

CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: 3

Meeting Date: August 26, 2014

Attachments: Yes No

CITY COUNCIL ACTION

Date: September 2, 2014

- Approved
- Amended
- Other
- Denied
- Tabled

Originating Department: Engineering

Agenda Item: Accept Project and Authorize Final Payment

Recommended Action: Accept Project No. 1305 and authorize final payment to Duinick Inc. in the amount of \$6,444.21.

Background/Summary: The City Council entered into an agreement with Duinick Inc. on June 7, 2012 for the Trott Avenue SW Improvements in conjunction with the installation of the quiet zone. The final pay request with quantities is hereby submitted for consideration. The final amount based on actual quantities is just under contract. Staff is recommending final payment be made.

Alternatives: N/A

Financial Considerations: Payment of the final amount of \$6,444.21 from within the project budget.

Preparer: Sean E. Christensen, P.E.
Public Works Director

Signature:

Comments:

**CONTRACTOR'S ESTIMATE NO. 2 (FINAL)
PROJECT NO. 1305**

**CONTRACTOR: DUININCK INC.
P.O. BOX 208
PRINSBURG, MN 56281**

**CONSTRUCTION OF: BITUMINOUS MILLING, CURB AND GUTTER, CONCRETE MEDIAN, 3" CONCRETE WALK,
AND BITUMINOUS PAVING**

LOCATION: TROTT AVENUE SW

DATE: JUNE 2, 2014

**HONORABLE MAYOR AND CITY COUNCIL
CITY OF WILLMAR, MINNESOTA**

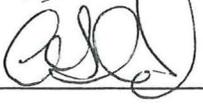
**IN ACCORDANCE WITH THE CONTRACT WITH DUNINCK INC.
I HEREWITH PRESENT THE FOLLOWING ESTIMATE**

1305

| ITEM NO. | ITEM | UNIT | QUANTITY | BID | TOTAL |
|----------|---------------------------------------|------|----------|------------|--------------------|
| 2104.501 | Remove Concrete Curb/Curb and Gutter | L F | 212 | \$3.50 | \$742.00 |
| 2104.509 | Remove Bituminous Pavement | S Y | 555.2 | \$4.00 | \$2,220.80 |
| 2104.513 | Sawing Bituminous Pavement | L F | 472.2 | \$2.00 | \$944.40 |
| 2105.525 | Topsoil Borrow (CV) | C Y | 25 | \$28.00 | \$700.00 |
| 2211.501 | Aggregate Base Class 5 | TON | 74.93 | \$15.00 | \$1,123.95 |
| 2232.501 | Mill Bituminous Surface (2.0") | S Y | 4,693.3 | \$2.77 | \$13,000.44 |
| 2360.501 | Type SP 12.5 Wearing Course Mix (3,B) | TON | 570.09 | \$89.00 | \$50,738.01 |
| 2506.522 | Adjust Frame & Ring Casting | EACH | 1 | \$350.00 | \$350.00 |
| 2521.501 | 3" Concrete Walk | S F | 725.9 | \$3.80 | \$2,758.42 |
| 2531.501 | Concrete Curb and Gutter Design B624 | L F | 209.5 | \$16.50 | \$3,456.75 |
| 2531.501 | Concrete Curb and Gutter Design B824 | L F | 408.8 | \$17.50 | \$7,154.00 |
| 2573.530 | Storm Drain Inlet Protection | EACH | | \$150.00 | \$0.00 |
| 2575.501 | Seeding | AC | 0.07 | \$4,500.00 | \$315.00 |
| 2575.502 | Seed Mixture 270 | LB | 8.5 | \$10.00 | \$85.00 |
| 2575.532 | Fertilizer Type 3 | LB | 24.7 | \$10.00 | \$247.00 |
| 2575.560 | Hydraulic Soil Stabilizer Type 8 | LB | 63.8 | \$8.00 | \$510.40 |
| 2582.501 | Pvt Mssg (RR Xing) Epoxy | EACH | 2 | \$650.00 | \$1,300.00 |
| 2582.502 | 24" Solid Line White-Epoxy | L F | 32.5 | \$7.00 | \$227.50 |
| 2582.502 | 4" Broken Line Yellow-Epoxy | L F | | \$0.76 | \$0.00 |
| 2582.502 | 4" Double Solid Line Yellow-Epoxy | L F | 911 | \$1.52 | \$1,384.72 |
| | TOTAL PROJECT 1305 | | | | \$87,258.39 |
| | BITUMINOUS INCENTIVE | | | | \$981.76 |
| | SUBTOTAL: | | | | \$88,240.15 |
| | LESS PREVIOUS ESTIMATE #1 | | | | \$81,795.94 |
| | LESS PREVIOUS ESTIMATE #2 | | | | |

| | |
|--------------------------------------|------------|
| LESS PREVIOUS ESTIMATE #3 | |
| LESS PREVIOUS ESTIMATE #4 | |
| AMOUNT DUE CONTRACTOR THIS ESTIMATE: | \$6,444.21 |

APPROVED: _____
CITY ENGINEER

APPROVED: _____
CONTRACTOR

CONTRACT AMOUNT: \$88,241.00
BUDGET NO.: 413.48455.0336

| Project 1305 Incentive /Disincentive Summary | | | | | |
|---|-----------|--------------|--------------|-----------|-----------|
| 1305 Incentive/Disincentive | | | | | |
| | Incentive | Disincentive | Location | Core #'s | Date |
| | \$ 981.76 | - | Trott Ave SW | 5,5.3,5.4 | 7/19/2013 |
| | | | | | |
| | | | | | |
| TOTAL | \$ 981.76 | | | | |
| Total Project Incentive /Disincentive | \$ 981.76 | | | | |



**STATE AID FOR LOCAL TRANSPORTATION
FINAL INSPECTION REPORT**

Rev.Jun. 2012

Page 1 of 2

| | | |
|---|--------------------------------|---------------------------------|
| SAP 175-104-015 | MN Proj. No. | Completion Date : July 22, 2013 |
| Tied SAP/SP | | |
| Project Location : On Trott Avenue between Industiral Drive and 16 th Street SW in City of Willmar | | |
| Project Description : Utility and Street Improvements | | |
| Lead Agency : City of Willmar | Project Engineer : Jared Vogue | |
| Contractor : Duininck Inc. | Contract Amount : \$88,241.00 | |

SC=Substantial Compliance NA=Not Applicable

| | | SC | NA | Comments |
|----------------------------|------------------------------|-------------------------------------|-------------------------------------|-------------------------------|
| GRADING | Inslope | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| | Backslope | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| | Grading Width | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| | Clear Zone | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| | Driveway Slope (6:1) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| PAVEMENT | Gravel | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| | Concrete | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| | Bituminous | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| | Traffic Lanes | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| | Parking Lanes | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| BRIDGE | Bike Lanes | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| | Superstructure | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| | Substructure | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| | Retaining/Noise Walls | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| TRAFFIC | Box Culvert | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| | Signals | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| | Signing | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| | Striping | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| | Lighting | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| ADA | Posted Speed (per plan) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| | Ramps | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| | Sidewalk (slope/grade/width) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| MISCELLANEOUS | APS (audible ped signals) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| | Right-of-way Encroachment | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| | R/R Protection | <input checked="" type="checkbox"/> | <input type="checkbox"/> | RR Quiet Zone Part of Project |
| | Turf Establishment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| | Landscaping | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| | Guardrail | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| | Drainage Structures/Culverts | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| Hazardous Mailbox Location | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | |
| | | <input type="checkbox"/> | <input type="checkbox"/> | |



STATE AID FOR LOCAL TRANSPORTATION
FINAL INSPECTION REPORT

Rev.Apr. 2012

Page 2 of 2

Remarks

Reviewed on Wednesday, June 18, 2014 by Mel Odens, DSAE.

Final Inspection by: Mel Odens
District State Aid Engineer

6-20-14
Date

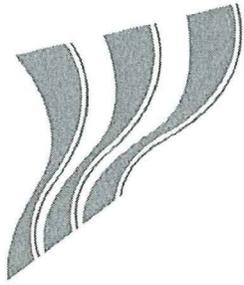
Final Inspection Noted Discrepancies Needing to be Resolved: Yes / No

Corrective Actions Taken by Project Engineer:

Signature of Project Engineer required if discrepancies noted above:

Project Engineer

Date



CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: 4

Meeting Date: August 26, 2014

Attachments: Yes No

CITY COUNCIL ACTION

Date: September 2, 2014

- Approved Denied
 Amended Tabled
 Other

Originating Department: Public Works

Agenda Item: Request to purchase/replace the Mechanics Pickup Truck

Recommended Action: Approve the purchase/replacement of the Mechanics Pickup Truck

Background/Summary: The current mechanics pickup is a 2001 Ford F250 and has mechanical problems that include the engine using oil and transmission issues. Staff is requesting to replace it with a 2014 F150 XLT for \$27,837.70 from Nelson Auto Center Fleet Department in Fergus Falls. Staff is also recommending the purchase of a Tommy Lift Gate for \$2,560.00 from Tow Master Inc. in Litchfield. The lift gate will be used for lifting tools, tires, and heavy equipment parts. The 2001 Ford F250 would be sold at the Public Works Auction in the spring of 2015.

Alternatives: Keep the current mechanics pickup truck.

Financial Considerations: The 2104 Capital Outlay Program has included \$37,353.00 for the purchase and replacement of the mechanics pickup, with the requested pickup and lift gate being \$6,955.30 under budget. Staff noted taxes, license, and tool boxes would be added at a later date.

Preparer: Sean E. Christensen
Public Works Director

Signature:

Comments:



WILLMAR

PUBLIC WORKS

Memorandum

DIRECTOR/CITY ENGINEER
City Office Building
Box 755 320-235-4202
STREET/PARK SUPERINTENDENT
801 W. Hwy. 40 320-235-3827
WASTEWATER TREATMENT
3000 75th St. SW 320-235-4760
Willmar, Minnesota 56201
Fax 320-235-4917
www.ci.willmar.mn.us

TO: Charlene Stevens, City Administrator

FROM: Sean Christensen, Public Works Director *SC*

DATE: August 20, 2014

RE: Purchase and Replacement of the Mechanics Pickup Truck

Staff is in the process of proceeding with the purchase and replacement of an F-250 Pickup in accordance with the 2014 Capital Outlay Program.

I am requesting approval to replace Unit # 016749 a 2001 F-250 Pickup. An F-150 would be purchased from Nelson Auto Center, Inc. for \$27,837.70 through South/West West Central Service Cooperative. Staff is also recommending purchase of a Tommy Lift Gate from Tow Master Inc. for \$2,560.00 through State of Minnesota Contract # 69467, to be used for lifting tools, tires, and heavy equipment parts. Please be advised that the 2014 Capital Outlay Program has included \$37,353.00 for the purchase and replacement of the mechanics pickup truck. Please note that taxes, license and tool boxes would be added later.

Please let me know if you concur with this submittal.

Approval _____

sl





---F 016749

2001 FORD F-250

8-19-14 mileage 68498

VEHICLE/EQUIPMENT REPLACEMENT VERIFICATION/COMMENT FORM

Attachments Check List: Vehicle Number 016749 Photo X
(837,352.70) F-250 (Mech Truck)

Finance Director comments

Initial

Operator comments

Initial

Mechanic comments OPERATOR ALSO

Miles: 63,751

Engine is using some oil Transmission noise when changing speeds
is more frequent and louder. Unit does not handle well on
rough roads.

Initial MDS 3/15/13

Supervisor comments (if applicable)

truck is 12 years old has had a lot of small issues
Should be replaced

Initial Ken D.

Department Director comments

Replaced as noted.

Initial BJF 3-22-13

APPROVED

DENIED

Vehicle/Equipment Committee ^{D/W} April 18, 2013

Date

APPROVED

DENIED

[Signature]
City Administrator

5-30-13
Date

Scott Ledeboer

From: Melissa Larson <melissa.fleet@ymail.com>
Sent: Tuesday, August 19, 2014 11:44 AM
To: Scott Ledeboer
Subject: F150 Quote
Attachments: Willmar Quote.pdf; Willmar X1E Info.pdf

Scott,

This is a quote for a 2014 model year truck. The order cut off date is coming up on September 12th (according to the fleet bulletin that is available today) but is "subject to change with little or no notice". I quoted the 2014 because if you can get your order approved in time, there is significant savings. But to help ensure that we can get a 2014, we would need your order ASAP. I also put a line item so you know how much to add if you end up going with a 2015,

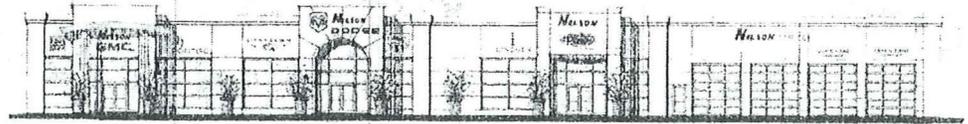
There are two attachments. One is a single page on letterhead that says Vehicle Quote at the top. This is your cash price. The other attachment is several pages long is only attached for informational purposes. DO NOT refer to that one for any pricing. I only include it so you can see what is included with the vehicle.

Please confirm that you have received this email and feel free to contact me with any questions you may have.

Thank you for contacting us and giving us this opportunity to provide you with a quote!

Melissa Larson
Commercial and Fleet Sales
218-998-8865

Nelson Auto Center, Inc.
c/o PO Box 338
Fergus Falls, MN 56538-0338
Phone (218)998-8878 or 800-477-3013 ext 8865



Fleet Department

2228 College Way • PO Box 338 • Fergus Falls, MN 56538-0338

218-998-8865 • 800-477-3013 • melissa.fleet@ymail.com • www.nelsonfergusfalls.com

VEHICLE QUOTE NUMBER F Willmar X1E

Sold To: Willmar, City of
Attn: Scott Ledebor
Address: Willmar, MN

Date: 08/19/2014
Phone:
FAX:
Salesperson: Melissa Larson

Key Code: Ignition/Door:

| Stock No. | Year | Make | Model | New/Used | Vehicle ID Number |
|-------------|------|---------------|----------------------|----------|-------------------|
| Willmar X1E | 2014 | Ford F150 XLT | 4WD SuperCab Long Bx | New | 0 |
| | | Color: TBD | | | |

Price of Vehicle \$27,837.70

Options & Extras
Includes All Standard Equipment for XLT Package, Plus;
Power Equipment Group, Engine Block Heater,
Trailer Tow Package

Order Cut Off September 12th SUBJECT to change without notice
If ordering a 2015 after order cut off ADD \$2,400.00

Delivery Included Fergus to Willmar 108 Miles

Subtotal \$27,837.70

Trade - In \$0.00

Total Cash Price \$27,837.70

less 0.1% for payment at delivery; net 30 days; add daily interest at 1.5%/mo. for later payment

Your Purchase Order #

Project # Contract #MSC-13.5

Thanks for your business!

Ship To / Lessee / End User: Willmar, City of
Scott Ledebor
Public Works

Phone:
FAX:

Willmar, MN

Signed _____ and initialed _____

Printed Name _____ and Date _____

Willmar X1E XLT.123 08/20/2014

Prepared For:
Willmar, City of
Scott Ledeboer
Email: Willmar X1E

Prepared By:
Melissa Larson
MELISSA LARSON
2228 COLLEGE WAY/PO BOX 338
FERGUS FALLS, MN 565380338
Phone: (218) 998-8865
Fax: (218) 998-8813
Email: melissa.fleet@ymail.com

2014 Ford F-150
X1E 4WD SuperCab 163" XLT

Photo may not represent exact vehicle or selected equipment.

STANDARD EQUIPMENT

STANDARD EQUIPMENT - 2014 Fleet/Non-Retail X1E 4WD SuperCab 163" XLT

ENTERTAINMENT

- Radio: AM/FM Stereo/Single-CD Player w/Clock -inc: auxiliary audio input jack, speed-compensated volume control and customer information display
- Radio w/Clock
- 4 Speakers
- Fixed Antenna
- SYNC Voice Activated Communication & Entertainment -inc: 911 assist and vehicle health reports, SYNC Applink provides control of certain smartphone applications using SYNC voice commands, Connect to apps like Pandora and more w/your iPhone, Blackberry or Android platform mobile phone

EXTERIOR

- Wheels: 17" Machined-Aluminum w/Painted Accents
- Tires: P235/75R17 BSW A/T (5)
- Regular Box Style
- Steel Spare Wheel
- Full-Size Spare Tire Stored Underbody w/Crankdown
- Clearcoat Paint
- Chrome Rear Step Bumper
- Chrome Front Bumper w/Black Rub Strip/Fascia Accent and 2 Tow Hooks
- Black Side Windows Trim and Black Front Windshield Trim
- Black Door Handles
- Black Power Side Mirrors w/Convex Spotter and Manual Folding
- Fixed Rear Window
- Variable Intermittent Wipers
- Deep Tinted Glass
- Galvanized Steel/Aluminum Panels
- Chrome Grille
- Tailgate Rear Cargo Access
- Reverse Opening Rear Doors
- Manual Tailgate/Rear Door Lock
- Cargo Lamp Integrated w/High Mount Stop Light
- Perimeter/Approach Lights
- Fully Automatic Aero-Composite Halogen Headlamps w/Delay-Off
- Front Fog Lamps

Report content is based on current data version referenced. Any performance-related calculations are offered solely as guidelines. Actual unit performance will depend on your operating conditions.

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Customer File: Willmar X1E

STANDARD EQUIPMENT

STANDARD EQUIPMENT - 2014 Fleet/Non-Retail X1E 4WD SuperCab 163" XLT

INTERIOR

- Premium Cloth 40-20-40 Split-Bench Front Seats w/Cloth Back Material and Manual Driver Lumbar
- 4-Way Driver Seat -inc: Manual Recline, Fore/Aft Movement and Manual Lumbar Support
- 4-Way Passenger Seat -inc: Manual Recline, Fore/Aft Movement and Manual Lumbar Support
- 60-40 Folding Split-Bench Front Facing Fold-Up Cushion Premium Cloth Rear Seat
- Manual Tilt Steering Column
- Gauges -inc: Speedometer, Odometer, Oil Pressure, Engine Coolant Temp, Tachometer, Transmission Fluid Temp and Trip Odometer
- Power Rear Windows
- 6 Person Seating Capacity
- Front Cupholder
- Rear Cupholder
- Front Cigar Lighter(s)
- 3 12V DC Power Outlets
- Compass
- Remote Keyless Entry w/Integrated Key Transmitter, Illuminated Entry and Panic Button
- Keypad
- Cruise Control w/Steering Wheel Controls
- Manual Air Conditioning
- HVAC -inc: Underseat Ducts
- Glove Box
- Full Cloth Headliner
- Urethane Gear Shift Knob
- Interior Trim -inc: Metal-Look Instrument Panel Insert, Cabback Insulator and Chrome Interior Accents
- Day-Night Rearview Mirror
- Driver And Passenger Visor Vanity Mirrors
- Full Overhead Console w/Storage and 3 12V DC Power Outlets
- Fade-To-Off Interior Lighting
- Front Map Lights
- Full Carpet Floor Covering -inc: Carpet Front And Rear Floor Mats
- Pickup Cargo Box Lights
- Instrument Panel Bin, Dashboard Storage, Driver / Passenger And Rear Door Bins and 1st Row Underseat Storage
- Power 1st Row Windows w/Driver And Passenger 1-Touch Up/Down
- Delayed Accessory Power
- Power Door Locks w/Autolock Feature
- Analog Display

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Customer File: Willmar X1E

STANDARD EQUIPMENT

STANDARD EQUIPMENT - 2014 Fleet/Non-Retail X1E 4WD SuperCab 163" XLT

- Outside Temp Gauge
- Front Center Armrest w/Storage
- Manual w/Tilt Front Head Restraints and Manual Adjustable Rear Head Restraints
- 2 Seatback Storage Pockets
- Securilock Anti-Theft Ignition (pats) Engine Immobilizer
- Perimeter Alarm

MECHANICAL

- Engine: 5.0L V8 FFV
- Transmission: Electronic 6-Speed Automatic -inc: tow/haul mode
- 3.55 Axle Ratio
- GVWR: 7,450 lbs Payload Package
- Transmission w/Oil Cooler
- Electronic Transfer Case
- Part-Time Four-Wheel Drive
- 78-Amp/Hr 750CCA Maintenance-Free Battery w/Run Down Protection
- 155 Amp Alternator
- Towing w/Harness and Trailer Sway Control
- 1770# Maximum Payload
- Gas-Pressurized Shock Absorbers
- Front Anti-Roll Bar
- Electric Power-Assist Speed-Sensing Steering
- Single Stainless Steel Exhaust
- 36 Gal. Fuel Tank
- Auto Locking Hubs
- Double Wishbone Front Suspension w/Coil Springs
- Leaf Rear Suspension w/Leaf Springs
- 4-Wheel Disc Brakes w/4-Wheel ABS, Front And Rear Vented Discs and Hill Hold Control

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Customer File: Willmar X1E

STANDARD EQUIPMENT

STANDARD EQUIPMENT - 2014 Fleet/Non-Retail X1E 4WD SuperCab 163" XLT

SAFETY

- Advancetrac w/Roll Stability Control Electronic Stability Control (ESC) And Roll Stability Control (RSC)
- ABS And Driveline Traction Control
- Side Impact Beams
- Dual Stage Driver And Passenger Seat-Mounted Side Airbags
- Low Tire Pressure Warning
- Dual Stage Driver And Passenger Front Airbags
- Airbag Occupancy Sensor
- Mykey System -inc: Top Speed Limiter, Audio Volume Limiter, Early Low Fuel Warning, Programmable Sound Chimes and Beltminder w/Audio Mute
- Safety Canopy System Curtain 1st And 2nd Row Airbags
- Outboard Front Lap And Shoulder Safety Belts -inc: Rear Center 3 Point, Height Adjusters and Pretensioners

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Customer File: Willmar X1E

SELECTED MODEL & OPTIONS

SELECTED MODEL - 2014 Fleet/Non-Retail X1E 4WD SuperCab 163" XLT

| <u>Code</u> | <u>Description</u> | <u>MSRP</u> |
|-------------|---------------------------------------|-------------|
| X1E | 2014 Ford F-150 4WD SuperCab 163" XLT | \$37,760.00 |

SELECTED VEHICLE COLORS - 2014 Fleet/Non-Retail X1E 4WD SuperCab 163" XLT

| <u>Code</u> | <u>Description</u> |
|-------------|---|
| - | Interior: No color has been selected. |
| - | Exterior 1: No color has been selected. |
| - | Exterior 2: No color has been selected. |

SELECTED OPTIONS - 2014 Fleet/Non-Retail X1E 4WD SuperCab 163" XLT

CATEGORY

| <u>Code</u> | <u>Description</u> | <u>MSRP</u> |
|----------------------|--|-----------------|
| ENGINE | | |
| 99F | ENGINE: 5.0L V8 FFV (STD) | \$0.00 |
| TRANSMISSION | | |
| 446 | TRANSMISSION: ELECTRONIC 6-SPEED AUTOMATIC -inc: tow/haul mode (STD) | \$0.00 |
| OPTION PACKAGE | | |
| 300A | EQUIPMENT GROUP 300A BASE | \$0.00 |
| AXLE RATIO | | |
| X19 | 3.55 AXLE RATIO (STD) | \$0.00 |
| TIRES | | |
| T7B | TIRES: P235/75R17 BSW A/T (5) (STD) | \$0.00 |
| PAINT SCHEME | | |
| ___ | MONOTONE PAINT APPLICATION | \$0.00 |
| PRIMARY PAINT | | |
| N1 | BLUE JEANS METALLIC | \$0.00 |
| SEAT TYPE | | |
| MS | STEEL GRAY, CLOTH 40/20/40 FRONT SEAT -inc: folding armrest, cupholders, storage and manual driver and passenger lumbar | \$0.00 |
| ADDITIONAL EQUIPMENT | | |
| 535 | TRAILER TOW PACKAGE -inc: 7-pin wiring harness and class IV trailer hitch receiver, Auxiliary Transmission Oil Cooler, SelectShift Transmission, Upgraded Radiator REQUIRED for towing over 5,000 lbs. | \$375.00 |
| C09 | PRICED DORA | \$0.00 |
| OPTIONS TOTAL | | \$375.00 |

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Customer File: Willmar X1E

WINDOW STICKER

| | | |
|---------------------------------------|--|---|
| 2014 Ford F-150 4WD SuperCab 163" XLT | | Interior: - No color has been selected. |
| 5.0 L/302 CID Regular Unleaded V-8 | | Exterior 1: - No color has been selected. |
| 6-Speed Automatic w/OD | | Exterior 2: - No color has been selected. |
| CODE | MODEL | MSRP |
| X1E | 2014 Ford F-150 4WD SuperCab 163" XLT | \$37,760.00 |
| | OPTIONS | |
| 99F | ENGINE: 5.0L V8 FFV | \$0.00 |
| 446 | TRANSMISSION: ELECTRONIC 6-SPEED AUTOMATIC | \$0.00 |
| 300A | EQUIPMENT GROUP 300A BASE | \$0.00 |
| X19 | 3.55 AXLE RATIO | \$0.00 |
| T7B | TIRES: P235/75R17 BSW A/T (5) | \$0.00 |
| — | MONOTONE PAINT APPLICATION | \$0.00 |
| N1 | BLUE JEANS METALLIC | \$0.00 |
| MS | STEEL GRAY, CLOTH 40/20/40 FRONT SEAT | \$0.00 |
| 535 | TRAILER TOW PACKAGE | \$375.00 |
| C09 | PRICED DORA | \$0.00 |
| | SUBTOTAL | \$38,135.00 |
| | Advert/Adjustments | \$0.00 |
| | Destination Charge | \$1,195.00 |
| | TOTAL PRICE | \$39,330.00 |
| Est City: 14.00 mpg | | |
| Est Highway: 19.00 mpg | | |
| Est Highway Cruising Range: 684.00 mi | | |

Report content is based on current data version referenced. Any performance-related calculations are offered solely as guidelines. Actual unit performance will depend on your operating conditions.

GM AutoBook, Data Version: 347.0, Data updated 8/13/2014
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 Customer File: Willmar X1E



Towmaster, Inc.
 61381 US Hwy. 12, Litchfield, MN
 Phone: 800-462-4517 / 320-693-7900



Attend The Towmaster EXPO '14 - - July 15, 2014

FX: 320-693-7921

State Contract 69467

Parts FX: 320-593-5703

| | | | | |
|---|--------------------|--|---|--|
| Bill To: WILLMAR, CITY OF 801 W HWY #40 WILLMAR, MN 56201 | Cust#: 2990 | Phone: 320-235-1251 FAX: 320-235-4917 | Ship To: WILLMAR, CITY OF 801 W HWY #40 WILLMAR, MN 56201 | Phone: 320-235-1251 FAX: 320-235-4917 |
|---|--------------------|--|---|--|

| Contact: | | Contact: | | | |
|-----------------------|-----------|---------------------|--------------|-----------------|-----------------|
| PO# | QUOTE No. | Terms | Created Date | Latest Rev Date | Appx. Ship Date |
| | 12726-TGG | NET 30 DAYS | 08/06/2014 | 8/6/2014 | |
| Trk VIN | | MO # | CO # | Salesman | |
| Freight Instructions: | | Build Instructions: | | Other Credit: | Other Charge: |

ATTENTION:

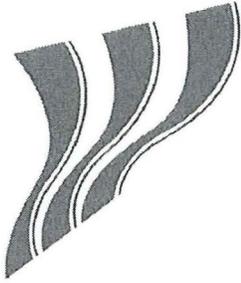
| Qty | Part No. | Description | Discount Rate: | 0.00% | Price Each | Net Amt |
|-----|----------|---|----------------|-------|------------|----------|
| 1 | 9901587 | Lift Gate G2-60-1342 TP38 Full-Size Pickup - G2 Series TOMMY GATE | | | 2,073.00 | 2,073.00 |
| 1 | 9901651 | Lift Gate INS of Pickup or Van Lift Gate | | | 487.00 | 487.00 |

NOTE: If changes are made to an order after a P.O. has been issued, a FEE may be assessed and a revised or new P.O. MUST BE submitted to reflect changes.

Visit us online at www.towmastertruck.com

Accepted By: _____ Date: _____

| | |
|---------------------------|-------------------|
| Price: | \$2,560.00 |
| Discount: | \$0.00 |
| Other Credit (see above): | \$0.00 |
| Net Cost: | \$2,560.00 |
| Sales Tax: | \$0.00 |
| Other Charge (see | \$0.00 |
| Freight | \$0.00 |
| Total: | \$2,560.00 |



CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: 5

Meeting Date: August 26, 2014

Attachments: Yes No

CITY COUNCIL ACTION

Date: September 2, 2014

- Approved Denied
 Amended Tabled
 Other

Originating Department: City Administrator

Agenda Item: Acceptance of Minnesota Public Facilities Authority to Purchase a \$3,000,000 Revenue Note, Series 2014A

Recommended Action: Approve a resolution accepting the offer of the Minnesota Public Facilities Authority to purchase a \$3,000,000 General Obligation Sewer Revenue Note, Series 2014A, and authorizing execution of bond purchase and project loan agreement for the note.

Background/Summary: The funding will be utilized for the Lakeland Drive Sewer Lift Station Project.

Alternatives: NA

Financial Considerations: Necessary resolution to proceed with PFA Funding.

Preparer: City Administrator Charlene Stevens

Signature:

Comments:

RESOLUTION NO. _____

RESOLUTION ACCEPTING THE OFFER OF THE MINNESOTA PUBLIC FACILITIES AUTHORITY TO PURCHASE
A \$3,000,000 GENERAL OBLIGATION SEWER REVENUE NOTE, SERIES 2014A, PROVIDING FOR ITS
ISSUANCE AND AUTHORIZING EXECUTION OF A BOND PURCHASE AND PROJECT LOAN AGREEMENT
FOR THE NOTE

A. WHEREAS, the City Council of the City of Willmar, Minnesota (the "City"), has heretofore applied for a loan from the Minnesota Public Facilities Authority (the "PFA") to provide financing pursuant to Minnesota Statutes, Chapters 444 and 475, for improvements to the City's municipal sewer system including upgrading and extending the existing Lakeland Drive interceptor and replacing the State Hospital (MinnWest) lift station (the "Project"); and

B. WHEREAS, the PFA is authorized pursuant to Minnesota Statutes, Chapter 446A, as amended, to issue its bonds (the "PFA Bonds") and to use the proceeds thereof, together with certain other funds, to provide loans and other assistance to municipalities to fund eligible costs of construction of sanitary sewer collection systems; and

C. WHEREAS; the City has applied for a loan from the PFA pursuant to such program and the PFA has committed to make a loan to the City in the principal amount of \$3,000,000 to be disbursed and repaid in accordance with the terms of a Minnesota Public Facilities Authority Bond Purchase and Project Loan Agreement (the "Project Loan Agreement") to be executed by the City and the PFA, a draft copy of which has been presented to the Council and is on file with the Clerk; and

D. WHEREAS, the \$3,000,000 General Obligation Sewer Revenue Note, Series 2014A (the "Note") of the City is tax-exempt, and in addition the City will covenant to take no action to impair the tax-exemption of the PFA Bonds; and

E. WHEREAS, in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(4), the City is authorized to issue obligations to a board, department or agency of the State of Minnesota by negotiation and without advertisement for bids and the PFA is, and has represented that it is, a board, department or agency of the State of Minnesota; and

F. WHEREAS, on March 3, 2014, the City Council adopted a resolution calling a public hearing on an Ordinance entitled "An Ordinance Authorizing the Issuance of a General Obligation Sewer Revenue Bonds, Series 2014A" (the "Ordinance").

G. WHEREAS, a public hearing on the adoption of the Ordinance was held on March 17, 2014, and, following the public hearing the City Council adopted the Ordinance.

H. WHEREAS, a contract or contracts for the Project have been made by the City with the approval of the PFA and all other state and federal agencies of which approval is required:

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Willmar, Kandiyohi County, Minnesota, as follows:

1. Acceptance of Offer; Payment. The offer of the PFA to purchase a \$3,000,000 General Obligation Sewer Revenue Note, Series 2014A of the City (the "Note") at the rate of interest hereinafter set forth, and to pay therefor the sum of \$3,000,000 as provided below, is hereby accepted, and the sale of the Note is hereby awarded to the PFA. Payment for the Note by the PFA shall be made in installments as eligible costs of the Project are reimbursed or paid, all as provided in the Project Loan Agreement.

2. Title; Date; Denomination; Interest Rates; Maturities. The Note shall be a fully registered negotiable obligation, shall be titled the "General Obligation Sewer Revenue Note, Series 2014A", shall be dated as of the date of delivery and shall be issued forthwith. The Note shall be in the principal amount of

\$3,000,000, or so much thereof as shall be disbursed pursuant to the Project Loan Agreement, shall bear interest on so much of the principal amount of the Note as may be disbursed and remains unpaid until the principal amount of the Note has been paid or has been provided for, at the rate of 1.00% per annum (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Note is payable semi-annually on February 20 and August 20, commencing February 20, 2015 interest starts accruing as of the date of the initial disbursement. In accordance with Minnesota Statutes, Section 475.54, Subd. 17, principal on the Note shall mature on August 20 of the years and in the installments as follows:

| <u>Year</u> | <u>Amount</u> | <u>Year</u> | <u>Amount</u> |
|-------------|---------------|-------------|---------------|
| 2015 | \$20,000 | 2025 | \$151,000 |
| 2016 | 20,000 | 2026 | 152,000 |
| 2017 | 20,000 | 2027 | 154,000 |
| 2018 | 256,000 | 2028 | 155,000 |
| 2019 | 258,000 | 2029 | 157,000 |
| 2020 | 260,000 | 2030 | 159,000 |
| 2021 | 145,000 | 2031 | 160,000 |
| 2022 | 146,000 | 2032 | 162,000 |
| 2023 | 148,000 | 2033 | 163,000 |
| 2024 | 149,000 | 2034 | 165,000 |

Interest shall accrue only on the aggregate principal amount of the Note which has been disbursed and is unpaid under the Project Loan Agreement. The principal installments shall be paid in the amounts scheduled above even if at the time of payment the full principal amount of the Note has not been disbursed; provided that if the full principal amount of the Note is never disbursed, the amount of the principal not disbursed shall be applied to reduce each unpaid principal installment in the proportion that such installment bears to the total of all unpaid principal installments (i.e., the remaining principal payment schedule shall be reamortized to provide similarly level annual installments of total debt service payments). Principal, interest and any premium due under the Note will be paid on each payment date by wire payment, or by check or draft mailed at least five business days prior to the payment date to the person in whose name the Note is registered, in any coin or currency of the United States which at the time of payment is legal tender for public and private debts.

Interest on the Note includes amounts treated by the PFA as service fees.

3. Purpose; Cost. The proceeds of the Note shall provide funds to finance construction of the Project. The total cost of the construction of the Project, including legal and other professional charges, publication and printing costs, interest accruing on money borrowed for the Project before the collection of net revenues pledged and appropriated therefor, and all other costs necessarily incurred and to be incurred from the inception to the completion of the Project, is estimated to be at least equal to the amount of the Note. The City covenants that it shall do all things and perform all acts required of it to assure that work on the Project proceeds with due diligence to completion and that any and all permits and studies required under law for the Project are obtained.

4. Redemption. This Note is subject to redemption with the consent of the PFA, in whole or in part on such dates and at such prices and upon such other terms as are specified in the Project Loan Agreement, including, but not limited to, acceleration or payment of increased interest as provided in Section 6.2 of the Project Loan Agreement.

5. Registration of Note. At the time of issuance and delivery of the Note, the officer of the City performing the functions of the Treasurer (the "Treasurer") shall register the Note in the name of the payee in a note register which the Treasurer and the officer's successors in office shall maintain for the purpose of registering the ownership of the Note. The Note shall be prepared for execution with an appropriate text and spaces for notation of registration. The force and effect of such registration shall be as stated in the form of Note hereinafter set forth. Payment of principal installments and interest, whether upon redemption or

otherwise, made with respect to the Note, may be made to the registered holder thereof or to the registered holder's legal representative, without presentation or surrender of the Note.

6. Form of Note. The Note, together with the Certificate of Registration attached thereto, shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF KANDIYOHI
CITY OF WILLMAR

\$3,000,000 GENERAL OBLIGATION SEWER REVENUE NOTE, SERIES 2014A

The City of Willmar, Kandiyohi County, Minnesota (the "City"), certifies that it is indebted and for value received promises to pay to the Minnesota Public Facilities Authority or the registered assign, the principal sum of THREE MILLION DOLLARS, or so much thereof as may have been disbursed, on August 20 of the years and in the installments as follows:

| <u>Year</u> | <u>Amount</u> | <u>Year</u> | <u>Amount</u> |
|-------------|---------------|-------------|---------------|
| 2015 | \$20,000 | 2025 | \$151,000 |
| 2016 | 20,000 | 2026 | 152,000 |
| 2017 | 20,000 | 2027 | 154,000 |
| 2018 | 256,000 | 2028 | 155,000 |
| 2019 | 258,000 | 2029 | 157,000 |
| 2020 | 260,000 | 2030 | 159,000 |
| 2021 | 145,000 | 2031 | 160,000 |
| 2022 | 146,000 | 2032 | 162,000 |
| 2023 | 148,000 | 2033 | 163,000 |
| 2024 | 149,000 | 2034 | 165,000 |

and to pay interest on so much of the principal amount of the Note as may be disbursed and remains unpaid until the principal amount hereof is paid at the rate of 1.0% per annum (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Note is payable semiannually on each February 20 and August 20, commencing February 20, 2015. Interest starts accruing of the date of the initial disbursement.

Principal and Interest Payments. Interest shall accrue only on the aggregate amount of this Note which has been disbursed under the Minnesota Public Facilities Authority Bond Purchase and Project Loan Agreement dated as of August 11, 2014, by and between the City and the Minnesota Public Facilities Authority (the "Project Loan Agreement"). The principal installments shall be paid in the amounts scheduled above even if at the time of payment the full principal amount of this Note has not been disbursed; provided that if the full principal amount of this Note is never disbursed, the amount of the principal not disbursed shall be applied to reduce each unpaid principal installment in the proportion that such installment bears to the total of all unpaid principal installments (i.e., the remaining principal payment schedule shall be reamortized to provide similarly level annual installments of total debt service payments). Interest on this Note includes amounts treated by the Minnesota Public Facilities Authority as service fees. Principal, interest and any premium due under this Note will be paid on each payment date by wire payment, or by check or draft mailed at least five business days prior to the payment date to the person in whose name this Note is registered, in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

Redemption. This Note is subject to redemption with the consent of the Minnesota Public Facilities Authority, in whole or in part on such dates and at such prices and upon such other terms as are specified in the Project Loan Agreement, including, but not limited to, acceleration or payment of increased interest as provided in Section 6.2 of the Project Loan Agreement.

Purpose: General Obligation. This Note has been issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota for the purpose of providing money to finance the construction of improvements to the City's municipal sewer system (the "Sewer System"), including upgrading and extending the existing Lakeland Drive interceptor and replacing the State Hospital (MinnWest) lift station and is payable out of the PFA Debt Service Account of the Sewer Fund of the City, to which account have been pledged net revenues of the Sewer System. This Note constitutes a general obligation of the City, and to provide moneys for the prompt and full payment of said principal installments and interest when the

same become due, the full faith, credit and taxing powers of the City have been and are hereby irrevocably pledged.

Registration; Transfer. This Note shall be registered in the name of the payee on the books of the City by presenting this Note for registration to the City's Treasurer, who will endorse his or her name and note the date of registration opposite the name of the payee in the certificate of registration attached hereto. Thereafter this Note may be transferred to a bona fide purchaser only by delivery with an assignment duly executed by the registered owner or the registered owner's legal representative, and the City may treat the registered owner as the person exclusively entitled to exercise all the rights and powers of an owner until this Note is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted hereon by the City's Treasurer.

Fees Upon Transfer or Loss. The Treasurer may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer of this Note and any legal or unusual costs regarding transfers and lost notes.

Project Loan Agreement. The terms and conditions of the Project Loan Agreement are incorporated herein by reference and made a part hereof. The Project Loan Agreement may be attached to this Note, and shall be attached to this Note if the holder of this Note is any person other than the Minnesota Public Facilities Authority.

Tax-Exempt Obligation. The City intends that the interest on this Note will be excluded from gross income for United States income tax purposes or from both gross income and taxable net income for State of Minnesota income tax purposes.

Qualified Tax-Exempt Obligation. This Note has been designated by the City as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the federal Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Note, have been done, have happened and have been performed, in regular and due form, time and manner as required by law; that the City has covenanted and agreed with the holder of this Note that it will impose and collect charges for the service, use and availability of and connection to the Sewer System at the times and in amounts necessary to produce net revenues adequate to pay all principal and interest when due on this Note; that the City will levy a direct, annual, irrevocable ad valorem tax upon all of the taxable property in the City, without limitation as to rate or amount, for the years and in amounts sufficient to pay the installments of principal and interest on this Note as they respectively become due, if the net revenues from the Sewer System and any other revenues irrevocably appropriated to said PFA Debt Service Account are insufficient therefor; and that this Note, together with all other debts of the City outstanding on the date hereof, being the date of its actual issuance and delivery, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Willmar, Kandiyohi County, Minnesota, by its City Council has caused this Note to be executed on its behalf by the signatures of its Mayor and of its Clerk, and the corporate seal of the City having been intentionally omitted as permitted by law, all as of (do not date), 2014.

CITY OF WILLMAR, KANDIYOHI COUNTY,
MINNESOTA

Mayor

Clerk

CERTIFICATE OF REGISTRATION

The transfer of ownership of the principal amount of the attached Note may be made only by the registered owner or his, her or its legal representative last noted below.

| <u>DATE OF REGISTRATION</u> (do not date) | <u>SIGNATURE OF CITY REGISTERED OWNER</u> | <u>TREASURER</u> |
|---|---|-------------------------|
| _____ | Minnesota Public Facilities Authority Saint Paul, Minnesota Federal Employer Identification No. 41-6007162 | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

7. Execution. The Note shall be executed on behalf of the City by the signatures of its Mayor and Clerk and be sealed with the seal of the City; provided, however, that the seal of the City may be intentionally omitted as permitted by law. In the event of disability or resignation or other absence of either such officer, the Note may be signed by the manual signature of that officer who may act on behalf of such absent or disabled officer. In case either such officer whose signature shall appear on the Note shall cease to be such officer before the 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.

8. Delivery; Application of Proceeds. The Note when so prepared and executed shall be delivered by the Treasurer to the purchaser thereof prior to disbursements pursuant to the Project Loan Agreement, and the purchaser shall not be obliged to see to the proper application thereof.

9. Fund and Accounts. There has heretofore been created a separate fund in the City treasury designated the Sewer Fund (the "Fund"). The Treasurer and all municipal officials and employees concerned therewith shall establish and maintain financial records of the receipts and disbursements of the municipal sewer system (the "Sewer System") in accordance with this resolution. There shall be maintained in the Fund, in addition to any accounts heretofore created, the following accounts:

a. A "PFA Construction Account", to which shall be credited all draws received on the Note. The draws under the Note shall be the only source of moneys credited to the PFA Construction Account. It is recognized that the sale proceeds of the Note are received in reimbursement for costs expended on the Project or in direct payment of such costs, and that accordingly the moneys need not be placed in the PFA Construction Account upon receipt but may be applied immediately to reimburse the source from which the expenditure was made. The moneys in the PFA Construction Account shall be used solely for the purpose of paying for the cost of constructing the Project, including all costs enumerated in Minnesota Statutes, Section 475.65, provided that such moneys shall only be expended for costs and expenses which are permitted under the Project Loan Agreement. The PFA prohibits the use of proceeds of the Note to reimburse costs initially paid from proceeds of other obligations of the City unless otherwise specifically approved. Upon completion of the Project and the payment of the costs thereof, any surplus shall be transferred to the PFA Debt Service Account.

b. An "Operation and Maintenance Account", into which shall be paid all gross revenues and earnings derived from the operation of the Sewer System, including all charges for the service, use and availability of and connection to the Sewer System, when collected, and all moneys received from the sale of any facilities or equipment of the Sewer System or any by-products thereof. From this account there shall be paid all the normal, reasonable and current costs of operating and maintaining the Sewer System. Current expenses include the reasonable and necessary costs of operating, maintaining and insuring the Sewer System, salaries, wages, costs of materials and supplies, necessary legal, engineering and auditing services, and all other items which, by sound accounting practices, constitute normal, reasonable and current costs of operating and maintenance, but excluding any allowance for depreciation, extraordinary repairs and payments into any debt service account. All moneys remaining in the Operation and Maintenance Account after paying or providing for the foregoing items constitute, and are referred to in this resolution as, "net revenues".

c. A "PFA Debt Service Account", to which shall be irrevocably appropriated, pledged and credited: (1) net revenues of the Sewer System in an amount sufficient, with other moneys, to pay the principal of, and interest on, the Note when due; (2) any collection of taxes which may hereafter be levied in the event the net revenues of the Sewer System herein pledged for the payment of the Note are insufficient therefor; (3) all investment earnings on moneys held in the PFA Debt Service Account; (4) any amounts transferred from the PFA Construction Account; and (5) any other moneys which are properly available and are appropriated by the City Council to the PFA Debt Service Account. The moneys in said account shall be used only to pay or prepay the principal of, and interest on, the Note and any other general obligation bonds hereafter issued and made payable from said account, and to pay any rebate due to the United States with respect to the PFA Bonds in connection with the Note.

- d. Excess net revenues may be used for any proper purpose.

No portion of the proceeds of the Note shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Note was issued, and (2) in addition to the above in an amount not greater than the lesser of 5% of the proceeds of the Note or \$100,000. To this effect, any proceeds of the Note or any sums from time to time held in the PFA Construction Account, Operation and Maintenance Account or PFA Debt Service Account (or any other City account which will be used to pay principal or interest to become due on the Note) in excess of amounts which under then-applicable federal arbitrage regulations may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. In addition, moneys in the Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Note to be "federally guaranteed" within the meaning of Section 149(b) of the federal Internal Revenue Code of 1986, as amended (the "Code").

The City shall observe the covenants of paragraphs 17, 18 and 19 of this resolution and of Article III of the Project Loan Agreement with regard to the Fund.

10. Coverage Test; Pledge of Net Revenues; Excess Revenues. It is hereby found, determined and declared that the net revenues of the Sewer System are sufficient in amount to pay when due 105% of the principal of and interest on the Note and any other outstanding obligations payable from net revenues of the Sewer System when due, and the net revenues of the Sewer System are hereby pledged to the payment of the Note, but solely to the extent required to meet, with other pledged sources, 105% of the principal and interest requirements of the Note as the same become due. Excess net revenues may be used for any proper purpose. Nothing contained herein shall be deemed to preclude the City from making further pledges and appropriations of the net revenues of the Sewer System for the payment of other or additional obligations of the City, provided that it has first been determined by the City Council that estimated net revenues of the Sewer System will be sufficient, in addition to all other sources, for the payment of the Note and such additional obligations, and any such pledge and appropriation of net revenues may be made superior or subordinate to, or on a parity with, the pledge and appropriation herein.

11. Pledge to Produce Revenues. In accordance with Minnesota Statutes, Section 444.075, the City hereby covenants and agrees with the holder of the Note that it will impose and collect charges for the service, use and availability of and connection to the Sewer System at the times and in the amounts required to produce net revenues adequate to pay all principal and interest when due on the Note.

12. General Obligation Pledge. The full faith, credit and taxing powers of the City shall be, and are hereby, irrevocably pledged for the prompt and full payment of the principal and interest on the Note as the same respectively become due. If the net revenues of the Sewer System appropriated and pledged to the payment of principal and interest on the Note, together with other funds irrevocably appropriated to the PFA Debt Service Account shall at any time be insufficient to pay such principal and interest when due, the City covenants and agrees to levy, without limitation as to rate or amount, an ad valorem tax upon all taxable property in the City sufficient to pay such principal and interest as they become due. If the balance in the PFA Debt Service Account is ever insufficient to pay all principal and interest then due on the Note and any other obligations payable therefrom, the deficiency shall be promptly paid out of any other funds of the City which are available for such purpose, and such other funds may be reimbursed, with or without interest, from the PFA Debt Service Account when a sufficient balance is available therein.

13. Certificate of Registration. The Clerk is hereby directed to file a certified copy of this resolution with the County Auditor of Kandiyohi County, Minnesota, together with such other information as the County Auditor shall require, and to obtain the County Auditor's certificate that the Note has been entered in the County Auditor's Bond Register.

14. Project Loan Agreement. The Project Loan Agreement is hereby approved in substantially the form heretofore presented to the City Council, and in the form executed is hereby incorporated by reference and made a part of this resolution. Each and all of the provisions of this resolution relating to the Note are intended to be consistent with the provisions of the Project Loan Agreement, and to the extent that any provision in the Project Loan Agreement is in conflict with this resolution as it relates to the Note, that provision shall control and this resolution shall be deemed accordingly modified. The execution and delivery of the Project Loan Agreement by the Mayor and Clerk are hereby authorized and ratified. The execution of the Project Loan Agreement by the appropriate officers shall be conclusive evidence of the approval of the Project Loan Agreement in accordance with the terms hereof. The Project Loan Agreement may be attached to the Note, and shall be attached to the Note if the holder of the Note is any person other than the PFA.

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

16. Negative Covenants as to Use of Proceeds and Project. The City hereby covenants not to use the proceeds of the Note or to use the Project, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Project, in such a manner as to cause the Note to be a "private activity bond" within the meaning of Sections 103 and 141 through 150 of the Code. The City reasonably expects that no actions will be taken over the term of the Note that would cause it to be a private activity bond, and the average term of the Note is not longer than reasonably necessary for the governmental purpose of the issue. The City hereby covenants not to use the proceeds of the Note in such a manner as to cause the Note to be a "hedge bond" within the meaning of Section 149(g) of the Code.

The City hereby covenants not to use the proceeds of the Note or to use the Project, or to cause or permit them to be used, or to enter into any deferred payment arrangement for the cost of the Project, in such a manner as to cause the PFA Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code. The City reasonably expects that it will take no actions over the term of the Note that would cause the PFA Bonds to be private activity bonds, and the average term of the Note is not longer than reasonably necessary for its governmental purpose.

17. Tax-Exempt Status of the Note; Rebate. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Note, including without limitation (a) requirements relating to temporary periods for investments, (b) limitations on amounts invested at a yield greater than the yield on the Note, and (c) the rebate of excess investment earnings to the United States if the Note (together with other obligations reasonably expected to be issued and outstanding at one time in this calendar year) exceeds the small-issuer exception amount of \$5,000,000.

For purposes of qualifying for the exception to the federal arbitrage rebate requirements for governmental units issuing \$5,000,000 or less of bonds, the City hereby finds, determines and declares that (a) the Note is issued by a governmental unit with general taxing powers, (b) the Note is not a private activity bond, (c) 95% or more of the net proceeds of the Note are to be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City), and (d) the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City (and all subordinate entities thereof, and all entities treated as one issuer with the City) during the calendar year in which the Note is issued and outstanding at one time is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

18. Tax-Exempt Status of the PFA Bonds; Rebate. The City shall comply with requirements necessary under the Code in order to not impair the exclusion from gross income under Section 103 of the

Code of the interest on the PFA Bonds, including without limitation (a) requirements relating to temporary periods for investments of the Note proceeds and sinking fund proceeds, (b) limitations on Note proceeds and sinking fund proceeds invested at a yield greater than the yield on the PFA Bonds, and (c) the rebate of excess investment earnings on the Note proceeds to the United States. The City covenants and agrees with the PFA and holders of the Note that the investments of proceeds of the Note, including the investment of any revenues pledged to the Note which are considered gross proceeds of the PFA Bonds under the applicable regulations, and accumulated sinking funds, if any, shall be limited as to amount and yield in such manner that the PFA Bonds shall not be arbitrage bonds within the meaning of Section 148 of the Code and any regulations thereunder. On the basis of the existing facts, estimates and circumstances, including the foregoing findings and covenants, the City hereby certifies that it is not expected that the proceeds of the Note will be used in such manner as to cause the PFA Bonds to be arbitrage bonds under Section 148 of the Code and any regulations thereunder. The Mayor and Clerk shall furnish a certificate to the PFA based on the foregoing certification at the time of delivery of the Note to the PFA. The proceeds of the Note will not be used in such manner so that the Note is a private activity bond under Section 103(b) of the Code.

19. Designation of Qualified Tax-Exempt Obligation. In order to qualify the Note as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code, the City hereby makes the following factual statements and representations:

- (a) the Note is issued after August 7, 1986;
- (b) the Note is not a “private activity bond” as defined in Section 141 of the Code;
- (c) the City hereby designates the Note as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code;
- (d) 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 City (and all entities treated as one issuer with the City, and all subordinate entities whose obligations are treated as issued by the City) during this calendar year 2014 will not exceed \$10,000,000; and
- (e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2014 have been designated for purposes of Section 265(b)(3) of the Code.

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

20. Compliance with Reimbursement Bond Regulations. The provisions of this paragraph are intended to establish and provide for the City’s compliance with United States Treasury Regulations Section 1.150-2 (the “Reimbursement Regulations”) applicable to the “reimbursement proceeds” of the Note, being those portions thereof which will be used by the City to reimburse itself for any expenditure which the City paid or will have paid prior to the Closing Date (a “Reimbursement Expenditure”).

The City hereby certifies and/or covenants as follows:

- (a) Not later than 60 days after the date of payment of a Reimbursement Expenditure, the City (or person designated to do so on behalf of the City) has made or will have made a written declaration of the City’s official intent (a “Declaration”) which effectively (i) states the City’s reasonable expectation to reimburse itself for the payment of the Reimbursement Expenditure out of the proceeds of a subsequent borrowing; (ii) gives a general and functional description of the property, project or program to which the Declaration relates and for which the Reimbursement Expenditure is paid, or identifies a specific fund or account of the City and the general functional purpose thereof from which the Reimbursement Expenditure was to be paid (collectively, the “Project”); and (iii) states the maximum principal amount of debt expected to be issued by the City for the purpose of financing the Project; provided, however, that no such Declaration shall necessarily have

been made with respect to: (i) "preliminary expenditures" for the Project, defined in the Reimbursement Regulations to include engineering or architectural, surveying and soil testing expenses and similar prefatory costs, which in the aggregate do not exceed 20% of the "issue price" of the Note, and (ii) a de minimis amount of Reimbursement Expenditures not in excess of the lesser of \$100,000 or 5% of the proceeds of the Note.

(b) Each Reimbursement Expenditure is a capital expenditure or a cost of issuance of the Note or any of the other types of expenditures described in Section 1.1502(d)(3) of the Reimbursement Regulations.

(c) The "reimbursement allocation" described in the Reimbursement Regulations for each Reimbursement Expenditure shall and will be made forthwith following (but not prior to) the issuance of the Note and in all events within the period ending on the date which is the later of three years after payment of the Reimbursement Expenditure or one year after the date on which the Project to which the Reimbursement Expenditure relates is first placed in service.

(d) Each such reimbursement allocation will be made in a writing that evidences the City's use of Note proceeds to reimburse the Reimbursement Expenditure and, if made within 30 days after the Note is issued, shall be treated as made on the day the Bonds are issued.

Provided, however, that the City may take action contrary to any of the foregoing covenants in this paragraph 20 upon receipt of an opinion of its Bond Counsel for the Note stating in effect that such action will not impair the tax-exempt status of the Note.

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

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

Dated this 2nd day of September, 2014.

MAYOR

Attest:

CITY CLERK