

A REGULAR MONTHLY MEETING OF THE COMMON COUNCIL OF THE CITY OF NEKOOSA WAS HELD IN THE COUNCIL CHAMBERS ON TUESDAY, MARCH 8, 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 Hamilton seconded by Krubsack to dispense with the reading of the minutes of the previous meeting. Carried

TREASURER’S FINANCIAL REPORT
GENERAL FUND
FEBRUARY 28, 2011

<u>AMBULANCE CONTRACT RETAINER FEES</u>		
Big Flats, Town of	6,360.70	
Monroe, Town of	<u>2,913.57</u>	9,274.27
<u>CABLE FRANCHISE FEES</u>		
Charter Communications	1,629.20	
Solarus	<u>1,478.17</u>	3,107.37
<u>CHARLES & JOANN LESTER LIBRARY</u>		
Wood County Aide		23,419.50
<u>CITATION PAYMENTS</u>		10,342.20
<u>CITY OF NEKOOSA – WATER UTILITY</u>		
Payroll		13,526.60
<u>DELO PERSONAL PROPERTY TAX (2009)</u>		
Northern Lights		1,580.98
<u>DOG LICENSES</u>		49.00
<u>INTEREST</u>		205.53
<u>LIFEQUEST</u>		
Ambulance Invoices		37,350.36
<u>LOSP – AMBULANCE</u>		
Monroe, Town of		725.00
<u>NEKOOSA POLICE DEPT</u>		
Forfeitures (parking)	140.00	
Photocopies	4.25	
Reimbursement-John Reimer Conf	75.00	
Reimbursement-Nekoosa Schools	<u>221.55</u>	440.80
<u>NEKOOSA PORT EDWARDS STATE BANK</u>		
Interest Earned on NOW Account		734.43

OPERATORS LICENSES

Chapin, Nicole	10.00	
Kolo, Laura	10.00	
Tuttle, Robert	5.00	
Young, Ron	<u>5.00</u>	30.00

PERSONAL PROPERTY TAXES

6,997.67

PICNIC LICENSES

Nekoosa Lions	2.00	
Webb Memorial Foundation	<u>2.00</u>	4.00

PUBLICATION FEE

The Edge LLC		18.00
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REAL ESTATE TAXES

108,023.01

RIVERSIDE PARK RESERVATIONS

25.00

ROCK OIL

Used Oil, Purchase of		98.00
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SALES TAX

.10

SENIOR CENTER

Overpayment-Quality Door	13.72	
Reservations	2,275.00	
Senior Meals	<u>30.00</u>	2,318.72

SHEILA GROSSKREUTZ

Return of Cash Used for Tax Collections		500.00
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SPECIAL ASSESSMENTS

8,262.12

WISCONSIN, STATE OF

Refund Wood Ave/173 Paving Project		15,535.37
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WOOD, COUNTY OF

Dog License Refund	92.93	
Restitution-Police Dept	<u>23.13</u>	116.06

TOTAL RECEIPTS

242,684.09

GENERAL

TOTAL RECEIPTS 2-28-2011	242,684.09	
BOOK BALANCE 1-31-2011	<u>1,829,616.71</u>	
	2,072,300.80	
DISBURSEMENTS 2-28-2011	<u>801,112.49</u>	
BOOK BALANCE 2-28-2011	1,271,188.31	
OUTSTANDING CHECKS 2-28-2011	<u>7,182.43</u>	
	1,278,370.74	
OUTSTANDING DEPOSIT 2-28-2011	<u>60.00</u>	
BANK BALANCE 2-28-2011	1,278,310.74	

WATER

TOTAL RECEIPTS 2-28-2011	23,510.54	
BOOK BALANCE 1-31-2011	<u>552,933.62</u>	

	576,444.16
DISBURSEMENTS 1-28-2011	<u>347,293.20</u>
BOOK BALANCE 2-28-2011	229,150.96
OUTSTANDING DEPOSIT 2-28-2011	<u>30.00</u>
BANK BALANCE 2-28-2011	229,120.96

TEMPORARY INVESTMENTS – WATER UTILITY

MBIA Asset Management Group

Acct. #WI-01-0067-0002, Balance to Date – \$262,744.26

CITY OF NEKOOSA – GENERAL FUND

MBIA Asset Management Group

Acct #WI-01-0067, Balance to Date - \$146,577.89

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

DISCUSSION REGARDING THE WATER SYSTEM DISTRIBUTION IMPROVEMENT PROJECT (INCLUDING BUDGET AND FINANCING PLAN) AND PROPOSAL FOR PERMANENT FINANCING WITH A USDA RURAL DEVELOPMENT LOAN IN THE AMOUNT OF \$1,757,500

COST ESTIMATE AND FINANCING PLAN

NAME: Nekoosa, City of - water

ITEM	BORROWER CONTRIBUTION	OTHER	STATE GRANT	RUS GRANT	RUS LOAN	TOTAL
WATER SYSTEM						
Development					\$1,401,766	\$1,401,766
Tower					\$1,250,000	\$1,250,000
Legal Services					\$25,000	\$25,000
Engr. & Inspection					\$228,338	\$228,338
Interest				XXXXXXXXXXXX	\$30,000	\$30,000
Contingencies					\$72,450	\$72,450
Operation/Maintenance				XXXXXXXXXXXX		\$0
Subtotal	\$0	\$0	\$0	\$0	\$3,007,554	\$3,007,554
Original Funding					\$1,572,800	
ADDITIONAL FUNDS NEEDED					\$1,434,754	
PROJECT TOTALS	\$0	\$0	\$0	\$0	\$3,007,554	\$3,007,554

- Above is the budget for the water system project.
- The project is complete. The project is defined as the replacement of water mains, black top on streets, curbs and gutters (where needed) and laterals in the following areas of the City: (a) West Buehler Avenue between Waterworks Road and South Section Street; (b) North Section Street between Cranmoor Road and West 5th Street; (c) West 5th Street

between North Street and Garrison Avenue; (d) South Section Street between Fairview Lane and Hillcrest Avenue; (e) Hillcrest Avenue between South Section Street to Point Basse Avenue; (f) Henschel Street between Cranmoor Road and Wood Yard Water Main; (g) Wood Yard intersection to Wilhorn Road; and (h) 3rd Street between Vilas Avenue and Patton Avenue.

- To date, the project has been financed on an interim basis through a loan from the Wisconsin Rural Water Construction Loan Program. The City has drawn a total of \$1,581,515.43 on that loan and after calculating interest.
- The City is proposing to finance the project on a permanent basis with a loan in the amount of \$1,757,500 from USDA-Rural Development. The proceeds of the USDA-Rural Development loan would be used to payoff the Wisconsin Rural Water Construction Loan (\$1,603,670.27) and the remaining proceeds could be used to pay other costs of the project.
- The USDA-Rural Development loan would be paid back with 3.25% interest over 40 years with semi-annual payments of \$39,421 each March 1 and September 1, with the first payment due 9/1/2011 and final payment due 3/1/2051. The semi-annual payments would come from user fees of the Water System.
- No public comments were received at the meeting.

DISCUSSION REGARDING THE REFINANCING OF THE CDA'S COMMUNITY DEVELOPMENT LEASE REVENUE BONDS DATED AUGUST 3, 2006 (INCLUDING BUDGET) WHICH FINANCED THE WATER TOWER FOR THE WATER SYSTEM. CONSIDERATION OF PROPOSAL TO REFINANCE THE CDA BONDS WITH A USDA RURAL DEVELOPMENT LOAN IN THE AMOUNT OF \$1,189,500

- In 2006, the Community Development Authority issued Community Development Lease Revenue Bonds to finance the construction of a water tower for the City's water system. Currently, the CDA owns the water tower and the City leases the water tower from the CDA.
- The City is proposing to borrow \$1,189,500 from USDA-Rural Development to payoff the 2006 CDA Bonds. The reason for paying off the 2006 Bonds is that USDA-Rural Development requires the City (rather than the CDA) to own the water tower. Once the 2006 Bonds are paid off, the City (rather than the CDA) will own the water tower and USDA-Rural Development will be able to loan the City money for the water system project discussed earlier.
- The City would use the proceeds from the USDA-Rural Development loan \$1,189,000 plus the \$111,000 Reserve Fund for the 2006 Bonds (total of \$1,300,500) to pay off the 2006 Bonds.
- The USDA-Rural Development loan would be paid back with 3.00% interest over 20 years with semi-annual payments of \$39,765 each March 1 and September 1, with the first payment due 9/1/2011 and final payment due 3/1/2031. The semi-annual payments would come from user fees of the Water System and revenues of Tax Increment District No. 1.
- No public comments were received at the meeting.

DISCUSSION REGARDING THE WASTEWATER COLLECTION SYSTEM IMPROVEMENT PROJECT (INCLUDING BUDGET AND FINANCING PLAN) AND PROPOSAL FOR PERMANENT FINANCING WITH A USDA RURAL DEVELOPMENT LOAN IN THE AMOUNT OF \$1,263,000

COST ESTIMATE AND FINANCING PLAN

Nekoosa, City of -

NAME: sewer

ITEM	HO-CHUNK NATION	EPA	STATE GRANT	RUS GRANT	RUS LOAN	TOTAL
SEWER COLLECTION						
Development				\$31,500	\$1,215,603	\$1,247,103
Land & Rights						\$0
Legal Services					\$20,000	\$20,000
Engr. & Inspection				\$190,846		\$190,846
Interest				XXXXXXXXXX X	\$22,000	\$22,000
Contingencies				\$44,654	\$4,997	\$49,651
Operation and Maint.				XXXXXXXXXX X		\$0
Subtotal	\$0	\$0	\$0	\$267,000	\$1,262,600	\$1,529,600
Original Funing				\$267,000	\$1,088,000	\$1,355,000
ADDITIONAL FUNDS NEEDED					\$174,600	\$174,600
PROJECT TOTALS	\$0	\$0	\$0	\$267,000	\$1,262,600	\$1,529,600

- Above is the budget for the wastewater collection system project.
- The project is complete. The project is defined as the replacement of sewer mains, black top on streets, curbs and gutters (where needed), storm sewer mains (where needed) and laterals in the following areas of the City: (a) West Buehler Avenue between Waterworks Road and South Section Street; (b) Highland Avenue between West 3rd Street and West 5th Street; (c) West 5th Street between North Street and Garrison Avenue; (d) South Section Street between Fairview Lane and Hillcrest Avenue; (e) Hillcrest Avenue between South Section Street to Point Basse Avenue; (f) Birch Street between Wood Avenue and Buehler Avenue; (g) Vilas Avenue from 3rd Street to 5th Street; and (h) 3rd Street between Vilas Avenue and Patton Avenue.
- To date, the project has been financed on an interim basis through a loan from the Wisconsin Rural Water Construction Loan Program. The City has drawn a total of \$1,260,839.92 on that loan and after calculating interest.
- The City is proposing to finance the wastewater collection system project on a permanent basis with a loan in the amount of \$1,263,000 from USDA-Rural Development. The proceeds of the USDA-Rural Development loan and grant would be used to payoff the Wisconsin Rural Water Construction Loan (\$1,277,159.06).
- The USDA-Rural Development loan would be paid back with 3.25% interest over 40 years with semi-annual payments of \$28,330 each March 1 and September 1, with the first payment due 9/1/2011 and final payment due 3/1/2051. The semi-annual payments would come from user fees of the Sewer System.
- No public comments were received at the meeting.

RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$2,947,000 WATER SYSTEM MORTGAGE REVENUE BONDS 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 Water System, a public utility (the Water 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 extending, adding to and improving a public utility and 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 9, 2004 (the "2004 Resolution"), the City issued its Water System Revenue Bonds, Series 2004, dated March 24, 2004 (the "Prior Bonds"), which bonds are payable from the income and revenues of the System; and

WHEREAS, the 2004 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 not been met and as a result, the revenue bonds authorized hereby will be issued on a basis junior and subordinate to the Prior Bonds; and

WHEREAS, the City has outstanding its Revenue Bond Anticipation Notes, Series 2010E (Water System), dated October 15, 2010 (the "2010 Notes"), which were issued to finance improvements to the System, including water distribution system improvements (the "Project"); and

WHEREAS, the Common Council has determined that it is necessary and desirable to refund the 2010 Notes for the purpose of providing permanent financing for the portion of the Project financed on an interim basis by the 2010 Notes; and

WHEREAS, the Common Council has also determined additional funds are necessary for the Project; and

WHEREAS, the Common Council hereby finds and determines that it is necessary, desirable and in the best interest of the City to raise funds for the public purpose of refunding the City's obligation to make the lease payments due under the Lease Agreement dated August 3, 2006 (the "Lease") entered into between the City and the Community Development Authority of the City of Nekoosa (the "Authority") relating to the Authority's Community Development Lease Revenue Bonds, dated August 3, 2006 (the "2006 Bonds") which financed a water tower (collectively, the 2010 Notes and the 2006 Bonds shall be referred to herein as the "Refunded Obligations") (hereinafter the refunding of the Refunded Obligations shall be referred to as the "Refunding"), and there are insufficient funds on hand to pay said cost;

WHEREAS, Section 3.8 of the Lease provides that the City may redeem the 2006 Bonds on behalf of the Authority if it prepays rentals in an amount sufficient to pay or provide for the payment of the 2006 Bonds; and

WHEREAS, subject to the City prepaying the rentals due under the Lease, on March 3, 2011, the Authority authorized the redemption of the 2006 Bonds; and

WHEREAS, it is desired to authorize and sell revenue bonds for such purposes 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, other than the 2010 Notes (to be refunded) and the Prior Bonds, 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 and the Project, there shall be borrowed on the credit of the income and revenue of the System the sum of TWO MILLION NINE HUNDRED FORTY-SEVEN THOUSAND DOLLARS (\$2,947,000) and the fully-registered bonds of the City in said principal amount shall be issued in evidence thereof (said bonds along with other bonds which may be issued in substitution or exchange therefore are called the "Bonds"). The Bonds shall be designated "Water System Mortgage Revenue Bonds", be dated their date of delivery, and be numbered R-1 and R-2. Initially, the Bond numbered R-1 shall be in the principal amount of \$1,757,500 and the Bond numbered R-2 shall be in the principal amount of \$1,189,500.

With regard to the Bond initially numbered R-1, installments of principal and interest in the amount of \$39,421 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 September 1, 2011, and the final installment due on March 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. The Bond initially numbered R-1 shall bear semiannual interest at the rate of 3.25%.

With regard to the Bond initially numbered R-2, installments of principal and interest in the amount of \$39,765 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 September 1, 2011, and the final installment due on March 1, 2031. 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 20 years, by the principal amount of the Bonds divided by 1000 and (b) rounding such product to the next highest whole dollar. The Bond initially numbered R-1 shall bear semiannual interest at the rate of 3.00%.

Principal payments on the Bonds are subject to the right of prepayment on the terms and with the effect set forth in Section 13 hereof.

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 numbered R-1 and R-2 shall be in substantially the form attached hereto as Exhibits A-1 and A-2 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.

"Current Expenses" or "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.

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

"Gross Earnings" or "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, all rentals and fees and any special assessments levied and collected in connection with improvements to the System. With respect to the Bond numbered R-2, Revenues also includes any funds from Tax Increment District No. 1 that the Common Council appropriates for payment of principal and interest on the Bonds. Once Bond numbered R-2 has been retired or redeemed, the Common Council will no longer appropriate funds from Tax Increment District No. 1 to the payment of the Bonds.

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

"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) \$158,372 (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. After the Bond numbered R-2 has been retired or redeemed, the Reserve Requirement means an amount equal to the least of (a) \$78,842, (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.

Section 4A. 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 the 2004 Resolution and are hereby further continued and shall be used and applied as described below:

- (a) Revenue Fund, into which shall be deposited as received the Gross Earnings of the System, which money shall then be divided among the Operation and Maintenance Fund, the Debt Service Fund and the Surplus Fund in the amounts and in the manner set forth in Section 4B hereof and used for the purposes described below.
- (b) Operation and Maintenance Fund, which shall be used for the payment of Current Expenses.

- (c) Debt Service Fund, which shall be used for the payment of the principal of, premium, if any, and interest on the Prior Bonds and any bonds issued on a parity with the Prior Bonds as the same becomes due.
- (d) Subordinate Debt Service Fund (collectively with the Debt Service Fund, "Special Redemption Fund"), which shall be used for the payment of the principal of, premium, if any, and interest on the Bonds and Parity Bonds as the same becomes due.
- (e) Reserve Fund, which is hereby established within the Subordinate Debt Service Fund which shall be used first to make up any deficiency in the Debt Service Fund and thereafter for the payment of the principal and interest on the Bonds and any Parity Bonds at any time when there shall be insufficient money in the Subordinate Debt Service Account for said purpose and to restore any deficiency in the Subordinate Debt Service Account. With prior written approval of the Government, funds from the Reserve Fund may be withdrawn and used for emergency maintenance, extensions to the System and short lived assets.
- (f) Surplus Fund, which shall first be used whenever necessary to pay principal of, premium, if any, or interest on the Prior Bonds, the Bonds and Parity Bonds when the Debt Service Fund and the Subordinate Debt Service Fund, including the Reserve Fund, shall be insufficient for such purpose, and thereafter shall be disbursed as follows: (i) at any time, to remedy any deficiency in any of the Funds provided in this Section 4A hereof; and (ii) money thereafter remaining in the Surplus Fund at the end of any Fiscal Year may be transferred to any of the funds or accounts created herein or to reimburse the general fund of the City for advances made by the City to the System.

Section 4B. Application of Revenues. After the delivery of the Bonds, the Gross Earnings of the System shall be deposited as collected in the Revenue Fund and shall be transferred monthly to the funds listed below in the following order of priority and in the manner set forth below:

- (a) to the Operation and Maintenance Fund, in an amount equal to the estimated Current Expenses for such month and for the following month (after giving effect to available amounts in said Fund from prior deposits);
- (b) to the Debt Service Fund, an amount equal to one-sixth (1/6) of the next installment of interest coming due on the Prior Bonds and any bonds issued on a parity with the Prior Bonds then outstanding and an amount equal to one-twelfth (1/12) of the installment of principal of the Prior Bonds and any bonds issued on a parity with the Prior Bonds coming due during such Bond Year (after giving effect to available amounts in said Fund from accrued interest, any premium or any other source);
- (c) to the Subordinate Debt Service Fund, an amount equal to one-sixth (1/6) of the next installment payment coming due on the Bonds and any Parity Bonds then outstanding (after giving effect to available amounts in said Fund from accrued interest, any premium or any other source);
- (d) to the Reserve Fund, an amount equal to one-sixth (1/6) of the semi-annual installment payment of \$7,920 until there is accumulated an amount equal to the Reserve Requirement, at which time deposits may be discontinued; and
- (e) to the Surplus Fund, any amount remaining in the Revenue Fund after the monthly transfers required above have been completed.

Transfers from the Revenue Fund to the Operation and Maintenance Fund, the Debt Service Fund, the Subordinate Debt Service Fund, the Reserve Fund and the Surplus Fund shall be made monthly not later than the tenth day of each month, and such transfer shall be applicable to monies on deposit in the Revenue Fund as of the last day of the month preceding. Any other transfers and deposits to any fund required or permitted by subsection (a) through (e) of this

Section, except transfers or deposits which are required to be made immediately or annually, shall be made on or before the tenth day of the month. Any transfer or deposit required to be made at the end of any Fiscal Year shall be made within sixty (60) days after the close of such Fiscal Year. If the tenth day of any month shall fall on a day other than a business day, such transfer or deposit shall be made on the next succeeding business day.

It is the express intent and determination of the Common Council that the amounts transferred from the Revenue Fund and deposited in the Debt Service Fund shall be sufficient in any event to pay the principal and interest on the Prior Bonds and the amounts transferred from the Revenue Fund and deposited in the Subordinate Debt Service Fund shall be sufficient in any event to pay the principal and interest on the Bonds and any Parity Bonds as the same accrues.

The Debt Service Fund and Subordinate Debt Service Fund shall be kept apart from monies in the other funds and accounts of the City and the same shall be used for no purpose other than the prompt payment of principal of and interest on first, the Prior Bonds, and next, the Bonds and any Parity Bonds as the same becomes due and payable.

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.

Section 4C. 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.

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. 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 4A 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 cause the improvements to the System to be made as expeditiously as reasonably possible;

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 be sufficient for the 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 4A 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 junior and subordinate to 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 4A 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 4B 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 \$2,947,000. 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 Subordinate Debt Service 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 a special fund designated as "Water System Improvement Fund." Said special fund shall be adequately secured and used solely for the purpose of meeting costs of extending, adding to and improving the System, as described in the preamble hereof. The balance remaining in said Improvement Fund after paying said costs shall be transferred to the Subordinate Debt Service 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 Subordinate Debt Service 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. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Bonds and the Refunded Obligations and their ownership, management and use will not cause the Bonds or the Refunded Obligations to be "private activity bonds" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Bonds including, if applicable, the rebate requirements of Section 148(f) of the Code. The City further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The City also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Bonds provided that in meeting such requirements the City will do so only to the extent consistent with the proceedings authorizing the Bonds and the laws of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

The foregoing covenants shall remain in full force and effect, notwithstanding the defeasance of the Bonds, until the date on which all of the Bonds have been paid in full.

Section 20. Designation as Qualified Tax-Exempt Obligations. The Bonds are hereby designated as "qualified tax-exempt obligations" pursuant to Section 265 of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

Section 21. Redemption of 2010 Notes. The 2010 Notes are called for prior payment on March 23, 2011 at the price of par plus accrued interest to the date of redemption.

The City Clerk is hereby directed to cause all actions necessary for the redemption of the Refunded Obligations on their redemption date. All actions heretofore taken by the officers and agents of the City in furtherance of the redemption of the Refunded Obligations are approved.

Section 22. Escrow Agent; Escrow Agreement; Escrow Account. Associated Trust Company, National Association, Green Bay, Wisconsin, is hereby appointed escrow agent for the City, for the purpose of ensuring the payment of the principal of and interest on the 2006 Bonds (the "Escrow Agent").

The Mayor and City Clerk are hereby authorized and directed to execute an escrow agreement substantially in the form attached hereto as Exhibit C (the "Escrow Agreement") (such form may be modified by said officers prior to execution, the execution of such agreement by said officers to constitute full approval of the Common Council of any such modifications), with the Escrow Agent, for the purpose of effectuating the provisions of this Resolution.

The Bond Proceeds allocable to refunding the 2006 Bonds, other than any premium and accrued interest which shall be deposited in the Subordinate Debt Service Fund Account created above, shall be deposited in a refunding escrow account which is hereby created with the Escrow Agent, pursuant to the Escrow Agreement, for the purpose of retaining the required amount of cash, if any, and acquiring the United States obligations provided for in the Escrow Agreement.

The refunding escrow account created by the Escrow Agreement shall hereinafter serve as the debt service (or sinking) fund account for the 2006 Bonds. The Escrow Agent shall serve as custodian of said debt service (or sinking) funds.

Section 23. SLGS Subscriptions. The Escrow Agent and Ehlers & Associates, Inc. are authorized to submit subscriptions for United States Treasury Securities - State and Local Government Series and to purchase other U.S. government securities on behalf of the City in such amount as is necessary in order to carry out the refunding of the 2006 Bonds.

Section 24. Redemption of the 2006 Bonds. The 2006 Bonds due on and after December 1, 2018, are hereby called for prior payment and redemption on December 1, 2017, at a price of par plus accrued interest to the date of redemption.

The City hereby directs the Escrow Agent appointed above to cause timely notice of redemption, in substantially the form attached to the Escrow Agreement (the "Notice"), to be provided at the times, to the parties and in the manner set forth on the Notice.

Section 25. 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 26. 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 27. Conflicting Ordinances or Resolutions. All ordinances and resolutions other than the 2004 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 this Resolution and the 2004 Resolution, the 2004 Resolution shall control so long as any bonds of the Prior Bonds authorized by such resolution are outstanding.

Adopted and approved March 8, 2011.

Mayor

City Clerk

EXHIBIT A-1

(Form of Bond)

UNITED STATES OF AMERICA
STATE OF WISCONSIN
WOOD COUNTY
CITY OF NEKOOSA
WATER SYSTEM MORTGAGE REVENUE BOND

<u>Number</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>Amount</u>
R-1	3.25%	March 1, 2051	March 23, 2011	\$1,757,500

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 ONE MILLION SEVEN HUNDRED FIFTY-SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$1,757,500) in eighty (80) 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 Thirty-Nine Thousand Four Hundred Twenty-One Dollars (\$39,421), shall be payable semiannually on the 1st day of March and September of each year until said sum is paid, commencing on September 1, 2011, with final payment due March 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 has been designated by the City as a "qualified tax-exempt obligation" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended.

This Bond is one of an issue aggregating \$2,947,000, issued for the purpose of paying the cost of additions, improvements and extensions to the Water System of the City and refunding obligations of the City issued to finance additions, improvements and extensions to the City's Water System, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, acts supplementary thereto and a Resolution adopted March 8, 2011, and entitled: "A Resolution Authorizing the Issuance and Sale of \$2,947,000 Water System Mortgage Revenue Bonds 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 Water System. Such revenues have been set aside and pledged as a special fund for that purpose and identified as the "Subordinate Debt Service Fund", created by the resolution referred to above. The Bonds are issued junior and subordinate to the City's Water System Revenue Bonds, Series 2004, dated March 24, 2004. 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 Water 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 Water 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.

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 Water 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>
March 23, 2011	United States of America	

EXHIBIT A-2

(Form of Bond)

UNITED STATES OF AMERICA
STATE OF WISCONSIN
WOOD COUNTY
CITY OF NEKOOSA
WATER SYSTEM MORTGAGE REVENUE BOND

<u>Number</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>Amount</u>
R-2	3.00%	March 1, 2031	March 23, 2011	\$1,189,500

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 ONE MILLION ONE HUNDRED EIGHTY-NINE THOUSAND FIVE HUNDRED DOLLARS (\$1,189,500) in forty (40) 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 40 payments, an interest rate equal to the interest rate on the Bond and a term of 20 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 Thirty-Nine Thousand Seven Hundred Sixty-Five Dollars (\$39,765), shall be payable semiannually on the 1st day of March and September of each year until said sum is paid, commencing on September 1, 2011, with final payment due March 1, 2031. 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 has been designated by the City as a "qualified tax-exempt obligation" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended.

This Bond is one of an issue aggregating \$2,947,000, issued for the purpose of paying the cost of additions, improvements and extensions to the Water System of the City and refunding obligations of the City issued to finance additions, improvements and extensions to the City's Water System, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, acts supplementary thereto and a Resolution adopted March 8, 2011, and entitled: "A Resolution Authorizing the Issuance and Sale of \$2,947,000 Water System Mortgage Revenue Bonds 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 Water System. Such revenues have been set aside and pledged as a special fund for that purpose and identified as the "Subordinate Debt Service Fund", created by the resolution referred to above. The Bonds are issued junior and subordinate to the City's Water System Revenue Bonds, Series 2004, dated March 24, 2004. 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 Water 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 Water 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.

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 Water 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>
<u>March 23, 2011</u>	<u>United States of America</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>

EXHIBIT B

NOTICE OF MORTGAGE LIEN

The City of Nekoosa, Wood County, Wisconsin (the "Municipality") has issued or will issue its \$2,947,000 Water System Mortgage Revenue Bonds (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 Water 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 March 8, 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 _____.

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 _____ day of _____, 2010.

CITY OF NEKOOSA
WOOD COUNTY, WISCONSIN

(SEAL)

By _____
Mayor

By _____
City Clerk

SCHEDULE A
DESCRIPTION OF REAL ESTATE

The mortgage lien attaches to all property owned by the City of Nekoosa, Wood County, Wisconsin which is part of its Water System. The real estate affected by the mortgage lien is described as follows:*

*If the System includes a treatment facility, pumping station or other major facility, insert the legal description of each parcel on which those facilities are located and add the phrase "and all rights-of-way and recorded easements, if any, constituting a part of the System". If the System consists only of Water or water mains, insert the following language "All rights-of-ways and recorded easements, if any, constituting a part of the System which are located on the following real estate", followed by the legal description of the quarter sections in which the System is located.

Moved by Hamilton Seconded by Woiak to adopt RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$2,947,000 WATER SYSTEM MORTGAGE REVENUE BONDS (TO FINANCE WATER SYSTEM DISTRIBUTION IMPROVEMENT PROJECT AND REFINANCE 2006 CDA BONDS)

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

RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$1,263,000 SEWERAGE SYSTEM MORTGAGE REVENUE BONDS 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, the City has outstanding its Revenue Bond Anticipation Notes, Series 2010D (Sewerage System), dated October 15, 2010 (the "Refunded Obligations"), which were issued to finance improvements to the System, including improvements to the wastewater collection system; 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, 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 ONE MILLION TWO HUNDRED SIXTY-THREE THOUSAND DOLLARS (\$1,263,000) 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 "Sewerage System Mortgage Revenue Bonds", be dated their date of delivery, and be numbered R-1. Installments of principal and interest, in the amount of Twenty-Eight Thousand Three Hundred Thirty Dollars (\$28,330), 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 September 1, 2011, and the final installment due on March 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 3.25% 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 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 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) \$56,660 (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 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 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 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 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 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 Bonds and Parity Bonds.

The Revenues so set aside for payment of the principal of and interest on 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 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 Bonds and Parity Bonds, the Debt Service Reserve Account (the "Reserve Account") is hereby established within the Special Redemption Fund. Revenues shall be deposited in the Reserve Account with respect to the Bonds in semi-annual installments of \$2,833 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 Bonds and Parity Bonds exceed the Reserve Requirement. 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 Reserve Requirement, semi-annual deposits shall be resumed or shall continue to be made, aggregating \$5,666 annually, until there is accumulated an amount equal to the Reserve Requirement, at which time deposits shall be discontinued. If at any time the amount on deposit in the Reserve Account exceeds the Reserve Requirement, the excess shall be transferred to the Special Redemption Fund and used to pay principal and interest on 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 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 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.

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. 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 be sufficient for the payment of 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. 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 \$1,263,000. 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. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Bonds and the Refunded Obligations and their ownership, management and use will not cause the Bonds or the Refunded Obligations to be "private activity bonds" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Bonds including, if applicable, the rebate requirements of Section 148(f) of the Code. The City further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The City also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Bonds provided that in meeting such requirements the City will do so only to the extent consistent with the proceedings authorizing the Bonds and the laws of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

The foregoing covenants shall remain in full force and effect, notwithstanding the defeasance of the Bonds, until the date on which all of the Bonds have been paid in full.

Section 20. Designation as Qualified Tax-Exempt Obligations. The Bonds are hereby designated as "qualified tax-exempt obligations" pursuant to Section 265 of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

Section 21. Redemption of Refunded Obligations. The Refunded Obligations are called for prior payment on March 23, 2011 (or as soon as administratively possible thereafter) at the price of par plus accrued interest to the date of redemption.

The City Clerk is hereby directed to cause all actions necessary for the redemption of the Refunded Obligations on their redemption date. All actions heretofore taken by the officers and agents of the City in furtherance of the redemption of the Refunded Obligations are approved.

Section 22. 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 23. 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 24. Conflicting Ordinances or Resolutions. All ordinances and resolutions 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.

Adopted and approved March 8, 2011.

Mayor

City Clerk

EXHIBIT A

(Form of Bond)

UNITED STATES OF AMERICA
STATE OF WISCONSIN
WOOD COUNTY
CITY OF NEKOOSA
SEWERAGE SYSTEM MORTGAGE REVENUE BOND

<u>Number</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>Amount</u>
R-	3.25%	March 1, 2051	March 23, 2011	\$1,263,000

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 ONE MILLION TWO HUNDRED SIXTY-THREE THOUSAND DOLLARS (\$1,263,000) 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 Twenty-Eight Thousand Three Hundred Thirty Dollars (\$28,330), shall be payable semiannually on the 1st day of March and September of each year until said sum is paid, commencing on September 1, 2011, with final payment due March 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 has been designated by the City as a "qualified tax-exempt obligation" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended.

This Bond is one of an issue aggregating \$1,263,000, 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 March 8, 2011, and entitled: "A Resolution Authorizing the Issuance and Sale of \$1,263,000 Sewerage System Mortgage Revenue Bonds 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. 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.

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>
March 23, 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 \$1,263,000 Sewerage System Mortgage Revenue Bonds (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 March 8, 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 March 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 _____ day of _____, 2010.

CITY OF NEKOOSA
WOOD COUNTY, WISCONSIN

(SEAL)

By _____
Mayor

By _____
City Clerk

SCHEDULE A
DESCRIPTION OF REAL ESTATE

The mortgage lien attaches to all property owned by the City of Nekoosa, Wood County, Wisconsin which is part of its Sewerage System. The real estate affected by the mortgage lien is described as follows:*

*If the System includes a treatment facility, pumping station or other major facility, insert the legal description of each parcel on which those facilities are located and add the phrase "and all rights-of-way and recorded easements, if any, constituting a part of the System". If the System consists only of Water or water mains, insert the following language "All rights-of-ways and recorded easements, if any, constituting a part of the System which are located on the following real estate", followed by the legal description of the quarter sections in which the System is located.

Moved by Hamilton Seconded by Shymanski to adopt A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$1,263,000 SEWERAGE SYSTEM MORTGAGE REVENUE BONDS (TO FINANCE WASTEWATER COLLECTION SYSTEM IMPROVEMENT PROJECT)

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

Committee of the Whole

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

A Committee of the Whole meeting was held on Thursday, March 3, 2011 at 5:30 p.m. in the Nekoosa Council Chambers.

Members present were Gordon G. Freeman, Mayor, Joseph M. Rusch II City Clerk, Ken Hartje, August Woiak, Terry Shymanski, Robert Schultz, Brad Hamilton, Dan Carlson (Absent), Robert Wenzel (Absent), Larry Krubsack (Absent). Also in attendance were: John Ritchay, Jim Olson, Keith Clary, Bill Kaberle-DPW, Jon Trautman-CPA, Schenck SC, Terry Fancher.

1. Moved by Hamilton Seconded by Shymanski to adopt 2011-2012 Union Contract.

Hartje- Yes, Woiak – Yes, Shymanski – Yes, Schultz – Yes, Hamilton – Yes

2. Discussed Industrial Park and City Financing with Jon Trautman-CPA of Schenck S.C.

Respectfully submitted

Moved by Hamilton Seconded by Krubsack that the Committee of the Whole Committee Report of March 3, 2011, be accepted as written. Carried

Moved by Hamilton Seconded by Shymanski that Items 1 of the Committee of the Whole Committee Report of March 3, 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 and Means meeting was held on Tuesday March 8, 2011, at 6:15 P.M. in the Nekoosa Council Chambers. Members present were: August Woiak, *Chairman*; Brad Hamilton, *Secretary*; Robert Wenzel and Ken Hartje. Also in attendance were Mayor Freeman, and Tom Enerson.

1. Audited all bills.
2. Recommend applications for temporary class “B”/ Class “B” retailer’s licenses to: Webb Memorial Foundation for July 8, 2011, and Nekoosa Lions Club Sportsmen’s Night March 5, 2011.
3. Recommend applications for license to serve fermented malt beverages and intoxicating liquors to: Laura Kolo for Best in Town; Robert Tuttle, Ronald Young; Nekoosa Lion’s Club.
4. Recommend Original Alcohol License Application for Scott Bloyd; **2 *The Edge***.
5. Webb Memorial Foundation donated \$500.00 to the Nekoosa Police Department Juvenile Fund.
6. Recommend sponsoring one hole for the Senior Center golf outing May 1,2011 for \$100.00.

Respectfully submitted

Moved by Woiak Seconded by Hamilton that the Ways & Means Committee Report of March 8, 2011, be accepted as written. Carried

Moved by Woiak Seconded by Hamilton that Items 2-4,6 of the Ways & Means Committee Report of March 8, 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 Committee meeting was held on Tuesday, March 1, 2011 at 8:30 a.m. in the Nekoosa Council Chambers. Members present were Ken Hartje, Chairman, Brad Hamilton, Secretary, Terry Shymanski, and Robert Schultz. Also in attendance were Mayor Freeman, Gus Woiak, Herman Steinert, Bill Kaberle; Director DPW, Jim Quinn; City Attorney, Carol Rollins for the Ho-Chunk Nation, and Kevin Schubert from MSA.

1. Update on Wastewater Treatment plant upgrade, need to get KBK to pay their bills as they are contracted for. Also, we will need to haul approx. 1 additional load of sludge per week for the project. Recommend replacing an additional roof that was not on the original bid by Michaels roofing at the plant for \$7,145.00.
2. Update on the Nekoosa 2010 Utilities Construction Project, recommend change order 2A for \$62,434.00 and change order 3 for a decrease of \$11,546.30.
3. Motion by Hamilton, 2nd by Shymanski, to go into closed session pursuant to WI. Statutes 19.85 (1) (e) to discuss the Ho-Chunk sewer billing agreement. Hamilton, yes; Shymanski, yes; Hartje, yes; Schultz, yes.
4. Motion by Hamilton 2nd by Shymanski to go into open session pursuant to WI. Statutes 19.85 (2) to make recommendations on matters discussed in closed session. Hamilton, yes; Shymanski, yes; Hartje, yes; Schultz, yes.
5. Recommended a meeting to negotiate with the Ho-Chunk within the next 14 days as agreed upon by both parties.
6. Recommend altering 6th Street to accommodate remodeling Sacred Heart Church.
7. Next meeting is April 4, 2011.

Moved by Hartje Seconded by Woiak that the Public Works Committee Report of March 1, 2011, be accepted as written. Carried

Moved by Hartje Seconded by Hamilton that Items 1-2,5-6 of the Public Works Committee Report of March 1, 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, March 8, 2011, at 3:30 p.m. in the Nekoosa Council Chambers.

Members present were Larry Krubsack, Chairperson, Dan Carlson, Secretary, August Woiak, Robert Schultz. Also in attendance were: Brad Hamilton, Police Chief John Reimer, Fire Chief Mike Hartje, Ambulance Don Harnisch, Asst. Police Chief Shawn Woods.

1. Recommend installation of Drop Box for Unused Prescription Drugs in Safety Center by Police Chief's Office.
2. Discussed Bill from South Wood County Humane Society.
3. Discussed Remote Fire Station in the Town of Saratoga.
4. Recommend Fire Chief draft a proposal for a Remote Fire Station in the Town of Port Edwards.

Respectfully submitted

Moved by Krubsack Seconded by Hamilton that the Public Safety Committee Report of March 8, 2011 be accepted as written. Carried

Moved by Krubsack Seconded by Hamilton that Items 1 & 4 of the Public Safety Committee Report of March 8, 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 Tuesday, March 8, 2011 at 4:30 p.m. in the Nekoosa Council Chambers.

Members present were Robert Schultz, Chairperson, Dan Carlson, Secretary, Terry Shymanski, Larry Krubsack. Also in attendance were: Mayor Gordon Freeman, Brad Hamilton, Joyce Aiello, Dan Schmidt, Bill Kaberle-DPW.

1. Update from Senior/Community Center Coordinators
2. Discussed Community Garden.
3. Discussed Pool Splash Pad.
4. Update on Tree Grant.
5. Discussed Swimming Pool.
6. Update on FEMA Flood Reimbursement.

Respectfully submitted

Moved by Schultz Seconded by Woiak that the Property Recreation & Human Affairs Committee Report of March 8, 2011, be accepted as written. Carried

Wage & Salary

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

A Wage & Salary meeting was held on Tuesday, February 22, 2011, at 4:30 p.m. in the Nekoosa Council Chambers.

Members present were Dan Carlson, Chairperson, Robert Wenzel, Secretary, Ken Hartje, Terry Shymanski (Absent) Also in attendance were: Mayor Gordon Freeman, Bill Kaberle-DPW, Dan Kraschnewski, Josh Kolo, Terry Fancher & Emmet Peterson.

1. Recommend signing DPW Contract.
2. Recommend signing Police Contract.
3. Moved by Hartje seconded by Carlson to go into CLOSED SESSION pursuant to Wisconsin Statutes 19.85(1)(c) regarding 2011-2012 contract with DPW Director. All members voted Yes.

4. Motion to go into OPEN SESSION pursuant to Wisconsin Statutes 19.85(2) to make recommendations on matters discussed in Closed Session. All members voted Yes.
5. Recommend approving 2011 Public Works Supervisor Wage Agreement.

Respectfully submitted

Moved by Carlson Seconded by Hamilton that the Wage & Salary Committee Report of February 22, 2011, be accepted as written. Carried

Moved by Carlson Seconded by Hamilton that Items 1-2 of the Wage & Salary Committee Report of February 22, 2011, be adopted for action.

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

Moved by Carlson Seconded by Hamilton that Items 5 of the Wage & Salary Committee Report of February 22, 2011, be adopted for action.

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

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

Moved by Shymanski Seconded by Krubsack to accept the Public Works Department's monthly report as written. Carried

Moved by Shymanski Seconded by Krubsack to accept the Ambulance Department's monthly report as written. Carried

Moved by Shymanski Seconded by Krubsack to accept the Fire Department's monthly report as written. Carried

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

BILLS TO BE READ
MARCH 8, 2011

GENERAL

ACE HARDWARE	250.13
ADVANCE JANITORIAL SERVICE	521.46
ADVANTAGE PLUMBING	83.41
AFLAC	1,062.40
AIRGAS NORTH CENTRAL	17.19
ALLIANT ENERGY/WP&L	2,069.10
ALLIANT ENERGY/WP&L	2,977.81
ASC1	197.39
B A PAULS & ASSOCIATES	775.00
BEAVER OF WI INC	257.25
BEAVERS VARIETY	16.90
BELLIN HEALTH	30.00
BILL KABERLE	300.00
CENTRAL WI PSYCHOLOGICAL SERVICES	600.00
CHARTER COMMUNICATIONS	119.99
CITY OF NEKOOSA WATER & SEWER	2,227.00
CITY OF WI RAPIDS	313.60

CNA SURETY	100.00
DELTA DENTAL OF WI	1,706.05
EO JOHNSON	173.00
FAIVRE IMPLEMENT INC	380.05
FOX VALLEY TECHNICAL COLLEGE	400.00
GALLS	14.99
GANNETT WI MEDIA	239.45
G&K SERVICES	717.77
HERMAN STEINERT	15.00
GOODFELLAS	55.47
HUMPHREY SERVICE PARTS	207.52
ITU INC	274.49
JOSEPH M RUSCH II	30.60
KATHY PALM	61.95
LABOR ASSOCIATION OF WI	510.00
MID STATE UPHOLSTERY & CANVAS	150.00
MIDWEST RADAR & EQUIPMENT	120.00
MINNESOTA LIFE INSURANCE CO	323.33
MISSISSIPPI WELDERS SUPPLY	182.10
MOBILE LOCK & SECURITY	13.23
MTAW	60.00
MTAW	120.00
NAPA AUTO PARTS	6.49
NEKOOSA CORP	60.19
NEKOOSA CREDIT UNION	300.00
NEKOOSA FLORAL	54.00
NEKOOSA LIONS	200.00
NORTH SHORE BANK FSB	1,935.00
OFFICE SUPPLIES 2 U	159.97
PAPER CITY SAVINGS	655.00
PENFLEX INC	538.00
PIGGLY WIGGLY	484.28
RAINEE BOOHER	300.00
RAPIDS RENTAL & SUPPLY	63.25
RIVERVIEW FAMILY CLINIC	111.00
RIVERVIEW HOSPITAL	28.00
ROBERT ROWE	20.40
SCHIERL INC	179.85
SECURITY HEALTH PLAN	32,880.61
SOLARUS	1,321.33
STATE CONTROLLERS OFFICE – CMO	2,921.88
SUPERIOR CHEMICAL CORP	219.76
TERRY FANCHER	17.04
THE BALTUS COMPANY	5,924.96
THE UNIFORM SHOPPE	740.84
TIMS SHARPENING SERVICE	28.50
TRUCK COUNTRY OF WI	154.92
TRUTEST DRUG & ALCOHOL TESTING	25.00
UNIFIRST CORPORATION	118.73
UNITED WAY OF INNER WI	6.00
UPS	33.07
U S CELLULAR	636.20
VEOLIA ENVIRONMENTAL SERVICES	4,407.03
VEOLIA ES SOLID WASTE MIDWEST	2,384.60
VISION SERVICE PLAN	282.84
WE ENERGIES	4,085.73
WI RURAL WATER ASSOCIATION	330.00
WI SCTF	96.92
WI SCTF	323.07
WOOD CO FIRE INVESTIGATION TASK FORCE	35.00
WOOD COUNTY TREASURER	1,722.32
ADVANCE SUPPLY	255.30
ALLIANT ENERGY	751.14
AMAZON	611.66
BAKER & TAYLOR	291.20
CHARTER COMMUNICATIONS	29.99
CITY OF NEKOOSA WATER & SEWER	353.60

COMPLETE CONTROL	936.80
DEMCO	63.33
GALE GROUP	60.10
HEINEMANN-RAINTREE	169.95
HIGHSMITH	86.10
LERNER PUBLISHING GROUP	150.77
NEKOOSA FLORAL & GIFTS	40.00
PIGGLY WIGGLY	41.51
ROURKE PUBLISHING	207.35
UPSTART	78.30
WE ENERGIES	161.00
WI LIBRARY SERVICES	448.50
ADVANCE SUPPLY	12.50
AMERICAN TRANSMISSION CO LLC	40.00
BENDLIN FIRE EQUIPMENT	240.86
CARQUEST AUTO PARTS STORES	840.13
ELEMENT MOBILE	206.25
JAMES C WASHEBEK	95.25
KESSENICHS LTD	164.72
STREICH EQUIPMENT CORP	596.00
WWWP	60.00
AFLAC	1,062.40
CHARTER COMMUNICATIONS	5.38
COUNTY OF WOOD	20.00
ELEMENT MOBILE	81.45
FLEET SERVICES	926.57
GOOCHS	30.00
NEKOOSA CREDIT UNION	300.00
NORTH SHORE BANK FSB	1,935.00
PAPER CITY SAVINGS	655.00
UPS	14.46
UNITED WAY OF INNER WI	6.00
WI SCTF	96.92
WI SCTF	323.07
NEKOOSA CREDIT UNION	312.46
NEKOOSA CREDIT UNION	624.65
STAPLES ADVANTAGE	236.39
	95,087.47

PAYROLL

SUNDRY	12,689.92
GENERAL	2,051.92
LIBRARY	951.48
GENERAL	7,974.95
LIBRARY	1,494.99
SUNDRY	382.11
GENERAL	373.62
GENERAL	132.09
GENERAL	16,644.15
SUNDRY	12,958.97
GENERAL	1,984.54
LIBRARY	940.96
GENERAL	7,585.87
GENERAL	1,643.72
LIBRARY	1,446.18
SUNDRY	245.31
GENERAL	607.75
GENERAL	373.62
GENERAL	1,139.19
GENERAL	1,721.36
GENERAL	283.05
	73,625.75

WATER

ALLIANT ENERGY/WP&L	5,237.57
BEAVERS VARIETY	7.55
CHARLES BRUDER	105.00
CHARTER COMMUNICATIONS	126.59

CITY OF NEKOOSA – GF	1,667.34
CITY OF NEKOOSA – GF	6,193.29
CITY OF NEKOOSA SEWER & WATER	1,181.80
COMMERCIAL TESTING LAB INC	677.50
DAVIES WATER #1476	890.00
HAWKINS INC	4,745.68
L-R METER TESTING	975.65
NEKOOSA CORP	27.90
RONS REFRIGERATION	169.95
UPS	33.07
WE ENERGIES	2,109.22
WI EMERGENCY MANAGEMENT	691.00
COMMERCIAL TESTING LAB INC	698.60
DEPARTMENT OF COMMERCE	50.00
CHARTER COMMUNICATIONS	126.59
UPS	14.47
WI STATE LABORATORY OF HYGIENE	20.00
BYTEC RESOURCE MANAGEMENT	1,624.00
PITNEY BOWES	264.00
CITY OF NEKOOSA – GF	1,667.34
CITY OF NEKOOSA – GF	6,369.04
CITY OF NEKOOSA – WWTP UPGRADE	123,917.86
CITY OF NEKOOSA – WWTP UPGRADE	6,565.22
CITY OF NEKOOSA – WWTP UPGRADE	181,243.50
	347,399.73

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

GENERAL

BAYCOM	4,136.00
CAPSTONE PRESS	1,377.76
CARGILL INC	3,402.65
CITY OF WI RAPIDS	7,028.00
CRACK FILLING SERVICE CORP	5,000.00
EMERGENCY MEDICAL PRODUCTS	1,280.71
GENERAL CODE	2,033.00
LINDSAY MANNING	2,768.13
MID STATE TRUCK SERVICE	2,744.92
SMITH WHOLESALE	4,293.27
NEKOOSA CREDIT UNION	1,542.23
	35,606.67

WATER

KLM ENGINEERING INC	2,400.00
L W ALLEN INC	5,974.00
POWER COMPUTING SOLUTIONS	1,650.00
PRECISION GRADING & UTILITIES	6,494.00
	16,518.00

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

Roll Call Vote: 8 Ayes, 0 Nays. Carried

Moved by Hamilton Seconded by Krubsack to adjourn. Carried

Respectfully Submitted

Joseph M. Rusch II
City Clerk