necessary or proper for the Issuer to take with respect to such Obligations, including participation in VCAP.

8. Tax Credit Bonds. The Compliance Officer will consult with Bond Counsel regarding federal income tax requirements unique to any tax credit bonds issued by the Issuer and any monitoring procedures that need to be put into place by the Issuer in order to achieve tax compliance.

D. Federal Securities Law Compliance

1. General. The Compliance Officer shall monitor compliance with all applicable federal securities laws and regulations, including the continuing disclosure requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934.

2. Official Statements. The Compliance Officer shall monitor compliance with all applicable federal securities laws and regulations and shall timely identify those who, for a particular financing, are appropriate to assist Bond Counsel, underwriter(s), underwriter’s counsel, financial advisors, and appropriate staff in the preparation and review of the related Official Statement. Staff identified to assist with preparation or review of the Official Statement shall be contacted as soon as reasonably practical in order to provide adequate time for such individuals to perform a thoughtful and critical review or draft of those portions of the Official Statement assigned to them.

a. Any request to assist with preparation or review of the Official Statement shall provide that the person assisting must raise any item which could be material for inclusion in the Official Statement.

- b. The Issuer's external auditors should be notified of the Issuer's schedule for publishing the Official Statement.
 - c. Confirmation that no material changes exist with respect to Official Statements shall be requested from counsel to the Issuer.
- 3. Continuing Disclosure. The Compliance Officer will review each continuing disclosure undertaking of the Issuer to determine the financial and operating information required to be filed annually by the Issuer with the MSRB on EMMA. The Compliance Officer shall:
 - a. on an annual basis, submit the Issuer's audited financial statements to the entities required by the applicable continuing disclosure undertaking and documents relating to the Obligations;
 - b. at such times required by any continuing disclosure undertaking, submit an annual financial report including any operational information required by a continuing disclosure undertaking, to the entities required by the applicable continuing disclosure undertaking and documents relating to the Obligations; and
 - c. make a timely report of any significant material events (as defined by the applicable disclosure agreement) related to the Issuer's outstanding Obligations to the entities required by the documents relating to the Obligations.
- 4. Material Events.
 - a. The Compliance Officer shall make a timely report of any significant material events (as defined by the applicable disclosure undertaking) related to the Issuer's outstanding Obligations to the MSRB on EMMA and any other entities required by the documents relating to the Obligations.
 - b. If the Compliance Officer obtains actual knowledge of the occurrence of any event that the Compliance Officer believes may constitute an event requiring disclosure, the Compliance Officer will contact Bond Counsel to determine if notice of the event is required to be given to the MSRB under the continuing disclosure undertakings. If it is determined that notice should be provided to the MSRB or is required to be provided to the MSRB by the continuing disclosure undertaking, the Compliance Officer will cause the appropriate notice to be filed with the MSRB on EMMA within 10 business days after the occurrence of the event or as otherwise directed by Bond Counsel.

E. Recordkeeping

1. Responsibility for Records Maintenance

- a. The Compliance Officer is responsible for maintaining records related to Obligations of the Issuer.
- b. The Compliance Officer shall maintain a central list of the records related to each issue of tax-exempt Obligations. The list shall identify all physical or electronic locations for any records relating to an issue of Obligations and the person or persons responsible for maintaining such records.

2. Bond Records to be Maintained

- a. The following records shall be maintained for each outstanding issue of Obligations for the term of the outstanding issue plus three years:
 - i. basic records relating to the transaction, including the trust indenture, loan, lease or other financing agreement, the relevant IRS Form 8038-G with proof of filing, and Bond Counsel opinion (such documents may be held in the form of a bond transcript); and
 - ii. documentation pertaining to investment of the proceeds of the Obligations, including the yield calculations for each class of investments, actual investment income received from the investment of proceeds and rebate calculations shall be held in and maintained by the Compliance Officer's office.
 - iii. log of all individuals, departments or affiliates that were requested to review or draft information in connection with an Official Statement;
 - iv. disclosure documents, investor materials, rating agency presentation materials, annual continuing disclosure filings and records of all disclosure activities, including but not limited to telephone calls, emails and inquiries from investors.
- b. The Compliance Officer shall maintain the Issuer's audited financial statements for not less than seven years.

F. Bond Counsel Review.

The Compliance Officer may engage Bond Counsel or the Issuer's independent financial or municipal advisor to assist in implementing this policy and procedure, including, but not limited to, assistance in the following areas:

1. rebate calculations and compliance;

2. records retention;
3. periodic review of the central list of records related to any Obligations for compliance with federal tax laws regarding private business use;
4. other federal tax law compliance, including any annual reporting requirements that may be imposed by the IRS;
5. federal securities law compliance; and
6. due diligence on Conduit Bonds.

G. Training Requirements

If recommended by Bond Counsel or at the discretion of the Compliance Officer, the Compliance Officer and his or her Designees shall undergo training regarding basic federal tax and securities law concepts relating to tax-exempt Obligations, disclosure documents and records required to be maintained under this policy and procedure. Bond Counsel may be engaged to provide such training.

H. Annual Review

On an annual basis, or sooner if deemed necessary by the Compliance Officer, the Compliance Officer shall review this policy and procedure and assess the Issuer's compliance with this policy and procedure. The Compliance Officer shall make changes to this policy and procedure as appropriate to ensure compliance with any covenants in the documents relating to the Obligations or the requirements of federal tax and securities laws and any other applicable law.

I. Reimbursement Bond Rules

The Treasury Regulations applicable to the reimbursement of expenditures from proceeds of tax-exempt Obligations, in the situations in which they apply, require the Issuer to have made a Declaration. The Compliance Officer is authorized to make the Issuer's Declarations or to delegate from time to time that responsibility to other appropriate employees under his or her supervision. Each Declaration shall comply with the requirements of the Treasury Regulations, including without limitation the following:

1. Each Declaration shall be made not later than 60 days after payment of the applicable cost and shall state that the Issuer reasonably expects to reimburse itself for the expenditure out of the proceeds of an issue of tax-exempt Obligations or similar borrowing. Each Declaration may be made substantially in the form of the Exhibit A which is attached to and made a part of this policy and procedure, or in any other format which may at the time comply with the Treasury Regulations.
2. Each Declaration shall (i) contain a reasonably accurate description of the property or program to be financed, as applicable, to which the expenditure relates

and (ii) state the maximum principal amount of tax-exempt Obligations expected to be issued for that property or program.

3. Care shall be taken so that the Issuer does not make Declarations in cases where the Issuer does not reasonably expect that tax-exempt Obligations will be issued to finance the subject costs, and the Issuer officials should consult with Bond Counsel concerning the requirements of the Treasury Regulations and their application in particular circumstances.

IV. PROCEDURES APPLICABLE TO CONDUIT BONDS

A. Borrower Requirements.

A Conduit Issuer typically issues the bonds and loans the bond proceeds to a Conduit Borrower. A Conduit Borrower is responsible for the payment of debt service on the Conduit Issue and is contractually obligated to maintain the tax-exempt status of the Conduit Bonds. The Conduit Issuer is treated as a “taxpayer” by the IRS for federal tax purposes and procedures. As such, the Conduit Issuer is the party responsible for tax compliance. However, the bond documents usually provide for delegation of certain responsibilities to the Conduit Borrower. In the event the Issuer agrees to issue Conduit Bonds, the Issuer will require the following from the Conduit Borrower as a condition to issuing the Conduit Bonds:

1. Each Conduit Borrower must agree to comply with substantially the same procedures for pre- and post-issuance compliance that apply to the Issuer under this policy, as amended from time to time. It being the Issuer’s intent that each Conduit Borrower bears the full burden of compliance with the Code and Treasury Regulations applicable to its related Conduit Issue.
2. The Conduit Borrower must covenant in the documents relating to the Conduit Bonds to take all actions necessary for the Conduit Bonds to comply with all applicable requirements of the Code and Treasury Regulations, including, but not limited to: (i) the arbitrage and rebate requirements of Section 148 of the Code; and (ii) the qualified bonds provisions of Sections 141(e), 142, 143, 144 and 145 of the Code. The Conduit Borrower is the party responsible for monitoring the Conduit Bonds for compliance with such requirements and to remediate nonqualified bonds in accordance with the requirements of the Code and applicable Treasury Regulations. The Conduit Borrower is also the party responsible for monitoring compliance with the requirements of Section 148 of the Code.
3. The Conduit Borrower must covenant in the documents for the Conduit Bonds to reimburse the Issuer for all costs paid or incurred by the Issuer (including the fees of attorneys, financial advisors, accountants and other

advisors) as a result of the Issuer's response to or compliance with an audit, inspection, or compliance check (random or otherwise), by the IRS, the State of Minnesota or any agency or department thereof, or any other governmental agency with respect to the Conduit Bonds or the project financed with the proceeds of the Conduit Bonds.

4. The Conduit Borrower must covenant in the documents for the Conduit Bonds to provide all the information necessary for the Issuer to comply with its obligations applicable to the Conduit Bonds under the Code, Treasury Regulations, state law and generally accepted account principle applicable to the Issuer, including the information necessary for the Issuer to complete and file an IRS Form 8038 for the Conduit Bonds.
5. One or more authorized representatives of the Conduit Borrower must, in good faith, certify the Conduit Borrower's reasonable expectations as of the issue date of the Conduit Bonds. The certification must state the facts and estimates that form the basis of the Conduit Borrower's expectations.
6. The Conduit Borrower shall, in the documents for the Conduit Bonds, designate a person to be contacted regarding the matters discussed in this policy.

B. Issuer Requirements.

1. Limitations Relating to Fees Charged by the Issuer. The Issuer may charge fees payable either out of the Conduit Bond proceeds or by the Conduit Borrower. The fees may be used by the Issuer to offset all or a portion of the costs payable by the Issuer related to its role as a Conduit Issuer and may also be used to raise funds for governmental purposes of the Issuer. The fees may increase the effective yield of the Conduit Loan. Section 148 of the Code generally limits the yield on the Conduit Loan to the yield on the Conduit Bonds plus a spread. This limitation effectively limits the size of the fees that may be charged by the Issuer regardless of whether paid up front or periodically over the term of the Conduit Bonds. The Compliance Officer shall see that the Conduit Borrower provides the information necessary to ensure that the yield on the Conduit Loan does not exceed the yield on the Conduit Bonds by more than the permitted spread in order to prevent the Conduit Bonds from becoming taxable.
2. Certification Regarding Expectations for Use and Investment of Proceeds. Based solely on a certification of the Conduit Borrower prepared by Bond Counsel and described above, an officer of the Issuer responsible for issuing the Conduit Bonds will, in good faith, certify the Issuer's reasonable expectations as of the issue date of the Conduit Bonds. The certification is evidence of the Issuer's expectations, but does not establish any conclusions of law or any presumptions regarding either the Issuer's actual expectations or their reasonableness.

3. Due Diligence. The Issuer intends to rely on due diligence examinations conducted by Bond Counsel in conjunction with giving an approving opinion on the Conduit Bonds.

C. Deliberate and Remedial Actions.

1. Deliberate Actions. Conduit Bonds can lose their tax-exempt status if a Conduit Issuer or Conduit Borrower takes a deliberate action, subsequent to the issue date, that causes the Conduit Issue to fail to meet the federal tax requirements applicable to the Conduit Bonds. A deliberate action is any action taken by a Conduit Issuer or Conduit Borrower that is within its control. Intent to violate the requirements of the Code is not necessary for an action to be deliberate. It is unlikely that the Issuer will take such a deliberate action. The Conduit Borrower shall covenant in the documents for the Conduit Bonds to comply with all applicable requirements of the Code and Treasury Regulations, and pay any costs incurred by the Issuer in the event a deliberate action of the Conduit Borrower must be remediated as described below.
2. Remedial Actions. If a remedial action is required with respect to an issue of Conduit Bonds, the Conduit Issuer must be involved. The remedial action is taken pursuant to Section 1.141-12 of the Treasury regulations to cure a deliberate action that would otherwise cause a governmental bond issue or qualified 501(c)(3) bond to become a nonqualified private activity bond issue. If the remedial action requires providing a notice of defeasance to the IRS, such notice must be provided by the Conduit Issuer. Remedial actions include redemption or defeasance of Conduit Bonds, alternative use of disposition proceeds and alternative use of Conduit Bond-financed facilities. Additionally, if the Conduit Bonds are treated as “reissued” under the Treasury Regulations, the Conduit Issuer must test the reissued Conduit Bonds to determine if the interest on the Conduit Bonds remains exempt from gross income for federal tax purposes. The Conduit Borrower must covenant in the documents for the Conduit Bonds to comply with all applicable requirements of the Code and Treasury Regulations, and if a remedial action is necessary to pay all costs associated with such remedial action. The Issuer shall also consult with Bond Counsel to determine whether the remedial action proposed by the Conduit Borrower is sufficient, including participation in VCAP.
3. Bond Modifications. An agreement between a bondholder and the Conduit Issuer (or Conduit Borrower) to modify the terms of any Conduit Bonds, whether direct or indirect, may cause the modified Conduit Bonds to be treated as new Conduit Bonds for federal income tax purposes (that is, to be “reissued”). If the Conduit Bonds are considered reissued under Section 1001 of the Code, then in general the Conduit Bonds must be tested to determine if the interest on the Conduit Bonds remains exempt from gross income for federal tax purposes. Revenue Ruling 81-281,

1981-2 C.B. 18 provides that interest on tax-exempt Conduit Bonds is not excludable from gross income after the terms of the Conduit Bonds are substantially altered without action by the Conduit Issuer. In general, the Conduit Issuer may meet this requirement to approve reissued Conduit Bonds by adopting a formal resolution of the Conduit Issuer approving the modification of the terms. In addition, the Conduit Issuer must satisfy all applicable federal tax requirements including timely filing Form 8038, 8038-G or 8038-GC, as applicable, treating the date of the modification as the date of issuance of the modified Conduit Bonds. The Issuer shall consult with Bond Counsel immediately upon a Conduit Borrower's request for a modification of any Conduit Bonds. All costs of any modification must be paid by the Conduit Borrower.

- D. Recordkeeping.** The recordkeeping requirements set forth in Section II.E above are applicable to Conduit Bonds of the Issuer.
- E. IRS Examination of Conduit Issues.** The Compliance Officer will notify the Conduit Borrower and Bond Counsel immediately upon the receipt of any correspondence from the IRS regarding the Conduit Bonds.
- F. Summary, Procedures for Closing and Pre-Closing Matters.** The chart below, prepared by the IRS, identifies certain types of monitoring procedures the Issuer may require a Conduit Borrower to adopt to ensure compliance with the federal tax rules required to be satisfied at, prior to or after the closing of the Conduit Bonds. The Compliance Officer shall consult with Bond Counsel on a case by case basis to determine which monitoring procedures are required for each Conduit Issue.

Type of Procedures	Description of Procedures for Closing and Pre-Closing Matters	Applicable Responsibilities Described Above
Volume Cap	Procedures to monitor utilization of volume cap, including carryforward elections	Volume Cap Limit Carryforward of Unused Volume Cap
Public Approval	Procedures concerning public hearings conducted by the Issuer and any approvals by the Issuer	Limitations Relating to Fees Charged by the Conduit Issuer
Issuer Fees	Procedures to ensure that Issuer fees do not exceed applicable limits in the Code and Treasury Regulations	Limitations Relating to Fees Charged by the Conduit Issuer
Closing Certificates	Due diligence procedures to ensure that certifications are reasonable	Certification Regarding Expectations for Use and Investment of Proceeds
Official Intent	Procedures to ensure that reimbursement resolutions conform to the requirements of Treasury Regulations	Reimbursement Declarations of Official Intent

Type of Procedures	Description of Procedures for Closing and Pre-Closing Matters	Applicable Responsibilities Described Above
Qualified Hedge	Procedures to timely identify qualified hedges	Qualified Hedge
Elections	Procedures for federal income tax elections	Elections

V. EXHIBIT

The exhibit to this policy and procedure is as follows:

Exhibit A – Declaration of Official Intent

Dated: November 3, 2015

CITY OF ADA, MINNESOTA

By: _____
Its Mayor

By: _____
Its Clerk-Treasurer

EXHIBIT A

DECLARATION OF OFFICIAL INTENT

The undersigned, being the duly appointed and acting Clerk-Treasurer of the City of Ada, Minnesota (the "Issuer"), pursuant to and for purposes of compliance with Treasury Regulations, Section 1.150-2 (the "Regulations"), under the Internal Revenue Code of 1986, as amended, hereby states and certifies on behalf of the Issuer as follows:

1. The undersigned has been and is on the date hereof duly authorized by the Issuer to make and execute this Declaration of Official Intent (the "Declaration") for and on behalf of the Issuer.

2. This Declaration relates to the following project (the "Project") and the costs thereof to be financed:

<INSERT PROJECT DESCRIPTION>

3. The Issuer reasonably expects to reimburse itself for the payment of certain costs of the Project out of the proceeds of a bond issue or similar borrowing (the "Obligations") to be issued after the date of payment of such costs. As of the date hereof, the Issuer reasonably expects that \$_____ is the maximum principal amount of the Obligations which will be issued to finance the Project.

4. Each expenditure to be reimbursed from the Obligations is or will be a capital expenditure or cost of issuance of the proposed bonds.

5. As of the date hereof, the statements and expectations contained in this Declaration are believed to be reasonable and accurate.

Date: _____

Clerk-Treasurer
City of Ada, Minnesota



Minnesota Rural Water Association Loan Application Form v.07.08.2014v2

PROGRAM CRITERIA

	<u>Micro Loan</u>	<u>Midi Loan</u>	<u>Mega Loan</u>
Loan Amount	up to \$250,000	up to \$1,000,000	no limit
Repayment Term	up to 7 years	up to 15 years	up to 30 years
Security	General Obligation	General Obligation	General Obligation
Borrower Population	200 persons	400 (200 if not declining)	no limit
Borrower Debt Levels	< \$5,000 per capita	< \$5,000 per capita	no limit

PROGRAM FEES (all inclusive*)

<u>Loan Amount</u>	<u>Micro Loan</u>	<u>Midi Loan</u>	<u>Mega Loan</u>
Under \$50,000	\$2,100	-	-
\$50,001 to \$100,000	\$3,300	-	-
\$101,001 to \$250,000	\$3,800	\$8,040	-
\$250,001 - \$500,000	-	11,440	-
\$500,001 - 750,000	-	13,590	14,075
\$750,001 - \$1 million	-	15,340	15,825
\$1 million - \$2 million	-	-	17,225

* Add \$1,000 if you elect to use non-program lenders / bond counsels or for special exemptions. Midi and Mega Loans may be subject to an annual pay agent fee starting in year two (ranging from \$375 to \$495). Mega Loans may also require a bond rating or other charges. All loans may be subject to additional fees if special statutory authority process is required. Contact David Drown Associates for exact fees.

APPLICATION INFORMATION

(or simply apply on-line at www.daviddrown.com or www.mrwa.com)

We are applying for: Micro Loan Midi Loan Mega Loan Preliminary Analysis ONLY

PROJECT: Please provide a brief description of the project:

Infrastructure (water and wastewater) extension
to the SW industrial park.

Project cost \$1,000,000

Requested Repayment term: 7 years

Loan Amount Request \$1,000,000

Date Funds are Needed: 11-17-15

BORROWER: City of Ada

Primary Contact: James Leiman

Phone Number 218-784-5512

Contact email: jleiman@adamn.gov

Mailing Address P.O. Box 32

Ada MN 56514

Office Hours: Mon-Fri, 8-5

Federal Tax ID Number 41-6004912

TIMETABLE: Council/Board meet to approve **final** loan documents? (not needed for preliminary analysis)

Date: 11-3-15

Time: 6:00 p.m.

Documents for agenda packets are needed by: 11-29-15

Regular Council/Board meetings are held (day of the week/time) 1st Tues after 1st Monday of the month.

James Hansen Member 2013 2016
 Mike Triplett Member 2015 2016
 Neil Miller member 2015 2018

OFFICIALS

<u>Name</u>	<u>Office</u>	<u>Year Term Began</u>	<u>Year Term Ends</u>
Jim Ellstrom	Mayor/ Chair	2014	2016
John Rosenberger	Member	2015	2018
Landy Robertson	Member	2013	2016
John Hintz	Member	2015	2016
Richard Pinsonneault	Member	2013	2016
	Clerk/Treasurer		
	Administrator		

REQUIRED ATTACHMENTS

- Electronic copy of the borrower's most recent audited financial statement (3 years for Mega.)
- Provide a payment schedule for any debt obligations not shown in last audit. (None: _____)
- Provide a list of any capital projects/debt to be issued during the next 12 months. (None: _____)
- Mega borrowers will be required to provide additional information – we will advise what is needed.

CLOSING: Transfer of funds is normally accomplished by cashier or certified check mailed to the borrower on the date of closing. Midi and Mega Loan borrowers (not Micro Loan) have the *option* of receiving funds by wire if wiring instructions are provided below (or attached):

Wiring Instructions: N/A micro loan

CERTIFICATIONS

- The Borrower is applying for a Micro, Midi or Mega Loan. The final loan terms will be outlined in a resolution to be approved by the governing board at a future date.
- The Program Fees (outlined above) will be added to the requested loan amount and paid automatically at closing. Payment of the program fee is contingent upon Loan closing. Payment of the rating fee, if required, is the borrower's responsibility whether or not the loan is closed.
- For all loans, David Drown Associates, Inc. will be retained as your financial advisor. MSRB rules require municipal advisors to act in the Borrower's best interest. We hereby certify we have read and accepted the terms outlined in the attached Standard Agreement and Engagement Letter.
- Fryberger, Buchanan, Smith & Frederick, P.A serves as the Program's standard bond counsel.
 - We wish to use the Program's bond counsel and hereby certify we have read and accepted the terms outlined in the Standard Bond Counsel Services Agreement. (document on file at www.MRWA.com).
 - We wish to use another bond counsel firm or lender (additional fees will apply).
Name of firm and/or lender: _____
- For some Midi and all Mega Loans (NOT Micro Loans,) Northland Trust Services will be retained as the paying agent, registrar, transfer and fiscal agent for the Loan. We hereby certify we have read and accept the terms outlined in the Standard Trust Services Agreement (document on file at www.MRWA.com).
- We hereby certify that the project financed by the Loan will be owned, occupied, used and operated entirely/exclusively by the borrower. No part of the project will be leased to, occupied by, or provide a special benefit to a non-governmental entity (*attach a note describing any exceptions*).
- We hereby certify that there is no litigation threatened or pending that would question the borrower's right to issue debt or impair the borrower's ability to make payments on debt outstanding or contemplated (*attach a note describing any exceptions*).
- The borrower has never defaulted in the payment of any indebtedness (*attach a note if exceptions*).

By our signatures below, the Borrower certifies that all the above information is true and accurate.



 Authorized Official

10-14-15

 Date

Please submit complete application to either of the following addresses. Allow at least one week for processing (Mega Loans will take longer).

Ruth Hubbard
Minnesota Rural Water Association
217 12th Avenue SE
Elbow Lake, MN 56531
Phone (218) 685-5197 | Fax (218) 685-5272
mrwa@mrwa.com

David Drown, President
David Drown Associates, Inc.
5029 Upton Avenue South
Minneapolis, MN 55410
Phone (612) 920-3320 | Fax (612)-605-2375
david@daviddrown.com

STANDARD AGREEMENT & ENGAGEMENT LETTER FOR MUNICIPAL ADVISORY SERVICES

David Drown Associates, Inc. ("Municipal Advisor") has been selected to serve as the Municipal Advisor for Issuers participating in the Micro, Midi and Mega Loan programs (the "Program"). By submitting a signed Minnesota Rural Water Association Loan Application Form (the "Application") for a Program Loan and by approving a Resolution providing for the sale of Bonds through the Program, you are designating David Drown Associates, Inc. to serve as the Municipal Advisor for the loan. This document is our written arrangement on the role the Municipal Advisor will serve and responsibilities the Municipal Advisor will assume in connection with the issuance of general obligation bonds by the Issuer (the "Loan") as described in the Application completed by the Issuer and also the fees the Municipal Advisor will charge.

Section 1: Municipal Advisor Role. The Municipal Advisor is engaged as a recognized independent expert whose primary responsibility is to give objective fiscal advice on the structure and issuance of the Loan under state and federal securities law. We will provide some, or all, of the following services to determine suitability of the Loan for the applicant:

- a. Evaluate legal options/alternatives for issuance of debt taking into account borrower's objectives, revenue availability and other factors.
- b. Prepare preliminary financing schedules and options for review and consideration by the Borrower.
- c. Evaluate the suitability of Program loans to meet borrower's objectives and advise the borrower of other suitable alternatives.
- d. Upon receipt of a completed Application, the Municipal Advisor will prepare final payment and cashflow schedules and related offering documents.
- e. For certain Mega loans, prepare application materials and assist the borrower in securing a bond rating.
- f. Secure a binding commitment for the sale/placement of the loan with pre-screened program lenders and/or other underwriters or lenders as necessary.
- g. Work with bond counsel to prepare a Resolution and other documents necessary to finalize and close the loan.
- h. Provide assistance in coordinating closing and transfer of funds.
- i. Draft a closing letter summarizing the transaction and providing guidance in accounting for loan proceeds and budgeting for future payments.

Section 2: Engagement Letter & Disclosure of Conflicts of Interest. Rules established by the Municipal Securities Rulemaking Board ("MSRB") and the Securities Exchange Commission ("SEC") requires the registered Municipal Advisor tasked with administering the various low cost loan programs offered via MN Rural Water Association ("MRWA"), to provide a written description of its advisory relationship and to make certain other disclosures in regards to potential conflicts of interest. The applicant recognizes that by submitting the attached application that it has requested and approved David Drown Associates, Inc. ("DDA") to act as Municipal Advisor to the community on this particular engagement. This means that DDA is to be held to the very highest standard of loyalty and care with an **explicit fiduciary duty** to act in your community's best interests. This means several important things:

- DDA has a duty to exercise due care in performing municipal advisory activities.
- DDA has a duty of loyalty, requiring us to act in your best interest without regard to our own financial or other interests.
- DDA must have the knowledge and expertise needed to provide you with informed advice.
- DDA has a duty understand you and your specific situation and to follow your directions, so our advice is suitable for you.
- DDA is required to make reasonably inquiries and investigations as to the facts supporting our recommendations and work products.
- DDA has a duty to discuss with you material risks, benefits, and alternatives considered that might serve your interests better.

Disclosure of Conflicts of Interest: A municipal advisor may not undertake an engagement without disclosing in writing how *potential* conflicts of interest will be managed and mitigated. There are several potential conflicts of interest that may apply to our engagement with you:

Compensation Conflicts of Interest:

- Fixed Fees or "Lump Sum". This form of compensation represents a potential conflict of interest because if the transaction requires more work than originally contemplated, the financial advisor may suffer a loss. Thus, the advisor may recommend less time-consuming alternatives or fail to do a full analysis of alternatives.
- Fee Based upon Principal Amount. This form of compensation presents a conflict of interest because the advisor may have an incentive to advise the client to increase the size of the securities issue for the purpose of increasing the advisor's compensation.
- Contingent Fee. This form of compensation presents a potential conflict of interest because the advisor may have an incentive to recommend unnecessary financings or financings that are disadvantageous to the client. When facts or circumstances arise that could cause the financing to be delayed or fail to close, an advisor may have an incentive to discourage a full consideration of such facts and circumstances.

Our plan to mitigate conflicts of interest regarding compensation is to assure the program standard fee schedule reasonably reflects the expected costs of standard services.

MN Rural Water Association Conflicts of Interest. David Drown Associates, Inc. serves as the financial advisor for MRWA's MEGA, MIDI, MICRO and Interim Funding Programs. In that capacity, we process loan requests and serve as municipal advisor to borrowers seeking to utilize these funding programs. This relationship with MRWA represents a potential conflict of interest in that we have an incentive to recommend the use of these funding programs and to exclude due consideration of other options or alternatives. We have mitigated this conflict of interest by agreement with MRWA that we will not process loans where other financing mechanisms are clearly superior, and we maintain internal procedures that explicitly include a review of other funding options before acting upon a loan request.

Section 3: Term of Engagement. Upon closing and delivery of closing, our responsibilities as Municipal Advisor will be concluded with respect to this financing and we do not undertake (unless separately engaged) to provide continuing advice to you or any other party.

Section 4: Fees & Expenses. The Municipal Advisor's fees will be incorporated into and paid from the Program Fee shown on the Application Form. Our fee shall be contingent upon successful sale and closing of a Loan (see disclosure of conflicts of interest above). In the event we are asked to provide additional services outside the scope of Program activities, we will notify you of these services and costs in advance.

CERTIFICATION OF ENGAGEMENT

By submitting a signed application, the applicant hereby certifies that David Drown Associates, Inc. is hereby engaged to serve as our community's Municipal Advisor associated with the attached loan application. It is further certified that DDA has fully and completely disclosed all potential conflicts of interest and the plans to mitigate such conflicts. We understand that DDA will investigate our financial position to determine the suitability of the loan programs for our project. We understand and accept any findings that determine the loan programs may be unsuitable for our community or if more beneficial financing alternatives may be suggested.

**RESOLUTION 11-02, AUTHORIZING THE ISSUANCE, SALE AND
DELIVERY OF A \$108,000 GENERAL OBLIGATION UTILITY
REVENUE BOND, SERIES 2015A**

BE IT RESOLVED, by the City Council (the “City Council”) of the City of Ada, Norman County, Minnesota (the “Issuer”), as follows:

Section 1. Bond Purpose, Authorization, and Award.

1.01 Statutory Authority. Pursuant to authority contained in Minnesota Statutes, Sections 115.46, 444.075 and Chapter 475, the Issuer is authorized to issue its general obligation bonds for the purpose of financing the cost of capital improvements to the Issuer’s water system and sewer system (the “Project”).

1.02 Authorization. A. The Issuer directs the issuance and sale of its \$108,000 General Obligation Utility Revenue Bond, Series 2015A of the Issuer dated as of the date of closing and delivery thereof (the “Bond”). The principal of and interest on the Bond shall be paid primarily from net revenues derived from the operation of the Issuer’s municipal water system (the “Water Utility”) and municipal sewer system (the “Sewer Utility”) (collectively the Water Utility and the Sewer Utility are referred to as the “Utility”) and special assessments levied or to be levied upon benefited property (the “Special Assessments”). The Project is hereby ordered as required by Minnesota Statutes, Section 429.091, Subdivision 1.

1.03 Municipal Advisor. The Issuer has retained the services of David Drown Associates, Inc. as its municipal advisor.

1.04 Award. the Issuer has received an offer from the Bank of Zumbrota, Zumbrota, Minnesota (the “Purchaser”), to purchase the Bond at a cash price of par and upon condition that the Bond matures and bears interest at the times and annual rate set forth in Section 2. The Issuer, after due consideration, finds such offer reasonable and proper and the offer of the Purchaser is accepted. All actions of the Mayor and Clerk-Treasurer taken with regard to the sale of the Bond are ratified and approved.

Section 2. Terms of the Bond.

2.01 Interest Rate and Principal Maturities. The Bond shall be dated the date of its closing and delivery as the date of original issue, shall be issued in the denomination equal to the principal amount thereof, shall be issued in fully registered form and lettered and numbered R-1. The Bond shall bear interest at the annual rate of 2.30 percent and shall mature on the dates and in the installment amounts shown below:

<u>Date</u>	<u>Principal Amount</u>
2/1/2017	\$14,000
2/1/2018	\$15,000
2/1/2019	\$15,000
2/1/2020	\$15,000
2/1/2021	\$16,000
2/1/2022	\$16,000
2/1/2023	\$17,000

2.02 Prepayment. The Bond is prepayable on any payment date without notice at a price of par plus accrued interest to the prepayment date, plus a \$200 processing fee; provided that if prepayment is prior to February 1, 2017, the redemption price shall also include a premium of 0.5% of the principal amount to be prepaid.

2.03 Interest Payment Dates.

A. The interest on the Bond shall be payable semiannually on February 1 and August 1 of each year (each referred to herein as an “Interest Payment Date”) commencing on February 1, 2016. Interest will be computed upon the basis of a 360-day year of twelve 30-day months.

B. The Registrar designated below shall make all interest payments with respect to the Bond by check or draft mailed to the registered owner of the Bond shown on the Bond registration records maintained by the Registrar at the close of business on the 15th day (whether or not on a business day) of the month next preceding the Interest Payment Date at such owners’ addresses shown on such Bond registration records.

2.04 Preparation and Execution.

A. The Bond shall be prepared for execution in accordance with the approved form and shall be signed by the manual signature of the Mayor and attested by the manual signature of the Clerk-Treasurer. The corporate seal of the Issuer may be omitted from the Bond as permitted by law. In case any officer whose signature shall appear on the Bond shall cease to be an officer before delivery of the Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

B. The Clerk-Treasurer is authorized and directed to obtain a copy of the proposed approving legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A., Duluth, Minnesota, which is to be complete thereof and cause the opinion to be attached to the Bond.

2.05 Registrar. The Issuer hereby appoints the Clerk-Treasurer, as registrar, authenticating agent, paying agent and transfer agent for the Bond (the “Registrar”). The Issuer reserves the right to name a substitute, successor Registrar upon giving prompt written notice to each registered Bond holder.

2.06 Registered Owner. The Bond shall be registered in the name of the Purchaser.

2.07 Bond Register. The Issuer shall cause to be kept by the Registrar a bond register in which, subject to such reasonable regulations as the Registrar may prescribe, the Issuer shall provide for the registration of the Bond and the registration of transfers of the Bond entitled to be registered or transferred as herein provided. In the event of the resignation or removal of the Registrar or its incapability of acting as such, the bond registration records shall be maintained at the office of the successor Registrar as may be appointed by the Issuer.

2.08 Payment. A. The Issuer and the Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and interest on such Bond and for all other purposes whatsoever, whether or not such Bond be overdue, and neither the Issuer nor the Registrar shall be affected by notice to the contrary.

B. The principal of and interest on the Bond shall be payable by the Registrar in such funds as are legal tender for the payment of debts due the United States of America. The Issuer shall pay the reasonable and customary charges of the Registrar for the disbursement of principal and interest.

2.09 Delivery. Delivery of the Bond and payment of the purchase price shall be made at a place mutually satisfactory to the Issuer and the Purchaser. A typewritten and executed Bond shall be furnished by the Issuer without cost to the Purchaser. The Bond, when prepared in accordance with this resolution and executed, shall be delivered by or under the direction of the Clerk-Treasurer to the Purchaser upon receipt of the purchase price plus accrued interest.

Section 3. Form of the Bond.

3.01 The Bond shall be printed or typewritten in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
NORMAN COUNTY

R-1 \$108,000

CITY OF ADA
GENERAL OBLIGATION UTILITY REVENUE BOND, SERIES 2015A

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
2.30%	February 1, 2023	_____, 2015

REGISTERED OWNER: BANK OF ZUMBROTA

PRINCIPAL AMOUNT: ONE HUNDRED EIGHT THOUSAND DOLLARS

The City of Ada, Norman County, Minnesota (the “Issuer”), for value received, promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above, and to pay interest on said principal amount to the registered owner hereof from the date of original issue set forth above, or from the most recent Interest Payment Date (defined below) to which interest has been paid or duly provided for, until the principal amount is paid, said interest being at the rate per annum specified above.

Interest is payable semiannually on February 1 and August 1 of each year (each referred to herein as an “Interest Payment Date”), commencing on February 1, 2016. The Bond is payable in the principal installment amounts and at the times described below. Payments shall be applied first to interest due on the outstanding principal balance and thereafter to reduction of the principal balance.

<u>Date</u>	<u>Principal Amount</u>
2/1/2017	\$14,000
2/1/2018	\$15,000
2/1/2019	\$15,000
2/1/2020	\$15,000
2/1/2021	\$16,000
2/1/2022	\$16,000
2/1/2023	\$17,000

Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the main office of the Clerk-Treasurer, as Registrar, authenticating agent, paying agent and transfer agent (the “Registrar”), or at the office of such successor Registrar as may be designated by the governing body of the Issuer. The Registrar shall make all payments with respect to this Bond directly to the registered owner hereof shown on the Bond registration records maintained on behalf of the Issuer by the Registrar at the close of business on the 15th day of the month next preceding the Interest Payment Date (whether or not a business day) at such owner’s address shown on said Bond registration records, without, except for final payment of principal of this Bond, the presentation or surrender of this Bond, and all such payments shall discharge the obligation of the Issuer to the extent of the payments so made. The final payment of principal of this Bond shall be made upon presentation and surrender of this Bond to the Registrar when due.

For the prompt and full payment of such principal and interest as they become due, the full faith and credit and taxing power of the Issuer are irrevocably pledged. The Issuer has designated the Bond as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Bond comprises the entire amount of this series issued by the Issuer as one fully registered Bond without coupons, in the aggregate amount of \$108,000, pursuant to the authority contained in Minnesota Statutes, Sections 429, 115.46,

444.075 and Chapter 475, and all other laws thereunto enabling, and pursuant to an authorizing resolution adopted by the governing body of the Issuer on November 3, 2015 (the "Resolution"), for the purpose of financing a portion of the cost of capital improvements to the Issuer's water system and sewer system. Principal of and interest on this Bond are payable from net revenues to be derived by the Issuer from the operation of the municipal sewer system and municipal water system (the "Utility") and special assessments levied or to be levied against the benefitted property (the "Special Assessments") . The Issuer has pledged and appropriated Special Assessments and net revenues to be derived from the operation of the Utility in excess of normal, reasonable and current costs of the operation and maintenance of the Utility for the payment of the principal and interest when due on this Bond, and has covenanted and agreed that it will impose and collect just and equitable charges for all use and for the availability of all facilities of the Utility at the times and in the amounts required to pay the normal, reasonable and current expenses of operating and maintaining the Utility, and also to produce net revenues, which will be at least adequate at all times to pay the principal and interest due on the Bond. Reference is made to the Resolution for a full statement of rights and powers thereby conferred.

The Bond is prepayable on any payment dated without notice at a price of par plus accrued interest to the prepayment date, plus a \$200 processing fee; provided that if prepayment is prior to February 1, 2017, the redemption price shall also include a premium of 0.5% of the principal amount to be prepaid.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the laws and the Constitution of the State of Minnesota to be done and to exist precedent to and in the issuance of this Bond, in order to make it a valid and binding general obligation of the Issuer in accordance with its terms, have been done and do exist in form, time and manner as so required; that all taxable property within the limits of the Issuer is subject to the levy of ad valorem taxes to the extent needed to pay the principal hereof and the interest hereon when due, without limitation as to rate or amount and that the issuance of this Bond does not cause the indebtedness of the Issuer to exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Ada, Norman County, Minnesota, by its governing body, has caused this Bond to be executed in its name by the signature of the Mayor and attested by the signature of the Clerk-Treasurer.

ATTEST:

Clerk-Treasurer

Mayor

REGISTRATION CERTIFICATE

This Bond must be registered as to both principal and interest in the name of the owner on the books to be kept by the Clerk-Treasurer of the Issuer, as Registrar. No transfer of this Bond shall be valid unless made on said books by the registered owner or the owner's attorney thereunto duly authorized and similarly noted on the registration books. The ownership of the unpaid principal balance of this Bond and the interest accruing thereon is registered on the books of the Issuer in the name of the registered owner last noted below.

<u>Date</u>	<u>Registered Owner</u>	<u>Signature of Clerk-Treasurer</u>
11/___/2015	Bank of Zumbrota 1440 Main Street P.O. Box 8 Zumbrota, MN 55992 Federal Tax I.D. No.: 41-0250300	<i>(form-no signature required)</i>

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

Social Security or Other
Identifying Number of Assignee

the within Bond and all rights thereunder and irrevocably constitutes and appoints _____ attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without

alteration or enlargement or any change whatsoever.

Signature Guaranteed:

(Bank, Trust Company, member of
National Securities Exchange)

THIS INSTRUMENT HAS NOT BEEN REGISTERED UNDER THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF FOR VALUE, OR TRANSFERRED, WITHOUT (i) AN OPINION OF COUNSEL THAT SUCH SALE, DISPOSITION OR TRANSFER MAY LAWFULLY BE MADE WITHOUT REGISTRATION UNDER THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED AND UNDER APPLICABLE STATE SECURITIES LAWS, OR (ii) SUCH REGISTRATION. THE TRANSFERABILITY OF THIS INSTRUMENT IS SUBJECT TO RESTRICTIONS REQUIRED BY (1) FEDERAL AND STATE SECURITIES LAWS GOVERNING UNREGISTERED SECURITIES; AND (2) THE RULES, REGULATIONS, AND INTERPRETATIONS OF THE GOVERNMENTAL AGENCIES ADMINISTERING SUCH LAWS. THIS INSTRUMENT HAS NOT BEEN REGISTERED UNDER CHAPTER 80A OF MINNESOTA STATUTES OR OTHER APPLICABLE STATE BLUE SKY LAWS AND MAY NOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF FOR VALUE EXCEPT PURSUANT TO REGISTRATION OR OPERATION OF LAW.

Section 4. Covenants, Accounts and Tax Levies.

4.01 Covenants. It is hereby determined that the Project will directly and indirectly benefit abutting property, and the Issuer hereby covenants with the holders from time to time of the Bond as follows:

A. The Issuer has caused or will cause the Special Assessments to be promptly levied so that the first installment will be collectible no later than 2016 and will take all steps necessary to assure prompt collection, and the levy of the Special Assessments is hereby authorized. The Issuer will cause all further actions and proceedings to be taken with due diligence that are required for the construction of each Project financed wholly or partly from the proceeds of the Bond, and for the final and valid levy of the Special Assessments and the appropriation of any other funds needed to pay the Bond and interest thereon when due.

B. It is recognized that the Issuer's liability on the Bond is not limited to the Special Assessments and Pledged Revenues pledged herein, and the Issuer covenants and agrees that in the event of any current or anticipated deficiency in Pledged Revenues, it will levy upon all taxable property within the Issuer and cause to be extended, assessed,

and collected, any additional taxes found necessary for full payment of the principal of and interest on the Bond, without limitation as to rate or amount.

C. The Issuer will keep complete and accurate books and records showing receipts and disbursements in connection with the improvements and Special Assessments levied therefor and other funds appropriated for their payment, collections and disbursements thereof, monies on hand and the balance of unpaid Special Assessments.

D. The Issuer will cause its books and records to be audited and will furnish copies of such audit reports to any interested person upon request.

E. The Issuer covenants and agrees with the holders of the Bond and with its taxpayers that it will assess against benefited property not less than 20% of the cost to the Issuer of the Project financed wholly or partly from the proceeds of the Bond.

4.01 Sewer Fund. The Issuer covenants and agrees with the holders of the Bond and with its taxpayers as follows:

A. It will impose and collect just and equitable charges for all use and for the availability of all facilities of the Sewer Utility at the times and in the amounts required to pay the normal, reasonable, and current expenses of operating and maintaining such Sewer Utility, and also to produce a portion of the net revenues, which along with net revenues of the Water Utility will be at least adequate at all times to pay the principal and interest due on the Bond and on all other notes and bonds heretofore or hereafter issued and made payable from said net revenues, and will operate the Sewer Utility and segregate and account for the revenues thereof as provided in this Section.

B. It will place all such charges for the use and availability of the Sewer Utility, when collected, and all money received from the sale of any facilities or equipment of the Sewer Utility in the Sewer Fund (the "Sewer Fund"). Except as provided in this section, this fund shall be used only to pay claims duly approved and allowed for payment of expenses which, under generally accepted accounting principles, constitute normal, reasonable, and current expenses of operating and maintaining the Sewer Utility, and to maintain such reasonable reserves for such expenses as the City Council shall determine to be necessary from time to time. Sums in excess of those required to make such payments and maintain such reserves constitute a portion of the net revenues which are herein pledged and appropriated first to pay the principal of and interest when due on the Bond.

C. Surplus Sewer Utility revenues from time to time received in the Sewer Fund, in excess of payments due from and reserves required to be maintained in the Sewer Fund and in the Debt Service Account, may be used for necessary capital expenditures for the improvement of the Utility, for the prepayment and redemption of notes and bonds issued pursuant to Section 444.075 of the Act, and for any other proper municipal purpose consistent with law and policies established by resolution of the City Council.

4.02 Water Fund. The Issuer covenants and agrees with the holder of the Bond and with its taxpayers as follows:

A. It will impose and collect just and equitable charges for all use and for the availability of all facilities of the Water Utility at the times and in the amounts required to pay the normal, reasonable, and current expenses of operating and maintaining such Water Utility, and also to produce a portion of the net revenues, which along with net revenues of the Sewer Utility, will be at least adequate at all times to pay the principal and interest due on the Bond and on all other notes and bonds heretofore or hereafter issued and made payable from said net revenues, and will operate the Water Utility and segregate and account for the revenues thereof as provided in this Section.

B. It will place all such charges for the use and availability of the Water Utility, when collected, and all money received from the sale of any facilities or equipment of the Water Utility in the Water Fund (the "Water Fund"). Except as provided in this Section, this fund shall be used only to pay claims duly approved and allowed for payment of expenses which, under generally accepted accounting principles, constitute normal, reasonable, and current expenses of operating and maintaining the Water Utility, and to maintain such reasonable reserves for such expenses as the City Council shall determine to be necessary from time to time. Sums in excess of those required to make such payments and maintain such reserves constitute a portion of the net revenues which are herein pledged and appropriated first to pay the principal of and interest when due on the Bond.

C. Surplus Water Utility revenues from time to time received in the Water Fund, in excess of payments due from and reserves required to be maintained in the Water Fund and in the Debt Service Account, may be used for necessary capital expenditures for the improvement of the Utility, for the prepayment and redemption of notes and bonds issued pursuant to Section 444.075 of the Act, and for any other proper municipal purpose consistent with law and policies established by resolution of the City Council.

4.03 2015 Utility Revenue Bond Fund. There is created a special fund to be designated the "2015 Utility Revenue Bond Fund" (the "Fund") to be administered and maintained by the Clerk-Treasurer as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the Issuer. The Fund shall be maintained in the manner herein specified until all of the Bond and the interest thereon have been fully paid. There shall be maintained in the Fund two separate accounts, to be designated the "Construction Account" and the "Debt Service Account," respectively:

A. Construction Account. The Construction Account shall be administered and maintained by the Clerk-Treasurer as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the Issuer. The Construction Account shall be maintained in the manner herein specified:

(i) On receipt of the purchase price of the Bond, the Issuer shall credit proceeds from the sale of the Bond, less amounts used to pay part of the interest cost of the issue as allowed by Minnesota Statutes, Section 475.56 (the "Additional Interest"); less amounts

allocated to accrued interest paid by the Purchaser upon closing and delivery of the Bond (the "Accrued Interest") and surplus funds, to the Construction Account.

(ii) From the Construction Account there shall be paid all costs and expenses of making the Project, including the cost of any construction contracts heretofore let and all other costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65; and the moneys in said account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Bond may also be used to the extent necessary to pay interest on the Bond due prior to the anticipated date of commencement of the collection of net revenues. Other costs for which payment from the Construction Account is authorized shall include costs of legal, financial advisory, and other professional services, printing and publication costs, and costs of issuance of the Bond.

B. Debt Service Account. The Debt Service Account shall be administered and maintained by the Clerk-Treasurer as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the Issuer. The Debt Service Account shall be maintained in the manner herein specified until all of the Bond and the interest thereon have been fully paid:

(i) There is pledged and appropriated and there shall be credited to the Debt Service Account: (A) the Accrued Interest and surplus funds; (B) the Additional Interest; (C) net revenues of the Utility in such amounts, which will be sufficient to pay the principal of and interest on the Bond when due; (D) Special Assessments; (E) all funds remaining in the Construction Account after completion of the Project and payment of the costs thereof, not so transferred to the account of another improvement; (F) any and all other moneys which are properly available and are appropriated by the governing body of the Issuer to the Debt Service Account; and (G) investment earnings on the monies identified in the foregoing clauses (A) through (F). The proceeds of the Bond described in clauses (A) through (B) of the preceding sentence shall be used for payment of interest on the Bond. (The funds and investments identified in clauses (C) through (F) are referred to herein as the "Pledged Revenues".)

(ii) The money in such account shall be used for no purpose other than the payment of principal and interest and redemption premium, if any, on the Bond and any other general obligation bonds of the Issuer hereafter issued by the Issuer and made payable from said account as provided by law; provided, however, that if any payment of principal or interest shall become due when there is not sufficient money in the Debt Service Account, the Clerk-Treasurer shall pay the same from any other fund of the Issuer, which fund shall be reimbursed from the Debt Service Account when the balance therein is sufficient.

(iii) Immediately prior to each Interest Payment Date, the Clerk-Treasurer shall transfer to the Debt Service Account amounts of net revenues of the Utility which are sufficient, along with Pledged Revenues then on deposit in the Debt Service Account, for the payment of all interest and principal then due on the Bond. The money in the Debt

Service Account shall be used for no purpose other than the payment of principal of and interest on the Bond.

(iv) If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Bond, the Clerk-Treasurer shall nevertheless provide sufficient money first from the Construction Account, next from the Sewer Fund or the Water Fund and third from any other funds of the Issuer which are available for that purpose, and such other funds shall be reimbursed from the Debt Service Account when the balance therein is sufficient. All such reimbursements shall comply with Treasury Regulations, Section 1.150-2.

C. Investments. Monies on deposit in the Sewer Fund, Water Fund, Construction Account and Debt Service Account may, at the discretion of the Issuer, be invested in securities permitted by Minnesota Statutes, Chapter 118A; provided, that any such investments shall mature at such times and in such amounts as will permit for payment of the principal and interest on the Bond when due.

4.04 No Tax Levy. It is determined that the estimated net revenues of the Utility, the Special Assessments and other funds of the Issuer pledged and appropriated for payment of principal and interest on the Bond will produce at least five percent in excess of the amount needed to meet when due, the principal and interest payments on the Bond and that no tax levy is needed at this time.

Section 5. Tax Covenants.

5.01 A. The Issuer covenants and agrees with the holders of the Bond that the Issuer will (i) take all action on its part necessary to cause the interest on the Bond to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Bond and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Bond to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the Bond and investment earnings thereon on certain specified purposes.

B. For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements, the Issuer finds, determines and declares:

- (1) the Issuer is a governmental unit with general taxing powers;
- (2) the Bond is not a “private activity bond” as defined in Section 141 of the Internal Revenue Code of 1986, as amended (the “Code”);
- (3) 95% or more of the net proceeds of the Bond is to be used for local governmental activities of the Issuer; and

(4) the aggregate face amount of the tax exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Bond is issued is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

C. In order to qualify the Bond as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, the Issuer makes the following factual statements and representations:

(i) the Bond is not “private activity bonds” as defined in Section 141 of the Code;

(ii) the Issuer designates the Bond as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code;

(iii) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the Issuer (and all entities whose obligations will be aggregated with those of the Issuer) during the calendar year in which the Bond is being issued will not exceed \$10,000,000; and

(iv) not more than \$10,000,000 of obligations issued by the Issuer during the calendar year in which the Bond is being issued have been designated for purposes of Section 265(b)(3) of the Code.

Section 6. Certificate of Proceedings; Miscellaneous.

6.01 The Clerk-Treasurer or its designee is directed to file with the County Auditor a certified copy of this resolution and such other information as the County Auditor may require, and to obtain from the County Auditor a certificate stating that the Bond herein authorized has been duly entered on the County Auditor’s register.

6.02 The officers of the Issuer are authorized and directed to prepare and furnish to the Purchaser of the Bond and to bond counsel for the Bond certified copies of all proceedings and records of the Issuer relating to the authorization and issuance of the Bond and other affidavits and certificates as may reasonably be requested to show the facts relating to the legality and marketability of the Bond as such facts appear from the official books and records of the officers’ custody or otherwise known to them. All of such certified copies, certificates and affidavits, including any heretofore furnished, constitute representations of the Issuer as to the correctness of facts recited therein and the actions stated therein to have been taken.

6.03 In the event of the absence or disability of the Mayor or the Clerk-Treasurer, such officers or members of the Issuer as in the opinion of the Issuer’s attorney may act in their behalf shall, without further act or authorization, execute and deliver the Bond, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

6.04 No official statement or prospectus has been prepared or circulated by the Issuer in connection with the sale of the Bond and the Purchaser has made its own investigation concerning the Issuer as set forth in a purchaser's certificate or investment letter.

Section 7. Pre- and Post-Issuance Compliance Policy and Procedures. The City Council has been provided with a Pre- and Post-Issuance Compliance Policy and Procedures which shall apply to qualifying obligations to provide for compliance with all applicable federal regulations for tax-exempt obligations or tax-advantaged obligations (collectively, the "Policy and Procedures"). The City Council hereby approves the Policy and Procedures which have been presented to the City Council. The Clerk-Treasurer is designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

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Adopted: November 3, 2015

Mayor

ATTEST:

Clerk-Treasurer

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**EXTRACT OF MINUTES OF A SPECIAL MEETING OF THE
CITY COUNCIL OF THE
CITY OF ADA, MINNESOTA
HELD: November 3, 2015**

Pursuant to due call and notice thereof, a special meeting of the City Council of the City of Ada, Norman County, Minnesota, was duly held at City Hall on November 3, 2015, at 6:00 P.M.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

**RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY
OF A \$108,000 GENERAL OBLIGATION UTILITY REVENUE BOND,
SERIES 2015A**

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

and the following voted against the same:

Whereupon the resolution was declared duly passed and adopted.

RESOLUTION NO. 11-5

***A RESOLUTION AUTHORIZING THE PURCHASE OF
PROPERTY FOR PURPOSES OF CONSTRUCTING AND
MAINTAINING A RAISED LEVEE IN THE CITY OF ADA***

A Resolution authorizing the purchase of the following described property:

A parcel of land commencing at the Northeast corner of Lot Three (3) of State Subdivision of Northwest Quarter (NW¼) of Section Sixteen (16), Township One Hundred Forty-four (144), North of Range Forty-six (46), West of the Fifth Principal Meridian; thence running West along the North line of said Lot Three (3), a distance of Four (4) rods; thence South on a line parallel with the East boundary line of said Lot Three (3), a distance of Two Hundred Fifty-eight (258) feet to the point of beginning; thence continuing South on a line parallel with the East boundary line of said Lot Three (3), a distance of 402.00 feet to the South line of said Lot Three (3); thence East along the said South line Four (4) rods to the Southeast corner of said Lot Three (3); thence North along the East line of said Lot Three (3), 402.00 feet; thence West Four (4) rods to the point of beginning.

WHEREAS, James D. and Cynthia R. Ellefson are the owners of the above-described property in the City of Ada, Norman County, Minnesota, and,

WHEREAS, the City of Ada, desires to purchase said properties from James D. and Cynthia R. Ellefson, for the sum of Two Thousand Five Hundred Dollars and no/100 (\$2,500.00) for the property and other good and valuable consideration, and James D. and Cynthia R. Ellefson desire to sell said property to the City of Ada;

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the City of Ada shall enter into a Warranty Deed with James D. and Cynthia R. Ellefson, in which the City agrees to sell the above-described properties in the City of Ada, Norman County, Minnesota for the price of Two Thousand Five Hundred Dollars and no/100 (\$2,500.00); and

BE IT FURTHER RESOLVED, that the Vice Mayor of the City of Ada and the City Clerk are authorized to execute and deliver any documents necessary to effectuate said transfer.

Upon motion duly made and seconded, and upon being put to a vote, the above Resolution carried by the following vote:

Ayes:

Absent:

Nays:

Dated:

Richard Pinsonneault, Vice Mayor

ATTEST:

James Leiman, City Administrator,
Clerk-Treasurer

RESOLUTION NO. 11-6

**A RESOLUTION AUTHORIZING THE PURCHASE OF
EASEMENTS FOR PURPOSES OF CONSTRUCTING AND
MAINTAINING A RAISED LEVEE IN THE CITY OF ADA**

A Resolution authorizing the purchase of the following described properties:

Parcel No. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, and 24 as shown in the survey/plat entitled "Ada Right of Way Plat No. 1" on file in the office of the County Recorder, Norman County, Minnesota, located in Sections Seventeen (17) and Sixteen (16), Township One Hundred Forty-four (144) North, Range Forty-six (46) West, and attached as Exhibit "A;"

WHEREAS, the City of Ada desires to purchase the above-described properties from the following property owners for the prices, and other good and valuable consideration, listed as follows:

Plat Parcel Number	Property Owner	Purchase Price
1	Richard T. Jamison	\$4,079.50
2	Richard T. Jamison	\$9,526.16
3	Joseph J. and Karen M. Kappes	\$123.89
4	Darol K. LaChapelle	\$0.00
5	Ross D. and Patricia A. Pfund	1,526.72
6	Grace Balzum	\$3,295.60
7	Greg D. and Cynthia F. Balzum	\$7,404.40
8	James D. and Cindy R. Ellefson	\$2,000.00
9	Bauer Honey, Inc.	\$1,266.17
10	City	\$0.00
11	American Federal Bank	\$2.64
12	Jerry D. and Brenda K. Merkens	\$51.22
13	Shirley I. Finch/Erica Sponsler	\$644.05
14	Norman County	\$6.82
15	Merle and Sally R. Gullekson	\$800.41
16	James D. and Cindy R. Ellefson	\$5,055.68
17	Marty J. and Tammy J. Kappes	\$1,680.12
18	Neal Roggenkamp	\$139.75
19	Paul K. and Christina M. Nirschl	\$612.36
20	Jeremy H. and Clarissa M. Peterson	\$1,190.74
21	Ralph W. and Shirley R. Krause	\$6,829.00
22	Heart of the Valley Golf Club, Inc.	\$11,993.33
23	Bruce and Tamara Sargent	\$2,076.23
24	City	\$0.00

WHEREAS, the property owners desire to sell the above-described property to the City of Ada and have executed Easement Agreements to this purpose;

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the City of Ada shall enter into Easement Agreements, in which the City agrees to purchase the above-described properties in the City of Ada, Norman County, Minnesota for the prices listed above; and

BE IT FURTHER RESOLVED, that the Vice Mayor of the City of Ada and the City Clerk are authorized to execute and deliver any documents necessary to effectuate said transfer.

Upon motion duly made and seconded, and upon being put to a vote, the above Resolution carried by the following vote:

Ayes:

Absent:

Nays:

Dated:

Richard Pinsonneault, Vice Mayor

ATTEST:

James Leiman, City Administrator,
Clerk-Treasurer

Employee Performance Incentives

Recognizing exemplary employee performance is critical to encouraging staff to give 100%. At this point, many city employees have demonstrated that they are giving 100% at work and to be frank, management is proud of what the rank and file has accomplished on behalf of the residents of this community. As this is public service, it is difficult to financially compensate employees beyond their annual salaries however there are qualitative mechanisms that can be utilized to motivate better and more effective performance. As such, the City Administrator is requesting a bank of 100 hours per year (plus a prorated 20 hours for 2015) that can be awarded using a “Time off” and “On the spot” award concept. These awards would likely come in form of Admin Leave and will be discussed with department heads prior to award. City employees who earn these awards will also be showcased each month both on social media and in the council packet.

The Ask: Give City Administrator 100 hours per year in “Time off” and “On the spot” awards.

Protection Systems, Inc.

901 Page Drive
 Fargo, ND 58103
 Ph (701) 280-2144
 Fax (701) 356-4013

Estimate

Date	Estimate #
10/29/2015	12903

Name / Address
City of Ada 15 East 4th Ave. Ada, MN. 56510

Rep	Project
GES	City of Ada Camera systems

Description	Qty	Cost
*Camera systems and card access for the city building ****City Hall**** Real Time 4 Channel DVR Indoor Dome Camera. WD Purple 3TB Internal Serial ATA Hard Drive. 4 Camera PS 24/28VAC (200VA) W/Enclosure BNC Connectors COAX PVC RG59 + 18GA 1PR Siamese Cable - Non-Plenum.	1 1 1 1 2 100	
Protection Systems, Inc. shall provide and install the equipment listed above. Equipment shall be covered under warranty for 1 year. ****Go from a 4ch to an 8 ch DVR add \$240.00****	1	1,401.89
****Decko Community Center**** Real Time 16 Channel DVR. Indoor Dome Camera. Analog vandal dome camera Wall Mount for Vandal Domes. WD Purple 3TB Internal Serial ATA Hard Drive. 16 Camera PS 24/28VAC (200VA) W/Enclosure BNC Connectors COAX PVC RG59 + 18GA 1PR Siamese Cable - Non-Plenum. 2 Door Extreme Controller 2.5 Amp Power Supply w/ Enclosure Reader interface module	1 7 1 1 1 1 16 800 1 1 2	
Protection Systems, Inc. shall provide and install the equipment listed above. Equipment shall be covered under warranty for 1 year. ****Go from 16ch down to an 8ch DVR deduct \$312.00****	1	7,995.41
We appreciate your business. All applicable taxes included.		Total

Signature

Protection Systems, Inc.

901 Page Drive
 Fargo, ND 58103
 Ph (701) 280-2144
 Fax (701) 356-4013

Estimate

Date	Estimate #
10/29/2015	12903

Name / Address
City of Ada 15 East 4th Ave. Ada, MN. 56510

Rep	Project
GES	City of Ada Camera systems

Description	Qty	Cost
****Liquor Store**** Real Time 8 Channel DVR Indoor Dome Camera. Analog vandal dome camera Wall Mount for Outdoor Camera. 8Camera PS 24/28VAC (200VA) W/Enclosure WD Purple 3TB Internal Serial ATA Hard Drive. BNC Connectors COAX PVC RG59 + 18GA 1PR Siamese Cable - Non-Plenum. Protection Systems, Inc. shall provide and install the equipment listed above. Equipment shall be covered under warranty for 1 year. ****Go from a 8ch to a 16ch DVR add \$312.00****	1 3 2 2 1 1 10 400 1	5,879.86
****Police Station**** Real Time 4 Channel DVR Indoor Dome Camera. WD Purple 3TB Internal Serial ATA Hard Drive. 4 Camera PS 24/28VAC (200VA) W/Enclosure COAX PVC RG59 + 18GA 1PR Siamese Cable - Non-Plenum. Protection Systems, Inc. shall provide and install the equipment listed above. Equipment shall be covered under warranty for 1 year. ****Go from a 4ch to an 8ch DVR add \$240.00**** ****Add 2 doors of card access add \$4370.00****	1 3 1 1 200 1	2,452.20
We appreciate your business. All applicable taxes included.		Total \$17,729.36

Signature _____

RESOLUTION NO. 2015-11-01

**A RESOLUTION AUTHORIZING THE SALE OF
PARCELS OF LAND IN THE CITY OF ADA**

A Resolution authorizing the sale of the following described properties:

25-0916000, That part of the Gilje's First Addition to Ada, MN, according to the Official Plat thereof on file in the Recorder's Office in and for the County of Norman, State of MN, and part of Outlot 6, Hampson's Addition according to the Official Plat thereof on file in the Recorder's Office in and for the County of Norman, State of MN, described as follows:

Commencing at an iron monument at the Southeast corner of Block 12, said Hampson's Addition; thence North 11°55'12" West, assumed bearing, along the Easterly line and an extension Northerly of said Block 12 a distance of 215.66 feet to an iron monument; being the point of beginning of the parcel to be described; thence continuing North 11°55'12" West, along said Easterly line 82.87 feet to an iron monument; thence North 78°31'30" East 89.94 feet to an iron monument; thence South 11°55'12" East 89.12 feet to an iron monument; thence South 82°29'36" West 90.21 feet to the point of beginning.

AND

Commencing at an iron monument at the Southeast corner of Block 12, said Hampson's Addition; thence North 11°55'12" West, assumed bearing, along the Easterly line and an extension Northerly of said Block 12 a distance of 215.66 feet to an iron monument; thence North 82°29'36" East 90.21 to an iron monument being the point of beginning of the parcel to be described; thence North 11°55'12" West, parallel with said Easterly line 89.12 feet to an iron monument; thence North 78°31'30" East 105.22 feet to an iron monument; thence South 01°32'52" East 96.70 feet to an iron monument; thence South 82°29'36" West 88.07 feet to the point of beginning.

WHEREAS, the City of Ada is the owner of the above-described properties in the City of Ada, Norman County, Minnesota, and,

WHEREAS, Camdele Inc., desire to purchase said property from the City of Ada, for the sum of Three Thousand Dollars and no/100 (\$3,000.00) for the lot and other good and valuable consideration, and the City of Ada desires to sell said property to Camdele Inc;

NOW, THEREFORE, BE IT HEREBY RESOLVED, That the City of Ada shall enter into a Quit Claim Deed with Camdele Inc, in which the City agrees to sell the above-described properties in the City of Ada, Norman County, Minnesota for the price

of Three Thousand Dollars and no/100 (\$3,000.00) per lot and other good and valuable consideration; and

BE IT FURTHER RESOLVED, That the Mayor of the City of Ada and the City Clerk are authorized to execute and deliver any documents necessary to effectuate said transfer.

Upon motion duly made by Councilmember and seconded by Councilmember, and upon being put to a vote, the above Resolution carried by the following vote:

Ayes:

Nays:

Dated: November 3, 2015

Jim Ellefson, Mayor

ATTEST:

James Leiman, City Administrator, Clerk-Treasurer

RESOLUTION NO. 2015-11-4

**STATE OF MINNESOTA
COUNTY OF NORMAN
CITY OF ADA**

**RESOLUTION CERTIFYING GRANT AND LOAN REQUESTS FOR ADA
ECONOMIC DEVELOPMENT ACTIVITIES**

BE IT RESOLVED by the City Council of the City of Ada, County of Norman, Minnesota, that the Economic Development Authority has completed its second round of loan reviews. Following equal opportunity lender and provider practices, the following loans be certified for the projects listed below.

McCollum Hardware	\$15,000
(loan at 1% over seven years for new signage and business expansion for additional storage and product needed to grow business and potentially create jobs)	
Total Loans	\$15,000

The foregoing resolution was introduced by Council member and seconded by Council member who moved its adoption and vote on the acceptance was recorded as follows:

Ayes:

Nayes:

Abstentions:

The Mayor then declared this resolution passed this 3rd day of November 2015 and the City Clerk is hereby instructed to transmit a certified copy of this resolution to the County Auditor of Norman County, Minnesota

Dated: November 3, 2015

Jim Ellefson, Mayor

ATTEST:

James Leiman, City Administrator, Clerk-Treasurer

RESOLUTION NO. 2015-11-3

**STATE OF MINNESOTA
COUNTY OF NORMAN
CITY OF ADA**

**RESOLUTION AUTHORIZING RURAL BUSINESS AND COOPERATIVE
SERVICE LOANS (EDA LOANS) UP TO \$30,000**

BE IT RESOLVED by the City Council of the City of Ada, County of Norman, Minnesota, that the loan ceiling, initially recommended by the Economic Development Authority at \$15,000 be upgraded to \$30,000 per recommendation of the Economic Development Authority. In addition, the City of Ada will follow equal opportunity lender and provider practices.

The foregoing resolution was introduced by Council member and seconded by Council member who moved its adoption and vote on the acceptance was recorded as follows:

Ayes:

Nayes:

Abstentions:

The Mayor then declared this resolution passed this 3rd day of November 2015 and the City Clerk is hereby instructed to transmit a certified copy of this resolution to the County Auditor of Norman County, Minnesota

Dated: November 3, 2015

Jim Ellefson, Mayor

ATTEST:

James Leiman, City Administrator, Clerk-Treasurer

