

A REGULAR MONTHLY MEETING OF THE COMMON COUNCIL OF THE CITY OF NEKOOSA WAS HELD IN THE COUNCIL CHAMBERS ON TUESDAY, OCTOBER 11, 2011 AT 7:00 P.M.

The Meeting was called to order by Mayor Gordon G. Freeman

|                |                 |                |               |
|----------------|-----------------|----------------|---------------|
| Ken Hartje     | Terry Shymanski | Robert Schultz | Brad Hamilton |
| Larry Krubsack | August Woiak    | Robert Wenzel  | Dan Carlson   |

Moved by Shymanski seconded by Hamilton to dispense with the reading of the minutes of the previous meeting. Carried.

**TREASURER'S FINANCIAL REPORT**  
**GENERAL FUND**  
**SEPTEMBER 30, 2011**

|   |               |           |
|---|---------------|-----------|
| <b><u>BICYCLE LICENSES</u></b>                      |               | 5.00      |
| <b><u>BOAT LAUNCH PERMITS</u></b>                   |               |           |
| Annual  | 60.00         |           |
| Daily   | <u>210.00</u> | 270.00    |
| <b><u>BUILDING PERMITS</u></b>                      |               | 193.50    |
| <b><u>CITATION PAYMENTS</u></b>                     |               | 3,962.20  |
| <b><u>CITY OF NEKOOSA – WATER UTILITY</u></b>       |               |           |
| Payroll   |               | 11,029.72 |
| <b><u>DELO 2010 PERSONAL PROPERTY TAX</u></b>       |               |           |
| Bagnowski, Corey                                    |               | 191.80    |
| <b><u>GRAVES, CEMETERY OPENINGS</u></b>             |               |           |
| Higgins   | 500.00        |           |
| Taylor Vollert                                      | <u>500.00</u> | 1,000.00  |
| <b><u>INTEREST</u></b>                              |               | 8.20      |
| <b><u>LEAGUE CONFERENCE GUEST REGISTRATIONS</u></b> |               |           |
| Kaberle, Bill                                       | 65.00         |           |
| Shymanski, Terry                                    | <u>65.00</u>  | 130.00    |
| <b><u>LIFEQUEST</u></b>                             |               |           |
| Ambulance Invoices                                  |               | 36,487.56 |
| <b><u>MEMORIAL BENCH, PURCHASE OF</u></b>           |               |           |
| Ronald Meddaugh                                     |               | 1,072.50  |
| <b><u>MOBILE HOME TAXES</u></b>                     |               |           |
| Zurfluh Enterprises                                 |               | 186.84    |
| <b><u>NEKOOSA FIRE DEPT</u></b>                     |               |           |
| Photocopies   |               | 10.00     |
| <b><u>NEKOOSA POLICE DEPT</u></b>                   |               |           |
| Photocopies   |               | 12.00     |

**NEKOOSA PORT EDWARDS STATE BANK**

Interest Earned on NOW Account 164.44

**OPERATORS LICENSES**

Rodriguez, Thomas 10.00

**RIVERSIDE PARK RESERVATIONS**

50.00

**SALES TAX**

.10

**SENIOR/COMMUNITY CENTER**

CDGB Grant 8,924.55  
Reservations/Table Cloths 1,275.00  
10,199.55

**TOTAL RECEIPTS**

**64,983.41**

**GENERAL**

TOTAL RECEIPTS 9-30-2011 64,983.41  
BOOK BALANCE 8-31-2011 579,284.62  
644,268.03  
DISBURSEMENTS 9-30-2011 383,692.51  
260,575.52  
BANK ERR 9-30-2011 1.00  
BOOK BALANCE 9-30-2011 260,574.52  
OUTSTANDING CHECKS 9-30-2011 7,901.51  
268,476.03  
OUTSTANDING DEPOSIT 9-30-2011 1,444.50  
BANK BALANCE 9-30-2011 267,031.53

**WATER**

TOTAL RECEIPTS 9-30-2011 3,540.18  
BOOK BALANCE 8-31-2011 334,959.35  
338,499.53  
DISBURSEMENTS 9-30-2011 38,478.15  
BOOK & BANK BALANCE 9-30-2011 300,021.38

**TEMPORARY INVESTMENTS – WATER UTILITY**

*MBIA Asset Management Group*  
Acct. #WI-01-0067-0002, Balance to Date – \$262,910.72

**CITY OF NEKOOSA – GENERAL FUND**

*MBIA Asset Management Group*  
Acct #WI-01-0067, Balance to Date - \$146,670.70

*Nekoosa Port Edwards State Bank*  
CD #40532, Maturity 12 Months - \$19,060.71  
Owned jointly with Town of PE for the landfill closing.

Respectfully submitted,

Sheila Grosskreutz  
Treasurer, City of Nekoosa

Moved by Hamilton seconded by Shymanski to accept the Treasurer’s Financial Report as written. Carried.

## **Planning Commission**

To the Honorable Mayor and Members of the Nekoosa Common Council:

A Planning Commission meeting was held on Wednesday, September 14, 2011, at 7:00 p.m. in the Nekoosa Council Chambers.

Members present were Gordon G. Freeman, *Mayor*, Larry Krubsack, *Secretary*, Terry Shymanski, August Woiak, Bill Kaberle-DPW, Gerald Cordes, Gerald Carlson, Bob Wenzel. Also in attendance were: Judy Shymanski, Jim Kleifgen.

1. Discussed allowing James Kleifgen to sell Musky Baits from his residence.
2. Moved by Shymanski seconded by Wenzel to approve a Conditional Use Permit to James Kleifgen to sell Musky Baits from his residence at 259 Wood Avenue. (All members voted Yes)

Respectfully submitted

Moved by Hamilton Seconded by Krubsack that the Planning Commission Committee Report of September 14, 2011 be accepted as written.

Carried.

Moved by Hamilton Seconded by Krubsack that Items 2 of the Planning Commission Committee Report of September 14, 2011, be adopted for action.

Roll Call Vote: 8 Ayes, 0 Nays. Carried.

## **Ways & Means**

To the Honorable Mayor and Members of the Nekoosa Common Council:

A Ways & Means meeting was held on Tuesday, October 11, 2011 at 6:15 p.m. in the Nekoosa Council Chambers.

Members present were Brad Hamilton, *Chairperson*, Robert Schultz, *Secretary*, August Woiak, Ken Hartje. Also in attendance were: Mayor Gordon Freeman, Terry Shymanski, Larry Krubsack, Robert Wenzel, and Dan Carlson.

1. Audited all bills.
2. Recommend Applications for License to Serve Fermented Malt Beverages and Intoxicating Liquors to:
  - Karen Haessly & Jean Zerby – Foley's Nita Brew
  - Kaely Hildebrandt – Party Connection
  - Thomas Rodriquez – Piggly Wiggly
3. Recommend donating \$300 To the Hometown Christmas Fireworks Display.

Respectfully submitted

Moved by Hamilton Seconded by Shymanski that the Ways & Means Committee Report of October 11, 2011, be accepted as written.

Carried.

Moved by Hamilton Seconded by Kruback that Items 2-3 of the Ways & Means Committee Report of October 11, 2011, be adopted for action.

Roll Call Vote: 8 Ayes, 0 Nays. Carried.

## **Public Works**

To the Honorable Mayor and Members of the Nekoosa Common Council:

A Public Works meeting was held on Tuesday, October 4, 2011, at 8:30 a.m. in the Nekoosa Council Chambers.

Members present were Ken Hartje, Chairperson, Robert Schultz, Secretary, Terry Shymanski, August Woiak. Also in attendance were: Mayor Freeman, Kevin Schubert-MSA, John Richmond-MSA, Bill Kaberle-DPW.

1. Discussed WWTP Rebuild/Upgrades. Recommend accepting change order No. 12 for \$6,163.00 and Change Order No. 13 for \$6,813.
2. Discussed Flood Plain Issues. Recommend hiring MSA for Training--up to \$1,000 Fee.
3. Discussed Mechanic's Garage Addition.
4. Discussed Newsletter cost
5. Discussed blacktopping.
6. Discussed Grass Problems from 2010/2011 Road & Sewer Project.
7. Discussed Budget issues.
8. Discussed Choose-to-Reuse Program.
9. Discussed S. Section Street rebuilds & storm sewer.
10. Discussed Creating Ordinance for Building clean-up.
11. Discussed cleanup of Unused Junk at DPW Shop. Proceeds to go toward shop hoist.
12. Discussed Grants, Seminars. Recommend DPW Director apply for a grant for a Portion of Peckham Road.
13. Next meeting scheduled for November 2, 2011 at 8:30 a.m.

Respectfully submitted

Moved by Hartje Seconded by Hamilton that the Public Works Committee Report of October 4, 2011, be accepted as written.

Carried.

Moved by Hartje Seconded by Hamilton that Items 1-2,11-12 of the Public Works Committee Report of October 4, 2011, be adopted for action.

Roll Call Vote: 8 Ayes, 0 Nays. Carried.

## **Public Safety**

To the Honorable Mayor and Members of the Nekoosa Common Council:

A Public Safety meeting was held on Tuesday, October 4, 2011, at 6:15 p.m. in the Nekoosa Council Chambers.

Members present were Larry Krubsack, *Chairperson*, Dan Carlson, *Secretary*, Robert Schultz, August Woiak. Also in attendance were: Mayor Gordon Freeman, Ambulance Chief Don Harnisch, Asst. Ambulance Chief Ken Moody, Fire Chief Mike Hartje, Asst. Fire Chief David Rheinschmidt, Asst. Police Chief Shawn Woods, and Terry Fancher-City Mechanic.

1. Recommend hiring Jacob Swiedacke and Tanya Kerchefski to the Ambulance Department.
2. Recommend hiring Current Technologies for Electrical work at the Safety Center for approximately \$2,800.00.
3. Discussed using Fuel Credit Card for personal vehicles.
4. Discussed Random Drug and Alcohol testing for Ambulance and Fire Dept.
5. Discussed Necedah Ambulance Department.
6. Recommend Police Dept purchase new squad car for approximately \$35,100.00 from Gross Motors.
7. Discussed storage at the old Fire Station.

Respectfully submitted

### **Public Safety**

To the Honorable Mayor and Members of the Nekoosa Common Council:

A Public Safety meeting was held on Wednesday, October 5, 2011, at 5:30 p.m. in the Nekoosa Council Chambers.

Members present were Larry Krubsack, *Chairperson*, Dan Carlson, *Secretary*, Robert Schultz, August Woiak. Also in attendance were: Fire Chief Mike Hartje, Mayor Gordon Freeman, Ambulance Chief Don Harnisch, Asst. Ambulance Chief Ken Moody, Ambulance Captain John Bidwell.

1. Discussed 2012 Budgets for Police, Fire & Ambulance Departments.

Respectfully submitted

Moved by Krubsack Seconded by Woiak that the Public Safety Committee Report of October 4, 2011 and October 5, 2011, be accepted as written.

Carried.

Moved by Krubsack Seconded by Hamilton that Items 1-2, 6 of the Public Safety Committee Report of October 4, 2011 be adopted for action.

Roll Call Vote: 8 Ayes, 0 Nays. Carried.

### **Property Recreation & Human Affairs**

To the Honorable Mayor and Members of the Nekoosa Common Council:

A Property Recreation & Human Affairs meeting was held on Thursday, October 6, 2011, at 6:00 p.m. in the Nekoosa Council Chambers.

Members present were Robert Wenzel, *Chairperson*, Dan Carlson, *Secretary*, August Woiak, Larry Krubsack. Also in attendance were: Mayor Gordon Freeman, City Attorney Jim Quinn, Robert Schultz, Bill Kaberle-DPW, Dan Schmidt, Nekoosa Citizens.

1. Update from Community Center Coordinators.

2. Discussed Property Recreation & Human Affairs 2012 Budget.
3. Discussed City recreation options.
4. Motion by Krubsack seconded by Woiak to go into CLOSED SESSION pursuant to Wisconsin Statutes 19.85(1)(e) regarding Land Development options for former Swimming Pool Area. (Wenzel-Yes, Carlson – Yes, Krubsack-Yes, Woiak-Yes).
5. Motion by Woiak seconded by Krubsack to go into OPEN SESSION pursuant to Wisconsin Statutes 19.85(2) to make possible recommendation on matters discussed in Closed Session. (Wenzel-Yes, Carlson – Yes, Krubsack-Yes, Woiak-Yes).
6. Recommend City Council refer to the City Planning Commission for its consideration and report the Change of Use and possible sale of 5.5 acre site that formerly housed the Swimming Pool and Water Tower and that the City Planning Commission report be returned to the Common Council within 30 days.
7. Recommend not taking action on listing contracts.

Respectfully submitted

Moved by Wenzel Seconded by Hamilton that the Property Recreation & Human Affairs Committee Report of October 6, 2011 be accepted as written. Carried.

Moved by Wenzel Seconded by Hamilton that Items 6-7 of the Property Recreation & Human Affairs Committee Report of October 6, 2011, be adopted for action.

Roll Call Vote: 8 Ayes, 0 Nays. Carried.

### **Wage & Salary**

To the Honorable Mayor and Members of the Nekoosa Common Council:

A Wage & Salary meeting was held on Tuesday, October 11, 2011, at 6:00 p.m. in the Nekoosa Council Chambers.

Members present were Terry Shymanski, *Chairperson*, Dan Carlson, *Secretary*, Robert Wenzel, Ken Hartje. Also in attendance were: Mayor Gordon Freeman, Robert Schultz, Larry Krubsack, August Woiak, Brad Hamilton.

1. Recommend Renewing City Employee Health Insurance with Security Health Plan.

Respectfully submitted

Moved by Carlson Seconded by Hamilton that the Wage & Salary Committee Report of October 11, 2011, be accepted as written.

Carried.

Moved by Carlson Seconded by Hamilton that Items 1 of the Wage & Salary Committee Report of October 11, 2011, be adopted for action.

Roll Call Vote: 8 Ayes, 0 Nays. Carried.

CITY OF NEKOOSA  
**Resolution Authorizing Execution of the  
Department of Natural Resources  
Principal Forgiven Financial Assistance Agreement**

WHEREAS, the City of Nekoosa (the "Municipality") must upgrade its wastewater treatment system by undertaking a project identified as DNR No. 4042-02 (the "Project"); and

WHEREAS, the Municipality has applied to the Clean Water Fund Program (the "CWFP") for a portion of the costs of the Project, in the form of a loan made by the CWFP to the Municipality of which all the principal will be forgiven at the time that loan disbursements are made to the Municipality, pursuant to the DNR Financial Assistance Agreement; and

WHEREAS, the CWFP has determined that it can provide a loan with principal forgiveness in an amount up to \$824,968 that it has identified as being eligible for CWFP funding.

NOW THEREFORE, the City Mayor and City Clerk are authorized by and on behalf of the Municipality to execute the Principal Forgiven Financial Assistance Agreement that contains the terms and conditions of the CWFP award for the Project. The Principal Forgiven Financial Assistance Agreement is incorporated herein by this reference.

Passed: 10-11-2011

Approved: 10-11-2011

\_\_\_\_\_  
Gordon G. Freeman  
Mayor

Attest: \_\_\_\_\_

Joseph M. Rusch II  
Clerk

Moved by Hamilton Seconded by Shymanski to adopt Resolution Authorizing Execution of the Department of Natural Resources Principal Forgiven Financial Assistance Agreement

Roll Call Vote: 8 Ayes, 0 Nays. Carried.

*RESOLUTION NO.* \_\_\_\_\_

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF  
\$2,470,600 TAXABLE SEWERAGE SYSTEM  
MORTGAGE REVENUE BONDS, SERIES 2011B  
OF THE CITY OF NEKOOSA, WOOD COUNTY, WISCONSIN,  
AND PROVIDING FOR THE PAYMENT OF THE BONDS AND  
OTHER DETAILS WITH RESPECT TO THE BONDS

WHEREAS, the City of Nekoosa, Wood County, Wisconsin ("City") now owns and operates and has for many years owned and operated its Sewerage System, a public utility (the Sewerage System and all properties of every nature in connection with such System now or hereafter owned by the City, including all improvements and extensions thereto, all real and personal property of every nature comprising part of and used or useful in connection therewith, and all appurtenances, contracts, leases, franchises and other intangibles, are hereinafter referred to collectively as the "System"); and

WHEREAS, under the provisions of Chapter 66, Wis. Stats., any municipality in the State of Wisconsin may, by action of its governing body, provide funds for refunding obligations issued to finance extensions, additions and improvements to a public utility from the proceeds of bonds, which bonds are to be payable only from the income and revenues derived from the operation of such utility and are to be secured by a pledge of the revenues of the utility and may be secured by a mortgage lien on such utility; and

WHEREAS, pursuant to a resolution adopted on March 8, 2011 (the "March 2011 Resolution"), the City issued its Sewerage System Mortgage Revenue Bonds, dated March 23, 2011 (the "Prior Bonds"), which bonds are payable from the income and revenues of the System; and

WHEREAS, the March 2011 Resolution permits the issuance of bonds payable from revenues of the System on a parity with the Prior Bonds upon certain conditions, and those conditions have been met; and

WHEREAS, the City has outstanding its Taxable Sewerage System Revenue Bond Anticipation Notes, Series 2010F, dated November 23, 2010 (the "Refunded Obligations"), which were issued to finance improvements to the System, including improvements to the wastewater treatment plant; and

WHEREAS, the Common Council has determined that it is necessary and desirable to refund the Refunded Obligations (the "Refunding") for the purpose of providing permanent financing for said improvements financed on an interim basis by the Refunded Obligations; and

WHEREAS, it is desired to authorize and sell revenue bonds for such purpose payable solely from the revenues to be derived from the operation of the System, which bonds are to be authorized and issued pursuant to the provisions of Section 66.0621, Wis. Stats.; and

WHEREAS the Common Council has determined that the City is unable to obtain sufficient credit elsewhere taking into consideration prevailing private rates and terms currently available and that the United States of America, acting through Rural Development, United States Department of Agriculture or other applicable agency (hereinafter called "Government"), similarly has determined and has indicated its intent to purchase such bonds as are necessary for such purpose; and

WHEREAS, due to certain provisions contained in the Internal Revenue Code of 1986, as amended, it is necessary to issue such revenue bonds on a taxable rather than tax-exempt basis; and

WHEREAS, other than the Prior Bonds and the Refunded Obligations, the City has no bonds or obligations outstanding which are payable from the income and revenues of the System.

NOW, THEREFORE, the Common Council of the City of Nekoosa, Wood County, Wisconsin, do resolve that:

Section 1. Authorization of Bonds. To provide funds for the Refunding, there shall be borrowed on the credit of the income and revenue of the System the sum of TWO MILLION FOUR HUNDRED SEVENTY THOUSAND SIX HUNDRED DOLLARS (\$2,470,600) and the fully-registered bond of the City in said principal amount shall be issued in evidence thereof (said bond is called the "Bond" and with other bonds which may be issued in substitution or exchange therefor are called the "Bonds"). The Bonds shall be designated "Taxable Sewerage System Mortgage Revenue Bonds, Series 2011B", be dated their date of delivery, and be numbered R-1. Installments of principal and interest, in the amount of Fifty-Three Thousand Two Hundred Forty-Two Dollars (\$53,242), shall be payable semiannually on the 1st day of March and September of each year until said sum is paid, with the first installment falling due on March 1, 2012, and the final installment due on September 1, 2051. The amount of such semi-annual payments has been determined by (a) multiplying the amortization factor found in United States Department of Agriculture, Rural Development Farm Service Agency, Amortization Tables, Publication No. 622, January 1982, for a loan with semi-annual payments, an interest rate equal to the interest rate on the Bonds and a term of 40 years, by the principal amount of the Bonds divided by 1000 and (b) rounding such product to the next highest whole dollar. Such principal payments are subject to the right of prepayment on the terms and with the effect set forth in Section 13 hereof.

The Bonds shall bear semi-annual interest at the rate of 3.00% per annum, or such lower rate as may be made available by the Government prior to the date of delivery.

The amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices.

The Common Council hereby determines that the Refunding is advantageous and necessary to the City.

The Bonds shall be signed by the manual or facsimile signatures of the Mayor and City Clerk of the City (provided that, unless the City has contracted with a fiscal agent to authenticate the Bonds, at least one of such signatures shall be manual), and sealed with the corporate seal of the City.

The Bonds, together with interest thereon, shall be payable only out of the Special Redemption Fund hereinafter provided, and shall be a valid claim of the owner thereof only against the Special Redemption Fund and the revenues pledged to such Fund, and sufficient revenues are pledged to the Special Redemption Fund, and shall be used for no other purpose than to pay the principal of and interest on the Prior Bonds, the Bonds and Parity Bonds as the same fall due.

Section 2. Form of Bonds. The Bonds shall be in substantially the form attached hereto as Exhibit A and incorporated herein by this reference.

Section 3. Definitions. In addition to the words defined elsewhere in this Resolution, the following words shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Annual Debt Service Requirement" means the total amount of principal and interest due in any Fiscal Year on the Prior Bonds, the Bonds and Parity Bonds.

"Bond Year" means the one-year period ending on a principal payment date or mandatory redemption date for the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended.

"Fiscal Year" means the fiscal year adopted by the City for the System, which is currently the calendar year.

"Net Revenues" means the Revenues minus all Operation and Maintenance Expenses of the System.

"Operation and Maintenance Expenses" means the reasonable and necessary costs of operating, maintaining, administering and repairing the System, including salaries, wages, costs of materials and supplies, insurance and audits, but excluding depreciation, debt service, tax equivalents and capital expenditures.

"Parity Bonds" means additional bonds issued on a parity as to pledge and lien with the Bonds in accordance with the provisions of Section 9 of this Resolution.

"Reserve Requirement" means an amount equal to the least of (a) \$106,484 (b) maximum annual debt service on the Bonds in any Bond Year and (c) 125% of average annual debt service on the Bonds in any Bond Year. If Parity Bonds which are to be secured by the Reserve Account are issued, the Reserve Requirement shall mean the least of (a) the amount required to be on deposit in the Reserve Account prior to the issuance of such Parity Bonds plus the amount permitted to be deposited therein from proceeds of the Parity Bonds pursuant to Section 148(d)(1) of the Code, (b) the maximum annual debt service requirement for outstanding obligations secured by the Reserve Account and the Parity Bonds to be issued and (c) 125% of average annual debt service on the outstanding obligations secured by the Reserve Account and the Parity Bonds to be issued.

"Revenues" means all income and revenue derived from operation of the System, including the revenues received from the City for services rendered to it and all moneys received from any other source, including income derived from investments.

Section 4. Income and Revenue Funds. When the Bonds shall have been delivered in whole or in part, the Revenues shall be set aside into the following separate and special funds, which were created and established by a resolution adopted on August 24, 2010, continued by the March 2011 Resolution and are hereby further continued and shall be used and applied as described below:

(a) Revenues in amounts sufficient to provide for the reasonable and proper operation and maintenance of the System through the payment of Operation and Maintenance Expenses shall be set aside into the Sewerage System Operation and Maintenance Fund (the "Operation and Maintenance Fund").

(b) Revenues in amounts sufficient to pay the principal of and interest on the Prior Bonds, the Bonds and Parity Bonds shall be set aside into the Sewerage System Revenue Bond and Interest Special Redemption Fund (the "Special Redemption Fund"), to be applied to the payment of the principal of and interest on the Prior Bonds, the Bonds and Parity Bonds. The monies standing in the Special Redemption Fund are irrevocably pledged to the payment of principal of and interest on the Prior Bonds, the Bonds and Parity Bonds.

(c) Revenues in amounts sufficient to provide a proper and adequate depreciation account for the System shall be set aside into the Sewerage System Depreciation Fund (the "Depreciation Fund").

The Operation and Maintenance Fund and Depreciation Fund shall be deposited as received in public depositories to be selected by the Common Council in the manner required by Chapter 34 of the Wisconsin Statutes and may be invested in legal investments subject to the provisions of Section 66.0603(1m), Wis. Stats.

Money in the Operation and Maintenance Fund shall be used to pay Operation and Maintenance Expenses as the same come due; money not immediately required for Operation and Maintenance Expenses shall be used to accumulate a reserve in the Operation and Maintenance Fund equal to estimated Operation and Maintenance Expenses for one month. Any money then available and remaining in the Operation and Maintenance Fund may be transferred to the Surplus Fund, which fund is hereby continued.

Revenues shall be deposited in the Depreciation Fund each month until such amount as the Common Council may from time to time determine to constitute an adequate and reasonable depreciation account for the System (the "Depreciation Requirement") is accumulated therein. Money in the Depreciation Fund shall be available and shall be used, whenever necessary, to restore any deficiency in the Special Redemption Fund and for the maintenance of the Reserve Account therein. When the Special Redemption Fund is sufficient for its purpose, funds in the Depreciation Fund may be expended for repairs, replacements, new construction, extensions or additions to the System. Any money on deposit in the Depreciation Fund in excess of the Depreciation Requirement which is not required during the current Fiscal Year for the purposes of the Depreciation Fund, may be transferred to the Surplus Fund.

It is the express intent and determination of the Common Council that the amount of Revenues to be set aside and paid into the Special Redemption Fund (including the Reserve Account) shall in any event be sufficient to pay principal of and interest on the Prior Bonds, the Bonds and Parity Bonds, and the City Treasurer shall each Fiscal Year deposit at least sufficient Revenues in the Special Redemption Fund to pay promptly all principal and interest falling due on the Prior Bonds, the Bonds and Parity Bonds.

The Revenues so set aside for payment of the principal of and interest on the Prior Bonds, the Bonds and Parity Bonds shall be set apart and shall be paid into the Special Redemption Fund not later than the 10th day of each month. The amount deposited each month shall be not less than one-sixth of the next semi-annual payment coming due.

The Special Redemption Fund shall be used for no purpose other than the payment of interest upon and principal of the Prior Bonds, the Bonds and Parity Bonds promptly as the same become due and payable or to pay redemption premiums. All money in the Special Redemption Fund shall be deposited in a special account and invested in legal investments subject to Section 66.0603(1m), Wis. Stats., and the monthly payments required to be made to the Special Redemption Fund shall be made directly to such account.

To additionally secure the payment of principal of and interest on the Prior Bonds, the Bonds and Parity Bonds, the Debt Service Reserve Account (the "Reserve Account") established by the March 2011 Resolution is hereby continued within the Special Redemption Fund. In addition to the deposits required by the March 2011 Resolution, Revenues shall be deposited in the Reserve Account with respect to the Bonds in semi-annual installments of \$5,324 until an amount equal to the Reserve Requirement is accumulated in the Reserve Account. The Reserve Account is a required emergency fund for debt repayment and maintenance and repairs. No proceeds of the Bonds will be deposited in the Reserve Account. At no time should the total amount in the Reserve Account for the Prior Bonds, the Bonds and Parity Bonds exceed the sum of the Reserve Requirement and the reserve requirement defined in the March 2011 Resolution. With prior written approval of the Government, Reserve Account funds may be withdrawn and used for emergency maintenance, extensions to the System and short lived assets.

The City covenants and agrees that at any time that the Reserve Account is drawn on causing the amount in the Reserve Account shall be less than the sum of the Reserve Requirement and the reserve requirement defined in the March 2011 Resolution, semi-annual deposits shall be resumed or shall continue to be made, aggregating \$10,648 annually, until there is accumulated an amount equal to the sum of the Reserve Requirement and the reserve requirement defined in the March 2011 Resolution, at which time deposits shall be discontinued. If at any time the amount on deposit in the Reserve Account exceeds the sum of the Reserve Requirement and the reserve requirement defined in the March 2011 Resolution, the excess shall be transferred to the Special Redemption Fund and used to pay principal and interest on the Prior Bonds and the Bonds. If for any reason there shall be insufficient funds on hand in the Special Redemption Fund to meet principal or interest becoming due on the Prior Bonds, the Bonds or Parity Bonds secured by the Reserve Account, then all sums then held in the Reserve Account shall be used to pay the portion of interest or principal on such Prior Bonds, Bonds or Parity Bonds becoming due as to which there would otherwise be default, and thereupon the payments required by this paragraph shall again be made into the Reserve Account until an amount equal to the Reserve Requirement is on deposit in the Reserve Account.

Money in the Surplus Fund shall first be used when necessary to meet requirements of the Operation and Maintenance Fund including the one month reserve, the Special Redemption Fund including the Reserve Account, and the Depreciation Fund. Any money then remaining in the Surplus Fund at the end of any Fiscal Year may be used only as permitted and in the order specified in Section 66.0811(2), Wis. Stats. Money thereafter remaining in the Surplus Fund may be transferred to any of the funds or accounts created by this section.

Section 4A. Mortgage Lien. For the further protection of the owners of the Bonds, a mortgage lien upon the System is hereby granted to and in favor of the owner or owners of the Bonds, which lien is hereby recognized as valid and binding upon the City and as a valid and binding lien upon the System and any additions and improvements to be made thereto. Said lien is on a parity with that granted owners of the prior Bonds.

The City Clerk is hereby directed to perfect said mortgage lien by recording this Resolution in the records of the City, and, if and as directed by the Government, to provide notice of said mortgage lien by recording a Notice of Mortgage Lien with the County Register of Deeds in substantially the form attached hereto as Exhibit B.

Section 5. Service to the City. The reasonable cost and value of any service rendered to the City by the System, including reasonable health protection charges, shall be charged against the City and shall be paid by it in monthly installments as the service accrues, out of the current revenues of the City collected or in the process of collection, exclusive of the revenues derived from the System, to wit: out of the tax levy of the City made by it to raise money to meet its necessary current expenses. It is hereby found and determined that the reasonable cost and value of such service to the City in each year shall be in an amount which, together with Revenues of the System, will produce Net Revenues equivalent to not less than 1.10 times the Annual Debt Service Requirement. Such compensation for such service rendered to the City shall, in the manner provided hereinabove, be paid into the separate and special funds described in Section 4 of this Resolution. However, such payment is subject to (a) annual appropriation by the Common Council, (b) approval of the Wisconsin Public Service Commission, if necessary, and (c) applicable levy limits, if any; and neither this Resolution nor such payment shall be construed as constituting an obligation of the City to make any such appropriation over and above the reasonable cost and value of services rendered to the City or to make any subsequent payment over and above such reasonable cost and value.

Section 6. Operation of System; City Covenants. It is covenanted and agreed by the City with the owner or owners of the Bonds, and each of them, that:

It will faithfully and punctually perform all duties with reference to the System required by the Constitution and Statutes of the State of Wisconsin, including the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the System, and will segregate the Revenues of the System and apply them to the respective funds and accounts described hereinabove;

It will not sell, lease, or in any manner dispose of the System, including any part thereof or any additions, extensions, or improvements that may be made part thereto, except that the City shall have the right to sell, lease or otherwise dispose of any property of the System found by the City to be neither necessary nor useful in the operation of the System, provided the proceeds received from such sale, lease or disposal shall be paid into the Special Redemption Fund or applied to the acquisition or construction of capital facilities for use in the normal operation of the System, and such payment shall not reduce the amounts otherwise required to be paid into the Special Redemption Fund;

It will pay or cause to be paid all lawful taxes, assessments, governmental charges, and claims for labor, materials or supplies which if unpaid could become a lien upon the System or its Revenues or could impair the security of the Bonds;

It will maintain in reasonably good condition and operate the System, and will establish, charge and collect such lawfully established rates and charges for the service rendered by the System, so that in each Fiscal Year Net Revenues shall not be less than 110% of the Annual Debt Service Requirement, and so that the Revenues of the System herein agreed to be set aside to provide payment of the Prior Bonds, the Bonds and Parity Bonds and the interest thereon as the same becomes due and payable, and to meet the Reserve Requirement, will be sufficient for those purposes; and

It will prepare a budget not less than sixty days prior to the end of each Fiscal Year and, in the event such budget indicates that the Net Revenues for each Fiscal Year will not exceed the Annual Debt Service Requirement for each corresponding Fiscal Year by the proportion stated hereunder, will take any and all steps permitted by law to increase rates so that the aforementioned proportion of Net Revenues to the Annual Debt Service Requirement shall be accomplished as promptly as possible.

Section 7. Books and Accounts; Inspection. The City will keep proper books and accounts relative to the System separate from all other records of the City and will cause such books and accounts to be audited annually by a recognized independent firm of certified public accountants including a balance sheet and a profit and loss statement of the System as certified by such accountants. Each such audit, in addition to whatever matters may be thought proper by the accountants to be included therein shall include the following: (1) a statement in detail of the income and expenditures of the System for the Fiscal Year; (2) a balance sheet as of the end of such Fiscal Year; (3) the accountants' comment regarding the manner in which the City has carried out the requirements of this Resolution and the accountants' recommendations for any changes or improvements in the operation of the System; (4) the number of connections to the System at the end of the Fiscal Year, for each user classification (i.e., residential, commercial, public and industrial); (5) a list of the insurance policies in force at the end of the Fiscal Year setting out as to each policy the amount of the policy, the risks covered, the name of the insurer, and the expiration date of the policy; and (6) the volume of water used.

The owners of any of the Bonds shall have at all reasonable times the right to inspect the System and the records, accounts and data of the City relating thereto.

Section 8. Insurance. So long as any of the Bonds are outstanding the City will carry for the benefit of the owners of the Bonds: (a) adequate fire, lightning, vandalism, riot, strike, explosion, civil commotion, malicious damage, tornado and windstorm insurances on all portions of the System which are subject to loss through such casualties; (b) adequate insurance against loss of use and occupancy resulting from such casualties; (c) adequate public liability insurance and (d) insurance of the kinds and in the amounts normally carried by private companies engaged in the operation of similar systems. All money received for loss of use and occupancy shall be considered Revenue of the System payable into the separate funds and accounts named in Section 4 of this Resolution. All money received for losses under any of such casualty policies, except those specified in (b) above, shall be used in repairing the damage or in replacing

the property destroyed provided that if the Common Council shall find it is inadvisable to repair such damage or replace such property and that the operation of the System has not been impaired thereby, such money, including proceeds from insurance under (b) above, shall be deposited in the Special Redemption Fund, but in that event such payments shall not reduce the amounts otherwise required to be paid into the Special Redemption Fund.

Section 9. Additional Bonds. The Bonds are issued on a parity with the Prior Bonds. No bonds or obligations payable out of the Revenues of the System may be issued in such manner as to enjoy priority over the Bonds. Additional obligations may be issued if their lien and pledge is junior and subordinate to that of the Bonds. While the Government is the registered owner of the Bonds, additional bonds on a parity with the pledge and lien of the Bonds may be issued only with the consent of the Government. At other times, additional obligations may be issued on a parity with the Bonds as to the pledge of Revenues of the System ("Parity Bonds") only if all of the following conditions are met:

a. The Net Revenues of the System for the Fiscal Year immediately preceding the issuance of such additional bonds must have been equal to at least 1.20 times the highest annual principal and interest requirements on all bonds outstanding payable from Revenues of the System and on the Bonds then to be issued in any Fiscal Year. Should an increase in permanent rates and charges, including those made to the City, be properly ordered and made effective during the Fiscal Year immediately prior to the issuance of such additional bonds or during that part of the Fiscal Year of issuance prior to such issuance, then Revenues for purposes of such computation shall include such additional Revenues as an independent certified public accountant, consulting professional engineer or the Wisconsin Public Service Commission may certify would have accrued during the prior Fiscal Year had the new rates been in effect during that entire immediately prior Fiscal Year.

b. The payments required to be made into the funds enumerated in Section 4 of this Resolution (including the Reserve Account, but not the Surplus Fund) must have been made in full.

c. The additional bonds must have debt service payments due on March 1 and September 1 of each year.

d. If the Parity Bonds are to be secured by the Reserve Account, the amount on deposit in the Reserve Account must be increased to an amount equal to the Reserve Requirement applicable upon the issuance of Parity Bonds as defined in Section 4 of this Resolution.

e. The proceeds of the additional bonds must be used only for the purpose of providing additions, extensions or improvements to the System, or to refund obligations issued for such purpose.

Section 10. Sale of Bonds. The City shall sell and deliver the Bonds to the Government for the purchase price of \$2,470,600. The officers of the City are authorized and directed to do any and all acts necessary to conclude delivery of the Bonds to the Government, upon receipt of the purchase price, as soon after adoption of this Resolution as is convenient.

Section 11. Application of Bond Proceeds. All accrued interest received from the sale of the Bonds shall be deposited into the Special Redemption Fund. An amount sufficient to provide for the payment of the Refunded Obligations shall be deposited in a special account for that purpose. The balance of the proceeds, less the expenses incurred in authorizing, issuing and delivering the Bonds, shall be deposited in the Special Redemption Fund for use in payment of principal of and interest on the Bonds.

Section 12. Amendment to Resolution. After the issuance of any of the Bonds, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Bonds have been paid in full as to both principal and interest, or discharged as herein provided, except:

a. The City may, from time to time, amend this Resolution without the consent of any of the owners of the Bonds, but only to cure any ambiguity, administrative conflict, formal defect, or omission or procedural inconsistency of this Resolution; and

b. This Resolution may be amended, in any respect, with the written consent of the owners of not less than two-thirds of the principal amount of the Bonds then outstanding, exclusive of Bonds held by the City; provided, however, that no amendment shall permit any change in the pledge of Revenues derived from the System, or in the maturity of any Bond issued hereunder, or a reduction in the rate of interest on any Bond, or in the amount of the principal obligation thereof, or in the amount of the redemption premium payable in the case of redemption thereof, or change the terms upon which the Bonds may be redeemed or make any other modification in the terms of the payment of such principal or interest without the written consent of the owner of each such Bond to which the change is applicable.

Section 13. Redemption and Graduation. At any time when the Government is the owner of any Bonds (a) City may redeem, at its option from time to time, any or all of the outstanding Bonds, and (b) if it shall appear to the Government that the City is able to refund upon call for redemption or with consent of the Government the then outstanding Bonds by obtaining a loan for such purposes from responsible cooperative or private credit sources, at reasonable rates and terms for loans for similar purposes and periods of time, the City will upon request of the Government apply for and accept such loan in sufficient amount to pay the Government's loan (i.e., the Bonds) in full, and will take all such action as may be required in connection with such loan. This graduation requirement may not be altered by the defeasance of the Bonds.

Section 14. Defeasance. While the Government is the registered owner of the Bonds, the City shall not defease the Bonds, nor borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the System, exclusive of normal maintenance, without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the Bonds.

Section 15. Resolution Subject to Loan Resolution. So long as the Government is the owner of any of the Bonds, the City and this Resolution shall be subject to the loan resolution authorizing this transaction, between the Government and the City, a copy of which is available in the offices of the City and subject to inspection during regular office hours by the owners of any of the Bonds.

Section 16. Investments and Arbitrage. Monies accumulated in any of the funds and accounts referred to in Sections 4 and 11 hereof which are not immediately needed for the respective purposes thereof, may be invested in legal investments subject to the provisions of Sec. 66.0603(1m), Wis. Stats., until needed. All income derived from such investments shall be credited to the fund or account from which the investment was made; provided, however, that at any time that the Reserve Requirement is on deposit in the Reserve Account, any income derived from investment of the Reserve Account shall be deposited into the Special Redemption Fund and used to pay principal and interest on the Bonds. A separate banking account is not required for each of the funds and accounts established under this Resolution; however, the monies in each fund or account shall be accounted for separately by the City and used only for the respective purposes thereof. The proceeds of the Bonds shall be used solely for the purposes for which they are issued but may be temporarily invested until needed in legal investments. No such investment shall be made in such a manner as would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations of the Commissioner of Internal Revenue thereunder (the "Regulations").

An officer of the City, charged with the responsibility for issuing the Bonds, shall, on the basis of the facts, estimates and circumstances in existence on the date of closing, make such certifications as are necessary to permit the conclusion that the Bonds are not "arbitrage bonds" under Section 148 of the Code or the Regulations.

Section 17. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the City and the owner or owners of the Bonds, and after issuance of any of the Bonds no change or alteration of any kind in the provisions of this Resolution may be made, except as provided in Section 12, until all of the Bonds have been paid in full as to both principal and interest. The owner or owners of any of the Bonds shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce such owner's or owners' rights against the City, the governing body thereof, and any and all officers and agents thereof including, but without limitation, the right to require the City, its governing body and any other authorized body, to fix and collect rates and charges fully adequate to carry out all of the provisions and agreements contained in this Resolution.

Section 18. Persons Treated as Owners; Transfer of Bonds. The City Clerk shall keep books for the registration and for the transfer of the Bonds. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Bond shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the City Clerk, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the Mayor and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity, and the City Clerk shall record the name of each transferee in the registration book. No registration shall be made to bearer. The City Clerk shall cancel any Bond surrendered for transfer.

The City shall cooperate in any such transfer, and the Mayor and City Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

The fifteenth day of each calendar month next preceding each interest payment date shall be the record dates for the Bonds. Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the City at the close of business on the corresponding record date.

Section 19. Payment of Refunded Obligations. The Refunded Obligations will be paid on their November 1, 2011 maturity date.

Section 20. Records. The City Clerk shall provide and keep a separate record book and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds.

Section 21. Closing. The Mayor and City Clerk are hereby authorized and directed to execute and deliver the Bonds to the Purchaser thereof upon receipt of the purchase price. The Mayor and City Clerk may execute the Bonds by manual or facsimile signature, but, unless the City has contracted with the Fiscal Agent to authenticate the Bonds, at least one of said officers shall sign the Bonds manually.

The officers of the City hereby are directed and authorized to take all necessary steps to close the bond issue as soon as practicable hereafter, in accordance with the terms of sale thereof, and said officers are hereby authorized and directed to execute and deliver such documents, certificates and acknowledgments as may be necessary or convenient in accordance therewith.

Section 22. Conflicting Ordinances or Resolutions. All ordinances and resolutions other than the March 2011 Resolution or orders, or parts thereof heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed and this Resolution shall be in effect from and after its passage. In case of any conflict between the Resolution and the March 2011 Resolution, the March 2011 Resolution shall control also long as any bonds of the Prior Bonds authorized by such resolution are outstanding.

Adopted and approved October 11, 2011.

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Mayor

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City Clerk

EXHIBIT A

(Form of Bond)

UNITED STATES OF AMERICA  
STATE OF WISCONSIN  
WOOD COUNTY  
CITY OF NEKOOSA  
TAXABLE SEWERAGE SYSTEM MORTGAGE REVENUE BOND, SERIES 2011B

| <u>Number</u> | <u>Rate</u> | <u>Maturity Date</u> | <u>Date of Original Issue</u> | <u>Amount</u> |
|---------------|-------------|----------------------|-------------------------------|---------------|
| R-1           | 3.00%       | September 1, 2051    | October 27, 2011              | \$2,470,600   |

Registered Owner: United States of America, acting through Rural Development,  
United States Department of Agriculture ("Government")

KNOW ALL MEN BY THESE PRESENTS that the City of Nekoosa, Wood County, Wisconsin (the "City") hereby acknowledges itself to owe and for value received promises to pay to the registered owner hereof from the fund hereinafter specified the sum of TWO MILLION FOUR HUNDRED SEVENTY THOUSAND SIX HUNDRED DOLLARS (\$2,470,600) in eighty equal installments of principal and interest the amount of which shall be determined by (a) multiplying the amortization factor found in the United States Department of Agriculture, Rural Development Farm Service Agency, Amortization Tables, Publication No. 622, January 1982 for a loan with 80 payments, an interest rate equal to the interest rate on the Bond and a term of 40 years by the principal amount of the Bonds divided by 1000 and (b) rounding such product to the next highest whole dollar. The installments of principal and interest, in the amount of Fifty-Three Thousand Two Hundred Forty-Two Dollars (\$53,242), shall be payable semiannually on the 1st day of March and September of each year until said sum is paid, commencing on March 1 2012, with final payment due September 1, 2051. Both principal hereof and interest hereon are hereby made payable in lawful money of the United States of America to the registered owner hereof at the address shown on the registration book of the City. The payment of the last installment of principal shall be made only upon presentation and surrender of this Bond to the City.

At any time when the Government is the owner of any Bonds (a) the City may redeem, at its option from time to time, any or all of the outstanding Bonds, and (b) if it shall appear to the Government that the City is able to refund upon call for redemption or with consent of the Government the then outstanding Bonds, in whole or in part, by obtaining a loan for such purposes from responsible cooperative or private credit sources, at reasonable rates and terms for loans for similar purposes and periods of time, the City will upon request of the Government apply for and accept such loan in sufficient amount to repay the Government and will take all such action as may be required in connection with such loans. Not less than thirty (30) days notice of each prepayment shall be given stating the principal installments to be prepaid, the date of such prepayment and that said installments shall cease to bear interest after such date, which notice shall be mailed by registered mail to the registered owner of this Bond.

This Bond is transferable only upon the books of the City kept for that purpose at the office of the City Clerk, by the registered owner in person or his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the City Clerk duly executed by the registered owner or his duly authorized attorney. Thereupon a new Bond or Bonds of the same aggregate principal amount, series and maturity shall be issued to the transferee in exchange therefor. The City may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or interest hereof and for all other purposes. The Bonds are issuable solely as negotiable, fully-registered Bonds without coupons.

This Bond is one of an issue aggregating \$2,470,600, issued for the purpose of refunding obligations of the City issued to finance additions, improvements and extensions to the City's Sewerage System, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, acts supplementary thereto and a Resolution adopted

October 11, 2011, and entitled: "A Resolution Authorizing the Issuance and Sale of \$2,470,600 Taxable Sewerage System Mortgage Revenue Bonds, Series 2011B of the City of Nekoosa, Wood County, Wisconsin, and Providing for the Payment of the Bonds and Other Details With Respect to the Bonds," and is payable only from the income and revenues derived from the operation of said Sewerage System. Such revenues have been set aside and pledged as a special fund for that purpose and identified as "Special Redemption Fund", created by a resolution adopted by the City on August 24, 2010 and continued by the resolution referred to above. The Bonds are issued on a parity with the City's Sewerage System Mortgage Revenue Bonds, dated March 23, 2011 (the "Prior Bonds"). This Bond does not constitute an indebtedness of the City within the meaning of any constitutional or statutory debt limitation or provision.

A mortgage lien, which is hereby recognized as valid and binding on said Sewerage System, together with all extensions and improvements thereto, has been granted by the City to and in favor of the registered owner or owners of bonds of this issue of Bonds. The Sewerage System shall remain subject to such mortgage lien until the payment in full of the principal of and interest on this Bond and the issue of which it forms a part. Such mortgage lien is on a parity with the mortgage lien granted to the owners of the Prior Bonds.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen, and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law; and that sufficient of the income and revenue to be received by said City from the operation of its Sewerage System has been pledged to and will be set aside into a special fund for the payment of the principal of and interest on this Bond.

IN WITNESS WHEREOF, the City of Nekoosa, Wood County, Wisconsin, has caused this Bond to be signed by its Mayor and City Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

CITY OF NEKOOSA,  
WOOD COUNTY,  
WISCONSIN

(SEAL)

By \_\_\_\_\_  
City Clerk

By \_\_\_\_\_  
Mayor

Registration Provisions

This Bond shall be registered on books of the City kept by its City Clerk, upon presentation hereof to said City Clerk, such registration to be noted on the registration blank below and upon said books, and this Bond may thereafter be transferred only upon a written assignment duly executed by the registered owner or his attorney, such transfer to be made on such books and endorsed hereon.

| <u>Date of Registration</u> | <u>In Whose Name Registered</u> | <u>Signature of City Clerk</u> |
|-----------------------------|---------------------------------|--------------------------------|
| October 27, 2011            | United States of America        |                                |
| _____                       | _____                           | _____                          |
| _____                       | _____                           | _____                          |

EXHIBIT B

NOTICE OF MORTGAGE LIEN

The City of Nekoosa, Wood County, Wisconsin (the "Municipality") has issued or will issue its \$2,470,600 Taxable Sewerage System Mortgage Revenue Bonds, Series 2011B (the "Bonds") and has granted to the United States of America, or registered assigns, as the registered owner or owners of the Bonds a mortgage lien on its Sewerage System (the "System") as security for the payment of principal of and interest on the Bonds pursuant to Section 66.0621, Wisconsin Statutes. The mortgage lien has been granted pursuant to a resolution adopted by the governing body of the Municipality on October 11, 2011 (the "Resolution").

1. Property Subject to Mortgage. All property owned by the Municipality which is part of the System, together with all additions and improvements to the System, are subject to the mortgage lien. The real property affected by said mortgage lien is described on Schedule A hereto.

2. Term. The System shall remain subject to the mortgage lien until payment in full of the principal and interest on the Bonds. The final scheduled maturity of the Bonds is September 1, 2051.

3. Notice of Mortgage. This Notice of Mortgage Lien is made for the purpose of giving public notice of the mortgage lien and certain of its terms, covenants and conditions, and for no other purpose. The provisions of this Notice of Mortgage Lien shall not in any way change or affect the provisions of the Resolution or the mortgage granted thereunder, express reference to which is hereby made and the terms and conditions of which remain in full force and effect.

IN WITNESS WHEREOF, the Municipality has executed this Notice of Mortgage Lien as of the 27th day of October, 2011.

CITY OF NEKOOSA  
WOOD COUNTY, WISCONSIN

(SEAL)

By \_\_\_\_\_  
Mayor

By \_\_\_\_\_  
City Clerk

Moved by Hamilton Seconded by Shymanski to adopt A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$2,470,600 TAXABLE SEWERAGE SYSTEM MORTGAGE REVENUE BONDS, SERIES 2011B OF THE CITY OF NEKOOSA, WOOD COUNTY, WISCONSIN, AND PROVIDING FOR THE PAYMENT OF THE BONDS AND OTHER DETAILS WITH RESPECT TO THE BONDS

Roll Call Vote: 8 Ayes, 0 Nays. Carried.

**LOAN RESOLUTION**  
(Public Bodies)

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF NEKOOSA AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS SEWER FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the City of Nekoosa (herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of TWO MILLION FOUR HUNDRED SEVENTY THOUSAND AND XX / 100 DOLLARS (2,470,000.00) pursuant to the provisions of State Statue 66.0621 ; and WHEREAS, the Association intends to obtain assistance from the United States

Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.)

in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legally permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the

establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.

12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.

13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.

14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities, and replacement of short lived assets.

15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.

16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.

17. To accept a grant in an amount not to exceed under the terms offered by the Government; that Mayor, City of Nekoosa and of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

Yeas 8    Nays 0    Absent 0

IN WITNESS WHEREOF, the City Council of the Nekoosa, City of has duly adopted this resolution and caused it to be executed by the officers below in duplicate on this 11<sup>th</sup> day of , October, 2011

\_\_\_\_\_  
Gordon Freeman  
Mayor

Attest:

\_\_\_\_\_  
Joseph M. Rusch II  
City Clerk  
Nekoosa, City of

Moved by Hamilton Seconded by Shymanski A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF NEKOOSA AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS SEWER FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

Roll Call Vote: 8 Ayes, 0 Nays. Carried.

Moved by Hamilton Seconded by Shymanski to accept the Police Chief's monthly report as written. Carried

Moved by Hamilton Seconded by Shymanski to accept the Public Works Director monthly report as written. Carried

Moved by Hamilton Seconded by Shymanski to accept the Ambulance Department monthly report as written. Carried

Moved by Hamilton Seconded by Shymanski to accept the Fire Department monthly report as written. Carried

Moved by Hamilton Seconded by Shymanski to accept the Building Inspector's monthly report as written. Carried

Moved by Hamilton Seconded by Shymanski to accept the Community Center monthly report as written. Carried

**BILLS TO BE READ**  
**OCTOBER 11, 2011**

**GENERAL**

|                                    |          |
|------------------------------------|----------|
| ACE HARDWARE                       | 49.75    |
| ADVANCE JANITORIAL SERVICE         | 474.36   |
| AIRGAS NORTH CENTRAL               | 129.12   |
| ALLIANT ENERGY/WP&L                | 2,494.37 |
| ALLIANT ENERGY/WP&L                | 3,096.08 |
| ASSOCIATED WEALTH MANAGEMENT       | 513.00   |
| B A PAULS & ASSOCIATES             | 775.00   |
| BEAVER OF WI                       | 79.25    |
| BILL KABERLE                       | 102.76   |
| BRIAN MACHON                       | 33.72    |
| CARQUEST AUTO PARTS STORES         | 353.99   |
| CHARTER COMMUNICATIONS             | 119.99   |
| CITY OF WI RAPIDS                  | 380.65   |
| COATAR & ASSOCIATES                | 110.40   |
| CTL COMPANY INC                    | 358.05   |
| CUSTOM FIRE APPARATUS              | 60.95    |
| DIVISION OF UNEMPLOYMENT INSURANCE | 80.58    |
| DOORWORKS INC                      | 850.00   |
| ELEMENT MOBILE                     | 69.76    |
| EMERGENCY MEDICAL PRODUCTS         | 309.00   |

|                                    |           |
|------------------------------------|-----------|
| EO JOHNSON                         | 360.00    |
| GALLS                              | 194.47    |
| GANNETT WI MEDIA                   | 957.75    |
| GARRISON SEPTIC SERVICE INC        | 195.00    |
| G&K SERVICES                       | 1,044.21  |
| GOTTA GO RENTALS                   | 350.00    |
| HERMAN STEINERT                    | 15.00     |
| IMPERIAL SUPPLIES LLC              | 50.13     |
| ITU INC                            | 281.92    |
| JEFFERSON FIRE & SAFETY            | 541.40    |
| JOE & MICHELLE KEYZER              | 200.00    |
| LABOR ASSOCIATION OF WI            | 470.00    |
| MIDWEST RADAR & EQUIPMENT          | 120.00    |
| MINNESOTA LIFE INSURANCE CO        | 330.19    |
| MISSISSIPPI WELDERS SUPPLY         | 276.24    |
| NAPA OF NEKOOSA                    | 199.98    |
| NORTHWAY COMMUNICATIONS INC        | 432.00    |
| PC DOCTORS LLC                     | 524.92    |
| PHYSIO CONTROL                     | 552.65    |
| PIGGLY WIGGLY                      | 20.24     |
| POINTON COMMUNICATIONS             | 157.50    |
| PROGRESSIVE MEDICAL INTERNATIONAL  | 59.79     |
| ROBERT ROWE                        | 631.36    |
| SCHIERL INC                        | 178.50    |
| SECURITY HEALTH PLAN               | 33,867.03 |
| SHEILA GROSSKREUTZ                 | 225.00    |
| SHEILA GROSSKREUTZ                 | 136.17    |
| SMITH LUMBER                       | 59.09     |
| SOLARUS                            | 1,337.07  |
| STAPLES ADVANTAGE                  | 472.99    |
| STATE CONTROLLERS OFFICE – CMO     | 944.70    |
| SUSAN MORGAN                       | 200.00    |
| THE BALTUS COMPANY                 | 4,736.84  |
| UNIFIRST CORPORATION               | 48.36     |
| UPS                                | 40.00     |
| U S CELLULAR                       | 708.42    |
| VEOLIA ES CRANBERRY CREEK LANDFILL | 5,265.68  |
| VEOLIA ES SOLID WASTE MIDWEST      | 2,384.60  |
| WE ENERGIES                        | 280.39    |
| WINZER CORP                        | 374.96    |
| WI RURAL WATER ASSOCIATION         | 320.00    |
| WI TAXPAYER ALLIANCE               | 24.90     |
| WOOD COUNTY TREASURER              | 274.00    |
| WOOD COUNTY TREASURER              | 176.00    |
| ADVANCE JANITORIAL SERVICE         | 229.35    |
| ALLIANT ENERGY                     | 931.68    |
| BAKER & TAYLOR                     | 550.12    |
| CEDAR HAVEN BOOKS                  | 7.95      |
| CITY OF NEKOOSA                    | 1,022.40  |
| DARLA ALLEN                        | 123.42    |
| DEMCO                              | 145.15    |
| EO JOHNSON CO INC                  | 155.38    |
| GALE                               | 246.61    |
| NEKOOSA LIBRARY                    | 48.13     |
| OLYMPIA BOOK CORP                  | 167.94    |
| PIGGLY WIGGLY                      | 48.02     |
| RESEARCH TECHNOLOGY                | 231.44    |
| SOLARUS                            | 38.47     |
| SOUTH CENTRAL LIBRARY SYSTEM       | 221.20    |
| WE ENERGIES                        | 185.00    |
| WI LIBRARY ASSOCIATION             | 165.00    |
| ZAXX                               | 49.95     |
| DAN & KRISTIN TRAUTSCHOLD          | 200.00    |
| ELEMENT MOBILE                     | 86.71     |
| HOME DEPOT CREDIT SERVICES         | 72.97     |
| NEKOOSA CREDIT UNION               | 700.00    |
| NORTH SHORE BANK FSB               | 1,435.00  |

|                            |               |
|----------------------------|---------------|
| PAPER CITY SAVINGS         | 655.00        |
| PAT KELLER                 | 150.00        |
| PITNEY BOWES               | 381.18        |
| PLOVER POLICE DEPT         | 70.00         |
| REBUILD PLUS               | 235.00        |
| AFLAC                      | 1,095.04      |
| DELTA DENTAL OF WI         | 1,770.44      |
| SAFEGUARD BUSINESS SYSTEMS | 363.58        |
| UNITED WAY OF INNER WI     | 6.00          |
| WI SCTF                    | 323.07        |
| WI SCTF                    | 96.92         |
| DNR                        | 75.00         |
| WRWA                       | 85.00         |
| FLEET SERVICES             | 1,116.60      |
| SHEILA GROSSKREUTZ         | 140.25        |
| NEKOOSA CREDIT UNION       | 700.00        |
| NORTH SHORE BANK FSB       | 1,435.00      |
| PAPER CITY SAVINGS         | 655.00        |
| UNITED WAY OF INNER WI     | 6.00          |
| WI SCTF                    | 96.92         |
| WI SCTF                    | 323.07        |
| NEKOOSA CREDIT UNION       | 383.99        |
| NEKOOSA CREDIT UNION       | 153.53        |
| NEKOOSA CREDIT UNION       | 258.96        |
| STAPLES CREDIT PLAN        | 178.91        |
| GENERAL ENGINEERING CO     | 817.40        |
| VISION SERVICE PLAN        | <u>291.54</u> |
|                            | 89385.52      |

**PAYROLL**

|  |                 |
|--|-----------------|
| GENERAL                                      | 16,547.40       |
| GENERAL                                      | 13,637.23       |
| GENERAL                                      | 556.10          |
| SUNDRY                                       | 11,279.11       |
| GENERAL                                      | 2,029.99        |
| LIBRARY                                      | 939.79          |
| GENERAL                                      | 8,721.14        |
| LIBRARY                                      | 1,305.15        |
| SUNDRY                                       | 510.22          |
| GENERAL                                      | 370.57          |
| GENERAL                                      | 373.62          |
| GENERAL                                      | 1,329.76        |
| GENERAL                                      | 1,905.73        |
| GENERAL                                      | 283.05          |
| SUNDRY                                       | 12,278.84       |
| GENERAL                                      | 2,045.86        |
| LIBRARY                                      | 951.48          |
| GENERAL                                      | 8,867.42        |
| LIBRARY                                      | 1,320.66        |
| SUNDRY                                       | 587.89          |
| GENERAL                                      | 575.36          |
| GENERAL                                      | 414.75          |
| GENERAL                                      | 17,268.37       |
| COMMON COUNCIL/MAYOR/CDA/PLANNING COMMISSION | <u>2,850.68</u> |
|  | 106,950.17      |

**WATER**

|                                 |          |
|---------------------------------|----------|
| ACE HARDWARE                    | 71.43    |
| ALLIANT ENERGY/WP&L             | 4,742.42 |
| CHARTER COMMUNICATIONS          | 126.59   |
| COMMERCIAL TESTING LAB INC      | 1,137.25 |
| FERRELLGAS                      | 244.03   |
| HAWKINS INC                     | 4,707.18 |
| PUBLIC SERVICE COMMISSION OF WI | 659.96   |
| UPS                             | 40.00    |
| WE ENERGIES                     | 274.84   |
| CHARTER COMMUNICATIONS          | 126.59   |

|                                |                 |
|--------------------------------|-----------------|
| PITNEY BOWES                   | 264.00          |
| WI STATE LABORATORY OF HYGIENE | 20.00           |
| CITY OF NEKOOSA – GF           | 1,709.02        |
| CITY OF NEKOOSA – GF           | 3,747.36        |
| NEKOOSA CREDIT UNION           | 175.90          |
| CITY OF NEKOOSA – GF           | 5,484.09        |
| CITY OF NEKOOSA – GF           | <u>1,709.02</u> |
|                                | 25,239.68       |

**BILLS TO BE READ OVER \$1,000 (NON-MONTHLY):**

**GENERAL**

|                                   |                 |
|-----------------------------------|-----------------|
| ADVANTAGE PLUMBING & HEATING      | 2,940.00        |
| ARCH CENTRAL INC                  | 2,696.25        |
| EXPENSES FOR NINE                 | 4,065.00        |
| FAIVRE IMPLEMENT INC              | 7,255.50        |
| GENERATIONS CONCRETE INC          | 5,233.00        |
| MID STATE TECHNICAL COLLEGE       | 4,200.90        |
| MSA PROFESSIONAL SERVICES         | 6,710.67        |
| PRECISION GRADING & UTILITIES     | 21,199.50       |
| RIVERVIEW HOSPITAL                | 1,924.38        |
| SUPERIOR CRANE CORP               | 3,764.55        |
| THE UNIFORM SHOPPE                | 1,114.85        |
| WAUSAU TILE INC                   | 1,072.50        |
| WI ENVIRONMENTAL IMPROVEMENT FUND | 43,534.03       |
| NEKOOSA CREDIT UNION              | <u>2,207.46</u> |
|                                   | 107918.59       |

**WATER**

|                               |                 |
|-------------------------------|-----------------|
| HD SUPPLY WATERWORKS          | 1,041.97        |
| PRECISION GRADING & UTILITIES | 19,361.50       |
| SUPERIOR CHEMICAL CORP        | <u>1,660.77</u> |
|                               | 22,064.24       |

Moved by Hamilton Seconded by Shymanski to pay all bills as written and read.

Roll Call Vote: 8 Ayes, 0 Nays. Carried.

Moved by Shymanski Seconded by Hamilton to adjourn.

Carried

Respectfully Submitted

Joseph M. Rusch II  
City Clerk