

AGENDA

1. **CALL TO ORDER** of regular meeting of the Tracy City Council at 6:30 p.m., Monday, January 25, 2016
2. **PLEDGE OF ALLEGIANCE**
3. **INVOCATION**
4. **APPROVAL OF THE MINUTES** for January 11, 2016
5. **APPROVAL OF THE AGENDA**
6. **PUBLIC COMMENT**
7. **PUBLIC HEARING**
8. **REPORTS**
 - A. Department Head Reports
9. **PETITIONS, REQUESTS, COMMUNICATIONS**
 - A. David Drown Associates Engagement Letter Re: Municipal Advisor Regulations.
 - B. Proposed VMC Revitalization Project by the Tracy Area Public Schools No. 2904
 - C. Fire Department Policy
 - D. Repayment of Training Policy for Lifeguards and WSI
10. **LEGAL ISSUES**
 - A. Ordinance Granting a Cable Television Franchise to Clarity Telecom, LLC
 - B. Sale of Hospital
11. **RESOLUTIONS**
 - A. Resolution No 2016-4 Resolution Approving the Issuance Of Up To \$1,240,000 G.O. Bonds, Series 2016A Subject To The Approval Of The Mayor And City Administrator And Ratification By The City Council
12. **CONSENT CALENDAR**
 - A. Municipal Accounts Payable
 - B. Tracy Economic Development Authority Minutes for December 17, 2015
 - C. Tracy Relief Association Minutes for December 5, 2015
13. **UNFINISHED BUSINESS**
 - A.
14. **NEW BUSINESS**
 - A.
15. **MAYOR AND COUNCIL COMMUNICATIONS**

CLOSED SESSION FOR REVIEW FOR CITY ADMINISTRATOR

January 11, 2016

The regular meeting of the Tracy City Council was called to order at 6:30 P.M., Monday, January 11, 2016 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, K. Enderson, P. Cooreman and T. Schons. Absent was Dale Johnson Jr. Also present was M. Votca, City Administrator and Matthew Gross, City Attorney.

Pledge of Allegiance was given to the flag.

Invocation was given by Rev. Homer Dobson.

Motion by Schons, seconded by Cooreman to approve the minutes from December 14, 2015. All voted in favor of the motion.

An addition to the agenda included 11-C Resolution 2015-24 A Resolution Approving Payment to Werner Bros Inc. For Work Completed On Airport Lighting Project. Motion by Enderson, seconded by Schons to approve the agenda as amended. All voted in favor of the motion.

There were no Public Comments

Votca presented the proposed 2016 Wage Chart for the Aquatic Center employees. They are putting this together so they can finalize the hiring for the summer. They have started to advertise for employees for the Aquatic Center. The scale is based on what they paid in the past and August 1, 2016 the minimum wage will go to \$9.50 per hour for large businesses. The goal is to have 15 employees. Motion by Cooreman, seconded by Schons to approve the proposed Wage Chart for the Aquatic Center. All voted in favor of the motion.

Andy Boyle for I&S reported they received two bids for the televising of the sewer system. Boyle stated there was one bid from HydroClean and one from Empire Pipe Services. Empire was about \$50,000 cheaper and they had an alternate that they would reduce their price by \$6,000 if they are given an extra two weeks on the service televising and Boyle felt this is something the Council should consider. Votca stated this is for the Phase 2 and Phase 3 of the project and they will be televising the services for work to be done this summer and televising the mains for future work beyond there. This is to figure out where the biggest need is and what pipes could be fixed with liners. Votca stated all of this is reimbursable by RD but the City will be fronting that cost until reimbursement can be made. Votca does not feel the two extra weeks will cause any problems. Motion by Schons, seconded by Enderson to accept the bid from Empire Pipe Services. All voted in favor of the motion.

At 6:45 a Public Hearing was held regarding Ordinance No. 325 An Ordinance Amending The Tracy City Code Zoning Map and Rezoning Certain Real Property Within Said City. Votca stated this is rezoning the area where Geronimo is planning to do a community solar garden. Right now it is Residential and that has always kind of been an industrial area. Motion by Schons, seconded by Enderson to adopt Ordinance No. 325. All voted in favor of the motion.

Amy Graw and Nichole Woodrich were present to discuss having the assessments waived on some properties for a community garden plot. Graw said they looked at another piece of property that she was told about by Lyon County on Roosevelt Street. They are interested in 224 South Street for the Community Garden. They want to put 16 raised beds in there and grow produce that people are able to come and get at no charge. Graw stated they are interested in the one on 101 State Street and the one on Roosevelt Street they would like to do gardens for their personal use. Schons stated she knows someone that is interested in the property on Roosevelt Street. Votca felt that lot could be a buildable parcel. Mayor Ferrazzano asked if they wanted gardens for all three of the properties. Graw stated they are looking to run the Farmer's Market in Tracy this year and also the one in Walnut Grove. The one on South Street would be for everyone else and the others would be for their use. They are not going to till up the land and instead put in moveable beds which would be two foot by six foot raised beds. Schons asked what the assessments are on these properties. Votca stated the one on South Street is \$28,000 and there was a big building there that got torn down. It was the Ohman Furniture Store at one time. The

lot on the corner of Morgan and 2nd Street is \$2,117. Graw stated she talked with the homeowner that lives next to that lot and told her what their plans were about putting raised beds there and she was okay with it. The reason they want that lot is because they want to do melons as they do not want to do melons and vegetables in the same area. Votca stated on the State Street lot is where another house was torn down so there is \$11,788.36. Graw stated if they had to pick a lot they would rather do the community garden. Enderson stated he would like more information from the landowners about this. Graw stated they are not going to take any sod out and it is going to be removable beds. It will not be permanent. It will kill the grass and they do not have to call to make sure they don't hit any power lines or worry about that kind of thing. If they move the beds, they would replant the grass. Votca stated the question to the City is if they want to waive those assessment amounts for them to purchase it for that price. If they bought it for \$100 right now they would have to pay the special assessments unless the City decides they do not want to re-assess those assessments to that property. Enderson questioned if they purchase it for \$100 is the County going to tax them based on the purchase price. Votca stated it is based on the market value of the property so that purchase price is also based on the market value of the property. Mayor Ferrazzano stated they have waived assessments before. This is a different scenario and if the assessments are not waived, no one will buy them. Votca stated the main thing is this is a good use for that parcel. Mayor Ferrazzano suggested that if the one they want the most is on South Street. Everyone is on notice that three other properties besides the one they want to buy. That gives people an opportunity within the year to purchase those properties. Mayor Ferrazzano feels that for at least one of the properties and allow Graw to have the property for a year and no if no one comes for the other two and the Council can see what they do with the one they have, then they should come back in a year and then no one would have any problems with letting Graw purchase the other two lots. Graw stated their plan is to purchase property outside of town that they could move the community garden to if there was a business that wanted to put a business there. Motion by Cooreman, seconded by Enderson to waive the assessments for the property on 224 South Street. All voted in favor of the motion.

Jordan Burmeister from Geronimo stated the solar garden is on track. They are working to get some projects in in 2106, but some may go into 2017. Burmeister stated there was a water line that goes diagonally through the property and their thought was to re-route that around the property.

Votca stated that when they originally signed this GESP work order the contract would expire the end of January 2016 and they switched companies so GESP was off track as they switched from TRANE to CTS. They want to extend the contract for a few months so they have time to finish up and have done most of their studies on lighting and mechanical systems. They need a little more time to finish up their work so they can present what their findings were in the studies and let the City know if there are things the City can implement to save energy and be more efficient energy wise. Motion by Enderson, seconded by Schons to grant the extension to CTS. All voted in favor of the motion.

Resolution No. 2016-1 is what Daniels talked about at the last meeting about mutual aid agreement for basically water and storm utilities. This would allow the City to enter into that agreement. Motion by Schons, seconded by Cooreman to adopt Resolution No. 2016-1 A Resolution Authorizing Governmental Unit To Be A Party To Minnesota Water Agency Response Network (MnWARN). All voted in favor of the motion.

Votca stated they have Brian Grogan from and they are working with Clarity which is Vast and they have gone back and forth a few times on exactly what they want in there. Once they have the final agreement done with Clarity, they are going to use that agreement as our negotiation with Charter. Negotiations were started with Charter and it was not making progress so Grogan suggested they work with Clarity. They have been making some ground with Clarity so extending this for Charter is the City's own doing that they have not come to an agreement with them. Votca recommends they give them an extension and by June they can have Clarity and Charter locked in on their franchise agreement. Motion by Enderson, seconded Schons to adopt Resolution No. 2016-2 Granting Charter Communications, Inc. A Franchise Extension Through June 30, 2016. All voted in favor of the motion.

Votca stated there was a change order to reduce the airport project by \$3,266.55. There were some items that did not have to be used and those were returned. They have completed all their work except for incidental items that they will have to do, but otherwise the significant portion of the project is complete. The City still has \$6,274 dollars in retainage. That will not be released until after the City is satisfied with all the clean-up that has to happen this spring. Motion by Enderson, seconded by Cooreman to Adopt Resolution No. 2015-24 A Resolution Approving Payment to Werner Bros. Inc. For Work Completed On Airport Lighting Project. All voted in favor of the motion.

The Consent Calendar contains: Municipal Accounts Payable, Municipal Accounts Receivable and Tracy Relief Association Minutes for November 2, 2015. Motion by Cooreman, seconded by Schons to approve the Consent Calendar. All voted in favor of the motion.

Mayor Appointments included:

1. City Clerk/Administrator – Michael Votca
2. Deputy Clerk – Shane Daniels
3. Public Works Director – Shane Daniels
4. City Attorney – Matthew Gross from Quarnstrom & Doering
5. Fire Chief – Dale Johnson III
6. Assistant Fire Chief – Mike Erbes
7. Assistant Fire Chief – Tony Rolling
8. Weed Inspector – Barton Meyer
9. City Forester – Barton Meyer
10. Building Inspector – Shane Daniels
11. City Assessor – Lyon County Assessor
12. Civil Defense Director – Jason Lichty

Motion by Enderson, seconded by Cooreman to approve the Mayor Appointments. All voted in favor of the motion.

Council Appointment included:

1. President Pro-tem (1 member) – Pamela Cooreman
2. Community Ed. Financial Advisory Board (1 member) - Tammara Schons
3. Planning/Zoning Commission Member (1 member) - Pamela Cooreman
4. Economic Development Authority (2 members) –Tammara Schons & Kurt Enderson
5. Attorney Meetings (2 members) – Pamela Cooreman and Stephen Ferrazzano
6. Hospital Advisory Board (1 member) – Stephen Ferrazzano
7. Labor Management Committee (2 members) Stephen Ferrazzano and Pamela Cooreman
8. Wheels Across the Prairie Museum (1 member) Dale Johnson Jr.

Motion by Enderson, seconded by Cooreman to approve the Council Appointments. All voted in favor of the motion.

Motion by Enderson, seconded by Cooreman to establish the time and place for Council meeting to be the second and fourth Mondays of each month at 6:30 p.m., in the Council Chambers of the Municipal Building. All voted in favor of the motion.

Motion by Enderson, seconded by Cooreman to adopt Robert's Rules of Order and the standard agenda format. All voted in favor of the motion.

Motion by Schons, seconded by Enderson to establish the Headlight Herald as the official municipal newspaper. All voted in favor of the motion.

Motion by Cooreman, seconded by Schons to establish Minnwest Bank South, the 4-M Fund, Morgan Stanley Smith Barney, Bremmer Bank, State Farm and Ehler's Investment Partners as the official municipal depositories. All voted in favor of the motion.

Votca introduced the new City Attorney, Matthew Gross from the firm of Quarnstrom&Doering. Gross stated he talked with Votca for a bit about projects in the City. He stated he has been

practicing Municipal Law since 2010 in Marshall, Cottonwood, Lake Benton, and Ivanhoe and so is somewhat fluid with the workings of the City. Other partners in the firm have over 25 years as well. Gross stated he is not sure what the practice has been in the past and know that F. Nielsen attended all meetings and would like to know if the Council would like to keep that practice it is fine with him as well or as an as needed basis to attend meetings. If there are any questions the City can contact his office. He will try to respond to e-mails and phone calls within the day. If it is an emergency, his staff can be contacted as well or call his cell phone. Mayor Ferrazzano felt that if he could come down once a month that would be good. Votca stated that when they do the Agenda packet the information is given to him ahead of time so if we need his opinion or need him present.

Votca said they have received donations from the United Fund for the Multi-Purpose Center and Aquatic Center. The City appreciates them giving donations to help run the City.

Mayor Ferrazzano stated that one of the high school classes had to contact a politician and ask them questions. One of the questions was about plowing on the south end of town on Center St. by Youman. The e-mail stated it seems like they are always the last one to get plowed. Daniels stated the route has always been that way. Mayor Ferrazzano stated that maybe they could change the route every once in a while.

Mayor Ferrazzano stated another one question was and actually had a couple about the VMC. There were a number of kids that e-mailed him about having it open for open rec. for kids to play basketball and things like that, especially in the winter. Mayor Ferrazzano asked if they staff it or not. Votca stated that ideally if they had a volunteer that would donate time it would work really well. He would like to see more community usage of the VMC in general. Mayor Ferrazzano asked if they are charged to use it or just walk in and use it. Votca said they need to establish what the fee schedules this year for the VMC. There are some groups we charge on a regular basis like Home School and the School itself, but really established fee if you want to have a wedding dance, etc. Mayor Ferrazzano suggested starting off like twice a week during certain hours the VMC is open to play basketball. Votca stated that in the winter there is basketball practice in the gym until about 6 pm – 6:30 pm. In the morning around 8 am there are 5-6 gentlemen that come and walk and throughout the day people come and do laps around the gym. Mayor Ferrazzano suggested they should look into having set hours at least once a week in the winter. Maybe they can work something out with the school.

Mayor Ferrazzano said the other e-mail he got was about litter. About how sometimes it is not enforced enough and looks dirty around town. That is a never ending battle and there is not much else that can be done. He wished there was something they could do about vandalism in the parks, etc.

Enderson asked if there was any new information about the hospital. Mayor Ferrazzano said they are very close to closing the sale of the hospital. He said they needed to get an easement for the property they still have and how they needed access to a building. Votca stated there next Council meeting is January 25 and they said they could maybe get it done by that day.

Enderson stated he was also asked about the City Charter Committee. Votca stated that is a task that he needs to work on with Matt Gross.

Mayor Ferrazzano stated they need to do Votca's review. Votca stated that could be done next meeting also.

Motion by Schons, seconded by Cooreman to adjourn the meeting at 7:30 p.m. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

Office of The Manager

Bar & Patio Off Sale & On Sale

Tracy Municipal Liquor Store

336 South Street
Tracy, Minnesota 56175
Phone: 507-629-5542

SA

TO: HONORABLE MAYOR & COUNCIL MEMBERS
FROM: SANDY LAU
DATE: JANUARY 20, 2016
SUBJECT: DECEMBER DEPARTMENT HEAD REPORT

For December the off-sale was up approximately \$465.00. The on-sale was down about \$2403.00. Sales for the month were down approximately \$1938.00. There was the same amount of days in December 2014 and December 2015. Enclosed you will find a break down for December 2014 and December 2015.

I am available for questions or concerns. If you know or hear of anything I need to do different please let me know.

Dec-15

Day	Liquor	Wine	Beer	Cig.	Misc	Deposit	Gift Cer Tax	Total	Liquor	Beer	Cigs	Misc
1	418.20	90.53	642.58	36.00	26.80		115.35	1,329.46	125.25	728.00	45.00	58.25
2	361.96	218.67	756.75	63.00	29.83		133.77	1,563.98	199.50	424.75	90.00	68.25
3	361.68	218.66	741.80	36.00	24.72		132.06	1,514.92	69.50	237.75	42.50	36.50
4	504.39	208.54	1,293.85	36.00	49.99		199.08	2,291.85	597.50	675.00	54.00	47.25
5	915.87	188.81	1,738.96	36.00	45.98		282.06	3,207.68	108.85	454.00	108.00	50.00
6					0.00			0.00				
7	370.33	74.05	805.37	45.00	22.94		124.85	1,442.54	102.00	311.50	27.00	24.25
8	377.34	127.47	689.47	36.00	3.94		116.95	1,351.17	68.75	209.00	36.00	42.25
9	456.60	138.58	705.04	45.00	32.58		129.99	1,507.79	182.50	448.00	27.00	51.75
10	330.71	179.44	561.68	27.00	36.88		108.43	1,244.14	279.50	295.00	36.00	149.70
11	724.81	125.29	1,524.56	45.00	47.16	70.00	237.88	2,774.70	227.00	481.50	72.00	48.80
12	622.13	249.35	1,749.43	99.00	44.70		261.13	3,025.74	269.75	458.25	99.00	113.50
13					0.00			0.00				
14	279.14	165.43	697.31	45.00	15.34		113.24	1,315.46	102.75	295.00	63.00	16.25
15	341.57	135.95	577.78	36.00	34.07		106.10	1,231.47	106.75	399.75	27.00	90.75
16	295.61	164.67	665.79	63.00	29.74	-70.00	112.81	1,261.62	222.00	428.00	27.00	95.25
17	274.89	250.79	720.98	45.00	13.42		123.76	1,428.84	109.00	312.25	45.00	20.50
18	785.61	411.87	1,154.16	36.00	46.48		20.00	2,689.71	152.75	368.75	73.00	70.50
19	855.14	333.84	1,697.90	18.00	88.47		40.00	3,324.56	212.00	348.50	18.00	73.25
20					0.00			0.00				
21	515.91	186.89	661.62	63.00	74.22		140.13	1,641.77	92.50	269.50	27.00	39.25
22	491.42	248.22	785.08	36.00	16.25		151.76	1,728.73	162.25	364.00	81.00	36.65
23	953.10	577.56	1,325.07	63.00	90.32		10.00	3,307.88	350.30	563.75	45.00	157.60
24	1,776.01	1,029.29	2,523.43	45.00	96.47		20.00	6,024.29	161.00	558.50	36.00	24.00
25					0.00			0.00				
26	1,058.02	295.53	1,765.96	45.00	50.65		310.99	3,526.15	141.50	340.25	45.00	46.25
27					0.00			0.00				
28	382.91	145.49	675.72	18.00	36.31		121.41	1,379.84	81.50	232.25	47.50	32.50
29	408.54	24.98	673.52	63.00	17.47		110.20	1,307.71	224.00	302.50	36.00	47.25
30	544.69	165.87	673.45	27.00	41.22		139.83	1,592.06	197.75	467.00	27.00	56.50
31	1,858.11	983.44	3,361.35	90.00	102.91		618.80	7,014.61	448.25	367.50	36.00	45.75
Totals:	Liquor	Wine	Beer	Cig.	Misc	Deposit	Tax	Total	Liquor	Beer	Cigs	Misc
	16,264.69	6,939.21	29,168.61	1,197.00	1,118.86	0.00	100.00	60,028.67	4,994.40	10,340.25	1,270.00	1,542.75

Total	Grand Total
956.50	2,285.96
782.50	2,346.48
386.25	1,901.17
1,373.75	3,665.60
720.85	3,928.53
	0.00
464.75	1,907.29
356.00	1,707.17
709.25	2,217.04
760.20	2,004.34
829.30	3,604.00
940.50	3,966.24
0.00	0.00
477.00	1,792.46
624.25	1,855.72
772.25	2,033.87
486.75	1,915.59
665.00	3,354.71
651.75	3,976.31
0.00	0.00
428.25	2,070.02
643.90	2,372.63
1,116.65	4,424.53
779.50	6,803.79
0.00	0.00
573.00	4,099.15
	0.00
393.75	1,773.59
609.75	1,917.46
748.25	2,340.31
897.50	7,912.11
Total	Grand Total
18,147.40	78,176.07

Dec-14

Day	Liquor	Wine	Beer	Cig.	Misc	Deposit	Gift Cer Tax	Total	Liquor	Beer	Cigs	Misc	
1	429.76	106.68	828.66	27.00	31.46		129.01	1,552.57	61.50	205.75	53.84	21.50	
2	357.27	131.38	468.50	70.50	18.55		90.52	1,136.72	119.50	283.25	53.50	10.50	
3	386.03	151.35	750.32	70.50	19.21		121.73	1,499.14	143.75	276.50	53.50	42.25	
4	374.48	128.55	774.03	54.00	25.99		121.11	1,478.16	154.00	188.50	61.50	22.75	
5	863.94	214.19	1,217.02	44.50	41.66		217.86	2,599.17	662.75	976.50	89.50	61.50	
6	690.36	244.47	1,759.59	45.00	55.05		255.83	3,050.30	455.50	499.75	80.75	55.75	
7								0.00					
8	329.80	159.86	469.64	34.50	34.48		89.12	1,117.40	173.00	275.75	53.75	18.50	
9	286.38	82.40	480.07	18.00	15.37		80.54	962.76	132.50	303.50	44.50	10.00	
10	311.18	208.32	733.57	45.00	135.57		126.09	1,559.73	292.25	605.50	44.50	31.00	
11	376.59	129.33	753.39	18.00	20.15		119.33	1,416.79	166.25	271.75	19.50	6.75	
12	815.98	320.48	1,327.56	45.00	144.77		240.33	2,894.12	265.00	403.25	44.75	53.25	
13	671.80	203.70	1,378.90	27.00	51.86		214.17	2,547.43	198.75	291.50	63.00	27.90	
14								0.00					
15	469.72	104.57	779.20	36.00	29.49		128.42	1,547.40	104.00	292.75	35.50	35.25	
16	245.83	52.96	574.26	36.00	20.16		82.61	1,016.82	161.75	466.25	38.60	22.25	
17	536.30	219.64	742.89	0.00	41.74		142.78	1,683.35	357.00	441.75	17.75	51.05	
18	404.31	103.44	504.80	26.75	25.73		96.40	1,211.43	114.75	365.75	90.00	49.00	
19	640.26	492.06	1,217.17	45.00	30.50		221.75	2,646.74	261.75	676.75	45.00	35.00	
20	747.91	278.21	1,636.55	54.00	41.67		251.31	3,009.65	1,192.75	832.75	117.00	81.50	
21								0.00					
22	879.52	432.13	747.03	25.50	21.35		193.69	2,299.22	218.00	370.25	17.75	12.75	
23	1,003.23	680.72	1,508.54	45.00	57.79		303.09	3,618.37	211.00	595.05	74.00	40.10	
24	1,788.57	929.60	2,537.76	16.50	115.64		110.00	5,996.68	233.00	800.51	44.75	4.50	
25								0.00					
26	989.60	251.98	1,543.50	35.75	86.38		266.12	3,173.33	182.30	451.20	98.50	59.00	
27	575.55	202.05	1,434.99	81.00	31.68		208.84	2,534.11	48.25	276.00	89.00	54.75	
28								0.00					
29	461.13	178.33	841.09	9.00	23.24		139.87	1,652.66	181.50	220.75	25.30	29.25	
30	626.10	153.02	875.41	45.00	13.32		145.00	2,013.48	225.25	322.50	44.75	33.50	
31	1,615.19	686.23	2,479.24	54.00	59.19		451.84	5,345.69	438.00	715.75	45.00	71.75	
Totals:	Liquor	Wine	Beer	Cig.	Misc	Deposit	Tax	Total	Liquor	Beer	Cigs	Misc	
	16,876.79	6,845.65	28,363.68	1,008.50	1,192.00	0.00	330.00	4,946.60	59,563.22	6,754.05	11,409.51	1,445.49	941.30

Total	342.59	Grand Total	1,895.16
	466.75		1,603.47
	516.00		2,015.14
	426.75		1,904.91
	1,790.25		4,389.42
	1,091.75		4,142.05
	0.00		0.00
	521.00		1,638.40
	490.50		1,453.26
	973.25		2,532.98
	464.25		1,881.04
	766.25		3,660.37
	581.15		3,128.58
	0.00		0.00
	467.50		2,014.90
	688.85		1,705.67
	867.55		2,550.90
	619.50		1,830.93
	1,018.50		3,665.24
	2,224.00		5,233.65
	0.00		0.00
	618.75		2,917.97
	920.15		4,538.52
	1,082.76		7,079.44
	0.00		0.00
	791.00		3,964.33
	468.00		3,002.11
	0.00		0.00
	456.80		2,109.46
	626.00		2,639.48
	1,270.50		6,616.19
Total	20,550.35	Grand Total	80,113.57

To: Mayor and City Council
From: Valerie Quist
Date: 1-21-16
Subject: Department head report

Our Adult Winter Reading Program is underway. We have about 55 people signed up so far, and it's not too late to still sign up. Prizes are given out for each 12 books read. The program will continue through the month of March.

On Thursday, Jan. 21, we began our weekly open lab computer classes. We'll continue offering this every Thursday from 2-7 p.m. as long as we have the interest. Rob, one of our library staff members, is teaching the class, and is being paid through Marshall Adult Basic Education.

The Yosemite National Park program with Marlin Meyer that was scheduled for Jan. 16 was rescheduled until the 23rd due to the cold. I will have attendance numbers by the council meeting.

On Feb. 20 at 1 p.m., local author Colleen Gengler will give a presentation about the book "Under Minnesota Skies: John and Dorothy Hondl Family History and Farm Memories," which she wrote with her sister.

Our year-end circulation was 23,492, which is up from 22,736 last year. This is preliminary and does not include inter-library loan or ebooks/audiobooks (last year was 722). I should be receiving that data from Plum Creek soon.

Valerie Quist
Librarian

To: Mayor and City Council

From: Mike Votca

Date: 01-25-16

Re: Administrator Update

Airport Project: The Airport project was completed since my last report.

Open Gym: I spoke with Bill Tauer briefly regarding open gym. He informed me that the high school has open gym on Sundays. I will follow up with him to see if further open gym is needed and if so the VMC could be used.

Charter Commission: I have conducted some research on the Charter Commission. I have a document that states the members of the charter commission as of March 2011. There were nine members at that time. Five of those members' terms were due to end in 2013. In 2013, I have seen in the City Council Meeting minutes that two citizens were appointed to the commission. The other four member appointed in 2011 had terms which expired in 2015. This leads me to believe that there are still two members with unexpired terms remaining on the commission. Members are to be appointed until replaced by a new appointee. The total number of members on the charter commission is set at nine by our City Charter. My recommendation is that we solicit for five members with four year terms and two members with two year terms. These members in addition to the two members with terms that expire in 2017 would make up the members of the commission.

Annexation of Land: The City has a few annexation issues in front of it that I would like to discuss. The first is the annexation of the Fultz land that is to be used for the stabilization ponds. This land would require a special use permit from Lyon County the way it currently sits. Also the City of Tracy has no legal authority of this piece of property. I recommend that we annex this property into the City of Tracy to allow for zoning by the city and legal authority over our property. The Second piece of property is a portion of a parcel of property owned by Larry and Bonny Buysee just north of the nursing home. There is interest from Murray County Hospice in building a hospice house on this piece of property and they would like it in City limits to connect to water and sewer. The third piece of property that should be considered for annexation is the City Compost site. Now that this site is contiguous with annexed property for Dollar General we can annex this property into the City. This is mostly in order to be able to enforce order on the site. The last property that should be considered for annexation is the road next to Dollar General. The township would like for the City of Tracy to take ownership of the maintenance of the road in front of the entrance to Dollar General. The way the property currently sits, the city is responsible for one half of the road and Monroe Township for the

other half. This could create future problems and should be rectified. If the City Council would like me to move forward with these annexations, I would like a motion to that effect.

A handwritten signature in black ink, appearing to read 'M. J. Votca', with a long horizontal flourish extending to the right.

Michael J. Votca
City Administrator



**POLICE DEPARTMENT
CITY OF TRACY, MINNESOTA**

336 MORGAN STREET
TRACY, MINNESOTA 56175

Phone: (507) 629-5534
Fax: (507) 629-5531

Council Agenda Items

To: Mayor, Council and City Administrator
From: Jason Lichty
Date: 01-21-16
Re: Department Head Meeting

Activity Reports for November and December 2015 are attached. November Officer Reports are attached. Overview of years activity for 2015 attached. Fuel Mileage Report for 2015 Attached.

This year will be the last year for running the 2011 Dodge truck as our squad as it is due for replacement at the end of the year. I will approach the council closer to the years end as to discussing the replacement of it.

I will be at council to discuss any questions.

Thank you
Jason

Date 01/21/2016

INCIDENT ANALYSIS - DAY

Time 11:52:55AM

Agency Tracy Police Dept

Report CFS03

Dates 11/01/2015 Thru 11/30/2015

Activity	Sun	Mon	Tue	Wed	Thur	Fri	Sat	Total
Agency Tracy Police Dept								
01050 Property Damage Acc	0	0	0	0	1	0	0	1
ALARM Alarm	0	0	0	1	0	0	0	1
Amily Family Matter	0	0	0	0	1	0	0	1
ANIMA Animal Complaint	3	3	1	0	2	1	2	12
ASSIS Assist	4	3	4	5	2	4	4	26
BIKEF Bicycle Found	0	0	1	0	0	0	0	1
BIKET Bicycle Theft	0	0	0	0	0	1	0	1
BURGL Burglary	0	0	0	0	1	0	0	1
COMPL Compliance Check	0	0	0	0	1	0	0	1
DAMPR Damage To Property	0	0	1	0	0	0	0	1
DOMES Domestic	1	0	0	0	0	0	0	1
F1000 Fire	0	0	0	1	0	0	0	1
GUNP Gun Permit	0	0	0	1	0	1	0	2
H&RAC Hit And Run Accident	1	0	0	0	0	0	0	1
KEYS Keys Locked In Vehicl	1	1	0	0	1	0	0	3
ORDIN Ordinance Violation	0	0	0	0	0	1	0	1
OTHER All Other	2	2	1	2	1	0	3	11
PARKG Parking Complaints	1	3	2	0	0	0	0	6
PROPF Property Found	0	1	0	0	0	0	0	1
SCORT Escort - Funeral, Ban	0	1	0	0	1	0	2	4
SUSPI Suspicious Anything	1	0	1	1	4	1	0	8
SUSVE Suspicious Vehicle	0	0	0	1	1	0	1	3
THEFT Theft	1	0	0	0	0	0	0	1
THRET Threat	0	0	1	0	0	0	0	1
TRFRE Traffic Rel Comp	4	3	2	3	1	9	5	27
UNSEC Unsecure Building	0	0	2	1	0	0	0	3
WEAP Weapon Involvement	0	0	0	0	1	0	0	1
WELCH Welfare Check	1	0	0	1	0	0	1	3
Tracy Police Dept Agency Total	20	17	16	17	18	18	18	124
Total	20	17	16	17	18	18	18	124

TRACY POLICE DEPARTMENT MONTHLY PATROL LOG

OFFICER: Jason Lichty **BADGE NUMBER:** 230

MONTH: November **YEAR:** 2015

GENERAL INFORMATION

TRAFFIC AND CRIMINAL ENFORCEMENT

ICRs 39
 WRITTEN REPORTS 5
 ASSIST OTHER AGENCY 2
 AID TO PUBLIC 3
 AMBULANCE ASSISTS 0
 FIRE DEPT. ASSIST 0
 OPEN DOORS 0

TRAFFIC CITATIONS 1
 ACCIDENTS INVESTIGATED 0
 DWI ARRESTS 0
 PARKING TICKETS 0
OTHER ARRESTS
 MISDEMEANOR 0
 GROSS MISDEMEANOR 0
 FELONY 0

VEHICLE USAGE

**TRAINING
TYPE**

HOURS/DAYS

MILEAGE FOR MONTH 483
 GALLONS OF FUEL 15.9
 OIL
 OTHER AUTO PURCHASES

Exploited Children Training

NOTES, COMMENTS AND OTHER SIGNIFICANT INCIDENTS

Traffic Citations: Cited a Juvenile for Driving under a permit with no adult.

Misdemeanor: None

Gross Misd.: None

Felony: None

- Misc: - Backed up 231 on Burglary in Progress Call
 - Conducted a Death Scene Investigation
 - Responded to 6 callouts this month.

TRACY POLICE DEPARTMENT MONTHLY PATROL LOG

OFFICER: Nicole Gehrke **BADGE NUMBER:** 231 **MONTH:** November **YEAR:** 2015

GENERAL INFORMATION

ICRs 53
 WRITTEN REPORTS 2
 ASSIST OTHER AGENCY 5
 AID TO PUBLIC 1
 AMBULANCE ASSISTS 5
 FIRE DEPT. ASSIST 1
 OPEN DOORS 0

TRAFFIC AND CRIMINAL ENFORCEMENT

TRAFFIC CITATIONS 2
 ACCIDENTS INVESTIGATED 2
 DWI ARRESTS 0
 PARKING TICKETS 2
OTHER ARRESTS
 MISDEMEANOR 0
 GROSS MISDEMEANOR 0
 FELONY 0

VEHICLE USAGE

MILEAGE FOR MONTH 947
 GALLONS OF FUEL 82.05
 OIL _____
 OTHER AUTO PURCHASES _____

**TRAINING
TYPE**

HOURS/DAYS

NOTES, COMMENTS AND OTHER SIGNIFICANT INCIDENTS

- Cited male for speed
- Cited male for speed
- Assisted Lyon Co. with emergency CHIPS removal
- 232 and I assisted Walnut Grove PD with accident and possible domestic
- Investigated terroristic threats. Assisted Murray Co. at subject's house
- Responded to an active burglary

TRACY POLICE DEPARTMENT MONTHLY PATROL LOG

OFFICER: Adam Hansen

BADGE NUMBER: 232

MONTH: November

YEAR: 2015

GENERAL INFORMATION

TRAFFIC AND CRIMINAL ENFORCEMENT

ICRs 16
 WRITTEN REPORTS 1
 ASSIST OTHER AGENCY 12
 AID TO PUBLIC 0
 AMBULANCE ASSIST 1
 FIRE DEPT. ASSIST 0
 OPEN DOORS 3

TRAFFIC CITATIONS 0
 ACCIDENTS INVESTIGATED 0
 DUI ARRESTS 0
 PARKING TICKETS 0
OTHER ARRESTS
 MISDEMEANOR 0
 GROSS MISDEMEANOR 0
 FELONY 0

VEHICLE USAGE

**TRAINING
TYPE**

HOURS/DAYS

MILEAGE FOR MONTH 1255
 GALLONS OF FUEL 73.69
 OIL _____
 OTHER AUTO PURCHASES _____

NOTES, COMMENTS AND OTHER SIGNIFICANT INCIDENTS

TRACY POLICE DEPARTMENT MONTHLY PATROL LOG

OFFICER: Matt Boettger

BADGE NUMBER: 233

MONTH: November

YEAR: 2015

GENERAL INFORMATION

ICRs 13
 WRITTEN REPORTS 0
 ASSIST OTHER AGENCY 1
 AID TO PUBLIC 0
 AMBULANCE ASSISTS 1
 FIRE DEPT. ASSIST 0
 OPEN DOORS 0

TRAFFIC AND CRIMINAL ENFORCEMENT

TRAFFIC CITATIONS 0
 ACCIDENTS INVESTIGATED 0
 DWI ARRESTS 0
 PARKING TICKETS 0
OTHER ARRESTS
 MISDEMEANOR 0
 GROSS MISDEMEANOR 0
 FELONY 0

VEHICLE USAGE

MILEAGE FOR MONTH 368
 GALLONS OF FUEL 40.57
 OIL _____
 OTHER AUTO PURCHASES _____

TRAINING

<u>TYPE</u>	<u>HOURS/DAYS</u>
Online patrol course	7 hours POST credit
Shot 50 rounds through service pistol	

NOTES, COMMENTS AND OTHER SIGNIFICANT INCIDENTS

Date 01/21/2016

INCIDENT ANALYSIS - DAY

Time 11:45:55AM

Agency Tracy Police Dept

Report CFS03

Dates 12/01/2015 Thru 12/31/2015

Activity	Sun	Mon	Tue	Wed	Thur	Fri	Sat	Total
Agency Tracy Police Dept								
ALARM Alarm	0	0	0	0	0	0	2	2
ANBIT Animal Bite	0	1	0	0	0	0	0	1
ANIMA Animal Complaint	3	3	1	1	1	4	1	14
ASSIS Assist	1	3	3	3	2	7	3	22
BURGL Burglary	0	0	0	0	0	1	0	1
CIVIL Civil Matter	1	0	0	0	0	0	0	1
COMPL Compliance Check	0	1	0	1	0	0	0	2
CRIMS Crim Sex	0	0	0	1	0	0	0	1
DAMPR Damage To Property	0	0	0	1	0	1	0	2
DCRT Drug Court Check	0	0	2	0	0	0	2	4
GUNP Gun Permit	0	0	1	0	1	0	0	2
KEYS Keys Locked In Vehicl	1	1	0	1	0	0	1	4
MSFRD Fraud	0	0	0	1	0	0	0	1
OLOST Lost Anything	0	1	0	0	0	0	0	1
OTHER All Other	0	1	2	1	3	1	3	11
PARKG Parking Complaints	1	0	1	0	0	0	0	2
PUDIS Public Disturbance	0	0	0	0	1	0	0	1
SCAM Scam	0	0	0	0	0	0	1	1
SCORT Escort - Funeral, Ban	0	2	0	0	0	0	0	2
SUSPI Suspicious Anything	0	0	0	0	1	0	0	1
SUSVE Suspicious Vehicle	0	2	0	1	1	0	0	4
THEFT Theft	0	0	0	1	0	0	1	2
TRFRE Traffic Rel Comp	8	2	4	4	3	1	8	30
WARRT Warrant Pickup	0	1	0	0	0	0	0	1
WELCH Welfare Check	0	0	2	0	0	1	1	4
Tracy Police Dept Agency Total	15	18	16	16	13	16	23	117
Total	15	18	16	16	13	16	23	117

Date 01/21/2016

INCIDENT ANALYSIS - DAY

Time 11:44:55AM

Agency Tracy Police Dept

Report CFS03

Dates 01/01/2015 Thru 12/31/2015

Activity	Sun	Mon	Tue	Wed	Thur	Fri	Sat	Total
Agency Tracy Police Dept								
	0	0	1	0	0	0	0	1
01050 Property Damage Acc	2	3	5	7	6	2	2	27
01052 Personal Inj Acc	0	0	1	1	0	0	0	2
ABAND Abandoned Anything	0	1	0	0	0	0	0	1
ALARM Alarm	1	2	2	1	2	1	9	18
ALCOH Alcohol - DWI, DUI, O	3	0	1	2	0	2	1	9
Amily Family Matter	0	1	1	1	3	3	1	10
ANBIT Animal Bite	0	2	1	0	0	2	2	7
ANIMA Animal Complaint	29	27	29	15	26	26	29	181
ASSAU Assault	1	1	0	1	1	0	2	6
ASSIS Assist	40	43	58	77	53	78	45	394
ATL Attempt To Locate	0	1	1	1	0	0	1	4
BIKEF Bicycle Found	1	0	1	1	2	1	0	6
BIKET Bicycle Theft	0	1	0	0	0	2	1	4
BURGL Burglary	0	2	0	0	1	1	1	5
BUSVI School Bus Stop	0	0	0	1	0	1	0	2
CHILD Child Lost Or Found	0	1	0	0	0	0	1	2
CHKFO Check Forgery	0	0	0	0	1	0	0	1
CHKFR Check Fraud	0	2	2	1	2	0	0	7
CIVIL Civil Matter	6	4	1	4	4	8	3	30
COMPL Compliance Check	14	4	16	20	11	11	10	86
CRIMS Crim Sex	0	1	1	2	0	3	0	7
DAMPR Damage To Property	0	6	6	5	0	5	2	24
DCRT Drug Court Check	2	2	4	2	1	4	3	18
DELEM Deliver Emergency Mes	1	0	1	2	0	1	0	5
DOMES Domestic	5	1	0	0	3	0	1	10
DRUGS Drug And Narcotic Vio	0	1	0	0	1	0	0	2
E1000 Ambulance	0	2	0	0	1	0	0	3
E1052 Amb Personal Injury A	0	1	0	0	1	0	0	2
ELDER Elder Watch	0	0	1	0	0	0	0	1
F1000 Fire	0	0	0	1	0	0	0	1
GUNP Gun Permit	0	6	5	5	2	5	0	23
H&RAC Hit And Run Accident	2	1	1	1	2	1	1	9
HARAS Harassment	1	1	1	3	1	1	2	10
INTOX Intoxicated/detoxed	1	0	0	1	0	0	0	2
KEYS Keys Locked In Vehicl	8	7	7	12	9	11	9	63
MENT Mental Illness	0	0	0	3	1	0	0	4
MSFRD Fraud	0	1	2	3	1	1	0	8
OLOST Lost Anything	0	1	1	1	1	1	0	5
ORDIN Ordinance Violation	0	39	38	13	2	5	3	100
OTHER All Other	17	27	25	25	20	19	32	165
PARKG Parking Complaints	9	12	12	3	2	7	5	50
PARTY Loud Party, Noise	0	0	0	0	1	0	0	1
PROPF Property Found	6	2	3	4	3	0	3	21
PUDIS Public Disturbance	3	0	3	1	3	4	5	19
RECIP Reciprocal	0	0	1	0	0	0	0	1
RESCH Residence Check	0	0	0	1	0	0	0	1
RUNAW Runaway	0	1	2	0	0	3	3	9
SCAM Scam	0	1	1	2	0	1	3	8
SCORT Escort - Funeral, Ban	0	9	3	9	6	2	8	37
SEARC Search Warrant	0	0	0	0	1	0	0	1

Date 01/21/2016
Time 11:44:55AM
Report CFS03

INCIDENT ANALYSIS - DAY

Agency Tracy Police Dept
Dates 01/01/2015 **Thru** 12/31/2015

Activity	Sun	Mon	Tue	Wed	Thur	Fri	Sat	Total
SUSPI Suspicious Anything	10	8	11	17	9	10	15	80
SUSVE Suspicious Vehicle	2	3	5	4	3	3	5	25
THEFT Theft	2	6	5	9	2	6	5	35
THRET Threat	0	0	1	1	3	1	0	6
TPRED Track Pred Offender	0	1	0	1	0	0	0	2
TRESP Trespass	1	2	1	0	1	2	3	10
TRFRE Traffic Rel Comp	69	43	46	52	50	68	99	427
TRNS Trains	2	0	1	3	0	0	2	8
UNSEC Unsecure Building	6	4	7	6	2	4	12	41
VANDA Vandalism	2	1	2	0	0	0	1	6
VOFPH Viol Of Ofp And Haras	1	0	0	0	0	0	0	1
WARRT Warrant Pickup	0	3	2	1	1	2	3	12
WEAP Weapon Involvement	1	0	1	0	1	0	0	3
WELCH Welfare Check	2	1	6	5	3	3	4	24
Tracy Police Dept Agency Total	250	289	326	331	249	311	337	2,093
Total	250	289	326	331	249	311	337	2,093

Motor Fuels and Month	2015	Ford Sedan Gals	Ford Sedan. Ave. MPG	Dodge Truck Miles	Dodge Truck Gals	Dodge Truck Ave. MPG	Total Gallons/Month	Total Miles/ Month	Total Cost
JANUARY	1414	129	10.9 MPG	1,701	189.6	8.9 MPG	318.61	3,115	\$592.08
FEBUARY	1871	160.88	11.6 MPG	1090	129.5	8.4 MPG	290.42	2,961	\$565.47
MARCH	1754	144.05	12.2 MPG	1147	119.52	9.5 MPG	263.57	2901	\$574.88
APRIL	2080	159.76	13 MPG	1700	153.21	11.1 MPG	312.97	3780	\$665.57
MAY	1904	150.48	12.6 MPG	1255	139.33	9 MPG	289.81	3159	\$671.22
JUNE	2,278	160.47	14.2 MPG	1178	140.21	8.4 MPG	300.68	3456	\$741.14
JULY	1763	173.95	10.1 MPG	1130	95.57	11.8 MPG	269.52	1763	\$665.70
AUGUST	2293	183.47	12.5 MPG	1481	141.33	10.5 MPG	324.8	3774	\$771.75
SEPTEMBER	1660	132.7	12.5 MPG	1984	200.5	9.8 MPG	333.2	3644	\$734.70
OCTOBER	1986	158.2	13.0 MPG	1527	149.4	10.2 MPG	307.6	3513	\$654.97
NOVEMBER	1828	150	12.2 MPG	1,257	119.6	10.5 MPG	269.6	3,085	\$527.65
DECEMBER	1599	131.7	12.1MPG	932	112.4	8.3 MPG	244.1	2531	\$429.28
Totals	22430	1834.66	12.22 MPG	16382	1690.17	9.7 MPG	3524.83	38812	\$6,552.66

January 21, 2016

To: Honorable Mayor and City Council

From: Shane Daniels, Public Works Director

December and January Department Head Report:

- Streets/Parks: We have had 4 snow removal events aside from cleanup from wind and snow melt. Unfortunately, we have had a fair amount of equipment breakdowns. The Toro snow blower had a broken fan/auger shaft, which caused a broken drive shaft. The next repair on the Toro was a failed ball joint, which led the blower to become disconnected from the machine partially. This unit is back into operation. The John Deere/broom had some bearings go out on the broom, along with a cooling fan on the tractor. This machine is also back operational. Next, the 9030 tractor blew a hydraulic hose under the cab and was taken out of commission for a day and is now back operational. The 87 plow truck caught the edge of a curb and shattered the upper and lower a-arms, causing the plow to have to be completely dismantled on Park Street. The parts will be in this week as they needed to be manufactured, but is welded up to get us by until the parts arrive. The 89 Plow truck blew a heater core, air governor, water pump, and a couple belts due to wear and age. This truck could be in service if needed, but still waiting for a heater control, which will be coming in tomorrow. A bit of a rare occurrence, but we were able to get some street sweeping done in December with the warm weather. Decorations were put up and taken down. Timers on the downtown light poles were all reprogrammed to save some energy in the late night and early morning hours. Some photo eyes were replaced along the highway so the decorations would not stay on all day and night. We repaired all the broken basketball hoops in the VMC as the safety was getting degraded. Cables, turnbuckles, cross members, and bolts were replaced. Next, the shop mechanic area bathroom is getting repaired as the mold has taken over and pipes are rotting out at the floor. The area above the bathroom is now a storage area for bulk grease, specialty oils, and common parts to help clear up the shop space and organize. A map storage shelf was built in the safe at the shop to hold the hundreds of maps from streets to building and utility projects. Eventually we are going to get all the maps migrated into this area instead of having them scattered in 4 rooms they are in now. The slots are numbered and will be creating an index as the maps are being stored. We recently blew out the runway and the approaches to keep the snow piles in the right of ways to FAA guidelines and to prevent drifting to occur. We also widened some of the problem areas of town to keep the blowing snow from filling in as fast.
- Utilities: Will start with the good news, which is no more water main breaks have occurred. The bad news is the floors of the filters in the water plant are allowing the sand to get through, causing increased iron in the water. We had a contractor and a filter representative come out to inspect and found that the floors could be lifting up during backwash and allowing sand to pass through. We haven't sucked the sand out yet, but we did take #1 filter out of service last week and #2 is starting to show the same symptoms at a smaller extent. I am supposed to hear back tomorrow on some costs to re-build the underfloor, so I will hopefully have some more details at the meeting on how we need to proceed on repairing the problem and if it should maybe be turned into insurance or not. Aside from this, we will be jetting most of the sewers in town in March now for the televising. With a little luck this will go better than the start of the year. Advantanon has started to put their wireless equipment on the water tower now and we received our first rent check from them a few days ago. Last, I have been working with Chris at I&S Group for the permitting of the new wastewater stabilization ponds.
- Compost: Closed for winter unless we get a storm that justifies opening.
- Cemetery: Roads have been plowed 3 times for funerals; in addition to having to fill a grave in after one of the digger's tractor broke down to keep the vault from floating out. We sent a bill to the grave digger for this.

Have a good weekend
Shane



Waconia Office:
2078 Feather Circle
Waconia, MN 55387
(952) 442-5821 | fax (952) 442-8838

January 21, 2016

ENGAGEMENT LETTER

City of Tracy
Attn: Michael Votca, City Administrator
336 Morgan Street
Tracy, MN 56175

9A

RE: Municipal Advisor Regulations

Honorable Mayor, Council Members, and Administrator Votca:

I am writing this letter as required under the new Municipal Advisor rules of the Municipal Securities Rulemaking Board (the "MSRB") and the Securities and Exchange Commission (the "SEC.") As a registered municipal advisor working with you, we are required to provide a written description of our advisory relationship and to make certain other disclosures.

Our Role as Municipal Advisor

As your municipal advisor, we are held to the very highest standard of loyalty and care with an **explicit fiduciary duty** to act in your best interests. This means several important things:

- We have a duty to exercise due care in performing municipal advisory activities.
- We have a duty of loyalty, requiring us to act in your best interest without regard to our own financial or other interests.
- We must have the knowledge and expertise needed to provide you with informed advice.
- We have a duty to understand your City's specific situation and to follow your directions, so our advice is suitable for you.
- We are required to make reasonable inquiries and investigations as to the facts supporting our recommendations and work products.
- We have a duty to discuss with you material risks, benefits, and alternatives we considered when determining what might serve your interests best.

Disclosure of Conflicts of Interest

A municipal advisor may not legally provide advice if certain **unmanageable conflicts** exist, such as providing financial advice and then purchasing related securities or engaging in kickback arrangements. Other *potential, yet manageable* conflicts of interest must be disclosed to you in writing, with sufficient detail and explanations of how we intend to manage or mitigate each conflict. There are several potential conflicts of interest that may apply to our engagement with you:

Compensation. All forms of compensation are viewed to represent a potential conflict of interest by the MSRB. Our Standard Fee Schedule incorporates several forms of compensation:

- **Fixed Fee.** This form of compensation represents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the financial advisor may suffer a loss. Thus, the advisor may recommend less time-consuming alternatives or fail to do a full analysis of alternatives.
- **Fee Based upon Principal Amount.** This form of compensation presents a conflict of interest because the advisor may have an incentive to advise the client to increase the size of the securities issue for the purpose of increasing the advisor's compensation.

- **Hourly Fee.** An hourly fee form of compensation presents a potential conflict of interest if the client and advisor do not agree on a reasonable maximum amount at the outset of each engagement, because the advisor does not have a financial incentive to recommend alternatives that would result in fewer hours worked.
- **Contingent Fee.** This form of compensation presents a potential conflict of interest because the advisor may have an incentive to recommend unnecessary financings or financings that are disadvantageous to the client. When facts or circumstances arise that could cause the financing to be delayed or fail to close, an advisor may have an incentive to discourage a full consideration of such facts and circumstances.

Our plan to mitigate conflicts of interest regarding compensation is to assure our standard fees reasonably reflect the expected costs of standard services, and to avoid a transaction-based relationship with our clients such that compensation on any one transaction is of secondary importance to maintaining a long-term relationship.

Executive Search Services. David Drown Associates, Inc. provides executive search services to units of government in Minnesota. In situations where an administrator was hired through our recruitment efforts and/or recommendations, we may be in a position to unduly influence that administrator's financial judgments or future decisions.

We have mitigated this conflict by instituting procedures which require review and approval by another senior level advisor of all written recommendations.

MN Rural Water Association. David Drown Associates, Inc. serves as the financial advisor MRWA's MIDI, MICRO and Interim Funding Programs. In that capacity, we process loan requests and serve as municipal advisor to borrowers seeking to utilize these funding programs. This relationship with MRWA represents a potential conflict of interest in that we have an incentive to recommend the use of these funding programs and to exclude due consideration of other options or alternatives.

We have mitigated this conflict of interest by agreement with MRWA that we will not process loans where other financing mechanisms are clearly superior, and we maintain internal procedures that explicitly include a review of other funding options before acting upon a loan request.

Scope of Service & Compensation

It is our intention for this Letter of Engagement to evidence a general, long-term relationship with you, as opposed to a relationship that is specific to only one transaction. We provide you a full range of customary financial advisory services without exclusion or limitation, and will honor our fiduciary duties to you in all aspects of our work. In cases where either of us wishes to limit the scope of our engagement – for example, where you have already reached a decision on a particular financing, or where we lack availability or expertise in a specific area – we will address this limitation by supplemental, written communication to you.

All compensation will be based upon the rates shown on the attached Standard Fee Schedule.

For Professionals seeking the “Issuer has hired an independent municipal advisor exemption”

Professionals such as attorneys, engineers and accountants and underwriters provide you with financial advice from time to time. To guard against being considered an unregistered municipal advisor, these professionals may ask you to confirm in writing that you are represented by and will rely on the advice of an *independent registered municipal advisor*.

David Drown Associates, Inc. hereby certifies we are a registered municipal advisor in good standing, with no associations or affiliations that will reasonably affect our independent judgment in evaluating proposals or advice you may receive from us or from other entities.

If the City is asked to provide written confirmation that the City has an independent registered municipal advisor, we suggest the following written response:

RE: Designation of Independent Registered Municipal Advisor

The City of Tracy has retained David Drown Associates, Inc. as our registered independent municipal advisor. Your firm provides or seeks to provide professional services and advice to the City with regard to the following project:

(insert general description of the project or transaction)

The City of Tracy is represented by and will rely upon the financial advice of David Drown Associates, Inc. with regard to this project or transaction. You are authorized and directed to copy David Drown Associates, Inc. on all communications with the City having to do with financial matters.

You are reminded of your requirement to provide a written disclosure to both the City and to David Drown Associates, Inc. that, because the City is represented by a registered independent municipal advisor, your firm is not subject to the fiduciary duty established in Section 15B(c)(1) of the Exchange Act with respect to the municipal financial product or issuance of municipal securities.

I would be happy to discuss any aspect of this letter and MSRB rules with you at your convenience.

Respectfully submitted,



Shannon Sweeney
David Drown Associates, Inc.

Acknowledgement

The undersigned hereby acknowledges receipt of this disclosure and that the governing board has been given the opportunity to raise questions and discuss the foregoing matters with the advisor.

City of Tracy, Minnesota

City Administrator

DDA Standard Fee Schedule

January 1, 2016

General Obligation Bond Issues:

<i>Principal Amount</i>	<i>Fiscal Fee</i>
0 to \$250,000	6,000
\$250,000 to \$500,000	7,500
\$501,000 to 1,000,000	9,000
\$1,000,000 to 1,500,000	10,000
\$1,500,000 to 2,000,000	11,000
\$2 to \$3 million	13,000
\$3 to \$4 million	15,000
\$4 to \$5 million	17,000
\$5 to \$10 million	\$17,000 plus \$1,000 per million
Over \$10 million	\$22,000 plus \$500 per million

The above fees are for a single, competitive issuance of G.O. Bonds. A private placement without an offering document will be discounted 20%. Fees for a current refunding will be increased by \$1,000. Client shall be responsible for other costs of issuance, including but not limited to bond counsel, pay agent/registrar, printing, rating agency, underwriter's discount, certificate fees and out-of-pocket expenses.

Revenue bonds, lease-purchase financings & advance refundings:

Because of the complicated nature of these transactions, fees are 150% of G.O. bonds.

Continuing Disclosure:

Full Disclosure: Annual fee is \$1,000 per year for each class of issues (G.O. bonds are one class) plus \$200 for each bond issue within that class up to an annual maximum of \$1,500 per class. The annual fee is waived if the Client has a recent Official Statement containing required information. Client is responsible for costs of a county auditor certificate, if required.

"Limited" Disclosure: Annual fee of \$200 for the filing requirements with MSRB/EMMA.

All new bond issues are subject to either Full or Limited Disclosure.

Tax Increment Financing & Tax Abatement:

Base fee to research, draft, process, and certify a typical TIF plan is \$5,500. Redevelopment districts are generally \$1,000 to \$2,500 higher, depending upon the numbers of parcels involved. Basic fee to negotiate and process a development agreement is \$1,500. Fee to complete annual TIF reports is \$1,500 for the first TIF district, and \$500 for each additional. Standard fee to process a Tax Abatement project is \$3,500. The client shall be responsible for out of pocket expenses and expenses of other professionals.

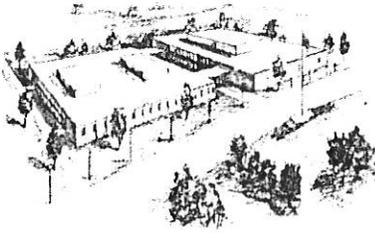
Hourly Service Rates:

	<u>Hourly Rate</u>
Principal	\$200
Senior Advisor	150
Associate	125
Clerical	60

Expenses:

Mileage	Federal mileage Rate
---------	----------------------

Tracy Area Public Schools No. 2904



Chad Anderson
Superintendent
(507) 629-5500
(507) 629-5507 Fax
andersonc@tracy.k12.mn.us

Michael Munson
Elementary Principal
(507) 629-5518
(507) 629-5525 Fax
munsonm@tracy.k12.mn.us

Kathy Vondracek
Secondary Principal
(507) 629-5500
(507) 629-5507 Fax
vondracekk@tracy.k12.mn.us

Bill Tauer
AD / Comm. Ed. Director
(507) 629-5500
(507) 629-5507 Fax
tauerb@tracy.k12.mn.us

Pat Sommervold
Finance Officer
(507) 629-5500
(507) 212-5507 Fax
sommervoldp@tracy.k12.mn.us

TO: Tracy City Council & City Administrator Mike Voteka
FROM: Chad Anderson, TAPS Superintendent
RE: VMC Revitalization Project
Date: Wednesday, January 20, 2016

The Tracy Area Public Schools Buildings and Grounds Committee members (Nicole Swanson, Ben Ludeman, and Rod Benson) would like to make the following proposal to the City of Tracy regarding the Veterans Memorial Center Gymnasium.

TAPS will pay for the following updates:

1. Replacement of the existing floor with a wood floor.
2. Replacement of the west bleachers with new bleachers.
3. Re-paint the interior of the gym.
4. Install acoustical panels in the interior of the gym.

In return for the VMC investment TAPS respectfully requests that we (TAPS) are not charged rent for ten years. This would be from July 1, 2016 through July 1, 2026.

Since a new wood floor is being installed, TAPS would suggest that the city address the leaks in the roof above the gym area.

Respectfully,



Chad Anderson
TAPS Superintendent

9B

Cc
TAPS Board
Bill Tauer, TAPS Activities/Community Education Director

“Education as a Lifestyle”

To: City Council

From: Mike Votca

Date: 1/12/15

Re: Repayment of Training Policy

9D

Honorable Mayor and City Council Members,

In the past years the aquatic center has made agreements with guards for repayment of ½ of their training expense if they completed 200 hours or teach two sessions of swimming lessons. An example of this agreement is attached for your clarification.

This type of agreement has the employee front the money for the training and the City repays the employee after the season is completed. This can create a hardship for certain people and decrease the number of lifeguards and WSI available to work for the City of Tracy.

In order to attract more lifeguards and WSI, I would like to make a recommended adjustment to our system. My recommendation is that the City of Tracy pays for 100% of the training cost up front for lifeguard training, lifeguard recertification, and Water Safety Instructor training. The City of Tracy will then deduct 50% of the cost of training from the employee's pay checks throughout the season. There must be some protection to the city from people taking advantage of this system. I do not think that the employees have total control over how many hours they work, so I feel the current system may not be fair to the employees. I think if an employee does not resign or gets terminated from working at the Aquatic Center, it should be considered that they met their obligation. For WSI Training, I recommend that the WSI should teach lessons during all three of our swimming lesson sessions, exception could be made for uncontrolled circumstances. The Aquatic Center Committee is in favor of this system and I recommend that the City Council adopt this policy to help us recruit and retain quality Aquatic Center Staff.



Michael J. Votca
City Administrator

Encl

TRAINING AGREEMENT (Example)

After training is complete, the City of Tracy agrees to pay one-half of the costs, including books and materials, for lifeguard training and/or WSI training. In order to qualify for training reimbursement the lifeguard employee will work 200 hours and the WSI will teach two (2) consecutive sessions during the 2014 swim season. In the event said employee does not work the required number of hours or work the required number of sessions, the City will deduct a pro-rated amount from your final pay check.

WITNESS:

Employee Signature

Supervisor

10 B

January 21, 2016

ASSET PURCHASE AGREEMENT

THIS AGREEMENT, made and entered into as of the _____ day of _____, 2015, by and between the CITY OF TRACY, MINNESOTA ("Tracy"), and SANFORD HEALTH NETWORK, a not-for-profit and §501(c)(3) corporation under the Internal Revenue Code, formed and organized under the laws of the State of South Dakota ("Sanford"), (each a "Party" and collectively, "Parties.")

WITNESSETH:

WHEREAS, Tracy owns a 25-bed critical access hospital (the "Hospital") and medical clinic in Tracy, Minnesota (collectively with the Hospital, the "Hospital Facilities"); and

WHEREAS, Sanford currently has a longstanding relationship with Tracy to operate the Hospital Facilities pursuant to that certain Lease and Agreement dated June 23, 1997 (as amended, the "Lease"); and

WHEREAS, pursuant to the terms of the Lease, Sanford has previously purchased from Tracy substantially all equipment, furniture, office furnishings and other operating assets related to the Hospital Facilities; and

WHEREAS, Tracy and Sanford have agreed upon terms and conditions for the sale and purchase of the Hospital Facilities and to terminate the Lease and desire to reduce their agreement to writing.

NOW, THEREFORE, FOR VALUABLE CONSIDERATION and in consideration of the mutual premises and covenants contained herein, Tracy and Sanford agree as follows:

1. **Forgiveness of Debt Obligations.** The parties acknowledge and agree that both parties have certain outstanding indebtedness or commitments owed to the other party. Upon Closing the transaction contemplated by this Agreement, Tracy and Sanford agree that certain of those rights and obligations as set forth below shall be revised or discharged consistent with the provisions of this Agreement.

1.1 Sanford shall forgive certain indebtedness owed by Tracy to Sanford in the amount of [\$ _____], such indebtedness related to [that certain Replacement Hospital Revenue Note, Series 2007, dated April 28, 2008, replacing the \$650,000 term loan to the City of Tracy, Minnesota by Sanford Health.]

Formatted: Highlight

1.2 Tracy and Sanford acknowledge and agree that Sanford has certain outstanding commitments to Tracy embedded in the Lease in the amount of \$[_____] (the "Amount"), associated with certain clinic expansion and improvements within the Hospital Facilities. Sanford shall pay to Tracy half of such Amount in cash at Closing. The remaining balance of the Amount shall be forgiven in full, with no further amounts owed from Sanford to Tracy with respect thereto.

Formatted: Indent: Left: 0.5", First line: 0.5", Space After: 6 pt

Formatted: Highlight

2. **Tracy Community Health Fund.** Tracy represents and warrants that it has collected and maintained a community health fund to benefit the city of Tracy, of which the fund balance is approximately \$[1,370,946.62] (the "Fund") as of the date of this Agreement. Sanford and Tracy agree that the Hospital Facilities are in need of certain capital improvements upon transfer of the Hospital Facilities to Sanford, of which Sanford will become responsible for upon the Closing, except as otherwise set forth herein ("Capital Improvements").

Formatted: Highlight

Formatted: Highlight

2.1 In connection with the foregoing, the parties agree that the Fund shall be apportioned and distributed as follows:

2.1.1 Sanford and Tracy agree that Tracy desires to retain Two Hundred Thousand Dollars (\$200,000) from the Fund for certain health-related initiatives within the City of Tracy. Tracy agrees to consult with Sanford prior to distributing and spending such funds on any health-related initiative within the City of Tracy, provided that such distributions may be made at Tracy's sole discretion.

2.1.2 Except as otherwise provided herein, Tracy agrees that it shall designate the remaining balance of the Fund ("Designated Funds") for future capital or other improvements by Sanford to the Hospital Facilities. Sanford agrees that it has evaluated the potential existing and future needs for said Capital Improvements to the Hospital Facilities and compiled a list of the same, a copy of which is attached hereto as Exhibit ~~___~~, B, such list having been reviewed and approved by Tracy (the "List"). The parties acknowledge and agree that said ~~list~~ List shall not be construed as all inclusive, rather it is provided by way of demonstration only of potential Capital Improvements that may be necessary immediately upon Closing or in the future.

2.1.2.1 The parties agree that approximately eighty percent (80%) of the Designated Funds will be used by Sanford for Capital Improvements as outlined on the List.

2.1.2.2 The parties agree that approximately twenty percent (20%) of the Designated Funds may be used by Sanford for other capital improvements to the Hospital Facilities as deemed necessary by Sanford to ensure continued hospital operations, it being understood and agreed upon between the parties that such capital improvements referenced in this subsection are not required to be included on the List.

2.2 Tracy agrees that Sanford shall have access to, and may request distribution of, the Designated Funds for Capital Improvements or other improvements as set forth above, provided that Sanford agrees it will submit invoices demonstrating such improvements and any expenditures associated therewith, as proof of the same. By way of example, such associated expenditures include, without limitation, engineering and planning costs. Tracy and Sanford agree that Sanford shall submit invoices to the City Administrator who will review the request and confirm either (i) inclusion on the list of Capital Improvements referenced above, or (ii) confirm that such expenditure is consistent with section 2.1.2.2 above. Following such review, Tracy shall submit reimbursement to Sanford or pay the invoice directly to the appropriate vendor. Further, Tracy agrees that it will, within thirty (30) days of receipt of an invoice for such expenditures, provide payment in full to Sanford or to the appropriate vendor from the Designated Funds to cover such costs and expenses.

2.3 For any improvement to the Hospital Facilities in which Sanford utilizes the Designated Funds to help pay for the costs and expenditures associated therewith, Sanford agrees that such improvement shall be maintained in good repair and working order by Sanford so long as such improvements remain a part of the Hospital Facilities.

Formatted: Indent: Left: 0.5", First line: 0.5"

2.4 Notwithstanding the foregoing, from and after the date of this Agreement and through and until Closing, Sanford and Tracy agree that certain Capital Improvements may be necessary to ensure adequate upkeep and maintenance of the Hospital Facilities. While it is not anticipated that such Capital Improvements will be necessary prior to Closing, Sanford agrees that Tracy may use the Designated Funds for such Capital Improvements; provided, however, that such use of Designated Funds shall be subject to prior consultation with, and approval by, Sanford, at its sole discretion. In the event such Capital Improvements are so approved by Sanford, the Parties understand and agree that Designated Funds shall decrease in an amount equal to the costs and expenses resulting from such Capital Improvements so approved.

Formatted: Indent: Left: 0.5", First line: 0.5", Space After: 6 pt

3. **Sale of Real Property/Survey.** Subject to the terms and conditions of this Agreement, Tracy shall grant and convey to Sanford via quitclaim deed at Closing the real estate and improvements thereto, as approximately and tentatively described on Exhibit ~~—A~~ attached hereto, comprising the Hospital Facilities and a parking lot south of said Hospital Facilities (collectively, the “Real Property”), it being understood and agreed upon between the parties that the final square footage, location, and property lines may be adjusted consistent with a survey of the Real Property and, if required, a new plat to be drawn and filed of record as set forth in this Agreement. The Parties agree that, upon execution of this Agreement, the Parties will obtain a survey of the Real Property to be transferred by Tracy to Sanford. Following such a survey, the parties will reasonably cooperate to determine whether the Real Property, or any portion thereof, will need to be platted or re-platted, and will reasonably cooperate to create a legal description related to the Real Property allowing transfer of the same. Tracy and Sanford agree that any such costs related to surveying and platting shall be borne solely by Tracy; provided, however, that Sanford acknowledges and agrees that any such costs or expenses related to the surveying and platting required under this Agreement may be deducted from the Fund by Tracy.

3.1 The parties acknowledge and agree that, due to the nature of the Real Property to be transferred by Tracy to Sanford, Sanford and the Economic Development Authority of the City of Tracy, Minnesota (the “EDA”), the owner of the property located to the west and adjacent to the Real Property, desire to execute certain mutual access and maintenance easements ~~may be necessary to ensure~~ (i) Sanford’s ownership and maintenance of existing buildings and structures located on the EDA’s adjacent property, together with parking and ingress and egress to and from the Real Property by the parties and said adjacent property by Sanford, the EDA and their respective agents, employees, invitees, and licensees, and (ii) the ingress and egress over, upon and across the Real Property by the EDA and its agents, employees, invitees, and licensees. Following the survey referenced in Section 3 above and prior to Closing, ~~the parties agree to~~ Sanford shall negotiate in good faith with the EDA to reach an agreement with respect to any such mutual access and maintenance agreements that may be necessary in an effort to carry out each party’s obligations under this Agreement, as well as to ensure the continued operation of the Hospital Facilities by Sanford. Any such mutual access and maintenance agreements resulting from the requirements of this Section 3.1 shall be executed by ~~the Parties~~ Sanford and the EDA at, or prior to, Closing. ~~Notwithstanding the foregoing~~ In addition, it is understood and agreed upon between the parties that any and all costs of maintenance or repair to the O’Brien Court walkway shall be borne solely by Sanford.

Formatted: Indent: Left: 0.5", First line: 0", Space After: 6 pt

Formatted: Font: Bold

4. Reserved.

5. Free and Clear. The Real Property shall be sold and transferred to Sanford free and clear of all liens, pledges, mortgages, charges, burdens, options or other rights to acquire the same, security interests, adverse claims, or other encumbrances of any character whatsoever, excepting easements and restrictive covenants of record.

6. Assumption of Liabilities. This Agreement is a purchase of the Real Property only, and Sanford is assuming no liabilities or obligations of Tracy except for those license agreements, service contracts, non-competition agreements, and other contractual rights as set forth in ~~Schedule~~ Exhibit C and agreed to by the Parties. In such an event, Sanford reserves the right to perform due diligence and review of any such agreements or contracts prior to Closing and, if Sanford so elects to assume such agreements or contracts, the Parties will enter into necessary assignment and assumption agreements with respect to such agreements and contracts.

7. Continuing Covenants of Sanford. From and after the Closing Date, Sanford covenants and agrees with Tracy as follows:

7.1. Sanford will create and administer an Advisory Board to consist of members of the Tracy community and surrounding region, including existing members of the Hospital Board of Trustees (to the extent they are willing to serve) (the "Advisory Board").

7.1.1. The Advisory Board will be expected to collect and provide feedback to assist Sanford in determining the healthcare needs of the community.

7.1.2. The Advisory Board shall meet no less frequently than quarterly, and such meetings shall be attended by the Hospital Administrator, and other invitees from time-to-time.

7.1.3. Sanford agrees that, prior to the discontinuation of any material health service currently provided at the Hospital Facilities, Sanford will consult with the Advisory Board regarding such discontinuation. Notwithstanding any of the foregoing, ultimate authority with respect to operation of the Hospital Facilities shall be and is hereby reserved to Sanford.

7.2. Sanford agrees that, through and until the earlier of seven (7) years from the date this Agreement is executed or the end of calendar year 2022, Sanford shall provide at least the same scope and breadth of material services at the Hospital Facilities as are provided on the date of Closing. Notwithstanding the foregoing, Sanford reserves the right to discontinue any material service prior to said period in the event such service becomes obsolete or not economically or clinically feasible, as determined by Sanford; provided, however, Sanford agrees that prior to discontinuation of any service, Sanford will consult with the City Administrator of the City of Tracy regarding the same and share with the City of Tracy Sanford's objective criteria in support of such conclusions.

7.3. Sanford agrees that from and after Closing, Sanford will continue to use the word "Tracy" within the Hospital Facilities' name when used for public purposes. Such requirement shall not require the legal entity to contain the word "Tracy," rather the word "Tracy" shall be used in exterior and interior signage and general marketing of the Hospital Facilities.

7.4. Sanford shall provide to Tracy reasonable access during normal business hours to any government data or records, as defined either by Minnesota Statutes Sections

13.02, Subd. 7, or 138.17, Subd. 1, created or received by Tracy prior to the Closing Date and transferred to Sanford under this Agreement (“Government Records”), to the extent Tracy legally requires such access in order to comply with its obligations under either Minnesota Statutes, Chapter 13, Government Data Practices Act or Minnesota Statutes, Section 138.163 et seq., Preservation and Disposal of Public Records Act (the “Government Records Acts”).

7.4.1. To the extent any such request is substantially beyond the scope of records production within the Hospital’s ordinary course of business, Tracy shall pay reasonable costs and expenses incurred by Sanford to comply.

8. Representations of Tracy. Tracy represents and warrants that the following are true and will be true as of the Closing Date:

8.1. Tracy is a municipal corporation organized under the laws of the State of Minnesota.

8.2. Tracy has all requisite power, authority and capacity to enter into this Agreement and perform the obligations hereunder.

8.3. The execution and delivery of this Agreement and the other agreements referenced herein have been duly authorized by the Tracy City Council in accordance with all applicable laws, statutes or ordinances.

8.4. This Agreement is valid, binding and enforceable against Tracy in accordance with its terms.

8.5. The execution and performance of this Agreement by Tracy in compliance with the provisions hereof does not violate any provision of law applicable to Tracy, or any administrative or court order or decree, and does not conflict with or constitute a default under the terms of any agreement to which Tracy is a party.

8.6. Tracy owns all of the Real Property to be acquired by Sanford, and at the transfer of possession all such Real Property shall be free and clear of all claims, liens, security interests or encumbrances whatsoever, except easements and restrictive covenants of record.

8.7. There is no litigation, proceeding or other investigation pending or, to the knowledge of Tracy, threatened against Tracy which would prevent consummation of the transaction contemplated by this Agreement or the transfer of title to the Real Property, or which arises from Tracy's ownership of the Real Property being purchased hereunder.

8.8. Tracy has paid or will pay in full when due all income, withholding, sales, social security, real estate and employment taxes due to the applicable governmental authorities, if any, up to the Closing Date and has filed any and all necessary tax returns.

8.9. Full and unencumbered title to the assets has previously been conveyed to Sanford upon origination of the Lease or will be conveyed on the Closing Date.

8.10. Except for Sanford or as otherwise disclosed in writing to Sanford upon execution of this Agreement, **[a]** there are no adverse or other parties in possession of the Real Property, or of any part thereof, and **[b]** no party has been granted by Tracy any license, lease or other right relating to the use or possession of the Real Property of any part thereof, except for easements and restrictions of record.

8.11. To the best of Tracy’s knowledge, the Real Property is currently appropriately zoned for operation of the Hospital Facilities or, upon closing, will be so appropriately zoned.

8.12. To the best of Tracy's knowledge, no portion of the Real Property is designated as a wetlands area.

8.13. To the best of Tracy's knowledge, access from the Real Property to adjoining streets, roads, highways, and any adjacent public right-of-way is not restricted in a manner that would prevent access to and from the Real Property or the Hospital Facilities.

8.14 All of the information, records, and documents which Tracy has provided to Sanford in connection with the transaction provided herein are true, accurate and complete, do not omit any material information concerning the Hospital Facilities or the Real Property, and do not omit any material facts necessary in order to make the information, records, and documents provided to Sanford not misleading.

8.15 To the best of Tracy's knowledge, Tracy is not aware of any other information or fact which is of an adverse nature with respect to ownership of the Hospital Facilities and Real Property or which Sanford would reasonably be expected to consider in entering into this transaction.

8.16. To the best of Tracy's knowledge, Tracy has all necessary environmental permits and approvals with respect to the Real Property, and the Real Property is in compliance with all applicable federal, state and local environmental statutes and regulations.

8.17. To the best of Tracy's knowledge, as of the Closing Date the Real Property is in compliance with all applicable environmental laws, ordinances and regulations and is free of contaminants. For the purposes of this Agreement, contaminant is any petroleum product or petroleum derivative or mixture, or any regulated pollutant or substance as defined in any applicable environmental law or regulation.

9. **Survival of the Representations, Warranties and Covenants.** All representations, warranties and covenants expressed herein shall survive Closing of this Agreement.

10. **Purchase and Transfer of Real Property Only; Mutual Indemnity.** This Agreement is for the purchase and transfer of Real Property only, and Sanford is not agreeing to assume and shall not be responsible for any liabilities of Tracy except as otherwise set forth in this Agreement.

Formatted: Not Highlight

10.1. Tracy shall indemnify Sanford and hold Sanford harmless from any claims, demands, liabilities or expenses (including attorneys' fees) which are liabilities of Tracy or which accrue or arise out of the intentional acts of Tracy's officers, agents, and employees or from any breach by Tracy of the representations and warranties provided in section "____" of Section 8 of this agreement Agreement.

10.2. Sanford shall indemnify Tracy and hold Tracy harmless from any claims, demands, liabilities or expenses (including attorneys' fees) which are liabilities of Sanford or which accrue or arise out of Sanford's operation of the Hospital or its ownership of the Real Property from and after the Closing Date.

11. **Conditions Precedent to Sanford's Obligations.** The obligations of Sanford to consummate the transactions contemplated by this Agreement are subject to the condition precedent that Sanford shall have received, on or prior to the Closing Date, all of the following (unless waived in writing by Sanford), each in form and substance satisfactory to Sanford:

11.1. **Resolution(s)/ordinance(s).** Resolution(s) and/or ordinance(s) of the City Council of Tracy, if required to fulfill the purpose of this Agreement, authorizing and

approving the transactions contemplated hereby, including, but not limited to, approval of any and all variances for zoning or setback requirements as may be requested by Sanford.

11.2. Reserved.

11.3. Lien Search. The results of Uniform Commercial Code, tax and judgment lien searches showing all liens on file against Tracy in such jurisdictions as Sanford may reasonably request at the expense of Sanford.

11.4. Reserved.

11.5. Approvals and Consents. Copies of all approvals and consents or notice to or filings with any governmental authority required in connection with the transactions contemplated hereunder.

~~11.6. Reserved.~~

11.6. Mutual Access and Maintenance Easements. Sanford and the EDA shall have executed any and all necessary mutual access and maintenance easements pursuant to Section 3.1 above, and the same shall be recorded with the Lyon County Recorder on or immediately following the Closing Date.

11.7. Quit Claim Deed(s). Quit Claim Deed(s) and other title transfer documents, in form and substance satisfactory to Sanford, transferring Tracy's title and interest in and to the Real Property to Sanford. Sanford and Tracy agree that Tracy shall prepare said Quit Claim Deed(s) in a manner satisfactory to Sanford, at Tracy's sole cost and expense. Sanford shall be responsible for the costs associated with recording the Quit Claim Deed(s) and shall also be responsible for any state deed tax resulting from this transaction.

11.8. Abstracts. Such Abstract(s) of Title to the Real Property that Tracy possesses, certified to date to include proper searches covering bankruptcies and state and federal judgments, federal court judgment liens in favor of the U.S., liens and levied and pending special assessments and showing good and marketable of record in Tracy, to be certified at Tracy's expense and delivered to Sanford not more than 60 nor less than 30 days prior to Closing, after which delivery Sanford shall have 15 business days to examine the title and to raise objections to title, if any, or any such objections shall be deemed waived. Sanford agrees that any costs associated with the updating the abstracts shall be Sanford's sole cost and expense.

11.9. Title Insurance. If Sanford elects and at its expense, an ALTA owner's title insurance policy (including endorsements deleting the standard exceptions and agreeing to provide affirmative insurance in respect of zoning) insuring the Real Property for its fair market value, at usual and customary premiums, and subject to no exceptions or encumbrances other than those reasonably acceptable to Sanford. To the extent that policies are required for parcels or subparcels as a result of missing abstracts, Tracy shall pay fifty percent of any title premium with respect to such parcels or subparcels.

11.10. Survey/Platting. A survey of the Real Property shall be completed in accordance with Section 3 of this Agreement and be satisfactory to Sanford. In the event it is determined that the Real Property is required to be platted or re-platted as the case may be, such plat shall be completed to the satisfaction of Sanford, approved by the appropriate authorities charged with approving said plat, and filed of record at the Lyon County Recorder's office. Tracy and Sanford agree that any and all associated costs of surveying and platting the Real Property shall be borne solely by Tracy; provided, however, that Sanford acknowledges and agrees that any such costs or expenses related to the surveying and platting required under this Agreement may be deducted from the Fund by Tracy.

Formatted: No underline

11.11. Phase I and/or Phase II Environmental Assessments. Sanford may, at its sole expense, obtain Phase I and/or Phase II Environmental Assessment report(s), in form and substance reasonably satisfactory to Sanford, from an independent environmental engineer chosen by Sanford relating to the Real Property.

11.12. Completion of Review. Sanford shall have completed, and deemed satisfactory in all material respects, its due diligence review of the Real Property.

11.13. Casualty. The Real Property shall not have suffered any material casualty, damage or destruction that has not been repaired after execution of this Agreement but prior to the Closing Date.

12. Conditions Precedent to Tracy's Obligation. The obligation of Tracy to complete the transactions contemplated by this Agreement are subject to the following conditions precedent:

12.1. The taking effect of an ordinance introduced and adopted by the Tracy City Council authorizing the sale and conveyance of the Real Property pursuant to this Agreement.

12.2. Sanford shall have delivered to Tracy [a] all monthly payments due under and pursuant to the Lease, prorated to the Closing Date.

13. Right of First Refusal. Tracy shall retain a right of first refusal with respect to the Real Property. In the event Sanford receives, and desires to accept, a bona fide offer to purchase such real property from a third party unaffiliated with Sanford ("Offer"), then Tracy shall have a first right of refusal to purchase such property at the same price and on the same terms of the Offer ("RFR").

13.1. Sanford shall send to the Mayor and to the City Administrator of Tracy, by registered mail, [a] a copy of the Offer, [b] a notice requiring Tracy to accept the offer in writing and to sign a suitable contract to purchase such property on such identical terms ("Contract") within the period of forty-five (45) days after the mailing of the notice, [c] at least two counterparts of the Contract signed on behalf of Sanford and tendered to Tracy for acceptance, and [d] a release of the RFR as to that Offer only, submitted in recordable form ("RFR Release").

13.2. Within said 45-day period Tracy shall execute and deliver to Sanford either [a] one counterpart of the Contract, if Tracy intends to exercise the First Right and to purchase said real property from Sanford, or [b] the Release, if Tracy elects to not exercise its RFR and to allow Sanford to close the sale of said real property to the offeror of the Offer.

13.3. If Sanford's sale of said real property to the offeror of the Offer does not close, Tracy shall have the RFR as to each and every subsequent Offer that is received by and is acceptable to Sanford.

13.4. If Tracy exercises its right to purchase pursuant to the RFR, Closing shall occur according to usual and customary real estate sales transactions in Minnesota.

14. Assignment. This Agreement is made for the benefit of the parties hereto; and neither party may assign this Agreement, or any part thereof, or delegate any duty or obligation imposed by this Agreement, without the express, written consent of the other party hereto; *provided*, however, that Sanford may assign this Agreement to any affiliate of, or any entity under common control with, Sanford.

Formatted: Space After: 6 pt

15. Closing. The Closing of the transactions contemplated hereunder and the transfer of the Real Property by Tracy to Sanford shall take place at a time and place mutually agreeable to the parties in Tracy, Minnesota, on the date which is the later of [a] _____, ~~2015~~2016; [b] satisfaction of the conditions precedent set forth above (the "Closing Date" or "Closing").

15.1. Postponement. Notwithstanding the foregoing, if Sanford makes any objections with respect to the marketability of any of the Real Property, the Closing Date may be delayed for a period not to exceed ninety (90) days, during which period Tracy may seek to remedy such deficiency.

15.2. Risk of loss. All risk of loss with respect to the Real Property shall remain with Tracy until Closing, subject to the terms of the Lease.

16. Events of Default and Remedies. In the event that either party hereto fails to perform any of the terms and conditions of this Agreement on its part to be performed as herein above provided for, or if any of its representations or warranties prove to be materially or substantially incorrect or false, the other party, at its option, may [a] deem this Agreement to be terminated and void, [b] be entitled to damages for such default as determined by a court of law, or [c] be entitled to receive a decree of specific performance of this Agreement. All of such remedies shall be cumulative.

17. Representations and Warranties of Sanford. Sanford represents and warrants that:

17.1. Sanford is a corporation organized under the laws of the State of South Dakota and Sanford has taken all necessary steps to be registered to do business in the State of Minnesota.

17.2. Sanford has all requisite power, authority and capacity to enter into this Agreement and perform the obligations hereunder. The execution and delivery of this Agreement and the other agreements referenced herein have been duly authorized.

17.3. This Agreement is valid, binding and enforceable against Sanford in accordance with its terms.

17.4. The execution and performance of this Agreement by Sanford in compliance with the provisions hereof does not violate any provision of law applicable to Sanford, or any administrative or court order or decree, and does not conflict with or constitute a default under the terms of any agreement of which Sanford is a party.

Formatted: Keep with next, Keep lines together

Formatted: Space After: 6 pt

18. Invalid Provisions and Waiver. If any term, restriction, or covenant of this Agreement is deemed illegal or unenforceable, all other terms, restrictions and covenants hereof shall remain unaffected to the extent permitted by law. No waiver of any provision of this Agreement shall be deemed to be a waiver of subsequent performance of the same provision of this Agreement or a waiver of any other provision of this Agreement.

19. Publicity. The timing and content of any announcements, press releases, or other public statements concerning the transaction contemplated herein or related matters will occur upon, and be determined in advance by, mutual agreement and consent of the parties. Sanford and Tracy will work in conjunction on any public disclosure of information so as not to violate any Minnesota open meeting or public disclosure laws. Notwithstanding the foregoing, nothing in this section shall prohibit any party from making any disclosure which, in the opinion of counsel to such party, is required by law.

20. Notices. All notices or demands given or required to be given hereunder shall be in writing and sent by United States registered or certified mail, postage prepaid, addressed to:

Tracy: City of Tracy

Attn: _____

Formatted: Keep with next, Keep lines together

With a copy to: _____

Formatted: Keep with next

Sanford: Sanford Health Network
P.O. Box 5039
Sioux Falls, SD 57117-5039

With a copy to: Kim J. Patrick, Esq.
Chief Legal Officer
Sanford Health
P.O. Box 5039
Sioux Falls, SD 57117-5039

Formatted: Don't keep with next, Don't keep lines together

Formatted: Keep with next, Keep lines together

provided that any party by like written notice may designate different addresses to which subsequent notices shall be sent.

21. Successors and Assigns. All of the covenants and agreements contained herein shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

22. Lease. The terms and conditions of the Lease shall remain in full force and effect (as amended hereby) pending the Closing of the transactions contemplated by this Agreement, on which Closing Date the Lease shall terminate, subject to the following:

22.1. Effective as of the Closing Date, [a] the terms and conditions of the Lease and all obligations thereunder shall be terminated, provided that Sanford shall have made all lease payments due thereunder, prorated to the Closing Date, and [b] each party shall be released from any further obligations thereunder.

Formatted: Space After: 6 pt

23. Miscellaneous Provisions.

23.1. Interpretation. Unless the context otherwise requires, all words in this Agreement in the singular number shall extend to and include the plural, all words in the plural number shall extend to and include the singular, and all words used in any gender shall extend to and include all genders.

23.2. Execution of Additional Documents. All parties hereto agree to execute any and all additional documents necessary to effectuate the terms and conditions of this Agreement.

24.3. Entire Agreement. This instrument contains the entire agreement between the parties hereto and supersedes any and all prior understandings, representations, warranties or agreements relating to the purchase of the Real Property, whether written or oral.

23.4. Amendments. This Agreement may be amended at any time by mutual agreement of the parties, provided that before any amendment shall be operative or valid it shall have been reduced to writing and signed by both parties.

23.5. Third-Party Beneficiaries. The parties acknowledge and agree that there are no intended third-party beneficiaries to this Agreement.

23.6. Expenses. Each party hereto shall pay its own expenses, including without limitation accounting and attorneys' fees, in connection with this Agreement, whether or not consummated.

23.7. Counterparts. This Agreement may be executed in any number of counterparts (by facsimile or otherwise), each of which when so executed and delivered shall be deemed to be an original and all of which counterparts of this Agreement taken together, shall constitute but one and the same instrument.

23.8. Disputes. In the event of any litigation regarding the interpretation or enforcement of any provision of this Agreement, the prevailing party in such litigation shall be awarded reasonable attorneys' fees of the other incurred in the prosecution of such claim.

← Formatted: Keep with next

IN WITNESS WHEREOF, the parties hereto have set their hands effective as of the day and year first above written.

SANFORD:
SANFORD HEALTH NETWORK

TRACY:
CITY OF TRACY, MINNESOTA

By _____
Its _____

By _____
_____, Mayor

By _____
_____, City Administrator

←----- **Formatted:** Don't keep lines together

←----- **Formatted:** Don't keep with next, Don't keep lines together

EXHIBIT LIST

Exhibit A	Real Property
Exhibit B	Capital Improvements List
<u>Exhibit C</u>	<u>License Agreements, Service Contracts, Non-Competition Agreements, and Other Contractual Rights Assumed by Sanford</u>

EXHIBIT A

Real Property

Hospital Facilities:

Formatted: Left

That part of the Southeast Quarter (SE1/4) of the Northwest Quarter (NW1/4) of Section Twenty-four (24), Township One Hundred Nine (109), Range Forty (40), City of Tracy, Minnesota, described as follows:

Beginning at a point at the Southeast corner of Lot Five (5), Block Two (2), Sunrise Addition, thence Easterly on a line parallel to the North line of State Street extended a distance of 540 feet; thence Southerly on a line parallel to the East line of sunrise Addition, a distance of 448.3 feet; thence Westerly along the South line of the Southeast Quarter (SE1/4) of the Northwest Quarter (NW1/4) of Section Twenty-four (24), Township One Hundred Nine (109), Range Forty (40), a distance of 540 feet; thence Northerly along the East line of Sunrise Addition a distance of 446 feet to the point of beginning.

EXCEPTING THEREFROM,

The Westerly Two Hundred Forty (240) feet of the following described tract:

That part of the Southeast Quarter (SE1/4) of the Northwest Quarter (NW1/4) of Section Twenty-four (24), Township One Hundred Nine (109), Range Forty (40), City of Tracy, Minnesota, described as follows:

Beginning at a point at the Southeast corner of Lot Five (5), Block Two (2), Sunrise Addition, thence Easterly on a line parallel to the North line of State Street extended a distance of 540 feet; thence Southerly on a line parallel to the East line of sunrise Addition, a distance of 448.3 feet; thence Westerly along the South line of the Southeast Quarter (SE1/4) of the Northwest Quarter (NW1/4) of Section Twenty-four (24), Township One Hundred Nine (109), Range Forty (40), a distance of 540 feet; thence Northerly along the East line of Sunrise Addition a distance of 446 feet to the point of beginning, EXCEPT the North Sixty-six (66) feet and the South Thirty-three (33) feet of the above described real property, all being in the City of Tracy.

South Parking Lot:

Lot 4, Block 2 in the Eastview Addition to the City of Tracy, County of Lyon, Minnesota.

Lot 5, Block 2 in the Eastview Addition to the City of Tracy, County of Lyon, Minnesota.

Lot 6, Block 2 in the Eastview Addition to the City of Tracy, County of Lyon, Minnesota.

EXHIBIT B
Capital Improvements List



EXHIBIT C

License Agreements, Service Contracts, Non-Competition Agreements, and Other Contractual
Rights Assumed by Sanford

Formatted: Centered, Indent: Left: 0", First line: 0", Tab stops: 0", Left + Not at 1.5"

MUTUAL ACCESS AND MAINTENANCE EASEMENT

THIS MUTUAL ACCESS AND MAINTENANCE EASEMENT (hereinafter “Easement”) is made this ____ day of _____, 2016, by and between SANFORD HEALTH NETWORK, a South Dakota non-profit corporation (“*Sanford*”) and, The ECONOMIC DEVELOPMENT AUTHORITY, CITY OF TRACY, MINNESOTA (“*EDA*”).

RECITALS:

WHEREAS, Sanford is the owner of the following described real estate:

That part of the Southeast Quarter (SE1/4) of the Northwest Quarter (NW1/4) of Section Twenty-four (24), Township One Hundred Nine (109), Range Forty (40), City of Tracy, Minnesota, described as follows:

[Insert Sanford Legal Description]

which real property is herein referred to as the “*Sanford Property*”; and

WHEREAS, EDA is the owner of the following described real estate:

[Insert EDA Legal Description]

which real property is herein referred to as the “*EDA Property*”; and

WHEREAS, Sanford requires access to that portion of the EDA Property identified in Section 2 for purposes of accessing, maintaining, and occupying existing buildings and structures in the EDA Easement Area (as defined below), together with parking and ingress and egress with respect to Sanford’s use of the Sanford Property; and

WHEREAS, EDA requires access to that portion of the Sanford Property identified in Section 4 for purposes of ingress and egress with respect to EDA’s use of the EDA Property; and

WHEREAS, The parties are desirous of entering into this Easement for purposes of providing Sanford and its employees, contractors, agents and invitees access to, and use and ownership of, certain buildings and structures in the EDA Easement Area, together with parking, ingress, and egress over, upon and across the EDA Easement Area; and

WHEREAS, The parties are desirous of entering into this Easement for purposes of providing EDA and its employees, contractors, agents and invitees ingress and egress over, upon and across the Sanford Easement Area (as defined below).

NOW, THEREFORE, for One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by both parties hereto and in consideration of the premises set forth herein, the parties agree as follows:

1. EDA Grant of Easement. EDA hereby irrevocably grants to Sanford and its employees, contractors, invitees, successors, and assigns, a non-exclusive access easement upon the EDA Easement Area. Said easement shall be for the purpose of providing access to maintain, occupy, and own those existing buildings or structures labeled as oxygen, biobuilding and shed on Exhibit A, which is attached hereto and incorporated herein by this reference, together with parking, ingress and egress, for vehicles and pedestrians, over, upon, and across the EDA Easement Area. Neither party shall construct any barricade, building, or other improvement upon the EDA Easement Area, or otherwise take any action which impedes or prohibits the use of such EDA Easement Area by the other party.

2. EDA Easement Area. The easement established and granted in Section 1 above shall be limited to that specific portion of the EDA Property depicted and labeled on Exhibit A as Access Easement #1 (the "EDA Easement Area").

3. Sanford Grant of Easement. Sanford hereby irrevocably grants to the EDA and its employees, contractors, invitees, successors, and assigns, a non-exclusive access easement upon the Sanford Easement Area. Said easement shall be for the purpose of providing ingress and egress, for vehicles and pedestrians, over, upon, and across the Sanford Easement Area. Neither party shall construct any barricade, building, or other improvement upon the Sanford Easement Area, or otherwise take any action which impedes or prohibits the use of such Sanford Easement Area by the other party.

4. Sanford Easement Area. The easement established and granted in Section 3 above shall be limited to that specific portion of the Sanford Property depicted and labeled on Exhibit A as Access Easement #2 (the "Sanford Easement Area").

5. Duration. The duration of this Easement shall be perpetual.

6. Repairs and Maintenance. Sanford shall be responsible, at its sole expense, for all routine repairs, maintenance, snow removal, and upkeep of the EDA Easement Area, together with all repairs, maintenance and/or replacement, if necessary in Sanford's sole discretion, of the oxygen tank(s), biobuilding and shed located on the EDA Easement Area. In addition, Sanford

shall be responsible, at its sole expense, for all routine repairs, maintenance, snow removal, and upkeep of the Sanford Easement Area so long as such repairs and/or maintenance are not caused by EDA, its employees, contractors, agents or invitees.

7. Capital Improvements. Except as set forth in Section 6 above with respect to the oxygen tank(s), biobuilding and shed, EDA will be responsible, at its sole expense, for all capital improvements to the EDA Easement Area (as the term “capital improvements” is defined under Generally Accepted Accounting Principles), including without limitation, resurfacing, seal coating, and reconstructing the EDA Easement Area. Except as set forth in Section 6 above, Sanford will be responsible, at its sole expense, for all capital improvements to the Sanford Easement Area (as the term “capital improvements” is defined under Generally Accepted Accounting Principles), including without limitation, resurfacing, seal coating, and reconstructing the Sanford Easement Area.

8. Indemnification. Sanford agrees to indemnify, defend and hold harmless the EDA and its officers, directors, employees, successors and assigns from and against all costs, claims, expenses, and losses arising from or related to: (i) Sanford’s breach of this Easement; (ii) Sanford’s use of the EDA Easement Area and/or the Sanford Easement Area; and (iii) Sanford’s negligence and willful misconduct.

EDA agrees to indemnify, defend and hold harmless Sanford and its officers, directors, employees, affiliates, successors and assigns from and against all costs, claims expenses, and losses arising from or related to: (i) EDA’s breach of this Easement; (ii) EDA’s use of the Sanford Easement Area and/or the EDA Easement Area; and (iii) EDA’s negligence and willful misconduct.

9. Easement to Run With Land, Benefit. This Easement shall run with the land and shall inure to the benefit of and be binding upon both of the parties and their respective successors and assigns.

10. Easement Not To Benefit Public. The easement granted herein is intended to benefit only the parties hereto and is not intended to be a dedication to the public.

11. Amendment. This Easement may not be amended or modified without the prior written consent of both parties.

12. Recording. This Easement shall be recorded of record with the Lyon County Recorder’s office.

13. Entire Agreement. This Easement embodies the entire agreement of the parties with regards to the subject matter contained herein.

EXHIBIT A

Depiction of Easement Areas



Waconia Office
2078 Feather Circle
Waconia, MN 55387
(952) 442-5821; fax (952) 442-8838
Email: shannon@daviddrown.com

January 21, 2016

City of Tracy
Attn: Mike Votca, City Administrator
336 Morgan Street
Tracy, MN 56175

11A

RE: Refinance of G.O. Housing Development Bonds - Series 2010A

Dear Mr. Votca:

Per our previous discussions we have continued to monitor interest rates to determine if savings can be achieved through the refinance of the remaining principal balance of the General Obligation Housing Development Bonds – Series 2010A.

Based on a review of interest rates on January 19, 2016 - R.W. Baird, an underwriting firm that purchases municipal bond issues, indicated that rates were sufficient to produce up to \$94,511 in net present value savings. On January 20, 2016 the EDA acted on a new triggering resolution authorizing the board chair and executive director to execute a bond purchase agreement if savings of at least \$50,000 (net present value) can be achieved on a refunding issue.

This strategy is not without risk in that if interest rates continue to rise, savings could be eliminated completely and the City could be stuck with a credit rating that cannot be used. The cost of the credit rating is estimated at approximately \$9,000. We can reduce this risk by being prepared to lock interest rates with an underwriter immediately following the completion of the rating process.

Enclosed for City Council consideration is a triggering resolution prepared with similar terms as recommended by the EDA. I have also enclosed an engagement letter that describes the responsibility that David Drown Associates, Inc. has to the community when providing advice on financial transactions.

I am available to discuss alternatives at your convenience. If I can be of any assistance in answering questions regarding the information provided, please feel free to contact me at your convenience.

Sincerely,

A handwritten signature in cursive script that reads 'Shannon Sweeney'.

Shannon Sweeney
David Drown Associates, Inc.

RESOLUTION NO 2016-4

RESOLUTION APPROVING THE ISSUANCE OF UP TO
\$1,240,000 G.O. REFUNDING BONDS, SERIES 2016A SUBJECT
TO THE APPROVAL OF THE MAYOR AND CITY ADMINISTRATOR
AND RATIFICATION BY THE CITY COUNCIL

BE IT RESOLVED by the City Council of the City of Tracy, State of Minnesota (herein, the "City"), as follows:

1. The City Council hereby finds and declares that it is necessary and expedient for the City to sell and issue its fully registered general obligation refunding bonds in the total aggregate principal amount of not to exceed \$1,240,000 (herein, the "Bonds"). The proceeds of the Bonds will be used, together with any additional funds of the City which are required for the refinancing of the outstanding maturities of the \$1,235,000 Housing Development Bonds, Series 2010A (City of Tracy, MN General Obligation).
2. The City Council desires to proceed with the sale of the Bonds by direct negotiation and hereby authorizes David Drown Associates, Inc. (herein, "DDA") to negotiate on behalf of the City.
3. The Mayor and the City Administrator are hereby authorized to approve the sale of all or a portion of the Bonds and to execute a bond purchase agreement for the purchase of the Bonds provided the total net present value savings (calculated by bond yield) are at least \$50,000.
4. Upon approval of the sale of the Bonds by the Mayor and the City Administrator, the City Council and Economic Development Authority will take action at their next regularly scheduled meeting thereafter to adopt the necessary approving resolution(s) as prepared by the City's bond counsel.
5. DDA is authorized to prepare an Official Statement related to the sale of the Bonds and to work with the City on the purchase of a Standard and Poor's bond rating.
6. If the Mayor and City Administrator have not approved the sale of the bonds and executed the related bond purchase agreement by June 1, 2016 this resolution shall expire.

PASSED AND ADOPTED by the Tracy City Council this 25th day of January 2016.

Mayor

ATTEST:

City Administrator

Tracy Economic Development Authority
December 17, 2015
Minutes

12B

Dennis Fultz called the Meeting to order at 7:00 A.M.

Members present: Sis Beierman, Bill Chukuske, Dennis Fultz, Sarah Willhite, Kurt Enderson Tam Schons. Members absent: Tom Dobson. Also present: Mike Votca, Tara Onken

A motion was made by Bill Chukuske and seconded by Tam Schons to approve the December 4th, 2015 Minutes. All voted in favor of the motion.

Shannon Sweeney of David Drown Associates joined the meeting via phone to explain the refinancing of G.O. Housing Development Bonds and gave an overview of the situation. He let us know to obtain a credit rating takes 3 weeks and costs approximately \$9,500. No formal decisions were made at the time.

Onken gave an update that Business Retention and Expansion Surveys are underway, with 4 complete thus far, and many scheduled for January. All board members are encouraged to attend at least one or a couple interviews, if possible.

Dennis will set up a meeting with Ralco and include the Ralco sub-committee (Bill, Jim, Dennis and Tara) to discuss future possibilities with Ralco in the Tracy area.

Onken requested that EDA Meetings be moved to Wednesdays to provide ample time in the work week for follow up, and to save her a driving trip to Tracy each week. A motion was made by Dennis Fultz and seconded by Bill Chukuske to change the meeting day from Friday a.m. to Wednesday a.m. All voted in favor of the motion.

Bill gave an update that we have 2 current applications processed for the townhomes, and have 3 vacancies as of January.

A motion was made by Bill Chukuske and seconded by Sis Beierman to adjourn the meeting. All voted in favor of the motion.

The meeting was adjourned at 7:40 AM.

Respectfully Submitted,

Tara Onken

Tracy Relief Association
12/5/2015
Regular Meeting

12C

President Vogl called to order the regular meeting of the Tracy Relief Association with Chief Johnson, Adam Connor, Kevin Nordsiden, Carl Nyquist, Clay Carron and Adam Hanson present

Reading of Minutes: Approved as read.

Treasures Report: 11/1/2015 beginning balance \$28,800.00, 11/30/2015 ending balance of \$28,800.00. Approved as read.

Investments: Investments as of 12/4/2015 \$369,310.49 loss of \$1140.51. Bremer will send a copy of Investment information to City of Tracy and Accountant.

New Business:

Membership: Application from Adam Bruder will continue to layover until there is an opening.

Retirements: None

Committee Report: Going good.

Bills: None

Election of officers:

Current officers:

President: David Vogl

Vice President: Clay Caron

Treasurer: Adam Conner

Secretary: Kevin Nordsiden

Trustee: Carl Nyquist

Trustee: Adam Hanson

Nominations for Officers:

President: David Vogl Motion made by Chief 2nd by Lichty to cast a unanimous ballot for President. Voted and Carried.

Vice President: Clay Caron Motion made by Chief 2nd by Hanson to cast a unanimous ballot for Vice President. Voted and Carried.

Treasurer: Adam Conner Motion made by Chief 2nd by Rolling to cast a unanimous ballot for Treasurer. Voted and Carried.

Secretary: Adam Hansen Motion made by Chief 2nd by Rolling to cast a unanimous ballot for Secretary. Voted and Carried.

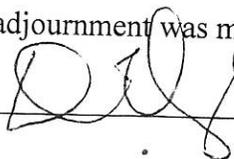
Trustee: Carl Nyquist Motion made by Chief 2nd by Lichty to cast a unanimous ballot for Trustee. Voted and Carried.

Trustee: Kevin Nordsiden Motion made by Chief 2nd by Lichty to cast a unanimous ballot for Trustee. Voted and Carried.

Old Business: None

Motion for adjournment was made by Chief and 2nd by Rolling. Voted and carried.

President:



Secretary:

