

**MINUTES
CITY OF JEFFERSON COMMON COUNCIL
TUESDAY, APRIL 19, 2016**

The Tuesday, April 19, 2016 meeting of the City of Jefferson Common Council was called to order at 7:00 p.m. by Mayor Oppermann. Members present were: Ald. Peachey, Ald. Beyer, Ald. Miller, Ald. Horn, Ald. Brandel, Ald. Krause, Ald. Roth and Ald. Lares. Also present were: City Administrator Freitag, City Attorney Brantmeier, City Engineer Pinnow and City Clerk/Deputy Treasurer Baumann.

PUBLIC PARTICIPATION

None.

Mayor Oppermann detailed to those present an update on the Sanborn project which commenced April 4, 2016. Storm sewer work on Center/E. Washington St. will begin next week. The crews work until 7 p.m. weekdays. Additional information is also posted on the City of Jefferson website www.jeffersonwis.com.

AN ORDINANCE TO ADD §300-49 TO REGULATE ADULT-ORIENTED ESTABLISHMENTS

Ald. Horn introduced Proposed Ordinance #3-16 for its first reading.

**CITY OF JEFFERSON
ORDINANCE #3-16**

§ 300-49 AN ORDINANCE TO REGULATE ADULT-ORIENTED ESTABLISHMENTS

Section 1. Findings of Fact

- a) The Common Council finds that adult-oriented establishments, as defined and otherwise regulated by the City in its adult-oriented licensing and regulation ordinance, require special zoning in order to protect and preserve the health, safety, and welfare of the City.
- b) Based its review of studies conducted in Phoenix AZ, Garden Grove CA, Los Angeles CA, Whittier CA, Indianapolis IN, Minneapolis MN, St. Paul MN, Cleveland OH, Oklahoma City OK, Amarillo TX, Austin TX, Beaumont TX, Houston TX, Seattle WA, and the findings incorporated in *City of Renton v. Playtime Theaters, Inc.*, 475 U.S. 41 (1986), *Coleman A. Young v. American Mini-Theaters, Inc.*, 427 U.S. 50 (1976), the Common Council finds that there is convincing evidence that the secondary effects of adult-oriented establishments include an increased risk of prostitution, high-risk sexual behavior, crime, and other deleterious effects upon existing businesses and surrounding residential areas, and decreased property values.

- c) The Common Council intends to control the impact of these secondary effects in order to protect the health, safety, and welfare of the citizenry; protect the citizens from increased crime; preserve the quality of life; preserve the property values and character of surrounding neighborhoods and areas.
- d) It is not the intent of the Common Council to suppress any speech activities protected by the First Amendment, but to enact a content-neutral ordinance which addresses the secondary effects of adult-oriented establishments while providing an outlet for First Amendment protected activities.
- e) In order to minimize and control the secondary effects of adult-oriented establishments upon the City, it is the intent of the board to prevent the concentration of adult-oriented establishments within a certain distance of each other and within a certain distance of other specified locations which are incompatible with and would suffer from the secondary effects of adult-oriented establishments.
- f) Based upon its review of materials linking alcohol consumption and high-risk sexual behavior and materials linking alcohol consumption and crimes such as sexual assault, the Common Council finds that a geographic separation of adult-oriented establishments from alcohol beverage licensed premises is warranted.
- g) The Common Council defines "Adult-Oriented Establishment" as" adult arcade, adult bath house, adult body painting studio, adult bookstore, adult cabaret, adult motel, adult theater, and any commercial establishment presenting adult entertainment whether or not such entertainment is operated or maintained for a profit.

Section 2. Location of first amendment protected adult-oriented establishments

- a) The First Amendment and other provisions of the United States Constitution, as interpreted by the United States Supreme Court and other courts, require that adult-oriented establishments, as defined and otherwise regulated by the City, are entitled to certain protections, including the opportunity to locate in the City. Therefore, if an adult-oriented establishment license may be granted by the City as a conditional use under §300-31, if all the requirements of this section of the zoning code are met and it is approved as a conditional use by the City in an industrial district. No other requirements of the zoning code need be satisfied, but for those required in order to obtain an adult-oriented entertainment license as a conditional use permit from the City.
- b) Adult-oriented establishments shall be located at least 500 feet from:
 - a. Any residential district line, playground lot line, or public park lot line;
 - b. Any structure used as a residence, place of religious worship, public or private school, or youth facility;

- c. Any other structure housing an adult-oriented establishment;
 - d. Any structure housing an establishment which holds an alcohol beverage license.
- c) Distance requirements are to be measured in a straight line in any direction regardless of intervening structures, from the structure housing the adult-oriented establishment to the above residential district boundary lines, to the lot line of any lot used for a park, playground, or the lot line of any structure listed in Section 2(b)(b, c, d) above.
- d) The measurements from a structure shall be taken from the farthest point a structure extends in the direction of the measurement, including overhanging roofs or similar projections.
- e) For adult-oriented establishments located in conjunction with other buildings and clearly separate from other establishments such as in a shopping center, measurements shall be taken from the boundaries of the space occupied by the adult-oriented establishment.
- f) For any adult-oriented establishment located above ground level in a multi-story structure and clearly separate from other establishments within the structure, the distance measurements shall be taken from the ground floor public entrance/exit nearest the adult-oriented establishment (excluding emergency exits).
- g) A licensed adult-oriented establishment is not disqualified from holding an adult-oriented establishment license by the location subsequent to the grant or renewal of its license of any of the establishments described in Section 2(b) above, within 500 feet of the licensed premises. This provision applies only to the renewal of an existing license and does not apply when an application for a license is submitted after a license for that location has not been renewed or has been revoked.

Section 3. **Violations and Penalties. Any person who violates this section will be subject to a monetary forfeiture in the amount of \$500 for each violation. Each day that violation exists shall constitute a separate violation and be punishable as such. Penalties for a violation of this Chapter shall be described annually in Chapter 1, Article 1 of this code. The City may also seek an injunction or other relief allowed in law or equity.**

Section 4. This ordinance shall take effect after passage, publication and attestation as required by law.

Section 5. This is the first reading.

Note: Content of this ordinance is borrowed substantially from the City of West Milwaukee.

AN ORDINANCE TO AMEND §300-31 OF THE CITY CODE TO ADD ADULT ORIENTED ESTABLISHMENT AS A CONDITIONAL USE IN THE INDUSTRIAL DISTRICT

Ald. Miller introduced proposed Ordinance #4-16 for its first reading.

**CITY OF JEFFERSON
ORDINANCE #4-16**

AN ORDINANCE TO AMEND § 300-31 OF THE CITY CODE TO ADD ADULT ORIENTED ESTABLISHMENT AS A CONDITIONAL USE IN THE INDUSTRIAL DISTRICT

Section 1. §300-31. Industrial and Agricultural Uses.

The following industrial and agricultural uses shall be conditional uses and may be permitted as specified:

- A. Animal hospitals in the agricultural and industrial districts, provided that the lot area is not less than three acres and all principal structures and uses are not less than 100 feet from any residential district.
- B. Dumps, disposal areas, incinerators and sewage disposal plants in the agricultural and industrial districts. Municipal earth and sanitary landfill operations may be permitted in any district.
- C. Commercial raising, propagation, butchering or boarding of animals, such as dogs, mink, rabbits, foxes, goats, and pigs; commercial production of eggs; and the hatching, raising, fattening or butchering of fowl; pea vineries, creameries and condenseries in the Agricultural District; boarding of animals in the Limited Industrial District.
- D. Manufacturing and processing of abrasives, acetylene, acid, alkalis, ammonia, asbestos, asphalt, batteries, bedding, bleach, bone, cabbage, candles, carpeting, celluloid, cement, cereals, charcoal, coal tar, coffee, coke, cordage, dextrin, disinfectant, dye, excelsior, felt, fish, fuel, furs, gelatin, glucose, gypsum, hair products, linoleum, matches, meat, oil cloth, paint, paper, peas, perfume, pickles, plaster of paris, plastics, poison, polish, potash, pulp, pyroxylin, radium, rope, rubber, sausage, shoddy, shoe and lampblackening, size, starch, stove polish, textiles and varnish; manufacturing, processing and storage of building materials, dry ice, explosives, fat, fertilizer, flammables, gasoline, glue, grains, grease, lard, plastics, radioactive materials, shellac, soap, turpentine, vinegar and yeast; manufacturing and bottling of alcoholic beverages; bag cleaning; bleacheries; canneries; cold storage warehouses; electric and steam

generated plants; electroplating; enameling; forges; foundries; garbage incinerators; lacquering; lithographing; offal; rubbish or animal reduction; oil, coal and bone distillation; refineries; road test facilities; slaughterhouses; smelting; stockyards; tanneries; and weaving, in the MG Industrial District, provided that they are at least 600 feet from residential districts.

- E. Outside storage and manufacturing areas in the industrial districts. Wrecking, junk, demolition and scrap yards shall be surrounded by a solid fence or evergreen planting screen, completely preventing a view from any other property or public right-of-way, and shall be at least 600 feet from any residential district.
- F. Commercial service facilities, such as restaurants and fuel stations, in the industrial districts, provided all such services are physically and sales-wise oriented toward industrial district users and employees, and other users are only incidental customers.
- G. Multiple principal structures on a lot.
- H. Postal services.
- I. Telecommunicating structures and towers.
- J. Uses consistent with Business Districts (BHN) including, but not limited to: offices, day cares, funeral homes, vehicle sales/service/repair, parking lots, and engine and electric motor repairs as a conditional use in the General or Limited Industrial Zoning District. A conditional use permit is not available for retail or commercial stores under this subsection.

K. In an Industrial District, adult oriented establishments.

Section 2. This Ordinance shall take effect upon passage, publication, and attestation as required by law.

Section 3. This is the first reading.

CONSENT AGENDA

Ald. Beyer introduced Resolution No. 112.

**CITY OF JEFFERSON
RESOLUTION NO. 112**

BE IT RESOLVED, by the Common Council of the City of Jefferson, Wisconsin that the consent agenda for April 19, 2016 is hereby adopted.

The consent agenda for tonight includes:

- ◆ Vouchers Payable for March, 2016 in the amount \$2,600.84 and April, 2016 in the amount of \$132,583.76. Payroll Summary for April 1, 2016 in the amount of \$139,625.87.
- ◆ Council Minutes from the April 7, 2016 Meetings of the Common Council.
- ◆ Licenses as Approved by the Regulatory Committee.
 - ◆ Operator's Licenses
 - ◆ Special Class B Licenses

Ald. Beyer, seconded by Ald. Roth moved to recommend Resolution No. 112. Motion carried unanimously on call of the roll, with Ald. Krause and Ald. Roth abstaining on the minutes.

RESOLUTION AUTHORIZING THE ISSUANCE AND ESTABLISHING PARAMETER FOR THE SALE OF NTO TO EXCEED \$1,885,000 TAXABLE SEWERAGE, WATER AND ELECTRIC SYSTEM REVENUE REFUNDING BONDS, SERIES 2016A, AND PROVIDING FOR THE PAYMENT OF THE BONDS AND OTHER DETAILS WITH RESPECT TO THE BONDS

Resolution No. 113 was introduced by Ald. Brandel.

**CITY OF JEFFERSON
RESOLUTION NO. 113**

A RESOLUTION AUTHORIZING THE ISSUANCE AND ESTABLISHING PARAMETERS FOR THE SALE OF NOT TO EXCEED \$1,885,000 TAXABLE SEWERAGE, WATER AND ELECTRIC SYSTEM REVENUE REFUNDING BONDS, SERIES 2016A, AND PROVIDING FOR THE PAYMENT OF THE BONDS AND OTHER DETAILS WITH RESPECT TO THE BONDS

WHEREAS, the City of Jefferson, Jefferson County, Wisconsin ("City") now owns and operates and has for many years owned and operated its public utility system, which consists of the Sewerage, Water and Electric Systems (the Sewerage, Water and Electric Systems and all properties of every nature in connection with such Systems 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 or refunding obligations issued to finance extensions, additions and improvements 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

WHEREAS, pursuant to Resolution No. 88 adopted on September 18, 2000 (the "2000 Resolution"), the City issued its Sewerage, Water and Electric System Revenue Bonds, Series 2000, dated September 27, 2000 (the "2000 Bonds"), which bonds are payable from the income and revenues of the System; and

WHEREAS, pursuant to Resolution No. 98 adopted on September 18, 2001 (the "2001 Resolution"), the City issued its Taxable Sewerage, Water and Electric System Revenue Bonds, Series 2001, dated September 26, 2001 (the "2001 Bonds"), which bonds are payable from the income and revenues of the System; and

WHEREAS, pursuant to Resolution No. 8 adopted on May 7, 2002 (the "2002 Resolution"), the City issued its Taxable Sewerage, Water and Electric System Revenue Bonds, Series 2002, dated May 22, 2002 (the "2002 Bonds" or the "Refunded Obligations"), which bonds are payable from the income and revenue of the System; and

WHEREAS, pursuant to Resolution No. 76 adopted on November 27, 2012 (the "2012 Resolution"), the City issued its Sewerage, Water and Electric System Revenue Bonds, Series 2012B, dated December 12, 2012 (the "2012 Bonds"), which bonds are payable from the income and revenue of the System; and

WHEREAS, the City has determined that it is necessary and desirable to refund the 2002 Bonds (the "Refunding") for the purpose of restructuring the debt service payments on the 2002 Bonds; and

WHEREAS, it is desired to authorize and sell Taxable Sewerage, Water and Electric System Revenue Refunding Bonds (the "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, other than the Refunded Obligations, the 2000 Bonds, the 2001 Bonds and the 2012 Bonds, the City has no bonds or obligations outstanding which are payable from the income and revenues of the System (other than the Sewerage, Water and Electric System Revenue Refunding Bonds, Series 2012, dated December 4, 2012, which mature on May 1, 2016 and with respect to which the City has on deposit in the Special Redemption Fund, sufficient funds to pay the remaining principal and interest in full); and

WHEREAS, the 2000 Resolution, the 2001 Resolution and the 2012 Resolution (collectively, the "Prior Resolutions") permit the issuance of bonds payable from revenues of the System on a parity with the 2000 Bonds, the 2001 Bonds and the 2012 Bonds (collectively, the "Prior Bonds") upon certain conditions, and those conditions have been met; and

WHEREAS, it is the finding of the Common Council that it is in the best interest of the City to direct Ehlers & Associates, Inc. ("Ehlers") to take the steps necessary for the City to offer and sell the Bonds; and

WHEREAS, in order to facilitate the sale of the Bonds in a timely manner, the Common Council hereby finds and determines that it is necessary, desirable and in the best interest of the City to delegate to the Finance Director/Treasurer or City Administrator (each, an "Authorized Officer") the authority to accept on behalf of the City a proposal for the Bonds (the "Proposal") that meets the terms and conditions provided for in this Resolution by executing a certificate in substantially the form attached hereto as Exhibit A and incorporated herein by reference (the "Approving Certificate").

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City that:

Section 1. Authorization and Sale of the Bonds; Parameters. For the purpose of paying the cost of the Refunding, the City is authorized to borrow pursuant to Section 66.0621, Wisconsin Statutes, the principal sum of not to exceed ONE MILLION EIGHT HUNDRED EIGHTY-FIVE THOUSAND DOLLARS (\$1,885,000) upon the terms and subject to the conditions set forth in this Resolution. Subject to satisfaction of the conditions set forth in Section 18 of this Resolution, the Authorized Officer is hereby authorized, empowered and directed to make, execute, issue and sell to the financial institution that submitted the Proposal for, on behalf of and in the name of the City, the Bonds in a principal amount of not to exceed ONE MILLION EIGHT HUNDRED EIGHTY-FIVE THOUSAND DOLLARS (\$1,885,000). The purchase price to be paid to the City for the Bonds shall not be less than 98.75% of the principal amount of the Bonds.

Section 2. Terms of the Bonds. The Bonds shall be designated "Taxable Sewerage, Water and Electric System Revenue Refunding Bonds, Series 2016A"; shall be issued in the aggregate principal amount of up to \$1,885,000; shall be dated as of their date of issuance; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall mature or be subject to mandatory redemption on the dates and in the principal amounts set forth below, provided that the principal amount of each maturity or mandatory redemption amount may be increased or decreased by up to \$65,000 per maturity or mandatory redemption amount and that the aggregate principal amount of the Bonds shall not exceed \$1,885,000. The schedule below assumes the Bonds are issued in the aggregate principal amount of \$1,885,000.

<u>Date</u>	<u>Amount</u>
05/01/2017	\$ 65,000
05/01/2018	95,000
05/01/2019	100,000
05/01/2020	100,000
05/01/2021	105,000
05/01/2022	105,000
05/01/2023	85,000
05/01/2024	90,000
05/01/2025	95,000
05/01/2026	100,000
05/01/2027	105,000
05/01/2028	105,000
05/01/2028	110,000

05/01/2030	115,000
05/01/2031	120,000
05/01/2032	125,000
05/01/2033	130,000
05/01/2034	135,000

Interest shall be payable semi-annually on May 1 and November 1 of each year commencing on May 1, 2017. The true interest cost on the Bonds (computed taking the Purchaser's compensation into account) will not exceed 4.75%. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

The present value debt service cost resulting from the Refunding, determined by comparing the debt service on the Refunded Bonds to the debt service on the Bonds (the "Debt Service Cost") shall not exceed \$200,000.

The schedule of maturities or mandatory redemptions is found to be such that the amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices and will be confirmed in the Approving Certificate.

The Common Council hereby determines that the Refunding is advantageous and necessary to the City, provided that the Debt Service Cost does not exceed the amount set forth above.

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, the Prior Bonds and any Parity Bonds as the same fall due.

The Bonds maturing on May 1, 2027 and thereafter shall be subject to redemption prior to maturity at the option of the City, on May 1, 2026 or on any date thereafter. Said Bonds shall be redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot, at the principal amount thereof, plus accrued interest to the date of redemption. If the Proposal specifies that certain of the Bonds are subject to mandatory redemption, the terms of such mandatory redemption shall be set forth on an attachment to the Approving Certificate. Upon the optional redemption of any of the Bonds subject to mandatory redemption, the principal amount of such Bonds so redeemed shall be credited against the mandatory redemption payments established for such Bonds in such manner as the City shall direct.

Section 3. Form of the Bonds. The Bonds shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit B and incorporated herein by this reference.

Section 4. 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 Bond 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.

"Bulk Power Supply Engineer" means a nationally recognized engineer, or firm of engineers selected by the City and which has skill and expertise in the field of bulk power supply planning.

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

"Credit Obligation" means any obligation of the City under a contract, lease, installment sales agreement or other instrument, including but not limited to any contract entered into with a municipal electric company pursuant to Section 66.0825(8), Wis. Stats., to make payments for property, services or commodities for the benefit or use of the electric utility portion of the System whether or not the same are made available, furnished or received, or any other obligation of the City, under which the City lends credit to or guarantees debts, claims or other obligations of any other person or entity for the purpose of obtaining property, services or commodities for the electric utility portion of the System or for the purpose of financing the initial costs of any project of any other person or entity from which property, services or commodities are intended to be obtained for the benefit or use of the electric utility portion of the System but only to the extent such obligation requires payment directly or indirectly from a designated fund or account provided for under this Resolution.

"DTC" means The Depository Trust Company, New York, New York, or any successor securities depository for the City with respect to the Bonds.

"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" or "Current 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, replacements and capital expenditures. In the case of the electric utility portion of the System, Operation and Maintenance Expenses shall include, without intent to limit the foregoing, all costs of purchasing, producing and delivering electric power and energy and specifically fuel costs, costs of transmission service, reserve service, interchange service, and all other costs of purchased power, including obligations under the Power Supply Contract between the City and WPPI, and all payments required by Credit Obligations.

"Parity Bonds" means additional bonds issued on a parity as to pledge and lien with the Bonds in accordance with the provisions of Section 8 of this Resolution.

"Power Supply Contract" means the Long Term Power Supply Contract for Participating Members between the City and WPPI entered into under Section 66.0825(8), Wis. Stats.

"Reserve Requirement" means an amount, determined as of the date of issuance of the Bonds, equal to the least of (a) 10% of the proceeds of the stated principal amount of the Bonds; (b) the maximum annual debt service on the Bonds in any Bond Year and (c) 125% of average annual debt service on the outstanding Bonds in any Bond Year. If Parity Bonds which are to be secured by the Reserve Account are issued, the Reserve Requirement shall mean an amount, determined as of the date of issuance of the Parity Bonds, equal to the least of (a) the amount required to be on deposit in the Reserve Account prior to the issuance of such Parity Bonds, plus (i) 10% of the stated principal amount of such Parity Bonds or (ii) if the Parity Bonds are issued on a tax-exempt basis, the lesser of 10% of the principal amount of the Parity Bonds and the amount permitted to be deposited in the Reserve Account from proceeds of the Parity Bonds pursuant to Section 148(d)(1) of the Code and Regulations; (b) the maximum annual debt service on 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.

"Regulations" means the Regulations of the Commissioner of Internal Revenue under the Code.

"Revenues" or "Gross Earnings" means the gross earnings of the System, including earnings of the System derived from sewerage, water and electric charges imposed by the City, all payments to the City under any service agreements between the City and any contract users of the System, and any other monies received from any source including all rentals and fees and any special assessments levied and collected in connection with the projects financed by the Refunded Obligations or the Prior Bonds.

"WPPI" means WPPI Energy, a municipal electric company organized under Section 66.0825, Wis. Stats.

Section 5. Income and Revenue Funds. When the Bonds shall have been delivered in whole or in part, the Revenues shall be set aside into the Sewerage, Water and Electric System Revenue Fund (the "Revenue Fund") and divided among the following separate and special funds in the order of priority as listed below, some of which funds were created and established by Ordinance No. 15-85 adopted on December 10, 1985 (the "1985 Ordinance") and amended on November 19, 1991 and some of which were created and established by Resolution No. 88 adopted on November 2, 1993, continued by the Prior Resolutions and hereby further continued, and such funds shall be used and applied as described below:

- 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, Water and Electric Systems Operation and Maintenance Funds (the "Operation and Maintenance Funds").

- Revenues in amounts sufficient to pay the principal of and interest on the Prior Bonds, the Bonds and Parity Bonds and to meet the Reserve Requirement shall be set aside into the Sewerage, Water and Electric System Mortgage Revenue Bond and Interest Special Redemption Fund (the "Special Redemption Fund" or "Debt Service Fund"), to be applied to the payment of the principal of and interest on the Prior Bonds, the Bonds and Parity Bonds and to meet the Reserve Requirement. The monies standing in the Special Redemption Fund are irrevocably pledged to the payment of principal of and interest on the Prior Bonds, the Bonds and Parity Bonds.

- Revenues in amounts sufficient to provide a proper and adequate depreciation account for the System shall be set aside into the Sewerage, Water and Electric Systems Depreciation Funds (the "Depreciation Funds").

The Operation and Maintenance Funds and Depreciation Funds 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 Funds 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 Funds equal to estimated Operation and Maintenance Expenses for one month. Any money then available and remaining in the Operation and Maintenance Funds may be transferred to the Surplus Fund, which fund is hereby continued.

Revenues shall be deposited in the Depreciation Funds 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 Funds 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 Funds may be expended for repairs, replacements, new construction, extensions or additions to the System. Any money on deposit in the Depreciation Funds in excess of the Depreciation Requirement which is not required during the current Fiscal Year for the purposes of the Depreciation Funds, may be transferred to the Surplus Fund.

The Revenues deposited in each Operation and Maintenance Fund and Depreciation Fund shall be derived only from the component of the System to which the Fund relates (i.e., the Sewerage System, Water System, or Electric System) and shall be used only to pay costs related to that component of the System.

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

all principal and interest falling due on the Prior Bonds, the Bonds and Parity Bonds and to meet the Reserve Requirement.

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

The minimum amounts to be so deposited for debt service on the Bonds, in addition to all amounts to be deposited to pay debt service on the Prior Bonds, shall be set forth on the Approving Certificate.

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

The Reserve Account established by Section 3 of the 1985 Ordinance shall be continued to additionally secure the payment of principal of and interest on the Bonds. The monies on deposit in the Reserve Account do not secure the Prior Bonds and are not available to pay principal of and interest on the Prior Bonds. The City covenants and agrees that upon the issuance of the Bonds an amount equal to the Reserve Requirement shall be on deposit in the Reserve Account and shall be maintained therein.

The City covenants and agrees that at any time that the Reserve Account is drawn on and the amount in the Reserve Account shall be less than the Reserve Requirement, an amount equal to one-twelfth of the Reserve Requirement will be paid monthly into the Reserve Account from those funds in the Special Redemption Fund, the Operation and Maintenance Funds, the Depreciation Funds and the Surplus Fund which are in excess of the minimum amounts required by the preceding paragraphs to be paid therein until the Reserve Requirement will again have accumulated in the Reserve Account. No such payments need be made into the Reserve Account at such times as the monies in the Reserve Account are equal to the highest remaining annual debt service requirement on the Bonds and Parity Bonds secured by the Reserve Account in any Bond Year. 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.

Funds in the Special Redemption Fund in excess of the minimum amounts required to be paid therein plus reserve requirements may be transferred to the Surplus Fund.

Money in the Surplus Fund shall first be used when necessary to meet requirements of the Operation and Maintenance Funds including the one month reserve, the Special Redemption Fund including the Reserve Account, and the Depreciation Funds. 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 described in this section.

Section 6. Service to the City. The reasonable cost and value of any service rendered to the City by the System by furnishing sewerage, water and electric services for public purposes, 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, and out of the tax levy of the City made by it to raise money to meet its necessary current expenses. It is hereby found and determined that the reasonable cost and value of such service to the City in each year shall be in an amount which, together with Revenues of the System, will produce Net Revenues equivalent to not less than 1.25 times the Annual Debt Service Requirement. Such compensation for such service rendered to the City shall, in the manner provided hereinabove, be paid into the separate and special funds described in Section 4 of this Resolution. However, such payment is subject to (a) annual appropriations by the Common Council therefor, (b) approval of the Wisconsin Public Service Commission, or successors to its function, 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 and its inhabitants or to make any subsequent payment over and above such reasonable cost and value.

Section 7. 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:

(a) The City 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 collect and segregate the Revenues of the System and apply them to the respective funds and accounts described hereinabove;

(b) The City 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 Common Council 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;

(c) The City 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;

(d) The City will maintain in reasonably good condition and operate the System, and will establish, charge and collect such lawfully established rates and charges for the service rendered by the System, so that in each Fiscal Year Net Revenues shall not be less than 125% of the Annual Debt Service Requirement, and so that the Revenues of the System herein agreed to be set aside to provide 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;

(e) The City 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;

(f) 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 statement of the Net Revenues of the System for such Fiscal Year; (3) a balance sheet as of the end of such Fiscal Year; (4) 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; (5) 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); and (6) 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 (7) the volume of water used as the basis for computing the service charge; and

(g) So long as any of the Bonds are outstanding the City will carry for the benefit of the owners of the Bonds insurance of the kinds and in the amounts normally carried by private companies or other public bodies 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 casualty policies 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 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 8. Additional Bonds. The Bonds are issued on a parity with the Prior Bonds. No bonds or obligations payable out of the Revenues of the System may be issued in such manner as to enjoy priority over the Bonds. Additional obligations may be issued if their lien and pledge is junior and subordinate to that of the Bonds. 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 obligations must have been equal to at least 1.25 times the highest annual principal and interest requirements on all Prior Bonds, Bonds and Parity Bonds outstanding payable from Revenues of the System (other than Prior Bonds, Bonds and Parity Bonds being refunded) and on the Parity 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 obligations 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 and accounts enumerated in Section 4 of this Resolution (including the Reserve Account, but not the Surplus Fund) must have been made in full.

c. The Parity Bonds must have principal maturing on May 1 of each year in which principal falls due and interest falling due on May 1 and November 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 3 of this Resolution.

e. The proceeds of the Parity 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 9. Credit Obligations.

(a) To the extent permitted by law, the City may undertake any Credit Obligation which directly or indirectly requires payments from the Electric System Operation and Maintenance Fund, but only if it shall first obtain an opinion of a Bulk Power Supply Engineer to the effect that: (i) the property, services or commodities to be furnished pursuant to such Credit Obligation may be used beneficially by the City to meet the power and energy requirements of the electric utility portion of the System; and (ii) the obtaining of such property, services or commodities is technically and economically justifiable in accordance with prudent municipal utility management practice.

(b) To the extent permitted by law, the City may undertake any Credit Obligation that directly or indirectly requires payments from the Surplus Fund, subject to any prior use of such monies for the benefit of the Bonds pursuant to Section 4 of this Resolution without meeting the requirements of subsection (a).

(c) The Bulk Power Supply Engineer may, in making all estimates required to be made or necessary to render any opinion required under this Section, rely upon estimates supplied by other engineers or information supplied by other persons, including an authorized representative of the City, who the Bulk Power Supply Engineer believes to be qualified and to have access to the necessary information to make such estimates and to provide such information.

Section 10. Application of Bond Proceeds. All accrued interest received from the sale of the Bonds shall be deposited into the Special Redemption Fund. An amount of proceeds of the Bonds necessary to make the amount on deposit in the Reserve Account equal to the Reserve Requirement shall be deposited in the Reserve Account. An amount of proceeds of the Bonds sufficient to provide for the payment of the Refunded Obligations shall be deposited in a special account designated the "Refunding Fund" for that purpose. The balance of the proceeds, less the expenses incurred in authorizing, issuing and delivering the Bonds, shall be transferred to the Special Redemption Fund for use in payment of principal of and interest on the Bonds.

Section 11. 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 12. Defeasance. When all Bonds have been discharged, all pledges, liens, covenants and other rights granted to the owners thereof by this Resolution shall cease. The City may discharge all Bonds due on any date by depositing into a special account on or before that date a sum sufficient to pay the same in full; or if any Bonds should not be paid when due, it may nevertheless be discharged by depositing into a special account a sum sufficient to pay it in full with interest accrued from the due date to the date of such deposit. The City, at its option, may also discharge all Bonds called for redemption on any date when they are prepayable according to their terms, by depositing into a special account on or before that date a sum sufficient to pay

them in full, with the required redemption premium, if any, provided that notice of redemption has been duly given as required by this Resolution. The City, at its option, may also discharge all Bonds of said issue at any time by irrevocably depositing in escrow with a suitable bank or trust company a sum of cash and/or bonds or securities issued or guaranteed as to principal and interest of the U.S. Government, or of a commission, board or other instrumentality of the U.S. Government, maturing on the dates and bearing interest at the rates required to provide funds sufficient to pay when due the interest to accrue on each of said Bonds to its maturity or, at the City's option, if said Bond is prepayable to any prior date upon which it may be called for redemption, and to pay and redeem the principal amount of each such Bond at maturity, or at the City's option, if said Bond is prepayable, at its earliest redemption date, with the premium required for such redemption, if any, provided that notice of the redemption of all prepayable Bonds on such date has been duly given or provided for. Upon such payment or deposit, in the amount and manner provided by this Section, all liability of the City with respect to the Bonds shall cease, terminate and be completely discharged, and the owners thereof shall be entitled only to payment out of the money so deposited.

Section 13. 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 11, 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 14. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations previously executed on behalf of the City and on file in the City Clerk's office.

Section 15. Payment of the Bonds; Fiscal Agent. The principal of and interest on the Bonds shall be paid by the City Clerk or City Treasurer or Bond Trust Services Corporation as provided in the Approving Certificate (the "Fiscal Agent").

Section 16. Persons Treated as Owners; Transfer of Bonds. The City shall cause books for the registration and for the transfer of the Bonds to be kept by the Fiscal Agent. 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 Fiscal Agent, 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 Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent 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.

Section 17. Record Date. The fifteenth day of each calendar month next preceding each interest payment date shall be the record date for the Bonds (the "Record Date"). 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 Record Date.

Section 18. Conditions on Issuance and Sale of the Bonds. The issuance of the Bonds and the sale of the Bonds to the Purchaser are subject to satisfaction of the following conditions:

(a) approval by an Authorized Officer of the principal amount, definitive maturities, redemption provisions, interest rates and purchase price for the Bonds, which approval shall be evidenced by execution by the Approving Certificate.

(b) determination by an Authorized Officer that the Debt Service Cost does not exceed \$200,000.

The Bonds shall not be issued, sold or delivered until these conditions are satisfied. Upon satisfaction of these conditions, the Authorized Officer is authorized to execute a Proposal with the Purchaser providing for the sale of the Bonds to the Purchaser.

Section 19. Redemption of Refunded Obligations. Subject to the issuance of the Bonds, the Refunded Obligations are hereby called for prior payment and redemption on a date to be determined by the Authorized Officer in the Approving Certificate which shall be at least 30 days after the sale of the Bonds but not later than 90 days after the issuance of the Bonds at a price of par plus accrued interest to the date of redemption.

The City hereby directs the City Clerk after final approval to work with Ehlers to cause timely notice of redemption. All actions heretofore taken by the officers and agents of the City to effectuate the redemption of the Refunded Obligations are hereby ratified and approved.

Section 20. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of the proceeds of the Bonds allocable to the payment of issuance expenses to KleinBank, Chaska, Minnesota at Closing for further distribution as directed by Ehlers.

Section 21. Official Statement. The Common Council hereby directs the Authorized Officer to approve the Preliminary Official Statement with respect to the Bonds and deem the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by the Authorized Officer or other officers

of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it are hereby ratified and approved. In connection with the closing of the Bonds, the appropriate City official shall certify the Preliminary Official Statement and any addenda. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda to be distributed to the Purchaser.

Section 22. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

To the extent required under the Rule, the Mayor and City Clerk, or other officer of the City charged with the responsibility for issuing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

Section 23. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "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 in the Record Book.

Section 24. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Bonds, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and City Clerk including provisions regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 25. Execution of the Bonds; Closing; Professional Services. The Bonds shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk, authenticated, if required, by the Fiscal Agent, sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Bonds may be imprinted on the Bonds in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Bonds, at least one of the signatures appearing on each Bond shall be a manual signature. In the event that either of the officers whose signatures appear on the Bonds shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had

remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Bonds and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and contracts in conjunction with the Bonds, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Bonds is hereby ratified and approved in all respects.

Section 26. Conflicting Ordinances or Resolutions. All prior ordinances, resolutions (other than the Prior Resolutions), rules, 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 Prior Resolutions, the Prior Resolutions shall control so long as any bonds authorized by such resolutions are outstanding.

Adopted, approved and recorded April 19, 2016.

Dale Oppermann
Mayor

ATTEST:

Rita Baumann
City Clerk/Deputy Treasurer

(SEAL)

EXHIBIT A

Approving Certificate

(See Attached)

CERTIFICATE APPROVING THE PRELIMINARY OFFICIAL STATEMENT
AND DETAILS OF
TAXABLE SEWERAGE, WATER AND ELECTRIC SYSTEM REVENUE REFUNDING
BONDS, SERIES 2016A

I, [Timothy Freitag, City Administrator] [Tanya N. Parlow Stewart, Finance Director/Treasurer] of the City of Jefferson, Jefferson County, Wisconsin (the "City"), hereby certify that:

1. Resolution. On April 19, 2016, the Common Council of the City adopted a resolution (the "Resolution") authorizing the issuance and establishing parameters for the sale of not to exceed \$1,885,000 Taxable Sewerage, Water and Electric System Revenue Refunding Bonds, Series 2016A of the City (the "Bonds") and delegating to me the authority to approve the Preliminary Official Statement, to approve the purchase proposal for the Bonds, and to determine the details for the Bonds within the parameters established by the Resolution.

2. Preliminary Official Statement. The Preliminary Official Statement with respect to the Bonds is hereby approved and deemed "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934.

3. Proposal; Terms of the Bonds. On the date hereof, _____ (the "Purchaser") offered to purchase the Bonds in accordance with the terms set forth in the Proposal attached hereto as Schedule I and incorporated herein by this reference (the "Proposal"). Ehlers & Associates, Inc. recommends the City accept the Proposal. The Proposal meets the parameters and conditions established by the Resolution and is hereby approved and accepted.

The Bonds shall be issued in the aggregate principal amount of \$ _____, which is not more than the \$1,885,000 approved by the Resolution, and shall mature on May 1 of each of the years and in the amounts and shall bear interest at the rates per annum as set forth in the Pricing Summary attached hereto as Schedule II and incorporated herein by this reference. The amount of each annual principal or mandatory redemption payment due on the Bonds is not more than \$65,000 more or less per maturity or mandatory redemption amount than the schedule included in the Resolution as set forth below:

<u>Date</u>	<u>Resolution Schedule</u>	<u>Actual Amount</u>
05/01/2017	\$ 65,000	\$ _____
05/01/2018	95,000	_____
05/01/2019	100,000	_____
05/01/2020	100,000	_____
05/01/2021	105,000	_____
05/01/2022	105,000	_____
05/01/2023	85,000	_____

<u>Date</u>	<u>Resolution Schedule</u>	<u>Actual Amount</u>
05/01/2024	\$ 90,000	_____
05/01/2025	95,000	\$ _____
05/01/2026	100,000	_____
05/01/2027	105,000	_____
05/01/2028	105,000	_____
05/01/2028	110,000	_____
05/01/2030	115,000	_____
05/01/2031	120,000	_____
05/01/2032	125,000	_____
05/01/2033	130,000	_____
05/01/2034	135,000	_____

The true interest cost on the Bonds (computed taking the Purchaser's compensation into account) is _____%, which is not in excess of 4.75%, as required by the Resolution. The Debt Service Cost resulting from the Refunding is \$_____, which is not in excess of \$200,000 as required by the Resolution.

4. Purchase Price of the Bonds. The Bonds shall be sold to the Purchaser in accordance with the terms of the Proposal at a price of \$_____, plus accrued interest, if any, to the date of delivery of the Bonds which is not less than 98.75% of the principal amount of the Bonds as required by the Resolution.

[5. Mandatory Redemption Provisions of the Bonds. [The Proposal specifies that [some of] the Bonds are subject to mandatory redemption. The terms of such mandatory redemption are set forth on an attachment hereto as Exhibit MRP and incorporated herein by this reference.

[6. Payment of the Bonds; Fiscal Agent. Pursuant to Section 15 of the Resolution, _____ is named fiscal agent for the Bonds.]

7. Redemption of the Refunded Obligations. In the Resolution, the Common Council authorized the redemption of the Refunded Obligations and granted me the authority to determine the redemption date. The Refunded Obligations shall be redeemed on _____.

8. Approval. This Certificate constitutes my approval of the Proposal, and the definitive maturities, interest rates, purchase price and mandatory redemption provisions for the Bonds, in satisfaction of the parameters set forth in the Resolution. The schedule of debt service payments as found on Schedule III attached hereto and incorporated herein by this reference is reasonable in accordance with prudent municipal utility practices.

IN WITNESS WHEREOF, I have executed this Certificate on _____, 20____
pursuant to the authority delegated to me in the Resolution.

[Timothy Freitag][Tanya N. Parlow
Stewart]

[City Administrator][Finance
Director/Treasurer]

SCHEDULE I TO APPROVING CERTIFICATE

Proposal

To be provided by Ehlers & Associates, Inc. and incorporated into the Certificate.

(See Attached)

SCHEDULE II TO APPROVING CERTIFICATE

Pricing Summary

To be provided by Ehlers & Associates, Inc. and incorporated into the Certificate.

(See Attached)

SCHEDULE III TO APPROVING CERTIFICATE

Debt Service Schedule

To be provided by Ehlers & Associates, Inc. and incorporated into the Certificate.

(See Attached)

EXHIBIT MRP

Mandatory Redemption Provision

The Bonds due on May 1, _____, _____, _____ and _____ (the "Term Bonds") are subject to mandatory redemption prior to maturity by lot (as selected by the Depository) at a redemption price equal to One Hundred Percent (100%) of the principal amount to be redeemed plus accrued interest to the date of redemption, from special redemption fund deposits which are required to be made in amounts sufficient to redeem on May 1 of each year the respective amount of Term Bonds specified below:

For the Term Bonds Maturing on May 1, _____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on May 1, _____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on May 1, _____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on May 1, _____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

EXHIBIT B
(Form of Bond)

REGISTERED	UNITED STATES OF AMERICA	DOLLARS
	STATE OF WISCONSIN	
	JEFFERSON COUNTY	
NO. R-____	CITY OF JEFFERSON	\$_____
	TAXABLE SEWERAGE, WATER AND ELECTRIC SYSTEM	
	REVENUE REFUNDING BOND, SERIES 2016A	

MATURITY DATE:	ORIGINAL DATE OF ISSUE:	INTEREST RATE:	CUSIP:
May 1, _____	_____, 2016	____%	_____

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: _____ THOUSAND DOLLARS
(\$_____)

FOR VALUE RECEIVED, the City of Jefferson, Jefferson County, Wisconsin (the "City"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), solely from the fund hereinafter specified, on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest shall be payable semi-annually on May 1 and November 1 of each year commencing on May 1, 2017 until the aforesaid principal amount is paid in full. Both the principal of and interest on this Bond are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Bond is registered on the Bond Register maintained by [Bond Trust Services Corporation, Roseville, Minnesota] [the City Clerk or City Treasurer] (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding the semi-annual interest payment date (the "Record Date"). This Bond is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

The Bonds maturing on May 1, 2027 and thereafter are subject to redemption prior to maturity, at the option of the City, on May 1, 2026 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot (as selected by the Depository), at the principal amount thereof, plus accrued interest to the date of redemption.

【The Bonds maturing in the years _____, _____ and _____ are subject to mandatory redemption by lot as provided in the Resolution referenced below at the redemption price of par plus accrued interest to the date of redemption and without premium.】

In the event the Bonds are redeemed prior to maturity, as long as the Bonds are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by the Depository, to the Depository not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. If less than all of the Bonds of a maturity are to be called for redemption, the Bonds of such maturity to be redeemed will be selected by lot. Such notice will include but not be limited to the following: the designation, date and maturities of the Bonds called for redemption, CUSIP numbers, and the date of redemption. Any notice provided as described herein shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. The Bonds shall cease to bear interest on the specified redemption date provided that federal or other immediately available funds sufficient for such redemption are on deposit at the office of the Depository at that time. Upon such deposit of funds for redemption the Bonds shall no longer be deemed to be outstanding.

This Bond is one of an issue aggregating \$_____, issued for the purpose of paying the cost of refunding obligations of the City issued to finance additions, improvements and extensions to the City's Sewerage, Water and Electric System, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, acts supplementary thereto and a Resolution adopted April 19, 2016, and entitled: "A Resolution Authorizing the Issuance and Establishing Parameters for the Sale of Not to Exceed \$1,885,000 Taxable Sewerage, Water and Electric System Revenue Refunding Bonds, Series 2016A, and Providing for the Payment of the Bonds and Other Details With Respect to the Bonds" as supplemented by a Certificate Approving the Preliminary Official Statement and Details of Sewerage, Water and Electric System Revenue Refunding Bonds, Series 2016A, dated _____, 2016 (collectively, the "Resolution") and is payable only from the income and revenues derived from the operation of said Sewerage, Water and Electric System. Such revenues have been set aside and pledged as a special fund for that purpose and identified as "Special Redemption Fund", created by Ordinance No. 15-85 adopted by the City on December 15, 1985 and continued by the Resolution. The Bonds are issued on a parity with the City's Sewerage, Water, and Electric System Revenue Bonds, Series 2000, dated September 27, 2000; the Taxable Sewerage, Water and Electric System Revenue Bonds, Series 2001, dated September 26, 2001; and the Sewerage, Water, and Electric System Revenue Bonds, Series 2012B, dated December 12, 2012. This Bond does not constitute an indebtedness of the City within the meaning of any constitutional or statutory debt limitation or provision.

This Bond is transferable only upon the books of the City kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Bonds, and the City appoints another depository, upon surrender of the Bond to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Bond in the same aggregate principal amount shall be issued to the new

depository in exchange therefor and upon the payment of a charge sufficient to reimburse the City for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Bonds (i) after the Record Date, (ii) during the fifteen (15) calendar days preceding the date of any publication of notice of any proposed redemption of the Bonds, or (iii) with respect to any particular Bond, after such Bond has been called for redemption. The Fiscal Agent and City may treat and consider the Depository 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 redemption price hereof and interest due hereon and for all other purposes whatsoever. The Bonds are issuable solely as negotiable, fully-registered Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof.

It is hereby certified, recited and declared that all conditions, things and acts required by law 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, Water and Electric 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 Jefferson, Jefferson County, Wisconsin, by its governing body, has caused this Bond to be executed for it and in its name by the manual or facsimile signatures of its duly qualified Mayor and City Clerk; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

CITY OF JEFFERSON,
JEFFERSON COUNTY, WISCONSIN

By: _____
Dale Oppermann
Mayor

(SEAL)

By: _____
Rita Baumann
City Clerk/Deputy Treasurer

ASSIGNMENT

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

(Name and Address of Assignee)

(Social Security or other Identifying Number of Assignee)

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

Dated: _____

Signature Guaranteed:

(e.g. Bank, Trust Company or Securities Firm) (Depository or Nominee Name)

NOTICE: This signature must correspond with the name of the Depository or Nominee Name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

(Authorized Officer)

Dave Wagner, CIPMA, Ehlers and Associates, was present to inform the Council of details and any questions they may have.

Motion was made by Ald. Brandel, seconded by Ald.Krause to recommend Resolution No. 113. On call of the roll, motion carried unanimously.

RESOLUTION AUTHORIZING THE CITY'S WITHDRAWAL FROM LGPIF

Resolution No. 114 was introduced by Ald. Peachey.

**CITY OF JEFFERSON
RESOLUTION NO. 114**

RESOLUTION AUTHORIZING THE CITY'S WITHDRAWAL FROM THE LGPIF

WHEREAS, the City has been insured through the state Local Government Property Insurance Fund (LGPIF); and

WHEREAS, the 2015-2017 state budget proposed to discontinue the LGPID property insurance fund which was approved by the Joint Finance Committee, but ultimately the discontinuance was removed from the budget by the Legislature, thereby continuing the program; and

WHEREAS, review and evaluation of LGPIF's financial position resulted in a recommended rate increase of 85%; and

WHEREAS, the League of Wisconsin Municipalities Mutual Insurance Company partnered with two other existing municipal mutual insurance companies, Cities and Villages Mutual Insurance Company and Wisconsin Municipal Mutual Insurance Company, all of which have significant experience in insuring municipalities; and

WHEREAS, has formed a partnership with said companies to operate under the name of Municipal Property Insurance Company (MPIC); and

WHEREAS, the partnership has offered broad coverage specifically designed to address property insurance needs of Wisconsin municipalities; and

WHEREAS, MPIC consists of three municipal insurance companies that are familiar with the needs of municipalities and has offered a cost-effective premium proposal; and

WHEREAS, City staff requested quotes for insurance coverage for 2016, receiving the following:

Local Government Property Insurance Fund (LGPIF)	\$69,200
Municipal Property Insurance Company (MPIC)	\$50,457
And	

WHEREAS, it is in the best interest of the City of Jefferson to withdraw from LGPIF and contract with MPIC for property insurance coverage for 2016.

NOW THEREFORE, BE IT HEREBY RESOLVED that the City withdraw from LGPIF effective May 1, 2016.

BE IT FURTHER RESOLVED that the City enter into a contract with MPIC for property insurance coverage effective May 1, 2016, and appropriate City officials are authorized to enter into said contract.

Ald. Peachey, seconded by Ald. Brandel moved to recommend Res. No. 114. Motion carried unanimously on call of the roll.

**RESOLUTION TO AUTHORIZE AWARDED BAYFIELD FORCE MAIN LINING
INSTALLATION FOR JEFFERSON WASTEWATER UTILITY OPERATIONS**

Resolution No. 115 was introduced by Ald. Roth.

**CITY OF JEFFERSON
RESOLUTION 115**

**AWARDING BAYFIELD FORCE MAIN LINING FOR JEFFERSON WASTEWATER
UTILITY OPERATIONS**

WHEREAS, the Jefferson Wastewater Utility needs to perform maintenance to the force main at the Bayfield lift station; and

WHEREAS, the Wastewater Utility wishes to procure services for maintenance of the force main; and

WHEREAS, the Wastewater Utility received a proposal to perform the maintenance to the force main without using open trench practices, the Wastewater Utility Superintendent is recommending an award of services from:

- o Ellingson Companies - \$36,750.00

WHEREAS, the Finance Committee has reviewed the proposals and concurs with the recommendation of the Wastewater Utility Superintendent and recommends the same to the Common Council; and

NOW, THEREFORE BE IT RESOLVED, by the Common Council of the City of Jefferson, Wisconsin does herein award the contract to Ellingson Companies for the maintenance of the Bayfield lift station force main:

BE IT FURTHER RESOLVED, by the Common Council that the City Administrator is authorized to execute contract documents associated with this matter on behalf of the City of Jefferson upon the review and approval of the City Attorney.

Motion was made by Ald. Roth, seconded by Ald. Peachey to recommend Resolution No. 115. On call of the roll, motion carried unanimously

Ald. Peachey, seconded by Ald. Lares moved to adjourn the April 19, 2016 meeting of the Common Council. On voice vote, motion carried unanimously.

The minutes of the April 19, 2016 meeting of the Common Council are uncorrected. Any corrections made thereto will be noted in the proceedings at which time the minutes are approved and referenced above.

Please Publish: ASAP
Need an affidavit
Not in the legal section