

**City of Ada**  
**Regular Meeting of the City Council**  
**Tuesday October 4, 2016 – 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.** September 6, 2016 Council Meeting minutes
  - B.** Meeting minutes from City Committees
  - C.** City Pre – paid checks
  - D.** City Accounts payables (\$41,811.96)
  
- 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.** Ada Housing Hearing for Rage Addition Special Assessment
  - B.** Ben Brakefield- Go Corp Tech
  - C.** Twin Home Development at West Side Park
  - D.** Moore Engineering
  
- VIII. Reports of Department Heads and Committees**
  - A.** Mayors Report
    - 1) Budget for 2017 Discussion (Garbage and Water Focus)
    - 2) Set date for November Council meeting
    - 3) Discuss safety service change recommendation for City (\$65 per hour using local firm)
    - 4) One-day Liquor License for Dekko Fundraiser on 2 November
    - 5) Role of Committees moving forward

**B. Administrator / Clerk / Treasurer Report.**

- 1) Department Updates/ City Hall request
- 2) Water Quality Study participation request
- 3) Accounting Clerk Backfill
- 4) Electric for Rage Addition
- 5) Discuss Stray Cat Feeding Ordinance
- 6) Discuss replacement of 2006 Dodge Police Cruiser in 2017

**IX. Old Business**

- A. RESOLUTION 2016-10-01 RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF A \$297,000 GENERAL OBLIGATION IMPROVEMENT NOTE, SERIES 2016A

**XII. New Business**

- A. Kaleidoscope guests
- B. RESOLUTION 2016-10-02 RESOLUTION AUTHORIZING THE SALE OF PARCELS OF LAND IN THE CITY OF ADA
- C. Paving of uneven road surfaces
- D. Closed Session- Labor Negotiations and discussion regarding City benefit irregularity

**XIII. Adjournment**

August 2016

Interim Combined Statement of Cash and Investments

Fund	Cash Balance 7/31/2016	Investment Balance 7/31/2016	Aug Cash Debits	Aug Cash Credits	Aug Invest Debits	Aug Invest Credits	Balance 7/31/2016		
General Fund	37,459.50	370,771.28	38,876.71	144,188.12			302,919.37	302,903.66	(15.71)
	0.00						0.00		0.00
Special Revenue Funds:							0.00		0.00
TIF District 2-1 Redevelopment	0.00						0.00		0.00
TIF District 2-2 Housing	98,391.26		0.00	0.00			98,391.26	98,391.26	0.00
TIF District 2-3 Housing	35,844.22	0.00	0.00	0.00			35,844.22	35,844.22	0.00
Ada Revitalization Project '88 Revolving Loan	3,618.50	12,144.78	0.00	7,860.00			7,903.28	7,903.28	0.00
2015 Revolving Loan Account	(15,144.09)		19,800.00				4,655.91	4,655.91	0.00
Ada Economic Development Revolving Loan	44,987.60	3,832.97	1,823.33				50,643.90	50,643.90	0.00
Library	(29,502.53)	40,566.63	662.72	643.01			11,083.81	11,083.81	0.00
Community Center Maintenance Fund	(480,736.79)	702,765.84	778.00	1,250.00			221,557.05	221,557.05	0.00
Recreation Development Fund	101,179.83	40,000.00	0.00	15,000.00			126,179.83	126,179.83	0.00
Long Term Designated Capital	353,333.67	614,937.50	667.37				968,938.54	968,938.54	0.00
Public Works	20,606.18	4,690.92	93.14	5,000.00			20,390.24	20,390.24	0.00
Capital Project - Highway 9	0.00						0.00		0.00
Capital Project - Emergency Services Building	(3,728.61)						(3,728.61)	(3,728.61)	0.00
Capital Project - Lift Station / Force Main Project	(416,558.69)		153,112.60	2,501.50			(265,947.59)	(265,947.59)	0.00
Capital Project - New Well	0.00	0.00					0.00		0.00
	0.00						0.00		0.00
Debt Service Funds:							0.00		0.00
2008 Lease Purchase Fire Hall	74,560.85						74,560.85	74,560.85	0.00
2003 G. O. Improvement Bonds (Street Project)	72,323.27	3,539.73	1,260.25				77,123.25	77,123.25	0.00
1999 G. O. Water / Sewer Rev Bonds							0.00		0.00
2000 G. O. Improvement Bonds	0.00						0.00		0.00
	0.00						0.00		0.00
Enterprise Funds:							0.00		0.00
Water and Sewer Fund	(635,574.10)	82,914.83	74,676.07	30,673.37			(508,656.57)	(508,656.57)	0.00
Electric Utility	636,764.29	10,179.15	145,780.47	121,475.99			671,247.92	671,247.92	0.00
Hospital	282,477.35	608,260.29					890,737.64	890,737.64	0.00
Liquor	272,135.71	1,237.75	50,840.67	40,610.26			283,603.87	283,603.87	0.00
<b>Total - All Funds</b>	<b>452,437.42</b>	<b>2,495,841.67</b>	<b>488,371.33</b>	<b>369,202.25</b>	<b>0.00</b>	<b>0.00</b>	<b>3,067,448.17</b>	<b>3,067,432.46</b>	<b>(15.71)</b>
	2,948,279.09								
							<b>494,220.96</b>		
Frandsen Bank - Savings							27,067.15		
Frandsen Bank - Money Market - general							-		
Frandsen Bank - Money Market - LT Des							<b>25,914.31</b>		
Frandsen Bank - Fire Insurance Proceeds							<b>10.00</b>		
Frandsen Bank - CD's							478,000.00		
Bank of the West Money Market (General)							-		
Bank of the West Money Market (Bridges)							<b>185,453.99</b>		
BancWest Investment Services (Bridges-Hospital)	G607-10400						608,136.52		
BancWest Investment Services (Maintenance Funds)	G225-10400						706,892.05		
BancWest Investment Services (General)	G101-10400						272,995.20	1,809,408.65	
BancWest Investment Services (LT Des Cap)	G400-10400						221,384.88		
<b>Total Balances 7-31-16</b>							<b>3,020,075.06</b>		
							47,373.11		

# October 2016



SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
						<b>1</b>
<b>2</b>	<b>3</b>	<b>4</b> Regular City Council Mtg 6:00 pm City Hall	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
<b>9</b>	<b>10</b> <i><b>COLUMBUS DAY!</b></i> City offices Closed	<b>11</b>	<b>12</b> Beautification Committee Mtg 6pm Dekko Mtg Rm	<b>13</b>	<b>14</b>	<b>15</b>
<b>16</b>	<b>17</b> Public Safety Meeting – 5:30 p.m. Public Safety Bldg	<b>18</b>	<b>19</b>	<b>20</b>	<b>21</b>	<b>22</b>
<b>23</b>	<b>24</b> Public Works Board Mtg 5:30 p.m. at Public Works Bldg	<b>25</b>	<b>26</b> Dekko Committee Mtg 5:00 pm Dekko Mtg Room	<b>27</b> EDA Meeting- Dekko Meeting Room 7:30 a.m.	<b>28</b>	<b>29</b>
<b>30</b>	<b>31</b> <i><b>Happy Halloween !</b></i>					



**City of Ada**  
**Minutes of the Regular Meeting of the City Council**  
**Wednesday September 6, 2016– 6:00 P.M. – Council Chambers**  
**City Hall**

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

**Member Absent:**

**Others present:** James Leiman, Mark Askelson, Pat Pfund, Dan Hanson, Aaron Ambuehl and others

- I. **Citizen Forum** –Aaron Ambuehl of Ada spoke addressed the City Council indicating that he is interested in building Twin Homes using the southern half of West Side Park. He is also willing to consider the Rage Addition and other parts of the community but believes that the location at West Side Park is the most viable location due to desirability. Mr. Ambuehl would like to apply for a state grant for Workforce Housing; the application is due in early November so he needs to begin planning very quickly. In addition, planning is costly so he needs approval to proceed. The Council indicated that they would be willing to conduct a special session in order to consider his request to build the homes. Measurements will be conducted in short order and a special session will likely be held to determine next steps.
- II. **Consent Agenda** – Consent Agenda. Listed on the Consent Agenda was: August 3rd meeting minutes, August special session minutes various committee meeting minutes, City pre-paid checks, City accounts payable for \$75,099.64.

**Motion by Member Rosenberger, second by Member Miller to approve the Consent Agenda. Members voting for: Robertson, Rosenberger, Triplett, Hansen, Pinsonneault, Miller and Hintz. Against: None. Motion passed.**

- III. **Approve Agenda** –

**Motion by Member Triplett, seconded by Member Robertson to approve the Agenda. Members voting for: Robertson, Rosenberger, Triplett, Hansen, Pinsonneault, Miller and Hintz. Against: None. Motion passed.**

- IV. **Presentations with possible discussion and decision.**

- A. Dan Hanson from Moore Engineering gave an update concerning the Rage Addition. Development is slated to begin on 15 September with a target completion of September 30<sup>th</sup>. Regarding the levee work, Reiner Contracting claims a weather delay as their contractual completion date was 15 September 2016 but now the company believes that it will be early to mid-October until completion. Several council

members along with Moore Engineering were concerned that the vendor left Ada and performed other jobs in the region during the month of August. As such, Moore Engineering will assess the request from Reiner to determine if it is warranted without penalty. More details to come as the request becomes available.

Moore also presented a levee disbursement request from the State of Minnesota. The total was \$214,335.58 and is 100% refundable via the DNR flood mitigation grant.

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

## V. Reports of Department Heads and Committees

### A. Mayors Report

#### 1) 2017 Budget Discussion

*The Mayor and Council discussed the anticipated 27% garbage shortfall and asked the Administrator to propose rates that will zero the balance each year through December 2019; in addition, continued discussion concerning the water fund deficit ensued where an estimated \$50,000 negative balance is anticipated. The Administrator will examine rates, meter fees and a number of other revenue sources to determine next steps as far as closing the fiscal gap is concerned.*

#### 2) Rage Addition Lot Pricing

*The Council discussed the \$280,000 project, how to fund it and how to most attractively market the lots and sell them. The balance between land price and special assessments was debated for ten minutes. The decision made was to sell each lot at \$10,000 and then price each lot per square foot as far as special assessments are concerned so that everyone pays the same price for the land. Larger lots will be more expensive due to their size.*

**Motion by Member Pinsonneault, second by Member Miller to approve the land pricing schedule. Members voting for: Robertson, Rosenberger, Triplett, Hansen, Pinsonneault, Miller and Hintz. Against: None. Motion passed.**

*A discussion ensued as to how to pay for the Rage Addition construction. Business cases were made concerning paying for it from savings and others were made to borrow given that there would be an impact on future abilities to borrow. Since interest rates were low and the loan will be dedicated to water sales revenues and special assessments as properties are sold, the decision was made to pursue bonding for the project.*

**Motion by Member Hintz, second by Member Triplett to approve the bonding measure. Members voting for: Robertson, Rosenberger, Triplett, Miller and Hintz. Against: Hansen, Pinsonneault. Motion passed.**

**B. Administrator / Clerk / Treasurer Report.**

1) Department Updates

*Administrator Leiman provided the council with updates concerning each department. In addition, it was important to commend Public Works, APD and AFD for their response to the storm last weekend.*

2) Ada-Borup Field Maintenance Contract

*The City Council was presented with an annual renewal of Dekko Park maintenance where the school pays the City \$17,000 per year to use the Dekko facility and the City pays the school \$22,000 per year to maintain the field.*

**Motion by Member Hintz, second by Member Miller to approve the contract. Members voting for: Robertson, Triplett, Hansen, Pinsonneault, Miller and Hintz. Against: None. Absent: Rosenberger. Motion passed.**

3) Discussion regarding Accounting Clerk backfill

*After several months of streamlining office processes, the Administrator surfaced a proposal to backfill the Accounting Clerk position. The Administrator recommended that if not elected to the State Senate, update the position description and hire back into the position using the AFSCME schedule. He also recommended that if elected, an Assistant Administrator be hired using the savings from him scaling back to part-time during the legislative session to increase the salary and responsibility level of the Assistant Administrator. This way, there is continuity and the City can hire someone prior to the end of the year. The council deliberated options and decided to research hiring a working Assistant Administrator regardless of the November 8<sup>th</sup> result. Savings from various contracted services can be incorporated into this new managerial position and various position descriptions and methods to pay for the position will be proposed in October.*

**Motion by Member Triplett, second by Member Miller to write three job descriptions. Members voting for: Robertson, Triplett, Hansen, Pinsonneault, Rosenberger, Miller and Hintz. Against: None. Absent: None. Motion passed.**

4) Verbal Approval for Ada Liquor Outdoor event to sell alcohol outside of the bar within city limits on September 10<sup>th</sup> and Chocolate Extravaganza on October 21<sup>st</sup>.

**Motion by Member Triplett, second by Member Hintz to approve the liquor permits. Members voting for: Robertson, Triplett, Hansen, Pinsonneault, Rosenberger, Miller and Hintz. Against: None. Absent: None. Motion passed.**

5) New Swing Set at West Side Park

*A discussion concerning replacing the old swing set at West Side Park occurred. Due to the potential for development and multiyear planning for City parks, this discussion will remain on hold for a few months.*

6) \$1,000 to Historical Society

*Last month, a request was made by the Mayor to determine how to fund the donation to the 2017 memorial concert for the 1997 flood. It was determined to use the transfer to other agency line item at the bottom of the General Fund.*

7) MMUA Contract Renewal for 2017

*A discussion occurred regarding whether or not to continue contracting out safety needs at \$14,000 per year with MMUA. The Administrator was directed to find an alternative solution in order to meet City requirements yet not cost as much. Research will begin immediately.*

8) New Armor System Radio requirement for APD

*Norman County Sheriff and the State of MN is switching to a new radio system. In order for APD to be able to communicate with other law enforcement agencies, it must purchase new radio equipment. Total cost for two base systems and four portables is approximately \$13,000.*

**Motion by Member Rosenberger, second by Member Miller to approve the \$13,000 purchase. Members voting for: Robertson, Triplett, Hansen, Pinsonneault, Rosenberger, Miller and Hintz. Against: None. Absent: None. Motion passed.**

**Old Business**

A. No old business was discussed

**XII. New Business**

A. Kaleidoscope guests

*Member Robertson*

B. Resolution 09-01 RESOLUTION SETTING PROPOSED 2017 TAX LEVY

**Motion by Member Triplett, second by Member Miller to approve proposed levy. Members voting for: Robertson, Triplett, Hansen, Pinsonneault, Rosenberger, Miller and Hintz. Against: None. Absent: None. Motion passed.**

**C. Resolution 09-02 RESOLUTION CERTIFYING GRANT AND LOAN REQUESTS FOR ADA ECONOMIC DEVELOPMENT ACTIVITIES**

**Motion by Member Robertson, second by Member Hintz to approve the storefront grants. Members voting for: Robertson, Triplett, Hansen, Pinsonneault, Rosenberger, Miller and Hintz. Against: None. Absent: None. Motion passed.**

**D. Resolution 09-03 RESOLUTION AUTHORIZING TAX ABATEMENT FOR R&J BROADCASTING**

**Motion by Member Triplett, second by Member Pinsonneault to approve the abatement. Members voting for: Robertson, Triplett, Hansen, Pinsonneault, Rosenberger, Miller and Hintz. Against: None. Absent: None. Motion passed.**

**E. Second Reading- Ordinance 469, AN ORDINANCE AMENDING CITY CODE CHAPTER 50 ENTITLED OFFENSES AND MISCELLANEOUS PROVISIONS BY ADDING SECTION 50-5 ENTITLED PREDATORY OFFENDER RESIDENCY RESTRICTIONS IN SAFETY ZONES**

**Motion by Member Triplett, second by Member Rosenberger to approve the ordinance. Members voting for: Robertson, Triplett, Hansen, Pinsonneault, Rosenberger, Miller and Hintz. Against: None. Absent: None. Motion passed.**

### **XIII. Adjournment**

**Motion by Member Miller, second by Member Robertson to adjourn at 7:48. Members voting for: Robertson, Rosenberger, Triplett, Hansen, Hintz, Pinsonneault. Against: None. Motion passed.**

Dekko Committee Meeting

Date: 9/14/2016

Time: 5:00pm

Location: Dekko Community Room

Present: Ashley Larson, Diane Kaste, Donna Hanson, Neil Miller, Kim Johnson

Agenda:

**Old Business:**

1. Dekko Center Roof

Herzog Roofing will be replacing the roof in October. Waiting to hear back from the Dekko Foundation if we received the Repair and Building grant Ashley Larson applied for in August. David Heggstuen will be doing the tuck pointing around the building at the same time.

**New Business**

1. Dekko Community Center Fall Fundraiser

**Date, Time, Place:** November 2, 2016, 5:30, Norman County Coliseum in Ada.

Quality Catering will be providing the meal, serving chicken cordon bleu, wild rice, roasted vegetables, dinner roll, and salad. Roughly \$800-\$900 will go towards food. Ada Liquor store will be bartending at the event.

The fundraiser and raffle will be lead through the AAPC. Neil Miller will obtain two guns for our raffle, Ashley Larson will be in charge of finding sponsors, ordering tickets, promoting event, and gathering supplies. The committee will sell tickets for the gun raffle and fundraiser. The committee will have an extra meeting in October to prepare for fundraiser in November.

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**Meeting Adjournment:** 6:00pm

## Beautification Committee Meeting

Date: 9/14/2016

Time: 6:00pm

Location: Dekko Community Room

Present: Ashley Larson, James Hanson, Jim Ellefson, Pat Pfund, Honey Olson, Janis Lee, Jim Austinson, Earl Visser

Agenda:

### **Old Business:**

1. Update on City signs:

The city signed arrived on Tuesday, September 13, 2016. They are being stored at Public Works at this time.

2. Reforestation project, training, and volunteers

2016 planting date for the trees along the railway bed has been set for October 8, 2016. Tree Trust and the Conservation Corp. will be in Ada the week before to mark where each tree will be planted and to dig the holes. Visser Trenching will excavate in areas that need preparation work.

3. Cemetery

Fergus Falls Monument has not been back to fix the gravestones and will not be able to return in 2016. Ashley Larson will look in to hiring the work out to another business.

### **New Business**

1. Dekko Park

We have received the first draft of Dekko Park from NDSU Landscape Architect Matthew Kirkwood, along with proposed costs. The committee will take home the draft and look over and be prepared to show suggestions and comments at the October meeting where we will set a 3 year plan for Dekko Park.

2. West Side Park

Public Works removed old playground equipment from West Side Park. The committee decided on a \$40,000 plan for West Side Park which includes, a playground structure, swing set, and freestanding equipment. Ashley Larson will work with Play and Park Structures to develop a 3D plan of the park. The committee will decided in the October meeting when to implement the plan into the park.

**Meeting Adjournment:** 7:15pm

## MINUTES OF THE PUBLIC WORKS BOARD MEETING

September 26, 2016

**Members present:** John Rosenberger, Vernon Habeck, Kim Lewis, Bob Ramstad

Also present: Brian Rasmusson

**Members Absent:** Paul Bergman, Neil Miller

### Call meeting to order. 5:37 pm

Chairman Rosenberger called the meeting to order.

**Approve minutes:** July 25, 2016 regular meeting, **Motion** Habeck, and **2<sup>nd</sup>** Lewis. All in favor, motion passed.

**Items added to agenda:** Water issue at 115 West Main St., Update on Randy Tufton Storm sewer project (2<sup>nd</sup> St. West & 2<sup>nd</sup> Ave. West)

**Approve agenda:** Motion: Lewis and 2<sup>nd</sup> Ramstad. All in favor, motion passed.

### Old business:

**Water:** None

**Sewer:** Storm Sewer project on 2<sup>nd</sup> St. West & 2<sup>nd</sup> Ave. West (Randy Tufton).

Brian informed the board that Visser Trenching had finished the project and didn't find any obstructions in the old pipes or manholes, they installed new open back grates on top of new manholes and larger diameter pipes to increase water flow into the storm sewer. We also installed a catch basin on Randy's corner to try and intercept some of the water that drains from the North before it gets to the catch basin near Randy's driveway. **No action was taken**  
**Information only.**

**Electric: CITY SERVICE FEES:** This item was tabled as Brian is still working on this project. Miscellaneous Licenses & Fees that the City charges, was discussed. Brian and the PWB think that many of the fees that the City charges are needed to be raised; it has been many years since some of these fees have been looked at. Brian will talk to other Cities to see if they have a fee chart that we could get an idea of what they are charging. Brian will bring back information to the next PWB meeting. **No action was taken.**

**Street: Curb and gutter repair:** There was discussion on this project to what to do next as Brian and James were instructed by Council to go and witness a live demonstration in Wahpeton, after making the trip the contractor's crew ran into some issues in Fergus Falls and didn't make it before we had to return to Ada. James and Brian decided to ask the contractor to come to Ada to give a demonstration before we would proceed with the project. **No action was taken information only.**

**Repair estimate for repairing asphalt roads:** Brian received 2 quotes for repairing some areas in the streets that had been dug up to repair or install underground utilities, and areas that have sunk due to past water and sewer replacement projects. Discussion on this matter was that we need to start repairing some of these problem areas and continue to do more each year. After much discussion the board decided to bring this issue to council. **Motion to accept the quote from REIT Rock Paving out of Crookston MN. In the amount of \$20,250.00. Motion Ramstad 2<sup>nd</sup> by Habeck. All in favor, motion passed.**

**Other:** None

### **New business:**

**Water: Water issue at 115 West Main St.:** Kim Lewis asked about a possible water leak under his neighbor's house because the sump pump runs more than it has in the past, Brian told Kim if it was a water leak they would be seeing clay or sand deposits in the sump pump hole. We talked about if the resident wanted us to shut the water off at the curb stop we would do that but it would have to be for several days to see if the water flow stopped or slowed down after the water had been shut off. Kim was going to talk to his neighbor to see what they wanted to do. **No action was taken information only.**

**Sewer:** None

**Electric:** We discussed the electrical issue at the Rage addition and how it was proceeding and also talked about street lighting for the addition. Brian informed the board that the City electrical engineer (MBI) had been given the plan for Rage addition and was going to engineer the layout of the electrical and get us an estimated cost for installation. We also discussed that there was no street lighting planned for the addition but Brian had the engineer include it in the estimate as a separate item so the Council could decide if they wanted to install street lighting or omit it. **No action was taken information only.**

**Street: Request for parking signs:** Brian said that one of his employees had a request for 15 minute parking signs at the Watershed Building, the question was asked about what was the justification for the request, and Brian said that he didn't know because nobody had approached him about it. The board felt that if the Watershed wanted signs that they should talk to Brian or James and discuss why they needed the signs. **No action was taken information only.**

**Next meeting:** October 24, 2016 @ Ada Public Works Department building 5:30 pm

**Adjourn meeting:** Motion - Lewis, 2<sup>nd</sup> by Ramstad. All in favor, motion passed 6:38 pm.



1808 East Fir Avenue  
Fergus Falls, MN 56537

P: 218.998.4041  
F: 218.998.4042



September 29, 2016

Honorable Mayor and City Council  
James Leiman – City Administrator  
City of Ada  
PO Box 32  
Ada, MN 56510

RE: Ada Housing Development  
Rage Addition  
MEI No.: 19201.000  
*Disbursement Request No. 1*

Dear Honorable Mayor and Members of the Council,

Enclosed with this letter are Contractor's Application for Payment No. 1 in the amount of \$147,080.90 and Invoice No. 13883 in the amount of \$35,676.03 for City Council Consideration for approval.

The Contractor is currently working at the site and all of the underground utilities (sanitary sewer, water main, storm sewer) have been installed and tested. The current operations being conducted are the shaping of the roadway subgrade and section in addition to establishing drainage and final grades.

The existing site soils encountered in a large portion of the project are saturated and the Contractor has been working all week to dry out the soils with the intent to consolidate and obtain specified density. Due to the time of the year and the nature of the existing soils it has been decided to increase the section of the class 5 aggregate for the roadway in-lieu of clay borrow material for increased strength of the roadway section and to bridge the existing soils.

Furthermore, it is recommended to the City Council that the concrete curb and gutter and bituminous non-wearing course not be applied this construction season and allow the roadway to go through a freeze-thaw prior to installation. The Contractor is in agreement with this recommendation and will not increase bid prices for the outstanding work.

The project alterations and cost increases will be maintained within the construction budget and leaving off the bituminous section and curb and gutter until next construction season should not prevent home construction.

Please feel free to contact me with any questions or comments at 218.998.4041.

Sincerely,

Tyson J. Hajicek, PE  
Senior Project Manager

Attachments – Contractor's Application No. 1,  
Moore Invoice No. 13883



# Progress Estimate - Unit Price Work

# Contractor's Application No. 1

For (Contract): ADA HOUSING DEVELOPMENT RAGE ADDITION		Project Number: 19201							
Application Period: 9/1/2016 9/23/2016		Application Date: 9/23/2016							
A									
Bid Item No.	Item Description	Unit	Bid Unit Price	Estimated Quantity Installed This Period	Total Estimated Quantity Installed	Value of Work Installed to Date	Materials Presently Stored (not in C)	E	F
<b>Sanitary Sewer Items</b>									
1	Sanitary Sewer - 8" PVC SDR 35	LF	\$33.00	501	501	\$16,533.00			\$16,533.00
2	Sanitary Sewer Manhole	Each	\$4,725.00	2	2	\$9,450.00			\$9,450.00
3	Sanitary Sewer Service Connection - 8"x4" PVC SDR 26 Wye	Each	\$1,285.00	10	10	\$12,850.00			\$12,850.00
4	Sanitary Sewer Service - 4" PVC SDR 26	LF	\$2.00	715	715	\$1,430.00			\$1,430.00
5	Cleaning & Televising - Sanitary Sewer Main	LF	\$2.00						
<b>Water Main Items</b>									
6	Tapping Sleeve & Valve - 8" x 6"	Each	\$4,000.00	1	1	\$4,000.00			\$4,000.00
7	Water Main - 6" PVC C900	LF	\$22.00	403	403	\$8,866.00			\$8,866.00
8	Specials	Lbs	\$6.00	42	42	\$252.00			\$252.00
9	Gate Valve & Box - 6"	Each	\$1,250.00	1	1	\$1,250.00			\$1,250.00
10	Hydrant - 6"	Each	\$4,500.00	1	1	\$4,500.00			\$4,500.00
11	Corporation - 1"	Each	\$635.00	10	10	\$6,350.00			\$6,350.00
12	Curb Stop & Box - 1"	Each	\$800.00	10	10	\$8,000.00			\$8,000.00
13	Water Service Line - 1" Poly	LF	\$1.00	672	672	\$672.00			\$672.00
14	Boring - 6"	LF	\$80.00	33	33	\$2,640.00			\$2,640.00
<b>Storm Sewer Items</b>									
15	4" Perf. PE Pipe Drain	LF	\$4.00	852	852	\$3,408.00			\$3,408.00
16	Connect to Existing Storm Sewer	Each	\$1,000.00	1	1	\$1,000.00			\$1,000.00
17	12" RC Pipe Culvert Class III	LF	\$35.00	36	36	\$1,260.00			\$1,260.00
18	15" RC Pipe Culvert Class III	LF	\$39.00	311	311	\$12,129.00			\$12,129.00
19	Const. Drainage Structure Des 48-4020	Each	\$2,675.00	2	2	\$5,350.00			\$5,350.00
20	Storm Sewer Catch Basin - Remove	Each	\$275.00	1	1	\$275.00			\$275.00
21	Const. Drainage Structure Design Special	Each	\$2,150.00	1	1	\$2,150.00			\$2,150.00
22	15" RC Pipe Apron	Each	\$575.00	2	2	\$1,150.00			\$1,150.00
<b>Roadway Items</b>									
23	Common Borrow (CV)	CY	\$17.00	200	200	\$3,400.00			\$3,400.00
24	Soil Stabilizations Geogrid (F)	SY	\$3.00	2,219	2,219	\$6,657.00			\$6,657.00
25	Aggregate Base (CV)-Class 5	CY	\$26.00	1,000	1,000	\$26,000.00			\$26,000.00
26	Concrete Curb Design Special	LF	\$20.00						
27	Sawing Bituminous Pavement (FULL DEPTH)	LF	\$2.25						
28	Type SP 12.5 Non-Wearing Course Mix (3,C)	TON	\$88.00						
29	Type SP 12.5 Wearing Course Mix (3,C)	TON	\$88.00						
30	Sign Anchor	LF	\$15.00						
31	Sign Post	LF	\$14.00						
32	Signing - Standard	SF	\$33.00						
33	Signing - 9"	LF	\$25.00						





**moore**  
engineering, inc.

925 10th Avenue East · West Fargo, ND 58078  
T: 701.282.4692 F: 701.282.4530  
mooreengineeringinc.com

City of Ada, MN  
James Leiman  
PO Box 32  
Ada, MN 56510-0032

Invoice number 13883  
Date 09/28/2016

Project **19201 Ada Housing Development**

Professional Services

Ada Housing Developments

Phase 300 Misc Expense = \$529.00 - (MN Dept of Health Permit Fee - \$172.50 / MPCA Permit Fee - \$356.50)

Description	Contract Amount	Percent Complete	Total Billed	Prior Billed	Current Billed
<b>100 Preliminary Engineering</b>	10,000.00	100.00	10,000.00	0.00	10,000.00
<b>300 Design, Construction Admin, Staking, RPR Services</b>	29,000.00	75.00	21,750.00	0.00	21,750.00
<b>930 Platting</b>	3,000.00	100.00	3,000.00	0.00	3,000.00
<b>Total</b>	<b>42,000.00</b>	<b>82.74</b>	<b>34,750.00</b>	<b>0.00</b>	<b>34,750.00</b>

**300 Design, Construction Admin, Staking, RPR Services**

Expense

	Units	Rate	Billed Amount
Miscellaneous Expenses			529.00
<b>930 Platting</b>			
Consultant			
Contracted Service			
JR Nelson & Company, Inc			397.03
<b>Invoice total</b>			<b>35,676.03</b>

**Invoice Summary**

Description	Contract Amount	Percent Complete	Total Billed	Prior Billed	Current Billed
100 Preliminary Engineering	10,000.00	100.00	10,000.00	0.00	10,000.00
300 Design, Construction Admin, Staking, RPR Services	29,000.00	76.82	22,279.00	0.00	22,279.00
930 Platting	3,000.00	113.23	3,397.03	0.00	3,397.03
Total	42,000.00	84.94	35,676.03	0.00	35,676.03

*DUE UPON RECEIPT*

*PLEASE REMIT PAYMENT - ATTENTION ACCOUNTING*



1808 East Fir Avenue  
Fergus Falls, MN 56537

P: 218.998.4041  
F: 218.998.4042



September 29, 2016

Honorable Mayor and City Council  
James Leiman – City Administrator  
City of Ada  
PO Box 32  
Ada, MN 56510

RE: Ada Flood Improvements  
CR 142 to Hwy 200 – South Levee  
MEI No.: 12250.000  
*Disbursement Request*

Dear Honorable Mayor and Members of the Council,

Enclosed with this letter for City Council Consideration are Contractor's Application for Payment No. 7 in the amount of \$114,511.68, Change Order No. 1 in the amount of \$21,368.64 and Invoice(s) No. 13866 and 13867 in the amounts of \$1,030.00 and \$39,887.12, respectively.

Also enclosed is correspondence to the Contractor dated September 21, 2016 detailing levee deficiencies reviewed at the site as detailed. Currently, the Contractor is working to correct the deficiencies identified and a revised schedule received from the Contractor targeted completion to September 30, 2016. Additional rain over the past weekend and difficulty in finding a suitable clay borrow source set the Contractor's completion back slightly and we anticipate that the work will be completed no later than October 7, 2016 to achieve substantial completion. There will be punch list work to be completed within the winter, but this work will not preclude the ability to move forward with respect to the LOMA.

The application for payment includes quantities of work to date completed and also includes liquidated damages that have accrued since the September 15, 2016 completion date in the amount of \$4,500.00. The Change order details modifications required to the control structure within the MnDOT right-of-way and is detailed further within the change order documentation.

Finally, attached is the disbursement request detailing the amounts within this disbursement request for consideration and approval.

Please feel free to contact me with any questions or comments at 218.998.4041.

Sincerely,



Tyson J. Hajicek, PE  
Senior Project Manager

Attachments – Contractor's Application No. 7  
Change Order No. 1  
Invoice No. 13866 & 13867

Reiner Letter – 09.21.2016  
HMGF Disbursement No. 36

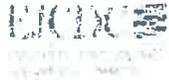


**Progress Estimate - Unit Price Work**

**Contractor's Application No. 7**

For (Contract):		Ada Flood Improvements; County Rd 142 to Hwy 200 - South Levee		Project Number:		12250-South Levee					
Application		8/27/2016		Application Date:		10/3/2016					
Period:		9/24/2016									
Item				A							
Bid Item No	Description	Unit	Bid Unit Price	Estimated Quantity Installed This Period	Total Estimated Quantity Installed	Value of Work Installed to Date	Materials Presently Stored (not in C)	Total Completed and Stored to Date (D + E)			
				C		D		E		F	
1	2021.501 Mobilization	LS	\$58,557.49	1.0		\$58,557.49		\$58,557.49			
2	2101.501 Clearing	AC	\$12,941.50	3.2		\$41,153.97		\$41,153.97			
3	2101.502 Clearing	TRE	\$275.00	172.0		\$47,300.00		\$47,300.00			
4	2101.506 Grubbing	AC	\$7,452.50	3.2		\$23,698.95		\$23,698.95			
5	2101.507 Grubbing	TRE	\$33.00	175.0		\$5,775.00		\$5,775.00			
6	2104.501 Remove Existing Control Structure	EA	\$1,058.47	7.0		\$7,409.29		\$7,409.29			
7	2104.501 Remove Culvert (All Sizes)	LF	\$9.41	600.0		\$5,646.00		\$5,646.00			
8	2104.503 Remove Bituminous Pavement (Bike Trail)	SY	\$6.07	197		\$2,391.58		\$2,391.58			
9	2104.503 Remove Bituminous Pavement (CR 142)	SY	\$6.07	111.1		\$674.38		\$674.38			
10	2105.501 Common Excavation (EV) (P) (Kcwy)	CY	\$3.34	36.873.0		\$130,161.69		\$130,161.69			
11	2105.501 Common Excavation (EV) (P) (Kcwy)	CY	\$7.13	14.367.0		\$47,985.78		\$47,985.78			
12	2105.523 Common Borrow (CV) (P)	CY	\$2.29	43.629.0		\$311,074.77		\$311,074.77			
13	2105.535 Salvaged Topsoil (EV)	CY	\$2.29	18.242.0		\$41,774.18		\$41,774.18			
14	2118.501 Aggregate Surfacing Class 5	TON	\$35.90	113.0		\$4,056.70		\$4,056.70			
15	2260.501 Type SP 12.5 Bituminous Wearing Course (3 B)	TON	\$170.50	12.2		\$2,080.10		\$2,080.10			
16	2260.502 Type SP 12.5 Bituminous Non Wearing Course (3 B)	TON	\$170.50	24.4		\$4,160.20		\$4,160.20			
17	2411.601 Flood Control Structure (96')	EA	\$12,942.51	3.0		\$38,827.53		\$38,827.53			
18	2501.515 12" RC Pipe Apron	EA	\$544.04	8.0		\$4,352.32		\$4,352.32			
19	2501.515 18" RC Pipe Apron	EA	\$608.70	2.0		\$1,217.40		\$1,217.40			
20	2501.519 Flap Gate for 12" RC Pipe	EA	\$1,588.96	2.0		\$3,117.92		\$3,117.92			
21	2503.541 12" RC Pipe Sewer Design 3006 Class III	LF	\$33.10	1,233.0		\$40,812.30		\$40,812.30			
22	2503.541 18" RC Pipe Sewer Design 3006 Class III	LF	\$40.58	889.0		\$36,075.62		\$36,075.62			
23	2503.541 24" RC Pipe Sewer Design 3006 Class III	LF	\$50.71	122.0		\$6,186.62		\$6,186.62			
24	2506.501 Construct Drainage Structure - Design N	EA	\$1,802.55	1.0		\$1,802.55		\$1,802.55			
25	2506.501 Construct Drainage Structure - DEB 48-4020	EA	\$2,331.44	1.0		\$2,977.28		\$2,977.28			
26	2506.501 Construct Drainage Structure - DEB 72-4020	EA	\$2,945.64	1.0		\$2,945.64		\$2,945.64			
27	2506.501 Construct Drainage Structure - DEB 92-4020	EA	\$6,956.54	1.0		\$6,956.54		\$6,956.54			
28	2511.501 Random Riprap Special	SY	\$45.62	1,100.0		\$50,182.00		\$50,182.00			
29	2521.603 Bituminous Bike Trail	SY	\$60.50	189.0		\$11,434.50		\$11,434.50			
30	2550.602 Relocate Sign (Try of Ada Sign)	EA	\$1,052.03	1		\$2,104.06		\$2,104.06			
31	2573.502 Silt Fence, Type MS	LF	\$1.49	2,700.0		\$4,023.00		\$4,023.00			
32	2573.535 Stabilized Construction Ext	EA	\$1,422.00	5.0		\$7,110.00		\$7,110.00			
33	2573.540 Filter Log, Type Straw Biolog (C*)	LF	\$5.50								
34	2575.605 Turf Establishment - Type III Seed - Straw Mulch (P)	AC	\$1,006.50	63.0		\$17,513.37		\$17,513.37			
35	12" Reinforced Concrete Plug	SY	\$277.99								
36	Modify Existing Structure MH M10 - Sta 40+96	EA	\$8,473.32	0.45		\$50,166.04		\$50,166.04			
37	Modify Existing Control Structure #1 - Lift Station #1 (3,000 GPM)	EA	\$52,806.36	0.05		\$85,297.37		\$85,297.37			
38	Lift Station #2 (1,800 GPM)	EA	\$89,786.71	0.05		\$88,809.52		\$88,809.52			
39	Lift Station #3 (1,800 GPM)	EA	\$93,483.71	0.05		\$88,809.52		\$88,809.52			
<b>TOTALS</b>						<b>\$1,220,811.67</b>		<b>\$1,220,811.67</b>			

CHANGE ORDERS:



Change Order N 1

Date of Issuance: 10/3/2016 Effective Date: 10/3/2016  
 Owner: City of Ada, MN Owner's Contract No.: \_\_\_\_\_  
 Contractor: Reiner Contracting, Inc. Contractor's Project N \_\_\_\_\_  
 Engineer: Moore Engineering, Inc. Engineer's Project No. 12250  
 Project: City of Ada Flood Protection - CR 142 to Hwy 200 - South Levee Contract Name: Ada Flood Improvements

The contract is modified as follows upon execution of this Change Order:  
 Description: Add to the project the quantities on Exhibit A.

Attachments: Exhibit A

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIMES <i>[note changes in Milestones if applicable]</i>
Original Contract Price  \$ <u>1,276,754.88</u>	Original Contract Time Substantial Completio _____ Ready for Final Payme _____ days or dates
[Increase] [Decrease] from previously approved Change Orders No. ____ to No. ____:  \$ <u>0</u>	[Increase] [Decrease] from previously approved Change Orders No. ____ to No. ____: Substantial Completio _____ Ready for Final Payme _____ days
Contract Price prior to this Change Order:  \$ <u>1,276,754.88</u>	Contract Times prior to this Change Order: Substantial Completio _____ Ready for Final Payme _____ days or dates
Increase of this Change Order:  \$ <u>\$21,368.64</u>	[Increase] [Decrease] of this Change Order: Substantial Completio _____ Ready for Final Payme _____ days or dates
Contract Price incorporating this Change Order:  \$ <u>\$1,298,123.52</u>	Contract Times with all approved Change Orders: Substantial Completio _____ Ready for Final Payme _____ days or dates

RECOMMENDED: By: <u>Don Hanson</u> Engineer (if required)	ACCEPTED: By: _____ Owner (Authorized Signature)	ACCEPTED: By: <u>[Signature]</u> Contractor (Authorized Signature)
Title: <u>Project Manager</u>	Title: _____	Title: <u>Vice President</u>
Date: <u>9/28/16</u>	Date: _____	Date: <u>9/27/2016</u>

Approved by Funding Agency (if applicable)  
 By: \_\_\_\_\_ Date: \_\_\_\_\_  
 Title: \_\_\_\_\_

**EXHIBIT A  
 CHANGE ORDER NO. 1**

<b>DESCRIPTION OF CHANGES</b>				<i>Decrease in</i>	<i>Increase in</i>
<b><u>Item No. &amp; Description</u></b>	<b><u>Unit</u></b>	<b><u>Quantity</u></b>	<b><u>Bid Unit Price</u></b>	<b><u>Contract Price</u></b>	<b><u>Contract Price</u></b>
40. Remove Existing MNDOT Control Structure	EA	1	\$1,058.47		\$1,058.47
41. Flood Control Structure (96")	EA	1	\$15,302.01		\$15,302.01
42. Remove Culvert (All Sizes)	LF	124	\$9.41		\$1,166.84
43. 36" RC Pipe Sewer Design 3006 Class III	LF	68	\$56.49		\$3,841.32
44. Modify Existing Structure MH M10 - Sta.	EA	1	-\$8,473.32	-\$8,473.32	
<b>TOTALS</b>				<b>-\$8,473.32</b>	<b>\$21,368.64</b>
<b>NET CHANGE IN CONTRACT PRICE</b>				<b>\$12,895.32</b>	

**JUSTIFICATION:**

1. The existing structure in the MNDOT right of way did not have a gate structure within it and was too small in diameter to install a wall and gate and leave enough room to access both sides of the wall. The MNDOT structure was removed and replaced with a 96" control structure similar to the others installed in the project. There was some 36" RCP pipe that was removed/reinstalled and 16LF of piping needed to be replaced as it was damaged.
2. It was discovered that an existing 36" RCP pipe on the south side of the levee had been damaged and needed to be replaced. This resulted in 52LF of 36" RCP being removed and new 36" RCP being installed.



**moore**  
engineering, inc.

925 10th Avenue East · West Fargo, ND 58078  
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mooreengineeringinc.com

City of Ada, MN  
PO Box 32  
Ada, MN 56510-0032

Invoice number 13866  
Date 09/28/2016

Project **12250 Ada Section 205 Flood Protection**

Professional Services

Section 408 Report - WRWD/Army Corps  
HTRW/O&M Report(s) - Coordination with WRWD & Army Corps.  
Services From: 08/19/16 - 09/28/16

**360 Section 408 Report**

Labor

	Hours	Rate	Billed Amount
Principal	2.50	195.00	487.50
Professional Engineer I	3.50	155.00	542.50
Phase subtotal			1,030.00
		Invoice total	1,030.00

*DUE UPON RECEIPT*

*PLEASE REMIT PAYMENT - ATTENTION ACCOUNTING*



**moore**  
engineering, inc.

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mooreengineeringinc.com

City of Ada, MN  
PO Box 32  
Ada, MN 56510-0032

Invoice number 13867  
Date 09/28/2016

Project **12250 Ada Section 205 Flood Protection**

Professional Services

Flood Hazard Mitigation - Phase 400  
City of Ada Minnesota  
Services From: 08/19/16 - 09/27/16  
South Levee - Landowner mtgs, Construction;

**400 Construction Services**

Labor

	Hours	Rate	Billed Amount
Administrative Assistant	2.50	75.00	187.50
Construction Specialist II	1.00	130.00	130.00
CADD Technician III	25.50	115.00	2,932.50
Engineering Technician III	42.50	110.00	4,675.00
Engineering Technician II	3.00	100.00	300.00
Graduate Engineer	44.50	125.00	5,562.50
Land Surveyor	5.00	140.00	700.00
Principal	41.00	195.00	7,995.00
Project Manager	46.50	170.00	7,905.00
Survey Crew Chief II	31.50	120.00	3,780.00
Survey Technician II	44.50	80.00	3,560.00

Expense

	Units	Rate	Billed Amount
Meals			86.12
Mileage	3,190.00	0.65	2,073.50
Phase subtotal			39,887.12

Invoice total **39,887.12**

*DUE UPON RECEIPT*

*PLEASE REMIT PAYMENT - ATTENTION ACCOUNTING*



1808 East Fir Avenue  
Fergus Falls, MN 56537

P: 218.998.4041  
F: 218.998.4042



September 21, 2016

Craig Reiner  
Reiner Contracting  
21541 Hwy 7 West  
Hutchinson, MN 55350

Re: Ada Flood Improvements  
County Road 142 to Highway 200 – South Levee  
MEI Project No. 12250

Craig,

On Monday, September 19, 2016 we received a call from your seeding subcontractor indicating that they would be mobilizing to the site on Wednesday (yesterday) to seed the levee. We mobilized survey to check elevations of the levee and discovered that the levee east of MN TH 9 was consistently lower than the required design levee surface. Survey was only able to topo the levee east of MN TH 9 yesterday and is on site again today to complete the topo survey to the west.

The following is a summary of our discussion with Brad on what needs to take place to complete the project. This discussion was not comprehensive and was not intended to detail all facets of construction.

1. Bring the levee to the design elevations, both clay and finished surface.
  - a. There is a large area east of MN TH 9 where the top of the levee did not appear to have topsoil on it as it was a hard clay surface. Brad indicated that it was topsoil. Braun Intertec will be on site this afternoon to inspect the levee and indicate if it is clay or topsoil and will mark the areas with lath to indicate their determination.
    - i. In areas where it is found by Braun to be a clay top, complete the clay grading process and install topsoil to finished grade.
    - ii. In areas where it is found by Braun to be topsoil, but is low, this topsoil will need to be stripped, clay fill added and topsoil re-spread to finished grade.
    - iii. Brad indicated that he spoiled a lot of the excess topsoil on the south side of the levee and would be able to hopefully have enough to push up. We dug a hole and verified in one spot that there was almost one foot of topsoil where Brad stated we would find it.
2. The gravel paths that are crossing the levee were flush with the finished surface that your crew had established. They need to be constructed on top of the clay grade so the top should be elevated above the levee surface, not flush.

3. Ensure that there is the required topsoil on the entire levee.
  - a. The north side of the levee east of MN TH 9 has many areas where it is still clay and needs topsoil spread. Braun will determine what is topsoil and what is not topsoil.
  
4. Interior drainage:
  - a. There are many places where rainfall has washed fines down to the bottom of the slopes. All of the interior slopes should be graded towards inlets or culvert aprons so there is no standing water after a rain event.
  - b. Material that abuts yards needs to blend in with the yard grades.
  - c. Large clumps of topsoil (noticed more west of MN TH 9) should be broken up and slopes should be smooth.
  
5. Lift Station #1
  - a. The pipe support that was installed underneath the pump is not approved unless we receive correspondence from the manufacturer stating it is approved.
  - b. Based on our previous discussions, you indicated that the existing sluice gate is leaking and will not allow for the water to be vacated from the structure. If the sluice gate is found to be faulty, please submit a work change proposal to correct the gate.

The substantial completion date for the project is September 15, 2016 according to the Agreement in the contract. Unless the City Council approves a time extension, liquidated damages will continue to accrue in the amount of \$500 for each day that expires beyond the September 15<sup>th</sup>, 2016.

Your request for a time extension as submitted is denied based on a lack of detail warranting additional time beyond the period with the contract.

As stated at the beginning of this project, the completion of the project is a prerequisite to certification of the levee and each day the project is not complete prevents the removal of properties from the floodplain.

Please submit a revised schedule detailing work remaining and dates that work will be completed.

Sincerely,



Dan Hanson, P.E.  
Project Manager



<u>Account Type</u>	<u>Current Amount</u>
Senior Citizens and 1/month business	\$8.15
Residential Rate and 2/month business	\$12.69
1/week business	\$21.44
1/week home business	\$21.65
2/week business (smaller volume)	\$27.00
2/week business (larger volume)	\$42.88
3/week business	\$65.45
4/week business	\$90.29
5/week business (restaurant)	\$113.99
Apartment Building 20 unit*	\$65.45
Apartment Building 40 unit	\$146.88

\*New category

<u>Proposed Amount</u>	<u>Difference</u>
\$10.35	\$2.20
\$16.12	\$3.43
\$27.23	\$5.79
\$27.50	\$5.85
\$34.29	\$7.29
\$54.46	\$11.58
\$83.12	\$17.67
\$114.67	\$24.38
\$144.76	\$30.77
\$186.54	\$121.09
\$275.00	\$128.12

# UTILITY RATES

	Ordinance 431 Jan-06	Ordinance 442 Mar-08	Ordinance 445 Mar-09	Ordinance 447 Jan-10	Ordinance 448 Feb-10	Ordinance 450 Nov-12	Ordinance 454 May-14	Ordinance TBD TBD
<b>Residential</b>								
per KWH	4.95 cents	5.35 cents	5.78 cents	6.25 cents	6.24 cents	6.24 cents	6.99 cents	6.99 cents
Monthly Service Charge	8.00	10.00	11.00	11.00	11.00	11.00	11.00	11.00
<b>Commercial</b>								
1st 4,000 kwh	5.50 cents	5.94 cents	6.42 cents	6.93 cents	6.93 cents	6.93 cents	7.68 cents	7.68 cents
over 4,000	5.10 cents	5.50 cents						
Monthly Service Charge	9.00	11.00	12.00	12.00	12.00	12.00	12.00	12.00
<b>Water Heating</b>								
per KWH	5.50 cents	5.94 cents	6.42 cents	6.93 cents	6.93 cents	6.93 cents	7.68 cents	7.68 cents
Monthly Service Charge	8.00	10.00	11.00	11.00	11.00	11.00	11.00	11.00
<b>Industrial</b>								
1st 5,000 kwh	4.40 cents	4.75 cents	5.13 cents	5.54 cents	5.54 cents	5.54 cents	6.629 cents	6.629 cents
over 5,000	3.90 cents	4.20 cents						
Monthly Service Charge	14.00	16.00	17.00	17.00	17.00	17.00	17.00	17.00
<b>Demand</b>								
per KW	7.00	7.25	7.25	7.25	7.25	7.25	7.25	7.25
<b>Off Peak</b>								
per KWH	3.10 cents	3.35 cents	3.48 cents	3.48 cents	3.48 cents	3.48 cents	5.01 cents	5.01 cents
Monthly Service Charge	8.00	10.00	11.00	11.00	11.00	11.00	11.00	11.00
<b>Water</b>								
per 100 CuF	3.00/100 CuF	3.30/100 CuF	3.30/100 CuF	3.30/100 CuF	3.80/100 CuF	4.11/100 CuF	4.11/100 CuF	4.63/100 CuF
Monthly Service Charge	11.50	13.50	13.50	13.50	13.50	14.75	14.75	14.75
<b>Sewer</b>								
per 100 CuF	1.63/100 CuF	1.80/100 CuF	1.80/100 CuF	1.80/100 CuF	2.30/100 CuF	2.49/100 CuF	2.49/100 CuF	2.80/100 CuF
Monthly Service Charge	8.50	10.50	10.50	10.50	10.50	11.75	11.75	11.75

September 13, 2016

James Leiman  
Administrator/Clerk-Treasurer  
15 4th Avenue E  
Ada, MN 56510

Dear City Administrator Leiman

The Minnesota State Legislature appropriated funding for the Commissioner of Management and Budget (MMB), after consultation with the Commissioner of the Pollution Control Agency (MPCA), to contract with a non-state entity for an engineering cost analysis of current and recently adopted, proposed, or anticipated changes to water quality standards and rules, including:

- Recently adopted or proposed changes to total suspended solid, nutrient, chloride, nitrate, and sulfate standards;
- Proposed nondegradation rulemaking provisions; and
- Proposed changes to water quality standards to incorporate a tiered aquatic life use framework.

The cost analysis will include a representative sample of at least 15 communities and provide an estimate of the cost impact to average residential and commercial connections in those communities. The communities will consist of a diverse set based on geography, watersheds, community size, wastewater facility types and operators, storm water system types, and other factors to ensure the analysis is representative of the state as a whole. The cost analysis includes preparing the following estimates:

- The overall capital and operating costs to maintain and upgrade wastewater and stormwater systems for existing water quality standards;
- The overall capital and operating costs likely to be incurred to upgrade wastewater and stormwater systems for recently adopted, proposed, or anticipated changes to water quality standards; and
- The incremental effect to overall water quality in the receiving waters as a direct result of the recently adopted, proposed, or anticipated changes to water quality standards.

Your city is included on a list of 25 cities prepared by MMB and the MPCA as candidates for the cost analysis. Barr Engineering Co. will be completing the cost analysis. The final list of 15 cities for which cost analyses will be prepared has not been finalized. Participation in the study is voluntary. Your willingness to participate in the project, specifically your willingness to share information about your wastewater treatment plant and your willingness to allow Barr to conduct



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**CITY OF ADA  
JOB DESCRIPTION**

**JOB TITLE:** Accounting/Accounts Payable Clerk

**DEPARTMENT:** City Clerk

**SALARY GRADE:**

**DATE APPROVED:**

**GENERAL STATEMENT OF DUTIES:**

Under limited supervision, performs bookkeeping and clerical duties involving financial transactions. Work includes initiating and completing transactions pertaining to accounts payable, accounts receivable, utility billing and receipts. Responsible for maintaining cemetery and license application records.

**ACCOUNTABILITY:**

Reports to the Clerk/Treasurer

**RESPONSIBILITIES AND DUTIES:**

Responsible for maintaining accounts payables to include preparation of bill lists, accounts payable checks, processing reports, and submission of payments to appropriate vendors.

Responsible for maintaining utility billing system to include preparation of bills, reports, bill collection, and receipt posting.

Responsible for maintaining cemetery records to include lot deeds and internment records.

Responsible for processing of license applications and issuance upon proper approvals.

Assists in processing invoices, vouchers and receipts by coding and data entry according to prescribed accounting procedures.

Assists in preparation of monthly financial reports.

Processes daily receipts and deposits.

Assists the public in bill payments/collections and inquiries in person, writing, or by telephone.

Operates a variety of office machines including computer, typewriter, calculator, and copier.

Performs other duties and responsibilities as may be delegated by the Clerk/Treasurer.

**QUALIFICATIONS:**

**Education and Experience:**

Completion of a two year vocational level accounting course is preferred with two years of municipal fiscal record keeping experience. Experience may be substituted for education.

**Knowledge, Skills, and Abilities:**

Knowledge of the principles and practices of bookkeeping and governmental accounting.

Knowledge of office procedures and equipment to include computer literacy.

Skill in establishing and maintaining records, reports, and files.

Ability to work with limited supervision.

Ability to establish and maintain effective working relationships with others and the public.

**CITY OF ADA**  
**JOB DESCRIPTION**

**JOB TITLE:** Assistant City Administrator  
**DEPARTMENT:** City Clerk  
**SALARY GRADE:** 19 (\$42,012-\$54,804)  
**DATE APPROVED:** TBD

**GENERAL STATEMENT OF DUTIES:**

This employee assists with the daily operation of city government activities and support services under the general supervision of the City Administrator with a primary focus on bookkeeping; serves as City Clerk Department Head (Deputy Clerk), supervises Utility Clerk and provides functional management and expertise regarding financial planning to department heads. Instructions to the employee are general and the employee must occasionally use independent judgment when completing tasks. The work requires frequent contact with the Mayor and City Council, committees, all department heads and employees and the general public.

Under limited supervision in conjunction with the City Administrator, manages bookkeeping and clerical duties involving financial transactions. Work includes initiating and completing transactions pertaining to payroll, accounts payable, accounts receivable, and receipts. Responsible for maintaining subsidiary ledgers and journals of liquor dispensary and community center.

**ACCOUNTABILITY:**

Reports to the City Administrator

**RESPONSIBILITIES AND DUTIES:**

Assists with the preparation and administration of the city budget, as well as the development of documents such as the capital budget plan, personnel policies and procedures, etc.

Assists with the overall operation of the city and monitors the performance of departments. Recommends corrective action where necessary. As assigned by the City Administrator, consults and cooperates with committees and community groups. Prepares reports, agendas, and other information for submission by the City Administrator to the governing body or other groups.

Prepares administrative directives and bulletins and conducts on request of the City Administrator analysis of administrative programs and projects confronting city operations.

Administers and coordinates federal and/or state grants applied for and received by the city; stays abreast of grant programs and opportunities for future funds.

May serve as City Administrator in the absence of the City Administrator.

Makes recommendations to the City Administrator on policies and procedures for the efficient business-like operation of city government. Performs other duties as required by the City Administrator.

Performs payroll functions to include maintenance and issuance of time cards, payroll reports, taxes and issuance of paychecks. Completes all reports related to payroll as required by law or as needed by administration.

Responsible for maintaining employee payroll records to include preparation of payroll checks, processing reports/forms, and submission of tax withholdings to appropriate jurisdictions.

Responsible for maintaining liquor dispensary and community center subsidiary ledgers and journals to include daily report processing and postings.

Assists in processing invoices, vouchers and receipts by coding and data entry according to prescribed accounting procedures.

Assists in preparation of monthly financial reports; this includes but is not limited to maintaining Accounts Payable, Utility Billing, Accounts Receivable and any requirements defined by Administration.

Supervises Utility Clerk.

Works closely with department heads on financial planning and management for annual and strategic budgeting purposes.

Processes daily receipts and deposits.

Assists the public in bill payments/collections and inquiries in person, writing, or by telephone.

Operates a variety of office machines including computer, calculator, and copier.

Performs other duties and responsibilities as may be delegated by the Clerk/Treasurer.

## **QUALIFICATIONS:**

### **Education and Experience:**

Graduation from an accredited college or university including or supplemented by accredited courses in accounting, business administration, political science, public administration, economics, or city management. Four-year degree preferred; experience may substituted for education. Special preference will be given to those with accounting experience and education.

### **Knowledge, Skills, and Abilities:**

Knowledge of the principles and practices of payroll and governmental accounting.

Knowledge of office procedures and equipment to include computer literacy.

Skill in establishing and maintaining records, reports, and files.

Ability to work with limited supervision.

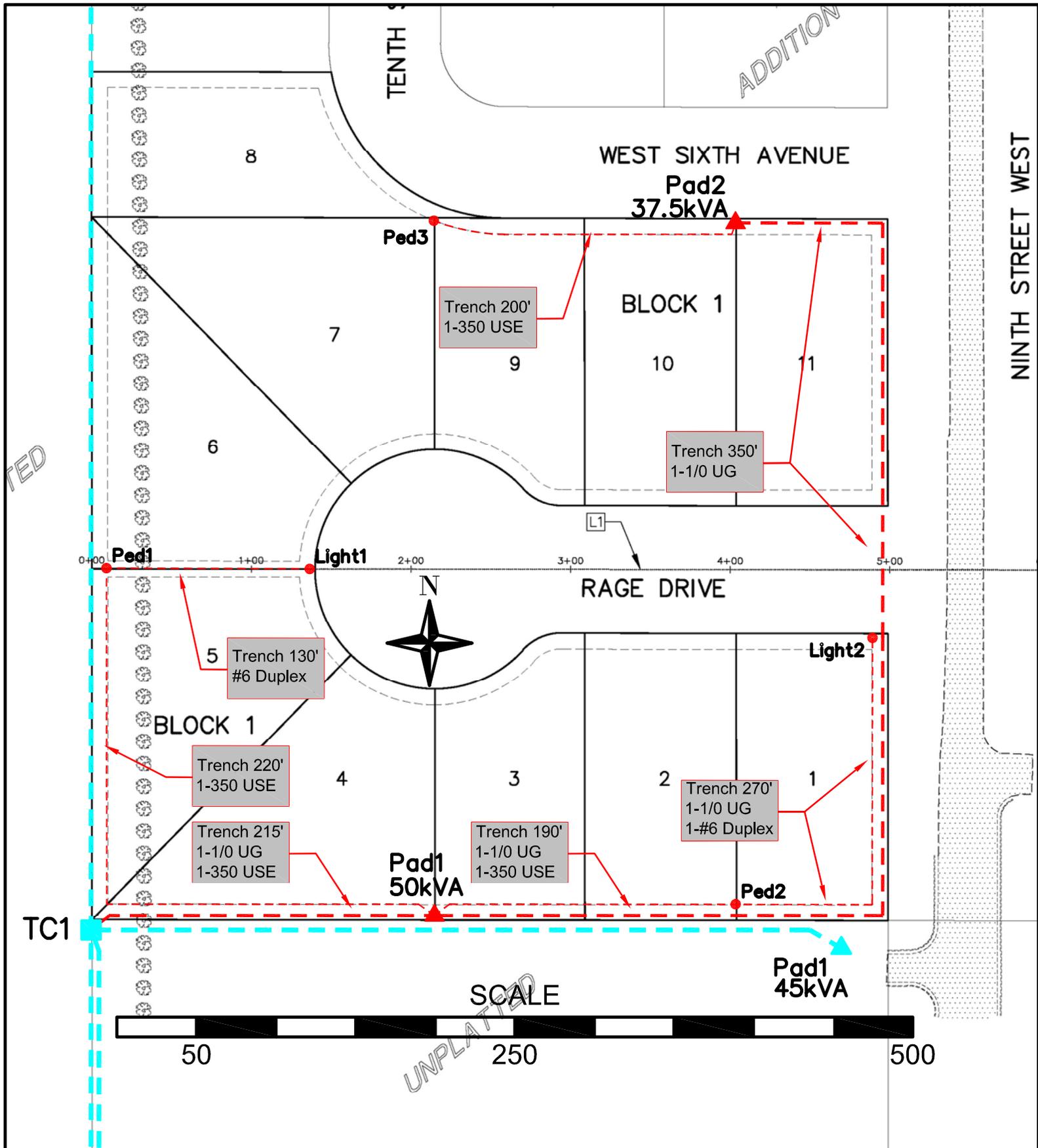
Ability to establish and maintain effective working relationships with others and the public.

PROJECT DESCRIPTION Rage Addition	DATE ESTIMATE BY	9/27/2016 LME
--------------------------------------	---------------------	------------------

Description	Quantity			Construction			Retire Labor	Project Costs	
	Span	Install	Retire	Material	Labor	M&L		Retire	Install
#6 Duplex	400	1		\$1.50					\$600
USE250				\$2.80					
USE350	825	1		\$3.20					\$2,640
URD10J	1,025	1		\$2.80					\$2,870
URD40J				\$3.00					
Plow 1ph					\$0.00				
Plow 3ph					\$0.00				
Bore - 1ø					\$0.00				
Bore - 3ø					\$0.00				
Trench	1,575				\$4.32				\$6,800
G1.7-10				\$600	\$200	\$800			
UG7		2		\$1,500	\$150	\$1,650			\$3,300
Box Pad		2		\$200	\$100	\$300			\$600
35-4						\$1,500	\$250		
UM33				\$1,300	\$3,900	\$5,200	\$1,600		
UM3-14				\$700	\$2,100	\$2,800	\$870		
UM6-1		4		\$40	\$110	\$150	\$50		\$600
UM6-10				\$30	\$80	\$110	\$40		
UM6-22				\$140	\$400	\$540	\$170		
UM6-28				\$60	\$180	\$240	\$80		
UM6-34		1		\$80	\$220	\$300	\$90		\$300
UM27-2		2		\$100	\$290	\$390	\$130		\$780
UM48-1		2		\$30	\$90	\$120	\$40		\$240
Secondary Pedestal		3		\$150		\$150			\$450
600A to 200A bushing well insert		3		\$350		\$350			\$1,050
Decorative Street Light		2		\$650	\$150	\$800			\$1,600
Engineering Services		24			\$105				\$2,520

**Total Construction & Retirement \$24,350**

Conductor	\$6,110
Contractor Labor	\$6,800
Transformers	\$3,900
Material, Labor, & Equipment	\$7,540
<b>Customer Costs</b>	<b>\$24,350</b>



County	NORMAN	Map	34	Ada West	Work Plan Reference			Work Order		Rage Addition	
Township	McDONALDVILLE	T-R	T144N-R46W	New Construction	x	Sheet #		2	of		2
Name	Rage Addition				System Improvement						
Location	Intersection of Rage Dr & 9th St W Ada, MN				Retirement						
					Number of New Services	10	Staked By	JS & LE	Date	9/29/2016	

Location	Conductor	Span	Pole	Primary		Miscellaneous	Ground		Guy			Secondary			Misc & Remarks
				Status	Changes	Type	OH	UG	UM	UM	H1	E	Lead	F	
EX TC1	3-500MCM	UG			UM33	UM1-7NC, (3)UM6-22 (600Amp) (6)UM6-3	(6)UM6-1	UM48-2 (2-10' RODS)							
ADD						Reducer (600A bushing to 200A loadbreak insert)	(1)UM6-1								
ADD PAD1	1-1/0 EPR-J	215			UG7-50	UM1-7NC, (2)UM6-1		UM27-2-1-17M, UM48-1 (1-10' ROD)						(3)UJ2-6	
ADD Lot 4												?	4/0 USE	UM8	
ADD Lot 3												?	4/0 USE	UM8	
ADD PED1								UM6-6				435	350 USE	UK5	
ADD Lot 6												?	4/0 USE	UM8	
ADD Lot 5												?	4/0 USE	UM8	
ADD Light1						Decorative Light						130	#6 DX	M26-5	
ADD PED2								UM6-6				190	350 USE	UK5	
ADD Lot 2												?	4/0 USE	UM8	
ADD Lot 1												?	4/0 USE	UM8	
ADD Light2						Decorative Light						270	#6 DX	M26-5	
ADD PAD2	1-1/0 EPR-J	620			UG7-37.5	UM1-7NC, (1)UM6-1, (1)UM6-34		UM27-2-1-17M, UM48-1 (1-10' ROD)						(3)UJ2-4	
ADD Lot 11												?	4/0 USE	UM8	
ADD Lot 10												?	4/0 USE	UM8	
ADD PED3								UM6-6				200	350 USE	UK5	
ADD Lot 9												?	4/0 USE	UM8	
ADD Lot 7												?	4/0 USE	UM8	

Notes: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Completed By: \_\_\_\_\_ Date: \_\_\_\_\_

Existing   
 Retire   
 Install 

Installed Conductor & ID	Feet	Wires	Total Feet	Size & Kind
Primary Underground	835	1	835	1/0 EPR-J
Secondary Underground	825	1	825	350 USE
Secondary Underground	?	1		4/0 USE
Secondary Underground	400	1	400	#6 Duplex

**RESOLUTION NO. 2016-10-01**

**RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY  
OF A \$297,000 GENERAL OBLIGATION IMPROVEMENT NOTE,  
SERIES 2016A**

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

Section 1. Note Purpose, Authorization, and Award.

1.01 Authority; Purpose. Pursuant to authority contained in Minnesota Statutes, Chapters 429 and 475, the Issuer does hereby direct the issuance and sale of a General Obligation Improvement Note, Series 2016A in the aggregate principal amount of \$297,000 (the “Note”), for the purpose of financing local infrastructure improvement projects (the “Project”), for payment of part of the interest costs of the Note and for payment of part of the issuance costs of the Note. The principal of and interest on the Note shall be paid primarily from 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.

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

1.03 Award of Sale. The Issuer has received a proposal for a loan evidenced by the Note from the Bank of Zumbrota, located in Zumbrota, Minnesota (the “Purchaser”), to purchase the Note at a cash price equal to the par value thereof, upon condition that the Note matures and bears interest at the times and annual rates 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 the Clerk-Treasurer taken with regard to the sale of the Note are ratified and approved.

Section 2. Terms of the Note.

2.01. Interest Rate and Principal Maturities. The Note 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 Note shall bear interest at the annual rate of 2.50 percent and shall on the dates and in the installment amounts shown below:

<u>Date</u>	<u>Principal Amount</u>
2/1/2018	\$26,000
2/1/2019	\$27,000
2/1/2020	\$28,000
2/1/2021	\$29,000
2/1/2022	\$29,000
2/1/2023	\$30,000

2/1/2024	\$31,000
2/1/2025	\$31,000
2/1/2026	\$33,000
2/1/2027	\$33,000

2.02 Prepayment. The Note 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 prepayment before February 1, 2019 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 Note 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, 2017. 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 Note by check or draft mailed to the registered owner of the Note 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 Note 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 Note as permitted by law. In case any officer whose signature shall appear on the Note shall cease to be an officer before delivery of the Note, 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 and cause the opinion to be attached to the Note.

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

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

2.07 Note 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 Note and the registration of transfers of the Note 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 Note is registered as the owner of such Note for the purpose of receiving payment of principal of and interest on such Note and for all other purposes whatsoever, whether or not such Note 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 Note 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 Note and payment of the purchase price shall be made at a place mutually satisfactory to the Issuer and the Purchaser. A typewritten and executed Note shall be furnished by the Issuer without cost to the Purchaser. The Note, 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 Note.

3.01 The Note shall be typewritten in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF NORMAN

R-1 \$297,000

CITY OF ADA  
GENERAL OBLIGATION IMPROVEMENT NOTE,  
SERIES 2016A

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
2.50%	February 1, 2027	_____, 2016

REGISTERED OWNER: BANK OF ZUMBROTA

PRINCIPAL AMOUNT: TWO HUNDRED NINETY-SEVEN 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 semi-annually on February 1 and August 1 of each year (each referred to herein as an “Interest Payment Date”) commencing on February 1, 2017. The Note 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.

<b>Date</b>	<b>Principal Amount</b>
2/1/2018	\$26,000
2/1/2019	\$27,000
2/1/2020	\$28,000
2/1/2021	\$29,000
2/1/2022	\$29,000
2/1/2023	\$30,000
2/1/2024	\$31,000
2/1/2025	\$31,000
2/1/2026	\$33,000
2/1/2027	\$33,000

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 the Note, the presentation or surrender of the Note, 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 the Note shall be made upon presentation and surrender of the Note 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 Note as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Note comprises the entire amount of this series issued by the Issuer as one fully registered Note without coupons, in the aggregate amount of \$297,000, pursuant to the authority contained in Minnesota Statutes, Chapters 429 and 475 and all other laws thereunto enabling, and pursuant to an authorizing resolution adopted by the governing body of the Issuer on October 4, 2016 (the “Resolution”),

for the purpose of financing local infrastructure improvements projects of the Issuer. Principal of and interest on the Note is payable primarily from special assessments levied upon benefited property as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred.

The Note 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 prepayment before February 1, 2019 shall also include a premium of 0.5% of the principal amount to be prepaid.

The Issuer will, at the request of the registered owner, issue one new fully registered note in the name of the registered owner in the aggregate principal amount equal to the unpaid principal balance of this Note, of like tenor except as to number and principal amount. This Note is transferable by the registered owner hereof upon surrender of this Note for transfer at the principal corporate office of the Registrar, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Registrar and executed by the registered owner hereof or the owner's attorney duly authorized in writing. Thereupon the Issuer shall execute and the Registrar shall authenticate, if required by law or the Resolution, and deliver, in exchange for this Note, one new fully registered note in the name of the transferee, in an aggregate principal amount equal to the unpaid principal amount of this Note, of the same maturity, and bearing interest at the same rate. No service charge shall be made for any transfer or exchange hereinbefore referred to, but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

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 Note, 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 Note 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 Note to be executed in its name by the manual signature of the Mayor and attested by the manual signature of the Clerk-Treasurer as of the date of original issue set forth above.

ATTEST:

(form – no signature required)  
Clerk-Treasurer

(form – no signature required)  
Mayor

REGISTRATION CERTIFICATE

This Note must be registered as to both principal and interest in the name of the owner on the books to be kept by Clerk-Treasurer of the Issuer, as Registrar. No transfer of this Note 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 Note 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>
9/____/2016	Bank of Zumbrota 1440 Main Street P.O. Box 8 Zumbrota, MN 55992 Federal Tax I.D. No.: 41-0250300	<u>(form no signature required)</u>

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 Note and all rights thereunder and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

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NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Note 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 Note 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 2017 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 the Project financed wholly or partly from the proceeds of the Note, and for the final and valid levy of the Special Assessments and the appropriation of any other funds needed to pay the Note and interest thereon when due.

B. It is recognized that the Issuer's liability on the Note is not limited to the Special Assessments pledged herein (the "Pledged Revenues"), 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 Note, 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 Note and with its taxpayers that it will assess against benefited property not less than 20% of the cost of each Project financed wholly or partly from the proceeds of the Note.

4.02 The Fund. There is created a special fund to be designated the "2016A Improvement Program 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 the Note and interest thereon have been fully paid. There shall be maintained in the Fund two (2) separate accounts, to be designated the "Construction Fund" and "Debt Service Fund," respectively:

A. *Construction Fund.* On receipt of the purchase price of the Note, the Issuer shall credit proceeds from the sale of the Note less the excess proceeds, capitalized interest, and amounts allocated to accrued interest, if any, paid by the Purchaser upon closing and delivery of the Note (the "Accrued Interest"), to the Construction Fund. The monies in such account, along with other monies of the Issuer available therefor, shall be used to pay construction costs of the Project. Other costs for which payment from such fund is authorized shall include costs of legal, financial advisory, and other professional services, printing and publication costs, interest coming due on the Note during construction of the Project and costs of issuance of the Note.

B. *Debt Service Fund.* There are pledged and appropriated to the Debt Service Fund the Accrued Interest, the Pledged Revenues, the excess proceeds and capitalized interest and the Issuer's funds in an amount necessary to provide the coverage specified in Minnesota Statutes, Section 475.61 and any and all other monies which are properly available and are appropriated by the governing body of the Issuer to the Debt Service Fund, and interest earnings on the foregoing.

The money in such fund shall be used for no purpose other than the payment of principal and interest on the Note; provided, however, that if any payment of principal or interest shall become due when there is not sufficient money in the Debt Service Fund, the Clerk-Treasurer shall pay the same from any other fund of the Issuer, which fund shall be reimbursed from the Debt Service Fund when the balance therein is sufficient.

4.03 No Tax Levy. For the prompt and full payment of the principal and interest on the Note when due, the full faith and credit and taxing power of the Issuer are irrevocably pledged. It is hereby determined that the estimated collections of special assessments and interest thereon for payment of principal and interest on the Note will produce at least five percent in excess of the amount needed to meet when due, the principal and interest payments on the Note and that no tax levy is needed at this time.

4.04 Investments. Monies on deposit in the Construction Fund and in the Debt Service Fund may, at the discretion of the Clerk-Treasurer, 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 Project costs and/or payment of the principal and interest on the Note when due.

#### Section 5. Tax Covenants.

5.01 General. The Issuer covenants and agrees with the holder of the Note that the Issuer will (i) take all action on its part necessary to cause the interest on the Note 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 Note 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 Note to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the Note and investment earnings thereon on certain specified purposes.

5.02 Rebate Exemption. For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements, the Issuer hereby finds, determines and declares that the aggregate face amount of the tax exempt obligations (other than private activity bonds) issued by the Issuer (and all subordinate entities of the Issuer) during the calendar year in which the Note is issued is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Internal Revenue Code of 1986, as amended (the "Code").

5.03 Bank Qualification. In order to qualify the Note as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code, the Issuer hereby makes the following factual statements and representations:

- A. the Note is not a "private activity bond" as defined in Section 141 of the Code;
- B. the Issuer hereby designates the Note as a "qualified tax exempt obligation" for purposes of Section 265(b)(3) of the Code;

C. 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 Note is being issued will not exceed \$10,000,000; and

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

The Issuer shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this Section.

#### Section 6. Certificate of Proceedings; Miscellaneous.

6.01 The Clerk-Treasurer is directed to file with the County Auditor an original or 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 Note 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 Note and to bond counsel certified copies of all proceedings and records of the Issuer relating to the authorization and issuance of the Note and other affidavits and certificates as may reasonably be requested to show the facts relating to the legality and marketability of the Note 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 No official statement or prospectus has been prepared or circulated by the Issuer in connection with the sale of the Certificate and the Purchaser has made its own investigation concerning the Issuer as set forth in an investment letter dated the date hereof.

6.04 In the event of the absence or disability of the Mayor or 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 Note, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

Section 7. Loan Agreement. The proceeds of the Note will be advanced to the Issuer in accordance with the terms of this Resolution and with a Loan Agreement between the Issuer and the Lender (the "Loan Agreement"). The Mayor and Clerk-Treasurer of the Issuer are hereby authorized and directed to execute the Loan Agreement substantially in the form currently on file in the office of the Issuer.

Section 8. Pre- and Post-Issuance Compliance Policy and Procedures. The Issuer has previously approved a Pre- and Post-Issuance Compliance Policy and Procedures which applies 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 Issuer hereby ratifies the Policy and Procedures for the Note. The Clerk-Treasurer continues to be designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

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Adopted: October 4, 2016

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Mayor

ATTEST:

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Clerk-Treasurer

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**EXTRACT OF MINUTES OF A MEETING OF THE  
CITY COUNCIL OF THE  
CITY OF ADA, MINNESOTA  
HELD: October 4, 2016**

Pursuant to due call and notice thereof, a meeting of the City Council of the City of Ada, Norman County, Minnesota, was duly held at City Hall on October 4, 2016, at 6 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 \$297,000 GENERAL OBLIGATION IMPROVEMENT NOTE,  
SERIES 2016A**

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. 2016-10-02**

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

A Resolution authorizing the sale of the following described properties:

***Lots 6 and 7, Block 1, Rage Addition, City of Ada, County of Norman, State of Minnesota.***

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

WHEREAS, Lynn and Patricia Johnson, desire to purchase said property from the City of Ada, for the sum of Twenty Thousand Dollars and no/100 (\$20,000.00) for the lot and other good and valuable consideration.

NOW, THEREFORE, BE IT HEREBY RESOLVED, That the City of Ada shall enter into a Quit Claim Deed with Lynn and Patricia Johnson, in which the City agrees to sell the above-described properties in the City of Ada, Norman County, Minnesota for the price of Twenty Thousand Dollars and no/100 (\$20,000.00) 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:

Nayes:

Abstention:

Dated: October 4, 2016

\_\_\_\_\_  
Jim Ellefson, Mayor

ATTEST:

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James Leiman, City Administrator, Clerk-Treasurer



